



PROGRAM FOR PUBLIC CONSULTATION
SCHOOL OF PUBLIC POLICY, UNIVERSITY OF MARYLAND

AMERICANS ON SOCIAL SECURITY

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Overview

Since it was established in 1935, the Social Security program has been very popular among the American people. For about half of beneficiaries, Social Security provides at least 50 percent of their income, and for about one-fifth of older adults, such benefits make up at least 90 percent of their income.

However, for some time the benefits of the program have been in jeopardy. According to the Social Security Administration's (SSA) 2022 Trustees' Report, if no steps are taken by Congress to reform Social Security, its trust fund will be exhausted in 2034, and after that the program will only be able to deliver benefits based on current receipts—which would result in a 23% benefit cut to retirees.

The SSA determines when the Trust Fund will be depleted by calculating Social Security's funding shortfall: the amount by which benefit payments exceed revenues over a 75-year period. To give lawmakers options for how the shortfall could be reduced, the SSA publishes a list of revenue-increasing and benefit-reducing proposals, along with how much each would reduce the long-term shortfall. They also publish proposals to increase benefits, along with how much they would increase the shortfall.

A major reason that these proposals have not been passed by Congress, and thus Social Security's solvency has not been addressed, is a widespread assumption by many representatives that the American public is not willing or able to face the issue and thus bringing it up is too politically risky. Social Security has been called a "third rail," implying that it is political suicide to address it.

Much of the existing polling data tends to reinforce the belief that the public's attitudes toward Social Security are too conflicted and anxious to support any kind of constructive action. While majorities believe that Social Security is headed for a crisis, when asked, in stand-alone questions, about raising the retirement age, cutting benefits, or raising taxes, majorities often say they do not find these options appealing.

Public consultation surveys take a different approach that goes beyond initial reactions. Rather than a series of separate, stand-alone questions, respondents go through a process called a 'policymaking simulation' in which they are asked to go into a problem-solving mode. The objective is to put respondents in the shoes of a policymaker. Respondents are given a background briefing, presented arguments for and against policy options, and then finally make their recommendations in a context in which they understand the impact of their choices on the viability of current benefit levels.

In addition to concerns about the Social Security shortfall, there are proposals in recent legislation for increasing certain benefits ([Social Security 2100: A Sacred Trust](#) and [Social Security Expansion Act](#)). Naturally these would worsen the shortfall and the SSA has determined by how much.

Design of the Social Security Policymaking Simulation

Respondents first went through a briefing about the Social Security program which included:

- how the program is structured; and
- the nature and extent of the Social Security shortfall, along with its multiple causes.

Respondents were then presented a series of reform options that have been put forward by the SSA, along with their effect on the long-term shortfall.

These included ones that mitigated the shortfall:

- Raising the full retirement age
- Increasing the payroll tax
- Increase the amount of wages subject to the payroll tax
- Reducing benefits for high-income earners

In addition, they evaluate options for increasing benefits. These included:

- Increasing the minimum benefit for those who have worked for 30 years
- Increasing benefits for beneficiaries 85 and over
- Reforming the cost-of-living adjustments so that it reflects what older adults tend to buy, which would make the adjustments to benefits higher than the current method

In addition to a brief explanation of the option, they were told what impact it would have on the Social Security shortfall. For each option, respondents:

- evaluated 1-2 arguments for and 1-2 arguments against the option, in terms of how convincing they found the argument, and then
- evaluated each option in terms of how acceptable it would be on a scale of 0 to 10, with 0 being completely unacceptable, 10 being completely acceptable and 5 being just tolerable.

Finally, respondents were presented all the reform options in a spreadsheet together with the impact of each option on the shortfall, in terms of the percentage of the shortfall. Respondents were asked to make their own comprehensive and integrated set of recommendations. An interactive feature gave respondents immediate feedback on the total impact of their recommendations on the shortfall.

Fielding of Survey

The survey was conducted online from April 11 - May 15, 2022, with a national probability-based sample provided by Nielsen Scarborough from its sample of respondents, who were recruited by mail and telephone using a random sample of households. The full sample consisted of 2,545 respondents (margin of error 1.9%).

Responses were weighted by age, gender, education, race and geographic region. Benchmarks for weights were obtained from the US Census' Current Populations Survey of Registered Voters. The sample was also weighted by partisan affiliation. Democrats and Republicans identified below include those who lean toward one or the other party.

A further analysis was conducted by dividing the sample six ways, depending on the PVI Cook rating of the respondent's Congressional district. This enabled comparison of respondents who live in very red, somewhat red, leaning red, leaning blue, somewhat blue, and very blue districts.

Key Recommendations

Large bipartisan majorities favored a set of proposals that would, together, reduce the shortfall by 95%, by increasing revenues, reducing benefits for high-income earners and raising the full retirement age, as well as increasing the minimum monthly benefits (which increased the shortfall).

More modest, but still bipartisan majorities favored two other proposals that would increase benefits for all beneficiaries, by changing the inflation index used to recalculate benefits, and increasing benefits for those 85 and over. These proposals would increase the shortfall by 17%.

Taking all of the majority-supported proposals together, the shortfall would be reduced by 78 percent and push back the Trust Fund's insolvency by decades.

Addressing the Social Security Shortfall

Making More Wages Subject to the Payroll Tax: Currently, wages subject to the payroll tax are capped at \$147,000. An overwhelming majority of eight-in-ten, including eight-in-ten Republicans and nearly nine-in-ten Democrats favored a plan to also make all wages over \$400,000 subject to the payroll tax. With inflation, the cap would continue to rise so that decades from now, all wages could become subject to the payroll tax. This proposal would eliminate 61% of the shortfall.

Increasing the Payroll Tax: Three-in-four favored increasing the payroll tax from 6.2 to 6.5 percent including seven-in-ten Republicans and nearly eight-in-ten Democrats. This would eliminate 16% of the shortfall.

Raising Retirement Age: Three-in-four favored gradually raising the retirement age from 67 to 68 including three-in-four Republicans and Democrats. This would eliminate 14% of the shortfall.

Reducing Benefits for High Earners: Eight-in-ten favored reducing benefits to the top 20% of earners including nearly eight-in-ten Republicans and over eight-in-ten Democrats. This would eliminate 11% of the shortfall.

Raising Benefits

Raising the Minimum Benefit: Nearly two-in-three favored increasing the minimum monthly benefit for someone who has worked 30 years from \$951 to \$1,341, including six-in-ten Republicans and seven-in-ten Democrats. This would increase the shortfall by 7%.

Supplementing Benefits for those 85 and Over: A slight majority favored increasing benefits for those 81 by about five percent, including small majorities of both Republicans and Democrats. This would increase the shortfall by 5%.

Cost of Living Adjustments (COLAs)

Changing the COLA to Account for What Older Adults Buy: A modest majority favored changing the way COLAs are calculated by focusing on the goods and services that older adults tend to buy, which would make them higher than the current method. A modest majority of Republicans and six-in-ten Democrats were in support. This would increase the shortfall by 12%.

Findings

Making More Wages Subject to the Payroll Tax

Currently, wages subject to the payroll tax are capped at \$147,000. An overwhelming majority of eight-in-ten, including eight-in-ten Republicans and nearly nine-in-ten Democrats favored a plan to also make all wages over \$400,000 subject to the payroll tax. With inflation, the cap would continue to rise so that decades from now, all wages could become subject to the payroll tax. This proposal would eliminate 61% of the shortfall.

