

## Poll: Support Sags For SS Reform

NEW YORK, March 2, 2005

Since beginning his second term in office in January, President Bush has promoted his proposal to change the current Social Security system to include personal investment accounts. The public's reaction has been lukewarm; while most feel that the current Social Security system may be unworkable for the next generation and needs to be changed, Americans do not describe the system as in crisis, and are dubious as to whether the President's personal investment accounts are the best solution.

In fact, a third of Americans think personal accounts would exacerbate the budget deficit -- which nine in 10 Americans say is a serious concern -- and just one in 5 thinks they would improve Social Security's solvency. More Americans favor raising the cap on income subject to Social Security taxation and raising the amount of the tax than think personal investment accounts are a good idea.

### THE PRESIDENT'S SOCIAL SECURITY PROPOSAL

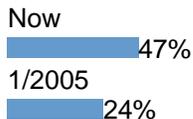
President Bush's campaign to reform the Social Security system has increased public attention to the issue in the past month. Seven in 10 Americans have now heard at least some about Bush's proposal to change Social Security (including one in five who have heard a lot), a jump of 31 points from 37 percent just a month ago.

### HEARD ABOUT BUSH'S SOCIAL SECURITY PROPOSAL

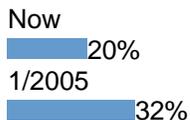
#### A lot



#### Some



#### Not much



#### Nothing



But support for Bush's plan to partially privatize the Social Security system remains low. 43 percent now think allowing individuals to invest a portion of their Social Security taxes themselves is a good idea, the lowest level of support for partial privatization since this poll began asking the question four years ago. 51 percent now say it is a bad idea.

**ALLOWING PEOPLE TO INVEST THEIR SOCIAL SECURITY TAXES IS:**

**Good idea**

Now 43%  
1/2005 45%  
1/2002 54%  
6/2001 48%

**Bad idea**

Now 51%  
1/2005 50%  
1/2002 39%  
6/2001 46%

Support for privatization drops even lower when people are asked to consider some possible consequences. Only 22 percent think privatization is a good idea if it would mean the guaranteed benefit paid to retirees would be reduced by as much as a third, and just 17 percent support privatization if it would increase the federal budget deficit as a result.

**ALLOWING PEOPLE TO INVEST THEIR SOCIAL SECURITY TAXES IS:**

Good idea if guaranteed benefits are cut 22%  
Bad idea if guaranteed benefits are cut 69%

Good idea if it would increase budget deficit 17%  
Bad ideas if it would increase budget deficit 73%

The public is unconvinced that partial privatization of Social Security will improve the program's overall financial situation. 19 percent think it would, but 45 percent think privatization would worsen the program's financial situation, and a quarter thinks it would have no impact.

**ALLOWING PEOPLE TO INVEST THEIR SOCIAL SECURITY TAXES WOULD:**

Improve Social Security's financial situation  
 19%  
Worsen Social Security's financial situation  
 45%  
Have no impact  
 24%

There is a correlation between support for privatization and the perceived effect that would have on the system's financial well-being. Eight in 10 of those who think privatization would improve the Social Security program's financial situation think it's a good idea, while three quarters of those who believe privatization would make the program's financial situation even worse say it's a bad idea.

The public also has mixed views on how Social Security privatization would affect the federal budget deficit. By two to one, more think it would increase the budget deficit than say it would decrease the deficit. 35 percent think it would have no impact on the budget deficit.

**ALLOWING PEOPLE TO INVEST THEIR SOCIAL SECURITY TAXES WOULD:**

Increase the federal budget deficit  
 31%  
Reduce the federal budget deficit  
 15%  
Have no impact on budget deficit  
 35%

Moreover, by two to one the public expresses uneasiness about Bush's approach to Social Security. Less than one-third feels confident that Bush will make the right decisions about Social Security; 63 percent say they are uneasy about Bush's approach.

## **CONFIDENT BUSH WILL MAKE RIGHT DECISION ABOUT SOCIAL SECURITY**

### **Confident**

All 31%  
Rep. 63%  
Dem. 12%  
Ind. 24%  
<\$50K 27%  
\$75K+ 41%

### **Uneasy**

All 63%  
Rep. 31%  
Dem. 85%  
Ind. 68%  
<\$50K 67%  
\$75K+ 57%

There are sharp partisan differences. More than six in 10 Republicans are confident, but 85 percent of Democrats and 68 percent of Independents feel uneasy. Those with household incomes of \$75,000 or higher are more likely than those with lower incomes to have confidence that the President will make the right decisions about Social Security, but a majority of them still feel uneasy about Bush's approach. Americans of all age groups share that uneasiness.

