VOP.ORG

Voice Of the People

CITIZEN CABINET INITIATIVE

FIXING SOCIAL SECURITY:
Recommendations of the Citizen Cabinet

Nationally and in the states of Oklahoma, Maryland, and Virginia

Conducted by the Program for Public Consultation, School of Public Policy, University of Maryland

Primary Investigator: Steven Kull
Research Staff: Clay Ramsay, Evan Lewis and Eric Pierce

July 2015

OVERVIEW

Since it was established in 1935, the Social Security program has been very popular among the American people. However, for some time the program has been in jeopardy. According to the Social Security Trustees' Report, if no steps are taken by Congress to reform Social Security, its trust fund will be exhausted in 2033, and after that the program will only be able to deliver benefits based on current receipts—which would result in a 23% benefit cut to retirees.

A major reason that Social Security has not been addressed is a widespread assumption that the American public is not willing or able to face the issue and thus bringing it up is too politically risky. Social Security has been called a 'third rail,' implying that it is political suicide to address it.

Much of the existing polling data tends to reinforce the belief that the public's attitudes toward Social Security are too conflicted and anxious to support any kind of constructive action. While majorities believe that Social Security is headed for a crisis, when asked, in separate questions, about raising the retirement age, cutting benefits, or raising taxes, majorities often say they do not find these options appealing.

Citizen Cabinet surveys take a different approach that goes beyond initial reactions. They take respondents through a policymaking simulation that gives respondents a background briefing, presents arguments for and against policy options, and then asks the respondent to go into a problem-solving mode.

Another unique feature is that the content is fully vetted for accuracy and balance. The current survey on Social Security was vetted with the lead majority and minority staffers of the House Ways and Means Subcommittee on Social Security and staffers who deal with Social Security on the Senate Finance Committee. Also consulted were experts from the National Academy of Social Insurance and the American Enterprise Institute.

In the survey, respondents first went through a briefing about the Social Security program which included:

- how the program is structured
- the nature and extent of the Social Security shortfall, along with its multiple causes
- the options for reforming Social Security including its scoring, i.e. the impact of the option on the shortfall.

The content of the briefing, along with many of the graphs respondents were shown, is discussed in Appendix I.

Respondents then:

- evaluated arguments for and against a series of reform options, including ones that mitigated the shortfall and ones that increased benefits for certain populations
- evaluated each option separately in terms of how tolerable it would be.

Finally, respondents were presented all the reform options in a spreadsheet enabling respondents to make their own comprehensive and integrated set of recommendations, with an interactive feature that gave respondents feedback on the impact of their choices on the shortfall.

Recruitment and Fielding of the Citizen Cabinet Surveys

For all three states, the Program for Public Consultation managed the recruitment of the state's Citizen Cabinet in conjunction with the research firm Communications for Research. Representative samples for each state (supplied by Survey Sampling International) were recruited using a combination of telephone, mail and Internet. The sampling and recruitment processes were stratified to make the samples demographically representative. Recruits who did not have Internet access were provided a tablet and a device for Internet access. The national sample was selected from a larger standing panel called the KnowledgePanel, managed by the research company GfK.

Sample sizes of registered voters:
OK: 818 MD: 906 VA: 525 U.S.: 738

Fielding dates:
OK: Oct. 13, 2014 – April 9, 2015
MD: Nov. 4, 2014—April 8, 2015
VA: Oct. 9, 2014—April 7, 2015
U.S.: July 20-26, 2013

Margins of error:
OK: +/-4.4% U.S.: +/-3.6% MD, VA: +/-4.2%

KEY RECOMMENDATIONS

Addressing the Social Security Shortfall

Nationally and in all three states, large majorities—overall and for both parties—chose options that would cover at least 66% of the Social Security shortfall. More modest majorities made final recommendations that would completely eliminate the shortfall. Views in the OK-4 district and the MD-7 district were essentially identical to their states as a whole. More specifically:

■ In all jurisdictions, 3 in 4 or more reduced benefits for the top 25% of lifetime earners. The lowest were Maryland Republicans, of whom 66% chose this. Only minorities of 4 in 10 or less recommended reducing benefits to the top 40 or 50% of lifetime earners.

■ Overwhelming and remarkably similar majorities, approximately 8 in 10 across jurisdictions and parties, raised the full retirement age to 68. Less than half in all jurisdictions raised the age to 69 or 70. Nationally, a bare majority of Republicans (52%) raised it to 69.

■ Eight in ten or more across jurisdictions and parties raised the cap on taxable income to $215,000, with over half across most jurisdictions and parties eliminating it.

■ Three quarters nationally and in all three states recommended raising the payroll tax rate to 6.6%. This was true of both parties, with Virginia Republicans at 63% having the lowest majority. Less than half, across jurisdictions and across parties, recommended raising the rate to 6.9% or 7.2%.

Raising Benefits

■ Clear majorities in all three states (57-58%) recommended raising the minimum monthly benefit; in the nationwide sample this was 47%.

■ On supplementing the benefits of seniors in their eighties, less than half recommended this step in all jurisdictions except Oklahoma, where 52% endorsed it (57% Democrats, 46% Republicans).

■ However, seven in ten chose one or the other of these options which would increase benefits but also increase the shortfall.

Recalculating Cost of Living Adjustment (COLA)

Two (mutually exclusive) options were offered for modifying the methods for calculating COLAs. Neither option was chosen by more than 4 in 10 respondents, across jurisdictions and parties. Chained CPI received more support, the highest being 39% in Maryland. Basing COLAs on what the elderly tend to buy was recommended by approximately a quarter across jurisdictions and parties.

LOWERING MONTHLY BENEFITS FOR PEOPLE WHO HAD HIGHER EARNINGS

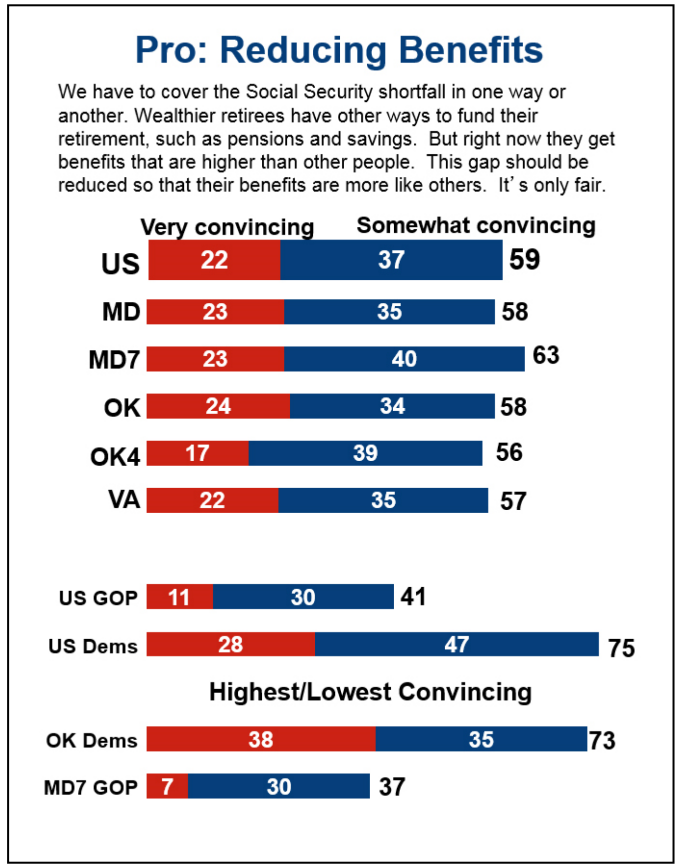
FINAL RECOMMENDATION: In all jurisdictions, at least three in four lowered monthly benefits for the top 25% of earners. Less than half lowered monthly benefits for the top 40%, and no more than 1 in 5 lowered them for the top 50%.

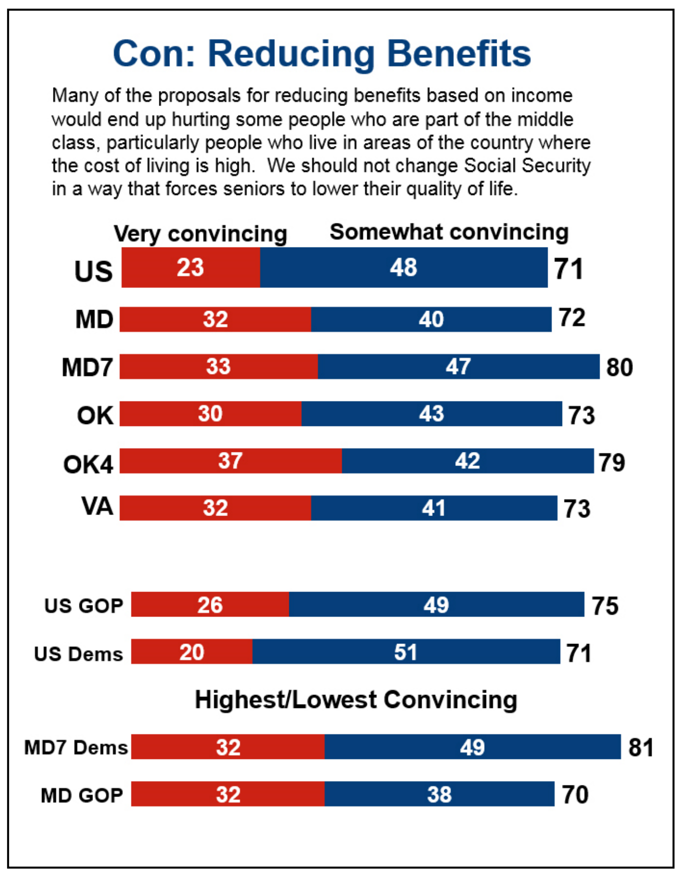
One idea that has received significant attention from policymakers is to reduce the benefits that are presently scheduled for future retirees whose lifetime average earnings are above a certain level. This idea was introduced to respondents in the following way:

One option for reducing benefits is to reduce the amount of benefits that people with higher earnings will receive when they retire in the future.

