



PROGRAM FOR PUBLIC CONSULTATION
SCHOOL OF PUBLIC POLICY, UNIVERSITY OF MARYLAND

SURVEY ON SOCIAL SECURITY

Wisconsin's 2nd Congressional District

SATURDAY, MARCH 27, 2021



Presented by:



CivicGenius



METHODOLOGY

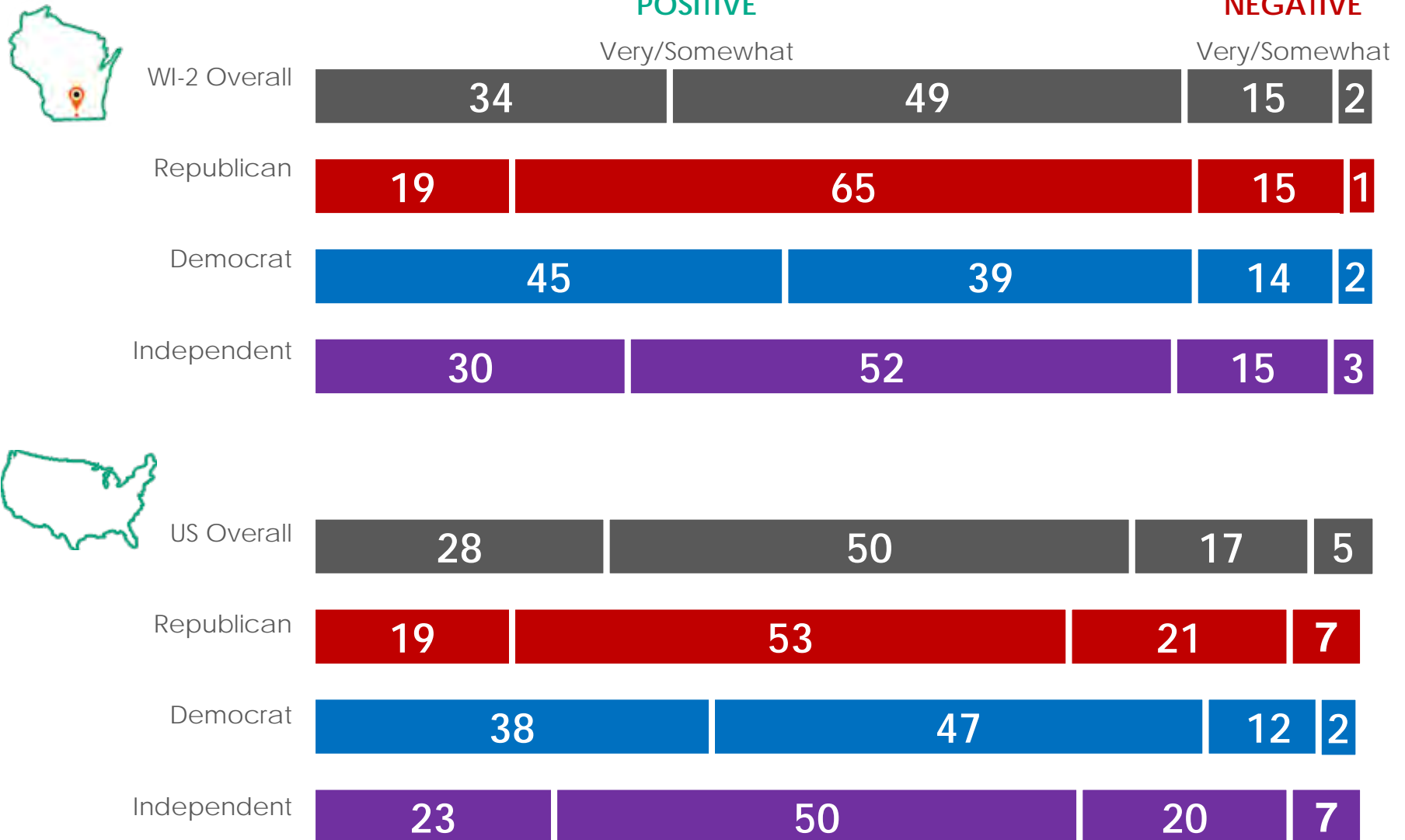
Field Dates: March 4-19, 2021

Sample Size: 406 Adult Residents of
Wisconsin's 2nd Congressional District



Views on Social Security

Overall, would you say your view of Social Security is:



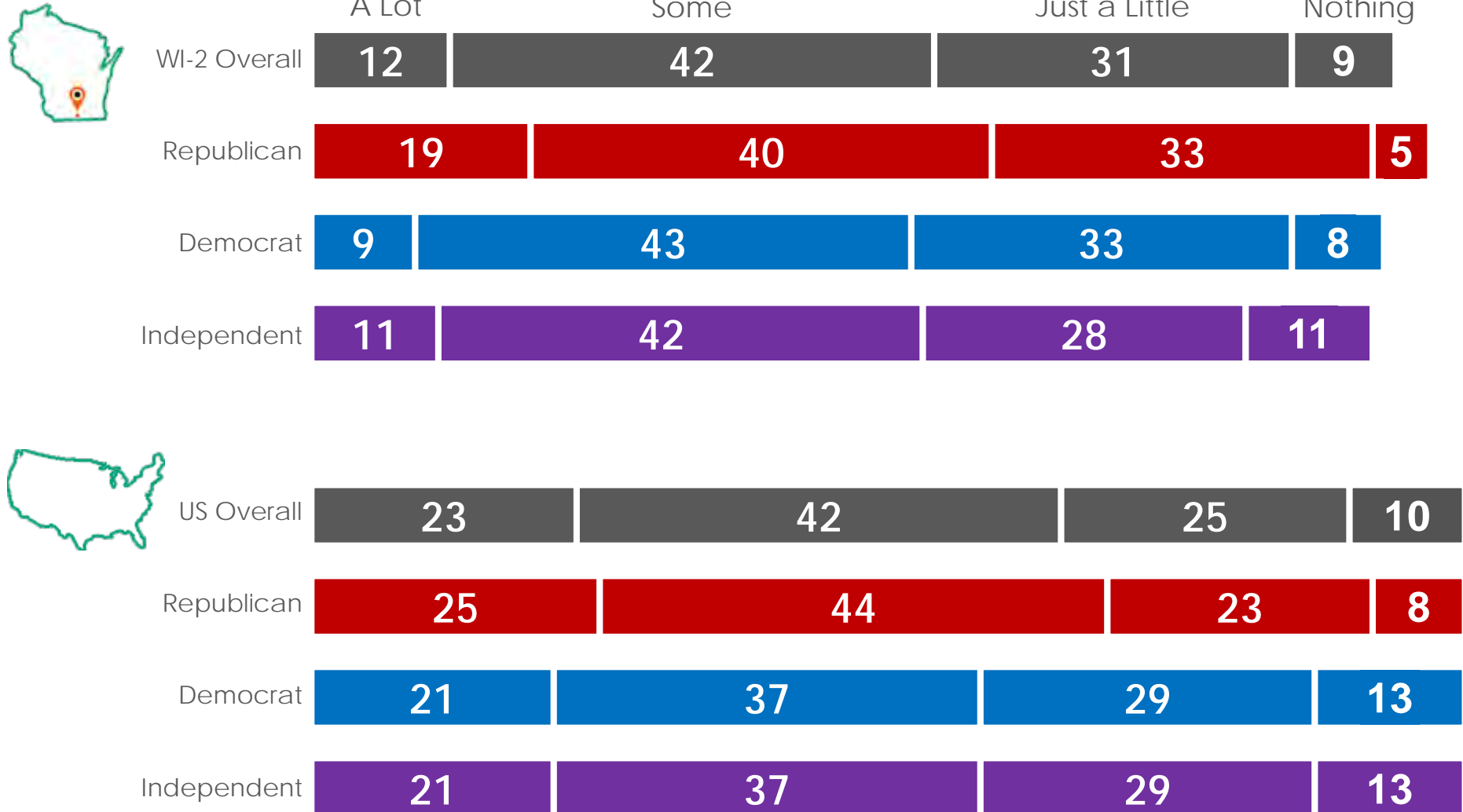
ADDRESSING THE SHORTFALL

The Social Security trustees project that in 2034, the Social Security Trust Fund will not have enough funds to pay the level of benefits that are scheduled to be paid by present law.

