



**AARP Ohio State
Social Security Survey
April 18, 2005**



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AARP Ohio State Social Security Survey

April 18, 2005

In early April 2005, AARP commissioned a state telephone survey of a representative adult sample (age 18+) in Ohio. Seven hundred interviews were conducted. This survey gave AARP an opportunity to present Ohio state-level views of private accounts when the consequences of such accounts are considered.

This report will highlight the Ohio state survey data. The survey methodology is described at the end of this report, and a tabulated questionnaire is appended.

AARP is a non-partisan organization. It does not contribute to political campaigns nor does it endorse or oppose any candidates for public office.

Key Findings

Overall view of the need for Social Security Reform. Ohioans were asked to choose one of four statements about Social Security. One-quarter (25%) believe that the Social Security program has no serious problems. A further 23 percent think that Social Security has minor problems that can be fixed with slight changes to the current system. Thus, nearly one-half (48%) of Ohioans believe that Social Security has either no problems or only minor problems. Nearly one-quarter (23%) believes that Social Security has serious problems that require substantial changes to the current system. An additional 23 percent think that Social Security's problems are so bad that the current system should be replaced. Thus, more than 7 in 10 (71%) of Ohioans age 18+ believe in reforming the Social Security system, not replacing it with something else.

Overall view of private accounts. Ohioans are split in their reactions to private accounts when simply asked about the option to invest some of their Social Security contributions. Almost half (45%) *favor* private accounts, 48 percent are *opposed*, and 8 percent *don't know* where they stand on this issue.

There are sharp differences by age in reactions to private accounts. Six in 10 (60%) of Ohioans aged 18-39 *favor* private accounts, whereas majorities of those aged 40-59 (51%) and those aged 60+ (67%) *oppose* private accounts.

Anticipated effect of private accounts on Social Security. More than one-half of Ohioans (53%) believe that allowing workers to invest some Social Security payroll taxes in the stock market will *weaken* Social Security. Thirty-two percent believe it will *strengthen* Social Security; and 14 percent *don't know*.

Taking into account some consequences of private accounts. When consequences of private accounts are introduced, we find that support for private accounts decreases greatly. Between 43 percent and 57 percent of people who initially favored private accounts ended up opposed to private accounts when presented with some consequences. As a result, exposure to any of the consequences presented increased the initial 48 percent of respondent opposition to private accounts to a substantial majority (between 67 percent and 73 percent total opposition depending on the consequence presented).

The consequences that proved to be of most concern to supporters of private accounts revolved around the associated cuts to Social Security benefits, adding new federal debt caused by draining money from Social Security to create private accounts, and introducing risk into the Social Security system because of adding private accounts. Specifically, 57 percent of those who initially supported private accounts would drop their support if changing the way Social Security benefits are calculated would result in reduced benefits. Fifty-seven percent of supporters would drop their support if creating private accounts drain money out of Social Security and require the federal government to borrow large sums of money to pay the Social Security benefits for current retirees.

The possibility that creating private accounts out of Social Security would put more of people's retirement savings at risk resulted in 48 percent of Ohioans who initially supported private accounts turning to oppose them. Similarly, nearly one-half (49) of initial private account supporters would drop their support if they knew that creating private accounts would require each worker to pay brokerage firms management fees for their account. The fact that the creation of private accounts would create losers as well as winners and the losers might need additional help from the government resulted in 44 percent switching from support to opposition. The possibility that creating private accounts would require the creation of a new government agency to administer the accounts resulted in 43 percent switching from support to opposition.

Total Opposition to Private Accounts among Ohioans. If we add the respondents who dropped their support in response to each consequence of private accounts, to those who initially opposed private accounts, we get a clearer picture of where Ohioans stand on the private account issue.

Table 1 lists all the consequences presented to respondents who initially favored allowing workers to invest up to \$1,300 of their Social Security contributions in individual retirement accounts. The favor or opposition percentages are re-calculated percentages based on the entire survey sample.

In Table 1 the column labeled "*Oppose*" shows the percentage of people who reported they *Somewhat oppose* or *Strongly oppose* private accounts in question #2 and those who dropped their support for private accounts in response to each consequence presented in the survey. The sum of these two percentages is the total percentage of people who oppose private accounts depending on the consequence.

The column labeled “*Still Favor*” consists of the percentage of people who continue to favor private accounts even after the consequence has been presented.

Total opposition to private accounts is between 67 percent and 73 percent depending on the consequence presented.

Table 1
(n= 700)
What if you heard that ...?

