



Kaiser Family Foundation



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*The Washington Post* / Kaiser Family Foundation/Harvard University  
Survey of American's Knowledge and Attitudes about  
Entitlements

Questionnaire and Toplines

March 1997

### Methodology

This survey is part of a series from a joint project by *The Washington Post*, The Henry J. Kaiser Family Foundation and Harvard University. The survey was designed and analyzed by all three partners and conducted by Chilton Research of Randor, PA. Telephone interviews of 1,309 random-sample adults were conducted nationwide from March 13 through March 23, 1997. The margin error in the nationwide sample is plus or minus 3 percentage points. Sampling error is but one source of many potential errors in this or any other opinion poll.

\* indicates percentage of less than 0.5

Note: Percentages may not add up to 100% due to rounding.

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Questionnaire and Toplines

1. Do you think things in this country are generally going in the right direction or do you feel things have gotten pretty seriously off on the wrong track?

Right Direction	34%
Wrong Track	62
No opinion	4

2. Do you think the nation's economy is getting better, getting worse or staying about the same?

Better	19%
Worse	29
Same	51
No opinion	1

3. To the best of your knowledge, is Social Security primarily...

Federal government program	83%
A state government program	9
A private insurance program	5
No Opinion	3

4. To the best of your knowledge, is Medicare primarily...

Federal government program	74%
A state government program	17
A private insurance program	7
No Opinion	2

5a. In order to balance the federal budget, do you think reductions in future spending on Social Security and Medicare need to be made, or can the federal budget be balanced without making reductions in future spending on those programs?

Balanced Reductions	20%
Without Reductions	77
No opinion	3

5b. Recently there has been a great deal of talk about the need for Congress to do something about entitlements. To the best of your knowledge, is each one of the following an entitlement, or not?

	<u>Yes</u>	<u>No</u>	<u>No opinion</u>
A. Tax deductions for wealthy people	36%	57%	7%
B. Basic rights guaranteed in the U.S. Constitution	68	25	7
C. Tax credits for working poor people	61	32	7
D. Federal government programs where by law certain people are guaranteed cash payments or health insurance benefits	57	33	11

6. I'm going to read you a list of federal government programs, and I'd like you to tell me for each one whether or not you think it is an entitlement. If you don't know enough about the program to decide, please tell me so. Let's start with...

	<u>Entitlement</u>		
	<u>Yes</u>	<u>No</u>	<u>No opinion</u>
A. Unemployment compensation	67%	23%	10%
B. Social Security	78	14	7
C. Medicare	76	14	10
D. Medicaid	70	16	14
E. Veterans benefits	78	12	10
F. Welfare under the new welfare reform law	47	25	29
G. Head Start	57	21	22
H. Tax deductions for mortgage payments	52	33	16
I. Food stamps	59	28	13
J. Federally subsidized loans for college students	62	26	12
K. Tax deductions for capital gains for business	36	43	22

7. Compared with 20 years ago, do you think the share of Americans over 65 who live in poverty has increased, decreased, or stayed about the same?

Increased	60%
Decreased	15
About the Same	21
No opinion	4

8. (TOTAL) Which of the items on this list would you say are the two largest areas of spending by the federal government? (READ LIST) (PROBE, IF NECESSARY: If you had to choose two items from this list, which would you choose?)

Food stamps	26%
Defense	56
Foreign Aid	64
Medicare	23
Social Security	27
No Opinion	1

9. Which of these two statements do you think is more accurate?

Social security payroll taxes collected from workers today are used to pay benefits for current retirees	68%
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Social Security payroll taxes paid by workers today are put into an account to pay for their OWN Social Security benefits when they retire	24
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Neither(vol)	1
DK/No opinion	6

10. To the best of your knowledge, is Social Security part of the total federal budget when the federal government calculates the budget deficit, or not?

Yes	50%
No	31
No opinion	19

11. When people retire on Social Security, do they all receive the same payment or do people receive different amounts?

Same	4%
Different	93
No opinion	3

12. To the best of your knowledge, is each of the following eligible to receive Social Security payments, or not?

	<u>Yes</u>	<u>No</u>	<u>No opinion</u>
A. Workers who have paid into the program	96%	3%	1%
B. Spouses of workers who have paid into the program	89	9	2
C. Immigrants who live here, but have never worked in this country	19	75	6
D. Workers who have not paid into the program	25	70	5

13. Which of the following statements best describes how much work a person can do while receiving Social Security benefits?

