



# Social Security Choice

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## *Public Opinion and Private Accounts Measuring Risk and Confidence in Rethinking Social Security*

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### Executive Summary

Social Security has long been America's most popular government program. Yet it is a program badly in need of reform. In recent years, reformers have proposed allowing younger workers to take all or part of their Social Security taxes out of the Social Security system and invest them privately in individual accounts similar to IRAs or 401(k) plans. While those proposals have been politically contentious, the American public appears to be well ahead of its elected representatives in accepting both the need for reform and the advantages of individual accounts.

A careful examination of public opinion polling on this issue shows that a substantial majority of the American public supports proposals that would allow them to invest a portion of their Social Security taxes through individual accounts. That support has been consistent over time and is seen in a broad range of public opinion surveys. The handful of public opinion surveys showing less support for individual accounts are based largely on biased questions.

Support for individual accounts is based on

fundamental values—particularly the idea that Americans should have control over their own money and retirement—rather than higher rates-of-return or higher benefits. As a result, support for individual accounts is less subject to erosion through outside events, such as fluctuations in the stock market.

There is no correlation between support for individual accounts and stock market performance. The growing support for individual accounts in the late 1990s was not a result of the bull market. Recent declines in stock prices have not significantly diminished support for individual accounts.

Public confidence in the current Social Security system has been steadily declining, in part, perhaps, because as increasingly prosperous Americans have access to alternative investment vehicles, they are able to make informed comparisons with Social Security.

In the 2002 elections, pro-reform candidates were victorious in every campaign in which Social Security was a major issue. An examination of public opinion shows that the American people support Social Security reform, including individual accounts.

**A majority of Americans has been willing to support the concept of using a portion of Social Security contributions to create private retirement accounts.**

## Introduction

The results of the 2002 congressional elections surprised many people. In the 20 years since the late house speaker Tip O'Neill termed Social Security the "third rail of American politics," you were more likely to find politicians attacking mom or apple pie than talking seriously about Social Security reform. As the national retirement program slipped closer to financial insolvency and the rate-of-return for young workers threatened to turn negative, politicians in Washington alternately turned a blind eye to the program's plight or mindlessly demagogued any whiff of reform.

For the 2002 elections, Democrats certainly tried to keep the rail charged. In race after race across the country, Democratic candidates attacked their Republican opponents for having "a secret plan to privatize Social Security." Advertisements equated proposals to allow younger workers to privately invest a portion of their Social Security taxes through individual accounts to Enron or a "Las Vegas gamble," designed to help the candidate's "wealthy Wall Street backers." Allies from anti-reform groups, like the labor-backed Campaign for America's Future, added millions of dollars of their own commercials, as well as ground troops.

Democratic Party spokesmen called the

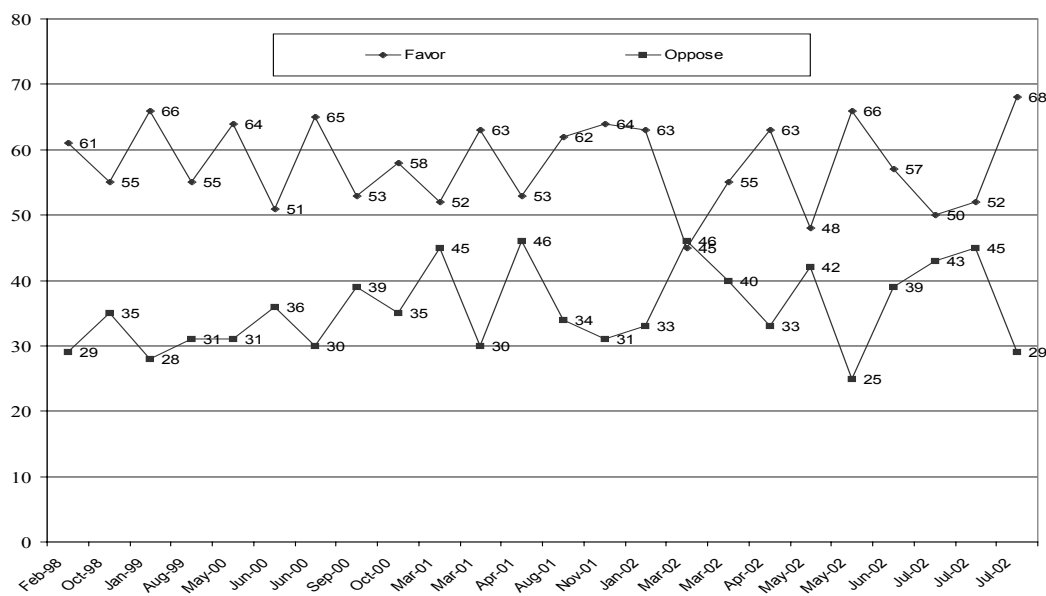
campaign "a referendum on the future of Social Security." The DNC website even featured a cartoon of President Bush pushing senior citizens off a cliff to their deaths. But in the end, in every race where Social Security was a major issue, the pro-account candidate won.