	Private Accounts	
	Still Favor	Oppose
4a.) Creating private accounts out of Social Security funds will put more of your retirement savings at risk?	20%	70%
4b.) Creating private accounts out of Social Security will create losers as well as winners, and the losers may need additional help from the government?	20%	68%
4c.) Creating private accounts will require the creation of a new government agency to administer the accounts?	22%	67%
4d.) Creating private accounts drain money out of Social Security and require the federal government to borrow large sums of money to pay the Social Security benefits for current retirees?	17%	73%
4e.) Creating private accounts would require each worker to pay brokerage firms management fees for their account?	19%	70%
4f.) Creating private accounts could mean changes in the way Social Security benefits are calculated, which could mean cuts in everyone’s Social Security benefits and not just the people who choose the private account?	17%	73%

Paired Comparisons of Positive and Negative Statements about Private Accounts.

Ohioans were presented with two pairs of statements about private accounts created out of Social Security and were asked which statement they agreed with more. One-fifth (20%) agreed with the statement “even though it will cost more than \$900 billion to set up private accounts, I still think that is a good investment if it lets me invest part of my Social Security taxes in the stock market.” Nearly 7 in 10 (69%) agreed with the statement, “even though private accounts let me invest part of my Social Security taxes in the stock market, I do not think that they are a good investment if it will cost more than 900 billion dollars to set them up.” Eleven percent *don’t know*.

One-quarter (26%) of Ohioans agreed with the statement “Social Security should be more like an investment account with people taking an investment risk for the possibility of greater returns,” whereas 69 percent agreed with the statement “Social Security should remain a program that provides a predictable benefit without investment risk.” Five percent *don’t know*.

The impact of private accounts on voting intentions. Ohioans were asked what affect a congressional candidate’s support for private accounts would have on their vote in the 2006 congressional elections. One-half (50%) said they would be *less likely* to vote for this candidate; 30 percent said it would make no difference in their vote; and 15 percent said this would make them *more likely* to vote for this candidate. Thirty percent of self-identified Republicans, 5 percent of self-identified Democrats, and 13 percent of self-identified Independents said they would be *more likely* to support a Congressional candidate from their district should he or she support legislation that would use Social Security funds to create private accounts.

Twenty-eight percent of self-identified Republicans, 68 percent of self-identified Democrats, and 54 percent of self-identified Independents said they would be *less likely* to support a Congressional candidate from their district should he or she support legislation that would use Social Security funds to create private accounts.

Support of legislation that would use Social Security funds to create private accounts *would make no difference* in Congressional candidate support for 39 percent of self-identified Republicans, 24 percent of self-identified Democrats, and 27 percent of self-identified Independents.

Methodology

AARP commissioned Woelfel Research, Inc., a national survey research firm, to conduct a random digit dial (RDD) telephone survey of 700 adults, age 18+, in Ohio. All interviews were conducted between April 1st and April 13th. This state survey has a sampling error of plus or minus 5 percentage points. This means that in 95 out of 100 samples of this size, the results obtained in the sample would fall in a range of 5 percentage points of what would have been obtained if every adult in Ohio had been surveyed.

For presentation purposes, percentage points have been rounded off to the nearest whole number. As a result, percentages in a given table column may total slightly higher or lower than 100%. For questions that permit multiple responses, columns may total to significantly more than 100%, depending on the number of different responses offered by each respondent. Similarly, when only selected responses are shown, percentages may total less than 100%.

Social Security Survey
OHIO – STATEWIDE (April 2005)

Hello, this is _____ calling from Woelfel Research, Inc., a national opinion research firm. We are not telemarketers and are not trying to sell you anything. We would like to find out your opinions on some aspects of Social Security. Your views are important and we would greatly appreciate your participation. All of your responses are kept entirely confidential. This survey should take about five minutes of your time.

S1. Are you at least 18 years old

1.	Yes	CONTINUE
2.	No	[ASK TO SPEAK TO SOMEONE IN HH WHO IS AGE 18+. IF NONE IN HH, TERMINATE]

1. Which of the following statements comes closest to your opinion about the Social Security program?

[ROTATE]

1.	The Social Security program has no serious problems, certainly none that require changing the current system	25%
2.	Social Security has minor problems that can be fixed with slight changes to the current system	23%
3.	Social Security's problems are serious and can be fixed only with substantial changes to the current system	23%
4.	Social Security's problems are so bad that the current system should be replaced	23%
5.	Don't Know	5%

2. Some people propose allowing workers to invest some of their Social Security payroll taxes in the stock market through private retirement accounts. For the average worker, this portion could be up to \$1,300 per year that they could invest. In general, do you favor or oppose this approach? Is that strongly or somewhat?

1.	Strongly favor	25%
2.	Somewhat favor	20%
3.	Somewhat oppose	15%
4.	Strongly oppose	33%
5.	Undecided/don't know	8%
6.	No answer/refused	0%

3. Do you think allowing workers to invest some Social Security payroll taxes in the stock market will strengthen or weaken the Social Security System?

