The Nationwide Retirement Institute®
Consumer Social Security PR Study

August 2017
Conducted by Harris Poll

NFM-16829AO
Target Group and Method

• This survey was conducted online from May 26th to June 6th, 2017 to a targeted subset of the U.S. population:
  – 1,012 U.S. adults aged 50 or older, who currently collect or plan to collect Social Security benefits and fall into one of the following groups:
    • 10+ (Years) Retirees (n=338),
    • Recent Retirees (n=336), or
    • Future Retirees (n=338)

• Research participants were drawn from the Harris Poll Online (HPOL) research panel.
  – Because the sample is based on those who were invited to participate in the HPOL panel (and not random), we cannot calculate estimates of theoretical sampling error.
  – Sample of all U.S. respondents aged 50+ were weighted to the U.S. Population of adults aged 50+ by age-gender, race/ethnicity, education, region, household income and retired status.
Report Notes

- “Current Retirees” includes both Recent and 10+ years Retirees
- “Older adults”, “adults”, “retirees” include all qualified respondents
- An asterisk (*) in a data chart indicates that a response is less than 1%
- Significant differences among subgroups are noted at the 95% confidence level:
  - Letters (A, B, C) = significant difference from comparison group
- Some subgroups are too small to report quantitatively for PR. These are noted with “caution”. This report notes when bases are small (<100), or very small (<30)
- When subgroup sample sizes are too small to report quantitatively (<100), Total data is noted. At times, Total may also be provided as additional information.
- The Trended Data section highlights significant differences related to 2017, when sample size is greater than 100
Future Retirees expect to collect SS around age 65, on average

- One in five Future Retirees (20%) are currently receiving SS. Expectedly, they are less likely to be receiving SS than both Recent Retirees (88%) and 10+ Retirees (96%).
- On average, both Recent Retirees and 10+ Retirees say they began collecting SS at age 62.

**Collect Age:**

| Base: Qualified Respondents (Total n=1,012): Future (n=338); Recent (n=336); 10+ (n=338) |
| Q615 Do you currently receive or will you receive Social Security? |
| Q702 IF Receiving SS (Total n=667; Recent n=286; 10+ n=320): At what age did you begin collecting Social Security? |
| IF Not Receiving SS (Total n=345; Future n=277): At what age do you think you will start to collect Social Security? |

In 2017 the average age that women expect to begin receiving SS is **lower** than it was in 2016 (64.6 vs. 65.9).
Half do not plan to draw SS benefits before full retirement age

- Of Future Retirees who plan to draw SS, about three in ten (29%) plan to draw these benefits early, before reaching full retirement age, while about one in five (19%) are not sure if they will be drawing SS early.

**Plan To Draw SS Benefits Before Full Retirement Age**

*Caution, small base <100, results are directional in nature and stat testing is not shown
**Caution, very small base <30, results are directional in nature and stat testing is not shown

*Base: Plan To Draw Social Security (Total n=345); Future (n=277); Recent (n=50); 10+ (n=18)
Q713 Do you plan to draw Social Security benefits before you reach full retirement age?*
About three-quarters of retirees would not change the age they started drawing SS

- Of those who would not change their drawing decision, about one in five cite needing the money and/or having retired earlier than planned as reasons they started drawing at that age.

<table>
<thead>
<tr>
<th>Would you change the age you started to collect SS if you could?</th>
<th>No</th>
<th>Reasons For Drawing SS At That Age (Of those who would not change decision)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yes, draw earlier</strong></td>
<td>2%</td>
<td>Health problems 24%</td>
</tr>
<tr>
<td></td>
<td>15%</td>
<td>Retired earlier than planned 21%</td>
</tr>
<tr>
<td></td>
<td>78%</td>
<td>Needed the money 19%</td>
</tr>
<tr>
<td><strong>Yes, draw later</strong></td>
<td>3%</td>
<td>Did not think I would live long enough to make it worth optimizing benefits 14%</td>
</tr>
<tr>
<td></td>
<td>16%</td>
<td>Did not need the money earlier 13%</td>
</tr>
<tr>
<td><strong>No</strong></td>
<td>73%</td>
<td>Lost job 12%</td>
</tr>
<tr>
<td><strong>Not sure</strong></td>
<td>5%</td>
<td>Wanted the largest benefit possible 11%</td>
</tr>
<tr>
<td></td>
<td>7%</td>
<td>Did not believe Social Security would be around 8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wanted to file before benefits are reduced^ 8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wanted to wait until I was in a more favorable tax bracket 6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Could not retire as early as planned 1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Did not know there were different filing options at different ages^ 1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other 17%</td>
</tr>
</tbody>
</table>

In 2017, those currently working with a financial advisor are more likely than in 2016 to say they would not change the age they started SS if they could (85% vs. 73%).
Retirees are more likely to overestimate their SS payment than they are to underestimate it

- About one quarter of Recent Retirees (25%) and 10+ Retirees (23%) say their SS payment is less/much less than expected.
- About three in five Recent Retirees (59%) and two thirds of 10+ Retirees (68%) say their SS payment is what they expected.

