

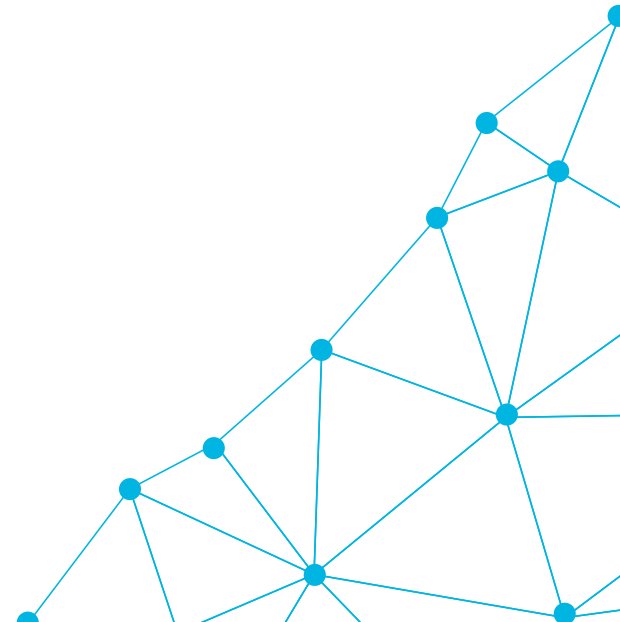
The research reported herein was performed pursuant to a grant from the U.S. Social Security Administration (SSA) funded as part of the Retirement and Disability Consortium. The opinions and conclusions expressed are solely those of the author(s) and do not represent the opinions or policy of SSA or any agency of the Federal Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of the contents of this report. Reference herein to any specific commercial product, process or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply endorsement, recommendation or favoring by the United States Government or any agency thereof.

Improving Public Understanding of OASI: An Experimental Approach

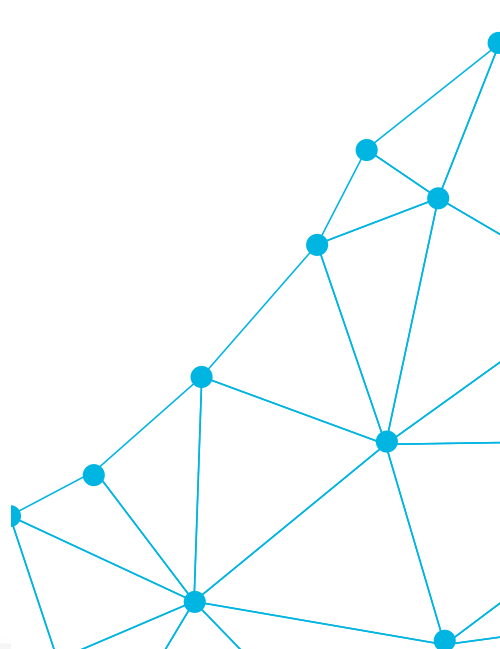
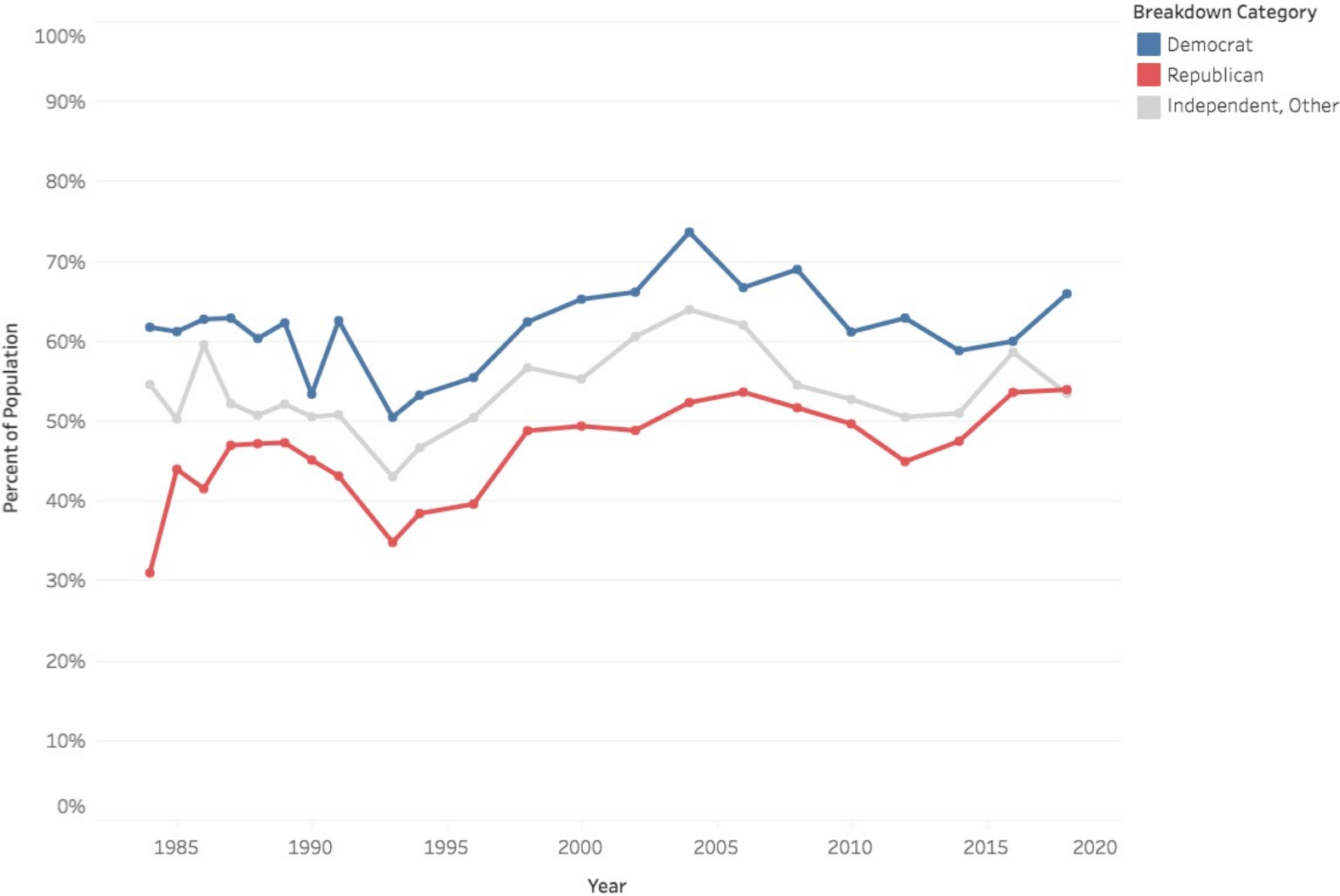
*Pamela Herd, Sebastian Jilke,
Donald Moynihan*