1.	Strengthen	32%
2.	Weaken	53%
3.	Undecided/don't know	14%
4.	No answer/refused	1%

FOR THOSE WHO SOMEWHAT OR STRONGLY OPPOSE IN Q. 2, SKIP TO Q. 5

ASK 4 A-F ONLY FOR THOSE ANSWERING STRONGLY OR SOMEWHAT FAVOR IN Q.2

4. Now let me read you some statements that people have made about proposals to allow workers to invest part of their Social Security payroll taxes. After hearing the statement, please let me know if you still favor or now oppose proposals for private accounts.

ROTATE STATEMENTS

4a. If creating private accounts out of Social Security funds will put more of your retirement savings at risk would you still favor or now oppose proposals for private accounts?

		Of those who favor private accounts
1.	Favor	45%
2.	Oppose	48%
3.	Undecided/don't know	6%
4.	No answer/refused	1%

		Total
1.	Initially favored private accounts	45%
2.	Would still favor private accounts	20%
3.	Initially opposed private accounts	48%
4.	Would oppose private accounts if creating private accounts out of Social Security funds will put more of your retirement savings at risk	22%
5.	Don't know	3%

4b. If creating private accounts out of Social Security will create losers as well as winners, and the losers may need additional help from the government would you still favor or now oppose proposals for private accounts?

		Of those who favor private accounts
1.	Favor	46%
2.	Oppose	44%
3.	Undecided/don't know	10%
4.	No answer/refused	1%

		Total
1.	Initially favored private accounts	45%
2.	Would still favor private accounts	20%
3.	Initially opposed private accounts	48%
4.	Would oppose private accounts if creating private accounts out of Social Security will create losers as well as winners, and the losers may need additional help from the government	20%
5.	Don't know	4%

4c. If creating private accounts will require the creation of a new government agency to administer the accounts, would you still favor or now oppose proposals for private accounts?

		Of those who favor private accounts
1.	Favor	50%
2.	Oppose	43%
3.	Undecided/don't know	7%
4.	No answer/refused	1%

		Total
1.	Initially favored private accounts	45%
2.	Would still favor private accounts	22%
3.	Initially opposed private accounts	48%
4.	Would oppose private accounts if creating private accounts will require the creation of a new government agency to administer the accounts	19%
5.	Don't know	3%

4d. If creating private accounts drain money out of Social Security and require the federal government to borrow large sums of money to pay the Social Security benefits for current retirees, would you still favor or now oppose proposals for private accounts?

		Of those who favor private accounts
1.	Favor	38%
2.	Oppose	57%
3.	Undecided/don't know	5%
4.	No answer/refused	1%

		Total
1.	Initially favored private accounts	45%
2.	Would still favor private accounts	17%
3.	Initially opposed private accounts	48%
4.	Would oppose private accounts if creating private accounts drain money out of Social Security and require the federal government to borrow large sums of money to pay the Social Security benefits for current retirees	25%
5.	Don't know	2%

4e. If creating private accounts would require each worker to pay brokerage firms management fees for their account, would you still favor or now oppose proposals for private accounts?

		Of those who favor private accounts
1.	Favor	44%
2.	Oppose	49%
3.	Undecided/don't know	6%
4.	No answer/refused	1%

		Total
1.	Initially favored private accounts	45%
2.	Would still favor private accounts	19%
3.	Initially opposed private accounts	48%
4.	Would oppose private accounts if creating private accounts would require each worker to pay brokerage firms management fees for their account	22%
5.	Don't know	3%

4f. If creating private accounts could mean changes in the way Social Security benefits are calculated, which could mean cuts in everyone's Social Security benefits and not just the people who choose the private account, would you still favor or now oppose proposals for private accounts?

		Of those who favor private accounts
1.	Favor	38%
2.	Oppose	57%
3.	Undecided/don't know	4%
4.	No answer/refused	1%

		Total
1.	Initially favored private accounts	45%
2.	Would still favor private accounts	17%
3.	Initially opposed private accounts	48%
4.	Would oppose private accounts if creating private accounts could mean changes in the way Social Security benefits are calculated, which could mean cuts in everyone's Social Security benefits and not just the people who choose the private account	25%
5.	Don't know	2%

5. For each of the following pairs of statements, please tell me which one you agree with more:

5.1

1.	A. Even though it will cost more than 900 billion dollars to set up private accounts, I still think that's a good investment if it lets me invest part of my Social Security taxes in the stock market.	20%
2.	B. Even though private accounts let me invest part of my Social Security taxes in the stock market, I <u>do not</u> think that they are a good investment if it will cost more than 900 billion dollars to set them up.	69%
3.	Don't Know	11%

5.2

1.	A. Social Security should remain a program that provides a predictable benefit without investment risk.	69%
2.	B. Social Security should be more like an investment account with people taking an investment risk for the possibility of greater returns.	26%
3.	Don't Know	5%

6. If a candidate for Congress from your Congressional district supported legislation that would use Social Security funds to create private accounts, would you be more likely to vote for that candidate in the 2006 election, less likely, or wouldn't it make any difference?

