

The Nationwide Retirement Institute® Social Security Consumer Survey

July 2020

Presented by:



NFM-19602AO



Target Group and Method

This survey was conducted online by The Harris Poll from February 19 to March 6, 2020 to a targeted subset of the U.S. population:

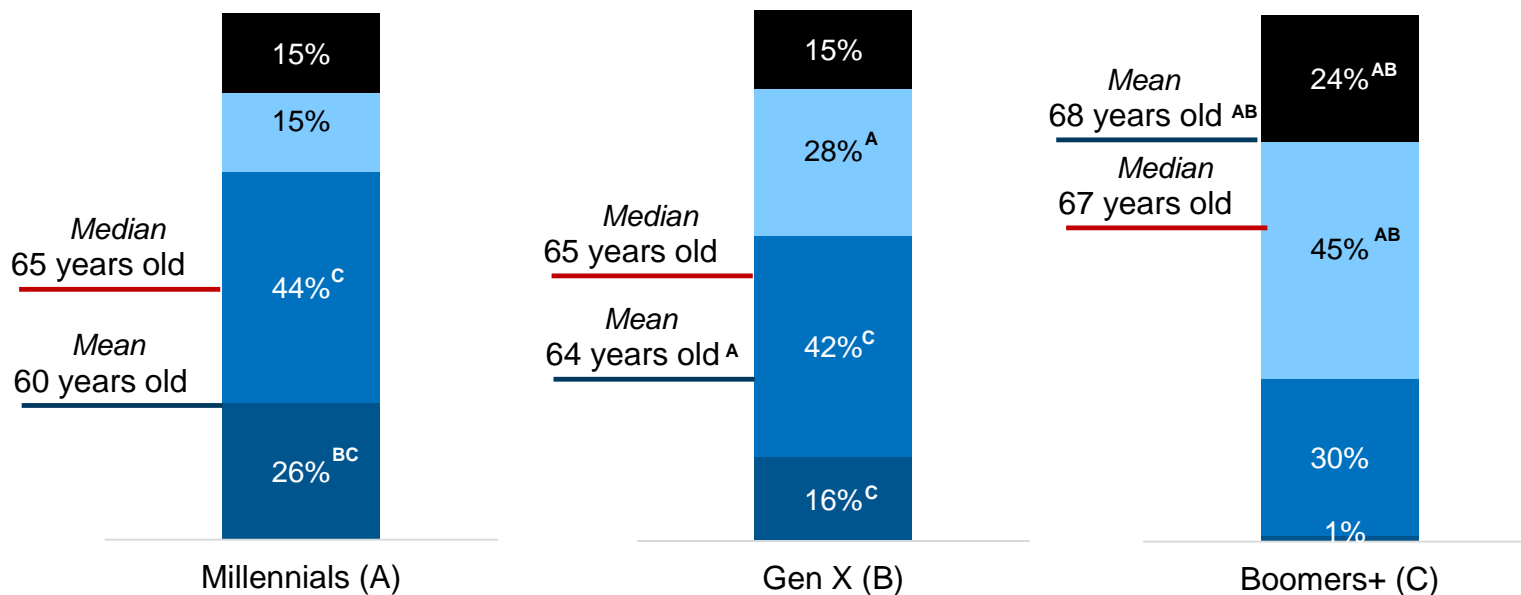
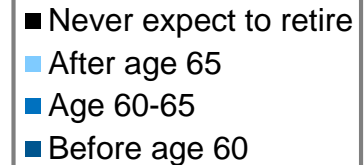
- 1,727 U.S. adults aged 24 or older, who currently collect or plan to collect Social Security benefits and fall into one of the following groups:
 - **Millennials** – age 24-39 (n=304)
 - **Gen X** – age 40-55 (n=471), or
 - **Boomers+** – age 56+ (n=952)

Data were weighted as needed to bring them in line with the population of US residents from the 2019 CPS for education, age by gender, race/ethnicity, region, household income, marital status, household size, and employment status. Our weighting algorithm also included a propensity score which allows us to adjust for attitudinal and behavioral differences between those who are online versus those who are not, those who join online panels versus those who do not, and those who responded to this survey versus those who did not.