Perhaps the election outcome should not have been so surprising. A growing body of evidence from public opinion polls shows that, in recent years, public confidence in Social Security has begun to decline, especially among younger Americans. This is entirely reasonable given Social Security's looming financial crisis and the likelihood that it will not be able to pay promised levels of benefits (see Figure 1).

Moreover, a growing number of Americans have been willing to consider alternatives to traditional Social Security. In particular, a majority of Americans has been willing to support the concept of using a portion of Social Security contributions to create private retirement accounts. Under that proposal, younger workers would be able to privately invest some or all of their Social Security taxes in individual accounts, similar to IRAs or 401(k) plans.

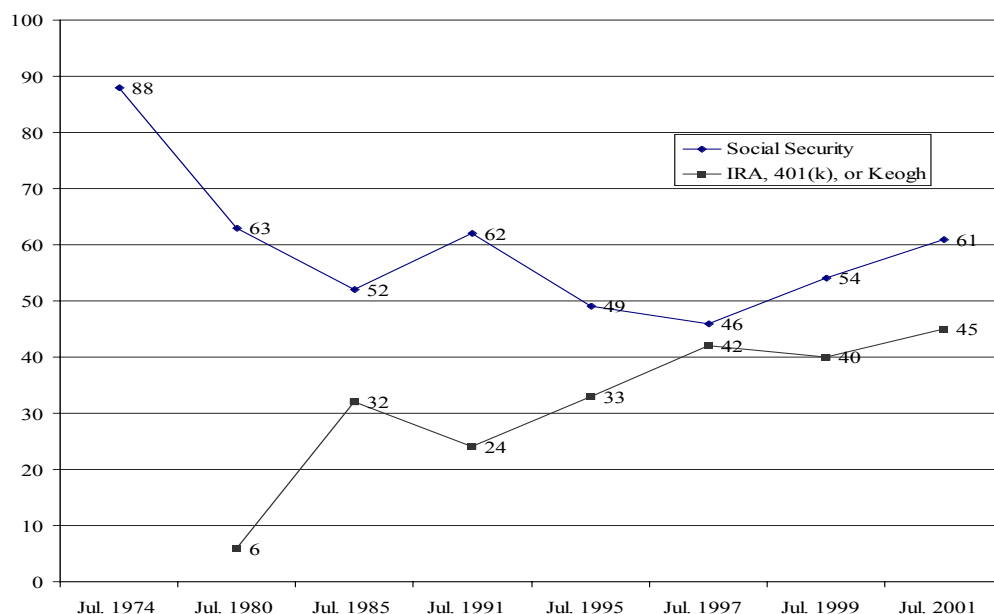
The largest single reason for this shift in public opinion is the growth of the investor class over the last 25 years, sparked in no small measure by the advent of defined contribution

**Figure 1**  
**Support for Private Accounts**



Note: Questions included do not mention either the risk that Social Security will collapse, or the risk that private investments will lose money. For detailed methodology and selection criteria, see Appendix A.

**Figure 2**  
**Sources of Retirement Income**



Source: ASW Roper. Respondents were asked: “Are there any of these things that you feel fairly sure you can count on as a source of income during your retirement years? Which ones? Social Security IRA, 401(k), or Keogh account?”

retirement planning in the form of IRA, 401(k) and Keogh accounts (see Figure 2).

Those retirement accounts have dramatically improved the economic outlook of retirees and have grown significantly as a proportion of elderly income. Compared with Social Security, private retirement accounts offer these key advantages: ownership of funds invested, the freedom to direct investments, and the opportunity to participate in the historically solid growth of the U.S. stock market.

When told that Social Security could offer similar aspects of ownership freedom and opportunity while retaining its original mission as a buffer of economic stability, it is no surprise to find that Americans support a partial privatization of Social Security.

That said, differences in the language used in survey instruments yield different polling results. This paper will address and clarify the record of public opinion research with respect to Social Security and support for plans to allow private retirement accounts.

## Analysis of Support Questions

A number of different questions are used to measure support for Social Security. Among those

that describe a plan for a partial privatization of Social Security, the two most common types are differentiated by the mention of investor risk.

As might be expected, support levels are generally lower when respondents are told that private investments may risk significantly lower Social Security returns (see Table 1).

The problem with questions like the latter is an imbalance in the statement of risk. Although there is risk in private investments, polling results have consistently shown that Americans also perceive risk in Social Security and are not confident that they will realize an adequate return for the taxes they have paid.

Critics who dismiss support for personal accounts take the financial stability of Social Security for granted. In one example Bernard Roshco, former editor of *Public Opinion Quarterly*, described support for accounts as “soft,” based on the response to the following question quoted from an August 1998 poll conducted by Princeton Survey Research Associates:

We’d like your opinion on what policy makers’ priorities should be when they are making decisions about Social Security’s future: keeping Social Security as a program with a guaranteed monthly

**Americans also perceive risk in Social Security and are not confident that they will realize an adequate return for the taxes they have paid.**