GEORGETOWN UNIVERSITY | McCourt School
of Public Policy

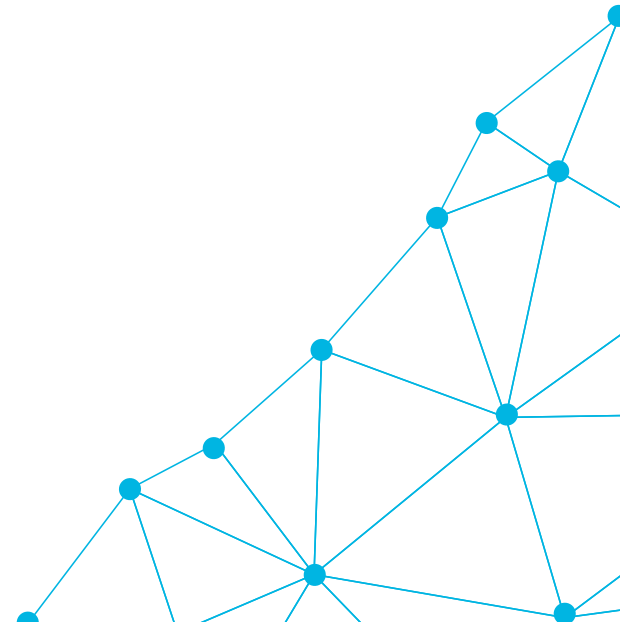
Social Security Is Popular



Fraction of People Who Think We *Don't Spend Enough* on Social Security: General Social Survey



People are Confused about the Program's Finances and their own Benefits



Peoples' Perceptions of Social Security's Finances

About four-in-ten Americans say, by the time they retire, Social Security won't have enough money to provide benefits

Among those who are not retired, % saying that, when they are ready to retire, Social Security will provide benefits at ...