There are doubts as to whether the Bush Administration shares Americans' domestic priorities overall. 63 percent think they do not, while only 31 percent think they do.

## **OTHER OPTIONS TO FIX THE SYSTEM**

This poll measured public reaction to other options for addressing the solvency of Social Security -- some new, some discussed before. The most popular option, supported by 61 percent, would raise the \$90,000 limit on income subject to Social Security tax withholding. 49 percent support raising the percentage of income that is withheld for Social Security, but nearly as many oppose that option. More people favor both of those options than think Bush's proposed personal investment accounts are a good idea. In addition, a majority opposes making Social Security a voluntary option, and 77 percent oppose raising the retirement age.

## **OPTIONS FOR CHANGING SOCIAL SECURITY**

**Raising \$90,000 income limit**  
Favor 61%  
Oppose 31%

### **Raising percentage withheld**

Favor 49%  
Oppose 46%

### **Making Social Security voluntary**

Favor 37%  
Oppose 59%

### **Raising retirement age**

Favor 19%  
Oppose 77%

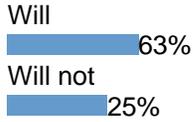
Raising the retirement age was also given a thumbs-down in 1981, another time when Social Security was part of the national discussion, but it was more popular then than it is now; 39 percent were willing to raise the retirement age from 65 to 68. Making Social Security voluntary was also more popular in 1981 than it is now, and in fact a majority of 53 percent supported it, while 41 percent opposed it in 1981. Attitudes toward raising the percentage withheld were similar to current views; in 1983 49 percent favored that option, while 42 percent opposed it.

## EVALUATING THE PRESIDENT'S VIEWS ON SOCIAL SECURITY'S SOLVENCY

President Bush has said that Social Security is facing a funding crisis and will be bankrupt by the year 2042 if changes are not made. Most Americans agree with this, and think Social Security will be bankrupt by 2042 unless changes are made. However, there is no agreement as to what "bankruptcy" means in this context.

63 percent agree with the President that the Social Security system will be bankrupt by the year 2042. Just a quarter says it won't be.

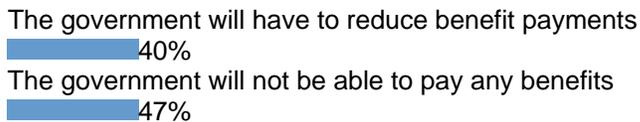
### WILL SOCIAL SECURITY BE BANKRUPT BY 2042?



These views transcend party lines. Seniors age 65 or older are the only age group in which a majority does not think the system will be bankrupt by 2042: 38 percent of seniors thinks it will be, but 34 percent say it won't.

When asked what they think Bush means when he talks about Social Security going bankrupt by 2042, 40 percent think the talk of bankruptcy means that Social Security will have to pay reduced benefits to retirees because it won't be collecting enough money to pay full benefits. But even more, 47 percent, think the President means the federal government will not be able to pay *any* Social Security benefits by then because it will have no money at all.

### WHAT DOES BUSH MEAN WHEN HE SAYS SOCIAL SECURITY WILL BE BANKRUPT?



## THE PUBLIC'S VIEWS OF THE SOCIAL SECURITY SYSTEM

Americans say the Social Security system has worked well in the past, but there is concern about whether benefits will be there for them. Most believe a new system is needed for the next generation's retirees. While a majority thinks the problems with Social Security need to be addressed now, few say the system is in a financial crisis today.

As they have for many years, about half the public do *not* think Social Security will have enough money available to provide them with the benefits they expect for their retirement.

### WILL SOCIAL SECURITY PROVIDE YOU WITH RETIREMENT BENEFITS?



Americans do think the system has worked successfully until now. 33 percent think the current Social Security program is a success and should be continued more or less as it exists now. 61 percent of Americans describe the Social Security system as a successful government program that has worked well up until now, but that a different system is necessary to meet the needs of the next generation. Just 3 percent say Social Security has been an unsuccessful program and should be ended. Those who worry that Social Security will not provide them with benefits are especially likely to think a new program will be needed for future

generations.