**Table 1**  
**Two Types of Privatization Support Questions**

Date	Source	Question	Support	Oppose
<b>No Risk Mentioned</b>				
July 2002	Zogby International	There are some in government who advocate changing the Social Security system to give younger workers the choice to invest a portion of their Social Security taxes through individual accounts similar to IRAs or 401(k) plans. Would you support or oppose this plan?	68	29
<b>Risk Mentioned</b>				
July 2002	Hart-Teeter/ NBC/ <i>Wall Street Journal</i>	One proposal would allow people to put a portion of their Social Security payroll taxes into personal retirement accounts that would be invested in stocks and bonds. Some think individuals would have more money for retirement if allowed to invest and manage some of their Social Security payroll taxes themselves. Others think it is too risky and could leave some people without adequate money for retirement if the stock market were to decline in value significantly. Do you favor or oppose this proposal?	41	55

**Social Security  
benefits are not  
guaranteed.**

benefit based on a person's earnings, [or] letting workers invest some of their own Social Security contributions themselves even though an exact benefit would not be guaranteed? (61 percent to 31 percent in favor of the "guaranteed" benefit).<sup>1</sup>

The problem is, Social Security benefits are not guaranteed. This is a matter of long established Supreme Court precedent (*Flemming v. Nestor*, 1960; *Helvering v. Davis*, 1936).<sup>2</sup> The Court has been consistent in considering Social Security contributions as taxes, which convey no contractual or property rights to recipients and are subject to change or revocation.<sup>3</sup>

Moreover, future Social Security benefits are

far from guaranteed in a financial sense, as the program faces significant financing problems. Quite simply, the program cannot pay the promised level of future benefits given the current level of tax revenue. In the future, benefits will have to be cut or taxes raised.<sup>4</sup>

Notwithstanding its falsity, the "guaranteed benefit" rhetoric is used as a club to move opinion against private accounts. The 1983 amendments' retirement age increase provisions question any meaningful notion of a guarantee and imply a slippery slope of difficult choices that can seriously erode the terms of the guarantee.

A more balanced measurement of risk includes both the market risk of private investments and the risk that Social Security will be

**Table 2**  
**Perception of Risk**

Date	Dow Jones Industrial Average	Percentage of Respondents in Agreement
July 2002	9,239 (7/2/02)	
Statement A:	Allowing workers to invest a portion of their Social Security taxes would be too risky because individuals might lose their money if the market performs poorly.	45
Statement B:	The current Social Security system is more risky because the government cannot pay all the benefits that it has promised.	44
January 2001	10,790 (10/2/01)	
Statement A:	A privatized Social Security system would be too risky because individuals might lose their money if their investments performed poorly.	45
Statement B:	The current Social Security system is more risky because the government cannot pay all the benefits that it has promised.	39
August 1999	10,654 (8/2/99)	
Statement A:	A privatized Social Security system would be too risky because individuals might lose their money if their investments performed poorly.	33
Statement B:	The current Social Security system is more risky because the government cannot pay all the benefits that it has promised.	43

Source: Zogby International, July 9–15, 2002, 1,109 likely voters, margin of error +/-3.2 percent. January 14–22, 2001; 1,070 likely voters; margin of error +/-3.2 percent. July 29– August 2, 1999; 1,205 likely voters; margin of error 3 percent.

unable to pay promised benefits. When asked to choose between risk statements, recent results show that similar percentages of Americans perceive Social Security to be too risky as perceive private accounts to be too risky (see Table 2 ).

It is worth noting that the perception of risk in private investments has not grown in 2002, even in the wake of severe market declines amid a constant barrage of headlines decrying corporate corruption.

When asked whether the Enron collapse showed that the market was too risky and that Social Security should remain as it is, only 29 percent agreed. In contrast, 64 percent chose the statement “The Enron scandal shows that people need more choice and more control over their retirement savings, including allowing workers the option to invest part of their Social Security taxes in a personal retirement account.”<sup>5</sup>

When asked which would pay more, Social

**When asked whether the Enron collapse showed that the market was too risky and that Social Security should remain as it is, only 29 percent agreed.**

**Under proposals by the President's Commission to Strengthen Social Security, for example, neither higher payroll taxes nor higher deficits would result.**

**Table 3**  
**Perceptions of Investment Returns**

Which would yield higher returns?	March 2000	April 1994
Investing for yourself	80	74
The current Social Security system	7	21
Not sure	13	5

Sources: (200) Rasmussen Research, March 30, 2000, 1,000 adults. The question was, "Would you have more money to live on in retirement if you invested that money [Social Security taxes], or would you have more if you relied on the government Social Security program?" (1994) Gallup, March 1994, 1,000 adults. The question was, "Do you agree or disagree: Most people could make more money by investing their retirement funds in the private sector than they could with Social Security."

Security or private investments, polling data shows that Americans are much more likely to think private investments would provide higher benefits to retirees than taxes paid into the current system. In July 2002, 48 percent of likely voters said "voluntary personal retirement accounts" would pay more compared to 30 percent who said Social Security would pay more.<sup>6</sup> When the question is phrased differently, Americans are even more likely to say that private investments would pay more (see Table 3).

When elements of privatization other than investor risk are mentioned, support varies widely—which is not a surprise given the complexities a transition to private accounts would involve.