A person cannot work for extra income while receiving Social Security payments	4%
A person can work, but there is a dollar limit on how much the person can earn while receiving Social Security payments	79
There is no limit on the amount of income a person can receive from working while receiving Social Security payments	16
No opinion	1

14. Do you think most people when they retire get back from Social Security more than they paid into the program, less than they paid in, or about what they paid into the program?

More	28%
Less	50
About what they paid	18
No opinion	4

15. Which of the following best describes the money in the Social Security trust fund?

The money is kept by the government as cash in the bank	21%
The money is invested in government treasury bonds	49
The money is invested in private company stocks	13
No opinion	17

16. How much income per year do you think an average retired person needs today in order to live comfortably?

Less than \$10,000 a year	1%
\$10,000-\$20,000 a year	27
\$20,000-\$30,000 a year	48
More than \$30,000 a year	24
No opinion	1

17. Which of the following four statements comes closest to your own view of the Social Security program?

The program is in crisis	36%
The program has major problems, but is not in crisis	46
The program has minor problems	14
The program has no problems	3
No opinion	1

18. Suppose Congress doesn't take any action--do you think the Social Security program is likely to go bankrupt, or not?

Likely	76%
Not likely	21
No opinion	3

19. (Of those who think that the Social Security program is likely to go bankrupt) Do you think the Social Security program will go bankrupt within the next 10 years, or will it go bankrupt further in the future?

Within the next 10 years	36%
Further in the future	62
No opinion	2

20. A number of reasons have been suggested for why the Social Security program faces financial difficulties. For each of the following, please tell me if you think it is a major reason, a minor reason, or not a reason why the Social Security program faces financial difficulties.

	<u>Major</u>	<u>Minor</u>	<u>Not a Reason</u>	<u>(Vol)SS Isn't Facing Difficulties</u>	<u>No Opinion</u>
A. More people are going on Social Security and there will be fewer workers to pay Social Security taxes to support them	59 %	28 %	12 %	*	1 %
B. People on Social Security are living longer so they cost the program more money	47	37	16	*	1
C. Fraud and abuse by people who aren't entitled to benefits	59	31	7	*	2
D. Money in the Social Security trust fund is being spent on programs other than Social Security	67	19	9	*	5
E. Money in the Social Security trust fund is not being invested wisely	61	26	8	*	5

21. Do you think the average Social Security payment alone provides a retired person with...

More than enough to live comfortably	1%
Just about enough to live comfortably	9
Not enough to live comfortably, but not so little as to make living a struggle	37
Small enough that the average retired person needs to struggle to get by	52
No opinion	1

22. Which of the following dollar amounts do you think comes closest to the average annual benefit currently being paid to a retired worker by Social Security?

Less than \$10,000 a year	38%
\$10,000-\$20,000 a year	49
\$20,000-\$30,000 a year	8
More than \$30,000 a year	2
No opinion	4

23. Please tell me whether you favor or oppose major reductions in future spending on Social Security for each of the following purposes. (First/Next), would you favor or oppose major reductions

	<u>Favor</u>	<u>Oppose</u>	<u>No opinion</u>
A. To pay for a tax cut	22%	76%	2%
B. To preserve the Social Security program for future generations	69	30	1
D. To balance the federal budget	29	69	1

24. In order to keep the Social Security program financially sound in the future, would you favor or oppose each of the following proposals?

	<u>Favor</u>	<u>Oppose</u>	<u>No opinion</u>
A. Having everyone pay more in Social Security taxes?	37%	61%	2 %
B. Reducing benefits paid to all retirees in the future?	20	79	1
C. Gradually increasing the retirement age for Social Security without affecting people now receiving benefits?	47	52	1
D. Reducing benefits paid to upper-income retirees in the future?	64	34	2

26. (Of those who favor reducing benefits to upper-income retirees)When you say upper income, do you mean retirees with earnings...

Over \$20,000 a year	6 %
Over \$40,000 a year	38
Over \$70,000 a year	54
Other (vol.)	1
No opinion	1



27. Some people favor investing a portion of Social Security tax funds in the stock market because this might lead to higher investment returns. Other people oppose this idea because they say the stock market is too unpredictable. What is your opinion? Do you favor or oppose investing a portion of the tax money collected for Social Security in the stock market?

