



**SOLVENCY AND ADEQUACY FOR
THE SOCIAL SECURITY SYSTEM:
PERSPECTIVES OF
AFRICAN AMERICANS
AND WHITE AMERICANS**



SOLVENCY AND ADEQUACY FOR THE SOCIAL SECURITY SYSTEM: PERSPECTIVES OF AFRICAN AMERICANS AND WHITE AMERICANS

WILHELMINA A. LEIGH, Ph.D.
MELISSA R. WELLS

JOINT CENTER FOR POLITICAL AND ECONOMIC STUDIES



The Joint Center gratefully acknowledges the support of the Ford Foundation for the 2012 Joint Center for Political and Economic Studies National Opinion Poll, on which this brief is based.

Opinions expressed in Joint Center publications are those of the authors and do not necessarily reflect the views of the staff, officers or governors of the Joint Center for Political and Economic Studies or of the organizations that support the Center and its research.

Copyright 2013
All rights reserved.

Joint Center for Political and Economic Studies
805 Fifteenth Street, NW, 2d floor
Washington, DC 20005
www.jointcenter.org

FOREWORD

The Social Security system provides a lifeline of benefits to workers and their dependents in the event of retirement, disability, and death. Without changes to the current system, however, the Trustees of the system project its insolvency within the coming 75 years. Although its benefits are modest—for example, the average monthly retirement benefit as of January 2013 is \$1,261—they are the major source of income for many and the only source of income for some. Thus, reducing beneficiary payments either directly or indirectly is not the preferred way to restore system solvency. Discussions about reducing Social Security benefit amounts to help restore system solvency overlook the many approaches that would simultaneously guarantee solvency and enhance benefits for the recipients who rely so heavily on them.

This report, based on the 2012 Joint Center for Political and Economic Studies National Opinion Poll about Social Security and retirement financial security, highlights the views of African American and white American adults about options to address the challenges confronting the Social Security system. It is the first of two reports to be released based on the poll findings. The options posed to survey respondents propose solutions that would both guarantee solvency and enhance the modest benefit payments. Many of the reform proposals considered in the poll were recommended by the *Commission to Modernize Social Security*. *Commission* members were experts from or representing communities of color, who were convened in 2011 by the Insight Center for Community Economic Development and Global Policy Solutions to identify proposals that would both extend Social Security’s long-term solvency and modernize the program to meet the needs of an increasingly diverse society. Dr. Wilhelmina Leigh of the Joint Center served on the *Commission*.

I would like to thank Dr. Wilhelmina Leigh, senior research associate, and Melissa Wells, policy assistant, of the Joint Center for their analysis of the poll findings. I would also like to thank the Ford Foundation for its generous support of the Joint Center’s work related to Social Security and to asset building. The findings from our poll illuminate the fact that there is support for a core set of reforms that will make it possible for the Social Security system to serve us both well and well into the future. The Joint Center looks forward to being part of the dialogue that will get us to that future.

Ralph B. Everett, Esq.
President and Chief Executive Officer
Joint Center for Political and Economic Studies



BACKGROUND

In the current era of federal budget deficits and belt tightening, the Social Security program is discussed by some as a potential source of revenue to be used by the federal government to meet its fiscal needs. This perspective persists, in spite of the fact that the Social Security system is supported by dedicated funding through a payroll tax paid by workers and employers covered by the system and, therefore, does not contribute to the federal budget deficit. In fact, in 2012, the Social Security Trust Funds reported a surplus of \$54 billion that is invested in Treasury securities—and thus was loaned to the U.S. government until the securities must be redeemed to make payments to beneficiaries.

Notwithstanding the present surplus in the Social Security Trust Funds, the system faces a projected revenue shortfall during the next 75 years. The long-range actuarial shortfall is estimated to equal 2.72 percent of taxable payroll. This projected shortfall can be eliminated by implementing measures to increase the revenue available to the system. In fact, judicious selection of revenue enhancing measures could generate enough money to not only restore solvency to the system but also improve the adequacy of the benefits provided. Increasing benefit levels would enable the many recipients for whom their modest Social Security check is their only source of support to enjoy a living standard above the federal poverty level. This brief discusses public opinion about proposals that would provide both solvency for the system and greater adequacy of payments to beneficiaries.

Proposals to increase revenue to eliminate the projected 75-year shortfall in the Social Security Trust Funds are discussed frequently, while proposals to increase the program's modest benefits, however, have been less frequently aired. In recent years, this has begun to change, with increased awareness that it is possible to simultaneously raise additional revenue to address the shortfall and increase the modest payments made to beneficiaries. The *Commission to Modernize Social Security*¹ recommended a series of proposals that would increase program revenue enough to both restore solvency for the system and enhance benefits for recipients.

To assess the degree of support for, or opposition to, selected Social Security reform proposals, the Joint Center for Political and Economic Studies designed a telephone survey that was administered by Research America between September 13, 2012, and November 20, 2012. A sample of 750 African Americans and 750 white Americans was interviewed by phone about proposals (primarily those recommended by the *Commission*, but including other frequently discussed proposals) to both restore program solvency and enhance the adequacy of program benefits. (The survey also asked about expectations for and confidence in retirement financial security. These findings are presented in another document.) The findings reported in both briefs are significant at the 95-percent confidence interval.

1 The *Commission to Modernize Social Security* was convened in 2011 by the Insight Center for Community Economic Development and Global Policy Solutions. Wilhelmina A. Leigh, a co-author of this brief served on the *Commission*, whose report *Plan for a New Future: The Impact of Social Security Reform on People of Color*, October, 2011, is available at http://modernizesocialsecurity.files.wordpress.com/2013/04/new_future_social_security_10_24_11.pdf

SUMMARY OF FINDINGS

Opinions about *proposals to foster solvency for the Social Security system*:

- **Increase Retirement Age²:** Majorities of both African Americans (75 percent) and white Americans (55 percent) oppose raising the retirement eligibility age.
- **Raise the Wage Cap:** White Americans (two of five) are more likely than black Americans (one of three) to favor raising the cap on wages subject to Social Security payroll taxes.
- **Increase Payroll Tax:** Majorities of both blacks (59 percent) and whites (61 percent) oppose increasing the payroll tax rate.
- **Reduce the Cost-of-Living Adjustment (COLA)³:** Majorities of both black Americans (64 percent) and white Americans (66 percent) oppose reducing the COLA applied annually to Social Security benefits.
- **Enroll New State and Local Government Employees:** Majorities of both African Americans (65 percent) and white Americans (57 percent) favor enrolling new state and local government employees in the Social Security system.

Opinions about *proposals to improve the adequacy of Social Security benefits*:

- **Increase Benefits for Persons Ages 85 and Older:** Majorities of both blacks (72 percent) and whites (57 percent) favor increasing benefits for recipients age 85 or older.
- **Increase Widowed Spouse Benefits:** Majorities of both African Americans (78 percent) and white Americans (67 percent) favor increasing benefits for widowed spouses
- **Increase Payments for All Beneficiaries:** A majority of black Americans (68 percent) and almost half of white Americans (49 percent) favor increasing payments for all beneficiaries.
- **Provide Child Care Retirement Credits:** About half of both African Americans (52 percent) and white Americans (46 percent) favor providing Social Security retirement credits to persons absent from the labor force due to child care responsibilities.
- **Establish Minimum Retirement Benefit:** Majorities of both black (79 percent) and white (70 percent) respondents favor setting the minimum Social Security retirement benefit so that all beneficiaries receive annual payments above the federal poverty level.
- **Extend Child Dependent Benefit:** Majorities of both black (80 percent) and white (63 percent) respondents favor extending to age 22 the maximum age at which children will receive benefits based on the earnings history of a disabled, deceased or retired worker.