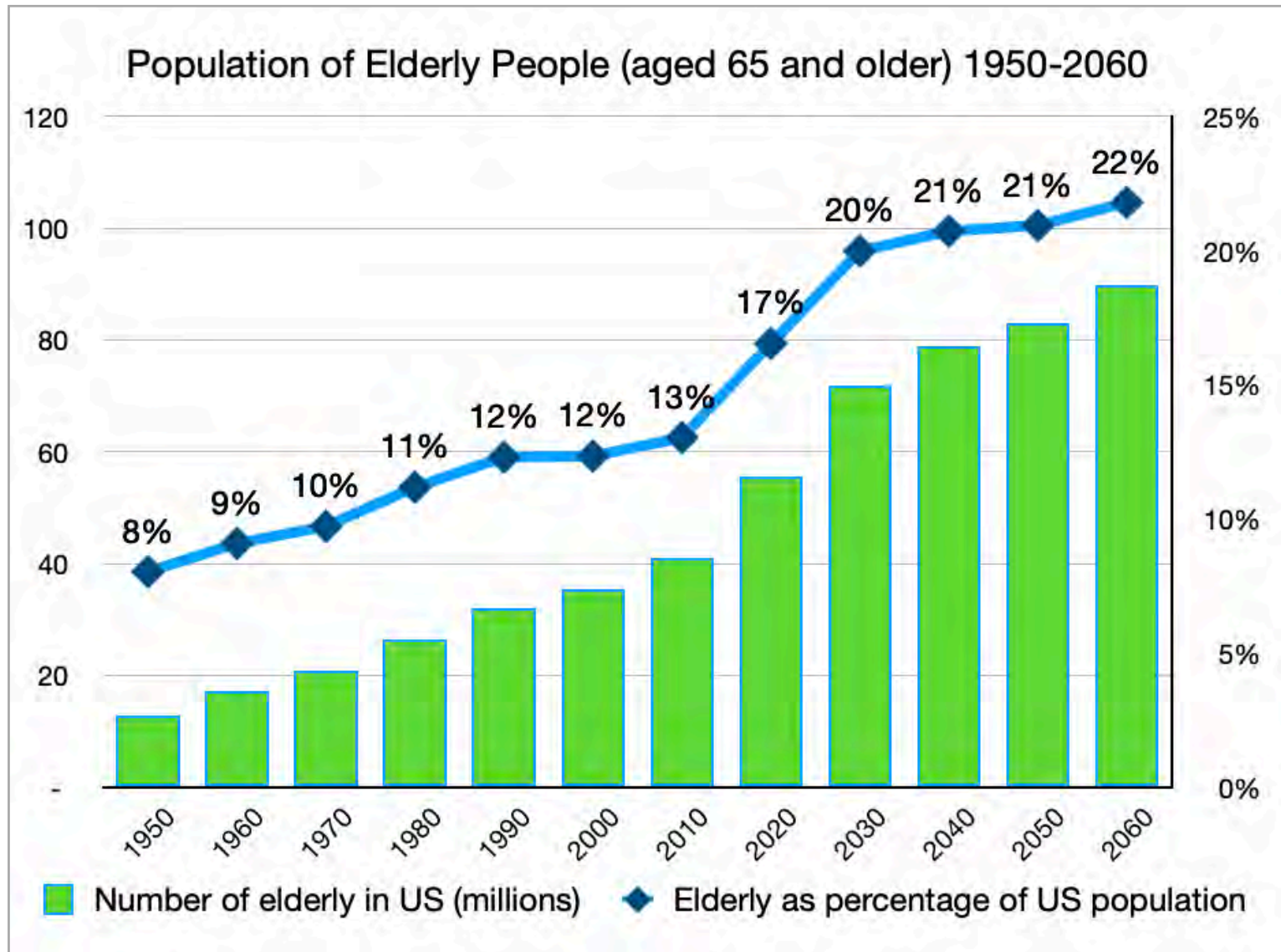
Benefits would then be financed from current payroll taxes only and would drop by 24%.

Social Security Shortfall

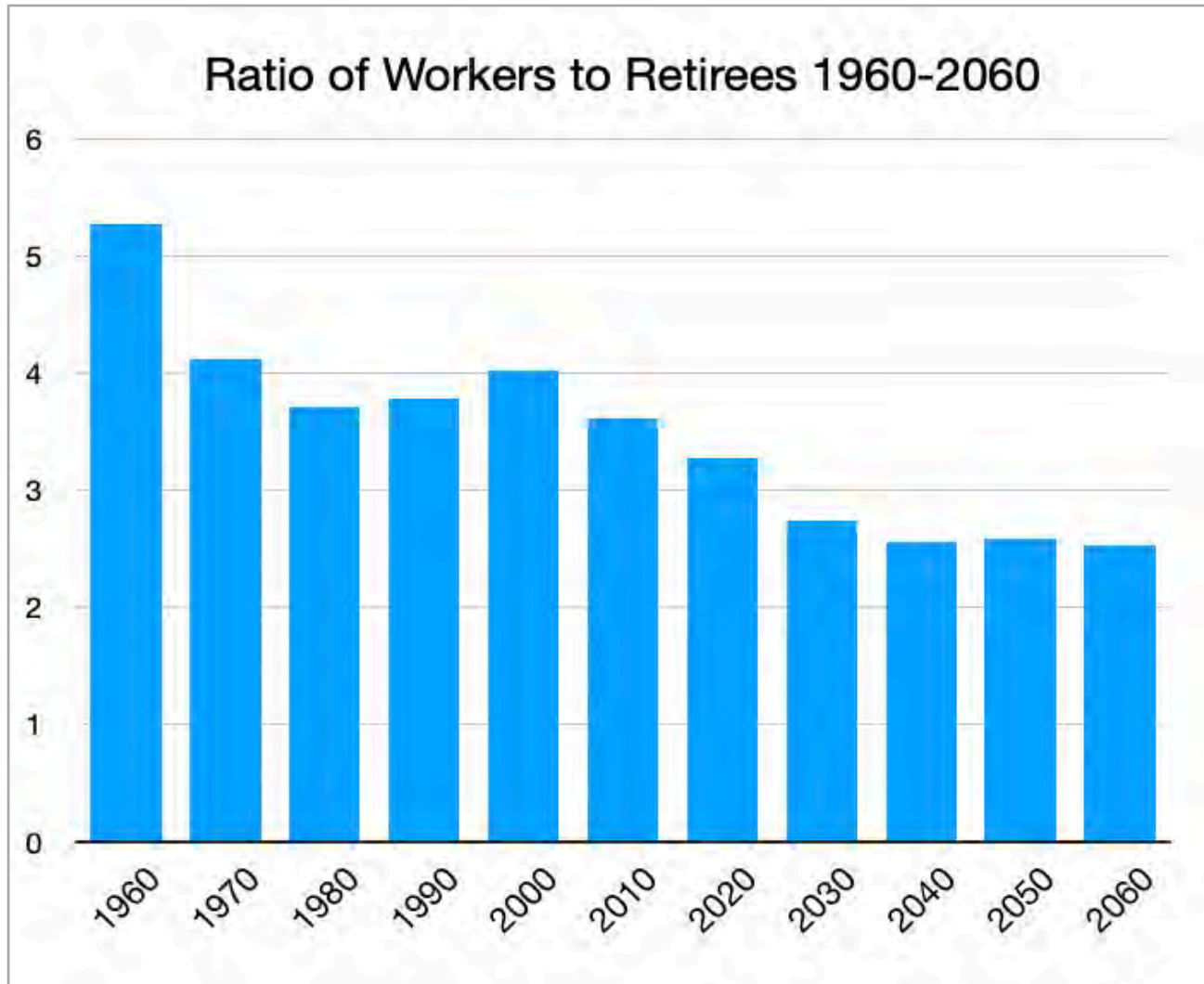
How much have you heard about the Social Security shortfall?



