

HOW EFFECTIVE IS THE *SOCIAL SECURITY STATEMENT*? INFORMING YOUNGER WORKERS ABOUT SOCIAL SECURITY

by Barbara A. Smith and Kenneth A. Couch*

This article analyzes the impact of the Social Security Statement on younger workers' knowledge of Social Security programs and benefits, using data from surveys commissioned by the Social Security Administration (SSA). We found that younger workers generally were knowledgeable about Social Security before receiving a Statement and significantly more so afterward. Younger workers' knowledge was stronger in broader program-level aspects than in some narrower benefit-specific aspects. The gap in knowledge about benefits poses potential risks for their retirement security and indicates that SSA should emphasize certain types of information in continuing outreach efforts. We found no consistent knowledge gaps related to demographic characteristics that would indicate a need for targeted outreach to certain groups.

Introduction

In 1995, the Social Security Administration (SSA) began large-scale mailings of earnings and benefit statements to workers.¹ One of the statement's primary purposes was to provide workers with information on their Social Security benefits and to help them plan their financial futures. The *Social Security Statement* has been widely acknowledged as one of the most important of federal government communications with the public (Jackson 2005).² It stands as the largest customized mailing ever undertaken by a federal agency (SSA n.d.). Developing and distributing the *Statement* each year required a massive effort in terms of resources and work hours.

To date, research assessing the *Statement's* effect on public knowledge about Social Security has focused on older workers approaching retirement (Mastrobuoni 2009; Biggs 2010; Greenwald and others 2010; Liebman and Luttmer 2010). Even SSA-commissioned research, based on surveys conducted between 1998 and 2004 to measure the *Statement's* effect on public understanding of Social Security programs and benefits, emphasized the impact on older workers.

We decided to focus instead on younger workers, in part because of the changing nature of retirement income. Younger workers are less likely than older workers to be covered by defined benefit pension plans and more likely to be responsible for their own retirement security. For them, Social Security benefits are bound to be increasingly significant. Thus, it is essential that younger workers understand how different factors might affect the Social Security benefits they can expect to receive. Younger workers are also of interest because, although in a position to benefit most from additional information, they are less likely than older groups to seek it.³ For these reasons, we assessed how much younger workers know about Social Security, identified their knowledge gaps, and considered ways to provide them with additional information.

Selected Abbreviations

FRA	full retirement age
FY	fiscal year
SSA	Social Security Administration

* Barbara A. Smith is an economist with the Office of Policy Research, Office of Retirement Policy, Social Security Administration. Kenneth A. Couch is a professor of labor economics at the University of Connecticut.

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In addition to its focus on younger workers, this article contributes to the literature on the impact of the *Statement* by looking at changes over time in the public's understanding of Social Security. Most other studies focus on a single year and compare individuals who received a *Statement* that year with those who did not. Using surveys commissioned by SSA, we were able to look at a group of younger workers who had not received the *Statement* at the time of the first survey and contrast them with workers of the same age who had received a *Statement* at the time of a later survey. This enabled us to observe the increase in knowledge associated with receipt of the *Statement*. It also enabled us to compare groups of younger workers who had not received the *Statement* in either year and observe whether knowledge about Social Security changed even in its absence. In addition, we used a unique source of information in the analysis: the surveys conducted by the Gallup Organization in 1998 and 2001.

We assessed how younger workers' understanding of Social Security, in both broader program-level aspects and narrower benefit-specific aspects, changed across time and with receipt of the *Statement*; and we found that *Statement* receipt is associated with large and statistically significant increases in knowledge. Younger workers who received the *Statement* were very knowledgeable about the programs that Social Security offers.⁴ Particularly wide majorities understood that payroll taxes finance benefits and that benefit levels depend on lifetime earnings. However, far fewer young people knew that the full retirement age (FRA)—the age at which one becomes eligible for full retirement benefits—would begin rising incrementally in 2003, and even fewer were aware that benefits are inflation-indexed. In the article's Conclusion, we discuss how being unaware of those facts might negatively affect the retirement security of younger workers and suggest approaches SSA might take to address that knowledge gap.

Social Security Statement Background

This section presents a brief overview of the *Statement*. First, we discuss the history of its implementation. Next, we describe its content and appearance, to indicate how the *Statement* conveys various types of information to recipients. Then, by discussing the Gallup surveys, we summarize the efforts to measure the *Statement's* effectiveness.

Implementation

The Omnibus Budget and Reconciliation Act of 1989 amended the Social Security Act to require SSA to issue estimated benefit and earnings statements beginning in 1995.⁵ The legislation mandated that SSA mail these statements to workers aged 60 or older in fiscal year (FY) 1995 and, in FYs 1996 through 1999, to workers turning 60 during those years.⁶ The legislation also required SSA to send estimated benefit and earnings statements to all eligible workers aged 25 or older beginning in FY 2000. SSA modified the mailing schedule specified in the legislation to include increasingly younger recipients during FYs 1996 through 1999. As shown in the implementation schedule below, this modification enabled the agency to increase the volume of mailings gradually over time.

FY	Statements mailed	Recipient ages
1995	7.0 million	60 or older
1996	5.5 million	58–60
1997	12.4 million	53–58
1998	20.7 million	47–53
1999	26.6 million	40–47
2000	134.7 million	25 or older
2001	135.6 million	25 or older
2002	137.9 million	25 or older

SSA staggered the *Statement* mailings throughout each year, with workers receiving their *Statements* about 3 months before their birthdays. Note that from this implementation schedule, we can identify, by their age, which workers would be unlikely to have received a mailing by a specific date. For example, workers aged 25 did not begin receiving mailings until FY 2000.

Content and Appearance

Legislation determines the basic content of the earnings and benefit statements. The Omnibus Budget and Reconciliation Act of 1989 specified that *Statements* must contain the worker's earnings history and Social Security and Medicare taxes paid; estimated retirement benefits payable at early retirement age (62), FRA, and age 70; estimated disability, survivor, and auxiliary benefits payable on the worker's account; and a description of benefits payable under Medicare. The Social Security Protection Act of 2004 further mandated that the *Statement* include sections on the

Windfall Elimination Provision and the Government Pension Offset beginning in 2007.⁷

Over time, the content and the placement of information in the *Statement* have undergone slight changes. In FY 1995, the first page of the original *Statement* contained a message from SSA's commissioner. The second page provided the worker's earnings history as well as Social Security and Medicare taxes paid. The third page contained the worker's estimated retirement, disability, and survivor benefit amounts, as well as a description of Medicare benefits. The fourth, fifth, and sixth pages provided additional information (including data sources and estimation methods) on the worker's earnings record, Social Security taxes paid, Social Security and Medicare credits, estimated benefits, types of benefits, and the effect of working while receiving benefits. SSA used this format for the *Statement* through FY 1999.

The FY 2000 version of the *Statement* reflected both content changes and significant focus-group-tested design changes. It eliminated information on taxes paid in each earnings year and provided only cumulative lifetime Social Security and Medicare taxes paid. A new paragraph encouraged recipients to think about the advantages and disadvantages of retiring early. A list of publications on topics related to retirement benefits also appeared.

The design changes included shortening the *Statement* from six to four pages and rearranging the order of presentation so that information on retirement, disability, and survivor benefits preceded the worker's earnings history. The revised *Statement* showed only two columns of numbers representing taxed Social Security earnings and taxed Medicare earnings for each year in a worker's earnings history. The *Statement* was modified so that numbers filled only one-half of a page, instead of an entire page as before. More white space and greater use of different font sizes and styles made the *Statement* easier to read.