Nearly a quarter of Boomers+ who are not yet retired never expect to retire, compared to fewer Millennials and Gen Xers who say they same

- On average, Millennials expect to retire far earlier than Gen Xers (4 years earlier, on average), and Boomers+ (8 years earlier, on average), however their medians are more aligned.

Age Expect To Retire (Among those not retired)



Note: Stat testing not provided for median

Base: Not Retired: (Total n=1103): Millennials (n=302); Gen X (n=443); Boomers+ (n=358)

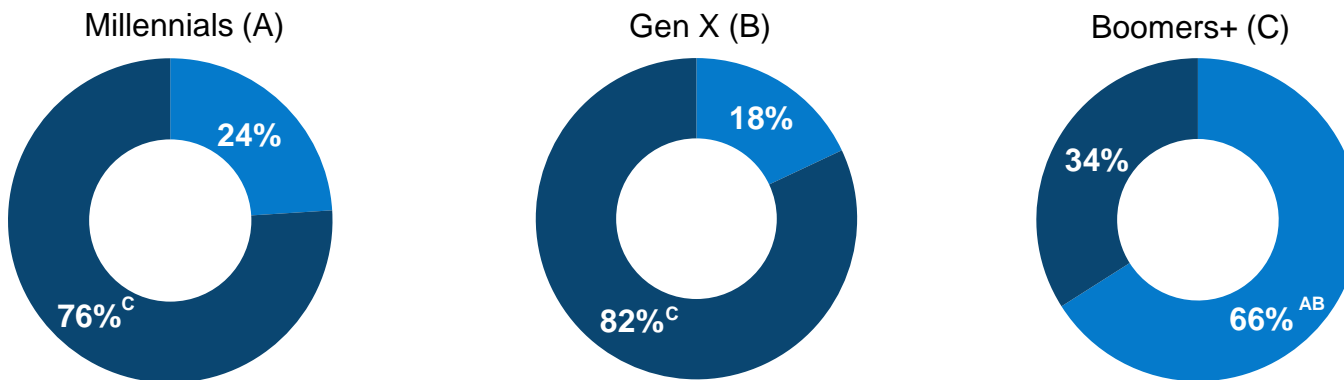
Q610B At what age do you expect to retire?

Millennials expect to collect Social Security at a slightly earlier age than Gen Xers and Boomers+ do

- Two in three Boomers+ are currently receiving Social Security.
- Nearly 1 in 10 across all three generations are not at all sure what age they'll start collecting.

Social Security Status

■ Currently receiving Social Security ■ Plan to draw Social Security



Mean Age Began Collecting:

(Among those who currently receive SS)

23*

35

62^B

Mean Age Expect to Start Collecting:

(Among those who plan to draw SS)

63

10%
Not at all sure

65^A

7%
Not at all sure

66^A

7%
Not at all sure

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

Base: Qualified Respondents (Total n=1727): Millennials (n=304); Gen X (n=471); Boomers+ (n=952)

Q615 Do you currently receive or will you receive Social Security?

Q702 If Collecting SS (Total n=877): Millennials (n=74*), Gen X (n=118), Boomers+ (n=685): At what age did you begin collecting Social Security?

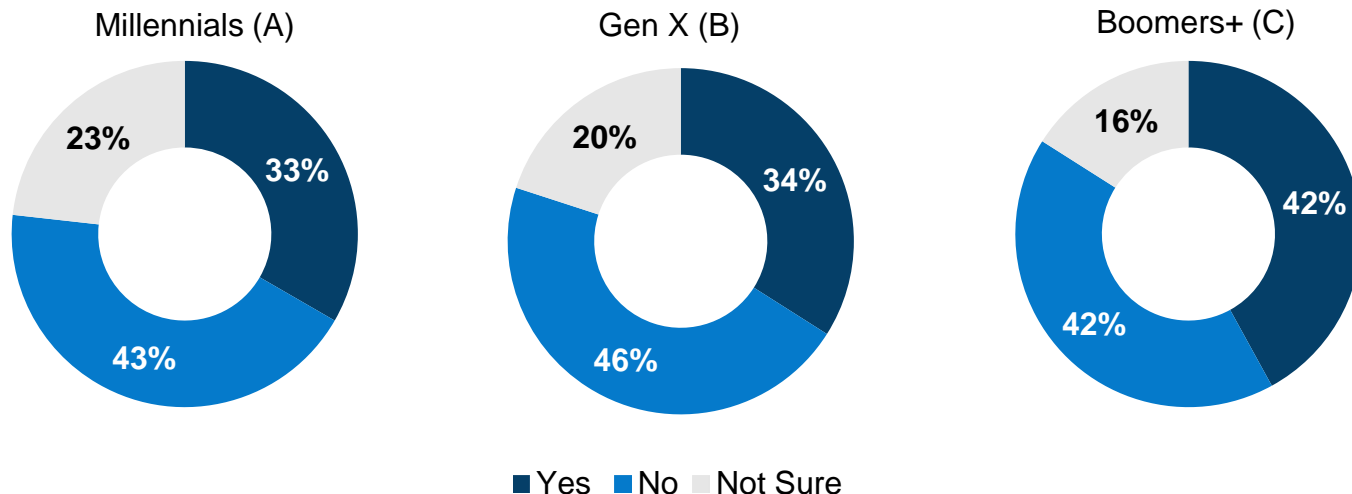
If Plan to Draw SS (Total n=850): Millennials (n=230), Gen X (n=353), Boomers+ (n=267): At what age do you think you will start to collect Social Security?