Currently, the more people earned while working (up to $113,700), the more they receive in monthly benefits. One option—for new retirees only—is to gradually lower benefits for people who had higher earnings. Their benefits would still be higher than people who had lower earnings, but their benefits would be less than people in that income group are currently scheduled to receive.

Two pro and two con arguments were presented. Overall, majorities in all jurisdictions found all arguments convincing (with the con arguments doing slightly better). However, less than half of Republicans nationally and in all three states found the arguments in favor convincing. In addition to the arguments shown in the next column, respondents were presented the pro argument that Social Security was meant to prevent poverty so that it makes no sense for people with higher incomes to get more (61% convincing nationally; Oklahoma 59%, Virginia 56%, Maryland 54%); and the con argument that reducing benefits was a violation of an understanding with workers who



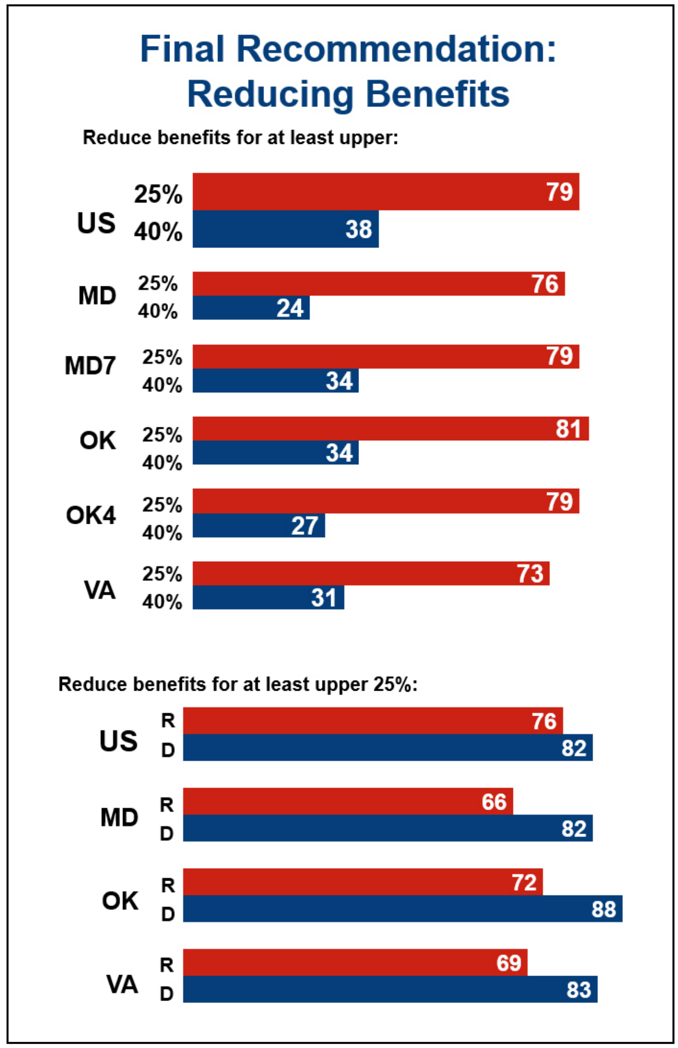


had put money into the program their working lives (69% convincing nationally; Oklahoma 64%, Virginia 68%, Maryland 72%).

Asked to evaluate more specific proposals, majorities found it at least tolerable to reduce benefits for the top 25% of earners (average lifetime earnings of $65,500 a year or more); this would reduce the shortfall 7%. Nationally, 66% found this tolerable; majorities were more modest in all three states. In MD-7, only half of Republicans (50%) found this tolerable, while 58% of Republicans in OK-4 did.

About a third in the three states and two districts found tolerable reducing benefits to the top 40% of earners; nationally, this was under half (47%). Reducing benefits to the top 50% was found tolerable by one in three or fewer in all jurisdictions, with little difference between the parties.

In making their final recommendations, in all jurisdictions, 3 in 4 or more reduced benefits for the top 25% of lifetime earners (see box). The lowest were Maryland Republicans, of whom 66% chose this. Only minorities of 4 in 10 or less recommended reducing benefits to the top 40 or 50%.



"Spreading out the pain by using multiple approaches seems the best way to make it fair."
- Barbara B., Virginia

"Both major parties need to learn to compromise. Neither side should approach everything as 'black and white' because that doesn't help our country."
- John G., Maryland

RAISING THE FULL RETIREMENT AGE

FINAL RECOMMENDATION: Nationally and in all three states, 8 in 10 raised the retirement age at least to 68, and this was the case for both parties. In all jurisdictions less than half raised the retirement age to 69, and 1 in 4 or less raised it to 70.

Respondents were told that another option for reforming Social Security would be to raise the full retirement age, which would reduce the total amount of benefits that a person receives over their lifetime. They were told this would not change the early retirement option, which would remain at age 62, with correspondingly lower benefits.

Existing plans for increases were explained as follows:

Currently, the full retirement age is 66 years. According to current law, it is scheduled to gradually rise until it reaches 67 by the year 2027 and then will stop rising. This has no effect on those already receiving Social Security. It does affect those born in 1960 or later.

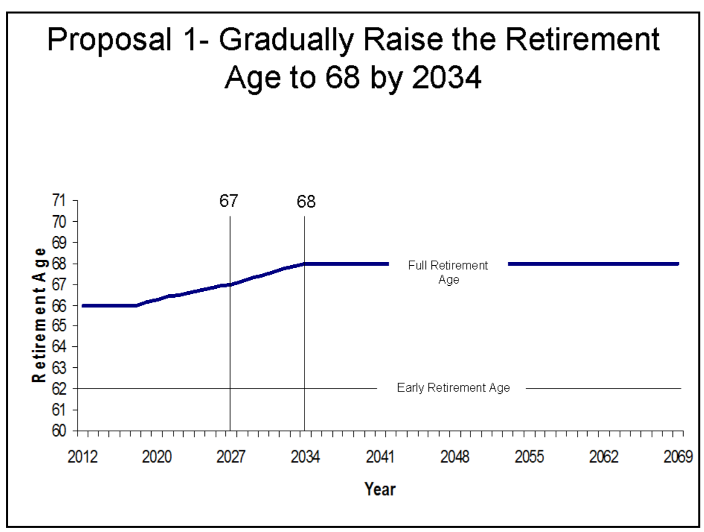
Respondents were then presented with two arguments for and two arguments against increasing the full retirement age. Nationally and in all three states, substantial majorities found the arguments both for and against convincing.

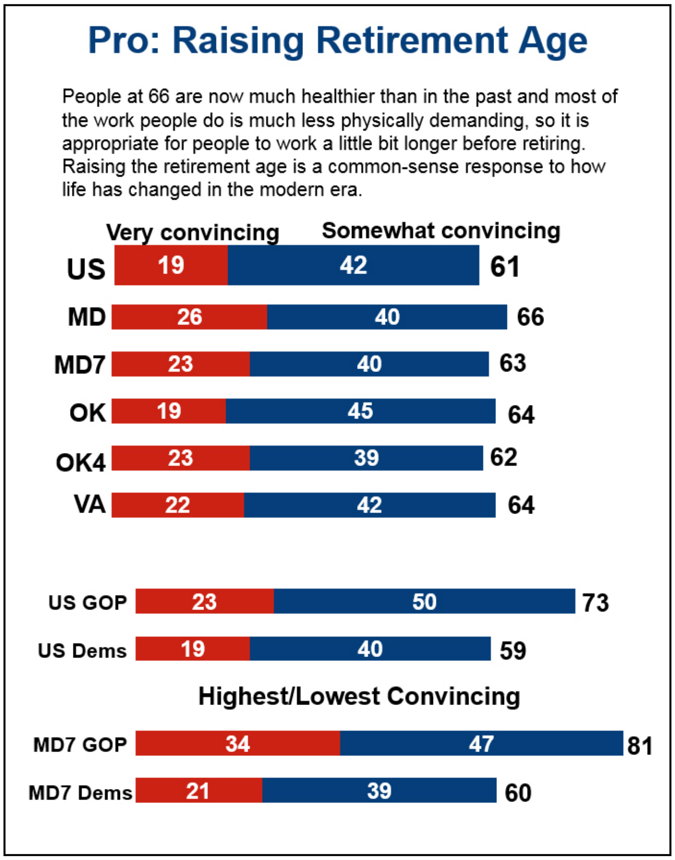
In addition to the arguments shown in the next column, respondents were presented with a pro argument that with longer life expectancy, the number of retirees is growing, so it is not realistic to maintain the same retirement age. Nationally, six in ten found this convincing, as did majorities in both the states and districts.

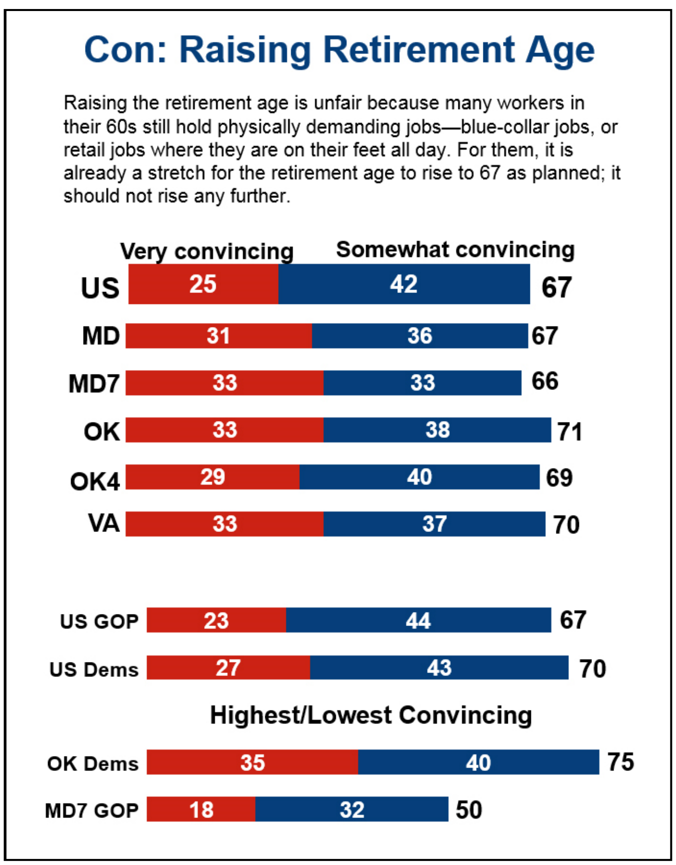
Another con argument was also presented: raising the retirement age means workers will get less in benefits over the course of their lifetime, which will disproportionately affect people with lower incomes and minorities, because on average they do not live as long. Nationally, 58% of respondents found this convincing. Republicans in the states, though, found this the least convincing argument (51% nationally, 44% in Maryland, 55% in Oklahoma, and 43% in Virginia).