Effect on Public Awareness

As the agency was implementing the *Statement*, it sought to measure the *Statement's* effect on public awareness of and knowledge about Social Security. SSA identified this objective in its strategic plans and commissioned surveys to assess the *Statement's* impact.

Strengthening public understanding of Social Security programs was one of the five goals of SSA's *Strategic Plan 1997–2002: Keeping the Promise*, issued in September 1997.⁸ In 1998, as part of that strategic plan, SSA established the Public Understanding and

Management System, under which it commissioned the Gallup Organization to conduct six surveys between 1998 and 2004 to evaluate SSA's outreach efforts, including the *Statement*.

The first survey, conducted in 1998, provided the baseline for public knowledge about Social Security. It found that Americans aged 18 or older were relatively well-informed about basic program facts. Eighty percent of respondents knew that Social Security provides survivor benefits, 83 percent knew that Social Security provides disability benefits, 87 percent knew that a tax on workers and employers finances Social Security benefits, and 89 percent knew that benefit amounts depend on earnings histories. However, fewer respondents knew certain facts affecting their future benefits: Only 65 percent knew that the FRA was going to rise, and only 59 percent knew that benefits increase with the cost of living. Respondents who stated they had received a *Statement* knew more about Social Security's programs and benefits than did those who did not report receiving a *Statement*.

The 2001 survey results revealed a significant increase from 1998 in the percentage of respondents who knew that Social Security provides survivor benefits (88 percent versus 80 percent), that Social Security provides disability benefits (89 percent versus 83 percent), that Social Security is financed by a tax on workers and employers (93 percent versus 87 percent), and that benefit levels depend on earnings histories (93 percent versus 89 percent). Although higher percentages of respondents in 2001 knew that the FRA would rise (70 percent versus 65 percent) and that benefits increase with the cost of living (67 percent versus 59 percent), knowledge in 2001 about their own benefits still lagged behind their Social Security program knowledge. Nonetheless, these results indicate a positive impact of SSA's public information campaign.

As required by its implementation schedule, SSA had sent *Statements* to workers aged 47 or older by the time of the first Gallup Organization survey in 1998. In 2001, about one-half (46.8 percent) of respondents aged 18 or older reported receiving a *Statement* in the year prior to the survey. Thus, simple contrasts of the percentages of correct responses for all workers surveyed in 1998 with those surveyed in 2001 do not cleanly capture gains in knowledge associated with *Statement* mailings because in 1998, many older workers had already received a *Statement*.

To establish a more meaningful comparison, we focused on workers aged 46 or younger who, because

of their age, probably would not have received a *Statement* at the time of the initial survey. Then, we contrasted their knowledge with that of workers aged 46 or younger several years later, after full implementation of the *Statement*. Using that approach, we were able to highlight more clearly how much additional information the *Statements* conveyed to younger workers. Although it would have been useful to provide similar contrasts for older workers, the dating of the surveys and the implementation schedule of the mailings do not align in a way that would have allowed us to perform that analysis. Nonetheless, we think researchers and policymakers can learn about the effectiveness of the *Social Security Statements* by examining only the younger individuals.

Data and Methodology

We used data from the first Gallup survey, conducted in October and November of 1998, and data from the fourth survey, conducted between August and December of 2001.⁹ Both were nationally representative surveys of adults aged 18 or older.¹⁰ Gallup interviewed 4,000 respondents in 1998 and 20,700 respondents in 2001.¹¹ Each survey included both broad-scope questions about Social Security programs and narrower questions about benefits that would more likely apply directly to a respondent's own situation. We focused on adults aged 46 or younger, relatively few of whom would have received a *Statement* at the time of the 1998 survey. To that end, we excluded from our calculations anyone who reported in that survey that he or she had ever received a *Statement*.¹² The 1998 survey thus serves as the baseline, measuring the level of understanding of Social Security programs and benefits among younger workers prior to receipt of the *Statement*.

Following the implementation schedule that sent *Statements* to progressively younger workers each year, SSA sent at least two and possibly three *Statements* to individuals aged 46 or younger by the time of the 2001 survey.¹³ By using the responses of persons aged 46 or younger to the 2001 Gallup survey and contrasting them with the responses to the same questions in 1998, when those aged 46 or younger would not have received a *Statement*, we were able to evaluate the *Statement's* effectiveness over time.

To assess the impact of the *Statement* on younger workers' knowledge, we looked at the percentages of respondents that correctly answered each of six questions: three about Social Security benefits and three about program aspects. Following is a list of the questions, presented verbatim.¹⁴

Benefits-knowledge questions

1. Social Security benefits go up automatically with the cost of living. (a) agree, (b) disagree, (c) don't know.
2. Is the youngest age you can retire and collect FULL Social Security retirement benefits fixed or will it rise in the future? (a) fixed, (b) will rise in the future, (c) don't know, (d) (refused).
3. Do all people who receive Social Security retirement benefits receive the same amount, or does it depend on how much people earned when they were working? (a) people receive the same amount, (b) it depends on how much people earned when they were working, (c) don't know, (d) (refused).

Program-knowledge questions

4. Social Security provides benefits to families of workers who die.¹⁵ (a) agree, (b) disagree, (c) don't know.
5. Social Security pays benefits to workers who become disabled.¹⁶ (a) agree, (b) disagree, (c) don't know.
6. Social Security is paid for by a tax placed on both workers and employers. (a) agree, (b) disagree, (c) don't know.

In all instances, the percentages of respondents answering "don't know" or refusing to answer were very low.¹⁷ For each question, we calculated the percentage of correct responses for all workers in our sample in the two survey years.¹⁸ We then disaggregated the results by education, income, race/ethnicity, and sex to see if the impact of the *Statement* differed across or within demographic groups.

For each of the following three pairings, we examined the difference in the percentage of correct responses:¹⁹

- Individuals who did not receive a *Statement* in 1998 and individuals who did not receive a *Statement* in 2001;
- Individuals who did not receive a *Statement* in 1998 and individuals who received a *Statement* in 2001; and
- Individuals who did not receive a *Statement* in 2001 and individuals who received a *Statement* in 2001.

The first two pairings allowed us to distinguish the effect of *Statement* receipt from general changes in knowledge about SSA's programs and benefits that might have resulted from information obtained through other channels. The third pairing enabled us to assess the impact of the *Statement* within a single year. We have also provided breakdowns by education,

income, race/ethnicity, and sex in order to determine if initial and subsequent levels of knowledge are associated with any of those characteristics.

We expected to see an increase in the percentage of correct responses between 1998 and 2001, even for respondents who did not receive a *Statement* in either year. One reason we did so is that SSA embarked on an extensive public information campaign during the rollout of the *Statement*.²⁰ Another reason is that younger workers who did not receive a *Statement* in 2001 might have received (and read and remembered) a *Statement* in 2000; or, they might have had contact with one or more *Statement* recipients in 2001. However, we expected to see an even greater increase in the percentage of correct responses between the younger workers in 1998 who did not receive a *Statement* and the younger workers in 2001 who did. To illustrate, we expected the following general trend in the percentages of questions answered correctly in each respondent group:

1998 survey, <i>Statement</i> nonrecipients	<	2001 survey, <i>Statement</i> nonrecipients	<	2001 survey, <i>Statement</i> recipients
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After calculating the actual percentages of correct responses, we calculated standard errors for the differences in the percentage of correct answers that we observed within each of the three pairings. We then used a two-tailed *t*-test to determine whether the changes in the percentage of correct answers between the groups in each of the three pairings were statistically significant.