For example, in 1997 Hart Teeter asked whether Americans favored or supported privatization after hearing that new payroll taxes and a higher federal deficit would result.<sup>7</sup> Not surprisingly, only 22 percent favor privatization in that

scenario, compared to 61 percent opposed. [It is worth noting, as well, that the premise of the question is wrong. Under proposals by the President's Commission to Strengthen Social Security, for example, neither higher payroll taxes nor higher deficits would result. Moreover, because Social Security is currently unfunded by nearly \$25 trillion, higher taxes or increased deficits would be required to fund promised benefits.]<sup>8</sup>

On the other hand, data shows that Americans also respond to the benefits of privatization, including investment flexibility. Recently 42 percent of likely voters said they would be more likely to support privatization when told that investment choices would include low-risk options including money market funds and bank accounts.<sup>9</sup> In earlier polling, suggestions that the economy would benefit from higher savings rates moved two-thirds of Americans to favor privatization, while the concern that there

**Table 4**  
**Response to Push Questions**

Issue	More Likely	Less Likely	No Difference	Not Sure
Economy will benefit	67	9	19	5
Social Security revenues				
will not cover benefits by 2014	59	12	23	5
No right to benefits under law	57	12	16	5

Source: Zogby International, July 29–August 2, 1999, 1,205 likely voters, margin of error +/-3 percent.

will be no benefits by 2014 and that individuals have no right to benefits under the law also encouraged support for privatization (see Table 4).

It is also important to note that support for privatization declines dramatically when questions are worded to suggest that the government, not individuals, would be responsible for investing Social Security funds, or approving private investment of Social Security funds.

In a typical result, 62 percent of Americans recently said that if Social Security funds were invested in stocks and bonds, individuals should invest. Just 22 percent preferred that the government do the investing.<sup>10</sup>

Results of this kind occur in the overwhelming majority of public opinion polls and demonstrate that support for individual accounts is strongly connected to values of autonomy and personal choice.

A Matter of Values

Proponents of individual accounts have advanced many reasons for their position, including higher rates-of-return, better retirement benefits, fixing the program’s insolvency, the inheritability of money in accounts, and the current program’s unfairness to women and minorities.<sup>11</sup> But voter support for individual accounts may not be based on any of these reasons.

In a July 2002 poll, supporters of individual accounts were asked the reason for their support.<sup>12</sup> Two in five (39 percent) said they support individual accounts because such accounts would allow them to control their own money, and one-fourth (26 percent) believe that people should have the option of investing privately in case Social Security cannot pay promised benefits. Sixteen percent agreed that private accounts

would yield higher retirement benefits, while 14 percent thought money invested in private accounts could be passed on to heirs (see Table 5).

Support for individual accounts may, therefore, be more a matter of basic values than of specific claims about the benefits of a system of individual accounts. Americans have internalized the issue of individual accounts as a question of controlling their own money and their own retirement. This may, in part, explain why support for individual accounts has remained strong in the face of a declining stock market. Even though people believe that there is increased risk in private investment, their basic desire to control their own money remains unchanged. In short, Americans seem willing to accept some risk, if they are able to make that choice for themselves.

Some opponents of individual accounts have suggested that support for the idea is largely a result of the 1990s stock market boom. They suggest that current declines in the market will cause Americans to reject proposals for private investment. However, it does not appear that support for individual accounts is, in fact, related to movement of the Dow Jones Industrial Average (see Figure 3).

During 9 of 17 occasions in the chart above, changes to support for Social Security have not followed the Dow up or down. During the 9 occasions when the Dow fell, on only 3 occasions was there a corresponding drop in support for Social Security. It is notable that during 3 periods of steep decline between June and July of this year, between August and November of 2001, and between September and October of 2000, support levels rose.

Therefore, support for individual accounts is likely to remain strong. As a matter of fundamental values, outside events such as stock market fluctuations will not erode support. Therefore,

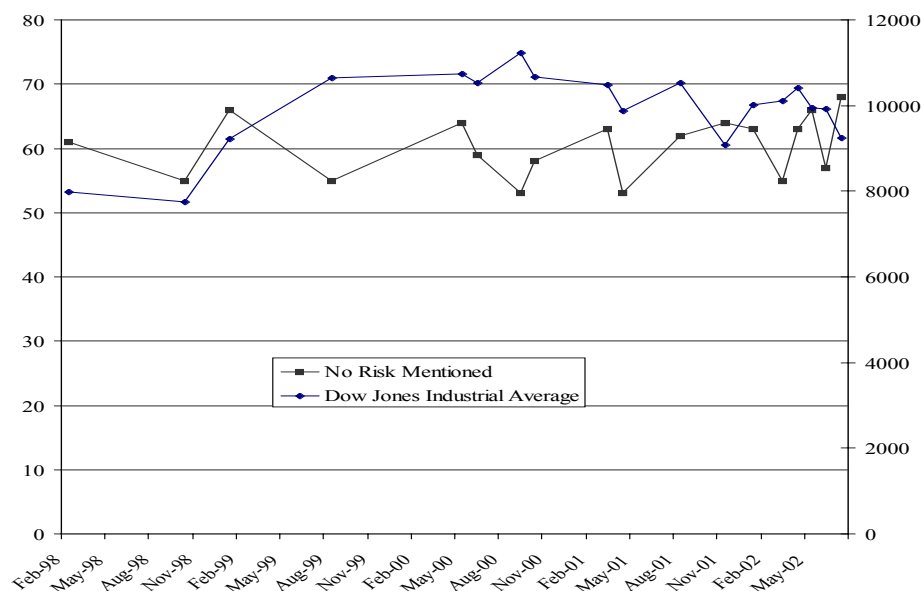
Support for individual accounts may, therefore, be more a matter of basic values than of specific claims about the benefits of a system of individual accounts.