They were then asked to evaluate tolerability and acceptability of raising the full retirement age to 68 (would reduce the shortfall 15%), to age 69 (reduces it by 21%) and to age 70 (reduces it by 29%). To illustrate how the potential increases would go into effect over time respondents were shown timelines such as the one below for the increase to age 68. Timelines for raising it to age 69 and 70 were also shown.

For raising the age to 68, 6 in 10 in all jurisdictions found it at least tolerable, with Virginians slightly higher (65%). About half found tolerable raising it to 69, with Oklahomans slightly lower (46%). For raising the age to 70, less than half nationally, and four in ten in the three states, found it tolerable; however a majority of Republicans in Maryland found this tolerable (54%), and in the MD-7 district this was 67% of Republicans.

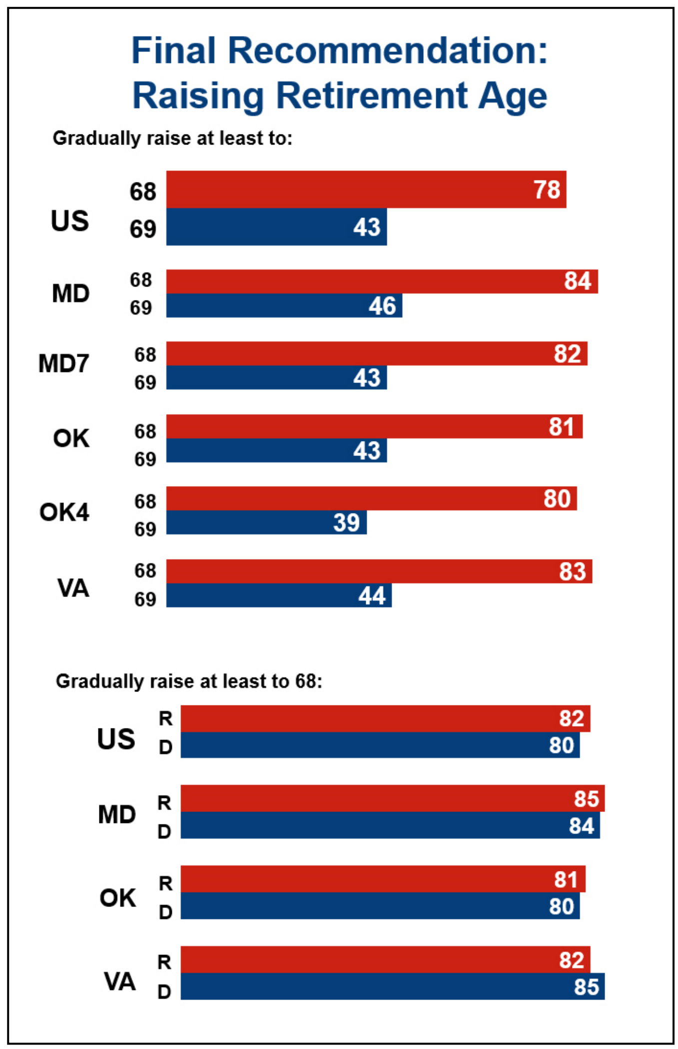






When making their final recommendation, overwhelming, and remarkably similar, majorities in all jurisdictions raised the full retirement age to 68 or higher (78% nationally, 84% in Maryland, 81% in Oklahoma, and 83% in Virginia). Less than half in all jurisdictions raised the age to 69 or higher, though nationally a bare majority of Republicans (52%) did so. Raising the age to 70 was recommended by about one in four (nationally 23%, Maryland 28%, Oklahoma 22%, Virginia 26%).

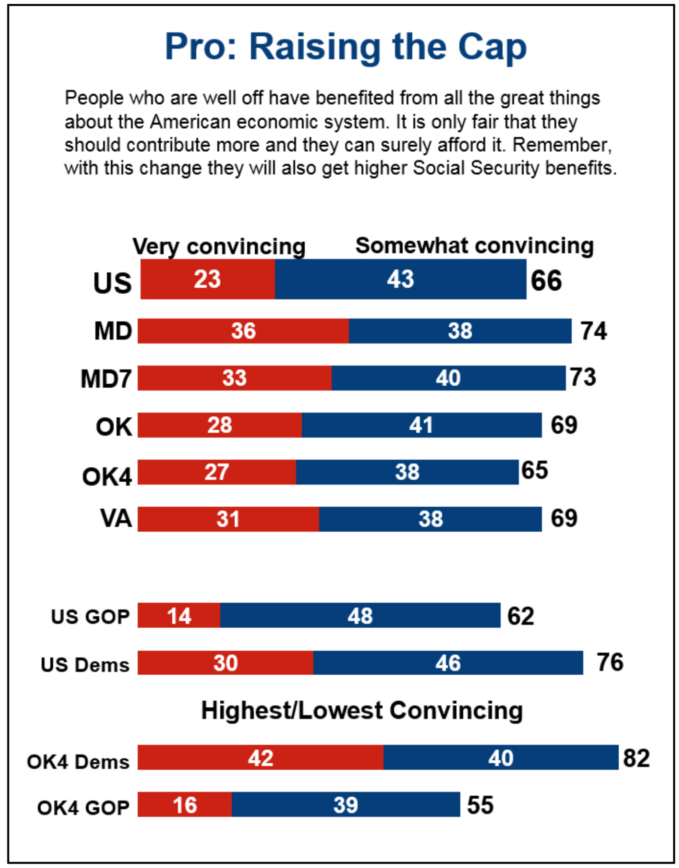
Raising the retirement age to 68 was also recommended by large majorities of both Democrats and Republicans in all jurisdictions.

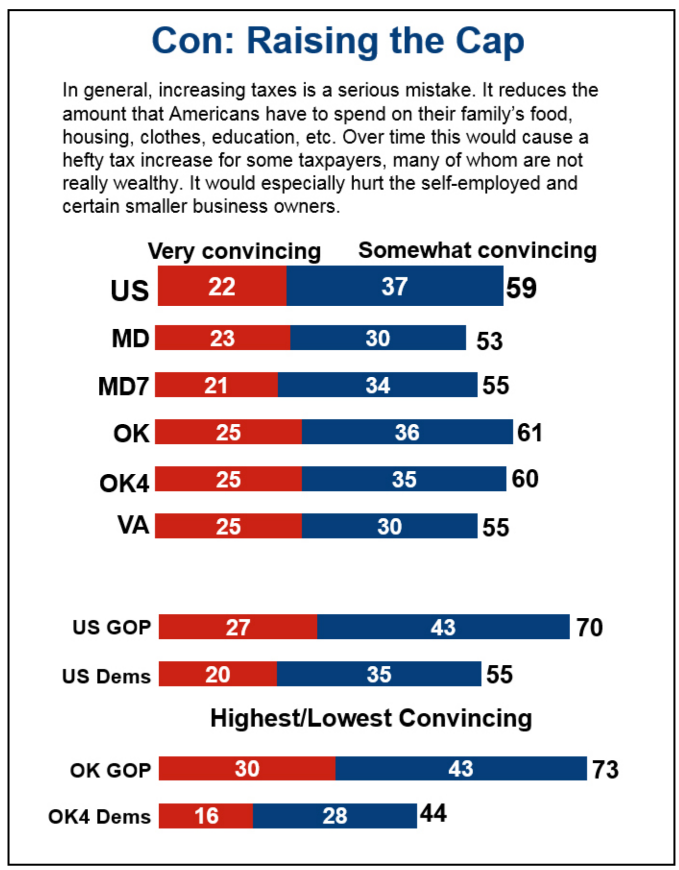


RAISING THE AMOUNT OF INCOME SUBJECT TO PAYROLL TAX

FINAL RECOMMENDATION: Overwhelming majorities nationally, as well as at the state and district levels, raised the cap on income subject to the payroll tax at least to $215,000. More modest majorities in all jurisdictions also favored eliminating the cap entirely.