**OVERALL EVALUATION OF SOCIAL SECURITY:**

- Successful, should continue 33%
- Successful, but need new program for future 61%
- Not successful, should be ended 3%

Change is less welcome among those living in households currently receiving Social Security (most of whom are 65 and over). 47 percent of this group says Social Security is a successful program that should continue in its current form, compared to 28 percent of those living in households that do not yet receive Social Security.

While Americans admit there are serious problems with Social Security, most do not think the program is currently in a financial crisis. Just 16 percent describe Social Security as being in a crisis today, and 46 percent think the program is now in serious trouble financially. Another 32 percent say Social Security is in some trouble, and 5 percent think the system is not in any trouble.

Looking ahead, 37 percent think the Social Security program will reach a crisis in 10 to 20 years. 45 percent think it will be in crisis forty years from now.

**SOCIAL SECURITY'S FINANCIAL SITUATION:**

- In crisis**
- Now 15%
  - In 10-20 years 37%
  - In 40 years 45%

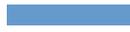
- Serious trouble**
- Now 46%
  - In 10-20 years 31%
  - In 40 years 45%

- Some trouble**
- Now 32%
  - In 10-20 years 24%
  - In 40 years 18%

- Not in trouble**
- Now 5%
  - In 10-20 years 4%
  - In 40 years 4%

Americans do think Social Security's problems need to be addressed now. 55 percent say the problems with Social Security are so serious they need to be fixed now, while 35 percent say the problems are serious but do not need to be fixed for another 10 to 15 years. Just 7 percent say the problems with Social Security are not very serious.

**PROBLEMS WITH SOCIAL SECURITY ARE:**

- So serious need to be fixed now  55%
- Serious, but can be fixed in 10-15 years  35%
- Not serious  7%

Republicans are more likely than Democrats to say Social Security's problems need to be fixed immediately. 64 percent of Republicans think problems with Social Security need to be fixed now compared to 49 percent of Democrats who think this.

But even though the public views Social Security as a serious problem, it is not a top priority for the public. Social Security falls

behind other issues such as the economy and jobs, the war in Iraq and terrorism as the most important problem facing the country today.

#### **MOST IMPORTANT PROBLEM FACING THE U.S. TODAY**

##### **Economy and jobs**

Now 20%

1/2005 17%

##### **War in Iraq**

Now 19%

1/2005 21%

##### **Terrorism**

Now 6%

1/2005 8%

##### **Social Security**

Now 5%

1/2005

3%

##### **Health care**

Now 5%

1/2005 6%

##### **Budget deficit**

Now 4%

1/2005 2%

#### **PARTISAN VIEWS AND SOCIAL SECURITY**

As might be expected, the President finds higher levels of support within his own party for his Social Security plan. Republicans are more likely than Democrats or Independents to say that the financial situation of Social Security is in serious trouble today -- 54 percent do -- compared to 40 percent of Democrats and 45 percent of Independents. However, few Americans of any party call it a "crisis": only 15 percent of Republicans, 17 percent of Democrats and 14 percent of Independents do so.

Nearly two-thirds of Republicans (65 percent) think personal accounts are generally a good idea, compared to just 31 percent of Democrats and 37 percent of Independents. 30 percent of Republicans think such personal accounts would improve Social Security's financial situation -- while that is still less than half, it is higher than the 17 percent of Democrats and 12 percent of Independents who think so.

#### **THE GOVERNMENT'S ROLE**

Currently, the Social Security system takes some of the contributions made by higher income people and uses them to help pay benefits for poorer people. 43 percent of Americans think the program should pay its benefits this way, but a slightly higher number -- 47 percent -- think Social Security should pay out benefits based solely on the contributions made by retirees while they were working. These views are similar to what they were back in 1981, when a national commission was created to reform Social Security.

#### **SOCIAL SECURITY SHOULD PAY BENEFITS**

##### **Based only on contributions of retirees**

Now 47%

6/1981 47%

##### **By taking some contributions of better-off people and giving them to poorer people**

Now 43%

6/1981 37%

Americans in higher income categories are more likely than those earning less to say Social Security payments should be based solely on the contributions of retirees. 59 percent of Republicans think Social Security payouts should be based only on the contributions of retirees, while 44 percent of Democrats think the same.