Reasons for the Shortfall



Reasons for the Shortfall



Average Monthly Benefits

Average monthly benefit

\$1,921 / Month

Average monthly benefit with 24% cut if the Social Security Trust Fund is depleted by 2034

\$1,460 / Month

ADDRESSING THE SHORTFALL

- 1** Lowering Benefits for
Those With Higher Earnings

Lowering Benefits for Those With Higher Earnings

ARGUMENT IN FAVOR

Wealthier retirees have other ways to fund their retirement, but their benefits are higher than other people. This gap should be reduced so their benefits are more like others.

Convincing

WI-2 Overall

80

Republican

73

Democrat

88

Independent

73

ARGUMENT IN FAVOR

The purpose of Social Security is to ensure that older or disabled Americans don't fall into poverty. It makes no sense that wealthier people receive higher benefits than people with lesser incomes.

Convincing

WI-2 Overall

69

Republican

65

Democrat

74

Independent

65

Lowering Benefits for Those With Higher Earnings

ARGUMENT AGAINST

Many proposals for reducing benefits based on income would end up hurting some in the middle class, particularly those who live in areas with a higher cost of living.

Convincing

WI-2 Overall

74

Republican

81

Democrat

75

Independent

69

ARGUMENT AGAINST

Workers paid Social Security taxes on the promise they'd get this money back in the form of benefits. Reducing benefits violates this understanding and changes Social Security from a retirement program to a welfare program.