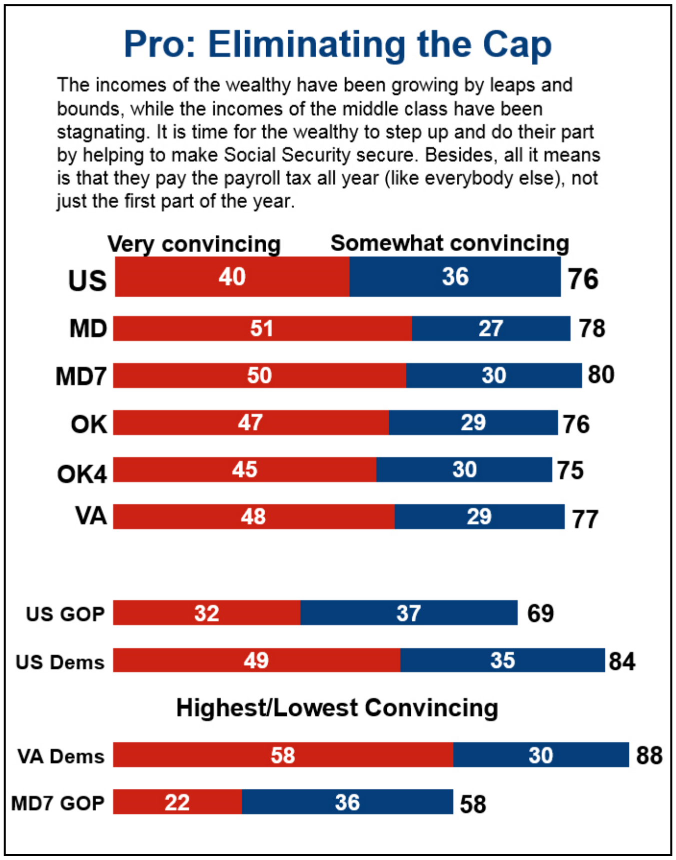
Respondents were told:
One option is to raise the maximum amount of salary and wages subject to the Social Security payroll tax (also known as raising the cap). Currently the amount of salary and wages that is subject to the Social Security payroll tax includes up to $113,700 per year. By this plan, the cap on salary and wages would rise, thus increasing the amount of taxes paid, but the corresponding benefits would also rise.

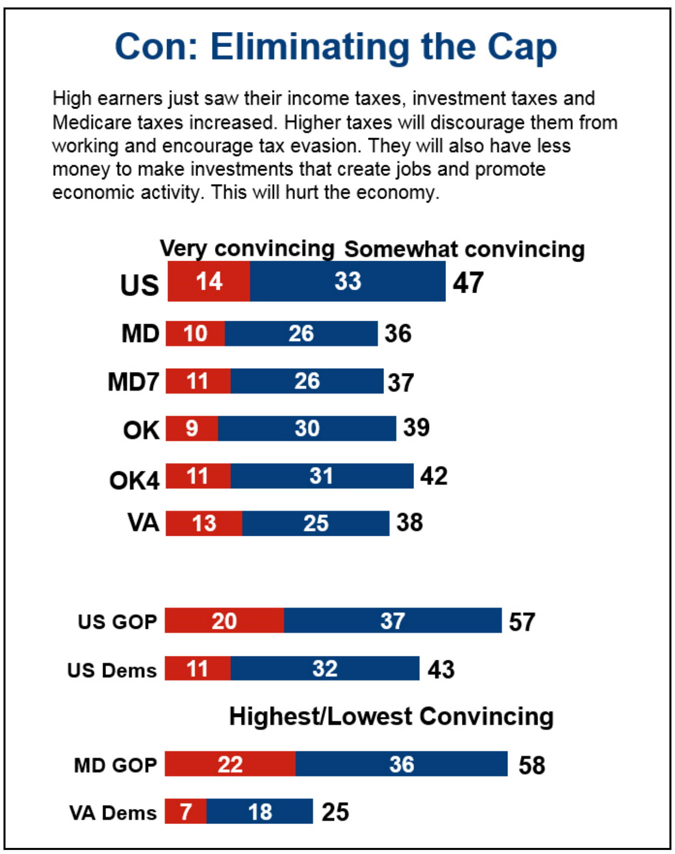




In response to arguments, substantial majorities ranging from two-thirds to three quarters found convincing the argument in favor of raising the cap. More modest majorities (53-61%) found the argument against it convincing though among Republicans these majorities were larger.

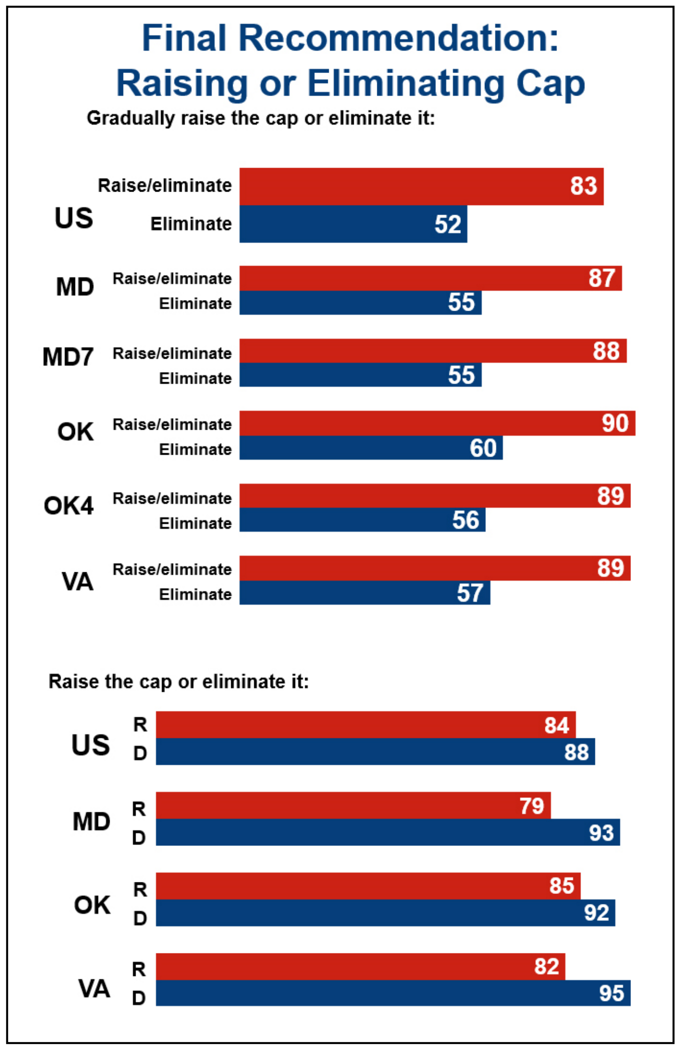
Interestingly, the argument for eliminating the cap entirely was found more convincing than for raising the cap, with three quarters in all jurisdictions finding it convincing. Equally striking, the argument against eliminating the cap was by far the least convincing argument presented in the entire survey, with only minorities finding it convincing in all jurisdictions. Only among Republicans did majorities find it convincing in some jurisdictions, but in no case did this reach even six in ten, even though the argument, that raising taxes on higher earners would undermine investment and job creation, is widely promoted by Republican leaders.





Asked to assess the proposal of raising the cap from $113,700 to $215,000 over ten years (reduces shortfall by 27%), across all jurisdictions, over seven in ten in both parties found this at least tolerable. Eliminating the cap entirely (reduces shortfall by 66%) was also found tolerable to seven in ten or more in both parties.

In making their final recommendations, more than eight in ten in every jurisdiction (83-90%) either raised the cap to $215,000 or eliminated it entirely. A more modest majority (52-60%) eliminated the cap entirely. The lowest levels of support were from Republicans, but still eight in ten or more in all jurisdictions favored at least raising the cap and approximately half (47-53%) favored eliminating it.



RAISING PAYROLL TAX RATE

FINAL RECOMMENDATION: Nationally and in all three states, three quarters raised the payroll tax rate from 6.2% to at least 6.6%, including at least 3 in 5 Republicans and 3 in 4 Democrats. Less than half raised it to 6.9% or higher.

Respondents were first reminded that:
At present both workers and employers pay a tax of 6.2% on the amount of an employee's salary and wages subject to the payroll tax. Self-employed people pay both the employer and employee share.

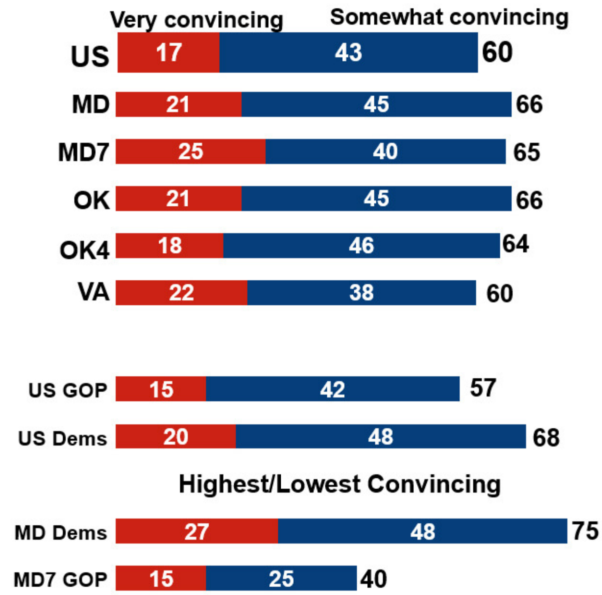
They were presented options for gradually increasing the tax rate .05% per year for both the employer and the employee, rising ultimately to 6.6%, 6.9% or 7.2%. They were told the impact of these increases on the monthly payroll taxes of an individual with an income of $39,000 would be $13, $22, and $32, respectively.

Large majorities in all jurisdictions found convincing the arguments both for and against raising the payroll tax rate, including substantial majorities of both parties. However, Republicans were relatively less responsive to the pro argument and more responsive to the con argument, while Democrats were the opposite (see boxes).

Asked to assess raising the payroll tax rate to 6.6% over a period of 8 years (reducing the shortfall by 17%), two thirds or more in all jurisdictions found it at least tolerable. Nationally and in Oklahoma, there were no meaningful differences by party. Republicans were less likely to find it tolerable in Virginia (60%) and Maryland (53%).