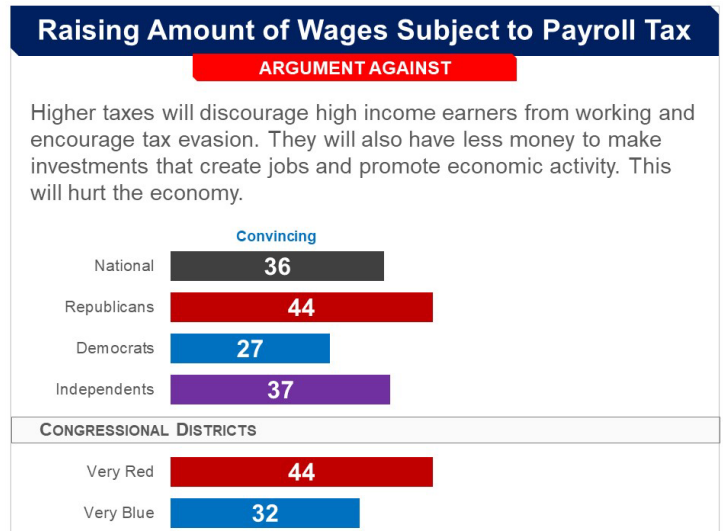
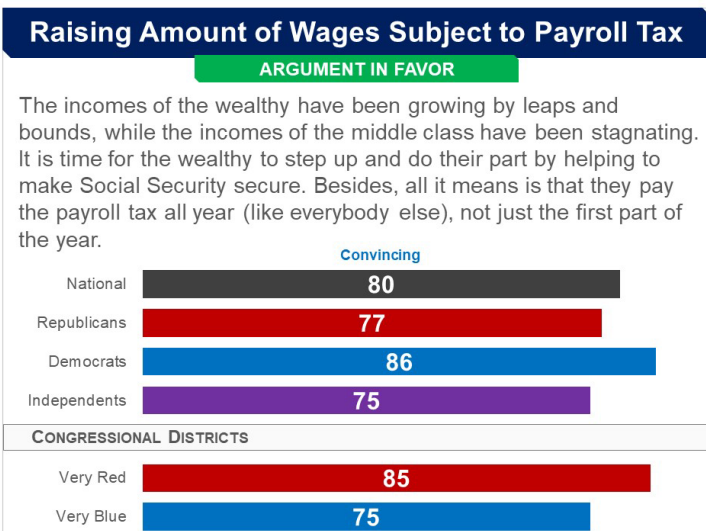
One proposal that has been put forward to raise a substantial amount of revenue for the Trust Fund, and cover most of the shortfall, is to increase the amount of wages subject to the payroll tax. Respondents were introduced to the proposal as follows:

“Currently, the amount of wages that are subject to the Social Security payroll tax includes all wages up to a cap of \$147,000 per year. One policy option is to make all wages over \$400,000 taxable as well, effective immediately. This would not include income from dividends or capital gains.

Wages between \$147,000 and \$400,000 would not be taxable initially. But, over time the cap of \$147,000 would rise with inflation, as it currently does. At some point, decades in the future, this cap could reach \$400,000 so that all wages would be taxed. By this plan, the amount of taxes paid by people with very high wages would rise. Their benefits would also rise, but only slightly.”

They were informed that this proposal would reduce the shortfall by 61%.

The argument in favor of this proposal was found convincing by substantially more respondents (80%, Republicans 77%, Democrats 86%) than the con argument, which was not found convincing by any majority (36%, Republicans 44%, Democrats 27%).



Asked for their initial assessment on a 0-10 scale, 70% found the proposal at least tolerable (acceptable 62%), including 66% of Republicans (acceptable 56%) and 78% of Democrats (acceptable 72%).

For their final recommendation, 81% recommended this proposal, including very large majorities of Republicans (79%) and Democrats (88%).

Very large majorities in all types of Congressional districts agreed, from very red (79%) to very blue districts (77%).

Increasing the Payroll Tax

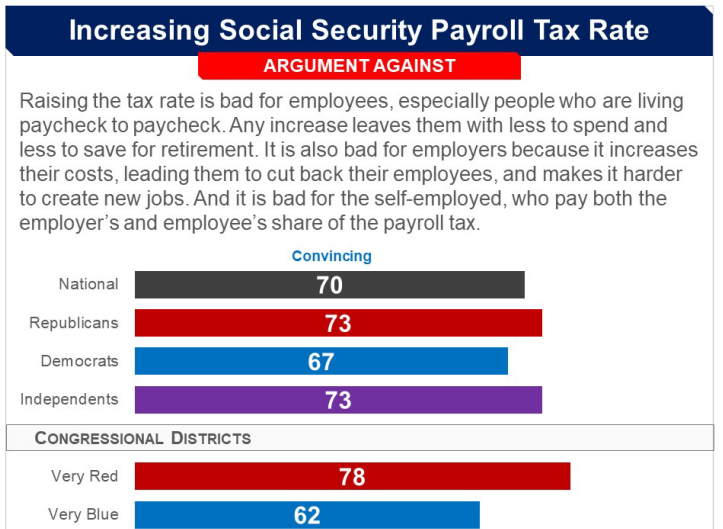
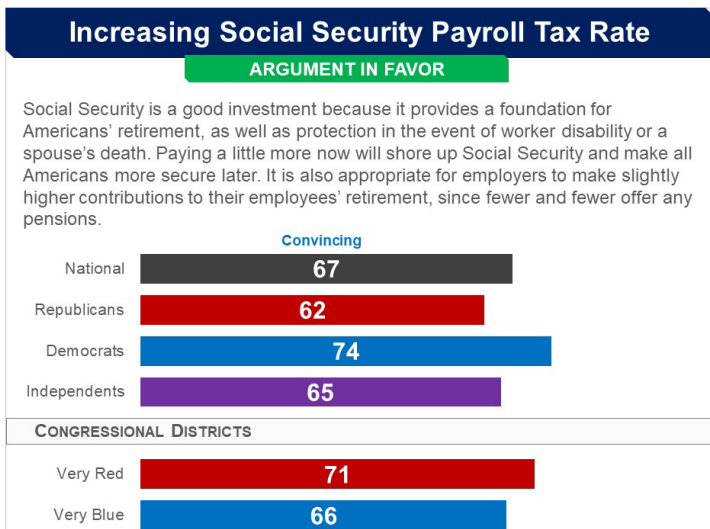
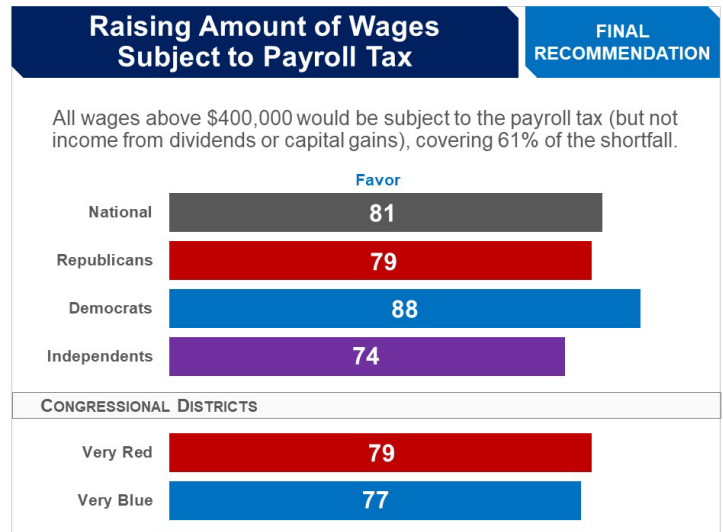
Three-in-four favored increasing the payroll tax from 6.2 to 6.5 percent including seven-in-ten Republicans and nearly eight-in-ten Democrats. This would eliminate 16% of the shortfall.

Respondents were reminded that:

“At present both workers and employers pay a tax of 6.2% on the amount of an employee’s salary and wages subject to the payroll tax. Self-employed people pay both the employer and employee share.”

They were given three options for gradually increasing the tax rate 0.5% per year for both the employer and the employee, rising ultimately to 6.6%, 6.9% or 7.2%. They were told the impact of these increases on the monthly payroll taxes of an individual with an income of \$39,000 (the median income) would be \$9, \$22, and \$32, respectively, and in each case, would reduce the shortfall by 16%, 30%, and 43%.

The arguments for and against raising the payroll tax rate were both found convincing by large bipartisan majorities. The pro argument was found convincing by 67% (Republicans 62%, Democrats 74%), and the con argument by a slightly higher 70% (Republicans 73%, Democrats 67%).



When asked for their initial assessments on a 0-10 scale, a majority (56%) found the proposal to raise the payroll tax to 6.6% at least tolerable, including 56% of Republicans and 63% of Democrats, but less than half of independents (44%). Just half (50%) found tolerable the proposal to raise the tax to 6.9% (Republicans 49%, Democrats 55%); and just four-in-ten (41%) found tolerable the proposal to raise the tax to 7.2% (Republicans 40%, Democrats 45%).