Convincing

WI-2 Overall

70

Republican

81

Democrat

65

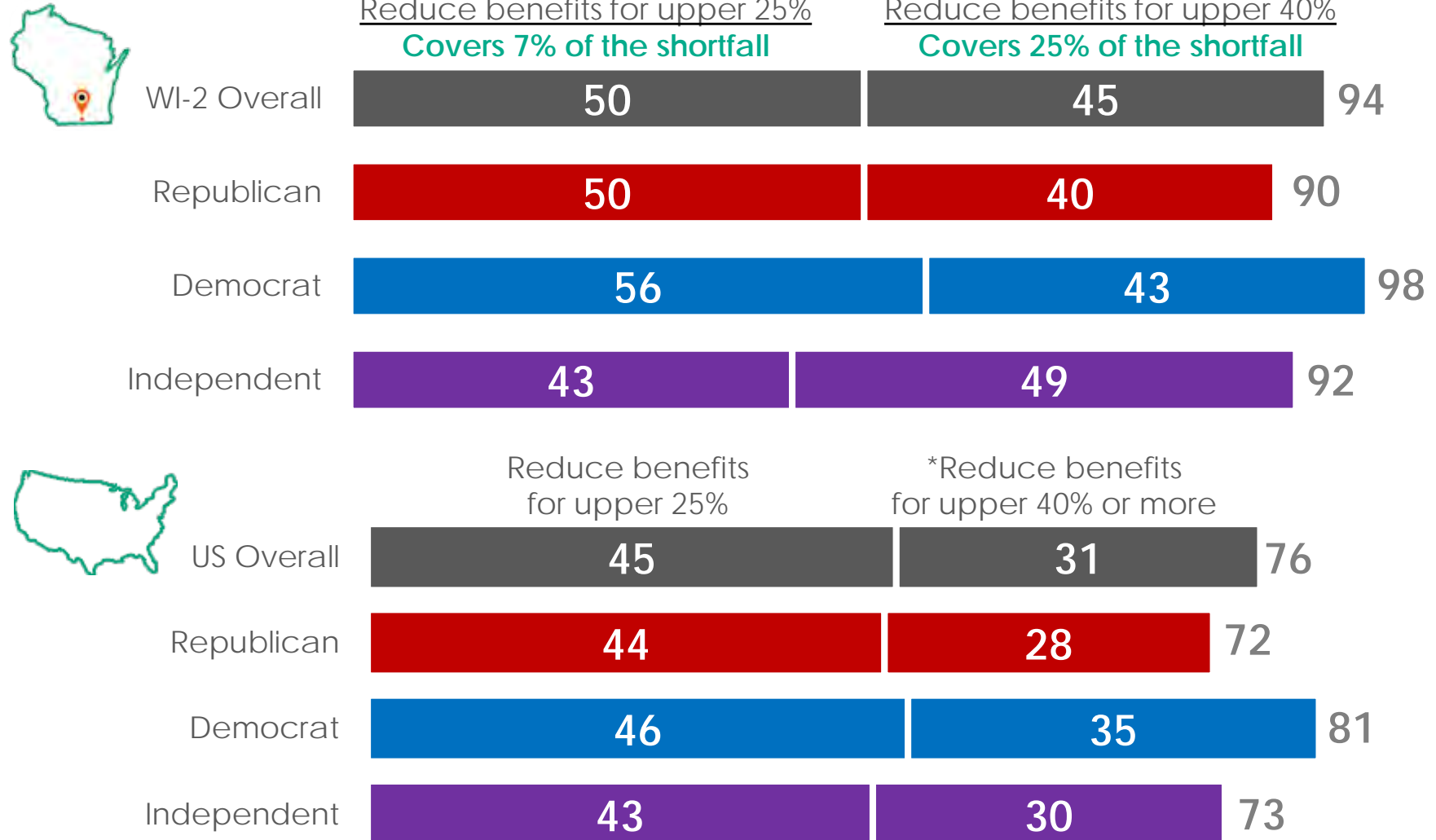
Independent

71

Reducing Benefits

FINAL
RECOMMENDATION

Reduce Monthly Benefits of Those with Higher Earnings

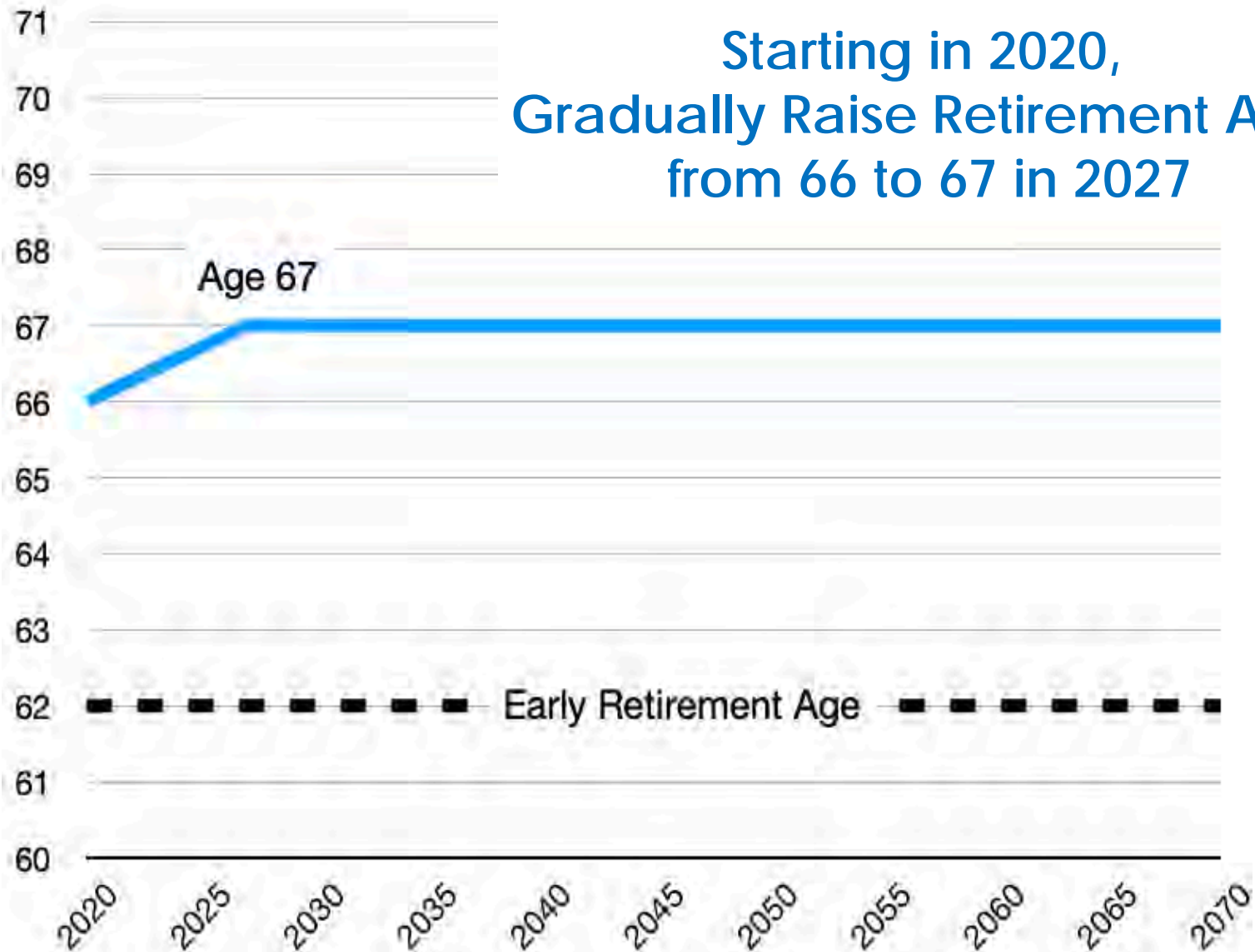


*In 2016, respondents were also offered a 3rd option to reduce benefits for the upper 50% of earners, covering 34% of the shortfall

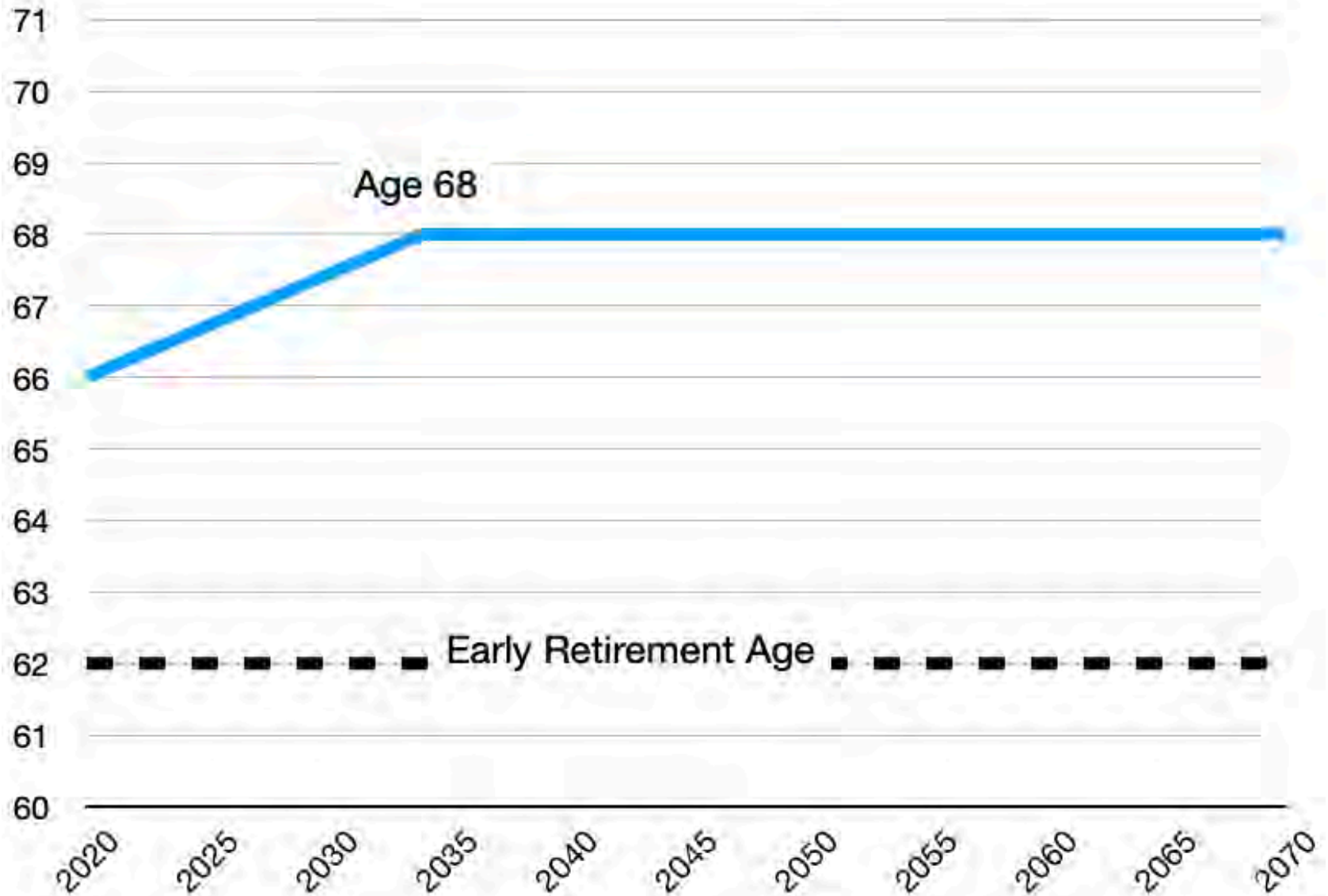
ADDRESSING THE SHORTFALL

2 Raising the Retirement Age

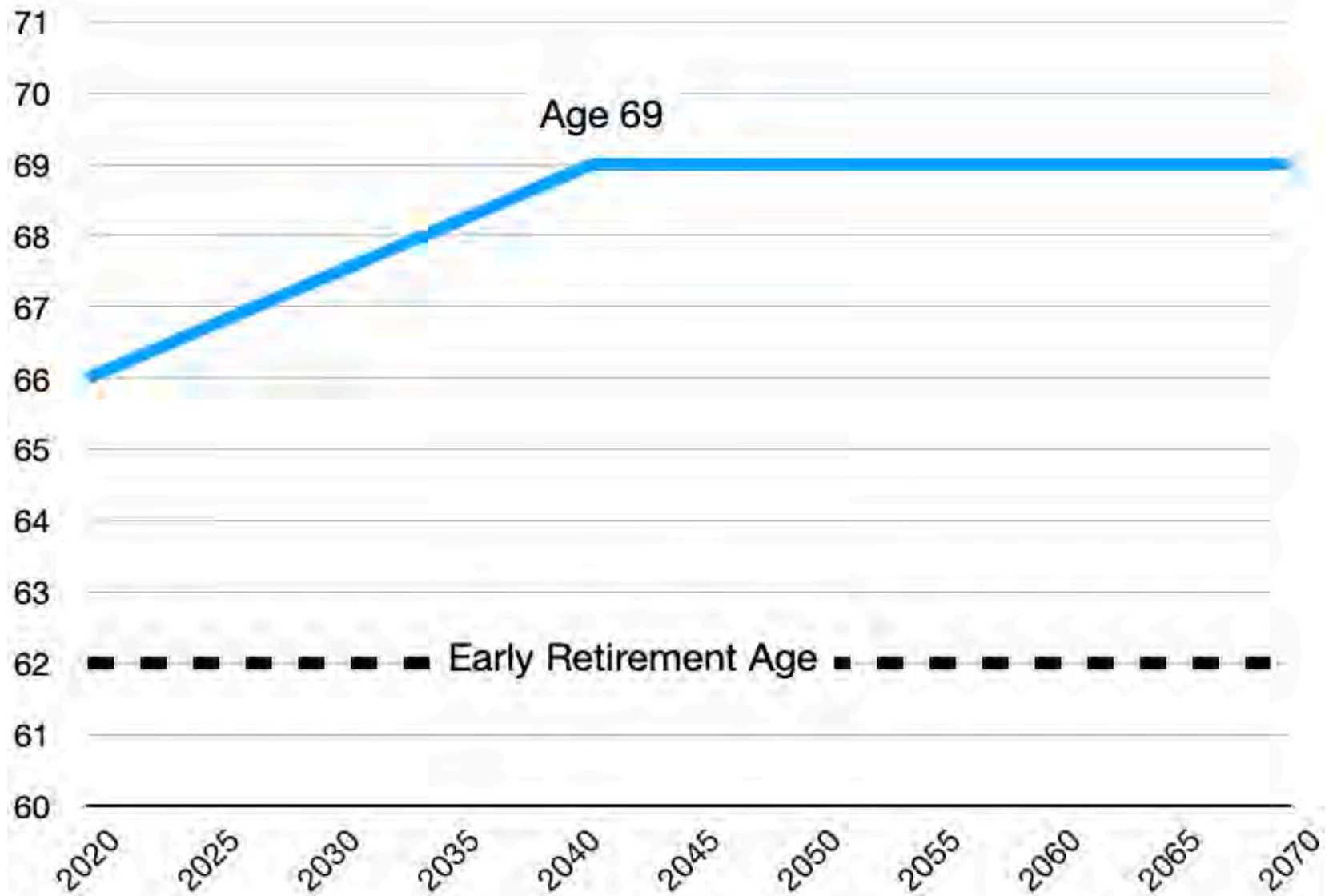
Raising the Retirement Age: Current Policy