| | Current levels | Reduced levels | No benefits |
|------------|----------------|----------------|-------------|
| All adults | 16 | 42 | 42 |
| Ages 18-29 | 15 | 42 | 42 |
| 30-49 | 11 | 37 | 52 |
| 50+ | 23 | 48 | 28 |

Note: Share of respondents who didn't offer an answer not shown.
Source: Survey of U.S. adults conducted Dec. 11-23, 2018.
"Looking to the Future, Public Sees an America in Decline on Many Fronts"

PEW RESEARCH CENTER

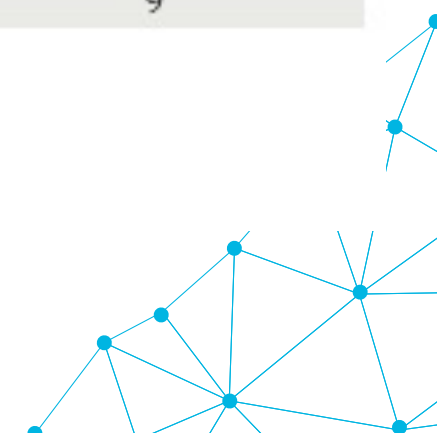
Nonretirees: Will Social Security Pay You a Benefit?

Do you think the Social Security system will be able to pay you a benefit when you retire?

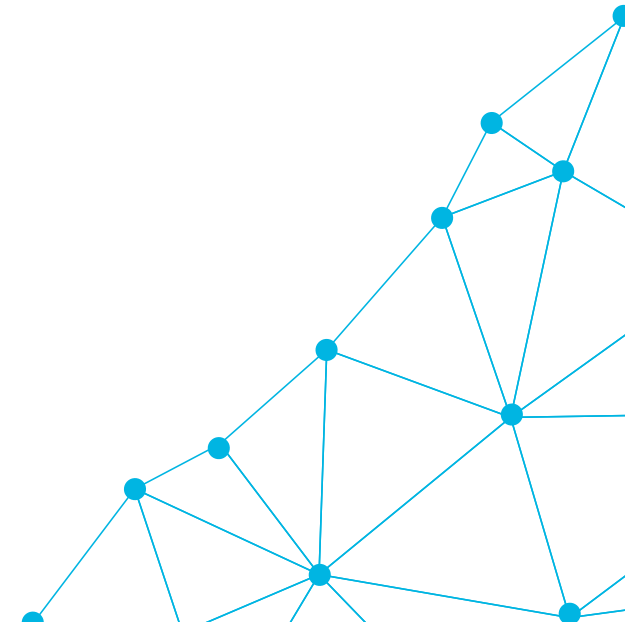
| | Yes | No | Doesn't apply (vol.)/ No opinion |
|----------|-----|----|-------------------------------------|
| | % | % | % |
| 18 to 29 | 34 | 64 | 3 |
| 30 to 49 | 32 | 63 | 5 |
| 50 to 64 | 66 | 30 | 5 |
| 65+ | 84 | 6 | 9 |

July-August 2015

GALLUP



How to Improve People's Understanding?

