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**AARP Oregon
Social Security Survey
June 3, 2005**

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June 2005



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AARP Oregon Social Security Survey

June 3, 2005

In late May 2005, AARP commissioned a state telephone survey of a representative adult sample (age 18+) in Oregon. A total of 700 interviews were conducted. This survey gave AARP an opportunity to present state-level views of private accounts when the consequences of such accounts are considered.

This report will highlight the Oregon 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. Oregon residents 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 22% think that Social Security has minor problems that can be fixed with slight changes to the current system. Thus, nearly one-half of Oregon residents believe that Social Security has either no problems or only minor problems. Slightly more than one-quarter (26%) believes that Social Security has serious problems that require substantial changes to the current system. Similarly, nearly one-quarter (23%) think that Social Security's problems are so bad that the current system should be replaced. Thus, nearly three-quarters (73%) of Oregon residents age 18+ believe in reforming the Social Security system, not replacing it with something else.

Overall view of private accounts. More than one-half of Oregon residents (52%) *oppose* private accounts when simply asked about the option to invest some of their Social Security contributions. Four in ten (41%) *favor* private accounts and 7 percent *don't know* where they stand on this issue.

Whereas Oregon residents who *favor* private accounts were evenly divided between *strongly favor* (20%) and *somewhat favor* (21%), Oregon residents who *oppose* private accounts were more than twice as likely to *strongly oppose* private accounts (37%) as to *somewhat oppose* them (15%). That is, intensity of feeling about private accounts was much greater on the oppose side than it was on the favor side.

Anticipated effect of private accounts on Social Security. More than one-half of Oregon residents (55%) believe that allowing workers to invest some Social Security payroll taxes in the stock market will *weaken* Social Security. Three in ten (30%) believe it will *strengthen* Social Security and 13% *do not 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 44 percent and 54 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 52 percent of respondents opposed to private accounts to a substantial majority (between 70% and 74% 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, and the new federal debt caused by draining money from Social Security to create private accounts. Specifically, 54 percent of those who initially supported private accounts 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. Fifty-three percent would drop their support if changing the way Social Security benefits are calculated would result in reduced benefits.

The possibility that creating private accounts out of Social Security would put more of people's retirement savings at risk resulted in 45 percent of Oregon residents who initially supported private accounts turning to oppose them. Similarly, nearly 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 firm 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.

Total opposition to private accounts among Oregon residents. 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 Oregon residents stand on the private accounts 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 70% and 74% 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?	21%	71%
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?	19%	70%
4c.) 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?	16%	74%
4d.) Creating private accounts would require each worker to pay brokerage firm management fees for their account?	18%	72%
4e.) 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?	16%	74%

Paired Comparisons of Positive and Negative Statements about Private Accounts.

Oregon residents 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 (21%) 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.” Seven in ten (70%) 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.” Ten percent *don't know*.

Slightly more than one-quarter (26%) of Oregon residents 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 71 percent agreed with the statement “Social Security should remain a program that provides a predictable benefit without investment risk.” Four percent *don't know*.

Qualities of elected officials important to Oregon residents. Oregon residents were asked how important is it that a candidate for U.S. Senate or the U.S. House of Representatives possess certain qualities. Nearly 9 in 10 Oregon residents (86%) reported it is *very important* for such candidates to be knowledgeable about political issues. Approximately 8 in 10 Oregon residents (79%) said it is *very important* for these candidates to stay in touch with their constituents. Three-quarters believe it is *very important* for their U.S. senator or representative to be an effective legislator or willing to be independent in their judgment. Less than one-fifth (18%) reported that following party leadership is a *very important* quality for senators and congressmen to possess.

The impact of private accounts on voting intentions. Oregon residents were asked what affect a U.S Senate candidate's support for private accounts would have on their vote. A majority (54%) reported they would be less likely to vote for this candidate; 24% said it wouldn't make a difference and 18% said this would make them more likely to vote for this candidate.

Additionally, Oregon residents were asked what affect a congressional candidate's support for private accounts would have on their vote in the 2006 congressional elections. Slightly more than half (51%) said they would be less likely to vote for a candidate who supports private accounts carved from Social Security; 28% said it would make no difference in their vote; and 17% said this would make them more likely to vote for this candidate.

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 Oregon. Interviews were conducted between May 21st and May 25th. This state survey has a sampling error of plus or minus 4 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 4 percentage points of what would have been obtained if every adult in the state 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
OREGON (May 2005)
(n=700)**

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.	No	[ASK TO SPEAK TO SOMEONE 18 OR OLDER]
2.	Yes	[CONTINUE]

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	22%
3.	Social Security's problems are serious and can be fixed only with substantial changes to the current system	26%
4.	Social Security's problems are so bad that the current system should be replaced	23%
5.	Don't Know	4%

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	20%
2.	Somewhat favor	21%
3.	Somewhat oppose	15%
4.	Strongly oppose	37%
5.	Undecided/don't know	6%
6.	No answer/refused	1%

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	30%
2.	Weaken	55%
3.	Undecided/don't know	13%
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	51%
2.	Oppose	45%
3.	Undecided/don't know	3%
4.	No answer/refused	1%

		Total
1.	Initially favored private accounts	41%
2.	Would still favor private accounts	21%
3.	Initially opposed private accounts	52%
4.	Would oppose private accounts if creating private accounts out of Social Security funds will put more of your retirement savings at risk	19%
5.	Don't know	1%

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	47%
2.	Oppose	44%
3.	Undecided/don't know	8%
4.	No answer/refused	2%