For the final recommendation, they could choose any of the three proposals, or choose not to raise the payroll tax rate at all. A large majority of 73% recommended raising it to at least 6.5%, including 70% of Republicans and 78% of Democrats. There were no majorities in favor of raising it any higher.

Very large majorities in all types of congressional districts, from very red (73%) and very blue (72%) agreed.

Raising Retirement Age

Three-in-four favored gradually raising the retirement age from 67 to 68 including three-in-four Republicans and Democrats. This would eliminate 14% of the shortfall.

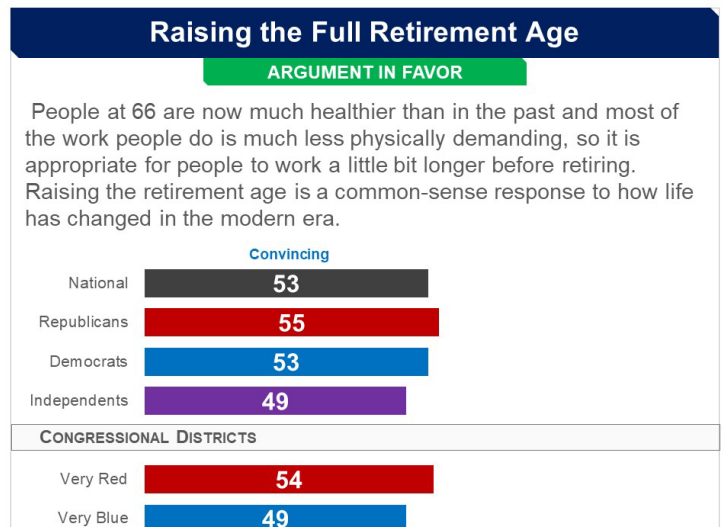
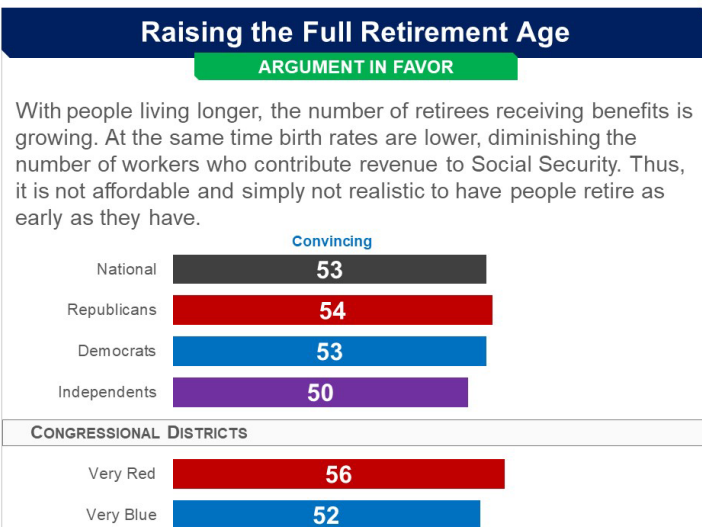
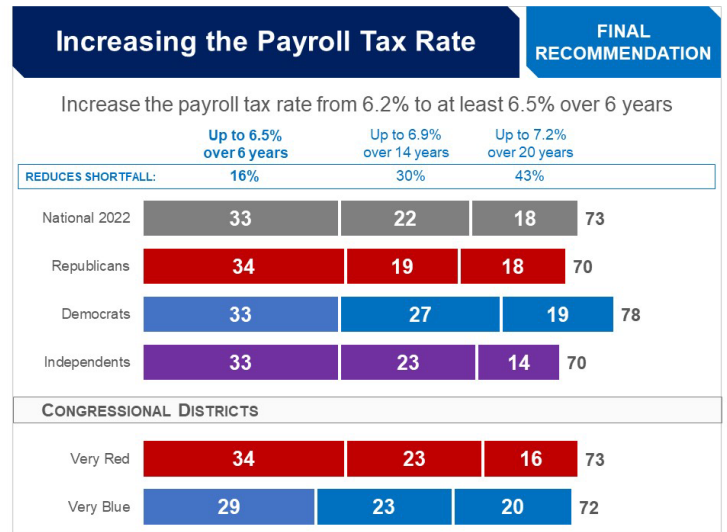
Respondents were told that another option for reforming Social Security would be to raise the full retirement age. This would reduce the total amount of benefits that a person receives over their lifetime. They were told this would not change the early retirement option, which would remain at age 62, with correspondingly lower benefits.

Respondents were told:

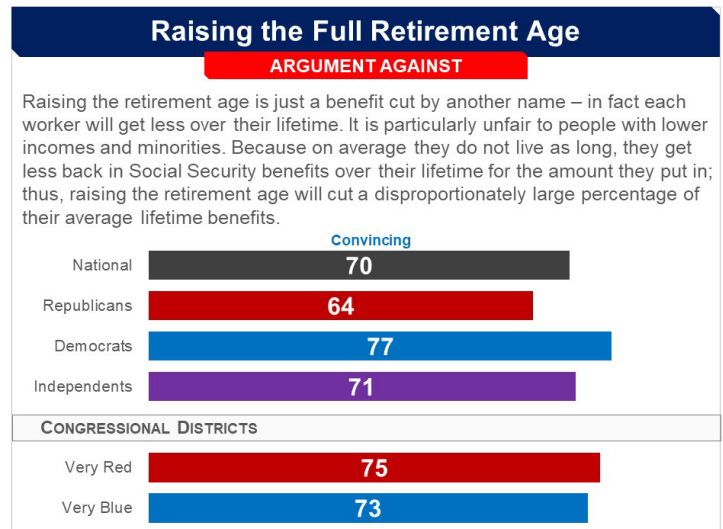
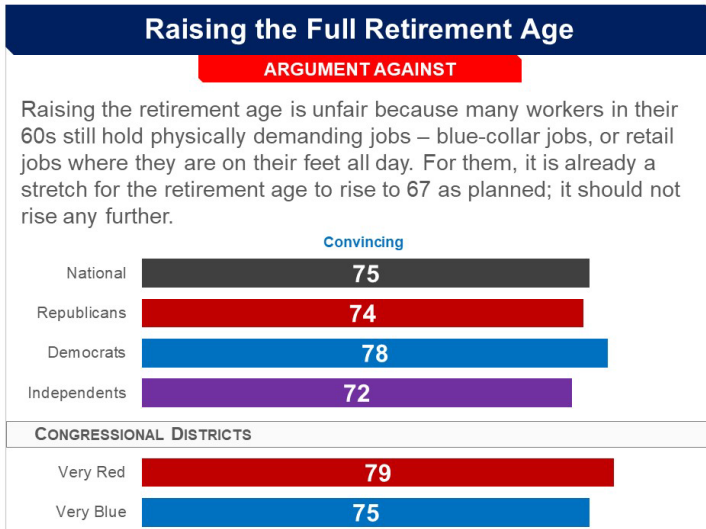
“Currently, the full retirement age is 66 years. According to current law, it is scheduled to gradually rise until it reaches 67 by the year 2027 and then will stop rising. This has no effect on those already receiving Social Security. It does affect those born in 1960 or later.”

They were presented three options for gradually increasing the full retirement age: to 68 by 2033, to 69 by 2041, or to 70 by 2064. They were informed that the options would reduce the shortfall by 14%, 21% and 29%, respectively.

The two arguments in favor were found convincing by modest majorities of 53% overall, and similar percentages of Republicans and Democrats.