Table 5  
Reasons Given for Supporting Individual Accounts

Reason	Percentage
I, not the politicians in Washington, could control the money in my account.	39
People should be allowed to invest privately in case the Social Security system can’t pay benefits as promised.	26
Higher retirement benefits would result from private investment.	16
Money in private accounts could be passed on to children and heirs.	14
Other	4
Not sure	1

**Younger voters, Republicans, and Independents offer the strongest support for private accounts while older voters and Democrats are beginning to respond favorably.**

**Figure 3**  
**Support for Privatization vs. Dow Jones Industrial Average**



Note: See Appendix A for full list of support questions used. In months when a support question was asked more than once, the highest measure of support is used.

politicians supporting individual accounts can count on continued public backing.

### **Conclusion: Communicating Private Accounts**

The message of reforming Social Security through individual accounts is the same message that has attracted an ever-larger investing public: the American economy is a remarkable story of growth. Since the Great Depression, its recessions have been shallow and short-lived. A sensible plan to allow younger workers to privately invest a portion of their Social Security taxes can retain the aspect of safety net while affording millions more Americans the opportunity to own a piece of the nations' success.

The shift in retirement planning away from traditional employer-provided defined benefit pensions toward dynamic opportunities to invest in markets through 401(k) and IRA accounts have offered Americans a standard against which Social Security can be judged. Table 6, below, shows that Americans are more likely to count on 401(k) plans than on Social Security for the bulk of their retirement income.

This does not diminish the importance of

Social Security. The program remains an essential ingredient in Americans' retirement income. In fact, Americans in 2001 were more likely to say that Social Security was their most important source of retirement income than they were in 1969 (see Table 7).

It is because Social Security remains such an important piece of the retirement pie that the idea of private accounts has won solid support. In a recent poll, 41 percent said private accounts would increase benefits, while 31 percent said they would have no impact and 16 percent said benefits would decrease.<sup>13</sup>

In communicating private accounts, it is clear that younger voters, Republicans, and Independents offer the strongest support base, while older voters and Democrats are beginning to respond favorably to the idea.

Age is the most crucial factor in determining support for private accounts, given the impact that private accounts will have on the future of younger workers' retirement income. The data shows that support has remained consistently high among younger earners between 18-49 years old. In recent years, support among Americans 50 and older has risen over 50 percent (see Figure 4).

Considering party ideology and the stated positions of party leaders, it is no surprise that



**Table 6**  
**Americans' Reliance on Social Security vs. 401(k) Plans**

Proportion of Retirement Income	Social Security	401(k) plan
Half or More	40	45
All 9 7 Most	14	20
Half	17	18
Less than half	30	13
Almost no part	19	23
Don't know	11	19

Source: National Public Radio, Greenberg Quinlan Rosner Research (D), March 4–7, 2002, and Public Opinion Strategies (R), March 19–25, 2002; 1,510 likely voters; margin of error +/-3.6 percent.

**Table 7**  
**Most Important Source of Retirement Income**

Date	Individual Savings (%)	Employer/ Union Pension (%)	Government (Social Security) (%)
1969	50	28	23
1971	42	34	22
1973	39	38	22
1975	39	35	24
1977	35	43	21
1978	36	34	28
1979	27	31	37
1981	45	31	22
1984	48	33	18
1995	53	23	20
1997	54	16	28
2001	42	27	28

Republicans have been consistently more likely to support individual accounts than Democrats. Independents, meanwhile, tend to break in favor of privatization. However, support for individual accounts still cuts across party lines (see Figure 5).

Although Americans recognize that Social Security has done much to help current seniors, they understand that the system will not be sustainable in the future. Confidence in the system is declining, and they clearly understand that reform of the system will be necessary to ensure that younger workers will also be able to have a secure and dignified retirement.