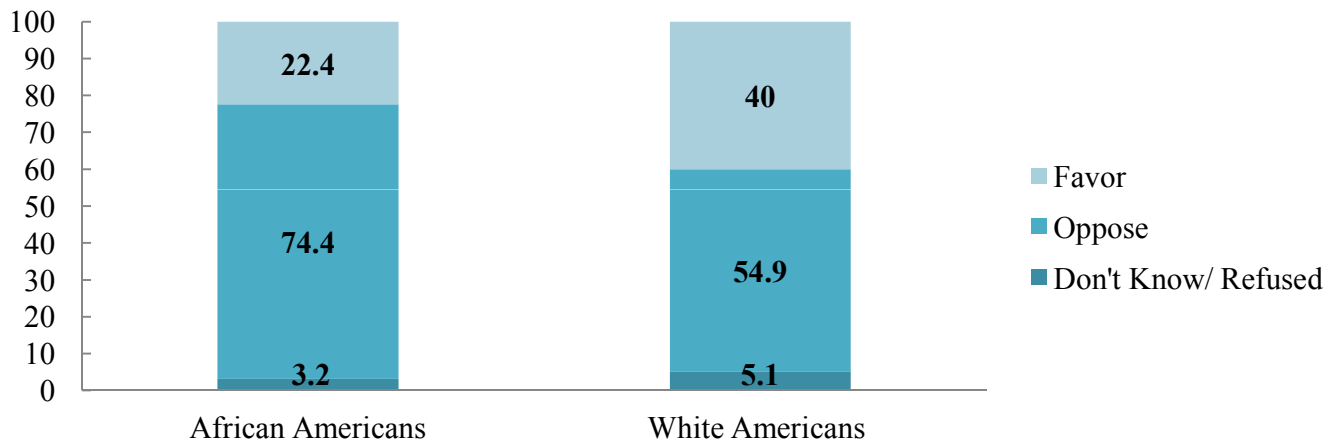
In this brief, findings are provided not only by race but also by gender, employment, and marital status, because of the role that these characteristics play in the benefit formula and in the determination of Social Security benefits. For example, views by race and gender are of interest because women live longer than men, and, therefore, are more likely to experience benefit inadequacy in their later years. In addition, throughout their work histories, African Americans are more likely than whites to experience spells of unemployment that reduce the level of Social Security benefits for which they qualify. Finally, marital status is relevant because only persons who have ever been married can qualify for survivor benefits as a spouse.

2 This proposal was not recommended in the report of the *Commission to Modernize Social Security*.

3 This proposal was not recommended in the report of the *Commission to Modernize Social Security*.

PROPOSALS TO FOSTER SYSTEM SOLVENCY

FIGURE 1: OPINIONS ON RAISING THE RETIREMENT ELIGIBILITY AGE, 2012 (PERCENT)



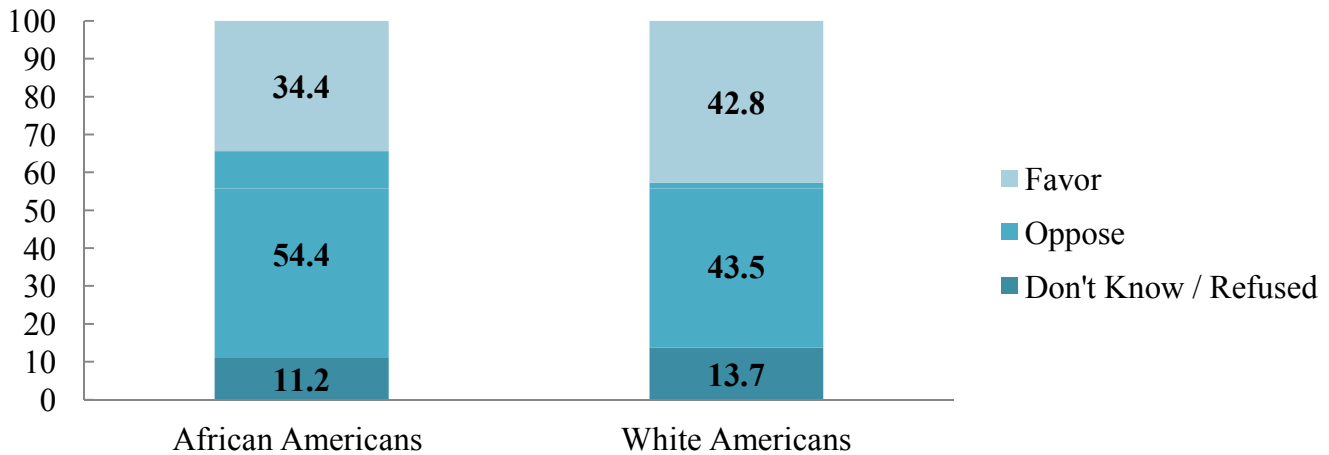
Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

RAISING THE RETIREMENT ELIGIBILITY AGE

Raising the retirement age is suggested by some as a way to ensure solvency for the Social Security system. It would reduce the total number of years any retiree would receive benefits and thereby save money for the system. The current full retirement age is 66 for people born between 1943 and 1959 and 67 for those born in 1960 or later. Given the lower life expectancy among African Americans, increasing the retirement eligibility age further would increase the likelihood that African Americans would die without receiving any retirement benefits.

- Half or more of both African Americans and white Americans oppose raising the retirement eligibility age to foster solvency of the Social Security system. This holds true for almost every demographic and socioeconomic subgroup of the two racial groups examined.
- African Americans are more likely than white Americans to oppose proposals to raise the retirement eligibility age. Nearly three-fourths (74 percent) of African Americans oppose raising the retirement age, as do more than half (55 percent) of white Americans. While four out of every ten white Americans (40 percent) favor proposals to raise the eligibility age, only one of five African Americans (22 percent) does so. **(See Figure 1.)**
 - African American females (78 percent) are more likely than African American males (70 percent) to oppose raising the retirement eligibility age.
 - White men (53 percent) and women (57 percent) are equally likely to oppose raising the retirement eligibility age, however.
 - African Americans regardless of employment status — employed full-time (75 percent), employed part-time (72 percent), retired (73 percent), and unemployed (79 percent) — are equally likely to oppose proposals to raise the retirement eligibility age.
 - White Americans who are employed full-time (54 percent), who are retired (59 percent), and who are unemployed (63 percent) are equally likely to oppose raising the retirement age. However, whites who are retired (59 percent) and whites who are unemployed (63 percent) are more likely to oppose raising the retirement age than are whites who are employed part-time (45 percent).

FIGURE 2: OPINIONS ON RAISING CAP ON WAGES, 2012 (PERCENT)



Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

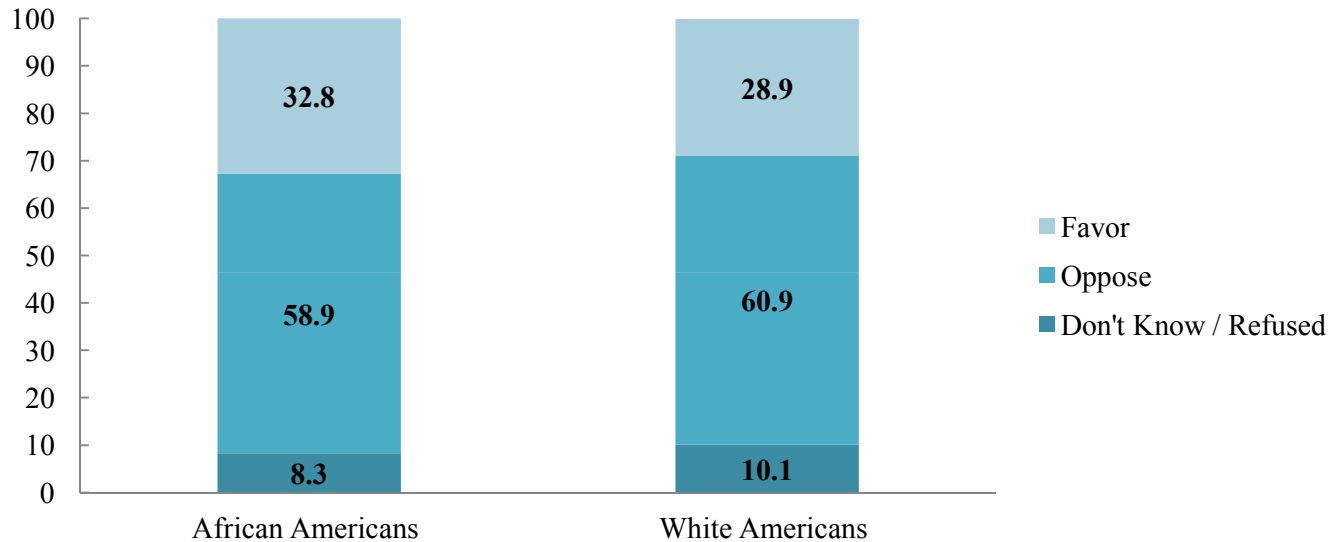
- African Americans who are married (74 percent), divorced/separated (74 percent), and widowed (76 percent) are equally likely to oppose raising the retirement eligibility age.
- White Americans who are married (53 percent), divorced/separated (55 percent), and widowed (49 percent) are equally likely to oppose raising the retirement age.

