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Interview dates: February 22-24, 2005
Interviews: 1,000 adults; 713 non-retired adults
*Margin of error: ±3.1 for all adults; ±3.7 for non-retired adults*

**THE ASSOCIATED PRESS POLL**
**CONDUCTED BY IPSOS-PUBLIC AFFAIRS**

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# *AP/Ipsos Poll: Most Oppose Bush On Social Security, But Think Their Own Retirement Is Secure*

*The Associated Press Poll is conducted by Ipsos-Public Affairs. Between February 22-24, 2005, the AP-Ipsos poll interviewed a representative sample of 1,000 adults nationwide. The margin of error is +/- 3.1 for all adults and +/-3.7 for non-retired adults. Margin of error for subgroups may be higher.*

**Washington, DC, March 3, 2005** — The latest AP/Ipsos poll shows that by about a five-to-four margin, Americans disapprove of President Bush's handling of Social Security and oppose investing a portion of Social Security taxes in stocks and bonds. Wide majorities also oppose taking other measures such as increasing the retirement age (66%) or cutting benefits for either current (93%) or future (87%) retirees. Two-thirds (65%) of future retirees are confident they will have the financial means to live well after retirement -- although there is a big gap between people who have at least one kind of retirement account or plan (74% confident, 25% not) and those who do not (40% confident, 58% not).

## Americans Rate their Retirement Planning: Fair to Good

Of adult Americans who haven't retired, many say they are not doing a good job preparing financially for their retirement. More than four in ten say they are doing a fair (29%) or poor (15%) job. Just over a third (37%) report that they are doing a good job, and few (19%) say they are doing an excellent job.

**(ASKED ONLY OF THOSE WHO SAY THEY ARE NOT RETIRED)**

Q. How good a job are you doing of preparing financially for your retirement? Would you say you are doing an excellent, good, fair, or poor job?

| | |
|---|---|
| Excellent job | 19 |
| Good job | 37 |
| Fair job | 29 |
| Poor job | 15 |
| Not sure | - |

Education and income have a role in how prepared people are. Non-retired people with a college degree and higher income tend to say they are doing a good or excellent job preparing, whereas those with less education or lower household income tend to say they are doing a fair-to-poor job preparing financially for their retirement.

| | Education | | | Household Income | | | |
|---|---|---|---|---|---|---|---|
| | HS or less | Some college | College degree | Under $25K | $25K- <$50K | $50K- <$75K | $75K+ |
| Excellent | 14% | 17% | 24% | 9% | 14% | 14% | 31% |
| Good | 24% | 37% | 46% | 23% | 31% | 50% | 47% |
| Fair | 38% | 32% | 20% | 39% | 37% | 29% | 17% |
| Poor job | 24% | 13% | 10% | 28% | 18% | 7% | 5% |
| (DK/NS) | - | 1% | - | 1% | - | - | - |

## Future Retirees Confident They'll Live Comfortably

Still, although many admit that they are not doing a good job preparing for retirement, two-thirds (65%) of those who haven't retired are confident that they will have the financial resources to live comfortably during their retirement. A third (34%) are not confident.

**(ASKED ONLY OF THOSE WHO SAY THEY ARE NOT RETIRED)**

Q. Looking ahead to your retirement, how confident are you that you will have financial resources to live comfortably during your retirement?

| | |
|---|---|
| Very confident | 29 |
| Somewhat confident | 36 |
| Not too confident | 19 |
| Not at all confident | 15 |
| Not sure | 1 |
| **Total Confident** | **65** |
| **Total Not Confident** | **34** |

Confidence is clearly related to income – as well as the key determinant of income, education. Most (88%) of those who earn at least $75,000 are confident they'll have the means to live comfortably post-retirement, compared to only 42% of those earning under $25,000. College graduates (81%) are also at an advantage over those with up to a high school education (48% confident). People with investments (81%) and those specifically participating in a private retirement plan (74%) are confident they will have sufficient resources. Still, although a majority of those without investments (51%) or a retirement plan (58%) are not confident, four in ten in both groups believe they will have sufficient resources.