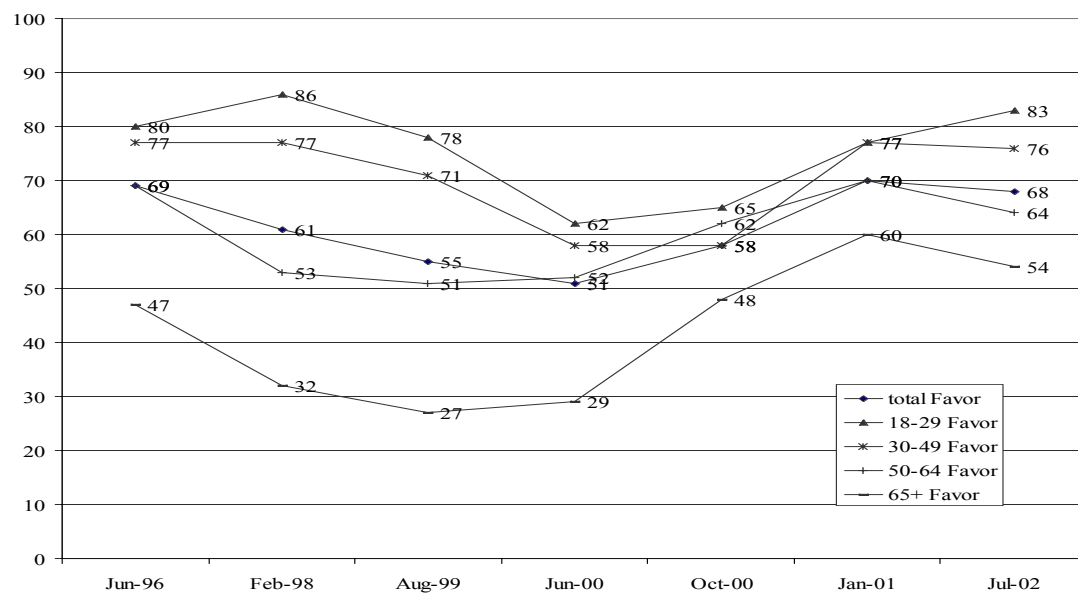
A substantial majority of the American public supports proposals to invest a portion of

their Social Security taxes through individual accounts. This public support is consistent over time and in a broad range of public opinion surveys taken by various organizations. It is driven not by temporary fluctuations in the stock market, but by a basic American value—the desire of Americans to control their own money and their own futures.

The 2002 elections may have been the beginning of a trend. As public support emerges into the political process, politicians will no longer be able to avoid discussing the issue. The days in which campaigns were marked by demagoguery and cowardice on Social Security may have come to an end.

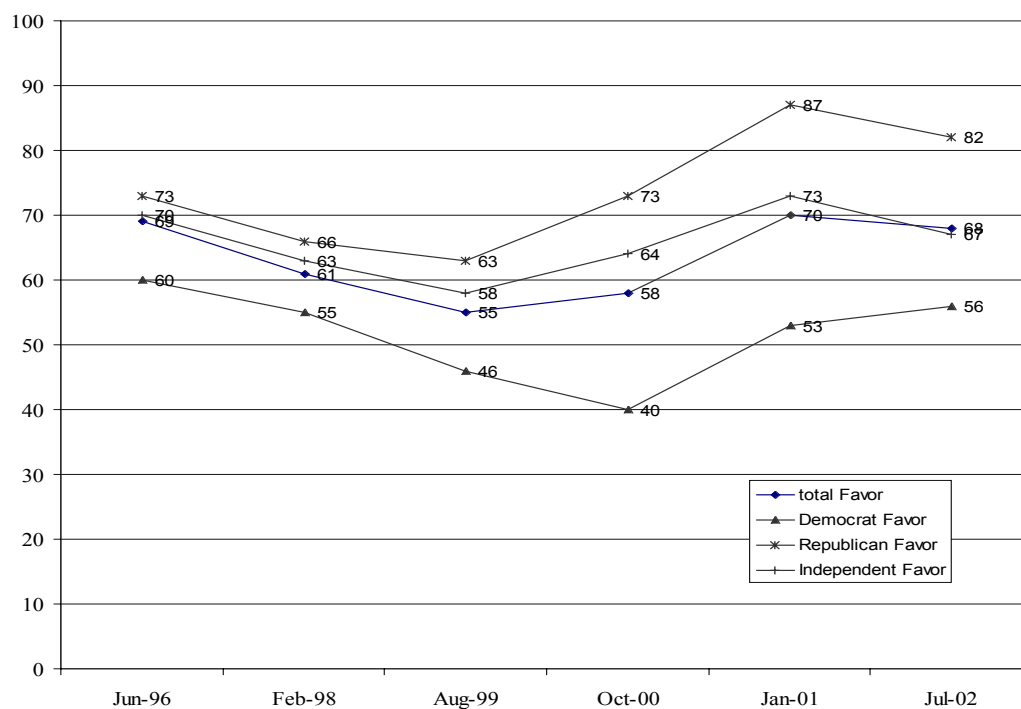
**A substantial majority of the American public supports proposals to invest a portion of their Social Security taxes through individual accounts.**

**Figure 4**  
**Support for Private Accounts, by Age**



Note: Questions did not mention the risk that Social Security will collapse or that private investments will lose money. For detailed methodology and selection criteria, see Appendix A.

**Figure 5**  
**Support for Private Accounts by Party**



Note: Questions did not mention the risk that Social Security will collapse or that private investments will lose money. For detailed methodology and selection criteria, see Appendix A.

## Appendix A: Questions Measuring Support for Privatization

Questions were selected on the basis of their length and phrasing that mentions a partial privatization of Social Security and lacks reference to either the risk of the financial collapse of Social Security or the decline of the stock market. In addition, only nationwide samples achieving at least a +/-3 percent margin of error were selected. In Tables 4 and 5, questions were selected on the basis of available cross tabulations.