RAISING THE CAP ON TAXABLE WAGES

Currently the Social Security payroll tax is applied to the first \$113,700 of earned income for each covered worker. In other words, only earned income up to this level is subject to FICA (Federal Insurance Contributions Act) taxation. Raising the cap on wages subject to the Social Security payroll tax above the current level of \$113,700 would increase revenue for the system and create a more equitable financing model for the program.

- Raising the cap on wages subject to Social Security taxes to foster solvency of the Social Security system is favored by less than half of both African Americans and white Americans. This finding holds across most but not all demographic and socioeconomic subgroups analyzed for the two racial groups.
- White Americans are more likely than African Americans to favor raising the cap on wages subject to Social Security taxes to foster solvency. Two out of every five (43 percent) white respondents favor raising the cap on wages, while only one out of every three (34 percent) African Americans does so. More than half (54 percent) of African Americans—but only four of every ten (44 percent) whites—oppose raising the cap on wages, however. **(See Figure 2.)**
 - African American males are more likely than African American females to favor raising the cap on wages subject to Social Security taxes. Two of every five (42 percent) African American men favor raising the cap on wages, while only 28 percent of women hold this view.
 - White males are more likely than white females to favor raising the cap on wages subject to Social Security taxes. Nearly half (48 percent) of white men favor raising the cap on wages, but less than four of every ten (38 percent) white females hold this view.
 - Regardless of employment status, African Americans are equally likely to favor raising the cap on wages subject to Social Security taxes—employed full-time (36 percent), employed part-time (40 percent), retired (32 percent), and unemployed (30 percent).

FIGURE 3: OPINIONS ON INCREASING THE PAYROLL TAX RATE, 2012 (PERCENT)



Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

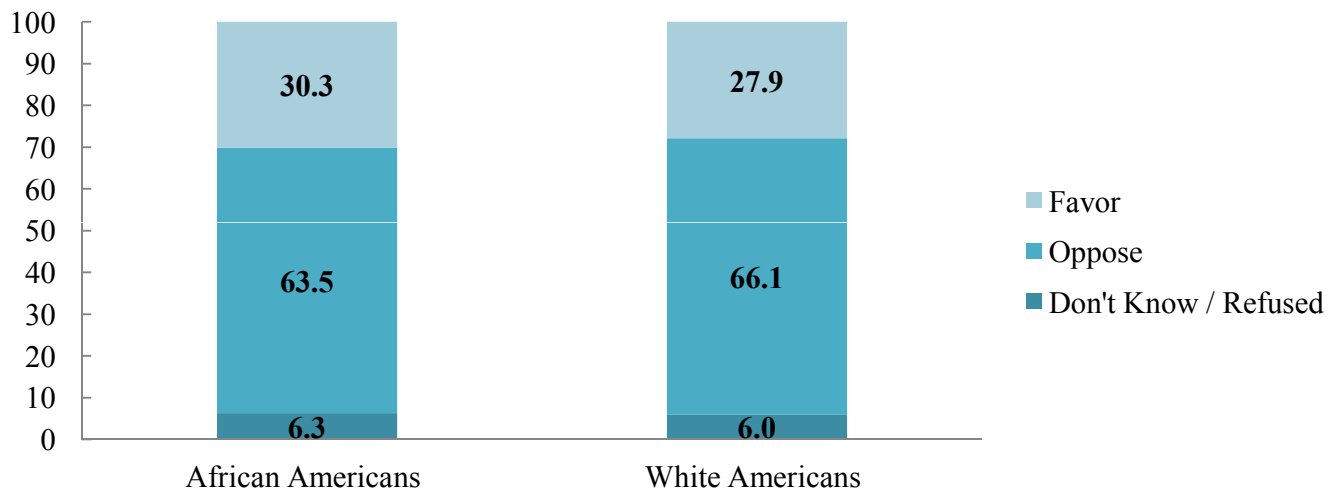
- Whites who are employed full-time (41 percent), whites who are employed part-time (46 percent), and whites who are retired (50 percent) are equally likely to favor raising the cap on wages. However, whites who are retired (50 percent) and whites who are employed part-time (46 percent) are more likely than unemployed whites (33 percent) to hold this view.
- African Americans who are married (36 percent), divorced/separated (35 percent) and widowed (36 percent) are equally likely to favor raising the cap on wages subject to Social Security taxes.
- Whites who are married, however, are more likely than divorced/separated and widowed whites to favor raising the cap on wages subject to Social Security taxes. Half (50 percent) of married whites favor raising the cap on wages, while one out of every three divorced/separated (32 percent) and widowed (35 percent) whites holds this view.

INCREASING THE PAYROLL TAX RATE

The current FICA payroll tax rate is 6.2 percent, and this rate is paid by both employers and employees only on earned income up to \$113,700. Raising the Social Security payroll tax rate would increase the revenue for the Social Security system and help reduce the projected 75-year shortfall.

- Three out of every five African Americans and white Americans oppose increasing the payroll tax rate to foster solvency of the Social Security system. When analyzed across demographic and socioeconomic subgroups, more than half of each of the two racial groups holds this view.
- Black and white Americans are equally likely to oppose increasing the payroll tax rate. Six out of every ten black (59 percent) and white (61 percent) Americans oppose increasing the payroll tax rate. Around three in every ten blacks (33 percent) and whites (29 percent) also are likely to favor increasing the payroll tax rate. **(See Figure 3.)**
 - African American men (56 percent) and women (62 percent) are equally likely to oppose increasing the payroll tax rate. However, African American men are more likely than African American women to favor increasing the payroll tax rate. Nearly four out of every ten black men (38 percent) favor increasing the payroll tax, while almost three out of every ten black women (29 percent) hold this view.

FIGURE 4: OPINIONS ON REDUCING ANNUAL COLA, 2012 (PERCENT)



Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

- White men (59 percent) and women (62 percent) also are equally likely to oppose increasing the payroll tax rate. As is true among their black counterparts as well, white men are more likely than white women to favor increasing the payroll tax rate. Among whites, one out of every three men (35 percent) favors increasing the payroll tax rate, while nearly one of every four women (24 percent) holds this view.
- Regardless of employment status, African Americans are equally likely to oppose increasing the payroll tax rate – employed full-time (63 percent), employed part-time (60 percent), unemployed (54 percent), and retired (59 percent).
- Whites who are employed full-time are more likely than whites who are retired to oppose increasing the payroll tax rate. Nearly two out of every three whites with full-time employment (66 percent) oppose increasing the payroll tax rate, while more than half of retired whites (52 percent) hold this view.
- African Americans who are married (61 percent) and single (60 percent) are equally likely to oppose increasing the payroll tax rate.
- Whites who are married, however, are more likely than single whites to oppose increasing the payroll tax rate. Two out of every three married whites (66 percent) oppose increasing the payroll tax rate, while half of single whites (53 percent) hold this view.

REDUCING THE COST-OF-LIVING ADJUSTMENT (COLA)

Social Security’s annual cost-of-living adjustment (COLA) can help keep low- and middle- income individuals and families out of poverty if it ensures that benefits will keep pace with inflation and rising costs. Reducing the annual COLA would limit the ability of recipients to cover their basic expenses and over time could impoverish low- and middle-income individuals and their families.