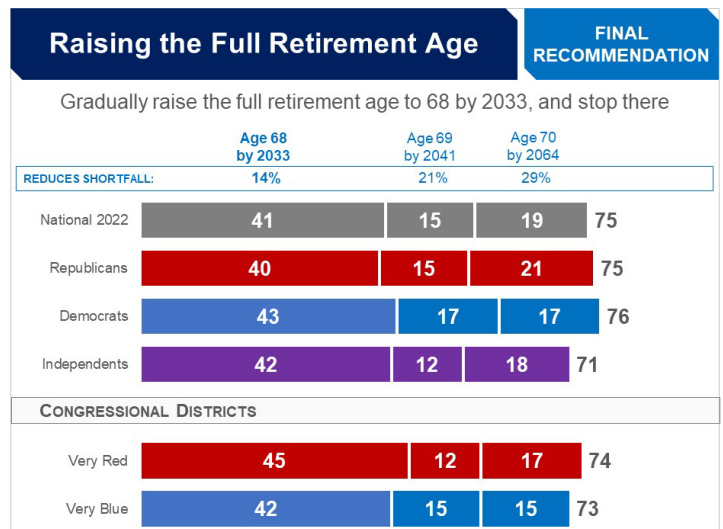


The two arguments against were found convincing by more substantial majorities of over seven-in-ten overall, including large majorities of Republicans and Democrats.



Asked for their initial assessment on a 0-10 scale, just four-in-ten (42%) found the proposal to raise the full retirement age to 68 at least tolerable, including just 45% of Republicans and 43% of Democrats. The percentage who found tolerable the proposals to raise the retirement age to 69 and 70 were even lower (32% and 28%, respectively).

However, when making their final recommendation, three-quarters raised the retirement age to at least 68, including Republicans and Democrats. There were no majorities in favor of raising it any higher. Very large majorities in all types of Congressional districts agreed, from very red (74%) to very blue districts (73%). This is only slightly different from the 79% that favored such an increase when asked in a similar survey in 2016.



Reducing Benefits for High Earners

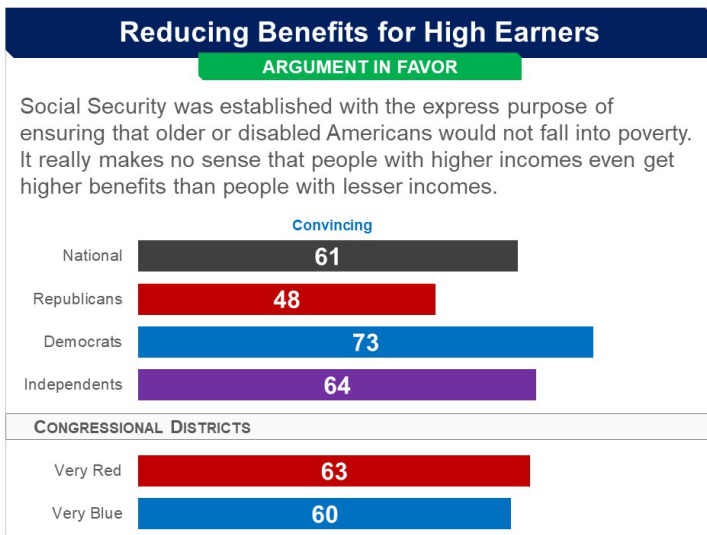
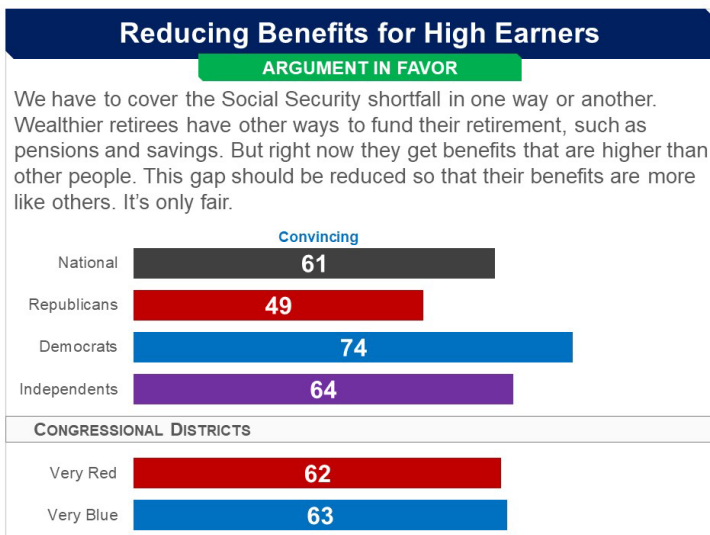
Eight-in-ten favored reducing benefits to the top 20% of earners including nearly eight-in-ten Republicans and over eight-in-ten Democrats. This would eliminate 11% of the shortfall.

Respondents were told:

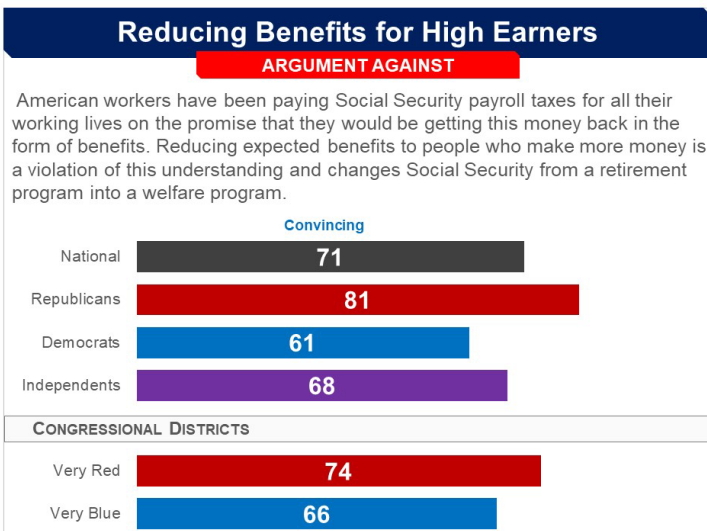
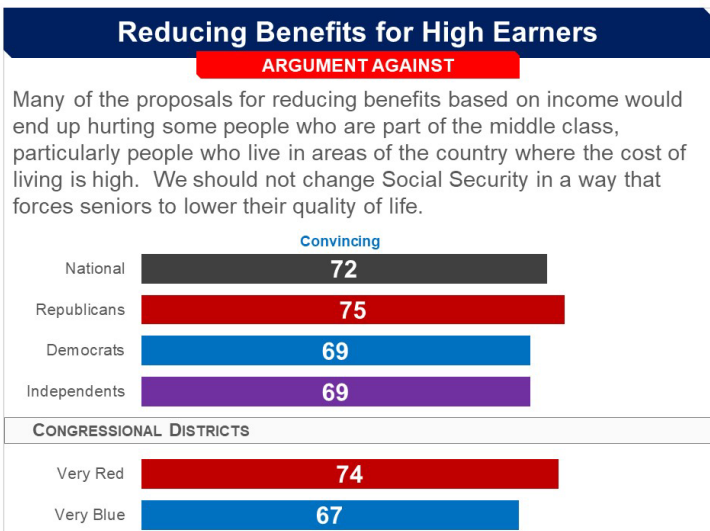
“Currently, the more people earn while working (up to \$147,000), the more they receive in monthly benefits. One option – for new retirees only – is to gradually lower benefits for people who had higher earnings. Their benefits would still be higher than for people who had lower earnings, but their benefits would be less than people in that income group are currently scheduled to receive.”

They were given three options for reducing benefits for higher income earners: reducing benefits for the top 20%, the top 40% or the top 50%, which they were told would reduce the shortfall by 11%, 23% and 30%, respectively.

Presented two arguments in favor of reducing benefits for high income earners, both were found convincing by majorities of 61% overall, as well as three-in-four Democrats and two-in-three independents, but just under half of Republicans.



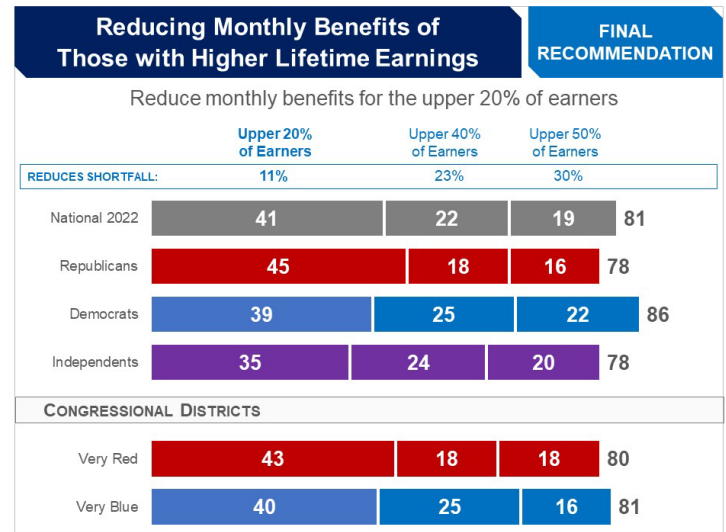
The arguments against did better, with seven-in-ten overall finding them convincing, as well as large majorities of both Democrats and very large majorities of Republicans.



