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## Notes on Social Security Reform

Occasional comments on the economics and politics of Social Security policy by Andrew Biggs.

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## New polling on Social Security reform

The National Academy of Social Insurance [released a new poll on Social Security reform](#), conducted in conjunction with the Rockefeller Foundation. The main takeaway from the poll is that people place a lot of value on Social Security and they'd be willing to pay higher taxes in order to keep benefits flowing (although, as it turns out, they'd much rather have *other* people pay higher taxes.) While I have some criticisms, which I'll discuss below, overall this is well worth checking out.

I became involved with polling on Social Security while I was at the Cato Institute, as well as some focus group work since then, and came to the conclusion there are two general varieties: polls performed for public consumption, designed to shift public opinion through their reporting of, well, public opinion; and polls designed as tools for better understanding the strengths and weaknesses of your own positions. Cato conducted a number of polls that highlighted public support for personal accounts and these polls generated good press. As time went on, however, I became more interested in testing this position. So, for instance, we added questions asking people who did not support accounts *why* they felt as they did. I also found that a number of arguments that were attractive from a philosophical perspective - for instance, that personal accounts gave you personal ownership while the current system did not - weren't particularly effective with people who didn't already agree with us.\*

In any case, I suspect that the NASI poll lies in the former rather than the latter category of polls. I don't find it hard to believe that many folks would rather pay higher taxes for Social Security than receive lower benefits, and I find it *very* easy to believe that they'd rather have *other* people pay higher taxes than receive lower benefits themselves. (For instance, even delayed payroll tax rate increases, which would affect everyone, are favored much less than current tax increases on high earners.) But I'm not sure that true public opinion is nearly as cut-and-dried as the NASI poll seems to show.

For instance, you might simply ask people, "Social Security faces a financial shortfall. To meet it, would you rather pay higher Social Security taxes or receive lower Social Security benefits." You could flesh that out, if desired, with pros and cons of each. While I can think of a number of reasons people might be willing to pay more - e.g., they don't trust financial markets, they expect to receive a good return on their current contributions - I can also think of reasons why ordinary people would prefer lower benefits coupled with increased personal saving: they want to build assets, they don't trust that higher taxes today would be saved to pay benefits tomorrow, or they simply don't want to depend on one source for most or all of their retirement income. I'm not sure that the NASI poll really gets at these kinds of choices - but these are the choices people will have to make as they consider Social Security reform.

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### About me

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I am a Resident Scholar at the American Enterprise Institute in Washington, where my work focuses on Social Security policy. Previously I held several positions within the Social Security Administration, including Deputy Commissioner for Policy and principal Deputy Commissioner. Prior to that I was a Social Security Analyst at the Cato Institute. In 2005 I worked on Social Security reform at the White House National Economic