- Nearly two out of three African Americans and white Americans oppose reducing the cost-of-living adjustment (COLA) on Social Security benefits as a way to foster solvency for the system. Further, when analyzed across all demographic and socioeconomic subgroups, more than half of the two racial groups also oppose reducing the annual COLA.
- African Americans and white Americans are equally likely to oppose proposals to reduce the annual COLA on Social Security benefits. Five out of every eight (64 percent) African Americans oppose reducing the annual COLA on Social

TABLE 1: REDUCING ANNUAL COLA ON SOCIAL SECURITY BENEFITS (PERCENT OPPOSED)

	African Americans	White Americans
Gender		
Male	65	69
Female	63	64
Marital Status		
Married	68	67
Divorced/Separated	65	65
Single	59	59
Widowed	65	70

Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

Security benefits, while two out of every three (66 percent) white Americans share this view. Blacks (30 percent) and whites (28 percent) also are equally likely to favor reducing the annual COLA on Social Security benefits. (See Figure 4.)

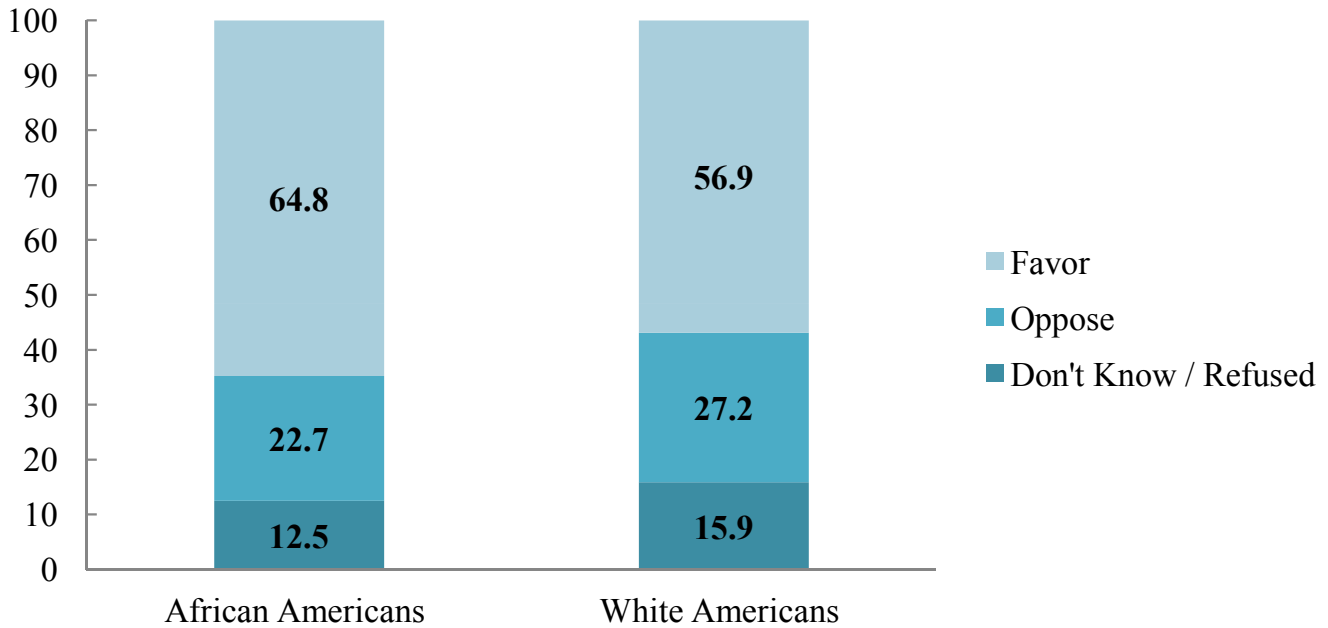
- Majorities of the two racial groups in all the subcategories of gender and marital status oppose this proposal. In addition, within each racial group and across the subcategories of gender and marital status taken separately, respondents are equally likely to oppose reducing the annual COLA on Social Security benefits. (See Table 1.) As might be expected, retired employees are most likely to oppose reducing the COLA.
 - Retired blacks are more likely than blacks who are employed full-time to oppose reducing the annual COLA on Social Security benefits. Seven out of every ten black retirees (70 percent) oppose reducing the annual COLA, while six out of every ten blacks who are employed full-time (60 percent) hold this view.
 - Retired whites are more likely than full-time, part-time, and unemployed whites to oppose reducing the annual COLA on Social Security benefits. Among whites, three out of every four (76 percent) retirees oppose reducing the annual COLA, while 66 percent of full-time, 62 percent of part-time, and 54 percent of unemployed whites share this view.

ENROLLING STATE AND LOCAL GOVERNMENT EMPLOYEES

Approximately 25 percent of state and local government workers are not covered under the Social Security program. Extending coverage to all new state and local government employees would generate additional revenue for the Social Security system and help reduce the projected 75-year shortfall.

- More than half of African American and white American adults favor enrolling all new state and local government employees in Social Security to foster solvency of the system. This holds true across most of the demographic and socioeconomic subgroups analyzed for both racial groups.
- African Americans are more likely than white Americans to favor enrolling all new state and local government employees in the system. Nearly two out of every three (65 percent) African Americans favor enrolling all new state and local employees in the system, while nearly three of every five (57 percent) whites hold this view. Whites are more likely than blacks to oppose enrolling all new state and local employees in the system, however. More than one in every four

FIGURE 5: OPINIONS ON ENROLLING NEW STATE AND LOCAL GOVERNMENT EMPLOYEES, 2012 (PERCENT)



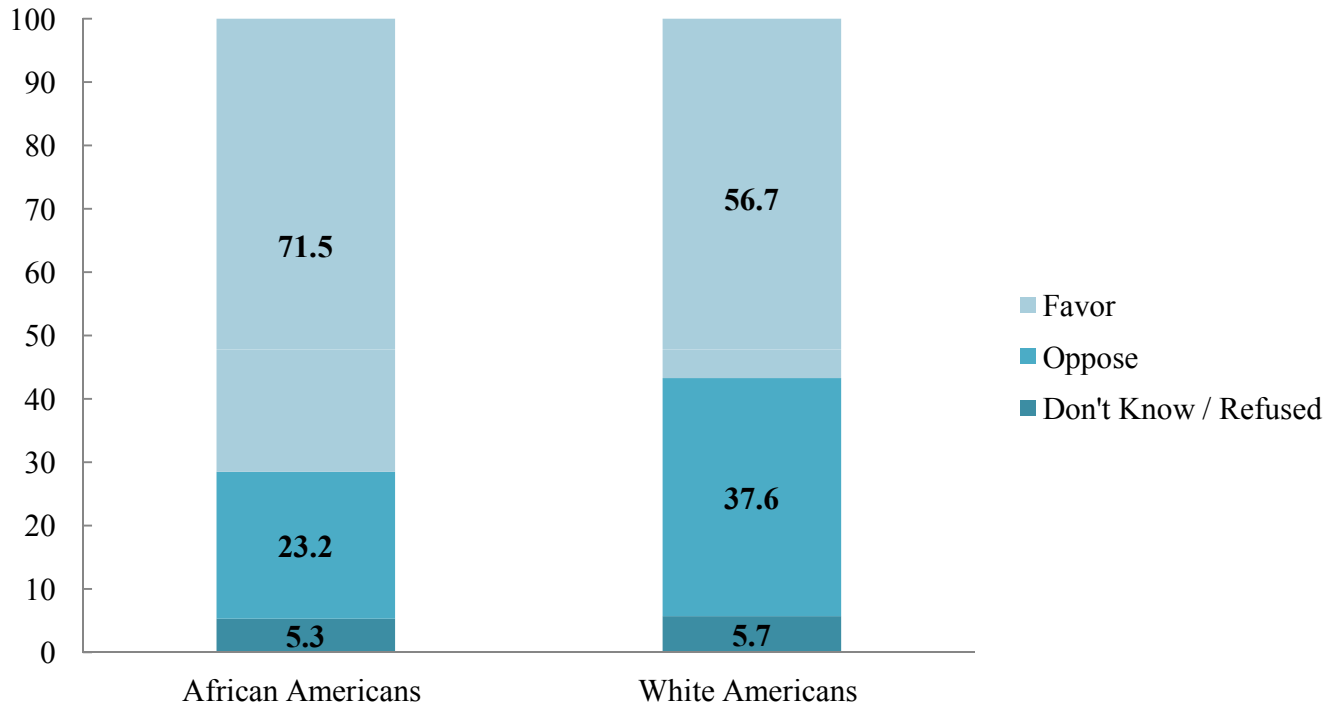
Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

whites (27 percent) opposes enrolling all new state and local employees in the system, while less than one of every four blacks (23 percent) shares this view. (See Figure 5.)