But most Americans think the government has a responsibility to provide a decent standard of living for the elderly in this country. 79 percent agree this should be a responsibility of the government; only 17 percent say it is not the government's job to do this.

### **SHOULD THE GOVERNMENT PROVIDE A DECENT STANDARD OF LIVING FOR THE ELDERLY?**

Yes

 79%

No

 17%

Women are more likely than men to say the government has a responsibility to care for the elderly. 90% of liberals say the government should provide a decent standard of living for America's elderly, as do 66% of conservatives.

### **ATTITUDES BY AGE**

#### **The Problem**

Majorities in all age groups feel that the Social Security system has worked well in the past, but that next generation will need a very different kind of program for their retirement. So do about 7 in ten of those for whom retirement is some years away. Only about one in four of those under age 45 see Social Security as a successful program that should continue as it is for the next generation. But very few of any age group thinks it should be ended.

### **OVERALL EVALUATION OF SOCIAL SECURITY:**

#### **Successful, should continue**

18-29 25%

30-44 25%

45-64 37%

65+ 49%

#### **Successful, but need new program for future**

18-29 70%

30-44 68%

45-64 57%

65+ 43%

#### **Not successful, should be ended**

18-29 0%

30-44 5%

45-64 4%

65+ 2%

The call for a new program no doubt stems from concern as to whether future benefits will be adequate. Only 25 percent of 18-29 year-olds think Social Security will provide them with the benefits they expect for their retirement, and 62 percent think it won't. But the views of those aged 30 to 44 are even more negative; 72 percent expect Social Security will not provide them with retirement benefits.

### **WILL SOCIAL SECURITY PROVIDE YOU WITH RETIREMENT BENEFITS?**

Yes

18-29 25%

30-44 20%

45-64 50%

65+ 38%

No

18-29 62%

30-44 72%  
45-64 42%  
65+ 8%

There is some urgency among those under age 45 to fix Social Security sooner rather than later. 64 percent of those under 30 and 63 percent of those aged 30 to 44 think the problems with Social Security are so serious they need to be fixed now, while just under one in 3 of those under age 30 or aged 30 to 44 think they can be fixed in the next ten to fifteen years.

#### **PROBLEMS WITH SOCIAL SECURITY ARE:**

##### **So serious need to be fixed now**

18-29 64%  
30-44 63%  
45-64 54%  
65+ 33%

##### **Serious, but can be fixed in 10-15 years**

18-29 28%  
30-44 29%  
45-64 36%  
65+ 50%

##### **Not serious**

18-29 5%  
30-44 7%  
45-64 8%  
65+ 10%

The long-term view among all age groups is bleak. 75 percent of those under 30 think that if no changes are made, by 2042 the Social Security system probably will be bankrupt. 73 percent of 30 to 44 year-olds share that view, as do 60 percent of those 45 to 64.

#### **IF NO CHANGES MADE, BY 2042 WILL SOCIAL SECURITY BE BANKRUPT?**

##### **Probably**

18-29 75%  
30-44 73%  
45-64 60%  
65+ 38%

##### **Probably not**

18-29 18%  
30-44 21%  
45-64 28%  
65+ 34%

The problem is a long term one, and few members of any age group see Social Security as *currently* in a crisis. Only 9 percent of those under 30 call it that, rising to 22 percent among 30 to 44 year-olds and 18% of those 45 to 64. Instead, many call the problem serious. Half of those under 30, and a similar proportion of 30 to 44 year-olds, think Social Security is in serious trouble.

#### **SOCIAL SECURITY NOW:**

##### **In crisis**

18-20 9%  
30-44 22%  
45-64 18%  
65+ 6%

##### **Serious trouble**

18-29 50%  
30-44 51%  
45-64 42%  
65+ 39%

**Some trouble**

18-29 36%  
30-44 23%  
45-64 34%  
65+ 42%

**Not in trouble**

18-29 3%  
30-44 2%  
45-64 5%  
65+ 12%

**Solutions**

Although more Americans are negative rather than positive about the idea of partially privatizing Social Security, younger adults are the most open of all age groups. 55 percent think it's a good idea to allow people to invest some of their Social Security taxes themselves. 45 percent of those aged 30 to 44 support private accounts.