Results

Table 1 shows that, for all workers aged 46 or younger in 2001, the percentage of correct responses for five of the six questions examined was greater among respondents who reported receiving a *Statement* than among those who did not. That outcome is consistent with our expectations. The table also shows that, for most questions, a greater percentage of respondents answered correctly in 2001 than did so in 1998, regardless of whether they received a *Statement* in 2001.²¹

However, the increase in the percentage of correct answers between the two years was noticeably larger for those who received a *Statement* in 2001. For example, for individuals who did not receive a *Statement* in either year, correct answers increased by 1.2 percentage points (from 78.5 percent to 79.7 percent) between 1998 and 2001 for the program-knowledge question about Social Security providing disability benefits.

Statement recipients in 2001 were 6.7 percentage points more likely than 1998 respondents to answer that question correctly (from 78.5 percent to 85.2 percent). Similarly, for individuals who did not receive a *Statement* in either year, correct answers increased by 2.4 percentage points (from 62.4 percent to 64.8 percent) for the benefits-knowledge question about the future rise in the FRA. *Statement* recipients in 2001 were 9.3 percentage points more likely than their 1998 counterparts to answer that question correctly (from 62.4 percent to 71.7 percent). That outcome suggests that the *Statement* is effective in informing the public about the programs and about benefits.

In significance tests, we found that the percentage of correct answers for respondents who received a *Statement* always differed significantly from the percentage of correct answers for respondents who did not. In all but one case, the percentage of correct answers was significantly higher for respondents who had received a *Statement* than it was for those who had not. In the anomaly, *Statement* recipients were less likely to provide the correct answer to the question about benefits increasing with the cost of living than were 2001 respondents who had not received a *Statement*.

Knowledge By Topic: Benefits Versus Programs

Table 1 also shows that younger workers were more knowledgeable about the types of programs SSA administers (and program financing) than they were about the details of the benefits they could expect to receive. In 1998, before most respondents aged 46 or younger had received a *Statement*, 76.1 percent knew that Social Security provides survivor benefits, 78.5 percent knew that Social Security provides disability benefits, 88.0 percent knew that Social Security is financed by a payroll tax, and 81.4 percent knew that benefit levels depend on earnings. By contrast, only 62.4 percent of respondents knew that the FRA was scheduled to rise, and only 43.8 percent knew that Social Security benefits are inflation-indexed.

Among 2001 respondents who had received the *Statement*, 85 percent or more correctly answered all three of the program-knowledge questions as well as the question about benefit levels depending on earnings. However, even after receipt of the *Statement*, only 71.7 percent knew that the FRA was going to rise, and only 49.8 percent knew that benefits increase with the cost of living. Those lower percentages hint at potential vulnerability in the retirement security of those younger individuals.

Table 1.

Percentage of workers aged 46 or younger who correctly answered each of six questions about Social Security: 1998 and 2001 survey respondents who had not received a *Statement* and 2001 survey respondents who had received a *Statement*

Correct response	1998 (<i>Statement</i> non- recipients): Percent correct	2001				
		<i>Statement</i> nonrecipients		<i>Statement</i> recipients		
		Percent correct	Difference from 1998	Percent correct	Difference from 2001 non- recipients	Difference from 1998
Benefits-knowledge questions						
Benefits rise automatically with the cost of living	43.8	52.7	8.9***	49.8	-2.9***	6.0***
FRA (the age of eligibility for full retirement benefits) will rise in coming years	62.4	64.8	2.4	71.7	6.9***	9.3***
Retirement benefit amount depends on earnings history	81.4	86.5	5.1***	93.4	6.9***	12.0***
Program-knowledge questions						
Social Security provides benefits to families of workers who die	76.1	75.4	-0.7	87.1	11.7***	11.0***
Social Security pays benefits to workers who become disabled	78.5	79.7	1.2	85.2	5.5***	6.7***
Social Security is paid for by a tax placed on both workers and employers	88.0	86.7	-1.3	90.8	4.1***	2.8**

SOURCE: Authors' calculations based on 1998 and 2001 Gallup survey results.

NOTES: In 1998, 93 percent of respondents reported not receiving a *Statement*. In 2001, 44 percent of respondents reported not receiving a *Statement* and 56 percent reported receiving a *Statement*.

* = statistically significant at the $p = .05$ level.

** = statistically significant at the $p = .02$ level.

*** = statistically significant at the $p = .01$ level.

Also of interest is the correlation between the frequency of correct responses and the placement of information in the *Social Security Statement*. High percentages of respondents correctly answered program-knowledge questions about survivor and disability benefits. The *Statement* displays information on those topics at the top of the second page, in a section titled “Your Estimated Benefits,” along with the estimated benefit amounts the individual can expect to receive. The *Statement* presents information on the third aspect of program knowledge, payroll taxes, at the top of the third page in a column of numbers labeled “Your Taxed Social Security Earnings,” under the section heading “Your Earnings Record.” By contrast, the *Statement* does not present information underlying two aspects of benefits knowledge so prominently. It contains a single sentence on the cost-of-living adjustment of benefits at the bottom of the second page, in the middle of a description of

the benefit calculation. An individual who glances over this section might not find that information. The *Statement* also does not mention the increase in the FRA directly; rather, that information is noted indirectly, on the line that provides the benefit estimate at FRA, by including the individual’s own FRA in parentheses. The percentages of correct responses to those two benefits-knowledge questions are lower than the percentages for the program-knowledge questions. However, the *Statement* notes the relationship between benefits and earnings—the subject of the third benefits-knowledge question—in two prominent locations (the first paragraph of the benefit-estimation section on the second page and the “Your Earnings Record” section at the top of the third page). Respondents were highly knowledgeable about the dependence of retirement benefit levels on lifetime earnings.

We do not argue that the placement of information in the *Statement* has a cause-and-effect relationship

with the percentage of correct answers about Social Security's programs and benefits. Other SSA informational publications may also play a role. We reviewed seven publications (five available in both print and online formats, and two online only) that provide information on retirement benefits.²² Of the five publications available in both formats, four furnish the program knowledge that Social Security provides survivor benefits and the benefits knowledge that the FRA is rising and that benefit levels depend on earnings histories.²³ Three of those publications note that Social Security provides disability benefits (program knowledge). Only two of them note that Social Security is financed by a payroll tax (program knowledge), although that information is also widely communicated on pay slips and W-2 forms. Interestingly, only one publication notes that Social Security benefits increase with the cost of living (benefits knowledge)—a fact that is not readily available elsewhere. Our review found that the *Statement* and other relevant SSA publications place more emphasis on providing program information than on benefits information. One of the consequences of that emphasis is that survey respondents are less likely to be knowledgeable about the specifics of their benefits than they are about the programs generally.

We recognize that younger workers could have learned about Social Security, especially its programs, from other sources. For example, high school and college courses in history, social studies, economics, and civics often contain references to and discussions of Social Security. Further, younger workers could have family or friends who are Social Security retired-worker, survivor, or disabled-worker beneficiaries.