When provided with the definition of full retirement age, 4 in 10 who plan to draw Social Security say they do not plan to do so before then (age 66 or 67)

- Boomers+ who plan to draw Social Security benefits are split on whether they will draw before full retirement age or not.

Plan To Draw Social Security Benefits Before Full Retirement Age[^]

(Among those who plan to draw Social Security)



[^]Note: a definition of full retirement age was provided in 2020, so data may vary from prior years

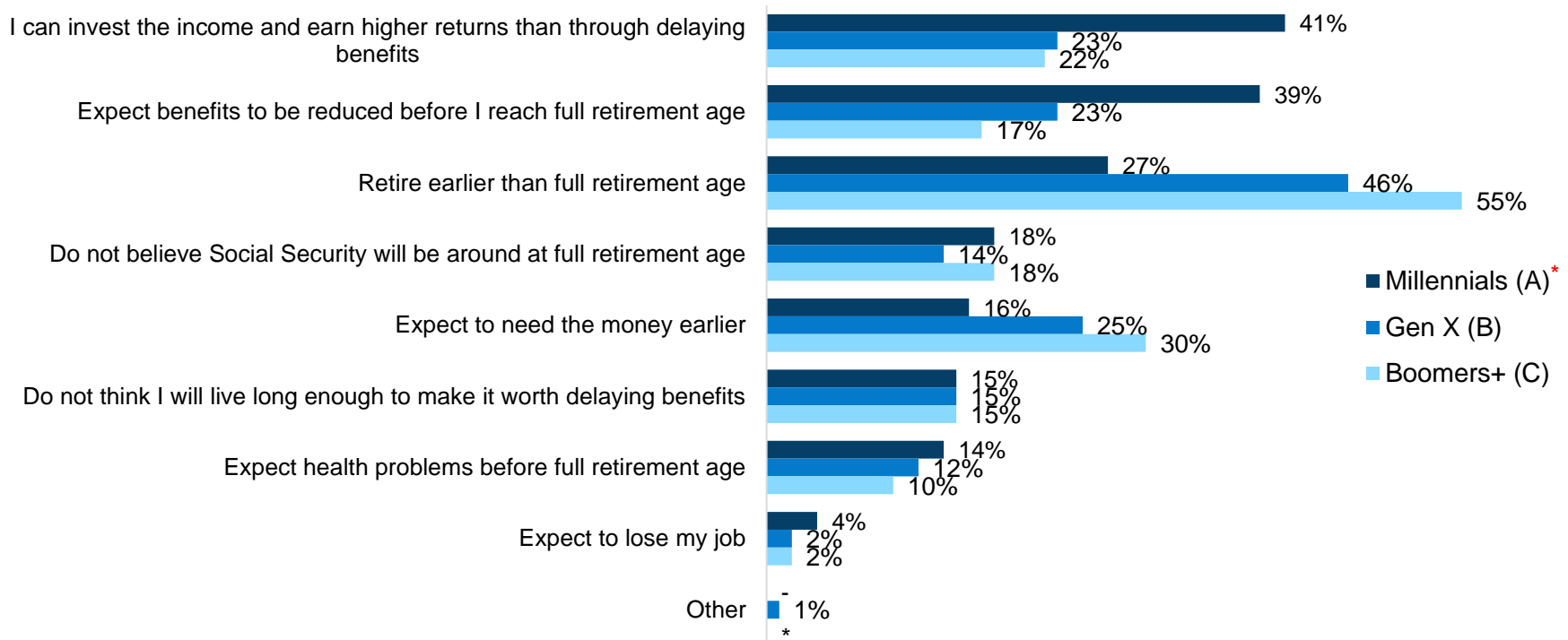
Base: Plan To Draw Social Security (Total n=850); Millennials (n=230); Gen X (n=353); Boomers+ (n=267)