Favor	35%
Oppose	63
No opinion	2

28. If some Social Security tax funds are invested in the stock market, which do you favor?

Having the government make this investment	25%
Allowing individuals to invest part of their portion however they would like	72
No opinion	3

29. Which of the following government programs provides health insurance for people over 65 regardless of their income?

Medicare	58%
Medicaid	23
Or some other program?	8
(VOL)Neither	*
(VOL)Both	5
No opinion	6

30. Which of the following government programs provides health insurance for many low-income families regardless of their age?

Medicare	24%
Medicaid	52
Or some other program?	14
(VOL)Neither	*
(VOL)Both	3
No opinion	6

31. Which of the following government programs provides health insurance for low-income people who need nursing home care or home care over a long period of time?

Medicare	32%
Medicaid	39
Or some other program?	16
(VOL)Neither	1
(VOL)Both	5
No opinion	8

Now I have some questions about Medicare. Not everyone will have heard about all the issues I'm asking about. Please answer each question to the best of your knowledge, but if you're not sure about an answer, just say so.

32. Does the tax money for the Medicare program come entirely from payroll taxes, or does some of the money come from federal income taxes?

Entirely from payroll taxes	25%
Some from federal income taxes	42
No opinion	34

33. Which of these two statements do you think is more accurate?

Medicare payroll taxes collected from workers today are used to pay benefits for current Medicare recipients	74%
--	-----

Medicare payroll taxes paid by workers today are put into an account to pay for their OWN Medicare benefits when they retire	18
--	----

(VOL) Neither	*
(VOL) Both	1
No opinion	8

34. To the best of your knowledge, is Medicare part of the total federal budget when the government calculates the budget deficit, or not?

Part	61%
Not	21
No opinion	18

35. For the average person over 65, do you think the Medicare program pays for almost all, most, about half, or only a little of their health care costs?

-----Almost all/Most-----			--About half/little--			No
NET	Almost all	Most	NET	Half	Little	Opinion
42%	20	22	55%	35	20	3

36. Do you think almost all, about half or only a few poor people have health insurance from government programs like Medicare and Medicaid?

Almost all	About half	Only a few	No opinion
24%	42	27	7

37. Which of the following four statements comes closest to your own view of the Medicare program?

The program is in crisis	21%
The program has major problems, but is not in crisis	54
The program has minor problems	19
The program has no problems	3
No opinion	3

38. Suppose Congress doesn't take any action--do you think the Medicare trust fund is likely to go bankrupt, or not?

Likely	69%
Not likely	24
No opinion	6

39. (Of those who think it is likely to go bankrupt) Do you think the Medicare trust fund will go bankrupt within the next 10 years, or will it go bankrupt further in the future?

Within the next 10 years	42%
Further in the future	56
No opinion	2

40a. A number of reasons have been suggested for why the Medicare trust fund faces financial difficulties. For each of the following, please tell me if you think it is a major reason, a minor reason, or not a reason why the Medicare trust fund faces financial difficulties

	<u>Major</u>	<u>Minor</u>	<u>Not a Reason</u>	<u>(Vol)Med.isn't facing difficulties</u>	<u>No Opinion</u>
A. More people are going on Medicare and there will be fewer workers to pay Medicare payroll taxes to support them	54%	34%	10%	*	2%
B. People on Medicare are living longer so they cost the program more money	47	39	12	*	2
C. Fraud and abuse by people, doctors and hospitals	75	21	4	*	1
D. Poor management by the gov't	75	20	4	*	1
E. Excessive charges by doctors and hospitals	83	13	3	*	1
F. Malpractice lawsuits and settlements	52	34	10	*	4
G. New drugs, tests, & treatments being offered to the elderly	24	51	21	*	4

40b. Please tell me whether you favor or oppose reductions in future spending on Medicare for each of the following purposes. (First/Next), would you favor or oppose reductions (READ ITEMS)

	<u>Favor</u>	<u>Oppose</u>	<u>No opinion</u>
A. To pay for a tax cut	23%	75%	2%
B. To preserve the Medicare program for future generations	70	29	1
D. To balance the federal budget	31	68	2

Now I want to ask you some questions about your own retirement years.