## Early Retirement for All? Many Plan to Retire Before 65

Future retirees are not only fairly confident they will be comfortable in retirement, about three-quarters (73%) of them expect to be retired by age 65. One in ten (10%) expects to retire by the time they are 50 years old. Relatively few (13%) anticipate retiring between the ages of 66 and 70, and 6% say they plan never to retire. On average, people under the age of 30 plan to retire by age 58. But as the years pass, people plan to retire later. People in their forties, for instance, expect on average to retire at age 63.

**(ASKED ONLY OF THOSE WHO SAY THEY ARE NOT RETIRED)**

Q. At what age do you expect to retire?

| | All Not Retired | 18-29 Year Olds | 30-39 Year Olds | 40-49 Year Olds | 50-64 Year Olds |
|---|---|---|---|---|---|
| 50 or younger | 10 | 26 | 10 | 1 | 2 |
| 51-55 | 9 | 13 | 8 | 10 | 7 |
| 56-60 | 19 | 17 | 23 | 21 | 15 |
| 61-65 | 35 | 25 | 33 | 39 | 48 |
| 66-70 | 13 | 9 | 11 | 16 | 15 |
| 71 years or older | 4 | 4 | 4 | 3 | 3 |
| Never plan to retire | 6 | 3 | 5 | 9 | 8 |
| Not sure | 4 | 3 | 6 | 1 | 2 |
| Mean | 61.5 | 57.7 | 61.3 | 63.4 | 63.2 |

## Retirement Doesn't Necessarily Mean Leaving the Workforce

For future retirees, retirement doesn't necessarily mean leaving the labor force: 63% say they expect to work for pay after retirement. The top reason for planning to work beyond retirement respondents is "to stay busy" (31%), rather than "to make ends meet" (15% of non-retirees) or "to have enough money for extras" (11%).

**(ASKED ONLY OF THOSE WHO SAY THEY ARE NOT RETIRED)**

Q. Do you think you will do any work for pay after you retire, or not? [IF YES, ASK:] Which one of the following best describes why you are planning to work after you retire?

| | |
|---|---|
| **YES, WILL WORK FOR PAY AFTER RETIRING** | **63** |
| - To stay busy | 31 |
| - To earn enough money to make ends meet | 15 |
| - To have enough money for extras | 11 |
| - Try a new career | 2 |
| - Some other reason | 4 |
| **NO, WILL NOT WORK FOR PAY AFTER RETIRING** | **34** |
| **Not sure** | **3** |

## One in Four Have No Private Retirement Funds

Nearly three-quarters (73%) of all adults report that they have at least one form of retirement account or plan. A quarter (25%) do not. Workplace retirement savings plans are the most commonly held type of investment; half (49%) of adults report having one. About four in ten have an IRA and as many have a traditional employer-paid pension plan. For all these types of plans, higher income and higher educated people are considerably more likely to participate in or hold at least one form of retirement investment.

Q. Do you personally have any of the following types of retirement accounts or plans, or not?

| | Yes | No | Not Sure |
|---|---|---|---|
| A workplace retirement savings plan, such as a 401(k), 403(b), or 457 plan | 49 | 49 | 2 |
| An IRA (individual retirement account) | 43 | 56 | 1 |
| An employer-paid pension plan, which will pay you a set amount each month for life in your retirement | 40 | 60 | - |

The evolution of employment-linked retirement plans is apparent in the data. Traditional, defined pension plans are most often held by men age 45 and up (56%), compared to just 36% of men under 45. Majorities of people in their thirties (60%) and forties (64%) have a workplace retirement savings plan such as a 401(k); as do 42% of adults between 18 and 30, but this plan is rarer among seniors age 65 and up (21%). By contrast, IRAs are held by as many thirty-somethings (46%) as senior citizens (43%); most (72%) people under 30 have not opened an IRA.

**Majority Disapprove of Bush's Social Security Actions**

A majority (56%) of Americans disapprove of the way President Bush is handling Social Security; a third (34%) *strongly* disapprove. Four in ten (39%) approve. There is not a great deal of difference across generations, although Americans age 50 and over are somewhat more likely than those under 50 to disapprove "strongly" (41% vs. 30%).