Program and Benefits Knowledge by Demographic Characteristics

Statement receipt increases the percentage of correct answers, regardless of education level, income level, race/ethnicity, or sex. Table 2 shows the percentage of correct responses across demographic groups for one sample program-knowledge survey question and one sample benefits-knowledge survey question. (The appendix tables show the percentages of correct responses to all six questions for all demographic groups.)²⁴ We found no strong pattern across education levels in the percentage of correct responses, although respondents in the lowest levels tended to have lower percentages. For example, the percentage of correct responses to the benefits-knowledge question in 1998 ranged between 41.7 percent and 60.1 percent for those with no more than a high school diploma and between

66.1 percent and 67.0 percent for those with some college or a college degree. However, we note anomalies, such as the lower percentage of correct answers among those with some postgraduate education than that for respondents with only a high school diploma. Likewise, for the program-knowledge question, the percentage of correct answers in 1998 generally increased with the level of education, albeit not as sharply, from 73.8 percent for those without a high school diploma to about 78 percent for respondents with at least some college (overlooking the anomalous 64.0 percent correct for those with trade, technical, or vocational training). The results for the other benefits- and program-knowledge questions follow a roughly similar pattern (see Table A-1).

In many cases, respondents in the education levels that had the lowest percentages of correct responses in the first survey year registered a statistically significant increase in correct responses after receiving the *Statement*. For example, Table 2 shows that respondents in the three education levels with the lowest percentage of correct responses to the benefits-knowledge question in 1998 (less than a high-school diploma, high school diploma only, and postgraduate work or degree) exhibited the greatest percentage-point increases after *Statement* receipt in 2001.²⁵ We noticed similar results for the program-knowledge question. In 1998, respondents with no more than a high school diploma and those with trade, technical, or vocational training had the lowest percentages of correct responses. Those three groups exhibited the largest increases following receipt of the *Statement*. In effect, the *Statement* compressed the range of the percentage of correct responses across the education levels. In 1998, the difference between the lowest and highest percentages of correct responses to the benefits-knowledge question across the education levels was 26.3 percentage points (from 41.7 percent to 68.0 percent). Receipt of the *Statement* reduced that range to 13.0 percentage points (from 64.3 percent to 77.3 percent). For the program-knowledge question, receipt of the *Statement* reduced the range of correct responses from 14.7 to 4.2 percentage points. Consequently, the *Statement* appears to provide the most help to those with the least knowledge about Social Security.

In comparing results by income level, we note that respondents with incomes below \$50,000 tended to have lower percentages of correct answers in 1998. For the benefits-knowledge question, the percentages of correct answers among respondents in the three income groups below \$50,000 ranged from 54.7 percent to 61.5 percent. By contrast, the percentages

of correct answers among the income groups above \$50,000 ranged from 65.2 percent to 69.5 percent. However, results for the program-knowledge question reveal a less consistent pattern. Broadly, the percentage of correct responses for those with incomes under \$50,000 was around 73 percent, while for those with incomes of \$50,000 or more, it was closer to 80 percent. However, the percentage of correct responses to the program-knowledge question spiked to 77.4 percent among those with incomes from \$20,000 to \$34,999; and for those with incomes of \$100,000 or more, it dipped to 72.5 percent. Similarly, no consistent pattern emerges across income levels for the other survey questions (see Table A-2).

As with the educational levels, the income groups with the lowest percentages of correct responses in the first survey tended to register the largest increases in the percentage of correct responses after receiving the *Statement*. Table 2 shows that the increases in the percentage of correct answers to the benefits-knowledge question were larger and statistically significant for those with incomes under \$50,000. Results for the program-knowledge question reveal a similar pattern, although the highest income group (\$100,000 or more) had one of the highest increases in the percentage of correct responses (14.3 percentage points). Again, receipt of the *Statement* reduced the range in the percentage of correct responses across the income

Table 2.
Percentage of workers aged 46 or younger who correctly answered two specific questions about Social Security: 1998 and 2001 survey respondents who had not received a *Statement* and 2001 survey respondents who had received a *Statement*, by demographic characteristics

Characteristic	1998 (<i>Statement</i> non- recipients): Percent correct	2001				
		<i>Statement</i> nonrecipients		<i>Statement</i> recipients		
		Percent correct	Difference from 1998	Percent correct	Difference from 2001 non- recipients	Difference from 1998
Benefits-knowledge question						
<i>Correct response: FRA (the age of eligibility for full retirement benefits) will rise in coming years</i>						
All respondents	62.4	64.8	2.4	71.7	6.9***	9.3***
Educational attainment						
Less than high school diploma	41.7	57.0	15.3*	64.3	7.3*	22.6***
High school diploma	60.1	64.6	4.5	71.9	7.3***	11.8***
Some college	66.1	64.6	-1.5	69.8	5.2***	3.7
Trade, technical, or vocational training	68.0	69.4	1.4	67.9	-1.5	-0.1
College graduate	67.0	68.6	1.6	72.9	4.3*	5.9
Postgraduate work or degree	58.7	71.5	12.8*	77.3	5.8	18.6***
Income						
Less than \$20,000	54.7	60.3	5.6	73.2	12.9***	18.5***
\$20,000–\$34,999	61.5	67.7	6.2	70.0	2.3	8.5*
\$35,000–\$49,999	61.2	63.7	2.5	69.0	5.3**	7.8*
\$50,000–\$74,999	69.5	67.5	-2.0	72.1	4.6*	2.6
\$75,000–\$99,999	65.6	72.8	7.2	74.0	1.2	8.4
\$100,000 or more	65.2	70.8	5.6	74.4	3.6	9.2
Race/ethnicity						
White	63.9	66.9	3.0	73.0	6.1***	9.1***
Black	58.1	69.3	11.2	68.5	-0.8	10.4
Hispanic origin	55.7	53.9	-1.8	63.2	9.3***	7.5
Asian	57.9	53.7	-4.2	62.2	8.5	4.3
Sex						
Men	66.2	65.3	-0.9	75.4	10.1***	9.2***
Women	58.3	64.1	5.8*	68.2	4.1***	9.9***

(Continued)

Table 2.

Percentage of workers aged 46 or younger who correctly answered two specific questions about Social Security: 1998 and 2001 survey respondents who had not received a *Statement* and 2001 survey respondents who had received a *Statement*, by demographic characteristics—*Continued*

Characteristic	1998 (<i>Statement</i> non- recipients): Percent correct	2001				
		<i>Statement</i> nonrecipients		<i>Statement</i> recipients		
		Percent correct	Difference from 1998	Percent correct	Difference from 2001 non- recipients	Difference from 1998
Program-knowledge question						
<i>Correct response: Social Security provides benefits to families of workers who die</i>						
All respondents	76.1	75.4	-0.7	87.1	11.7***	11.0***
Educational attainment						
Less than high school diploma	73.8	77.8	4.0	89.7	11.9***	15.9***
High school diploma	74.7	77.1	2.4	86.2	9.1***	11.5***
Some college	78.7	72.9	-5.8	89.0	16.1***	10.3***
Trade, technical, or vocational training	64.0	76.7	12.7	90.0	13.3***	26.0***
College graduate	78.1	72.4	-5.7	85.8	13.4***	7.7***
Postgraduate work or degree	77.9	79.4	1.5	86.3	6.9**	8.4
Income						
Less than \$20,000	72.5	76.5	4.0	84.7	8.2***	12.2***
\$20,000–\$34,999	77.4	73.6	-3.8	86.8	13.2***	9.4***
\$35,000–\$49,999	72.7	73.3	0.6	87.4	14.1***	14.7***
\$50,000–\$74,999	79.1	76.7	-2.4	90.0	13.3***	10.9***
\$75,000–\$99,999	85.4	79.6	-5.8	86.1	6.5***	0.7
\$100,000 or more	72.5	75.7	3.2	86.8	11.1***	14.3**
Race/ethnicity						
White	76.1	75.1	-1.0	87.9	12.8***	11.8***
Black	78.4	80.6	2.2	84.7	4.1	6.3
Hispanic origin	77.4	75.7	-1.7	88.4	12.7***	11.0
Asian	63.2	60.0	-3.2	84.7	24.7***	21.5
Sex						
Men	72.9	71.9	-1.0	85.6	13.7***	12.7***
Women	79.6	78.9	-0.7	88.6	9.7***	9.0***

SOURCE: Authors' calculations based on 1998 and 2001 Gallup survey results.