41. First, are you currently retired?

Yes	20%
No	80
No opinion	0

42. Are you currently receiving any Social Security benefits?

Yes	22%
No	78
No opinion	0

43. Do you have any immediate family or close friends receiving Social Security benefits?

Yes	66%
No	33
No opinion	*

44. Would you say you know a lot, a fair amount, very little, or nothing about Social Security?

-----A lot/Fair Amount-----			-----Little/Nothing-----			No
NET	A lot	Fair Amount	NET	Little	Nothing	opinion
56%	5	51	44%	40	4	*

45. (Of those who are not retired) Looking ahead to your own retirement, which of the following do you expect to be your biggest source of income? (READ ITEMS)

Social Security	18%
An employer-paid pension plan	30
Your own personal retirement savings	51
No opinion	1

46. (Of those who are not retired) How worried are you about having enough savings for retirement?

-----Worried-----			-----Not worried-----			No
NET	Very	Somewhat	NET	Not very	Not at all	opinion
69%	32	38	30%	18	13	*

47. (Of those who are retired) How worried are you that you do not have enough savings for the later years of your retirement?

-----Worried-----			-----Not worried-----			No
NET	Very	Somewhat	NET	Not very	Not at all	opinion
52%	21	31	48%	20	28	*

48. (Of those who are not retired) Looking ahead to when you are retired, do you think you will receive higher or lower Social Security payments than are currently being paid, or do you think you'll receive about the same amount?

Higher	14%
Lower	51
About the same amount	32
No opinion	3

49. (Of those who say they will be higher) Do you think you will receive payments that are a lot higher or only a little higher than are currently being paid?

A lot	26%
A little	71
No opinion	3

50. (Of those who say lower) Do you think you will receive payments that are a lot lower than are currently being paid, a little lower, or don't you think you will receive any Social Security payments at all?

A lot	27%
A little	29
(VOL) Won't receive at all	42
No opinion	1

51. (Of those who are not retired) Have you begun to save money for your retirement, or not?

Yes	69%
No	31
No opinion	*

52. (Of those who are not retired and have not begun to save) What is the main reason you haven't started saving money for your retirement yet? Is it mainly...

Because you haven't started thinking yet about retirement saving	25%
Because you don't have enough money to save	64
Because you don't have a retirement savings plan available to you through work	5
Because you'll have enough money from Social Security and Medicare	1
Because you don't think you'll need the money	2
No opinion	2

53. Do you think the amount of money you have been saving, combined with what you'll receive from Social Security and other types of income, will be adequate to provide a comfortable living when you retire, or not?

Adequate	58%
Not adequate	38
No opinion	4

54. (Of those who are not retired and have begun saving for retirement but the amount will not be adequate) What is the main reason the amount of money you have been saving will not be adequate? Is it mainly...

Because you don't have enough money to save more	51%
Because you started to save too late	26
Because you cannot put any more money aside in the retirement plan you now have	20
No opinion	3

55. (Of those who are not retired) Do you currently have a private pension plan or a 401-K plan, that you participate in, or not?

Yes	54%
No	45
No opinion	1

56. Are you covered by Medicare, a government health insurance program that pays health care bills for people age 65 and over and for some disabled people, or not?

Yes	22%
No	76
No opinion	1

57. Do you have any immediate family or close friends receiving Medicare benefits?

Yes	57%
No	42
No opinion	2

58. Would you say you know a lot, a fair amount, very little, or nothing about Medicare?

-----A lot/Fair Amount-----			-----Little/Nothing----			No
NET	A lot	Fair Amount	NET	Little	Nothing	Opinion
38%	4	34	62%	53	9	0

59. (Of those not covered by Medicare) Looking ahead to your retirement, what do you expect to be your major source for paying your health care costs?

Medicare	28%
An employer-paid health insurance plan	27
Your own private insurance	30
Your own personal savings	13
No opinion	3

60. (Of those not covered by Medicare) Looking ahead to when you are eligible for Medicare, do you think you will receive more or less Medicare benefits than are currently provided, or do you think you'll receive about the same benefits?

More	5%
Less	53
About the same	40
No opinion	2

61. (Of those who said they would receive more) Do you think you will receive a lot more or a little more Medicare benefits than are currently provided?