Raising the Retirement Age to 68 by 2033



Raising the Retirement Age to 69 by 2041



Raising the Full Retirement Age

ARGUMENT IN FAVOR

The number of retirees receiving benefits is growing while the number of workers who contribute revenue to Social Security is shrinking. It is not affordable for people to retire as early as they have.

Convincing

WI-2 Overall

66

Republican

67

Democrat

73

Independent

57

ARGUMENT IN FAVOR

People at 66 are healthier than in the past and most work is less physically demanding, so people can work longer before retiring. Raising the retirement age makes sense in the modern era.

Convincing

WI-2 Overall

62

Republican

65

Democrat

67

Independent

55

Raising the Full Retirement Age

ARGUMENT AGAINST

Raising the retirement age is unfair because many workers in their 60s still hold physically demanding jobs. For them, it's already a stretch to raise the retirement age to 67; it should not rise any further.

Convincing

WI-2 Overall

77

Republican

73

Democrat

80

Independent

75

ARGUMENT AGAINST

Raising the retirement age is a benefit cut by another name. Lower income people and minorities don't live as long on average, so they draw fewer benefits over their lifetime. Raising the age will cut a large share of their benefits.

Convincing

WI-2 Overall

76

Republican

68

Democrat

84

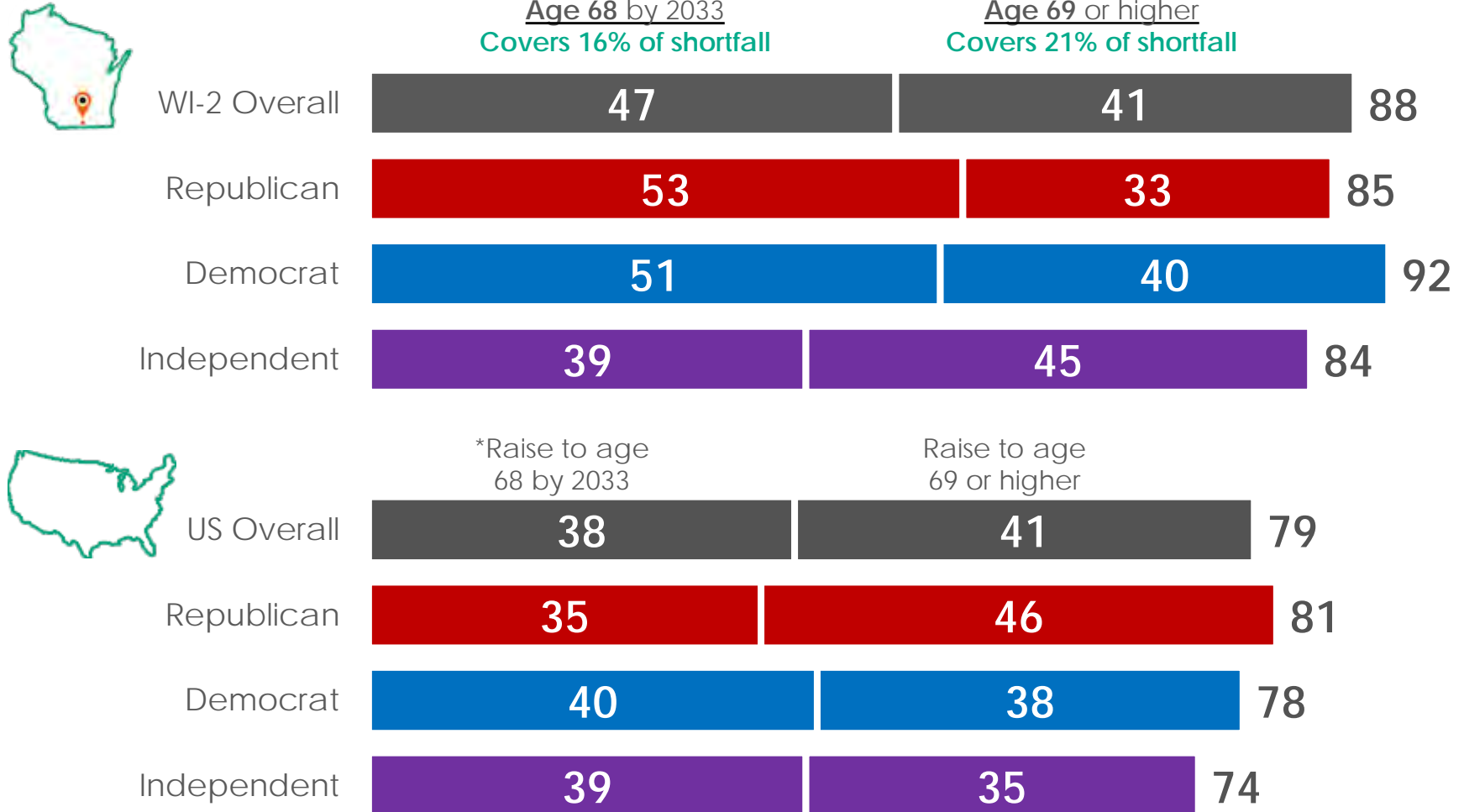
Independent

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Reducing Benefits

FINAL
RECOMMENDATION

Raising the Full Retirement Age

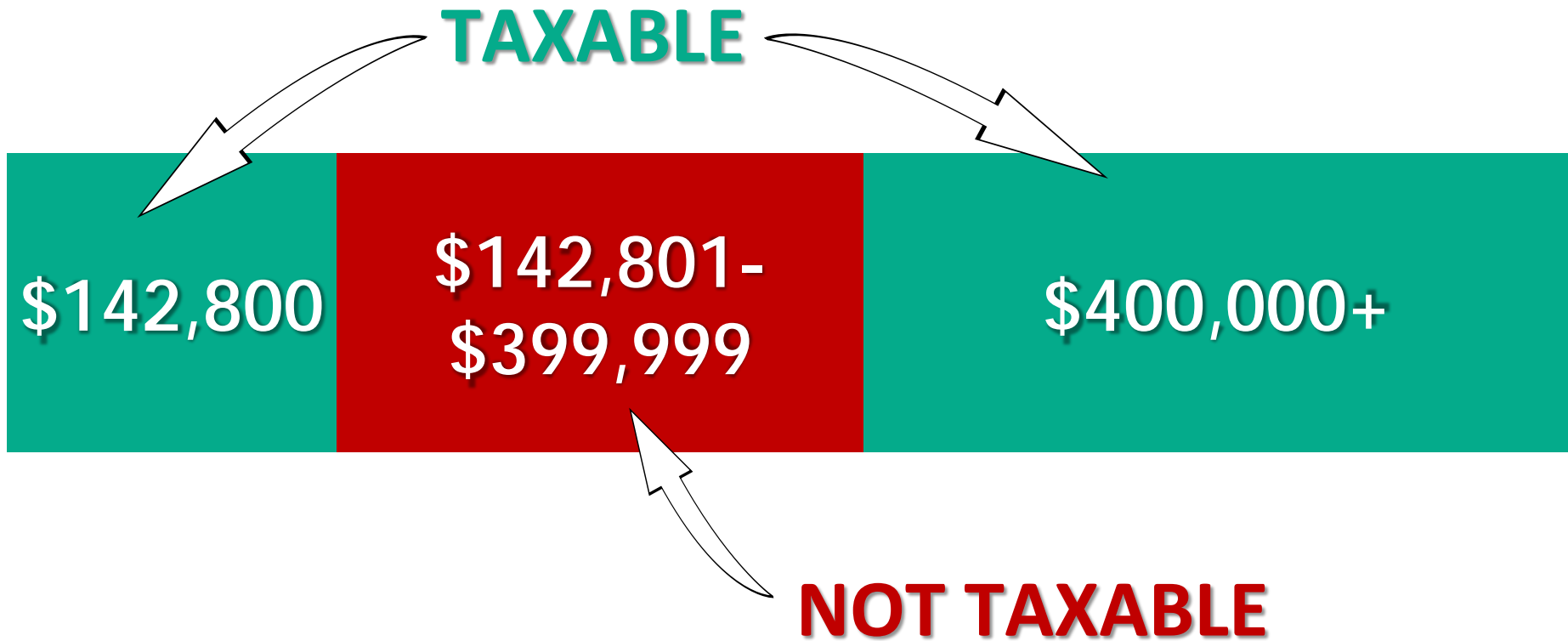


*In the 2016 survey, raising the retirement age to 68 covered the shortfall by 15%

ADDRESSING THE SHORTFALL

3 Raising the Amount of Wages
Subject to the Payroll Tax

Wages Subject to Social Security Payroll Tax



Raising Amount of Wages Subject to Payroll Tax

ARGUMENT IN FAVOR