Asked for their initial assessment on a 0-10 scale, 57% found the proposal to reduce benefits for the top 20% of earners at least tolerable, including 51% of Republicans, 66% of Democrats and 52% of independents. Reducing benefits for the top 40% was found tolerable by just 44% (Republicans 36%, Democrats 55%); and reducing benefits for the top 50% was found tolerable by less than half of all groups.

For their final recommendation, respondents could choose one of the three options, or not choose any. Interestingly, while a larger percentage found the con arguments convincing and relatively small majorities found any reductions tolerable, a large bipartisan majority of 81% recommended reducing benefits for at least the top 20% of earners, including majorities of Republicans (78%) and Democrats (86%).

Very large majorities in all types of Congressional districts agreed, from very red (80%) to very blue districts (81%).



Raising Benefits

At this point in the exercise, respondents had already considered all the proposals that were expressly meant to help solve the Social Security shortfall. They now turned to proposals directed at increasing benefits. They were told:

“We will now turn to the second major issue of whether Social Security benefits are adequate for certain groups. Proposals have been made by people who believe that benefits for certain groups need to be increased. This, in turn, would increase the Social Security shortfall.”

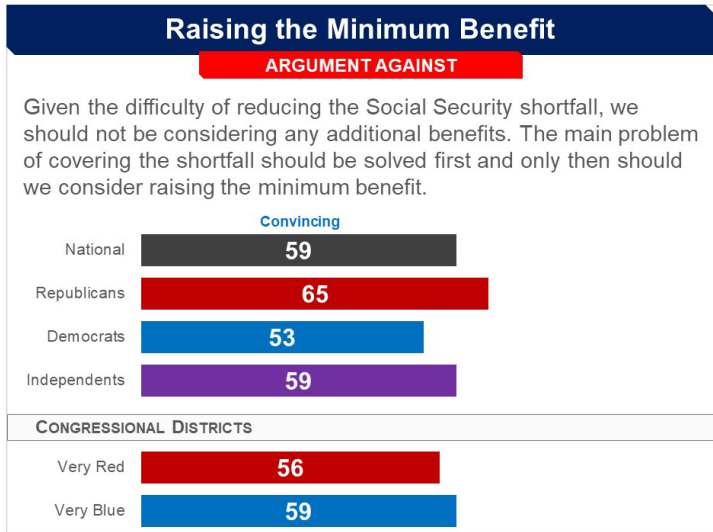
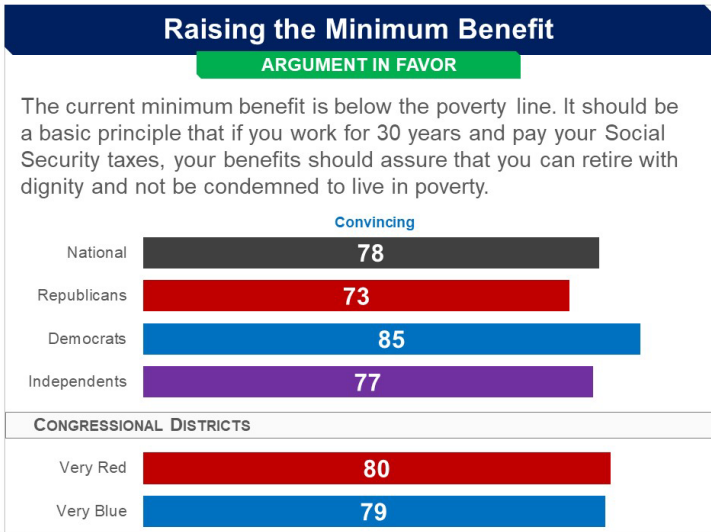
Raising the Minimum Monthly Benefit

Nearly two-in-three favored increasing the minimum monthly benefit for someone who has worked 30 years from \$951 to \$1,341, including six-in-ten Republicans and seven-in-ten Democrats. This would increase the shortfall by 7%.

Respondents were introduced to the proposal to raise minimum benefits as follows:

“Currently, the minimum Social Security benefit for someone who has worked 30 years or more is about \$951 a month. The proposal is to raise this minimum to \$1,341 a month. This amount would continue to rise with inflation but would always be 125% of the official poverty line. This proposal would increase the Social Security shortfall by 7%.”

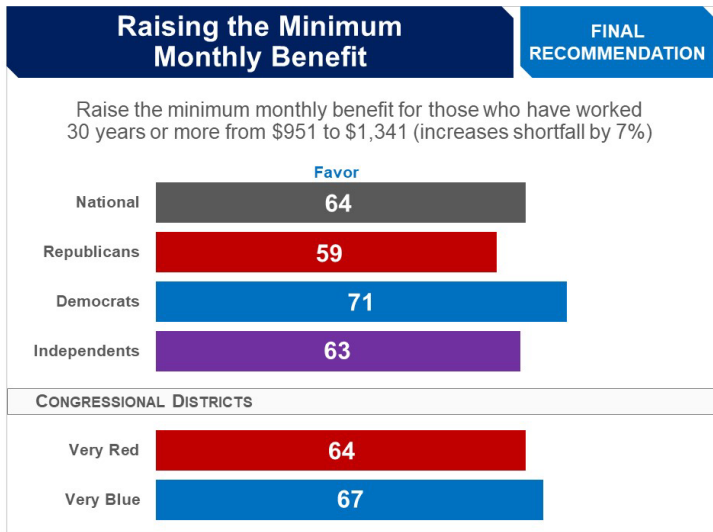
The argument in favor was found convincing by a very large bipartisan majority of nearly eight-in-ten, including 73% of Republicans and 85% of Democrats. The argument against was found convincing by a smaller, but still substantial bipartisan majority of nearly six-in-ten, including 65% of Republicans and 53% of Democrats.



Asked for their initial assessment on a 0-10 scale, 60% found the proposal at least tolerable, including majorities of Republicans (56%), Democrats (68%) and independents (51%).

For their final recommendation, 64% recommended this proposal, including six-in-ten Republicans and seven-in-ten Democrats. Large majorities in all types of Congressional districts agree, from very red (64%) to very blue districts (67%).

Since 2016, the last time PPC fielded a Social Security survey, support for raising the minimum monthly benefit has gained majority support among Republicans, as Republicans went from just under half in support (49%) to a solid majority of nearly six-in-ten (59%). Support also increased slightly among Democrats (from 67 to 71%) as well as independents (from 57 to 63%).