		Total
1.	Initially favored private accounts	41%
2.	Would still favor private accounts	19%
3.	Initially opposed private accounts	52%
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	18%
5.	Don't know	3%

4c. 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	54%
3.	Undecided/don't know	6%
4.	No answer/refused	2%

		Total
1.	Initially favored private accounts	41%
2.	Would still favor private accounts	16%
3.	Initially opposed private accounts	52%
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	22%
5.	Don't know	2%

4d. 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	41%
2.	Would still favor private accounts	18%
3.	Initially opposed private accounts	52%
4.	Would oppose private accounts if creating private accounts would require each worker to pay brokerage firms management fees for their account	20%
5.	Don't know	2%

4e. 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	39%
2.	Oppose	53%
3.	Undecided/don't know	6%
4.	No answer/refused	1%

		Total
1.	Initially favored private accounts	41%
2.	Would still favor private accounts	16%
3.	Initially opposed private accounts	52%
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	22%
5.	Don't know	3%

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.	21%
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.	70%
3.	Don't Know	10%

5.2

1.	A. Social Security should remain a program that provides a predictable benefit without investment risk.	71%
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	4%

6. How important is it to you that a candidate for U.S. Senate or the U.S. House of representatives to possess the following qualities- Very important, Somewhat important, Not too important, not at all important:
(ROTATE)

a. Knowledgeable about political issues

1.	Very important	86%
2.	Somewhat important	11%
3.	Not too important	1%
4.	Not at all important	2%
5.	Don't know	1%
6.	Refused	---

b. Follows party leadership

1.	Very important	18%
2.	Somewhat important	32%
3.	Not too important	26%
4.	Not at all important	21%
5.	Don't know	2%
6.	Refused	---

c. Effective legislator – makes things happen

1.	Very important	75%
2.	Somewhat important	21%
3.	Not too important	2%
4.	Not at all important	1%
5.	Don't know	1%
6.	Refused	2%

d. Willing to be independent in his or her judgment

1.	Very important	75%
2.	Somewhat important	21%
3.	Not too important	2%
4.	Not at all important	1%
5.	Don't know	1%
6.	Refused	2%

e. Stays in touch with his or her constituents

1.	Very important	79%
2.	Somewhat important	17%
3.	Not too important	2%
4.	Not at all important	1%
5.	Don't know	1%
6.	Refused	---

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

1.	More Likely	18%
2.	Wouldn't Make a Difference	24%
3.	Less Likely	54%
D. (DO NOT READ)	Don't Know	4%
R. (DO NOT READ)	Refused	0%

6b. 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	17%
2.	Wouldn't Make a Difference	28%
3.	Less Likely	51%
D. (DO NOT READ)	Don't Know	4%
R. (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	35%
3.	An Independent	31%
4. (DO NOT READ)	Other	2%
5. (DO NOT READ)	Don't know	1%
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	33%
2.	Moderate	37%
3.	Liberal	24%
4. (DO NOT READ)	None of the Above	4%
5. (DO NOT READ)	Don't know	2%
6. (DO NOT READ)	Refused	1%

Demographic questions:

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

1.	18-39	38%
2.	40-59	36%
3.	60 or older	24%
4.	18-49	60%
5.	50 or older	37%
6.	Refused	3%

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

1	Married,	57%
2	Divorced,	11%
3	Separated,	1%
4	Widowed,	8%
5	Or have you never been married?	20%
6	Living with partner [DO NOT READ]	2%
7	Don't know [DO NOT READ]	0%
78	Refused [DO NOT READ]	1%

D3. Are you a member of AARP formerly known as the American Association of Retired Persons? [ASKED ONLY OF THOSE AGE 50+]

1.	Yes	48%
2.	No	50%
3.	DK/Ref	2%

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

1	Less than high school	4%
2	High school graduate or equivalent	19%
3	Some college or technical training beyond high school	32%
4	College graduate	22%
5	Or, Post-graduate or professional degree	21%
6	Don't know [DO NOT READ]	0%
7	Refused [DO NOT READ]	2%

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

1	Employed full-time	47%
2	Employed part-time	12%
3	Self-employed	1%
4	Retired and not working	20%
5	Unemployed and looking for work	4%
6	Homemaker	6%
7	Disabled	4%
8	Student	2%
9	Don't Know [DO NOT READ]	1%
10	Refused [DO NOT READ]	2%

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

1.	Always	75%
2.	Usually	10%
3.	Sometimes	5%
4.	Rarely	3%
5.	Never	6%
6.	Refused [DO NOT READ]	1%

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	11%
3.	\$20,000 but less than \$30,000	11%
4.	\$30,000 but less than \$40,000	10%
5.	\$40,000 but less than \$50,000	10%
6.	\$50,000 but less than \$75,000	16%
7.	\$75,000 but less than \$100,000	10%
8.	\$100,000 or more	11%
9.	Don't know [DO NOT READ]	4%
10.	Refused [DO NOT READ]	11%

D8. Are you Spanish, Latino, or Hispanic?

1.	Yes	6%
2.	No	93%
3.	Don't Know	0%
4.	Refused	1%

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

1.	White	86%
2.	Black or African-American	2%
3.	Asian	1%
4.	Native Hawaiian or Pacific Islander	1%
5.	American Indian or Alaska Native	2%
6.	Other	4%
7.	Refused	4%

D10. RECORD STATE

D11. What is your gender?

1.	Male	48%
2.	Female	52%

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

THANK YOU FOR PARTICIPATING! YOUR OPINION COUNTS!