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SOCIAL SECURITY OUTLOOK AND GOALS
by G. Donald Ferree, Jr.

One major criterion for support of changes in Social Security is the perception that changes of some sort will be necessary to save the system. On this front Wisconsinites would seem to be potentially open to reform. When respondents were asked whether they thought "Americans in the future will be able to rely on Social Security for a major part of their retirement income", only about one in five (19%) said "yes." Three in four (77%) demurred. This perception holds across all three self-described partisan groups. Those under forty-five are even more skeptical than those above that mark, with only about one in ten saying they believe Social Security can be relied on as a major source of retirement support.

In a somewhat different question, we also noted the present controversy with two positions: "major changes are necessary to preserve the system for today's younger workers when they retire" and "at most minor adjustments are necessary to do this." To ensure that respondents were not unduly pushed in either direction, the order with which these alternatives were presented was randomized. Overall, two thirds (64%) said they felt major changes (undefined in detail) were necessary, while three in ten (30%) said no more than minor adjustments would be required.

Results on this question were less stable across partisan lines, perhaps because it corresponded more closely with the emerging debate, but they were still modest. Specifically, while Republicans and Independents felt by two to one or more, Democrats came down on the same side rather less convincingly (by about five to four). Around three in four of those under forty-five felt major changes were necessary, while among those above that age, the corresponding proportion was under six in ten.

The public appears quite split over the Bush privatization proposal in principle. The proposal was summarized as follows: "Under the current system, workers and employers pay social security taxes, the government manages the program, and everyone who has the same work history gets the same benefits. President Bush has proposed a new system where each worker would set up an account and decide how some of the money is invested. Their benefits would be based in part on how well those choices worked out."

Asked to place themselves on a four point scale ranging from strongly support to strongly oppose, just under half said they supported the idea (12% strongly, 37% somewhat). About the same size group overall came down on the other side (23% somewhat, 24% strongly). This meant that those in opposition were modestly

more intense than those supporting the idea.

Partisanship is clearly a factor. Only one in four Democrats chose one of the two "support" options, while three in four opposed it, with the single largest group being strongly opposed. Independents on balance also opposed the plan, though less clearly. Three in four Republicans support the idea, contrasted with one in five who opposed it (though the strength of support was lower than the strength of opposition among Democrats). Those under fifty on balance support Bush's idea, while those above that mark oppose it. Those at or near retirement (sixty and above) are most likely to oppose the plan in principle.

On a personal level, state residents are divided on what the impact of a partially privatized system would have been on their own retirement, but display mild optimism. When they were asked to imagine that they "had been able to invest some of the money you and your family pay in Social Security taxes over the last few years", four in ten (40%) felt they would be in about the same place. Among the slightly more than half who thought it would have made a difference, however, those who felt they would have been in better shape outnumbered those who thought they would be worse off by about three to one. Optimism was highest among Republicans while Democrats were no more likely to think they would have gained than lost, and Independents fell in the middle. Optimism was higher among those under forty-five than older respondents, with those at or near retirement displaying the lowest net level of optimism.

There seems to be some sense among residents that they would make better decisions or at least come out better than the typical person. Specifically, respondents were asked "if something like this system IS put into place" and what the impact would be on "money available to pay Social Security benefits for the typical retiree in the future" as contrasted to "if the government collects all the money and decides how it will be used." Just under four in ten (38%) felt about the same amount would be available, leaving just over half who felt there would be an impact. They split pretty evenly, with 25% thinking more money would be available, and 29% less. On balance, and against a background where a substantial proportion expected about the same to be available, Republicans were more likely to think more money would be available. Democrats by a larger margin thought less would be and Independents narrowly also expected less. The only age group net expecting more money to be available were those from thirty to forty-four. The youngest expected no change. Older respondents, especially those of near retirement age, thought the amount of money available overall would go down.

If the perspective shifts to how well respondents and their families would do with a system of private accounts, optimism is more marked. Overall, almost half (46%) felt they would do better. Three in ten (29%) expected to do about the same. One in five (19%) felt they would do worse.