Q. Do you approve, disapprove or have mixed feelings about the way George W. Bush is handling Social Security? (**IF APPROVE OR DISAPPROVE, ASK:)** Is that strongly (approve/disapprove) or somewhat (approve/disapprove)? (**IF HAVE MIXED FEELINGS OR NOT SURE, ASK:)** If you had to choose, do you lean more toward approve or disapprove?

| | |
|---|---|
| Strongly approve | 19 |
| Somewhat approve | 9 |
| Lean toward approval | 11 |
| Still have mixed feelings | 5 |
| Lean toward disapproval | 15 |
| Somewhat disapprove | 7 |
| Strongly disapprove | 34 |
| Not sure | - |
| **Total Approve** | **39** |
| **Total Disapprove** | **56** |
| *Mean Rating*[1] | *3.5* |

[1]Mean rating is calculated by assigning each response except "not sure" a value from 1 to 7, with "strongly approve" receiving a value of 7, and "strongly disapprove" a value of 1.

Instead, opinions of Bush's handling of Social Security appear primarily driven by partisanship. Three-quarters of Republican registered voters approve of Bush's performance on this issue, and what disapproval that is expressed by this group is relatively soft. By contrast, about nine in ten Democratic registered voters disapprove of Bush's handling of the issue, with 63% voicing *strong* disapproval.

| Bush's handling of Social Security | Republicans | Democrats | Independents |
|---|---|---|---|
| Strongly approve | 41% | 2% | 9% |
| Somewhat approve | 15% | 3% | 12% |
| Lean toward approval | 19% | 4% | 22% |
| Still have mixed feelings | 6% | 3% | 8% |
| Lean toward disapproval | 10% | 17% | 14% |
| Somewhat disapprove | 2% | 8% | 3% |
| Strongly disapprove | 7% | 63% | 32% |
| (DK/NS) | - | - | - |
| **Total Approve** | **75%** | **9%** | **43%** |
| **Total Disapprove** | **19%** | **88%** | **49%** |

**More Oppose than Support Investing Social Security Funds**

By about a five-to-four margin, Americans are more opposed than in favor of giving people the option of investing a portion of their Social Security taxes. When the plan is presented as an idea "some people have proposed," 45% support it and 51% are opposed. Opposition rises when the plan is specifically linked to President Bush (39% support, 55% oppose).

Q. (President Bush/Some people) has/have proposed that workers who are currently under age 55 should be given the option of investing a portion of their Social Security taxes in the stock market and in bonds, while at the same time reducing the guaranteed Social Security benefit they get when they retire. Depending on what happens to those investments in stocks and bonds, their Social Security benefit could be higher or lower. Do you support or oppose this proposal?

| | Support | Oppose | Not Sure |
|---|---|---|---|
| **(ASKED OF HALF THE RESPONDENTS.)** **President Bush has proposed** that workers who are currently under age 55 should be given the option of investing a portion of their Social Security taxes in the stock market and in bonds, while at the same time reducing the guaranteed Social Security benefit they get when they retire .................................................. | 39 | 55 | 6 |
| **(ASKED OF OTHER HALF OF THE RESPONDENTS.)** **Some people have proposed** that workers who are currently under age 55 should be given the option of investing a portion of their Social Security taxes in the stock market and in bonds, while at the same time reducing the guaranteed Social Security benefit they get when they retire .................................................. | 45 | 51 | 4 |

Republican registered voters support and Democratic registered voters oppose the plan regardless of who proposes it. Delinking the question from the President raises support among Democrats slightly (from 13% to 24%).

| | "President Bush" | | "Some people" | |
|---|---|---|---|---|
| | Repub-licans | Demo-crats | Repub-licans | Demo-crats |
| Support | 73% | 13% | 71% | 24% |
| Oppose | 21% | 83% | 25% | 73% |
| (DK/NS) | 6% | 4% | 4% | 3% |

President Bush's plan is most warmly received by younger adults. Over half (54%) of people under age 30 support the plan, people in their thirties are divided (50% support, 45% oppose). But over age 40, Americans tend to oppose the plan. People age 65 and over (68% opposed) are most vehemently against allowing investments while reducing the guaranteed benefit. Moreover, younger men (59% under 45s) are more likely to support President Bush's plan than younger women are (37% under 45s).