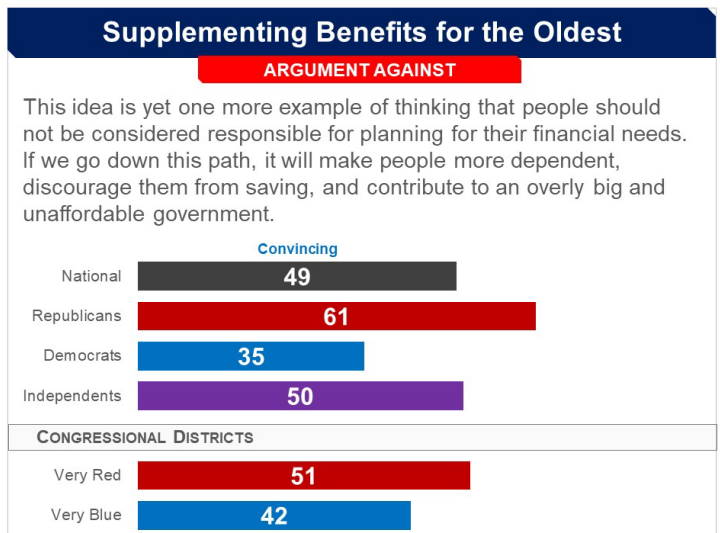
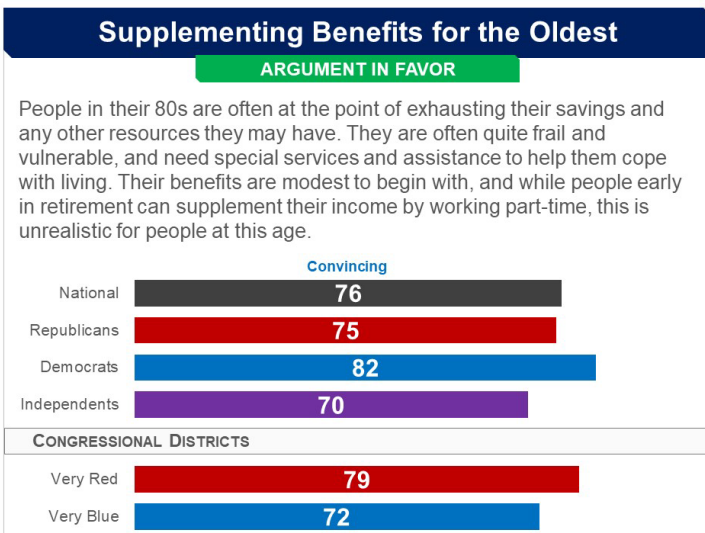
Supplementing Benefits for those 85 and Over

A slight majority favored increasing benefits for those 85 and over by about five percent, including small majorities of both Republicans and Democrats. This would increase the shortfall by 5%.

Respondents were presented another proposal for increasing benefits as follows:

“This proposal focuses on Social Security recipients who are in their eighties, sometimes called “the oldest old.” Benefits would begin to gradually increase at age 81 and by age 85 the increase would be an extra five percent, or about \$97 a month on average in current dollars.”

The argument in favor was found convincing by a bipartisan three-in-four (76%, Republicans 75%, Democrats 82%). The argument against did not fare as well, with just under half finding it convincing (49%), including just 35% of Democrats, but over six-in-ten Republicans and half of independents.

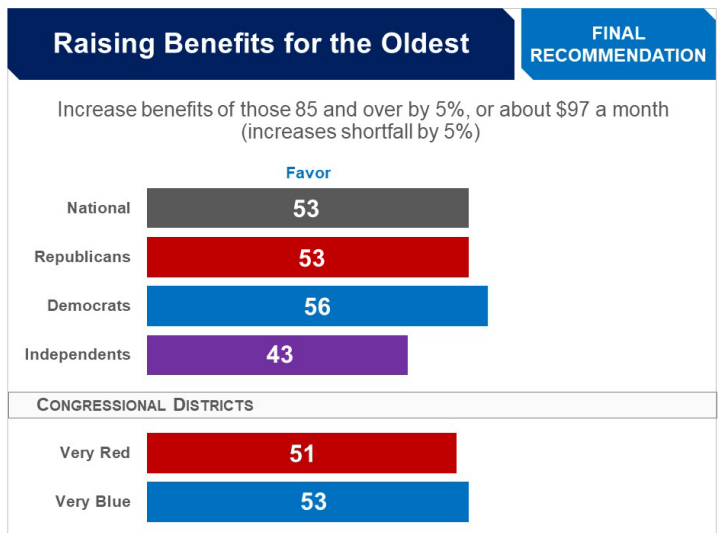


Asked for their initial assessment on a 0-10 scale, 56% found this proposal at least tolerable, including majorities of Republicans (53%) and Democrats (65%), but less than half of independents (43%).

For their final recommendation, a modest bipartisan majority recommended this proposal (53%, Republicans 53%, Democrats 56%). Less than half of independents, however, were in favor (43%).

Slight majorities in very red (51%) and very blue (53%) districts agreed, with modest variations in between.

Support is up from the 2016 PPC survey when support for increasing benefits for those 85 and over was below half overall (45%), and among Republicans (43%) and Democrats (48%).



Changing the COLA to Focus More on What Older Adults Buy

A modest majority favored changing the way COLAs are calculated by focusing on the goods and services that older adults tend to buy, which would make them higher than the current method. A modest majority of Republicans and six-in-ten Democrats were in support. This would increase the shortfall by 12%.

One proposal to reform COLA is to base the inflation measure that is used to adjust benefits on the mix of goods and services that tend to be purchased more by older adults, who are the recipients of Social Security benefits, rather than those which are purchased by all consumers.

Respondents were first told:

“The annual cost of living adjustments (or COLAs) are calculated to keep pace with inflation. Since 1975, Social Security has based such annual adjustments on the consumer price index, which measures changes in the prices of a fixed list of consumer goods and services.”

The proposal was then outlined, with an explanation how benefits would be affected over time:

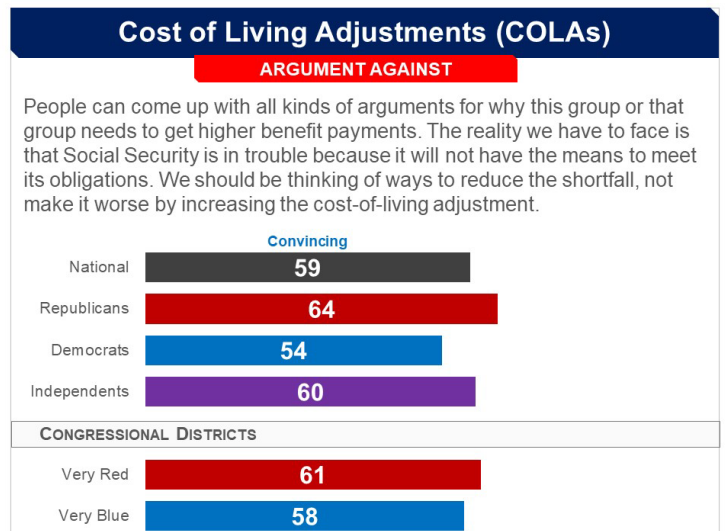
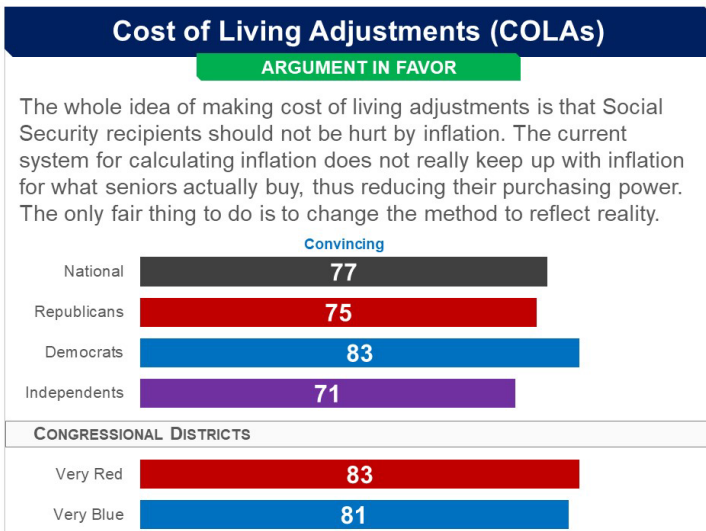
“There is a proposal for changing the COLA to use a measure for inflation based on a set of goods that reflects what ELDERLY people tend to buy. Because they spend more than other Americans for out-of-pocket health care costs and those costs rise faster than average inflation, this method would make the cost-of-living adjustments go up faster than the present method.

As an illustration, it is estimated that if prices for the current fixed set of goods goes up 2.5% a year, the amount that prices go up for the goods ELDERLY people buy would be 2.7%.

The effect of a higher COLA would compound over time. It is estimated that by making this change, benefits would grow more quickly, so that 10 years after retiring, average monthly benefits for a person retiring at the full retirement age would be about \$50 more than they would be under the current method. After 30 years average monthly benefits would be about \$261 more than by the current method.

This proposal would increase the Social Security shortfall by 12%.”