**Is your SS payment what you expected?**

- **Recent Retirees (B):**
  - Much more/More than expected: 15%
  - Less/Much less than expected: 22%
- **10+ Retirees (C):**
  - Much more/More than expected: 8%
  - Less/Much less than expected: 18%

Compared to 2015, older adults drawing SS in 2017 are more likely to say that their SS payment is much less than expected (6% vs. 2%).

**Base: Currently Drawing Social Security (Total n=667): Recent (n=286); 10+ (n=320)**

Q724: Is your Social Security payment more, the same as or less than you expected?
Vast majority of older adults expect to spend or are spending their SS on groceries

- Future Retirees (67%) are more likely than 10+ Retirees (52%) to say that they expect to spend or are spending their SS on housing.
- Recent Retirees (34%) are more likely than Future (22%) and 10+ (23%) to say that they expect to spend or are spending their SS on debt.

**Social Security used for Retirement Expenses**

<table>
<thead>
<tr>
<th>Expense</th>
<th>Future Retirees (A)</th>
<th>Recent Retirees (B)</th>
<th>10+ Retirees (C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groceries</td>
<td>83%</td>
<td>84%</td>
<td>84%</td>
</tr>
<tr>
<td>Housing</td>
<td>67%</td>
<td>60%</td>
<td>52%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>64%</td>
<td>64%</td>
<td>58%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>43%</td>
<td>37%</td>
<td>37%</td>
</tr>
<tr>
<td>Vacation</td>
<td>30%</td>
<td>30%</td>
<td>27%</td>
</tr>
<tr>
<td>Debt</td>
<td>34%</td>
<td>23%</td>
<td>34%</td>
</tr>
<tr>
<td>Savings</td>
<td>22%</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td>Charity</td>
<td>16%</td>
<td>19%</td>
<td>24%</td>
</tr>
<tr>
<td>Student loans</td>
<td>8%</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>Debt</td>
<td>3%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Student loans</td>
<td>3%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Base: Qualified Respondents (Total n=1,012): Future (n=338); Recent (n=336); 10+ (n=338)

Q905. On which of the following expenses do you [expect to] spend your Social Security benefits in retirement?

New in 2017
Future Retirees, on average, expect to spend almost a third of their SS on housing in retirement

- Recent (24.7) and 10+ (27.6) Retirees, on average, spend the largest proportion of their SS on groceries.
Expected SS payments higher, on average, than payments currently receiving

- Most commonly, Future Retirees (41%) used an online SS calculator to calculate their future payment.
- Whereas the majority of Recent (66%) and 10+ Retirees (64%) contacted SS administration.

In 2017, women’s average monthly payment they “expected” to receive is lower than as reported in 2016 ($1212 vs. $1527).

Social Security Payment Expecting/Receiving (Mean)

- Future Retirees (A) (Expect $1,578)
- Recent Retirees (B) (Get $1,487)
- 10+ Retirees (C) (Get $1,308)

How did you arrive at that dollar amount?

- Used online Social Security calculator: 41%
- Contacted Social Security administration: 24%
- I guessed: 17%
- I calculated it based on how much I earned during my working career or based on my most recent salary: 6%
- Social Security/SSA statement/letter/report: 6%
- Other: 0%
- I don’t know: 3%

Note: Only responses >3% among Total are displayed

In 2017, women’s average monthly payment they “expected” to receive is lower than as reported in 2016 ($1212 vs. $1527).
Most who would draw SS later say it is so they can receive the largest benefit possible

- One in in five (19%) would start later because they didn’t need the money now.
- Almost half who are planning to start drawing early (48%) say they will do so because they are planning to retire earlier than full retirement age.