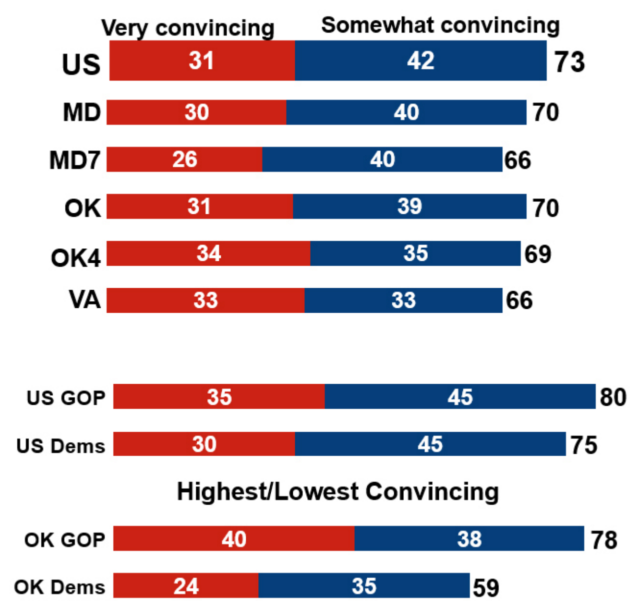
Pro: Raising Payroll Tax Rate

Social Security is a good investment because it provides a foundation for Americans' retirement, as well as protection in the event of worker disability or a spouse's death. Paying a little more now will shore up Social Security and make all Americans more secure later. It is also appropriate for employers to make slightly higher contributions to their employees' retirement, since fewer and fewer offer any pensions.



Con: Raising Payroll Tax Rate

Raising the tax rate is bad for employees, especially people who are living paycheck to paycheck. Any increase leaves them with less to spend and less to save for retirement. It is also bad for employers because it increases their costs, leading them to cut back their employees, and makes it harder to create new jobs. And it is bad for the self-employed, who pay both the employer's and employee's share of the payroll tax.

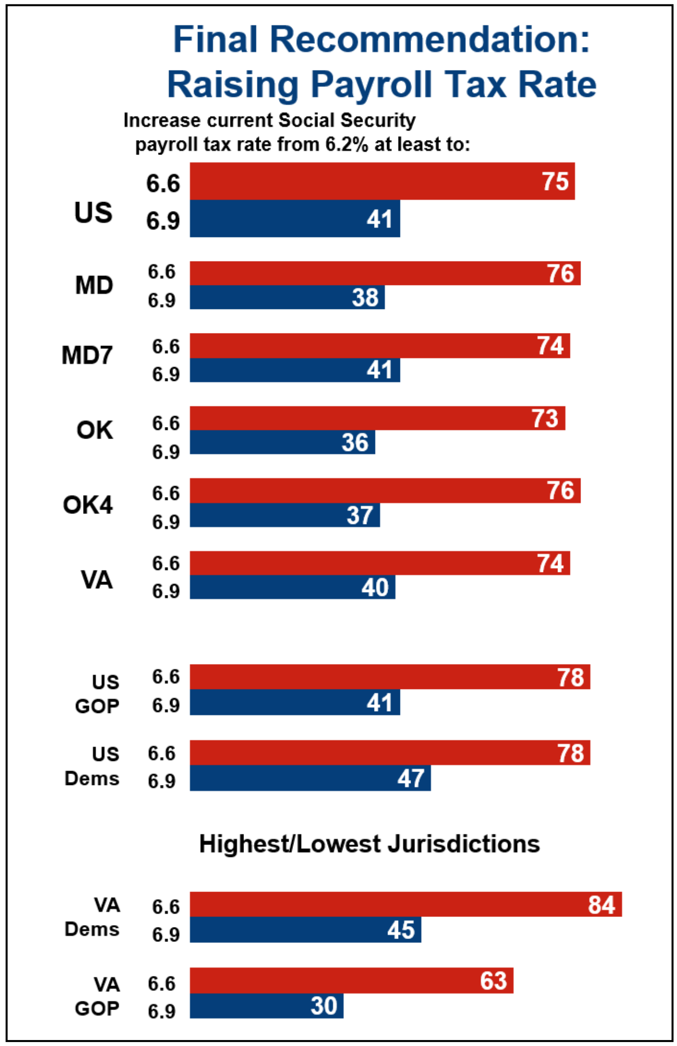


Raising the payroll tax to 6.9% (covers 33% of shortfall) was tolerable to 66% nationally, and majorities in the three states (Virginia 64%, Oklahoma 63%, Maryland 58%). Majorities of both parties found it tolerable in all jurisdictions except Maryland (MD Republicans, 49%). Raising the payroll tax to 7.2% was tolerable to modest majorities nationally and in two states, but to only 49% in Maryland; in all three states, less than half of Republicans found raising it to 7.2% tolerable.

In conclusion, three quarters nationally and in all three states recommended raising the payroll tax rate to 6.6% or higher, with no significant variations across jurisdictions.

Large majorities of both parties supported the increase to 6.6%. Though Democrats were a bit more supportive (78-84%) large majorities of Republicans were also supportive (63-78%).

Support dropped significantly when it came to raising the rate to 6.9%, with no jurisdiction rising above 41%. Support for raising the rate to 7.2% did not rise above one in five for any jurisdiction or party affiliation.



RAISING BENEFITS

FINAL RECOMMENDATION: In all three states, majorities of registered voters recommended raising the minimum monthly benefit, however just under a half of the national sample did so. However this was not bi-partisan--majorities of Democrats in all jurisdictions recommended it, but less than half of Republicans did so. For increasing benefits to the very old, less than half recommended it in all jurisdictions except in Oklahoma, where a majority recommended it.

At this point in the exercise, respondents had already considered all the proposals that were expressly meant to help solve the Social Security shortfall. They now turned to proposals directed at other purposes, initially two current proposals to increase benefits for certain groups of retirees.

This shift in the subject matter was introduced in the following way:

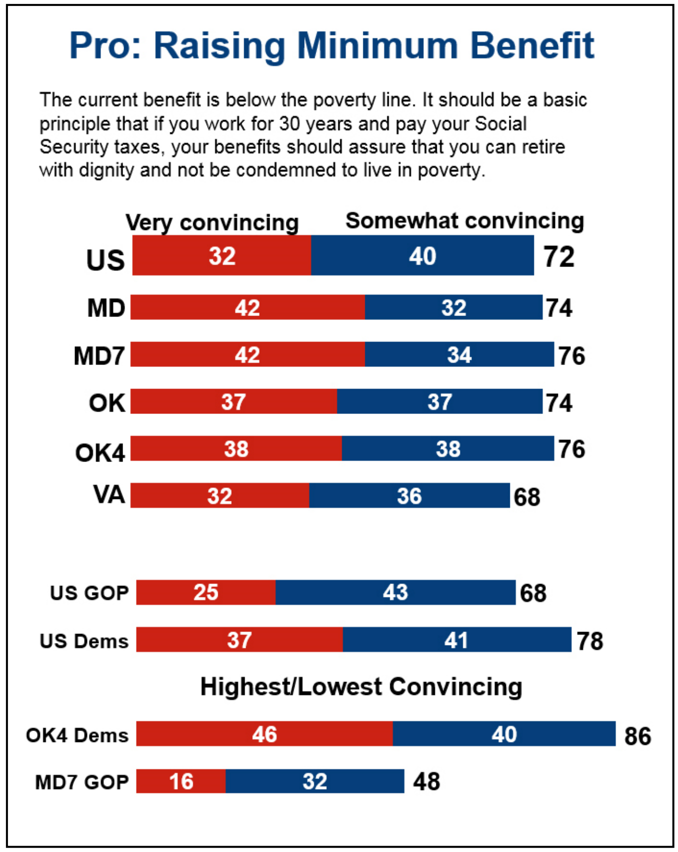
We will now turn to the second major issue of whether Social Security benefits are adequate for certain groups. Proposals have been made by people who believe that benefits for certain groups need to be increased. This, in turn, would increase the Social Security shortfall.

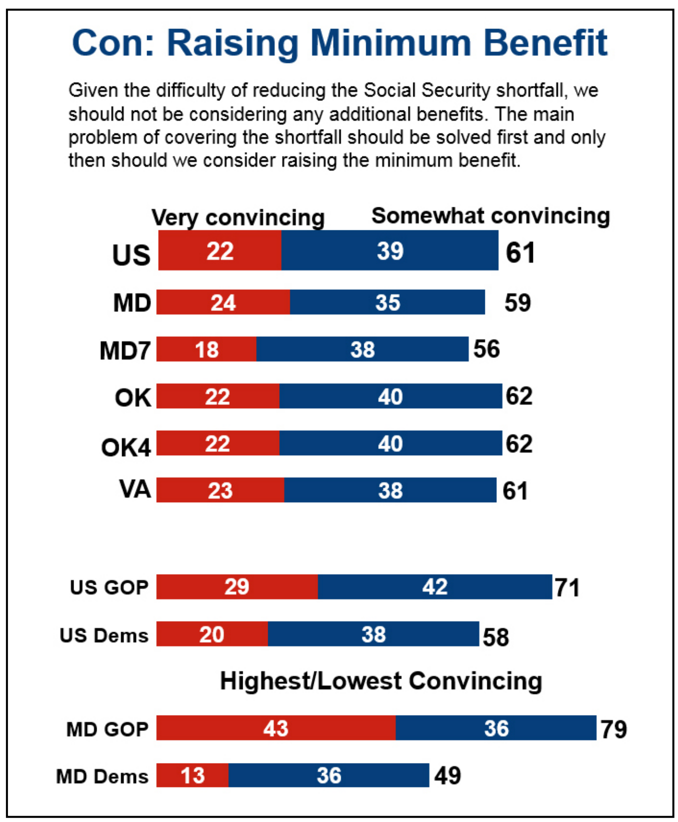
Raising the Minimum Benefit

Told they would evaluate two proposals, respondents were first presented the one focused on low-income retirees.

The first proposal is to raise the benefit for those receiving the minimum benefit. Currently, the minimum Social Security benefit for someone who has worked 30 years or more is $800 a month. The proposal is to raise this minimum to $1,216 a month. This would be 125% of the poverty line.

This proposal would **increase** the Social Security shortfall by 7%.





Majorities found arguments both for and against this option convincing, though Democrats were significantly more positive about the option (see boxes). This was true nationwide and in all three states.