- African American men (66 percent) and women (64 percent) are equally likely to favor enrolling all new state and local government employees in the Social Security system.
- White men are more likely than white women, however, to favor enrolling all new state and local government employees in the Social Security system. Three out of every five white men (63 percent) favor enrolling all new state and local employees in the system, while more than half (52 percent) of white women share this view.
- Regardless of employment status, African Americans are equally likely to favor enrolling all new state and local government employees in the Social Security system—employed full-time (67 percent), employed part-time (65 percent), unemployed (63 percent), and retired (63 percent).
- Regardless of employment status, white Americans are equally likely to favor enrolling all new state and local government employees in the Social Security system—employed full-time (58 percent), employed part-time (63 percent), unemployed (52 percent), and retired (57 percent).
- African Americans who are divorced/separated (69 percent) and African Americans who are married (73 percent) are equally likely to favor enrolling all new state and local employees in the Social Security system. However, married African Americans (73 percent) are more likely to favor enrolling all new state and local employees in the system than are either single (61 percent) or widowed (57 percent) African Americans.
- Whites who are divorced/separated (49 percent), whites who are married (58 percent) and whites who are widowed (54 percent) are equally likely to favor enrolling all new state and local employees in the Social Security system. However, single whites (64 percent) are more likely to favor enrolling all new state and local employees in the system than are divorced/separated whites (49 percent).

PROPOSALS TO IMPROVE BENEFIT ADEQUACY

FIGURE 6: OPINIONS ON INCREASING BENEFITS FOR RECIPIENTS AGE 85 OR OLDER, 2012 (PERCENT)



Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

INCREASING BENEFITS FOR RECIPIENTS AGE 85 OR OLDER

When compared to the “young-old” population (ages 65-74), the “oldest-old” population (ages 85 and older) spends more on health care and on facilitated care. Increasing Social Security benefits for recipients ages 85 and older would reduce their financial burdens and enhance their quality of life.

- More than half of both African Americans and white Americans favor increasing Social Security benefits for recipients age 85 or older. This holds true across all demographic and socioeconomic subgroups examined for the two racial groups.
- African Americans are more likely than white Americans to favor increasing Social Security benefits for recipients age 85 or older. Nearly three-fourths of African Americans (72 percent) favor increasing benefits thus, compared to more than half of white Americans (57 percent). In addition, while nearly four of every ten white Americans (38 percent) oppose increasing benefits for recipients age 85 or older, only one of every four African Americans (23 percent) does so. (See Figure 6.)
- Majorities of the two racial groups in all the subcategories of gender, employment status and marital status favor this proposal. In addition, within each racial group and across the subcategories of gender, employment status and marital status taken separately, African Americans and white Americans are equally likely to favor increasing Social Security benefits for recipients age 85 or older. (See Table 2.)

TABLE 2: INCREASING SOCIAL SECURITY BENEFITS FOR RECIPIENTS AGE 85 OR OLDER (PERCENT IN FAVOR)

	African Americans	White Americans
Gender		
Male	72	55
Female	71	58
Employment Status		
Employed Full-Time	71	55
Employed Part-Time	69	54
Unemployed	75	63
Retired	74	58
Marital Status		
Married	69	54
Divorced/Separated	69	58
Single	75	62
Widowed	73	61

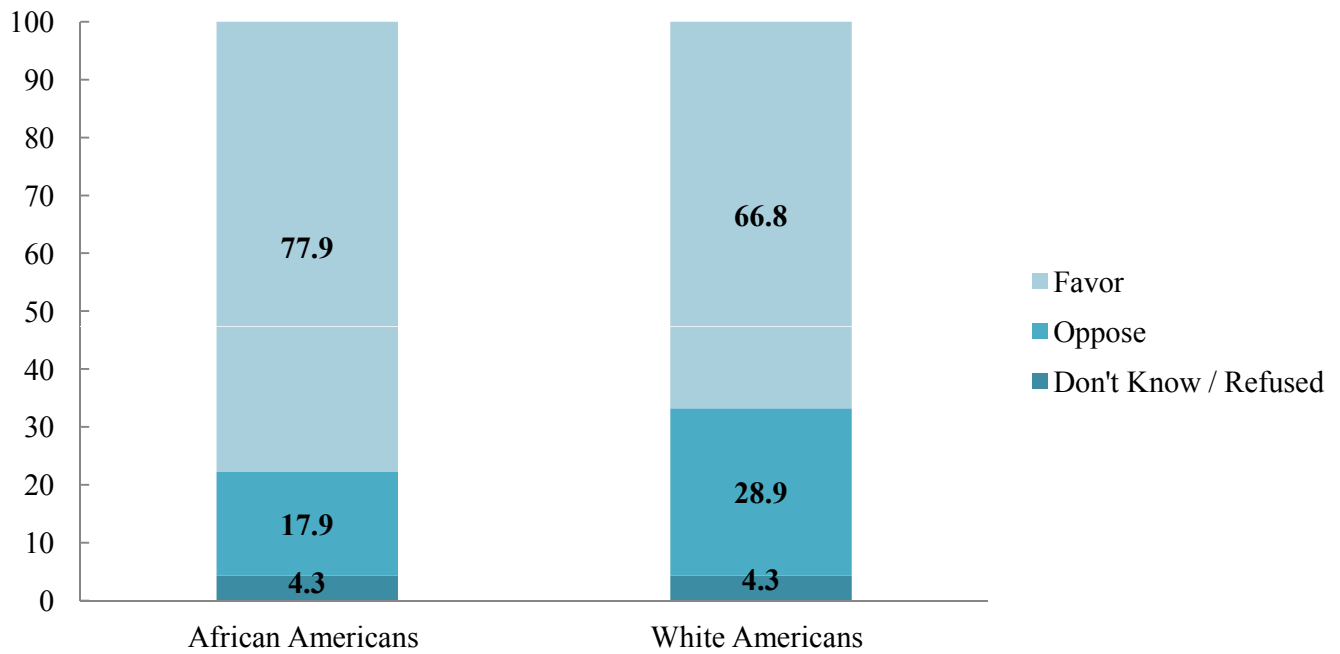
Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

INCREASING BENEFITS FOR WIDOWED SPOUSES

Surviving members of Social Security beneficiary households that had low lifetime earnings at retirement face the risk of falling into poverty when the household benefit is reduced after the death of a spouse. This vulnerability can be diminished by increasing the Social Security payment to widowed spouses to 75 percent of the household benefit received when both spouses were living.

- More than two of every three African Americans and white Americans favor increasing benefits for widowed spouses. More than three of every five members of the two racial groups, across all demographic and socioeconomic subgroups examined, also favor this proposal.
- African Americans are more likely than white Americans to favor increasing Social Security benefits for widowed spouses. More than three-fourths (78 percent) of African Americans favor increasing benefits thus, while two out of every three white Americans (67 percent) share this view. Nearly three out of ten (29 percent) white Americans—but only one of every six African Americans (18 percent)—oppose increasing benefits for widowed spouses. (See Figure 7.)
- Majorities of the two racial groups in all the subcategories of gender and marital status favor this proposal. In addition, within each racial group and across the subcategories of gender and marital status taken separately, respondents are equally likely to favor increasing Social Security benefits for widowed spouses. (See Table 3.) The influence of employment status on perspectives about this proposal differs by race.