A lot	25%
A little	75
No opinion	0

62. (Of those who said they would receive less) Do you think you will receive a lot less benefits than are currently provided, a little less, or don't you think you will receive any Medicare benefits at all?

A lot	34%
A little	42
Won't receive at all	23
No opinion	1

63. (Of those who are not covered by Medicare) How concerned are you that when you retire you will not have enough money to pay for health care needs that Medicare does not cover? Very concerned, somewhat concerned, not very concerned, or not at all concerned?

-----Concerned-----			-----Not concerned-----			No
NET	Very	Somewhat	NET	Not very	Not at all	Opinion
74%	40	34	26%	17	9	*



# Americans Oppose Cutting Entitlements to Fix Budget

*Poll Finds Pessimism on Medicare, Social Security*

By Eric Pianin and Mario Brossard  
Washington Post Staff Writers

President Clinton and congressional leaders are promising to balance the budget and cut taxes, but the message from a vast majority of Americans is: Don't do it by reducing spending on Social Security and Medicare, according to a new survey.

Moreover, according to the nationwide poll conducted by The Washington Post, Harvard University and the Kaiser Family Foundation, more than three-quarters of Americans believe the federal budget can be balanced without touching Social Security and Medicare benefits—despite claims to the contrary by congressional budget experts.

"They should be able to balance the budget without taking from Social Security or Medicare," said Debra Morrison, a 31-year-old hairdresser from Philadelphia. "How can you take from somewhere that doesn't have it?"

The poll shows that most Americans believe dire forecasts that Social Security and Medicare, the national health care program for the elderly, will go broke in the next century unless Congress takes action soon. But the action most favored by respondents is for Congress to eliminate perceived fraud, waste and abuse in the programs.

"It's the beliefs that people hold about how the entitlement programs are being managed that is driving the views that we don't have to come to grips with the hard decisions," said Robert J. Blendon, a professor of health policy and political analysis at Harvard University and a leading expert on public opinion about entitlements.

In the case of Social Security, between half and three-fourths of those interviewed said they would oppose such measures as an across-the-board reduction in future benefits, a gradual increase in the retirement age or an increase in the Social Security payroll tax.

The one approach that is acceptable to a large majority is reducing the benefits of upper-income retirees, although that alone would barely put a dent in the long-term funding problem.

"I'd be in favor of that," said Fred Ayers, 54, a "semi-retired" commercial artist living in Dayton, Ohio, "because the wealthier retirees—if they have it to spare—they should spare it."

These and other findings of the survey highlight the dilemma for congressional leaders and the White House in reaching agreement on a plan to balance the budget, "fix" Medicare and provide long-term tax relief.

While roughly seven in 10 respondents believe that Medicare and Social Security, the premier federal entitlement programs, will go bankrupt unless the government takes action, relatively few are willing to make personal sacrifices to correct the problem.

"There's only so much you can tax an employer and a worker," explained Patrick Decallier of Indianapolis, a retired government forklift driver. "What happens is they rob Peter to pay Paul, and you can't do that."

But when asked specifically if they would support reduced spending to preserve Medicare for future generations, 70 percent of all respondents said they would. About four in 10 support paying more in Social Security

taxes to preserve that program.

"I would be willing to raise taxes to help my children and grandchildren," said Jean Duncan, 64, a retired factory line worker from Tazewell, Tenn., "but I don't think it would be enough because they'll just keep borrowing it."

The survey shows that many are unaware that entitlement programs consume more than 60 percent of the overall budget and that long-term budget balancing would be virtually impossible without changes in Medicare, Social Security and other programs.

"I think they can balance the budget without taking away from Social Security and Medicare," said Pat Henningsen, 44, a grocery store manager in Sandy, Utah. "Why don't they collect the money that other countries owe us, so that we can take care of our own?"

Asked what they considered to be the largest areas of government spending, 64 percent cited foreign aid as the most costly, although that program constitutes barely 1 percent of total government spending. By contrast, only 27 percent of those surveyed believe that Social Security is the costliest program, when one out of every four dollars spent by the federal government goes to cover Social Security benefits.

Wendell Primus, a former Health and Human Services Department official, said the survey results show the critical need for political leadership on entitlement reform and budget balancing. Clinton and GOP congressional leaders fought to a standstill over the budget in 1995 and they continue to have difficulty finding common ground.