In all jurisdictions, around two thirds (63-68%) found the idea tolerable. Nationwide and in Oklahoma, majorities of Republicans (55%) said the idea was tolerable, but Virginia and Maryland Republicans disagreed (55% and 59% unacceptable, respectively).

In their final recommendations, clear majorities in all three states (57-58%) recommended raising the minimum benefit. Interestingly, in the nationwide sample, only 47% did so. The nearly identical majorities in Oklahoma, Virginia and Maryland suggest public opinion may have evolved since the national survey, conducted in mid-2013, though it should be noted that the national sample was of the general population while the state samples were of registered voters.

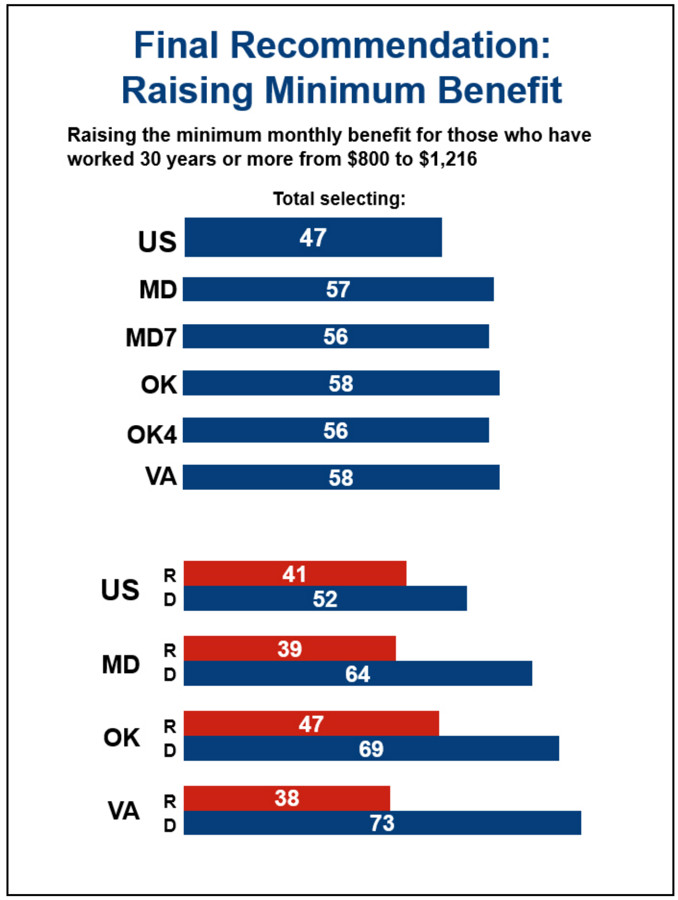
Supplementing Benefits for the Oldest

Respondents then turned to another type of proposal for increasing benefits, which would provide a supplement for all individuals older than 80 years. Respondents were told that according to the plan "benefits would begin to gradually increase at age 81 and by age 85 the increase would be an extra $61.50 a month." They were told that this would increase the shortfall by 5%.

The argument in favor of this idea was found convincing by large majorities of all parties. The argument against it elicited a roughly divided response, except in Maryland where about 6 in 10 found it unconvincing, while large majorities of Republicans (58-72%) found it convincing in all jurisdictions.

In all jurisdictions, large majorities found the idea of increasing benefits to the very old tolerable, including 6 in 10 Republicans in most jurisdictions except Virginia where just half did.

In their final recommendations, less than half recommended supplementing the benefits of the very old all jurisdictions except Oklahoma, where 52% endorsed it (57% Democrats, 46% Republicans).



"Not easy to take care of those most in need while trying to be equitable to everyone, but can be done if political will is there."
- David L., Oklahoma

COST OF LIVING ADJUSTMENTS (COLAs)

FINAL RECOMMENDATION: Neither option for modifying COLAs was recommended by a majority. A third or less recommended the Chained CPI method that would likely slow the rate of increases. One in four recommended basing the COLAs on a system that would focus on what the elderly tend to buy and which would quicken the rate of increase. Partisan differences were minor.

The final type of proposal that respondents were asked to consider regarded the cost of living adjustments (COLAs) applied to Social Security benefits. These proposals were not presented as part of the problem of dealing with the shortfall—though their effect on the shortfall was indicated. Instead, the COLA-related proposals were considered in terms of their accuracy and fairness in measuring inflation.

COLA Based on Consumers' Buying Behavior (Chained CPI)

While the chained CPI has received considerable attention as an approach that could contribute to dealing with the Social Security shortfall, respondents were briefed on its underlying premise as a more accurate way of calculating actual price inflation as experienced by the consumer. It was explained this way:

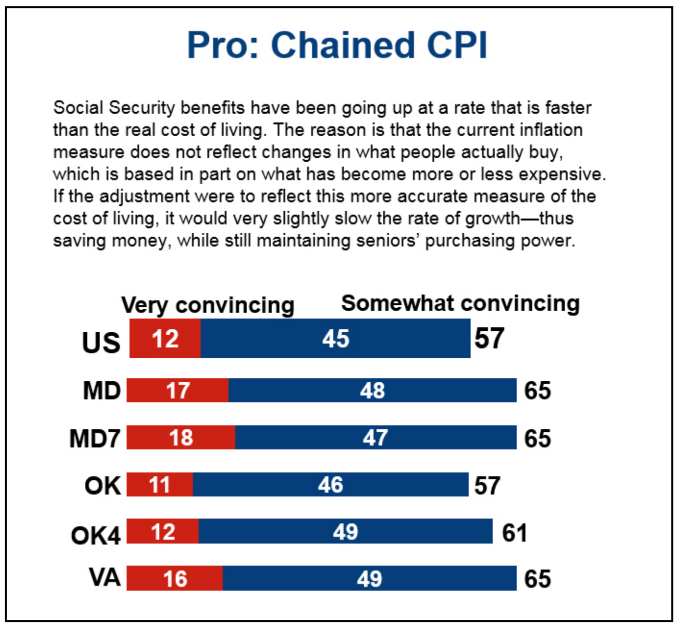
This proposal is to use a measure based on a set of goods that is selected based on what people in general actually buy, because these do change, especially in response to changing prices (this method is known as the chained CPI). As an illustration, if benefits are raised based on the prices for the current fixed set of goods and average benefits go up about $32 a month or 2.5%, then if benefits are raised based on the prices for the goods people actually buy, average benefits would instead go up about $28 a month or 2.2%.

Then the effect on future benefits, in comparison to those currently scheduled, was explained to respondents:

The effect of a lower COLA would compound over time. It is estimated that by making this change, benefits would grow more slowly, so that 10 years after retiring average monthly benefits would be about $35 less than they would be under the current method. After 30 years average monthly benefits would be about $107 less than by the current method.

This expected slowing of the rate of increase would cover 19% of the shortfall.

Arguments for and against this idea were found convincing by majorities in all jurisdictions, with majorities for the pro argument higher in Virginia and Maryland (see box).



Six in ten—overall and for both parties—found the idea tolerable in all jurisdictions. Asked for their final recommendation, Chained CPI was endorsed by just one in three in all jurisdictions except Maryland where four in ten chose it.

COLA Based on Goods the Elderly Tend to Buy

Another idea on COLAs that has also received some discussion is to base the inflation measure on the elderly's mix of goods and services purchased. While the previous idea of the chained CPI is—like the current measure—based on the US adult population, this measure would be based on the senior citizens who are the large majority of Social Security recipients.

The proposal was introduced to respondents as follows:

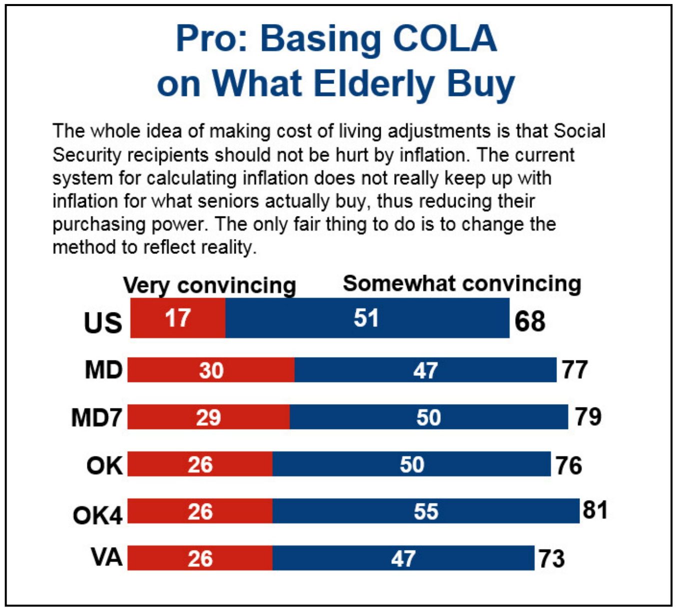
The second proposal for changing the COLA is to use a measure for inflation based on a set of goods that reflects what ELDERLY people tend to buy. Because they spend more than other Americans for out-of-pocket health care costs and those costs rise faster than average inflation, this method would make the cost of living adjustments go up faster than the present method.

As an illustration, it is estimated that if prices for the current fixed set of goods goes up 2.5% a year, the amount that prices go up for the goods ELDERLY people buy would be 2.7%.

The effect of a higher COLA would compound over time. It is estimated that by making this change, benefits would grow faster, so that 10 years from now they would be 2% more than they would be according to the current method. After 30 years they would be 5.7% more than by the current method.