Democrats are evenly divided. Independents relatively narrowly expect they and their families would do better, while two thirds of Republicans expect they would do better with private accounts. Optimism is highest among the youngest group of respondents, declining especially as one moves to the over forty-five group. Those at or near retirement are evenly divided on the impact on their own family. But the key finding is that residents in general are more upbeat about the impact of a partially privatized system on themselves than on the system overall.

Going along with the notion of individual choice of investment options, more than eight in ten believe that if private accounts were set up something like

the present system should remain an option. Only about one in eight (13%) felt everyone should have to take part. The proportion backing choice never drops below about three in four in any of the groups examined.

This level of agreement disappears when the issue shifts to whether individual's should receive the full benefit or cost of their own decision or whether there should be a limit on losses with limits on benefits as well. Granted these options, opinion splits almost evenly overall, with 41% thinking individuals should realize the full benefit or cost and 44% favoring a limit on pluses and minuses in principle.

Democrats and Independents are similar, with about a five to three margin. By about the same balance, Republicans favor unmitigated individual consequences for the private accounts. Except for the youngest group, who tend to want to see some protective limits, all age groups are close to being evenly divided.

The details of the President's plans are just coming out, and reaction to any actual reform plan would likely depend on the degree of choice, the impact on the deficit of transition costs, and the fear that bad choices might leave some individuals hurt. That said, it seems clear that many Wisconsin residents tend to think that the status quo is not sustainable. While there is a certain openness to individual choice, there is also considerable opinion that some degree of protection against consequences of bad choices might be appropriate. One of the more interesting facets of these results is that the typical resident thinks they would make better choices than most, resulting in a sense that some privatization might benefit residents and their families individually along with fear concerning what the impact would be more broadly. Thus, along with a debate about the viability of the present system, much will depend on whether residents focus on how a revised system would work for them and how much they look at its overall impact on retirees overall. Paradoxically, however, Social Security has usually been perceived not as a social program to as such but rather as an individually based insurance program.

Statewide Marginals and Percentages for Key Groups

What follows is the exact question wording for each of the items referred to in the release. All results shown are for the basic sample of state residents. The first column is the percentage of the entire sample giving each response. The second and third reports the percentages for men and women separately. The fourth, fifth, and sixth columns show self-described Democrats, Independents, and Republicans. Columns seven through ten group respondents by age.

Q01. (INTERVIEWER NOTE, BUT DO NOT ASK) Gender of Respondent

	TOT	GENDER		PARTISANSHIP			AGE IN YEARS			
		M	F	DEM	IND	REP	<30	<45	<60	60+
Male	49%	100%	--%	44%	64%	43%	64%	46%	50%	44%
Female	51	--	100	56	36	57	36	54	50	56

FICA04. If something like this system IS put into place, do you think there will be more money available to pay Social Security benefits for the typical retiree in the future than if the government collects all the money and decides how it will be used, less money for benefits, or about the same?

	TOT	GENDER		PARTISANSHIP			AGE IN YEARS			
		M	F	DEM	IND	REP	<30	<45	<60	60+
MORE MONEY AVAILABLE	25%	28%	21%	12%	22%	39%	18%	39%	26%	11%
LESS MONEY AVAILABLE	29	29	30	47	37	12	15	16	34	41
ABOUT THE SAME	38	39	37	34	35	39	62	41	28	41
DON'T KNOW	8	3	12	7	6	10	5	4	12	6
REFUSED	*	--	*	--	--	1	--	--	1	--

FICA05. And do you think you and your family would do better, do worse, or do about the same with a system of private accounts?

	TOT	GENDER		PARTISANSHIP			AGE IN YEARS			
		M	F	DEM	IND	REP	<30	<45	<60	60+
DO BETTER	46%	51%	41%	30%	42%	65%	63%	57%	43%	32%
DO WORSE	19	19	19	33	24	6	17	6	24	27
DO ABOUT THE SAME	29	26	33	30	29	26	20	31	28	33
NOT IN SOC. SEC. (VOL.)	*	--	*	--	--	1	--	1	--	--
DON'T KNOW	5	3	8	7	5	3	--	5	5	7
REFUSED	--	--	--	--	--	--	--	--	--	--

FICA06. If such private accounts were set up, do you think everyone should have to take part, or should something like the present system remain an option?