FIGURE 7: OPINIONS ON INCREASING BENEFITS FOR WIDOWED SPOUSES, 2012 (PERCENT)



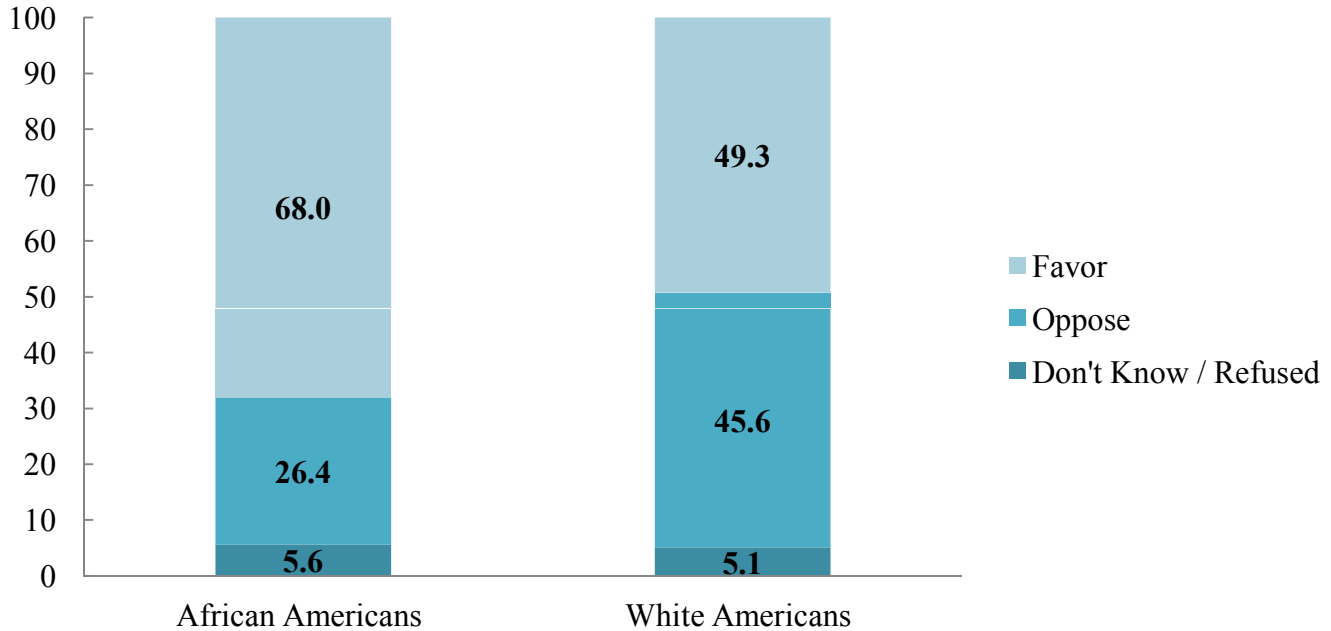
Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

TABLE 3: INCREASING BENEFITS FOR WIDOWED SPOUSES (PERCENT IN FAVOR)

	African Americans	White Americans
Gender		
Male	75	66
Female	80	67
Marital Status		
Married	81	65
Divorced/Separated	76	68
Single	78	71
Widowed	80	68

Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

FIGURE 8: OPINIONS ON INCREASING PAYMENTS FOR ALL BENEFICIARIES, 2012 (PERCENT)



Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

- Retired blacks are more likely than blacks who are employed part-time to favor increasing Social Security benefits for widowed spouses. Eight out of every ten (83 percent) black retirees favor increasing benefits for widowed spouses, while seven out of every ten (73 percent) blacks who are employed part-time share this view.
- Whites who are employed part-time or are unemployed are more likely than whites who are employed full-time to favor increasing Social Security benefits for widowed spouses. Three out of every four whites who are employed part-time (73 percent) or who are unemployed (75 percent) favor increasing benefits for widowed spouses, while three out of every five whites employed full-time (63 percent) share this view.

INCREASING PAYMENTS FOR ALL BENEFICIARIES

The Great Recession and its aftermath have worsened the prospects of economic security during retirement for many families. The increasing cost of life necessities has eliminated the discretionary income of low-wage workers and, thus, made it difficult for them to save for retirement. In addition, many middle-income individuals who have worked and saved for many years and are nearing retirement find themselves unable to replace savings lost from their nest eggs during the subprime market collapse. Increasing the monthly payment for all beneficiaries will reduce for many the risk of impoverishment during their retirement years.

- Half or more of both African Americans and white Americans favor increasing Social Security benefit payments to all beneficiaries. This finding holds across most but not all of the demographic and socioeconomic subgroups analyzed for the two racial groups.
- African Americans are more likely than white Americans to favor increasing Social Security payments for all beneficiaries. Nearly seven out of every ten African Americans (68 percent) favor increasing payments for all beneficiaries, while half of white Americans (49 percent) share this view. Close to half of white Americans (46 percent) oppose increasing payments in contrast to only one of every four African Americans (26 percent). **(Figure 8.)**

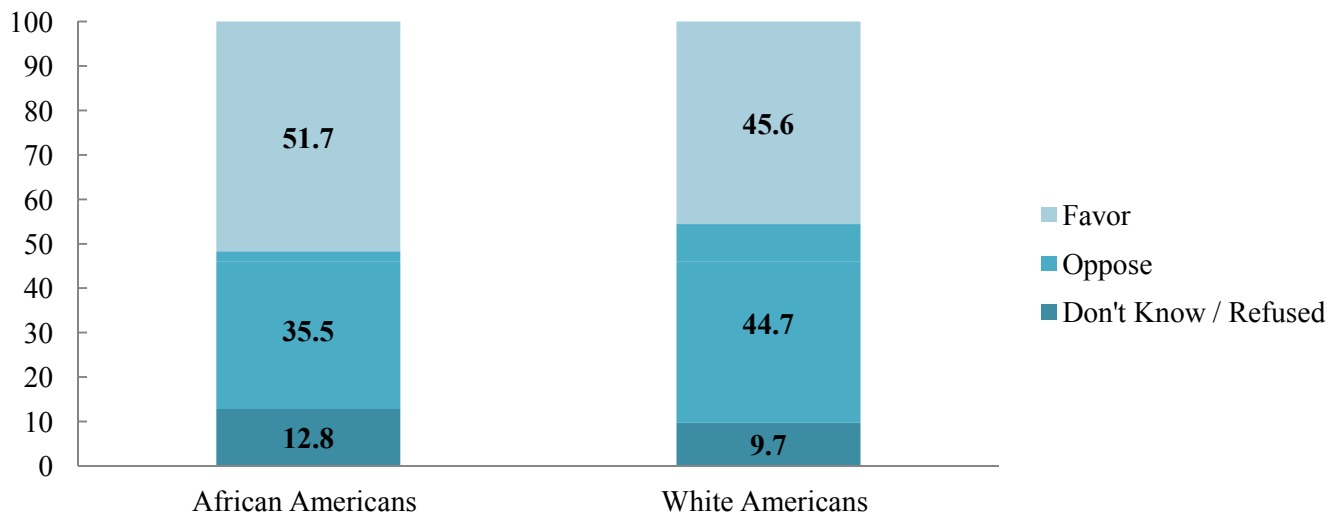
- African American men (65 percent) and women (70 percent) are equally likely to favor increasing Social Security payments for all beneficiaries.
- White American men (46 percent) and women (52 percent) also are equally likely to favor increasing Social Security payments for all beneficiaries.
- Regardless of employment status, African Americans are equally likely to favor increasing Social Security payments for all beneficiaries— employed full-time (67 percent), employed part-time (65 percent), retired (70 percent), and unemployed (71 percent).
- Whites who are retired, however, are more likely than whites who are employed full-time to favor increasing Social Security payments for all beneficiaries. More than half (56 percent) of retired whites favor increasing payments for all beneficiaries, while 45 percent of whites who are employed full-time share this view.
- Regardless of marital status, African Americans are equally likely to favor increasing Social Security payments for all beneficiaries— married (70 percent), divorced/separated (68 percent), single (63 percent) and widowed (72 percent).
- White Americans who are divorced/separated, single, and widowed are more likely than white Americans who are married to favor increasing Social Security payments for all beneficiaries. More than half of single whites (57 percent), and six out of every ten whites who are divorced/separated and widowed (61 percent for both groups) favor increasing payments thus, while only two out of every five (41 percent) married whites hold this view.