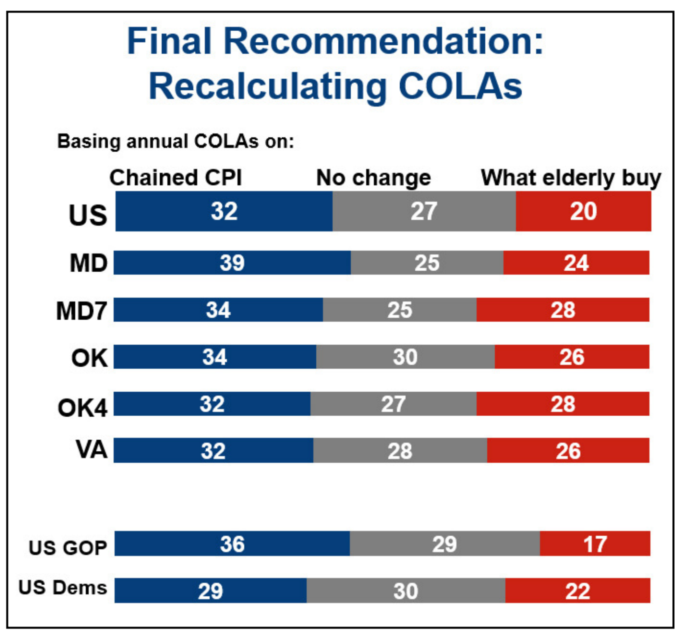
This would quicken the rate of increase and *increase* the shortfall by 13%.

The argument in favor of this idea was found convincing by about 3 in 4 in all three states; nationally, this was a bit lower (68%). About 3 in 5 in all jurisdictions found the argument against it convincing.



Nationally and in Oklahoma and Maryland, 60-61% found the idea tolerable; in Virginia this was a lower 57%, with 58% of Republicans finding it unacceptable.

Asked for their final recommendation, basing COLAs on what the elderly tend to buy was recommended by just 1 in 5 nationally (20%) and slightly more in the states (Virginia and Oklahoma 26%, Maryland 24%).



SUMMARY OF FINAL RECOMMENDATIONS

Nationally, and in all three states, large majorities of both parties recommended options that would cover at least two thirds of the Social Security shortfall. More modest majorities made recommendations that would completely eliminate the shortfall, primarily by eliminating the cap on income subject to the payroll tax.

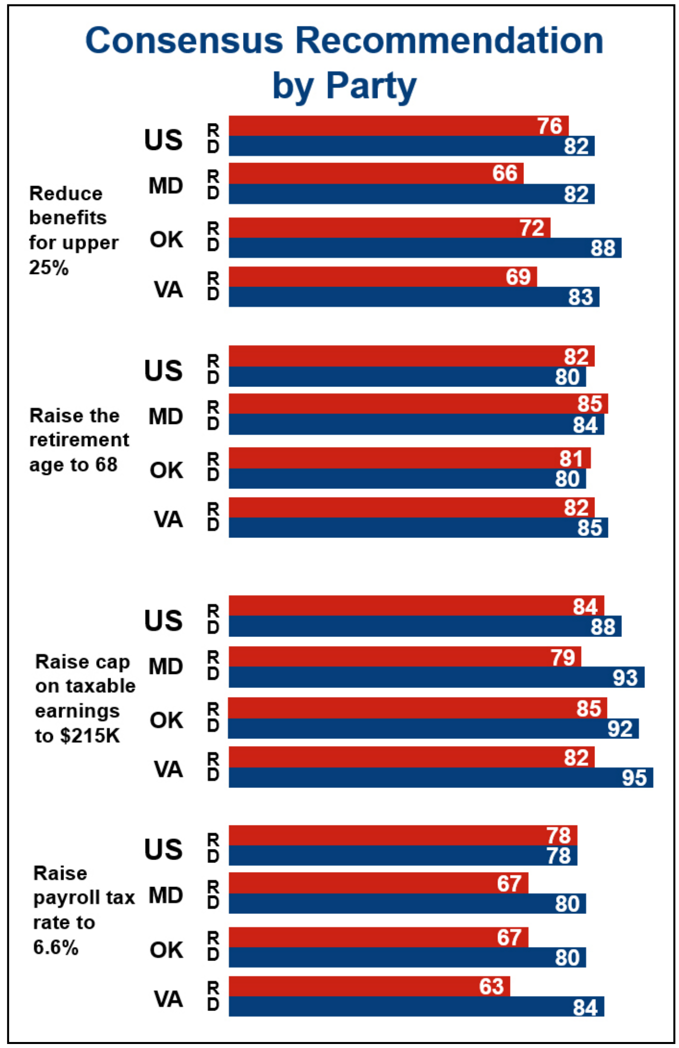
The final recommendations revealed a remarkable level of consensus on steps that would eliminate two thirds of the Social Security shortfall. Nationally and in the three states, seven in ten or more of respondents and two thirds or more of all Republicans and Democrats recommended the following steps:

- Reducing benefits for the upper 25% of earners (reduces shortfall 7%)
- Raising the full retirement age from 67 to 68 (reduces shortfall 15%)
- Raising the cap on taxable income from the current $113,700 to $215,000 (reduces shortfall 27%)
- Raising the payroll tax rate from 6.2% to 6.6% (reduces shortfall 17%)

The recommendations were made by 7 in 10 in Oklahoma and Virginia, and three quarters in Maryland. The districts OK-4 and MD-7 did not vary from their respective states.

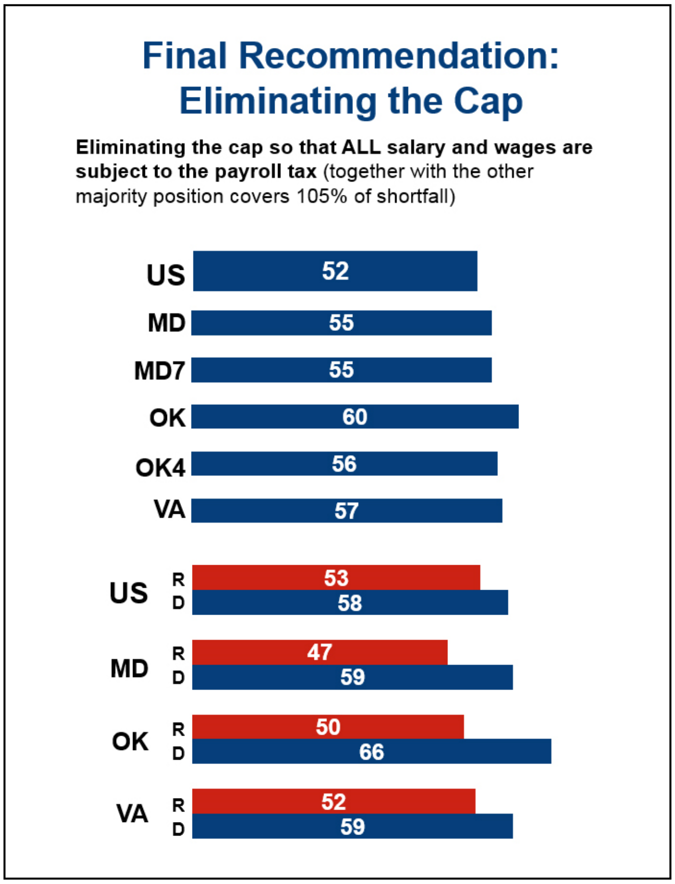
Republican support for these proposals were lower but never went below 63% in any state.

In addition, more modest majorities recommended completely eliminating the cap on income subject to the payroll tax (reduces shortfall 66%): 52% nationally, 60% in Oklahoma, 57% in Virginia, and 55% in Maryland. This choice was not fully bipartisan: a slight majority of Republicans supported it nationally (53%) and in Virginia (52%), but no more than half in Oklahoma (50%) and in Maryland (47%).



"Social Security needs to continue, and be a strong program. I am absolutely willing to pay higher taxes now to make sure I have a safety net when I am older."

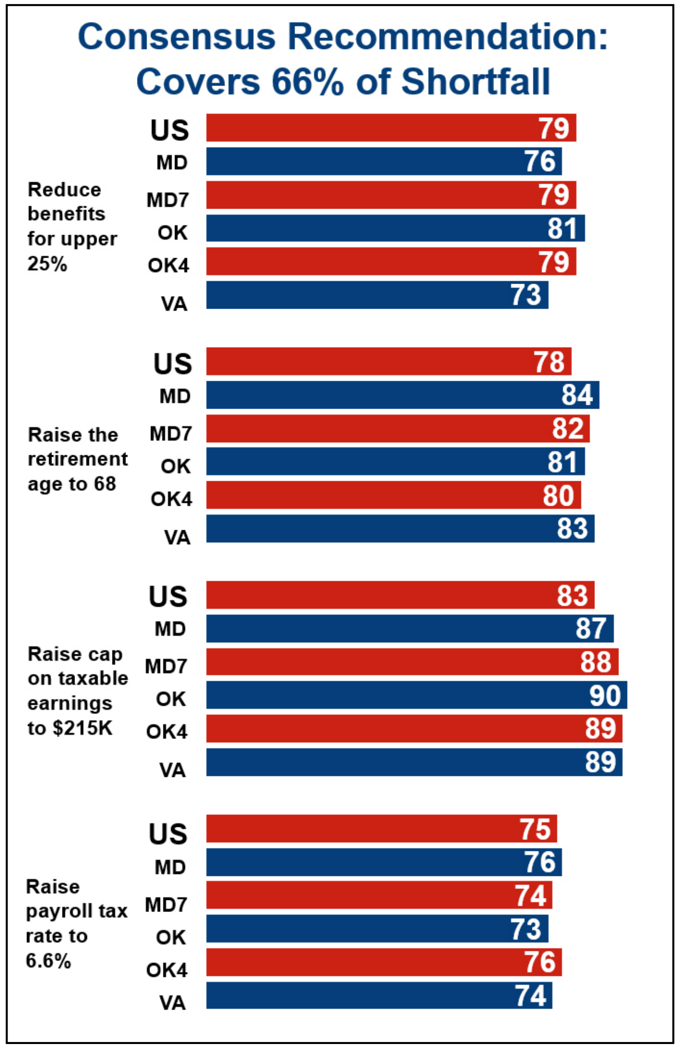
\- Amber D., Maryland



Modest majorities in the three states (57-58%) also endorsed raising the minimum benefit. Together with the other majority positions this would lower the shortfall covered to 98%. However, this option was not chosen by a majority nationally (47%), and in no state did it get Republican majority support.