| "President Bush has proposed…" | Age | | | | | Age/Gender | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 18-29 | 30-39 | 40-49 | 50-64 | 65+ | Men 18-44 | Men 45+ | Women 18-44 | Women 45+ |
| Support | 54% | 50% | 34% | 35% | 25% | 59% | 38% | 37% | 24% |
| Oppose | 44% | 45% | 57% | 60% | 68% | 33% | 58% | 60% | 68% |
| (DK/NS) | 2% | 5% | 9% | 5% | 7% | 8% | 4% | 3% | 8% |

In addition, support for President Bush's plan is higher among people in the higher income brackets (57% of those earning over $75,000) and, to a lesser degree, people who already have at least one retirement account (44%).

**Americans Unsure Whether Retirement Accounts Would Provide Better Income**

Americans are uncertain whether investing part of Social Security taxes would deliver more, less, or the same amount of benefit than the current system. People are slightly more confident of receiving the same (22%) or more (39%; 34% less) money if they "personally" were allowed to invest, than if "Americans" in general were allowed to invest part of their Social Security contributions (18% same, 35% more; 41% less).

Q. If (you personally/Americans) were allowed to invest part of (your/their) Social Security taxes in the stock market or in bonds, do you expect that (you/most Americans) would receive more money in retirement, about the same amount of money, or less money in retirement than if the government were managing all of (your/their) Social Security taxes?

| | More | Less | About the Same | Not Sure |
|---|---|---|---|---|
| **(ASKED OF HALF THE RESPONDENTS.)** **If you personally were allowed to invest** part of your Social Security taxes in the stock market or in bonds, do you expect that you would receive more money in retirement, about the same amount of money, or less money in retirement than if the government were managing all of your Social Security taxes ..... | 39 | 34 | 22 | 5 |
| **(ASKED OF OTHER HALF OF THE RESPONDENTS.)** **If Americans were allowed to invest** part of their Social Security taxes in the stock market or in bonds, do you expect that most would receive more money in retirement, about the same amount of money, or less money in retirement than if the government were managing all of their Social Security taxes ..... | 35 | 41 | 18 | 6 |

Over half of men under 45 believe they would receive more money (56%) if they were allowed to invest part of their Social Security contributions. By contract, a plurality of women over 45 believes they would end up with less money (41%). People with a college education (47%) and a higher income now (55% of those earning over $75,000) are more likely to say they would end up with more money if they invested some of it.

**Possible Social Security Reforms Mostly Unpopular**

Nine in ten Americans oppose cutting Social Security retirement benefits for either current (93% oppose) or future retirees (87%). Two-thirds oppose measures that would affect all workers, including increasing payroll taxes (68%) and increasing the retirement age (66%). People age 65 and over are most in favor of raising the retirement age (46% support).

One proposal that receives widespread approval is to require those earning more than $90,000 per year to pay Social Security taxes on all their earnings (74% support). Even among those earning more than $75,000 per year, a majority is in favor of taking this step (61% support, 38% oppose). Among registered voters, both Democrats (81%) and Republicans (63%) support having these higher-income individuals pay full Social Security contributions.

Q. Please tell me if you would support or oppose each of the following measures as ways of helping to solve the financial problems facing the Social Security program.

| | Support | Oppose | Not Sure |
|---|---|---|---|
| Cutting retirement benefits for current retirees | 7 | 93 | - |
| Cutting retirement benefits for future retirees | 11 | 87 | 2 |
| Increasing payroll taxes on all workers | 30 | 68 | 2 |
| Increasing the retirement age for all workers | 32 | 66 | 2 |
| Requiring those earning more than $90,000 per year to pay Social Security taxes on all of their earnings | 74 | 24 | 2 |

## Neither Party Has Clear Advantage on Social Security

Asked which party they trust more to handle Social Security, the Democrats (43%) only narrowly edge out the Republicans (37%). About one in six (16%) volunteer that they don't trust either party. Among registered voters, defections on the issue of Social Security are rare among both Republicans (9% trust the Democratic Party) and Democrats (5% trust the Republicans).

Q. Who do you trust more to handle the issue of Social Security?

| | |
|---|---|
| The Democrats | 43 |
| The Republicans | 37 |
| (NOT READ) Neither | 16 |
| Not sure | 4 |

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