NOTES: In 1998, 93 percent of respondents reported not receiving a *Statement*. In 2001, 44 percent of respondents reported not receiving a *Statement* and 56 percent reported receiving a *Statement*.

* = statistically significant at the $p = .05$ level.

** = statistically significant at the $p = .02$ level.

*** = statistically significant at the $p = .01$ level.

levels. In 1998, the difference between the lowest and the highest percentages of correct answers to the benefits-knowledge question by income group was 14.8 percentage points (from 54.7 percent to 69.5 percent). Receipt of the *Statement* reduced that range to 5.4 percentage points (from 69.0 percent to 74.4 percent). For the program-knowledge question, *Statement* receipt reduced the range of correct responses from

12.9 to 5.3 percentage points. That outcome further indicates that the *Statement* most helps the people with the least knowledge about Social Security's benefits and programs.

Among racial/ethnic groups, Table 2 shows that the percentage of correct responses to the benefits-knowledge question in 1998 was highest for white respondents, followed by blacks, Asians, and Hispanics.

However, the ranking of the racial groups by percentage of correct answers differed for 2001 respondents with no *Statement*, and differed yet again for 2001 respondents who received a *Statement*. That general pattern of changing rankings was repeated for the other benefits-knowledge questions and the program-knowledge questions (see Table A-3). An increase in the percentage of correct answers after receipt of the *Statement* was statistically significant only for white respondents (for five of the six of the questions) and for black and Asian respondents (for one of the benefits-knowledge questions). However, as was seen with the education and income groups, receipt of the *Statement* narrowed the difference between the lowest and highest percentages of correct answers across the racial/ethnic groups.

We found slight and essentially offsetting differences by sex in the percentage of correct responses to the benefits- and program-knowledge questions, as each sex scored higher than the other on three of the six questions (see Table A-4). Men were generally more likely to have higher scores on the benefits-knowledge questions, while women tended to score higher on the program-knowledge questions. After *Statement* receipt, the differences between men and women in the percentages of correct answers narrowed for all questions.

Conclusion

We found that younger workers were better informed about Social Security in 2001 than they were in 1998. Before the introduction of the *Statement*, more than 76 percent of individuals aged 46 or younger knew that Social Security provides survivor and disability benefits and that a payroll tax finances those benefits. Eighty percent knew that the Social Security benefit amount depends on a worker's earnings history. Those high percentages resulted in part from the extensive outreach campaign SSA initiated in early 1998. In 2001, after the distribution of the *Statement*, close to 90 percent of younger workers knew about SSA's programs, the financing of its benefits, and the relationship between benefits and earnings.

However, even after *Statement* receipt, only about 70 percent of respondents knew that the FRA was going to rise, and less than 50 percent knew that benefits are inflation-indexed. The gap in knowledge about those program aspects could affect the retirement security of some younger workers. For example, an individual who mistakenly equates Social Security benefits with noninflation-indexed retirement savings

might see no difference between claiming benefits early and drawing down his or her retirement savings. Additionally, as the age of eligibility for full benefits rises, benefits claimed at earlier ages will be subject to greater reductions. Individuals who do not know that benefits are inflation-indexed and that the FRA is rising are at risk of claiming benefits before their optimal time. It is thus important for workers to know those facts and to understand the implications for the benefits they will receive.

We also noticed a correlation between the type of information SSA provides in its publications, including the *Statement*, and the percentages of correct answers to the benefits- and program-knowledge questions. SSA provides program information in most of the publications we reviewed. The agency is less likely to provide information on benefits, especially information on the inflation-indexing of benefits, which is rarely mentioned in its publications.

Our results suggest that further SSA outreach efforts should provide more detail on benefits rather than overemphasizing program knowledge. Further, the lack of consistent patterns across demographic categories suggests that SSA should distribute additional information widely among the general population rather than targeting it to particular groups.

SSA might consider developing and testing some format and content changes for future versions of the *Statement* (whether mailed or online) to emphasize the adjustment of benefits for the cost of living and the rise in the FRA. The surveys cited in this article demonstrate that the *Statement* is effective in increasing recipients' knowledge of SSA's programs and benefits. Providing more emphasis on benefits information in the *Statement* and in SSA's other publications seems likely to increase younger workers' knowledge about their benefits, as future surveys could verify.

SSA should revise its publications to add information about the adjustment of benefits for the cost of living and its implications for retirement security because few of the publications that younger workers are likely to use currently mention inflation indexing. Similarly, the agency might highlight benefit information in e-mails explaining how to access the online *Statement*. SSA might also develop and test informative messages using social media such as Twitter, Facebook, and YouTube to deliver information on benefits and to encourage younger workers to access the *Statement* online.

Appendix

Table A-1.
Percentage of workers aged 46 or younger who correctly answered each of six questions about Social Security: 1998 and 2001 survey respondents who had not received a *Statement* and 2001 survey respondents who had received a *Statement*, by educational attainment

Educational attainment	1998 (<i>Statement</i> non- recipients): Percent correct	2001				
		<i>Statement</i> nonrecipients		<i>Statement</i> recipients		
		Percent correct	Difference from 1998	Percent correct	Difference from 2001 non- recipients	Difference from 1998
Benefits-knowledge questions						
<i>Correct response: Benefits rise automatically with the cost of living</i>						
All respondents	43.8	52.7	8.9***	49.8	-2.9***	6.0***
Less than high school diploma	52.5	65.2	12.7	58.1	-7.1*	5.6
High school diploma	46.4	56.4	10.0***	49.7	-6.7***	3.3
Some college	41.5	47.4	5.9	49.0	1.6	7.5*
Trade, technical, or vocational training	44.9	53.9	9.0	54.0	0.1	9.1
College graduate	41.5	45.4	3.9	46.8	1.4	5.3
Postgraduate work or degree	42.9	44.4	1.5	52.4	8.0*	9.5
<i>Correct response: FRA (the age of eligibility for full retirement benefits) will rise in coming years</i>						
All respondents	62.4	64.8	2.4	71.7	6.9***	9.3***
Less than high school diploma	41.7	57.0	15.3*	64.3	7.3*	22.6***
High school diploma	60.1	64.6	4.5	71.9	7.3***	11.8***
Some college	66.1	64.6	-1.5	69.8	5.2***	3.7
Trade, technical, or vocational training	68.0	69.4	1.4	67.9	-1.5	-0.1
College graduate	67.0	68.6	1.6	72.9	4.3*	5.9
Postgraduate work or degree	58.7	71.5	12.8*	77.3	5.8	18.6***
<i>Correct response: Retirement benefit amount depends on earnings history</i>						
All respondents	81.4	86.5	5.1***	93.4	6.9***	12.0***
Less than high school diploma	80.3	83.9	3.6	93.0	9.1***	12.7**
High school diploma	82.2	87.9	5.7*	93.1	5.2***	10.9***
Some college	82.6	87.0	4.4	94.1	7.1***	11.5***
Trade, technical, or vocational training	81.6	87.2	5.6	91.1	3.9	9.5
College graduate	80.8	85.8	5.0	93.4	7.6***	12.6***
Postgraduate work or degree	79.8	85.5	5.7	93.9	8.4***	14.1***

(Continued)

Table A-1.