Raising benefits for the very old was not chosen by a majority in any state except Oklahoma (52%)—a measure that would increase the shortfall 5%.

Nationally, the majority positions of both Democrats and Republicans covered 80% of the shortfall. Democrats' majority positions covered more of the shortfall than Republicans' in Oklahoma (Democrats 93%, Republicans 66%) and Maryland (Democrats 93%, Republicans 66%). But in Virginia Republicans' positions covered more (105%) than Democrats (98%). These variations all stemmed from whether partisan majorities chose to eliminate the cap on taxable income, and whether they chose to increase benefits.



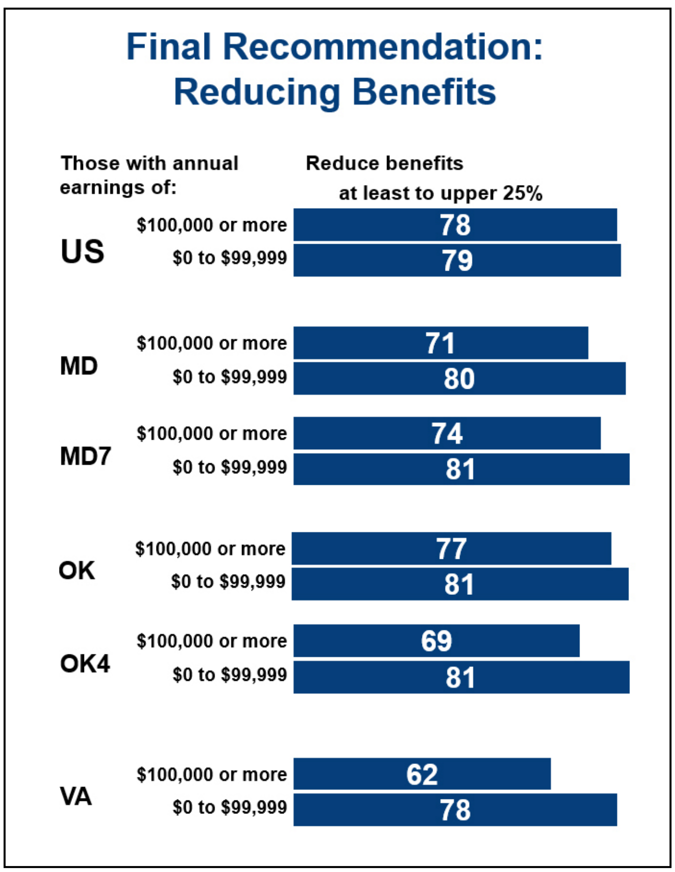
"(There is) no easy solution. It has to be a combination of changes."
- Patricia M., Oklahoma

DIFFERENCES BY AFFECTED SUBPOPULATIONS

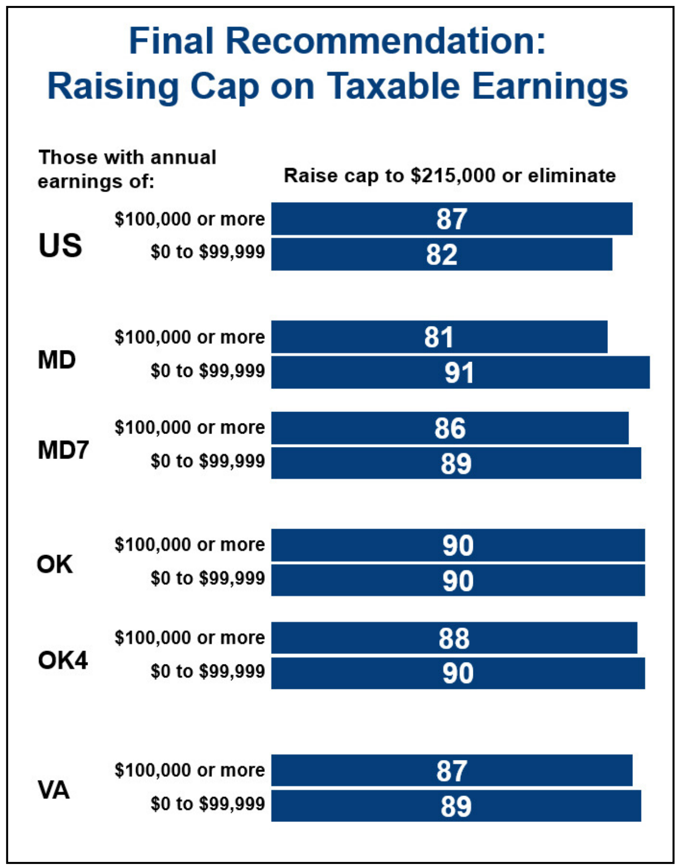
Among subpopulations that would be directly affected by various Social Security reforms, large majorities nonetheless supported them, and this was true in all jurisdictions.

Since various options to cover the Social Security shortfall involve burdens that fall onto some groups more than others, it is natural to assume that those negatively affected by the reforms would resist them. However, this did not prove to be the case.

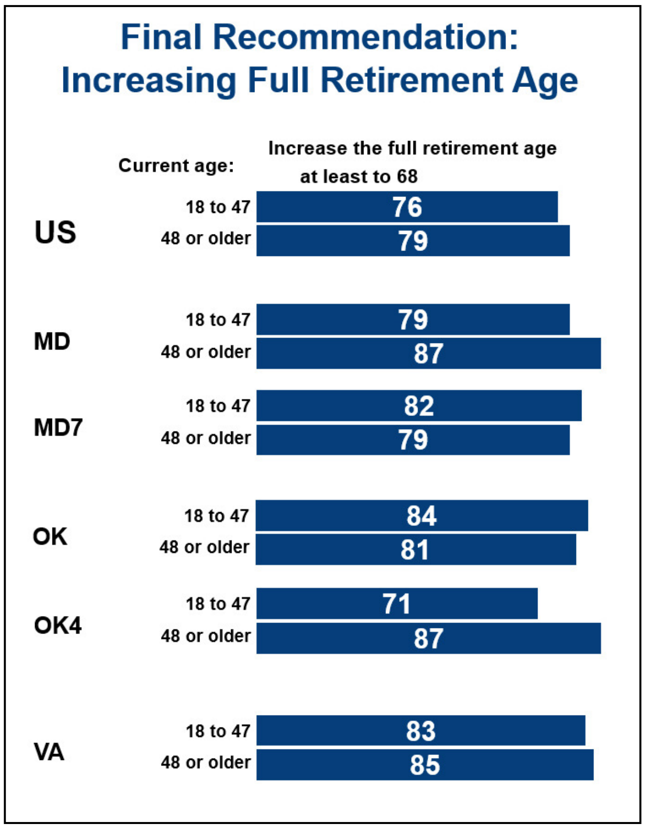
One might assume that those in the top quartile of income (approximately $100,000 and above) would resist reducing benefits for the top 25% of earners. While those with incomes above $100,000 were a bit lower in their support, large majorities would still recommend this benefit cut (71% in Maryland, 77% in Oklahoma, and 62% in Virginia). This was also the case nationally, in which 78% of those in the top quartile chose options for reducing benefits that would affect them.



Similarly, one might expect that this group would resist raising the income cap subject to the payroll tax, as they would be much more likely to be affected by it, either immediately or at some point in their earning history. However, nationally as well as in Maryland and Virginia over eight in ten recommended raising the cap from $113,700 to $215,000, and nine in ten recommended this in Oklahoma.



Respondents were told that gradually increasing the full retirement age to 68 would directly affect those who are now 47 and younger, but not those presently 48 or older. One might reasonably expect that those whose retirement age would be affected would be less likely to select this option for their packages. In fact, among those under 48, a remarkable three quarters nationally and eight in ten in the three states raised the age to 68 (79% in Maryland, 84% in Oklahoma, 83% in Virginia). In all of these cases, this is about the same as those 48 and older who would not be personally affected—79% nationally, 87% in Maryland, 81% in Oklahoma, and 85% in Virginia.



"Social Security is a good program that needs strengthening so it is more adequate. Upper income brackets should absolutely contribute more (that would include me) for the benefit of the nation."

- Jeffrey J., Virginia

VOP.org

Voice Of the People

Citizen Cabinet Initiative

Voice Of the People is a non-partisan organization that seeks to re-anchor our democracy in its founding principles by giving ‘We the People’ a greater role in government. VOP furthers the use of innovative methods and technology to give the American people a more effective voice in the policymaking process.

VOP is working to urge Congress to take these new methods to scale so that Members of Congress have a large, scientifically-selected, representative sample of their constituents—called a Citizen Cabinet—to be consulted on current issues and providing a voice that accurately reflects the values and priorities of their district or state.

Program for Public Consultation

School of Public Policy, University of Maryland

The **Program for Public Consultation** seeks to improve democratic governance by consulting the citizenry on key public policy issues governments face. It has developed innovative survey methods that simulate the process that policymakers go through—getting a briefing, hearing arguments, dealing with tradeoffs—before coming to their conclusion. It also uses surveys to help find common ground between conflicting parties. The Program for Public Consultation is part of the School of Public Policy at the University of Maryland.

ACKNOWLEDGEMENTS

This project is supported by generous grants from the Democracy Fund, Hewlett Foundation, Rockefeller Brothers Fund and the Circle Foundation.

Communications for Research recruited the members of the Oklahoma and Maryland Citizen Cabinet panels, with additional recruitment efforts in Oklahoma by the Public Opinion Learning Laboratory at the University of Oklahoma.

Touchstone Research programmed the Citizen Cabinet panel registration intake process and the Social Security policymaking simulation that the panel members completed.

Richard Parsons, VOP’s Executive Director, and Rich Robinson, VOP’s Director of Communications, managed communications with U.S. Congressional offices and the press, and contributed to the writing of the report.

Allison Stettler managed the panel development and the design and production of the report with assistance from Antje Williams and Brandon Juhaish.