### Reasons Planning Start Drawing SS Early*

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retire earlier than full retirement age</td>
<td>48%</td>
</tr>
<tr>
<td>Expect benefits to be reduced before I reach full retirement age</td>
<td>30%</td>
</tr>
<tr>
<td>Expect to need the money earlier</td>
<td>25%</td>
</tr>
<tr>
<td>Do not think I will live long enough to make it worth optimizing benefits</td>
<td>23%</td>
</tr>
<tr>
<td>Do not believe Social Security will be around at full retirement age</td>
<td>17%</td>
</tr>
<tr>
<td>Expect health problems before full retirement age</td>
<td>14%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
</tbody>
</table>

### Reasons Would Start Drawing SS Later

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wanted the largest benefit possible</td>
<td>83%</td>
</tr>
<tr>
<td>Didn't need the money now</td>
<td>19%</td>
</tr>
<tr>
<td>Did not think I would live long enough to make it worth optimizing benefits</td>
<td>14%</td>
</tr>
<tr>
<td>Wanted to wait until I was in a more favorable tax bracket</td>
<td>12%</td>
</tr>
<tr>
<td>Could not retire as early as planned</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
</tr>
</tbody>
</table>

*Caution, small base <100, results are directional in nature and stat testing is not shown.*
Current Retirees drawing early need(ed) the money for living expenses or to supplement income

- 10+ Retirees most commonly attribute their need for SS money to supplementing their income (43%), while Recent Retirees cite needing the money to pay for their living expenses (51%).

<table>
<thead>
<tr>
<th></th>
<th>Current Retirees</th>
<th>Recent (n=61)</th>
<th>10+ Retirees (n=56)</th>
</tr>
</thead>
<tbody>
<tr>
<td>To pay my living expenses</td>
<td>46%</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>To supplement my income</td>
<td>36%</td>
<td>29%</td>
<td>43%</td>
</tr>
<tr>
<td>I [will be retiring/retired] earlier than expected</td>
<td>26%</td>
<td>24%</td>
<td>27%</td>
</tr>
<tr>
<td>I have health issue</td>
<td>24%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Laid off or unemployed</td>
<td>22%</td>
<td>28%</td>
<td>21%</td>
</tr>
<tr>
<td>No other source of income</td>
<td>20%</td>
<td>14%</td>
<td>30%</td>
</tr>
<tr>
<td>To start saving money sooner</td>
<td>6%</td>
<td>4%</td>
<td>8%</td>
</tr>
<tr>
<td>Death of spouse/family member</td>
<td>4%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>3%</td>
<td>4%</td>
</tr>
</tbody>
</table>

*Caution, small base <100, results are directional in nature and stat testing is not shown*
More than half of older adults would not change their SS drawing decision

• However, over a quarter of Recent (27%) and a third of 10+ (34%) Retirees would change their drawing decision.

Would Still Have Drawn SS Regardless of Life Event

Total:
Yes (28%)  
No (59%)  
Not sure (13%)

Future Retirees**
9%  
14%  
77%

Recent Retirees*
15%  
27%  
58%

10+ Retirees*
12%  
34%  
54%

In 2017, those who would not change their drawing decision due to any life event are more likely than in 2016 to say they would not have drawn (59% vs. 40%).

*Caution, small base <100, results are directional in nature and stat testing is not shown  
**Caution, very small base <30, results are directional in nature and stat testing is not shown
Future Retirees most likely to indicate retirement accounts and employment as additional sources of retirement income

- 10+ Retirees most commonly cite a pension (53%) as an additional source of retirement income.
- On average, Future (53%), Recent (59%) and 10+ (51%) Retirees expect SS to cover half or more of their expenses.

In 2017, older adults are more likely than in 2016 to say they will have retirement accounts (55% vs. 48%)

Sources of Retirement Income

<table>
<thead>
<tr>
<th>Source</th>
<th>Future Retirees (A)</th>
<th>Recent Retirees (B)</th>
<th>10+ Retirees (C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement accounts</td>
<td>53%</td>
<td>48%</td>
<td>49%</td>
</tr>
<tr>
<td>Savings accounts</td>
<td>45%</td>
<td>48%</td>
<td>37%</td>
</tr>
<tr>
<td>Stocks, bonds, or mutual funds</td>
<td>30%</td>
<td>32%</td>
<td>20%</td>
</tr>
<tr>
<td>Annuities</td>
<td>32%</td>
<td>21%</td>
<td>11%</td>
</tr>
<tr>
<td>Employment</td>
<td>33%</td>
<td>33%</td>
<td>10%</td>
</tr>
<tr>
<td>Inheritance</td>
<td></td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td>15%</td>
<td>11%</td>
</tr>
<tr>
<td>None of these</td>
<td></td>
<td>14%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Avg. % of Expenses Expect SS to Cover:
- Future Retirees: 53%
- Recent Retirees: 59%
- 10+ Retirees: 51%

Note: Only responses >3% among Total are reported
Current Retirees are more likely than Future Retirees to say SS is/will be their primary source of retirement income

• Future Retirees (29%) are more likely than Recent (10%) and 10+ (13%) Retirees to say that their primary source of retirement income will be retirement accounts.