### Selected Questions

<b>Date</b>	<b>Source</b>	<b>Method</b>	<b>Question</b>	<b>Favor</b>	<b>Oppose</b>
February-98	Zogby International	February 15-17, 1998; 948 likely voters; margin of error +/- 3.3%.	Would you favor or oppose taking part of the money you now pay into Social Security and investing it for your future?	61	29
October-98	Charlton Research	October 1998; 800 adults nationwide	Do you favor or oppose changing the current social security system to incorporate individual retirement accounts that could be put into private investments such as the stock or bond market?	55	35
January-99	CNN/Time Poll conducted by Harris Interactive.	July 10-11, 2002. 1,003 adults nationwide. margin of error +/- 3.1.	Do you favor or oppose allowing individuals to invest a portion of their Social Security taxes in the U.S. stock market?	66	28
August-99	Zogby International	July 29-August 2, 1999; 1205 likely voters; margin of error +/-3%	Would you prefer or not prefer that the Social Security system be changed to give those who want the choice the opportunity to invest their Social Security taxes through individual accounts similar to IRAs or 401(k) programs?	55	31

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**Selected Questions—continued**

<b>Date</b>	<b>Source</b>	<b>Method</b>	<b>Question</b>	<b>Favor</b>	<b>Oppose</b>
May-00	ABC News/ Washington Post Poll.	July 11-15, 2002. 1,512 adults nationwide. margin of error +/-2.5. Fieldwork by TNS Intersearch.	Would you support or oppose a plan in which people who chose to could invest some of their Social Security contributions in the stock market?	64	31
June-00	Newsweek Poll conducted by Princeton Survey Research Associates.	June 22-23, 2000; 750 adults nationwide, including 620 registered voters.	Asked of registered voters: As you may know, the presidential candidates have made some proposals to change or supplement Social Security to help Americans save more money for their retirement. One of these proposals would change Social Security to allow workers to invest some of their Social Security payroll taxes in the stock market. In general, do you favor or oppose this proposal?	51	36
June-00	CNN/USA Today/Gallup Poll	June 28-30, 2002; 1,019 adults nationwide; margin of error +/- 3%.	A proposal has been made that would allow people to put a portion of their Social Security payroll taxes into personal retirement accounts that would be invested in private stocks and bonds. Do you favor or oppose this proposal?	65	30
September-00	CNN/Time Poll conducted by Harris Interactive.	July 10-11, 2002. 1,003 adults nationwide. margin of error +/- 3.1%.	Do you favor or oppose allowing individuals to invest a portion of their Social Security taxes in the U.S. stock market?	53	39

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*Selected Questions—continued*

<b>Date</b>	<b>Source</b>	<b>Method</b>	<b>Question</b>	<b>Favor</b>	<b>Oppose</b>
October-00	ABC News/ <i>Washington Post</i>	October 28-30, 2000; 1,067 likely voters nationwide; margin of error +/-3%.	Would you support or oppose a plan in which people who chose to could invest some Social Security contributions in the stock market?	58	35
March-01	ABC News/ <i>Washington Post</i>	March 22-25, 2001; 903 adults nationwide; margin of error +/- 3%.	Field work by TNSIntersearch. Would you support or oppose a plan in which people who chose to could invest some of their Social Security contributions in the stock market?	52	45
March-01	CNN/USA Today/ Gallup Poll	March 26-28, 2001	A proposal has been made that would allow people to put a portion of their Social Security payroll taxes into personal retirement accounts that would be invested in private stocks and bonds. Do you favor or oppose this proposal?	63	30
April-01	ABC News/ <i>Washington Post</i>	July 11-15, 2002; 1,512 adults nationwide; margin of error +/- 2.5%.	Field work by TNS Intersearch. Would you support or oppose a plan in which people who chose to could invest some of their Social Security contributions in the stock market?	53	46
August-01	CNN/USA Today/ Gallup Poll	August 24-26, 2001	A proposal has been made that would allow people to put a portion of their Social Security payroll taxes into personal retirement accounts that would be invested in private stocks and bonds. Do you favor or oppose this proposal?	62	34

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**Selected Questions—continued**

<b>Date</b>	<b>Source</b>	<b>Method</b>	<b>Question</b>	<b>Favor</b>	<b>Oppose</b>
November-01	CNN/USA Today/ Gallup Poll	November 26-27, 2001	A proposal has been made that would allow people to put a portion of their Social Security payroll taxes into personal retirement accounts that would be invested in private stocks and bonds. Do you favor or oppose this proposal?	64	31
January-02	CNN/USA Today/ Gallup Poll	January 25-27, 2002	A proposal has been made that would allow people to put a portion of their Social Security payroll taxes into personal retirement accounts that would be invested in private stocks and bonds. Do you favor or oppose this proposal?	63	33
March-02	CNN/Time Poll conducted by Harris Interactive.	July 10-11, 2002; 1,003 adults nationwide; margin of error +/- 3.1%.	Do you favor or oppose allowing individuals to invest a portion of their Social Security taxes in the U.S. stock market?	45	46
March-02	NPR—Greenberg Quinlan Rosner Research (D) and Public Opinion Strategies (R)	3/4-7/2002; Greenberg Quinlan Rosner Research (D) and 3/19-25/2002 by Public Opinion Strategies (R); 1,510 likely voters; margin of error +/-3.6%	Would you support or oppose a plan in which people who chose to could invest some of their Social Security contributions in the stock market?	55	40
April-02	CNN/USA Today/ Gallup Poll	June 28-30, 2002; 1,019 adults nationwide; margin of error +/- 3%.	A proposal has been made that would allow people to put a portion of their Social Security payroll taxes into personal retirement accounts that would be invested in private stocks and bonds. Do you favor or oppose this proposal?	63	33