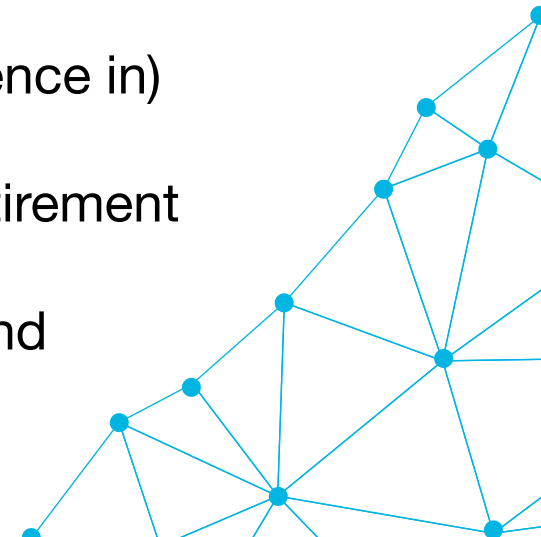


The Efficacy of Personalized Information

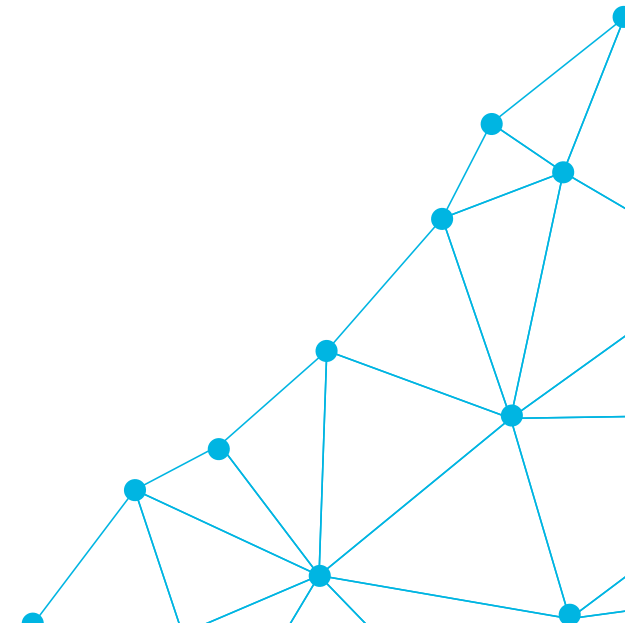
- Behavioral science insights:
 - Informational nudges can change behavior if learning costs are big issue
 - Effects of such nudges vary greatly by policy area (Linos et al. 2020), and tend to fade over time (Larsen and Olsen 2020)
- Policy feedback effects of information and attitudes (Campbell 2002)

Empirical Predictions:

1. Personalized financial information improves the accuracy of (and confidence in) people's retirement predictions;
2. Personalized financial information increases the \$ amount of people's retirement predictions;
3. Personalized financial information will lead to more favorable views of, and support for, Social Security.



Research Design



Data collection

Pre-registered at AEA
RCT Registry

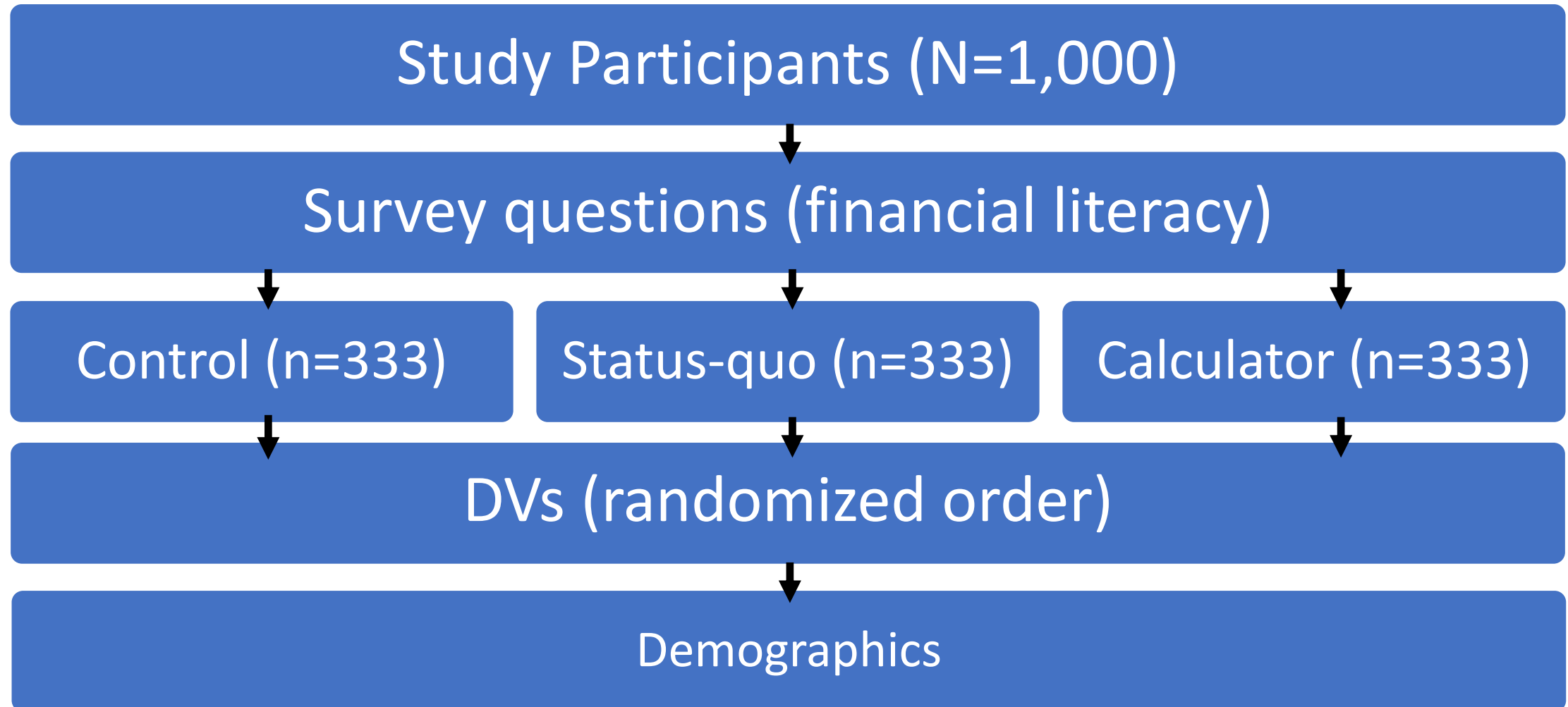
Pilot Study (end March)