Primary Source of Retirement Income

- Future Retirees (A) vs Recent Retirees (B) vs 10+ Retirees (C)

- Social Security: 46% (A) vs 49% (B) vs 35% (C)
- Pension: 31% (A) vs 26% (B) vs 20% (C)
- Retirement accounts: 29% (A) vs 13% (B) vs 10% (C)
- Employment: 9% (A) vs 3% (B) vs 1% (C)
- Stocks, bonds, or mutual funds: 3% (A) vs 3% (B) vs 3% (C)
- Annuities: 4% (A) vs 2% (B) vs 1% (C)
- Inheritance: 2% (A) vs 3% (B) vs 1% (C)
- Savings accounts: 1% (A) vs 2% (B) vs 0% (C)
- Insurance: 1% (A) vs 5% (B) vs 2% (C)
- Other: 2% (A) vs 1% (B) vs 0% (C)

New in 2017
About two in five of each Retiree group expect their living expenses to remain the same

- A third of Future Retirees (33%) expect their living expenses to increase in retirement, while about the same proportion of Recent (35%) and 10+ (35%) Retirees expect a decrease.

**Living Expenses in Retirement**

- Future Retirees (A): 29% Increase, 33% Stay the same, 38% Decrease
- Recent Retirees (B): 36% Increase, 22% Stay the same, 42% Decrease
- 10+ Retirees (C): 36% Increase, 24% Stay the same, 40% Decrease

*Compared to 2015, Retirees are less likely to say that they expect living expenses to increase in retirement (23% vs. 31%)*

Base: Qualified Respondents (Total n=1012); Future (n=338); Recent (n=336); 10+ (n=338)

Q750 [Did your/Do you expect your] living expenses [to] increase, decrease or stay the same in retirement?
Cost of living continues to be the top reason expenses increase in retirement

- 10+ Retirees are more likely than Future Retirees to say that “their expenses” are what have caused/will cause their living expenses to increase in retirement (56% vs. 35%).

Reasons Living Expenses [Will Increase/Increased] in Retirement

- **Future Retirees**
  - Cost of living: 82%
  - Inflation: 76%
  - My expenses: 52%
  - My income: 35%
  - My health: 32%
  - My savings: 24%
  - My physical activity level: 24%
  - Change in number of household members: 3%

- **Recent Retirees**
  - Cost of living: 82%
  - Inflation: 76%
  - My expenses: 47%
  - My income: 46%
  - My health: 39%
  - My savings: 29%
  - My physical activity level: 31%
  - Change in number of household members: 3%

- **10+ Retirees**
  - Cost of living: 82%
  - Inflation: 76%
  - My expenses: 56%
  - My income: 39%
  - My health: 24%
  - My savings: 29%
  - My physical activity level: 31%
  - Change in number of household members: 3%

Total: 80% 65% 43% 36% 32% 26% 11% 10% 3%

*This year compared to 2015, older adults are less likely to say their expenses will increase due to inflation (65% vs. 77%)*

*Caution, small base <100, results are directional in nature and stat testing is not shown*

Base: Respondents Whose Living Expenses Increased (Total n=263); Future (n=108); Recent (n=68); 10+ (n=87)

Q755 [Why did your living expenses/do you expect your living expenses to] ["increase"]? That is, what do you believe that is due to?
Future Retirees least likely to say life in retirement will be/is better

- Recent Retirees are more likely than 10+ Retirees to say that life is worse in retirement (28% vs. 17%).

In 2017, 10+ Retirees are more likely than in 2015 to say life is the same as it was before retirement (49% vs. 36%).
Both Recent and 10+ Retirees cite no longer working as the top reason why life is better in retirement

- Recent Retirees (82%) cite income, while 10+ Retirees (76%) cite cost of living as the top reason why life is worse in retirement.