Percentage of workers aged 46 or younger who correctly answered each of six questions about Social Security: 1998 and 2001 survey respondents who had not received a *Statement* and 2001 survey respondents who had received a *Statement*, by educational attainment—Continued

Educational attainment	1998 (<i>Statement</i> non- recipients): Percent correct	2001				
		<i>Statement</i> nonrecipients		<i>Statement</i> recipients		
		Percent correct	Difference from 1998	Percent correct	Difference from 2001 non- recipients	Difference from 1998
Program-knowledge questions						
<i>Correct response: Social Security provides benefits to families of workers who die</i>						
All respondents	76.1	75.4	-0.7	87.1	11.7***	11.0***
Less than high school diploma	73.8	77.8	4.0	89.7	11.9***	15.9***
High school diploma	74.7	77.1	2.4	86.2	9.1***	11.5***
Some college	78.7	72.9	-5.8	89.0	16.1***	10.3***
Trade, technical, or vocational training	64.0	76.7	12.7	90.0	13.3***	26.0***
College graduate	78.1	72.4	-5.7	85.8	13.4***	7.7***
Postgraduate work or degree	77.9	79.4	1.5	86.3	6.9**	8.4
<i>Correct response: Social Security pays benefits to workers who become disabled</i>						
All respondents	78.5	79.7	1.2	85.2	5.5***	6.7***
Less than high school diploma	90.0	85.3	-4.7	86.4	1.1	-3.6
High school diploma	78.7	82.2	3.5	85.8	3.6***	7.1***
Some college	78.7	76.9	-1.8	85.7	8.8***	7.0**
Trade, technical, or vocational training	83.7	80.0	-3.7	91.2	11.2***	7.5
College graduate	74.6	75.7	1.1	82.3	6.6***	7.7***
Postgraduate work or degree	79.8	76.6	-3.2	84.3	7.7**	4.5
<i>Correct response: Social Security is paid for by a tax placed on both workers and employers</i>						
All respondents	88.0	86.7	-1.3	90.8	4.1***	2.8**
Less than high school diploma	80.3	78.8	-1.5	90.8	12.0***	10.5
High school diploma	85.4	85.9	0.5	90.4	4.5***	5.0*
Some college	89.6	88.5	-1.1	90.0	1.5	0.4
Trade, technical, or vocational training	85.7	91.1	5.4	85.6	-5.5	-0.1
College graduate	88.9	90.9	2.0	92.4	1.5	3.5
Postgraduate work or degree	93.3	89.1	-4.2	91.0	1.9	-2.3

SOURCE: Authors' calculations based on 1998 and 2001 Gallup survey results.

NOTES: In 1998, 93 percent of respondents reported not receiving a *Statement*. In 2001, 44 percent of respondents reported not receiving a *Statement* and 56 percent reported receiving a *Statement*.

* = statistically significant at the $p = .05$ level.

** = statistically significant at the $p = .02$ level.

*** = statistically significant at the $p = .01$ level.

Table A-2.

Percentage of workers aged 46 or younger who correctly answered each of six questions about Social Security: 1998 and 2001 survey respondents who had not received a *Statement* and 2001 survey respondents who had received a *Statement*, by income

Income	1998 (<i>Statement</i> non- recipients): Percent correct	2001				
		<i>Statement</i> nonrecipients		<i>Statement</i> recipients		
		Percent correct	Difference from 1998	Percent correct	Difference from 2001 non- recipients	Difference from 1998
Benefits-knowledge questions						
<i>Correct response: Benefits rise automatically with the cost of living</i>						
All respondents	43.8	52.7	8.9***	49.8	-2.9***	6.0***
Less than \$20,000	47.0	58.8	11.8***	59.1	0.3	12.1**
\$20,000–\$34,999	44.3	50.4	6.1	52.5	2.1	8.2*
\$35,000–\$49,999	41.8	50.4	8.6*	48.6	-1.8	6.8
\$50,000–\$74,999	47.6	46.5	-1.1	48.1	1.6	0.5
\$75,000–\$99,999	35.6	53.7	18.1***	44.9	-8.8***	9.3
\$100,000 or more	44.1	49.7	5.6	53.2	3.5	9.1
<i>Correct response: FRA (the age of eligibility for full retirement benefits) will rise in coming years</i>						
All respondents	62.4	64.8	2.4	71.7	6.9***	9.3***
Less than \$20,000	54.7	60.3	5.6	73.2	12.9***	18.5***
\$20,000–\$34,999	61.5	67.7	6.2	70.0	2.3	8.5*
\$35,000–\$49,999	61.2	63.7	2.5	69.0	5.3**	7.8*
\$50,000–\$74,999	69.5	67.5	-2.0	72.1	4.6*	2.6
\$75,000–\$99,999	65.6	72.8	7.2	74.0	1.2	8.4
\$100,000 or more	65.2	70.8	5.6	74.4	3.6	9.2
<i>Correct response: Retirement benefit amount depends on earnings history</i>						
All respondents	81.4	86.5	5.1***	93.4	6.9***	12.0***
Less than \$20,000	83.2	87.1	3.9	94.2	7.1***	11.0***
\$20,000–\$34,999	80.4	85.3	4.9	92.1	6.8***	11.7***
\$35,000–\$49,999	83.2	89.8	6.6*	93.4	3.6***	10.2***
\$50,000–\$74,999	80.6	86.3	5.7	93.5	7.2***	12.9***
\$75,000–\$99,999	82.2	86.4	4.2	93.2	6.8***	11.0***
\$100,000 or more	83.8	87.5	3.7	94.3	6.8***	10.5*

(Continued)

Table A-2.

Percentage of workers aged 46 or younger who correctly answered each of six questions about Social Security: 1998 and 2001 survey respondents who had not received a *Statement* and 2001 survey respondents who had received a *Statement*, by income—Continued

Income	1998 (<i>Statement</i> non- recipients): Percent correct	2001				
		<i>Statement</i> nonrecipients		<i>Statement</i> recipients		
		Percent correct	Difference from 1998	Percent correct	Difference from 2001 non- recipients	Difference from 1998
Program-knowledge questions						
<i>Correct response: Social Security provides benefits to families of workers who die</i>						
All respondents	76.1	75.4	-0.7	87.1	11.7***	11.0***
Less than \$20,000	72.5	76.5	4.0	84.7	8.2***	12.2***
\$20,000–\$34,999	77.4	73.6	-3.8	86.8	13.2***	9.4***
\$35,000–\$49,999	72.7	73.3	0.6	87.4	14.1***	14.7***
\$50,000–\$74,999	79.1	76.7	-2.4	90.0	13.3***	10.9***
\$75,000–\$99,999	85.4	79.6	-5.8	86.1	6.5***	0.7
\$100,000 or more	72.5	75.7	3.2	86.8	11.1***	14.3**
<i>Correct response: Social Security pays benefits to workers who become disabled</i>						
All respondents	78.5	79.7	1.2	85.2	5.5***	6.7***
Less than \$20,000	81.9	84.0	2.1	90.5	6.5***	8.6**
\$20,000–\$34,999	79.0	83.0	4.0	85.5	2.5	6.5*
\$35,000–\$49,999	82.2	78.2	-4.0	83.6	5.4***	1.4
\$50,000–\$74,999	74.9	78.7	3.8	87.1	8.4***	12.2***
\$75,000–\$99,999	70.0	74.9	4.9	84.9	10.0***	14.9***
\$100,000 or more	80.9	66.2	-14.7***	80.9	14.7***	0.0
<i>Correct response: Social Security is paid for by a tax placed on both workers and employers</i>						
All respondents	88.0	86.7	-1.3	90.8	4.1***	2.8**
Less than \$20,000	82.6	83.1	0.5	87.1	4.0	4.5
\$20,000–\$34,999	86.7	85.4	-1.3	89.9	4.5***	3.2
\$35,000–\$49,999	88.0	88.8	0.8	91.9	3.1*	3.9
\$50,000–\$74,999	92.0	87.3	-4.7	90.8	3.5*	-1.2
\$75,000–\$99,999	91.1	91.6	0.5	91.5	-0.1	0.4
\$100,000 or more	89.7	92.4	2.7	93.2	0.8	3.5

SOURCE: Authors' calculations based on 1998 and 2001 Gallup survey results.