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**Selected Questions—continued**

<b>Date</b>	<b>Source</b>	<b>Method</b>	<b>Question</b>	<b>Favor</b>	<b>Oppose</b>
May-02	Bloomberg	4/30-5/5/02, 1200 adults, margin of error +/- 3%	Do you favor or oppose changing Social Security from a system where the government collects taxes that workers and their employers contribute to a system where individuals invest some of their payroll tax contributions themselves?	48	42
May-02	FOX News/Opinion Dynamics Poll.	May 14-15, 2002; 900 registered voters nationwide; margin of error +/- 3%.	Do you think people should have the choice to invest privately a small amount of their Social Security contributions or not?	66	25
June-02	CNN/USA Today/ Gallup Poll	June 28-30, 2002; 1,019 adults nationwide; margin of error +/- 3%.	A proposal has been made that would allow people to put a portion of their Social Security payroll taxes into personal retirement accounts that would be invested in private stocks and bonds. Do you favor or oppose this proposal?	57	39
July-02	CNN/Time Poll conducted by Harris Interactive.	July 10-11, 2002; 1,003 adults nationwide; margin of error +/- 3.1%.	Do you favor or oppose allowing individuals to invest a portion of their Social Security taxes in the U.S. stock market?	52	45
July-02	ABC News/ Washington Post	July 11-15, 2002; 1,512 adults nationwide; margin of error +/- 2.5%.	Fieldwork by TNS Intersearch. Would you support or oppose a plan in which people who chose to could invest some of their Social Security contributions in the stock market?	68	29

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**Selected Questions—continued**

<b>Date</b>	<b>Source</b>	<b>Method</b>	<b>Question</b>	<b>Favor</b>	<b>Oppose</b>
July-02	Zogby International	July 9-15, 2002; 1109 likely voters; margin of error +/-3.2%; slight weights to region, party, age, race, religion and gender	There are some in Government who advocate changing the Social Security system to give system to give younger workers the choice to invest a portion of their Social Security taxes through individual accounts similar to IRAs or 401(k) plans. Would you strongly support, somewhat support, somewhat oppose or strongly oppose this plan?	68	29



## Notes

1. Bernard, Roshco, "The Devil's Tune and the Siren's Song: Privatizing Social Security," *Public Perspective*, October/ November 1999.
2. *Flemming v. Nestor*, 363 U.S. 603 (1960), *Helvaring v. Davis*, 301 U.S. 619 (1937).
3. See Charles Rounds, "Property Rights: The Hidden Issue of Social Security Reform," Cato Institute Social Security Paper no. 19, April 19, 2000.
4. See Michael Tanner, "No Second Best: The Unappetizing Alternatives to Individual Accounts," Cato Institute Social Security Paper no. 24, January 29, 2002.
5. Zogby International, July 9–15, 2002, 1,109 likely voters, margin of error +/-3.1 percent.
6. Zogby International, July 19–21, 2002, 1,109 likely voters, margin of error +/-3.1 percent.
7. Hart and Teeter Research Companies, January 25–27, 1997, N=1,002. The question was: "This proposal to allow people to invest Social Security contributions in the stock market also includes an increase in the payroll tax for current employees, as well as an increase in the federal deficit, so that benefits to current retirees also can be maintained. Do you think the benefits of allowing people to invest Social Security contributions in the stock market outweigh these costs of higher payroll taxes and deficits, or do you think the costs outweigh the benefits?"
8. See Andrew Biggs, "Perspectives on the President's Commission to Strengthen Social Security," Cato Institute Social Security Paper no. 27, August 22, 2002.
9. Zogby International, July 30–August 2, 2002, 1,008 likely voters; margin of error +/-3.2 percent.
10. Zogby International, July 9–15, 2002; 1,109 likely voters, margin of error +/-3.1 percent. "More likely" includes much more likely and somewhat more likely. "Less likely" includes much less likely and somewhat less likely.
11. See, for example, Michael Tanner, "Saving Social Security Is Not Enough," Cato Institute Social Security Paper no. 20, May 25, 2000.
12. Zogby International, July 9–15, 2002; 1,109 likely voters; margin of error +/-3.1 percent.
13. Bloomberg, April 30–May 5, 2002; 1,200 adults nationwide; margin of error +/-3 percent. The question was, "If Social Security changes into a system where individuals could choose to invest some of their own payroll tax contributions themselves, do you think this change would increase, decrease or have no impact on your retirement savings benefits?"