The incomes of the wealthy have been growing, while the incomes of the middle class have been stagnating. The wealthy should pay the payroll tax all year (like everybody else), not just the first part of the year.

Convincing

WI-2 Overall

87

Republican

86

Democrat

86

Independent

89

ARGUMENT AGAINST

Higher taxes will discourage high income earners from working and encourage tax evasion. They will also have less money to invest that create jobs and promote economic activity, hurting the economy.

Convincing

WI-2 Overall

45

Republican

48

Democrat

45

Independent

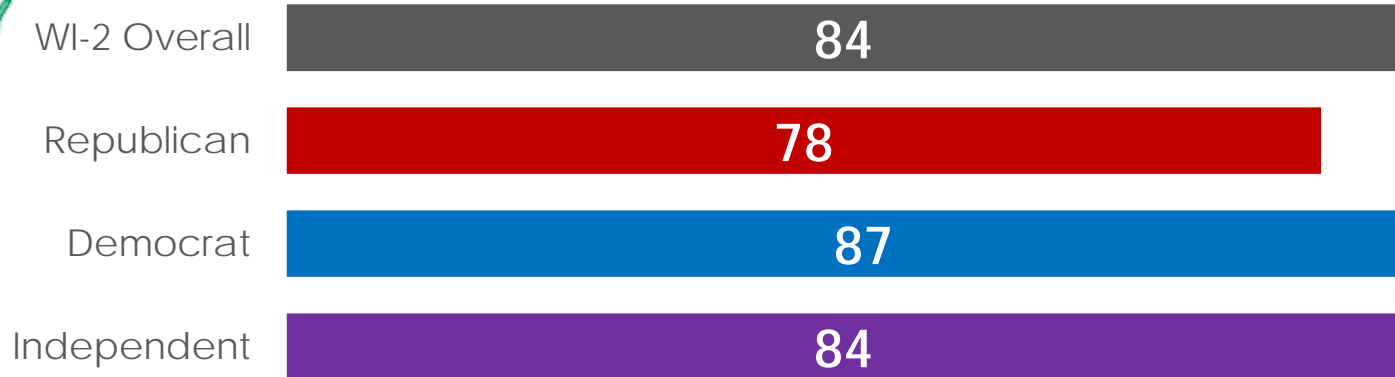
42

Increasing Revenues

FINAL
RECOMMENDATION

Raising the Amount of Wages Subject to the Payroll Tax

All wages above \$400,000 would be subject to the payroll tax (but not income from dividends or capital gains); **covers 60% of shortfall**



***Raise the cap** from \$113,700 to \$215,000 gradually over 10 years

***Eliminate the cap** so that all salary and wages are subject to the payroll tax



ADDRESSING THE SHORTFALL

4 Raising the Payroll Tax

Increasing the Payroll Tax Rate

ARGUMENT IN FAVOR

Paying a little more now will shore up Social Security and make all Americans more secure later. It's also appropriate for employers to make slightly higher contributions to their employees' retirement, since fewer offer pensions.

Convincing

WI-2 Overall

73

Republican

60

Democrat

79

Independent

72

ARGUMENT AGAINST

Raising the tax rate is bad for employees, leaving them with less to spend and save for retirement. It's also bad for employers because it increases their costs, leading them to cut employees and create new jobs.

Convincing

WI-2 Overall

69

Republican

71

Democrat

68

Independent

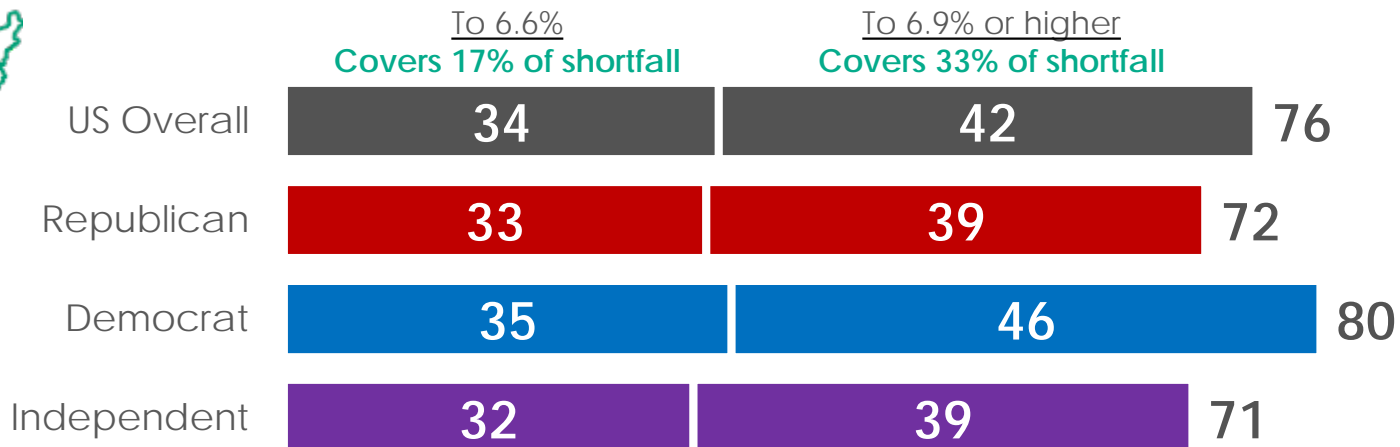
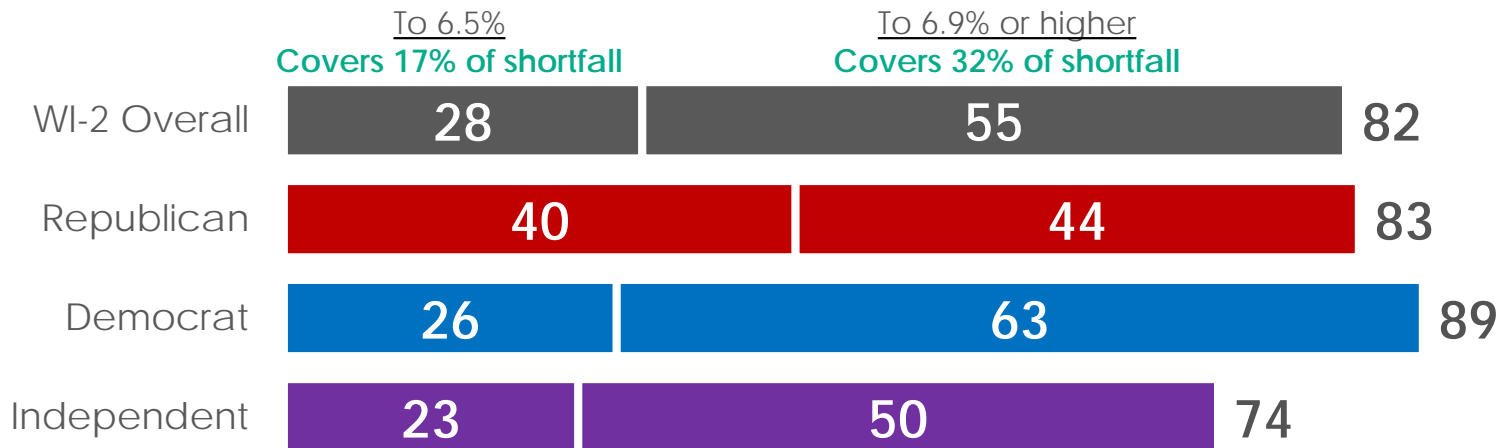
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Increasing Revenues