"The politician has to lead and educate and move the country toward a consensus on what ought to be done," said Primus, now director of income security at the Center on Budget and Policy Priorities. "Political leadership also means having the courage to take principled stands that may not initially be popular."

The Post-Harvard-Kaiser Foundation survey of 1,309 adults, the latest in a series of studies examining the intersection of Americans' knowledge and policy preferences, was conducted March 13 to 23. The poll's margin of error is plus or minus 3 percentage points.

Two-thirds of respondents correctly described Social Security as a largely pay-as-you go operation, with taxes collected from workers today going to pay benefits for current retirees. And half correctly said that the Social Security trust fund is used in calculating the budget deficit. Yet only 28 percent knew that most people, when they retire, get back more in Social Security benefits than they paid in.

The survey found that an individual's knowledge about federal entitlements is an important predictor of his or her overall attitudes: The more people know about Social Security and Medicare, the more concerned they are about the future of the programs and the more anxious they are for government action. They are also the ones most likely to perceive bankruptcy as imminent. Those less knowledgeable about the programs are somewhat more sanguine about the future and are more likely to believe that the solution lies in rooting out waste, fraud and abuse.

Social Security, Medicare and that part of Medicaid that pays for nursing home care for the elderly together account for nearly 40 percent of all non-interest federal spending.

They are crowding out funding for other programs and the situation will dramatically worsen in the next century, as baby boomers retire and fewer people will be left in the work force to pay into the funds. Without significant changes, the Medicare hospital trust fund is projected to go bankrupt by 2001 and the Social Security trust fund will face insolvency within the next 30 years.

"People are really confused about what the entitlement crisis is, and that makes it very difficult to discuss reducing benefits, raising taxes, or moving the retirement age," said Blendon, who played a large role in crafting the survey. "Lack of knowledge is driving people away from the solutions that experts and commissions favor, leading to paralysis and inaction."

It is also leading to widespread pessimism. Many of those surveyed indicated that they not only believe the system is in trouble but that they cannot count on Social Security benefits when they finally retire.

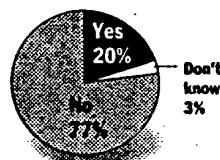
Decallier, the retired government forklift operator who is drawing federal civil service pension benefits, said it's a great relief knowing he will never have to depend on Social Security for survival. "Thank God I'm not on Social Security," he said, "because the federal government plays games with the trust fund. If all you're doing is living on a Social Security pension, you're in a world of hurt these days."

Kathy Lewis, a single parent of two in Carson City, Mich., agrees with that assessment and thinks things will only get worse. "I'm 33 years old, and I feel that when I retire I'm not going to have much Social Security to draw from," she said. "If something's not done, I believe it could go bankrupt."

## EVALUATING ENTITLEMENTS

**M**any Americans are very concerned about the future of Social Security and Medicare. And the more they know about these programs (considered the "high-knowledge" group in this poll), the more likely they are to consider them to be in crisis.

**1** In order to balance the federal budget, do you think reductions in future spending on Social Security and Medicare need to be made?



**2** Which of the following four statements comes closest to your own view of the Social Security program?

	Total	High knowledge	Low knowledge
The program is in crisis	36%	40%	28%
The program has major problems	46	48	42
The program has minor problems	14	10	23
The program has no problems	3	2	5

**3** Suppose Congress doesn't take any action—do you think the Social Security program is likely to go bankrupt, or not?

	Total	High knowledge	Low knowledge
Likely	76%	89%	61%
Not likely	21	10	33

**4** Percent who favor major reductions in future spending on Social Security for each of the following purposes:

	Total	High knowledge	Low knowledge
To preserve Social Security for future generations	69%	72%	69%
To balance the federal budget	29	26	29
To pay for a tax cut	22	22	24

NOTE: Percentages may not add to 100 due to rounding and because "no opinion" responses have been omitted. The results of this Washington Post, Kaiser Family Foundation, Harvard University survey are based on telephone interviews with 1,309 randomly selected adults nationwide. The survey was conducted March 13-23, and the margin of sampling error for the results is plus or minus 3 percentage points. Sampling error is but one source of many potential errors in this or any other opinion poll. Interviewing was done by Chilton Research of Radnor, Pa.

—Compiled by Mario A. Brossard