**Retirees: Why is life better/worse?**

**Better: Retiree Major Mentions (n=224)**
- No longer working: Recent Retirees (77%), 10+ Retirees (74%)
- Savings: Recent Retirees (32%), 10+ Retirees (27%)
- Income: Recent Retirees (19%), 10+ Retirees (35%)
- Health: Recent Retirees (33%), 10+ Retirees (39%)
- Expenses: Recent Retirees (31%), 10+ Retirees (44%)
- Physical activity level: Recent Retirees (32%), 10+ Retirees (39%)
- Change in number of household members: Recent Retirees (9%), 10+ Retirees (17%)
- Cost of living: Recent Retirees (10%), 10+ Retirees (9%)
- Free to do what I would like: Recent Retirees (1%), 10+ Retirees (5%)

**Worse: Retiree Major Mentions (n=168)**
- No longer working: Recent Retirees (43%), 10+ Retirees (57%)
- Income: Recent Retirees (65%), 10+ Retirees (80%)
- Cost of living: Recent Retirees (70%), 10+ Retirees (76%)
- Expenses: Recent Retirees (61%), 10+ Retirees (57%)
- Health: Recent Retirees (51%), 10+ Retirees (60%)
- Physical activity level: Recent Retirees (43%), 10+ Retirees (33%)
- Inflation: Recent Retirees (71%)
- Savings: Recent Retirees (51%)

**Base: Retired Respondents**

Q746 Why do you believe your life is ["better" OR "the same" OR "worse"]? That is, what do you believe that is due to?

*Caution, small base <100, results are directional in nature and stat testing is not shown*

Compared to 2014, Retirees are less likely to say that life will be better due to no longer working (87% vs 75% in 2014).
A third of Recent and 10+ Retirees say health problems are interfering with their retirement

- However, about three-quarters of Recent (70%) and 10+ (78%) Retirees were able to do the things they wanted when they retired.

### Able to do things wanted in retirement?

<table>
<thead>
<tr>
<th></th>
<th>Current Retirees: 74% Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recent Retirees (B)</td>
<td>30% 70%</td>
</tr>
<tr>
<td>10+ Retirees (C)</td>
<td>22% 78%</td>
</tr>
</tbody>
</table>

### Health problems interfering with retirement?

<table>
<thead>
<tr>
<th></th>
<th>Current Retirees: 34% Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recent Retirees (B)</td>
<td>34% 66%</td>
</tr>
<tr>
<td>10+ Retirees (C)</td>
<td>34% 66%</td>
</tr>
</tbody>
</table>

---

**Compared to 2016, Retirees are more likely to say they are able to do the things they wanted to do in retirement (74% vs. 66% in 2016).**

**Reasons Not Able to do Things Wanted**:  
- Couldn’t afford to do those things: 86%  
- Had to take care of loved ones: 20%  
- Had to continue working: 8%  
- Poor Health: 7%  
- Other: 3%

*Caution, small base <100, results are directional in nature*
Health problems occurred much sooner than expected for many retirees

- Nearly three in four 10+ Retirees with health problems that occurred sooner than expected (73%) say these problems occurred more than five years sooner than expected; about three in five of Recent Retirees say the same (59%).

Were health problems sooner than expected?

<table>
<thead>
<tr>
<th>Recent Retirees (B)</th>
<th>10+ Retirees (C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>85%</td>
</tr>
<tr>
<td>No</td>
<td>15%</td>
</tr>
</tbody>
</table>

How much earlier?

<table>
<thead>
<tr>
<th>Recent Retirees (B)</th>
<th>10+ Retirees*</th>
</tr>
</thead>
<tbody>
<tr>
<td>A year sooner than I expected</td>
<td>16%</td>
</tr>
<tr>
<td>More than 1 year but less than 5 years</td>
<td>25%</td>
</tr>
<tr>
<td>More than 5 years sooner</td>
<td>59%</td>
</tr>
</tbody>
</table>

Current Retirees: 75% Yes

Results are consistent with previous years.

*Caution, small base <100, results are directional in nature and stat testing is not shown
Health care expenses keep about a quarter of Current Retirees from living the retirement they expected

- Most Recent (74%) and 10+ (79%) Retirees say that health care expenses do not interfere with retirement life as expected.

Results are consistent with previous years.

Base: Retired Respondents (Total n=674); Recent (n=336); 10+ (n=338)
Q780  Do health care expenses keep you from living the retirement you expected?
Many Future Retirees admit to not knowing expenses might be withheld from SS

- Two in five Future Retirees (40%) say that they don’t know what can be withheld or, incorrectly indicate that nothing can be withheld from SS payments.

Future Retirees are more likely in 2017 than in 2016 to say that Medicare Part D might be withheld from SS payments (35% vs. 24%).

Future Retirees are less likely in 2017 than in 2015 to say that employment taxes might be withheld from SS payments (6% vs. 16%).

10+ Retirees are more likely in 2017 than in 2014 to say that alimony might be withheld from SS payments (8% vs. 1%).