1.	More Likely	15%
2.	Wouldn't Make a Difference	30%
3.	Less Likely	50%
4. (DO NOT READ)	Don't Know	5%
5. (DO NOT READ)	Refused	0%

7. Generally speaking, do you usually think of yourself as...?
(READ LIST. ENTER ONE ONLY)

1.	A Republican	28%
2.	A Democrat	32%
3.	An Independent	34%
4. (DO NOT READ)	Other	1%
5. (DO NOT READ)	Don't know	3%
6. (DO NOT READ)	Refused	2%

(SCRAMBLE CODES 1-3)

8. Generally speaking, would you characterize your political views as being...?
(READ LIST. ENTER ONE ONLY)

1.	Conservative	34%
2.	Moderate	44%
3.	Liberal	15%
4. (DO NOT READ)	None of the Above	1%
5. (DO NOT READ)	Don't know	5%
6. (DO NOT READ)	Refused	1%

Demographic questions:

D1. What is your age as of your last birthday? [RECORD IN YEARS]

1.	18-39	36%
2.	40-59	38%
3.	60 or older	23%
4.	18-49	60%
5.	50 or older	37%
6.	Refused	3%

D2. What is your marital status? Are you currently....

1.	Married,	60%
2.	Divorced,	10%
3.	Separated,	1%
4.	Widowed,	9%
5.	Or have you never been married?	18%
6.	Living with partner [DO NOT READ]	0%
7.	Don't know [DO NOT READ]	0%
8.	Refused [DO NOT READ]	1%

[ONLY ASK IF 50 OR OLDER]

D3. Are you a member of A-A-R-P formerly known as the American Association of Retired Persons?

1.	Yes	50%
2.	No	50%
3.	Don't know [DO NOT READ]	0%
4.	Refused [DO NOT READ]	0%

D4. What is the highest level of education you have completed? [READ LIST]

1.	Less than high school	6%
2.	High school graduate or equivalent	37%
3.	Some college or technical training beyond high school	25%
4.	College graduate	20%
5.	Or, Post-graduate or professional degree	11%
6.	Don't know [DO NOT READ]	0%
7.	Refused [DO NOT READ]	1%

D5. Which of the following best describes your current employment status? Are you currently....[READ LIST]

1.	Employed full-time	54%
2.	Employed part-time	10%
3.	Self-employed	1%
4.	Retired and not working	20%
5.	Unemployed and looking for work	3%
6.	Homemaker	6%
7.	Disabled	4%
8.	Student	1%
9.	Don't Know [DO NOT READ]	0%
10.	Refused [DO NOT READ]	1%

D6. Would you say that you always vote in presidential elections, usually vote, sometimes vote, rarely vote, or never vote)

1.	Always	73%
2.	Usually	10%
3.	Sometimes	5%
4.	Rarely	4%
5.	Never	6%
6.	Refused [DO NOT READ]	2%

D7. For statistical purposes only, please stop me when I get to the category that includes your household's income before taxes in 2004. Was it... [READ LIST]

1.	Less than \$10,000	6%
2.	\$10,000 but less than \$20,000	8%
3.	\$20,000 but less than \$30,000	12%
4.	\$30,000 but less than \$40,000	9%
5.	\$40,000 but less than \$50,000	9%
6.	\$50,000 but less than \$75,000	16%
7.	\$75,000 but less than \$100,000	12%
8.	\$100,000 or more	9%
9.	Don't know [DO NOT READ]	3%
10.	Refused [DO NOT READ]	16%

D8. Are you Spanish, Latino, or Hispanic?

1.	Yes	3%
2.	No	96%
3.	Don't Know	0%
4.	Refused	1%

D9. Which of the following group best describes your race? [READ LIST]

1.	White	85%
2.	Black or African-American	9%
3.	Asian	1%
4.	Native Hawaiian or Pacific Islander	0%
5.	American Indian or Alaska Native	1%
6.	Other	2%
7.	Refused	2%

D10. RECORD STATE

D11. What is your gender?

1.	Male	47%
2.	Female	53%

D12. Finally, what is your 5-digit zip code?

THANK YOU FOR PARTICIPATING! YOUR OPINION COUNTS!