PROVIDING CHILD CARE CREDITS

Time spent out of the workforce while caring for children lowers an individual's total covered earnings and decreases the amount of Social Security benefits for which he/she is eligible in retirement. Providing five years of Social Security wage credits could offset the retirement security risks faced by parents who temporarily leave the workforce to care for children.

- Around half of both African Americans and white Americans favor providing five years of Social Security retirement credits to individuals who are not in the labor force while fulfilling child care responsibilities. This finding holds across most but not all of the demographic and socioeconomic subgroups analyzed for the two racial groups.
- African Americans are more likely than white Americans to favor providing five years of Social Security retirement credits to individuals who are not in the labor force while fulfilling child care responsibilities. Slightly more than half of African Americans (52 percent) favor providing child care credits, while nearly half of white Americans (46 percent) share this view. Nearly half of all white Americans (45 percent) also oppose providing five years of these credits, in contrast to the one of every three African Americans (36 percent) who does so. **(See Figure 9.)**
 - African American men (52 percent) and women (51 percent) are equally likely to favor providing five years of Social Security retirement credits to individuals who are not in the labor force while fulfilling child care responsibilities.
 - White American men (44 percent) and women (47 percent) also are equally likely to favor providing five years of Social Security retirement credits to individuals who are not in the labor force while fulfilling child care responsibilities.
 - Regardless of employment status, African Americans are equally likely to favor providing five years of Social Security retirement credits to individuals who are not in the labor force while fulfilling child care responsibilities— employed full-time (49 percent), employed part-time (48 percent), retired (54 percent), and unemployed (56 percent).
 - Whites who are retired, however, are more likely than whites who are employed full-time to favor providing five years of Social Security retirement credits to individuals who are not in the labor force while fulfilling child care responsibilities. Half of retired whites (51 percent) favor providing these retirement credits, while four out of every ten whites with full-time employment (41 percent) share this view.

FIGURE 9: OPINIONS ON PROVIDING CHILD CARE CREDITS, 2012 (PERCENT)



Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

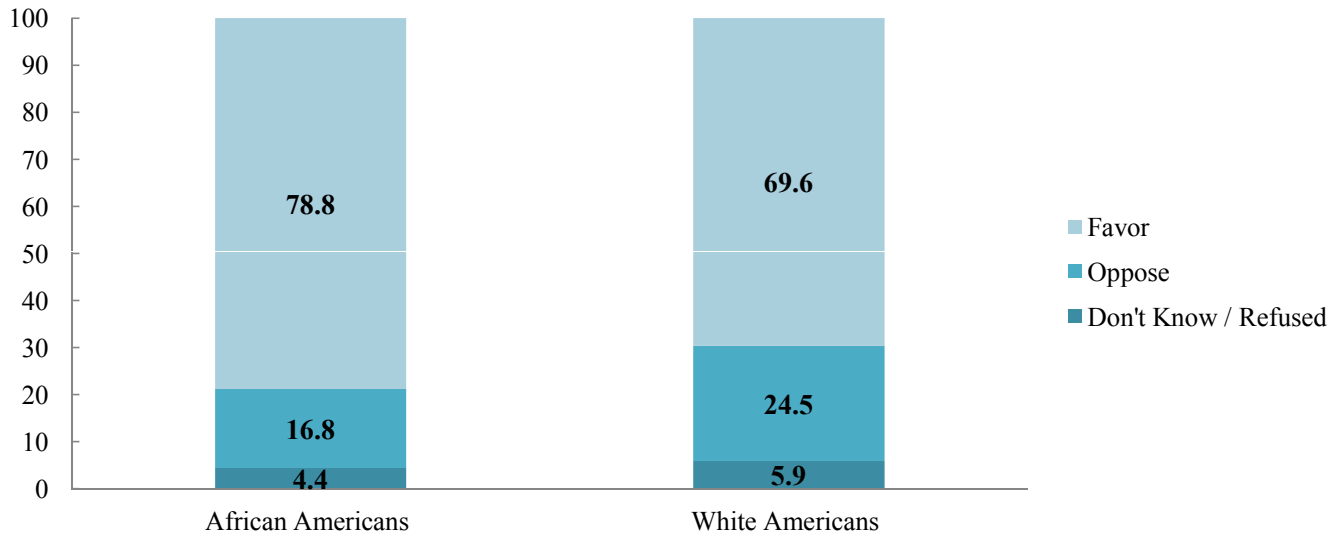
- Regardless of marital status, African Americans are equally likely to favor providing five years of Social Security retirement credits to individuals who are not in the labor force while fulfilling child care responsibilities—married (50 percent), divorced/separated (50 percent), single (59 percent) and widowed (50 percent).
- Whites who are single, however, are more likely than whites who are married, divorced/separated, and widowed to favor providing five years of Social Security retirement credits to individuals who are not in the labor force while fulfilling child care responsibilities. Five out of every eight whites who are single (63 percent) favor providing child care credits, while only two out of every five married (43 percent), divorced/separated (44 percent) and widowed (45 percent) whites share this view.

SETTING MINIMUM BENEFIT ABOVE FEDERAL POVERTY LEVEL

Individuals who are low-wage lifetime earners are especially vulnerable during retirement because they are less likely than higher-wage workers to have either an employer-sponsored retirement plan or private savings to augment their modest Social Security benefit payments. Setting the minimum Social Security retirement benefit above the federal poverty level—and indexing it to inflation so it will remain there—would decrease the risk that lifetime low-wage workers would live in poverty during retirement.

- At least seven of every ten African Americans and white Americans favor setting the minimum retirement benefit so that all beneficiaries receive annual payments above the federal poverty level. Across all demographic and socioeconomic subgroups examined for the two racial groups, a minimum of two (or more) of every three respondents share this view.
- African Americans are more likely than white Americans to favor setting the minimum retirement benefit above the federal poverty level. More than three-fourths of African Americans (79 percent) favor setting the minimum retirement benefit above the federal poverty level, while seven out of every ten white Americans (70 percent) hold this view. One in four white Americans (25 percent)—but one in six African Americans (17 percent)—opposes setting the minimum retirement benefit above the federal poverty level, however. **(See Figure 10.)**
- Majorities of the two racial groups in all the subcategories of gender and employment status favor this proposal. In addition, within each racial group and across the subcategories of gender and employment status taken separately, respondents are equally likely to favor setting the minimum retirement benefit above the federal poverty level. **(See Table 4.)** Perspectives differ between the racial groups by marital status.

FIGURE 10: OPINIONS ON SETTING MINIMUM RETIREMENT BENEFIT ABOVE THE FEDERAL POVERTY LEVEL, 2012 (PERCENT)



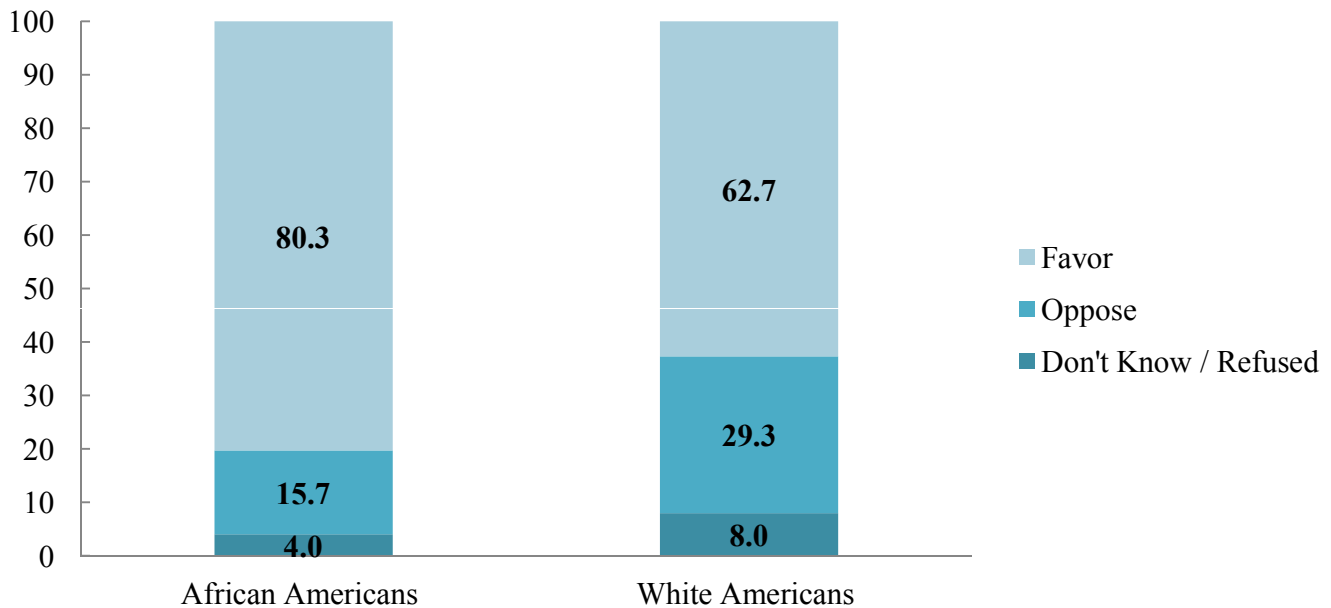
Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