**ALLOWING PEOPLE TO INVEST THEIR SOCIAL SECURITY TAXES IS:**

**A good idea**

18-29 55%  
30-44 45%  
45-64 40% 65+ 29%

**A bad idea**

18-29 37%  
30-44 48%  
45-64 54%  
65+ 64%

All age groups reject personal accounts if it would mean cutting guaranteed benefits by as much as a third. Still, nearly one in three adults under 30 are willing to accept these accounts even at the cost of lowering guaranteed benefits to retirees.

**ALLOWING PEOPLE TO INVEST THEIR SOCIAL SECURITY TAXES IF GUARANTEED BENEFITS ARE CUT:**

**A good idea**

18-29 31%  
30-44 22%  
45-64 20%  
65+ 13%

**A bad idea**

18-29 60%  
30-44 69%  
45-64 71%  
65+ 74%

Few members of any age group would accept establishing personal accounts if it meant an increase in the federal deficit.

**ALLOWING PEOPLE TO INVEST THEIR SOCIAL SECURITY TAXES IF DEFICIT INCREASES:**

**A good idea**

18-29 19%  
30-44 19%  
45-64 18%  
65+ 11%

**A bad idea**

18-29 71%  
30-44 71%  
45-64 73%  
65+ 74%

Other solutions receive mixed reviews. Among those under age 30, 55 percent support raising the \$90,000 maximum income subject to Social Security tax withholding, and 52 percent favor raising the percentage of income that is withheld. Those findings are similar to Americans overall. 50 percent support making contributions to Social Security voluntary so that people can choose not to pay and not to receive benefits, a higher percentage than among all Americans. But 87 percent *oppose* raising the retirement age.

Among 30 to 44 year-olds, 67 percent favor raising the amount of income subject to Social Security taxation, but only about 4 in ten favors raising the percentage that is withheld or making the system voluntary. 83 percent oppose raising the retirement age.

61 percent of those aged 45 to 64 support raising the \$90,000 income cap, and 49 percent would support raising the tax itself. 62 percent would oppose making the system voluntary, and 74 percent would oppose raising the retirement age.

Americans age 65 and over are less inclined to make to Social Security system voluntary (22 percent favor that). While most still oppose it, they are more likely to favor raising the retirement age (33 percent favor it). About six in 10 favors raising the income cap and raising the tax itself.

Most Americans are uneasy about the President's handling of Social Security, a view that carries across all age groups. Those under 30 are most favorable toward Bush's stewardship of Social Security -- but just 37 percent of them are confident, and 58 percent are uneasy.

**FEELINGS ABOUT BUSH'S HANDLING OF SOCIAL SECURITY**

**Confident**

18-29 37%  
30-44 28%  
45-64 31%  
65+ 28%

**Uneasy**

18-29 58%  
30-44 62%  
45-64 66%  
65+ 67%

**OTHER GROUPS**

Half of Americans in this poll say they or their spouse have money invested in the stock market; investors are only slightly more likely than non-investors to support partial privatization of Social Security. In fact, half of investors say allowing individuals to invest some of their Social Security taxes on their own is a bad idea.

**ALLOWING PEOPLE TO INVEST THEIR SOCIAL SECURITY TAXES IS:**

**Good idea**

Investors  
 46%  
Non-Investors  
 41%

**Bad idea**

Those households receiving Social Security (28 percent of respondents) are not in as much of a rush to fix Social Security's problems as those residing in households not currently getting Social Security benefits. 44 percent of those getting Social Security benefits say the problems with Social Security need to be fixed now, while a higher 60 percent of those in non-Social Security households think the problems need to be fixed now.

**PROBLEMS WITH SOCIAL SECURITY ARE:****So serious need to be fixed now**

S.S. Household 44%  
Non-S.S. Household 60%

**Serious, but can be fixed in 10-15 years**

S.S. Households 43%  
Non-S.S. Households 32%

**Not serious**

S.S. Households 9%  
Non-S.S. Households 7%

According to this poll, two-thirds of Americans have retirement savings (other than Social Security) such as a pension fund or a 401-K. This group's views on Social Security issues are not significantly different than those who do not have retirement savings such as a pension or a 401-K.

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*This poll was conducted among a nationwide random sample of 1111 adults interviewed by telephone February 24-28, 2004. The error due to sampling could be plus or minus three percentage points for results based on all adults. Error for subgroups is higher.*

For detailed information on how CBS News conducts public opinion surveys, [click here](#).

<http://www.cbsnews.com/stories/2005/03/02/opinion/polls/printable677680.shtml>