FINAL
RECOMMENDATION

Increasing the Payroll Tax Rate

These proposals raise the Social Security payroll tax rate 0.05/year from 6.2%, for both employees and employers:



ADDRESSING SOCIAL SECURITY SHORTFALL

REDUCING BENEFITS	% SHORTFALL COVERED	WI-2	GOP	DEM	IND
Reduce monthly benefits for top 25% of earners	7%	94%	90%	98%	92%
Gradually raise retirement age to 68 by 2033	16%	88%	85%	92%	84%
INCREASING REVENUES					
All wages above \$400,000 would be subject to the payroll tax	60%	84%	78%	87%	84%
Increase payroll tax rate by 0.05 per year for 6 years up to at least 6.5%	17%	82%	83%	89%	74%
Increase payroll tax rate by 0.05 per year for 6 years up to at least 6.9%	32%	55%	44%	63%	50%
% Shortfall Covered by Majorities		115%	100%	115%	100%

MODIFYING BENEFITS

- 1** Raising the Minimum Benefit

PROPOSAL

Current minimum Social Security benefit for someone who has worked **30 years or more**:
about **\$898/month**.

Proposal: raise this minimum to **\$1,330/ month**

Reduces coverage of shortfall by 8%

Raising the Minimum Benefit

ARGUMENT IN FAVOR

The current minimum benefit is below the poverty line. If you work for 30 years and pay your Social Security taxes, your benefits should assure that you can retire with dignity and not be condemned to live in poverty.

Convincing

WI-2 Overall

82

Republican

79

Democrat

87

Independent

77

ARGUMENT AGAINST

Given the difficulty of reducing the shortfall, we shouldn't be considering additional benefits. The shortfall should be solved first and only then should we consider raising the minimum benefit.

Convincing

WI-2 Overall

56

Republican

59

Democrat

57

Independent

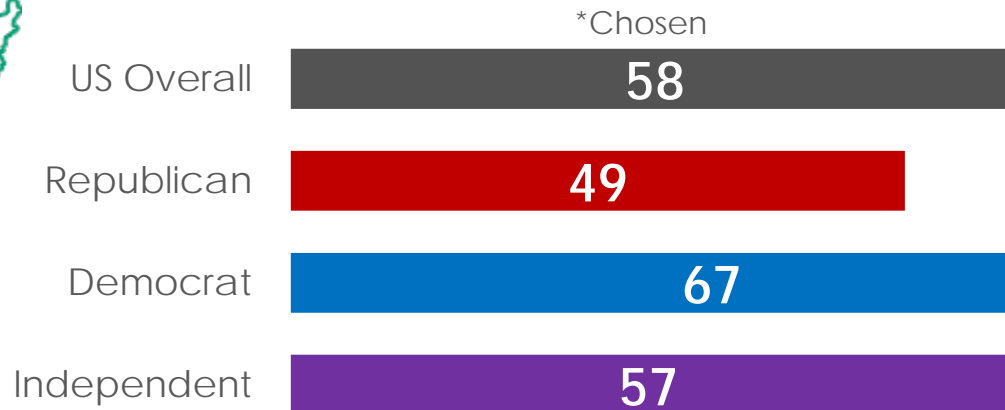
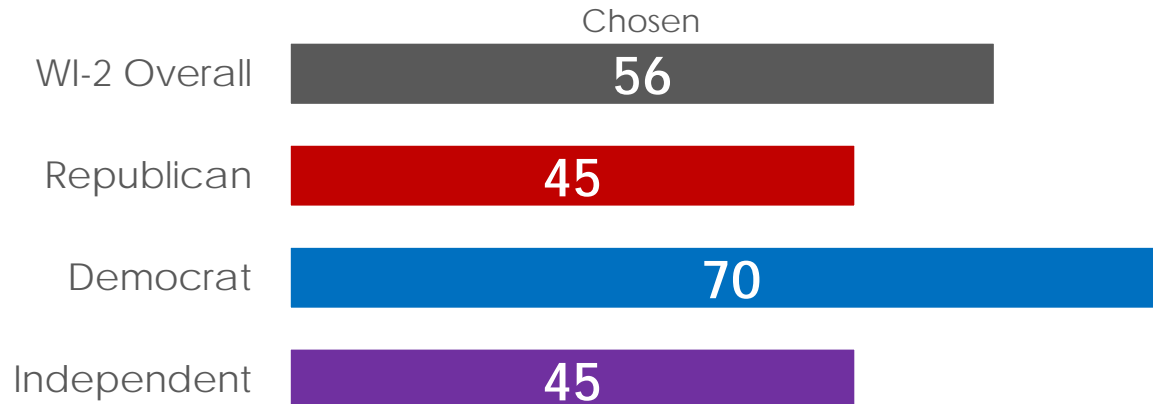
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Modifying Benefits

FINAL
RECOMMENDATION

Increasing Benefits

Raise the minimum monthly benefit for those who have worked 30 years or more from \$898 to \$1,330, **reducing coverage of the shortfall by 8%**



*In 2016, respondents were told choosing this option would raise the minimum benefit from \$760 to \$1,216 and increase the shortfall by 7%

MODIFYING BENEFITS

2 Supplementing Benefits for the Oldest

PROPOSAL

Benefits gradually increase at age 81

By age 85 the increase would be an extra 5%, or about \$77 a month

Reduces coverage of shortfall by 5%

Supplementing Benefits for the Oldest

ARGUMENT IN FAVOR

Many people in their 80s have exhausted their savings and often need special services to help them cope with living. Their benefits are modest; working to supplement their income is unrealistic for people this age.

Convincing

WI-2 Overall

77

Republican

78

Democrat

79

Independent

74

ARGUMENT AGAINST

People must be responsible for planning for their financial needs. Supplementing benefits will make people more dependent, discourage them from saving, and contribute to big, unaffordable government.