Perceived SS Withholdings

Future Retirees (A) □ Recent Retirees (B) □ 10+ Retirees (C)

- Medicare Part B
- Medicare Part D
- Medical / Dental expenses
- Employment taxes
- Child Support
- Alimony
- Don't know
- Nothing is withheld

Base: Qualified Respondents (Total n=1012); Future (n=338); Recent (n=336); 10+ (n=338)

Q718 Which of the following types of expenses might be withheld from Social Security payments?
Many have misconceptions about SS facts (cont’d)

- Half or more don’t know whether it is true or false that married same-sex couples can apply for benefits in states that do not recognize the marriage or if at least 15 percent of SS benefits are tax free.

### What Is Perceived As True About SS?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Future Retirees (A)</th>
<th>Recent Retirees (B)</th>
<th>10+ Retirees (C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security has regular payouts that operate similar to an annuity</td>
<td>48%</td>
<td>49%</td>
<td>55%</td>
</tr>
<tr>
<td>Social Security is not protected against inflation</td>
<td>42%</td>
<td>43%</td>
<td>40%</td>
</tr>
<tr>
<td>After your full retirement age, there is no limit on what you can earn</td>
<td>41%</td>
<td>55%</td>
<td>AC</td>
</tr>
<tr>
<td>At least 15 percent of Social Security benefits are tax-free</td>
<td>29%</td>
<td>28%</td>
<td>33%</td>
</tr>
<tr>
<td>Married same-sex couples can apply for benefits even if they are</td>
<td>24%</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td>residents of states that do not recognize same-sex marriages (If they</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>were married in a state that does)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If you take Social Security early-before your full retirement age</td>
<td>19%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>at first your payments will be reduced and then they will increase at</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>your full retirement age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If you continue to work after your full retirement age, you will</td>
<td>6%</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>not receive Social Security retirement benefits</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Base:** Qualified Respondents (Total n=1012); Future (n=338); Recent (n=336); 10+ (n=338)

Q735 Do you believe the following statements to be true or false?
Future Retirees are most likely group to worry about SS program running out of funding in their lifetime

- Recent and 10+ Retirees are less likely than Future Retirees to worry about SS running out of funds in their lifetime (63% and 56% vs. 78%).
- Future Retirees in 2017 are more likely than in 2016 to be worried about the SS program running out of funding in their lifetime (78% vs. 68% in 2016).

**Strongly/Somewhat Agree**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Future Retirees (A)</th>
<th>Recent Retirees (B)</th>
<th>10+ Retirees (C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I worry about the Social Security program running out of funding in my lifetime</td>
<td>78% (BC) (68%)</td>
<td>63%</td>
<td>56%</td>
</tr>
<tr>
<td>I know exactly how to maximize my Social Security benefits</td>
<td>56%</td>
<td>60%</td>
<td>57%</td>
</tr>
<tr>
<td>Social Security on its own should be enough to help me live comfortably in retirement</td>
<td>18%</td>
<td>26%</td>
<td>23%</td>
</tr>
<tr>
<td>There is not much difference in benefits whether you take Social Security early or not</td>
<td>18%</td>
<td>17%</td>
<td>12%</td>
</tr>
</tbody>
</table>

*Caution, small base <100, results are directional in nature and stat testing is not shown*
Older adults agree that the Social Security system is in need of change

- Most commonly, Future (62%), Recent (63%), and 10+ (51%) Retirees who agree the SS system is in need of change feel that it needs increased funding.

The Social Security system is in need of change

Changes needed to Social Security system

- Increased funding: 62% Future, 51% Recent, 48% 10+
- Less taxation of benefits: 56% Future, 52% Recent, 48% 10+
- Increased reimbursement amounts: 34% Future, 34% Recent, 27% 10+
- Increased full retirement age: 23% Future, 26% Recent, 27% 10+
- Use of import taxes for funding: 19% Future, 12% Recent, 4% 10+
- Reduced age of eligibility: 19% Future, 19% Recent, 4% 10+
- Other: 14% Future, 24% Recent, 6% 10+

^Statement Added in 2017

Base: Qualified Respondents (Total n=1012); Future (n=338); Recent (n=336); 10+ (n=338)

Q740 How much do you agree or disagree with the following statements?