- Prolific online panel
- US-based participants (18-60y)
- Quota-sampled (age, sex, ethnicity)
- Cross-section
- N=1,370
- 4 experimental conditions

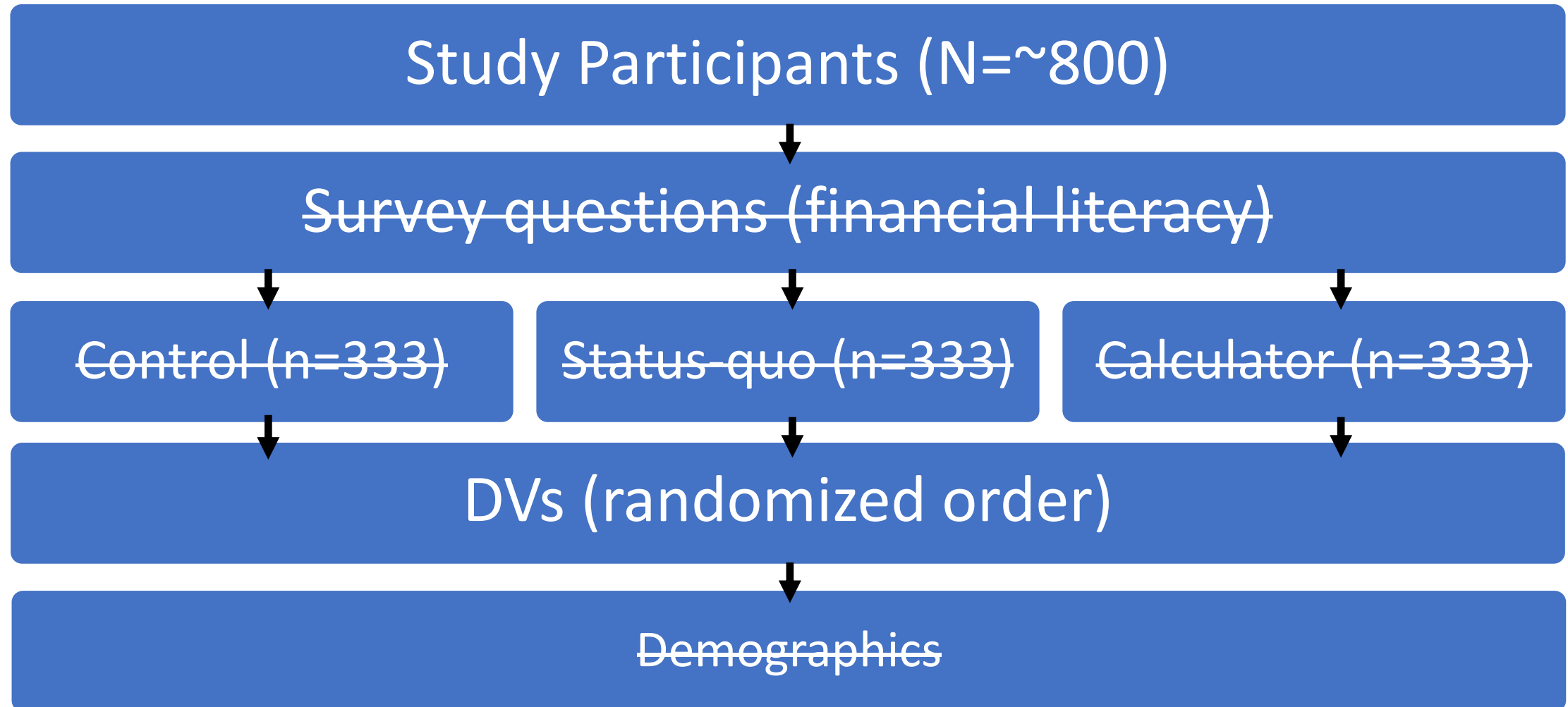
Main Study (August)