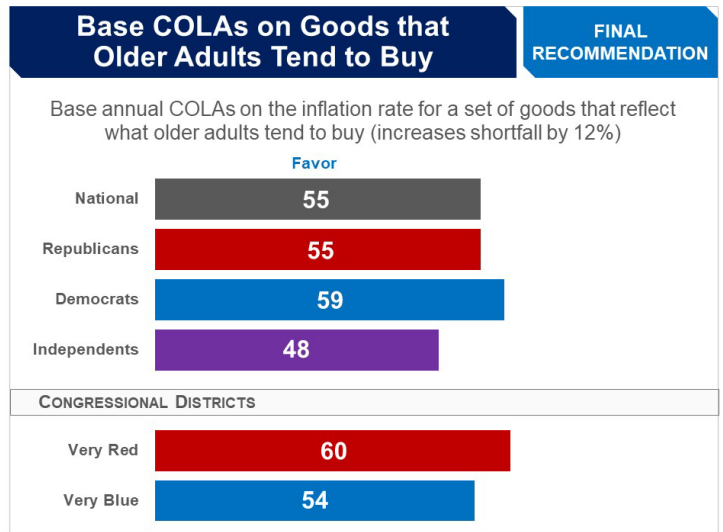
The argument in favor was found convincing by a very large bipartisan majority of 77% (Republicans 75%, Democrats 83%). The argument against was also found convincing by a bipartisan majority, albeit not as large (59%, Republicans 64%, Democrats 54%).



Asked for their initial assessment on a 0-10 scale, 54% found the proposal at least tolerable, including majorities of Republicans (53%) and Democrats (60%), but less than half of independents (45%).

For their final recommendation, a small bipartisan majority of 55% recommended this proposal (Republicans 55%, Democrats 59%). Just under half of independents, however, were in favor (48%).

Majorities in all types of Congressional districts were in favor, from very red (60%) to very blue districts (54%).

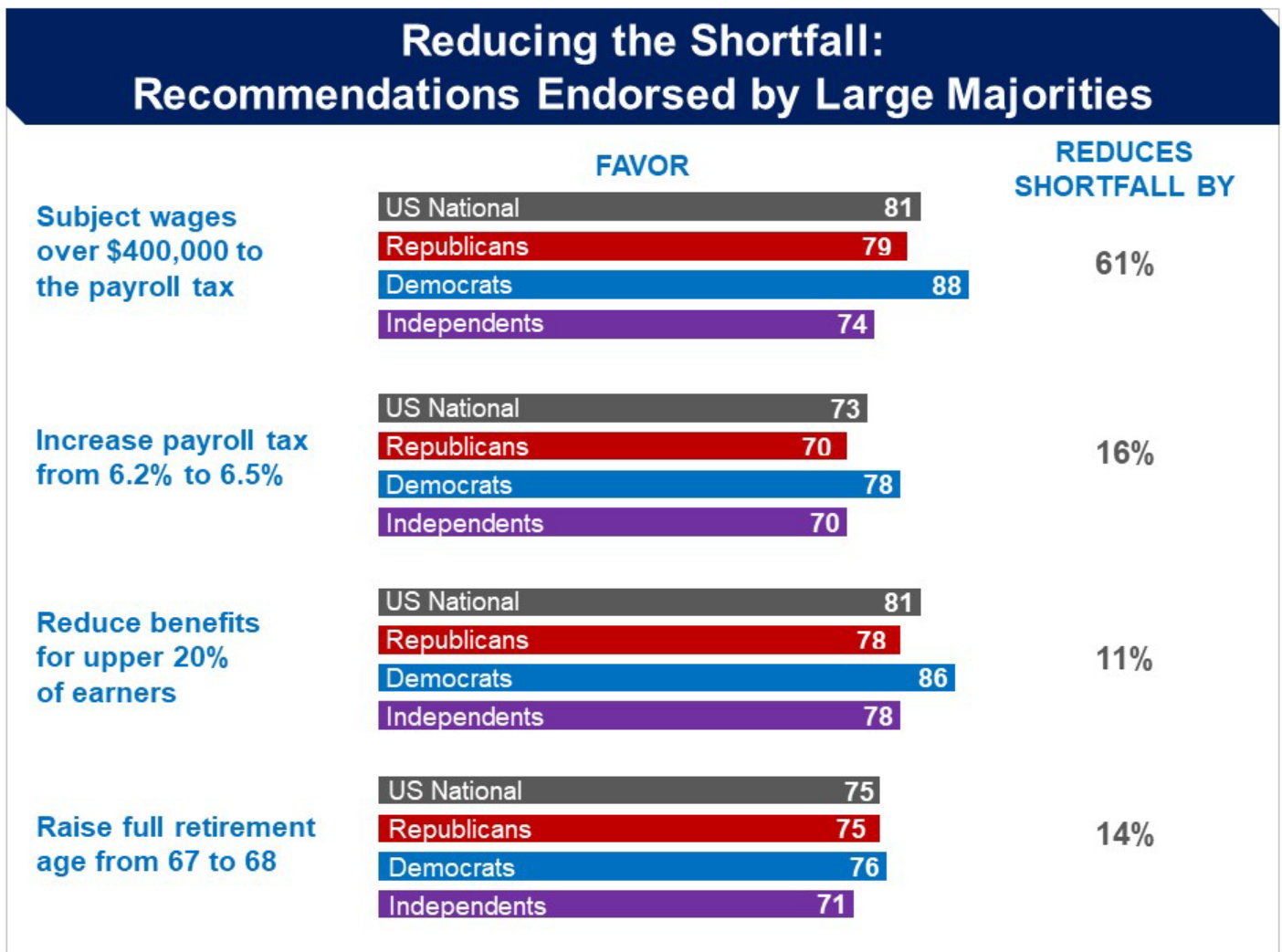


Summary of Final Recommendations

The final recommendations revealed a remarkable level of consensus on steps that would push back the insolvency of the Trust Fund by decades, while increasing benefits for low-income and very old beneficiaries.

Every approach to reducing the shortfall was selected by large bipartisan majorities, though in every case where there was a range of options, the most moderate one was chosen by the largest number. This was true overall, for Republicans and Democrats, as well as those in very red and very blue Congressional districts:

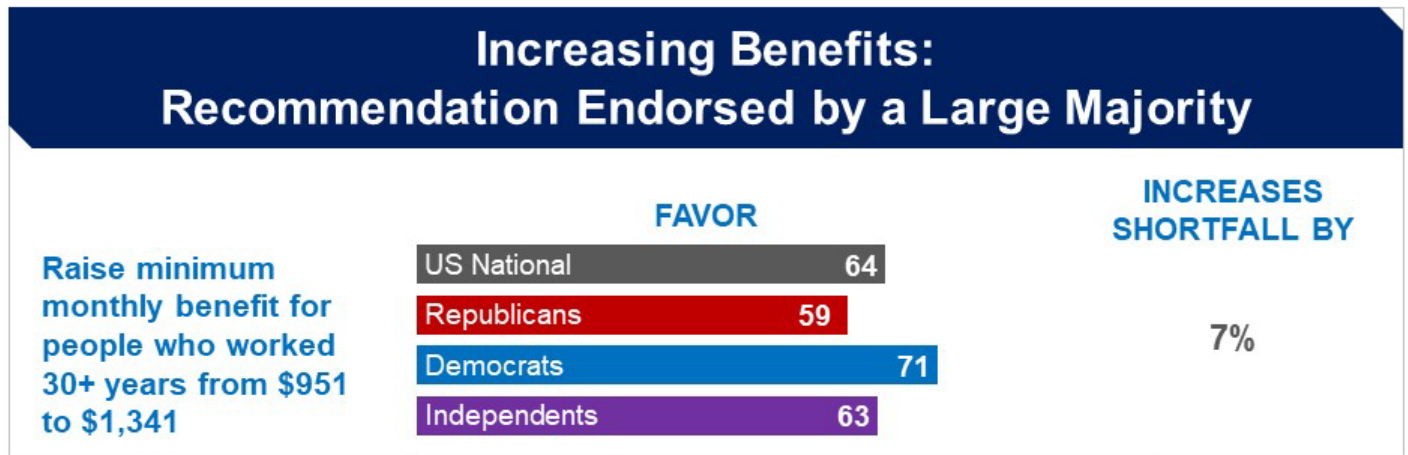
- Making wages over \$400,000 subject to the payroll tax, which, as the current cap increases with inflation, would make all wages subject to the payroll tax (reduces shortfall by 61%)
- Increasing the payroll tax from 6.2% to at least 6.5% (reduces shortfall by 16%)
- Reducing benefits for at least the upper 20% of earners (reduces shortfall by 11%)
- Raising the full retirement age from 67 to at least 68 (reduces shortfall by 14%)



Together, these steps eliminated 102% of the shortfall.