Base: Agrees SS System Needs Change (Total n=786); Future (n=273); Recent (n=260); 10+ (n=253)

Q915 You indicated that the Social Security system is in need of change. In which of the following ways do you think the Social Security system needs change?
About half of older adults believe that there will be cuts to Social Security under the current administration

- About three in five Future (63%), Recent (63%), and 10+ (56%) Retirees are very or somewhat concerned about cuts to Social Security under the current presidential administration.
Older Adults feel responsibility for funding Social Security should be shared

- Recent (73%) and 10+ (73%) are more likely than Future (61%) Retirees to say that employees should fund Social Security.

Who should be responsible for funding Social Security?

- Employees: 61%, 73%, 64%, 66%
- Employers: 64%, 69%, 64%, 56%
- Federal Government: 6%, 6%, 7%
Half or more older adults believe that age or start date determines SS benefits

- One in five or fewer know that marital status determines SS benefits.

**What Determines The Maximum Social Security Benefit?**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Future Retirees (A)</th>
<th>Recent Retirees (B)</th>
<th>10+ Retirees (C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>75%</td>
<td>64%</td>
<td>75%C</td>
</tr>
<tr>
<td>Benefit start date</td>
<td>52%</td>
<td>56%</td>
<td>52%</td>
</tr>
<tr>
<td>Marital status</td>
<td>15%</td>
<td>20%</td>
<td>15%</td>
</tr>
<tr>
<td>Life expectancy (False)</td>
<td>14%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Family medical history (False)</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>All of the above (False)</td>
<td>19%</td>
<td>19%</td>
<td>28%A</td>
</tr>
</tbody>
</table>

Compared to 2016, 2015 and 2014, Older Adults in 2017 are **more likely to incorrectly believe that life expectancy determines the maximum social security an individual can receive** (13% vs. 7%, 8%, 8%)
Less than one in five older adults have a financial advisor who provides advice on Social Security

- Future Retirees who are currently working with a FA (58%) are more likely than Recent (38%) and 10+ (34%) Retirees to say their FA has provided advice on SS.

**Total Incidence of having a FA who provided SS advice: 17%**

**Works with a Financial Advisor**
- Yes, one
- Yes, more than one
- No

**FA Provided Advice on SS?**
- Yes
- No

In 2017, Recent Retirees (37% vs. 23%) and 10+ Retirees (39% vs. 26%) are **more likely** than in 2016 to be currently working with a financial advisor.

Compared to 2014, Future Retirees currently working with a financial advisor are **more likely** to say their advisor has provided advice on how to handle social security than in 2017 (58% vs. 40%).

Base: Qualified Respondents (Total n=1012); Future (n=338); Recent (n=336); 10+ (n=338)

Q800 Do you currently work with a professional financial advisor?

Base: Working With A Financial Advisor (Total n=377); Future (n=132); Recent (n=119); 10+ (n=126)

Q802 Has your financial advisor provided advice on how to handle Social Security?
Of those given SS advice by a FA, about half initiated the discussion themselves

- Most commonly they say that they had the discussion a short while after they started working with their financial advisor.

Who initiated the FA SS discussion?

<table>
<thead>
<tr>
<th>Category</th>
<th>Future Retirees (%)</th>
<th>Recent Retirees (%)</th>
<th>10+ Retirees (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Me</td>
<td>57%</td>
<td>37%</td>
<td>60%</td>
</tr>
<tr>
<td>Financial Advisor</td>
<td>29%</td>
<td>31%</td>
<td>53%</td>
</tr>
<tr>
<td>My spouse, partner or family member</td>
<td>14%</td>
<td>9%</td>
<td>9%</td>
</tr>
</tbody>
</table>

How soon did the SS discussion happen once you started working with an advisor?

- Compared to 2016, older adults are more likely to say that the discussion with their FA started immediately. This is in line with what was seen in earlier years (31% vs 15% in 2016, vs. 34% in 2015 and 36% in 2014).

*Caution, small base <100, results are directional in nature and stat testing is not shown*
Majority of older adults working with an FA and who have not been advised on SS do not expect this advice from their FA

- Less than one third with an FA who have not been advised on SS (28%) say SS advice is something they expect from their FA.

2017 FA Social Security advice expectations are on par with previous years.
Among older adults who work with a FA, half or more are likely to switch FAs to maximize SS benefits

- Future Retirees are more likely than Recent or 10+ Retirees to say they would likely switch financial advisors to maximize SS benefits (79% vs. 54% and 52%).
- The vast majority of those who do not work with a FA don’t plan to ask about SS in the next six months.