TABLE 4: SETTING MINIMUM RETIREMENT BENEFITS ABOVE THE FEDERAL POVERTY LEVEL (PERCENT IN FAVOR)

	African Americans	White Americans
Gender		
Male	80	67
Female	78	72
Employment Status		
Employed Full-Time	80	67
Employed Part-Time	78	69
Unemployed	76	74
Retired	80	73

Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

FIGURE 11: OPINIONS ON EXTENDING DEPENDENT CHILD BENEFITS UP TO AGE TWENTY-TWO, 2012 (PERCENT)



Source: 2012 Joint Center for Political and Economic Studies National Opinion Poll: Social Security

- Regardless of marital status, African Americans are equally likely to favor setting the minimum retirement benefit above the federal poverty level— married (83 percent), divorced/separated (76 percent), single (80 percent), and widowed (76 percent).
- Whites who are single, however, are more likely than whites who are married to favor setting the minimum retirement benefit above the federal poverty level. More than three-fourths (78 percent) of single whites favor setting the minimum retirement benefit above the federal poverty level, while two of every three (67 percent) whites who are married share this view.

EXTENDING DEPENDENT CHILD BENEFITS UP TO AGE 22

Currently, if a working parent has died, become disabled, or retired, their dependent children will receive Social Security benefits until reaching the age of 18 (or 19 if they are still in school). Until the early 1980s, these benefits were provided to dependent children until age 22, and enabled many young adults from low-income and racial/ethnic minority families—who might not have been able to do so otherwise—to attend college. In the current economic environment, extending the age eligibility for the dependent child benefit could again help many deserving and qualified youth acquire needed post-secondary education.

- More than five of every eight African Americans and white Americans favor extending eligibility for dependent child benefits to age 22. Across all demographic and socioeconomic subgroups examined for the two racial groups, at least half of the survey respondents share this view.
- African Americans are more likely than white Americans to favor extending eligibility for dependent child benefits to age 22. Eight out of every ten African Americans (80 percent) favor extending these benefits, while only five of every eight white Americans (63 percent) hold this view. Nearly three of every ten white Americans (29 percent)—but only one in every six African Americans (16 percent)—oppose extending eligibility for dependent child benefits to age 22, however. (See Figure 11.)

-
- African American women are more likely than African American men to favor extending dependent child benefits to age 22. More than eight of every ten African American women (84 percent) and more than three of every four African American men (76 percent) favor extending the eligibility for dependent child benefits to age 22.
 - White men (63 percent) and women (62 percent) are equally likely to favor extending eligibility for dependent child benefits to age 22.
 - Regardless of employment status, African Americans are equally likely to favor extending eligibility for dependent child benefits to age 22— employed full-time (80 percent), employed part-time (79 percent), retired (82 percent), and unemployed (80 percent).
 - Similarly, regardless of employment status, white Americans are equally likely to favor extending eligibility for dependent child benefits to age 22— employed full-time (61 percent), employed part-time (60 percent), retired (69 percent), and unemployed (68 percent).
 - Regardless of marital status, African Americans are equally likely to favor extending eligibility for dependent child benefits to age 22— married (82 percent), divorced/separated (81 percent), single (78 percent) and widowed (82 percent).
 - Whites who are single, however, are more likely than whites who are widowed to favor extending eligibility for dependent child benefits to youth up to age 22. Seven of every ten (71 percent) single whites favor extending dependent child benefits to age 22, but only about half (53 percent) of widowed whites share this view.

SUMMARY AND CONCLUSIONS

Majorities of black Americans and white Americans hold the same views about proposals to foster solvency and improve benefit adequacy for the Social Security system. To foster solvency, majorities of the two groups favor enrolling new state and local government employees in the Social Security system. Majorities of both groups, however, oppose proposals to guarantee system solvency that would raise the retirement eligibility age, increase the payroll tax rate, or reduce COLAs. To improve benefit adequacy, majorities of both African Americans and whites favor increasing benefits for recipients age 85 or older, for widowed spouses, and for all beneficiaries. Majorities also favor establishing a minimum Social Security retirement benefit that is above the federal poverty level and support extending to age 22 the provision of benefits to dependent children of covered workers who are retired, disabled or deceased.

There is clearly popular support for measures to enhance the modest Social Security benefit payments and opposition to proposals that erode beneficiary payments—either directly or indirectly via changes made to foster system solvency. The common ground evident on the proposals considered in this poll suggests a path that could be taken to reform the Social Security system to best meet the needs for both the system and its beneficiaries over the next 75 years.

ABOUT THE JOINT CENTER FOR POLITICAL AND ECONOMIC STUDIES

The Joint Center for Political and Economic Studies conducts research and policy analysis on topics of concern to African Americans and other people of color. Initially founded to encourage African American political participation and to support newly elected black public officials in the wake of the passage of the Voting Rights Act of 1965, the Joint Center continues to promote civic and political engagement and to support black leadership as a primary route to greater equality and opportunity.

ABOUT THE AUTHORS

Wilhelmina A. Leigh, a senior research associate at the Joint Center for Political and Economic Studies, analyzes issues related to asset building (or wealth creation), retirement security and health within communities of color. She has been an elected member of the National Academy of Social Insurance since 1996 and a Fellow of the TIAA-CREF Institute since 2012. Dr. Leigh received her PhD in economics from the Johns Hopkins University and her AB, also in economics, from Cornell University.

Melissa R. Wells, a policy assistant at the Joint Center for Political and Economic Studies, supports the development of policy education strategies for state and regional coalitions participating in the Building Economic Security Over A Lifetime initiative led by the Ford Foundation. She received her Master in Public Policy from the American University and her BA from the University of California-Riverside.



BOARD OF GOVERNORS
JULY 2013

Barbara L. Johnson, Esq., *Acting Chair*

Partner
Paul Hastings LLP

Robert Raben, *Secretary*

President and Founder
The Raben Group

Robert R. Hagans, Jr., *Treasurer*

Executive Vice President
and Chief Financial Officer
AARP

Ralph B. Everett, Esq.

President and CEO
Joint Center for Political and Economic Studies

A. Scott Bolden, Esq.

Managing Partner
Reed Smith LLP

Freda Kapur Klein, Ph.D.

Trustee
Mitchell Kapur Foundation

Donna Brazile

Founder and Managing Director
Brazile & Associates L.L.C.

Spencer Overton, Ph.D.

Professor
George Washington University Law School

Anne H. Chow

Senior Vice President – Premier Client Group
AT&T Operations

Dianne M. Pinderhughes, Ph.D.

Notre Dame Presidential Faculty Fellow
Department of African Studies
The University of Notre Dame

Frederick S. Humphries, Jr.

Vice President, U.S. Government Affairs
Microsoft

Reed V. Tuckson, M.D., FACP

Managing Director
Tuckson Health Connections, LLC

The Honorable Carolyn C. Kilpatrick

Managing Partner
J & A Global Partners, L.L.C.



JOINT CENTER
FOR POLITICAL AND ECONOMIC STUDIES

805 FIFTEENTH STREET, NW, 2ND FLOOR, WASHINGTON, DC 20005
P: 202.789.3510 • F: 202.789.6379 • www.jointcenter.org