Convincing

WI-2 Overall

48

Republican

47

Democrat

49

Independent

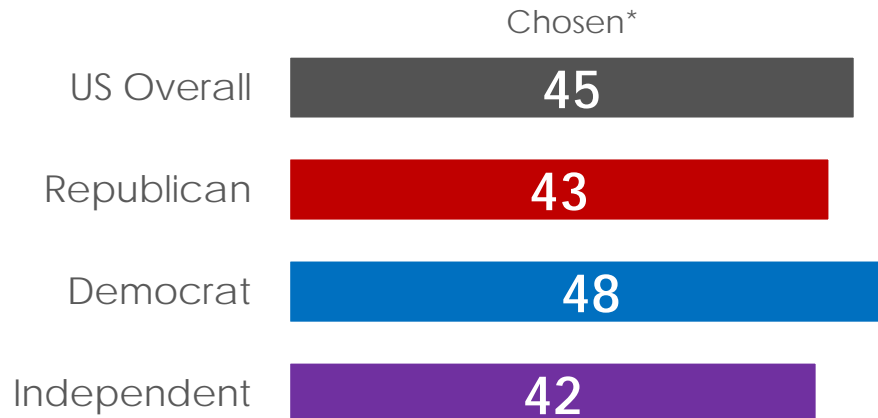
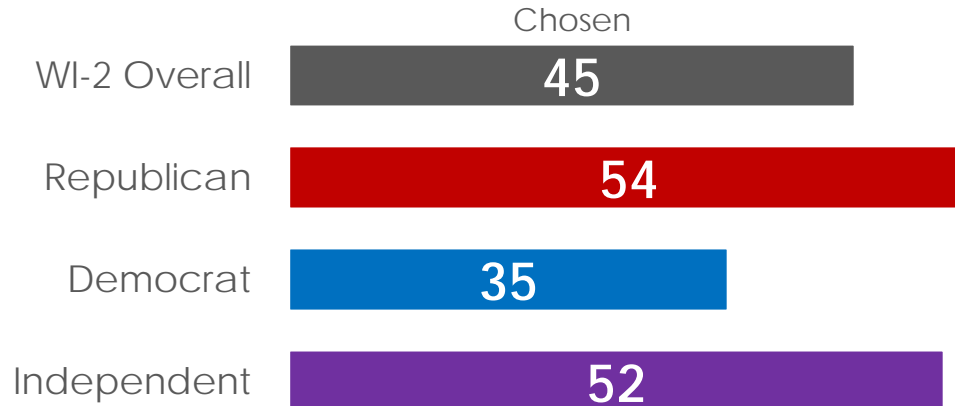
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Modifying Benefits

FINAL
RECOMMENDATION

Increasing Benefits

Increase benefits of those **85 and over** by five percent, or about \$77 a month,
reducing coverage of the shortfall by 5%



*In 2016, respondents were told choosing this option would increase benefits of those over 85 by \$61.50

MODIFYING BENEFITS

3 Recalculating Cost of Living Adjustments (COLAs)

PROPOSAL

Use a **COLA based on a set of goods** that reflects what **ELDERLY** people tend to buy.

By making this change, benefits would grow more quickly:

- **10 years after retiring**, average monthly benefits would be **about \$35 more** than they would be under the current method.
- **After 30 years**, average monthly benefits would be **about \$139 more**.

COLAs Based on Goods the Elderly Tend to Buy

ARGUMENT IN FAVOR

The purpose of COLAs is to prevent Social Security recipients from being hurt by inflation. The current system for calculating inflation doesn't reflect what seniors actually buy, thus reducing their purchasing power.

Convincing

WI-2 Overall

81

Republican

76

Democrat

84

Independent

79

ARGUMENT AGAINST

People come up with many reasons why certain groups should get higher benefits. Social Security is in trouble because it can't meet its obligations. We must think of ways to reduce the shortfall, not increase COLAs.

Convincing

WI-2 Overall

61

Republican

61

Democrat

63

Independent

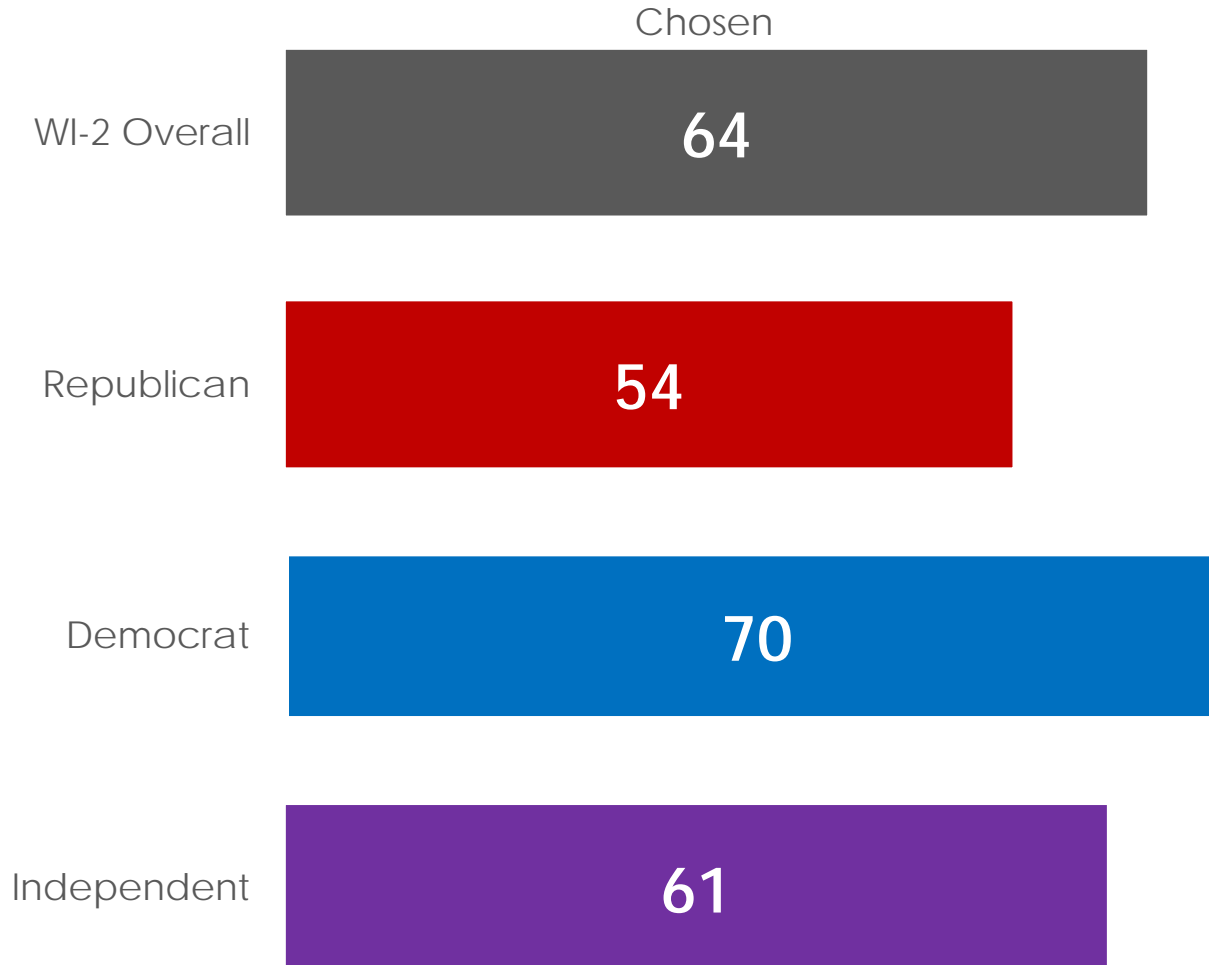
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Modifying Benefits

FINAL
RECOMMENDATION

Recalculating Cost of Living Adjustments (COLAs)

Base annual COLAs on the inflation rate for a set of goods that reflect what elderly people tend to buy, **reducing coverage of the shortfall by 13%**



MODIFYING BENEFITS

MODIFYING BENEFITS	% SHORTFALL COVERED	WI-2	GOP	DEM	IND
Raise minimum monthly benefit for those who have worked 30+ years from \$898 to \$1,330	-8%	56%	45%	70%	45%
Increase benefits of those 85 and over by 5%	-5%	45%	54%	35%	52%
Base annual COLAs on the inflation rate for a set of goods that reflect what elderly people tend to buy	-13%	64%	54%	70%	61%
Effect on Shortfall of Majority Positions		-21%	-18%	-21%	-18%

TOTAL EFFECTS ON SHORTFALL

Final
Recommendations

TOTAL EFFECT OF MAJORITY POSITIONS ON SOCIAL SECURITY SHORTFALL

	WI-2	GOP	DEM	IND
REDUCING BENEFITS	23%	23%	23%	23%
INCREASING REVENUES	92%	77%	92%	77%
MODIFYING BENEFITS	-21%	-18%	-21%	-18%
TOTAL	94%	82%	94%	82%



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Wisconsin's 2nd Congressional District

THANK YOU

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