**Likelihood of Switching FA to Maximize SS Benefits**

- **Future Retirees (A)**: 28% extremely likely, 54% somewhat likely, 17% not very likely, 5% not at all likely
- **Recent Retirees (B)**: 12% extremely likely, 42% somewhat likely, 31% not very likely, 15% not at all likely
- **10+ Retirees (C)**: 15% extremely likely, 37% somewhat likely, 36% not very likely, 11% not at all likely

**Plan on asking FA about SS in next 6 months?**

- **Future Retirees (A)**: 16% extremely likely, 2% not at all likely
- **Recent Retirees (B)**: 16% extremely likely, 2% not at all likely
- **10+ Retirees (C)**: 6% extremely likely, 94% not at all likely

Similar to 2015, Future Retirees in 2017 are less likely than those in 2016 to say they plan on asking a FA specifically about SS benefits in the next 6 months (2017: 2% and 2015: 3% vs. 2016 10%).
Three in five working with a FA feel it is extremely/very important to be updated on legislative changes that may affect retirement

- Notably, in 2017 10+ Retirees are more likely than in 2016 to say it is extremely/very important to be updated by their financial advisor about legislative changes that may affect their retirement (59% vs. 39%).

![Importance of Update By FA About Legislative Changes That May Affect Retirement](chart)

**Total: Extremely/Very Important (60%)**

- **Future Retirees (A):**
  - Extremely important: 59%
  - Very important: 32%
  - Somewhat important: 27%
  - Not at all important: 2%

- **Recent Retirees (B):**
  - Extremely important: 61%
  - Very important: 42%
  - Somewhat important: 29%
  - Not at all important: 10%

- **10+ Retirees (C):**
  - Extremely important: 59%
  - Very important: 41%
  - Somewhat important: 33%
  - Not at all important: 8%

Base: Work With a FA (Total n=377); Future (n=132); Recent (n=119); 10+ (n=126)

Q811 How important to you is being updated by your financial advisor about legislative changes that may affect your retirement?

↑ / ↓ arrows = significantly higher/lower than 2016 @ 95%
Majority of older adults agree that too many people are so focused on present circumstances, they neglect strategy on how to spend

- Current Retirees show several increases since 2016.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Future Retirees (A)</th>
<th>Recent Retirees (B)</th>
<th>10+ Retirees (C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too many people are so focused on accumulating money that they neglect any strategy on how to spend that money</td>
<td>76%</td>
<td></td>
<td>77%</td>
</tr>
<tr>
<td>Too many people focus on avoiding taxes while working that they neglect to plan how to minimize taxes during retirement when they will be spending their savings</td>
<td>65%</td>
<td></td>
<td>74%</td>
</tr>
<tr>
<td>My retirement assets would last longer if they were in a more tax-efficient plan</td>
<td></td>
<td></td>
<td>38%</td>
</tr>
<tr>
<td>My 401(k)/457 plan provides me with the greatest return on investments with the least amount of taxes when I start taking income in retirement</td>
<td></td>
<td></td>
<td>51%</td>
</tr>
<tr>
<td>I understand how to use Roth IRAs and Roth accounts in planning for retirement income and taxes</td>
<td></td>
<td></td>
<td>56%</td>
</tr>
<tr>
<td>I know how to take income from my retirement savings so as not to trigger the taxability of my Social Security benefits</td>
<td></td>
<td></td>
<td>51%</td>
</tr>
<tr>
<td>I have a retirement income distribution plan to mitigate the effects of taxation</td>
<td></td>
<td></td>
<td>38%</td>
</tr>
<tr>
<td>I save on taxes by knowing when to use income from short-term capital gains and long-term capital gains</td>
<td></td>
<td></td>
<td>40%</td>
</tr>
<tr>
<td>I have discussed a tax-efficient investment and withdrawal strategy for my retirement with my advisor</td>
<td></td>
<td></td>
<td>36%</td>
</tr>
<tr>
<td>I have worked with my financial advisor to figure out what my taxes are likely to be in retirement</td>
<td></td>
<td></td>
<td>31%</td>
</tr>
</tbody>
</table>

Base: Qualified Respondents (Total n=1012); Future (n=338); Recent (n=336); 10+ (n=338)

Q814 How much do you agree or disagree with the following statements?
Disclosures

- This information is general in nature and is not intended to be tax, legal, accounting or other professional advice. The information provided is based on current laws, which are subject to change at any time, and has not been endorsed by any government agency.

- Nationwide Investment Services Corporation, member FINRA. Nationwide Retirement Institute is a division of NISC.

- Nationwide, the Nationwide N and Eagle, Nationwide is on your side and Nationwide Retirement Institute are service marks of Nationwide Mutual Insurance Company. © 2016 Nationwide