	TOT	GENDER		PARTISANSHIP			AGE IN YEARS			
		M	F	DEM	IND	REP	<30	<45	<60	60+
ALL SHOULD TAKE PART	13%	13%	14%	10%	9%	18%	22%	15%	12%	10%
PRESENT SYSTEM OPTIOM	82	84	79	85	90	76	78	79	81	86
DON'T KNOW	4	2	6	4	1	5	--	5	5	4
REFUSED	1	*	1	1	--	1	--	1	1	*

FICA07. Do you think each person should get the full benefit or cost of their investment choices, or should there be a limit so no one could do too badly even if that means others' benefits are lower?

	TOT	GENDER		PARTISANSHIP			AGE IN YEARS			
		M	F	DEM	IND	REP	<30	<45	<60	60+
ALL GET FULL RESULTS	41%	45%	38%	33%	33%	55%	31%	46%	44%	37%
LIMIT ON PLUS & MINUS	44	46	43	54	54	31	57	48	42	41
DON'T KNOW	12	8	16	12	7	13	9	6	11	19
REFUSED	2	2	3	1	5	2	3	1	2	3

QD05. Generally speaking, do you consider yourself a Democrat, a Republican, an Independent, or something else?

	TOT	GENDER		PARTISANSHIP			AGE IN YEARS			
		M	F	DEM	IND	REP	<30	<45	<60	60+
DEMOCRAT	30%	26%	33%	100%	--%	--%	30%	28%	31%	32%
REPUBLICAN	37	33	40	--	--	100	28	43	34	36
INDEPENDENT	23	30	16	--	100	--	32	12	24	27
OTHER	7	8	7	--	--	--	2	14	9	3
NONE	1	1	1	--	--	--	--	2	2	1
DON'T KNOW	1	1	*	--	--	--	2	1	1	--
REFUSED	2	1	3	--	--	--	6	1	1	2

QD11. In what year were you born? (ENTER FOUR-DIGIT YEAR) (Calculated and grouped as below)

	TOT	GENDER		PARTISANSHIP			AGE IN YEARS			
		M	F	DEM	IND	REP	<30	<45	<60	60+
18-29	10%	13%	7%	10%	14%	7%	100%	--%	--%	--%
30-44	24	23	26	23	13	29	--	100	--	--
45-59	37	38	35	38	39	34	--	--	100	--
60 and over	27	25	30	29	32	27	--	--	--	100
DK/REFUSED	2	2	2	--	2	3	--	--	--	--

* denotes less than .5%

-- denotes 0%

HOW THE POLL WAS DONE

This BADGER POLL™ was conducted by the University of Wisconsin Survey Center as part of its ongoing program of research designed to benefit the research community and the people of Wisconsin, under the direction of G. Donald Ferree, Jr., Associate Director for Public Opinion Research of the Center. The media sponsors of the survey are the (Madison) Capital Times, and the Milwaukee Journal-Sentinel. The BADGER POLL™ is intended to be a "poll of record" for the state, investigating matters of concern to Wisconsinites including politics, culture, and their daily lives, adhering to the highest standards of polling methodology and rigorous independence.

A total of 503 randomly chosen state residents were interviewed for this survey by telephone between January 4 and 12, inclusive. Telephone numbers were generated by computer in proportion to the number of adults living in each area of the state. Theoretically, results from this survey have a "margin of error" of a little over +/- 4%. This means that, had we asked every eligible resident in Wisconsin, exactly these questions at the time the survey was conducted, there is only a one in twenty chance that the answers would differ by more than that in either direction from what we report here. There could be differences because of changes in question wording, events occurring in the meantime, or any of the practical difficulties involved in taking a scientific survey. Results based on subgroups are subject to a larger "margin of error".