- AmeriSpeak panel (NORC)
- US-based participants (18-60y)
- Probability-based sample (based on NORC's national sampling frame)
- Two wave panel study (1 week)
- N=approx. 1,000
- 3 experimental conditions
- MDE = approx. 4pp

Experimental Flow (Wave #1)



Experimental Flow (Wave #2)



Experimental condition 1

Control group

The Old-Age and Survivors Insurance (OASI) Trust Fund is part of the United States Social Security Administration (SSA) that pays Social Security Benefits to people when they retire.

Experimental condition 2

SSA Status-quo communication (modelled after Social Security's "message to the public", SSA 2020)

The Old-Age and Survivors Insurance (OASI) Trust Fund is part of the United States Social Security Administration (SSA) that pays Social Security Benefits to people when they retire. The fund is funded by contributions from worker's paychecks. Current contributions are not keeping up with the amount needed to pay all of the benefits for current retirees. If nothing else happens, the OASI Trust Fund is projected to run a shortfall by 2034, where there is not enough money to pay all of the benefits. If nothing else happens, SSA predicts that 76 percent of expected benefits will be paid to retirees by 2034.

Experimental condition 3

Calculator encouragement

The Old-Age and Survivors Insurance (OASI) Trust Fund is part of the United States Social Security Administration (SSA) that pays Social Security Benefits to people when they retire.

We would like you to visit Social Security Administration's [Benefit Calculator](#) (click on the link to the left, or copy and paste the following URL to your browser: <https://www.ssa.gov/OACT/quickcalc/index.html>) and insert your date of birth, as well as the approximate month and year you plan to retire - the same information you provided at the beginning of the survey - plus your current earnings. You will be given the option to see the value of your benefit in today's dollars or inflated (future) dollars. Please use the today's dollar option.

Experimental condition 3 *cont.*

We ask you to navigate to the Benefit Calculator website (see link above). Once you have entered the information on that page, click “Submit request”. We ask you to please return to the survey and enter the value here from the calculator.

[...]

We appreciate you accurately reporting the value the SSA Benefit Calculator creates with the information you enter. Thanks for your cooperation.

Experimental condition 3 *cont.*

Social Security Online

Benefit Calculators

[Benefit Calculators](#)



[Quick Calculator](#) Benefit Estimates

January 26, 2021

Retirement

Please report this number

Your estimated monthly benefit amount, beginning at age ● in ●, is \$●. For your estimate, we assumed no future increases in prices or earnings.

We have calculated your benefits by making certain assumptions about your past earnings. Please look at these earnings to see if they appear reasonable to you. You can change them and see the effect on your benefit estimates!

[See the earnings we used](#)

Information you submitted

| | |
|-------------------------------------|---|
| Date of birth: | ● |
| Current earnings: \$ | ● |
| Benefit in year-2021 dollars | |
| Retirement month: | ● |

Note: For your benefit calculation, we limited your earnings to the \$● taxable maximum for 2021.

Outcome Variables I

Knowledge & confidence of knowledge (calculator vs control/status quo)

- What approximate Social Security retirement benefit amount per month do you expect to receive when you plan to retire?
- How confident are you in your prediction above?

Outcome Variables II

Views towards Social Security (calculator vs control/status quo)

- Bureaucratic reputation scale (5 items) (Lee and Van Ryzin 2020)
- *Favorability*: Overall, is your view of the Social security administration: (Very favorable – Very unfavorable)
- *Confidence*: How confident are you that Social Security retirement benefits will be there for you when you retire?
- In general, do you think we spend too much money, about the right amount, or not enough money on Social security retirement benefits?

Outcome heterogeneity (exploratory)

- Age
- Financial literacy (pre-treatment, wave #1)
- Political ideology
- ...

Next steps

- Results will become available by mid/end-August

Thank you for your attention!