NOTES: In 1998, 93 percent of respondents reported not receiving a *Statement*. In 2001, 44 percent of respondents reported not receiving a *Statement* and 56 percent reported receiving a *Statement*.

* = statistically significant at the $p = .05$ level.

** = statistically significant at the $p = .02$ level.

*** = statistically significant at the $p = .01$ level.

Table A-3.

Percentage of workers aged 46 or younger who correctly answered each of six questions about Social Security: 1998 and 2001 survey respondents who had not received a *Statement* and 2001 survey respondents who had received a *Statement*, by race/ethnicity

Race/ethnicity	1998 (<i>Statement</i> non- recipients): Percent correct	2001				
		<i>Statement</i> nonrecipients		<i>Statement</i> recipients		
		Percent correct	Difference from 1998	Percent correct	Difference from 2001 non- recipients	Difference from 1998
Benefits-knowledge questions						
<i>Correct response: Benefits rise automatically with the cost of living</i>						
All respondents	43.8	52.7	8.9***	49.8	-2.9***	6.0***
White	41.4	50.3	8.9***	48.5	-1.8	7.1***
Black	56.2	57.4	1.2	52.6	-4.8	-3.6
Hispanic origin	60.0	61.5	1.5	55.8	-5.7	-4.2
Asian	52.6	54.6	2.0	61.6	7.0	9.0
<i>Correct response: FRA (the age of eligibility for full retirement benefits) will rise in coming years</i>						
All respondents	62.4	64.8	2.4	71.7	6.9***	9.3***
White	63.9	66.9	3.0	73.0	6.1***	9.1***
Black	58.1	69.3	11.2	68.5	-0.8	10.4
Hispanic origin	55.7	53.9	-1.8	63.2	9.3***	7.5
Asian	57.9	53.7	-4.2	62.2	8.5	4.3
<i>Correct response: Retirement benefit amount depends on earnings history</i>						
All respondents	81.4	86.5	5.1***	93.4	6.9***	12.0***
White	81.2	86.4	5.2***	93.3	6.9***	12.1***
Black	82.4	93.0	10.6*	95.5	2.5	13.1***
Hispanic origin	90.2	83.4	-6.8	94.4	11.0***	4.2
Asian	73.7	82.4	8.7	94.4	12.0***	20.7*

(Continued)

Table A-3.

Percentage of workers aged 46 or younger who correctly answered each of six questions about Social Security: 1998 and 2001 survey respondents who had not received a *Statement* and 2001 survey respondents who had received a *Statement*, by race/ethnicity—Continued

Race/ethnicity	1998 (<i>Statement</i> non- recipients): Percent correct	2001				
		<i>Statement</i> nonrecipients		<i>Statement</i> recipients		
		Percent correct	Difference from 1998	Percent correct	Difference from 2001 non- recipients	Difference from 1998
Program-knowledge questions						
<i>Correct response: Social Security provides benefits to families of workers who die</i>						
All respondents	76.1	75.4	-0.7	87.1	11.7***	11.0***
White	76.1	75.1	-1.0	87.9	12.8***	11.8***
Black	78.4	80.6	2.2	84.7	4.1	6.3
Hispanic origin	77.4	75.7	-1.7	88.4	12.7***	11.0
Asian	63.2	60.0	-3.2	84.7	24.7***	21.5
<i>Correct response: Social Security pays benefits to workers who become disabled</i>						
All respondents	78.5	79.7	1.2	85.2	5.5***	6.7***
White	77.3	78.5	1.2	85.3	6.8***	8.0***
Black	83.8	83.7	-0.1	85.9	2.2	2.1
Hispanic origin	85.5	87.4	1.9	87.4	0.0	1.9
Asian	84.2	67.2	-17.0	82.0	14.8***	-2.2
<i>Correct response: Social Security is paid for by a tax placed on both workers and employers</i>						
All respondents	88.0	86.7	-1.3	90.8	4.1***	2.8**
White	89.2	88.8	-0.4	91.6	2.8***	2.4*
Black	82.4	82.5	0.1	87.3	4.8*	4.9
Hispanic origin	79.0	82.4	3.4	87.7	5.3*	8.7
Asian	80.0	86.2	6.2	92.1	5.9	12.1

SOURCE: Authors' calculations based on 1998 and 2001 Gallup survey results.

NOTES: In 1998, 93 percent of respondents reported not receiving a *Statement*. In 2001, 44 percent of respondents reported not receiving a *Statement* and 56 percent reported receiving a *Statement*.

* = statistically significant at the $p = .05$ level.

** = statistically significant at the $p = .02$ level.

*** = statistically significant at the $p = .01$ level.

Table A-4.

Percentage of workers aged 46 or younger who correctly answered each of six questions about Social Security: 1998 and 2001 survey respondents who had not received a *Statement* and 2001 survey respondents who had received a *Statement*, by sex

Sex	1998 (<i>Statement</i> non- recipients): Percent correct	2001				
		<i>Statement</i> nonrecipients		<i>Statement</i> recipients		
		Percent correct	Difference from 1998	Percent correct	Difference from 2001 non- recipients	Difference from 1998
Benefits-knowledge questions						
<i>Correct response: Benefits rise automatically with the cost of living</i>						
All respondents	43.8	52.7	8.9***	49.8	-2.9***	6.0***
Men	47.7	52.1	4.4	52.7	0.6	5.0*
Women	39.6	53.4	13.8***	47.1	-6.3***	7.5***
<i>Correct response: FRA (the age of eligibility for full retirement benefits) will rise in coming years</i>						
All respondents	62.4	64.8	2.4	71.7	6.9***	9.3***
Men	66.2	65.3	-0.9	75.4	10.1***	9.2***
Women	58.3	64.1	5.8*	68.2	4.1***	9.9***
<i>Correct response: Retirement benefit amount depends on earnings history</i>						
All respondents	81.4	86.5	5.1***	93.4	6.9***	12.0***
Men	78.4	84.7	6.3***	92.2	7.5***	13.8***
Women	84.7	88.5	3.8*	94.7	6.2***	10.0***
Program-knowledge questions						
<i>Correct response: Social Security provides benefits to families of workers who die</i>						
All respondents	76.1	75.4	-0.7	87.1	11.7***	11.0***
Men	72.9	71.9	-1.0	85.6	13.7***	12.7***
Women	79.6	78.9	-0.7	88.6	9.7***	9.0***
<i>Correct response: Social Security pays benefits to workers who become disabled</i>						
All respondents	78.5	79.7	1.2	85.2	5.5***	6.7***
Men	78.2	77.3	-0.9	85.0	7.7***	6.8***
Women	78.9	82.2	3.3	85.3	3.1***	6.4***
<i>Correct response: Social Security is paid for by a tax placed on both workers and employers</i>						
All respondents	88.0	86.7	-2.1	90.8	4.1***	2.0
Men	91.4	88.0	-3.4**	91.8	3.8***	0.4
Women	84.1	85.4	1.3	89.9	4.5***	5.8***

SOURCE: Authors' calculations based on 1998 and 2001 Gallup survey results.