One benefit increase was recommended by large bipartisan majorities.

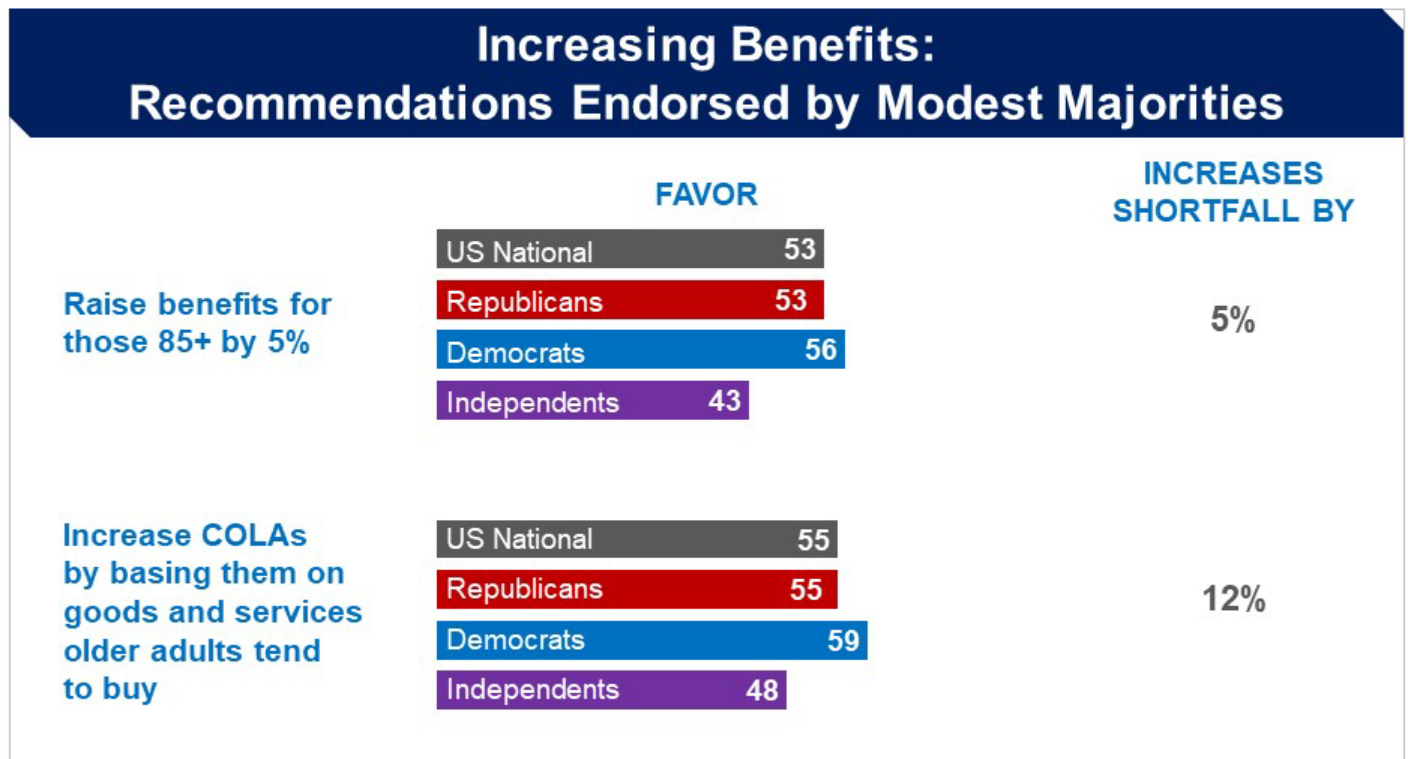
- Raising the minimum monthly benefit for someone who has worked 30 years from \$951 to \$1,341 (increases shortfall by 7%)



Together with the other steps endorsed, this would reduce the shortfall by 95%.

More modest, but still bipartisan, majorities embraced two other benefit increases:

- Raising benefits for those 85 and over by five percent (increases shortfall by 5%)
- Changing the way cost-of-living-adjustments are calculated by focusing on the goods and services that older adults tend to buy, which would make the adjustments higher than the current method (increases shortfall by 12%)



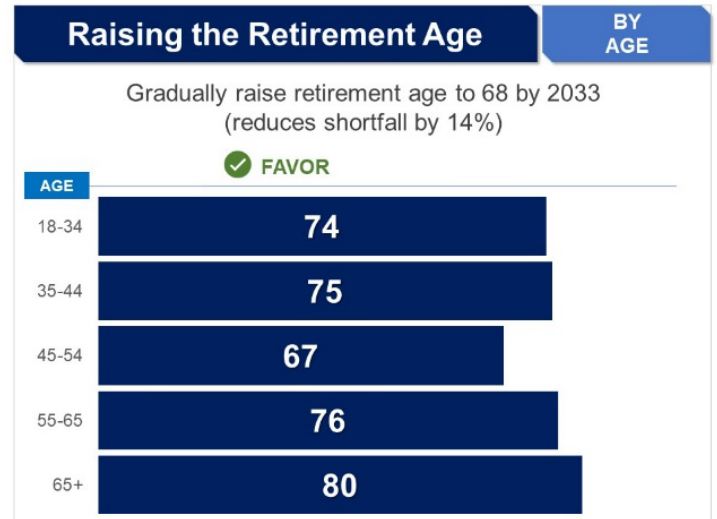
Together with the other changes above, the shortfall would be reduced by 78%.

Differences by Affected Subpopulations

Since various options to reform Social Security involve burdens that fall more on people of different ages and incomes, it is reasonable to assume that such effects would increase resistance to those reforms. In each case, however, this is not what happened.

Age

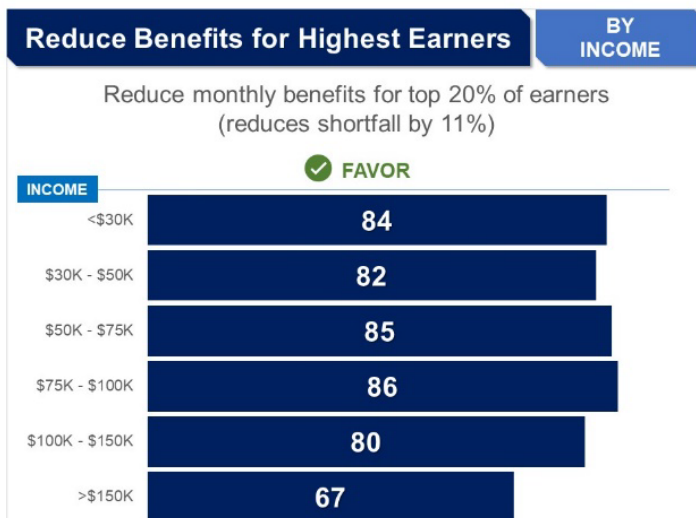
Raising the retirement age was supported by at least two-thirds of those who we would be affected: those currently below age 55. Support was only slightly higher among those whose retirement age would not be affected according to the proposal: those 55 and up.



Income

The proposal to reduce benefits for the top 20% of earners would affect those in households who average, over their lifetime, incomes of about \$150,000 or more in current dollars. For respondents in households that currently have incomes over \$150,000 and are thus more likely than other income groups to be affected by this benefit cut, a large majority were still in support (67%), albeit less than other income groups.

It is also reasonable to assume that increasing the minimum monthly benefit, which would not benefit people with higher lifetime earnings, would be resisted by people with high incomes currently. However, even among those in households earning between \$100,000 and \$150,000, and over \$150,000, around six-in-ten are in support (62% and 58%, respectively) – only slightly lower than other income groups.



AMERICANS ON SOCIAL SECURITY

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PROGRAM FOR PUBLIC CONSULTATION

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