NOTES: In 1998, 93 percent of respondents reported not receiving a *Statement*. In 2001, 44 percent of respondents reported not receiving a *Statement* and 56 percent reported receiving a *Statement*.

* = statistically significant at the $p = .05$ level.

** = statistically significant at the $p = .02$ level.

*** = statistically significant at the $p = .01$ level.

Notes

¹ Between 1995 and 1999, the agency sent earnings and benefit statements to workers in selected age groups. Beginning in late 1999, the agency mailed statements to all eligible workers aged 25 or older. In 2011, for budgetary reasons, the mailings were suspended. For a detailed history of the *Social Security Statement*, see Smith and Couch (2014).

² For brevity, we refer to the *Social Security Statement* (or simply the *Statement*) in this article even when discussing years prior to 1999, during which SSA called it the *Personal Earnings and Benefit Estimate Statement*.

³ An SSA-commissioned survey conducted by the Gallup Organization in 2004 found that 22 percent of respondents aged 25–39 would seek information about Social Security in the next year, compared with 43 percent of those aged 55–59 and 47 percent of those aged 60–61.

⁴ We acknowledge a potential overstatement of the percentage of correct responses owing to acquiescence bias because many of the questions were structured to produce an “agree/disagree” response. However, this is not a major concern for our findings because we have no reason to believe that the bias changed systematically over time.

⁵ For the full history of the *Social Security Statement*, see Smith and Couch (2014). The current article covers the history of the *Statement* only for those years relevant to the analysis.

⁶ The fiscal year begins in October of the previous calendar year. For example, FY 1995 began on October 1, 1994 and ended on September 30, 1995.

⁷ In 2007, more than 49 million individuals received Social Security benefits. The Windfall Elimination Provision affected about 880,000 individuals and the Government Pension Offset affected about 440,000 (Social Security Advisory Board 2009, 8).

⁸ SSA first mentioned the importance of public understanding of Social Security programs and benefits in its 1991 strategic plan, and the theme remained significant in the agency’s 2000 and 2008 strategic plans.

⁹ After 2001, the survey questions changed significantly, partly in response to new goals in successive agency strategic plans. As a result, comparing the 1998 survey results with those of surveys conducted after 2001 is not useful.

¹⁰ Gallup provided sample weights with the survey data. We used weighted data in our analysis.

¹¹ These surveys are not publicly available.

¹² SSA mailed *Statements* to workers aged 40–47 in FY 1999, or from October 1, 1998 to September 30, 1999. Thus, individuals aged 40–47 in 1998 with birth dates in October, November, or December might have received a *Statement*. In fact, roughly 7 percent of respondents in that age group reported receiving a *Statement* prior to the interview. We removed those individuals from the baseline 1998 sample.

¹³ Workers aged 25 or older began receiving *Statements* in October 1999. A significant percentage of respondents in the 2001 survey reported that they had not received a *Statement*, in part because of the timing of the survey. Respondents were asked if they had received a *Statement* in the previous year; at the time of the survey (between August and December 2001), not everyone would have received theirs.

¹⁴ In the tables and in the discussion of our findings, we paraphrase the wording of some of the questions.

¹⁵ Although this statement is true, we note that it does not apply universally. Workers must be insured for Social Security (by accruing a certain level of earnings in covered employment or self-employment) before their dependents are eligible for survivor benefits. Most workers are insured.

¹⁶ As with the preceding question, individuals must be insured for Social Security before they are eligible for disabled-worker benefits.

¹⁷ The share of respondents refusing to answer did not exceed 0.4 percent for any question. The percentage of respondents who replied “don’t know” generally ranged between 1.0 percent and 4.1 percent for those who received a *Statement* in 2001 and between 2.0 percent and 6.6 percent for those who did not. However, greater percentages of respondents answered “don’t know” to questions 1 and 2, ranging from around 4 percent to around 9 percent. For a limited number of respondent demographic groups and questions, the percentage answering “don’t know” was as high as 19 percent.

¹⁸ We calculated correct responses as a percentage of all responses, including “don’t know” and “refused (to answer),” essentially treating those as incorrect responses. To ensure that our method did not affect the findings, we tested it against two alternative approaches to calculating the percentage of correct responses. In one, we excluded “don’t know” responses from the denominator and thus calculated correct responses as a percentage of correct plus incorrect responses. In the other, we treated “don’t know” responses as correct and calculated the sum of correct and “don’t know” responses as a percentage of total responses. Our findings were similar under each approach, most likely because the percentage of respondents selecting “don’t know” was relatively small.

¹⁹ We identify the groups in each pairing in simplified terms. For example, the complete description of the first pairing would be, “Individuals who stated in the 1998 survey that they had not received a *Statement* in the last year and individuals who stated in the 2001 survey that they had not received a *Statement* in the last year.” Because the first survey was conducted in October and November of 1998, the period for which respondents reported not receiving a *Statement* included October 1997–November 1998; and because the second survey cited here was conducted between August and December of 2001, the period for

which respondents reported not receiving a *Statement* included August 2000–December 2001.

²⁰ In his January 1998 State of the Union Address, President Clinton noted the long-term financing problems facing the Social Security program and emphasized the importance of educating the American public so that they understood the issues facing Social Security. Following the President’s speech, SSA initiated an aggressive outreach campaign that included public events and media campaigns, brochures and printed materials, and the Internet and other new technologies. The agency also reached out to national advocacy groups, major civic organizations, and other relevant stakeholders (SSA n.d.). SSA even garnered a certain amount of publicity following its initial attempt to launch an online version of the *Statement* in 1997.

²¹ The percentage of correct responses declined from 1998 only for respondents who received no *Statement* in 2001, and only for two questions—one about survivor benefits and one about a payroll tax financing Social Security. Both declines were small—about a percentage point—and not significant.

²² The five dual-format publications are *Retirement Benefits, What Every Woman Should Know, When to Start Receiving Retirement Benefits, Your Retirement Benefit: How It Is Figured*, and *How Work Affects Your Benefits*. The online-only publications, *Estimate Your Retirement Benefits* and *Plan For Your Retirement*, are, as their names imply, of interest primarily to individuals nearing retirement; therefore, younger workers are less likely to use them.

²³ SSA periodically updates the publications we reviewed, and new versions supersede prior editions. The editions that were current in the years of interest for our study, 1998 and 2001, likely did not include information on the coming FRA increases. The FRA began rising incrementally in 2003, and the 1938 birth cohort was the first to be affected.

²⁴ In a very limited number of cases, the percentage of correct responses is higher among respondents who did not receive a *Statement* in 2001 than for those who did, as shown in the appendix tables.

²⁵ That the *Statement* would have a greater effect on those less knowledgeable about Social Security should not be too surprising. Providing information on a given topic will result in a larger relative increase in knowledge for an individual who knows little about the topic than it will for one who already knows quite a bit about it.

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