Q713 Do you plan to draw Social Security benefits before you reach full retirement age? Full retirement age is between age 66 and 67, depending on your year of birth.

Millennials who plan to draw Social Security early have differing reasons than Gen Xers and Boomers+

- Most commonly, Millennials say it is so they can invest the income and earn higher returns than through delaying benefits or expecting benefits to be reduced before they reach full retirement age. Conversely, Boomers+ and Gen Xers most commonly say it is because they will retire earlier than full retirement age.

Reasons Planning To Start Drawing Social Security Early
(Among those who plan to draw Social Security before full retirement age)



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

Note: Only coded responses >3% among Total are displayed

Base: Plan To Draw Benefits Early (Total n=306) : Millennials (n=76*); Gen X (n=130); Boomers+ (n=100)

Q714 You indicated that you plan to draw Social Security benefits before full retirement age. Which of the following are reasons you would start drawing Social Security benefits early? Please check all that apply. 5

Boomers+ are more likely than Millennials and Gen Xers to spend retirement income on monthly bills

- Notably, Boomers+ may better reflect a reality (what they are currently spending in retirement) compared to Millennials and Gen Xers who are more likely to be reporting an expectation of what they will spend on in a future retirement.
- Boomers+ report Social Security covering (or expecting it to cover) over half of their expenses, whereas Millennials and Gen Xers expect it to cover just under half.

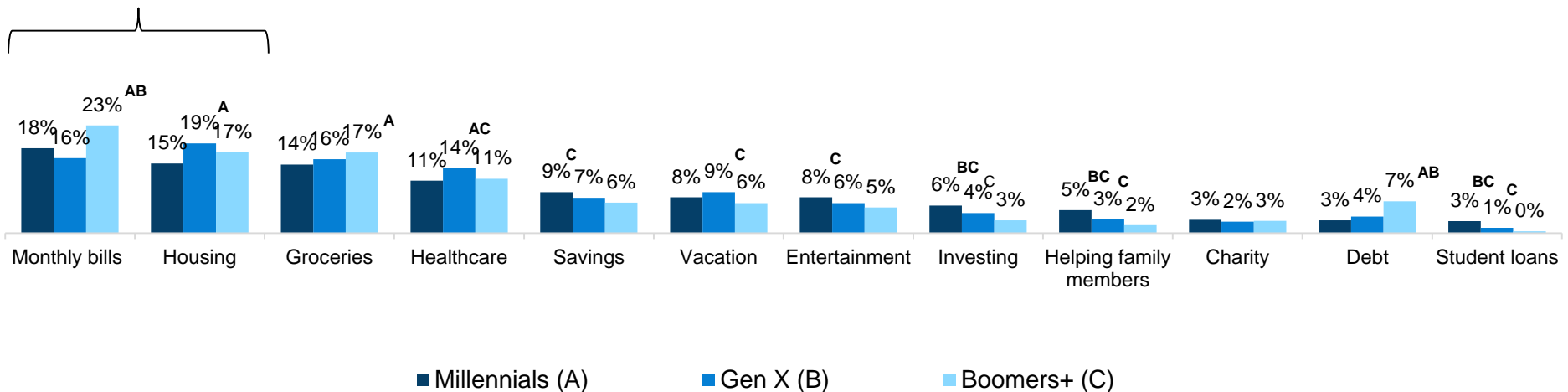
Mean % Of Retirement Income Used For Expenses

Housing/Monthly Bills (NET)

Millennials: 32%
Gen X: 35%
Boomers+: 40%^{AB}

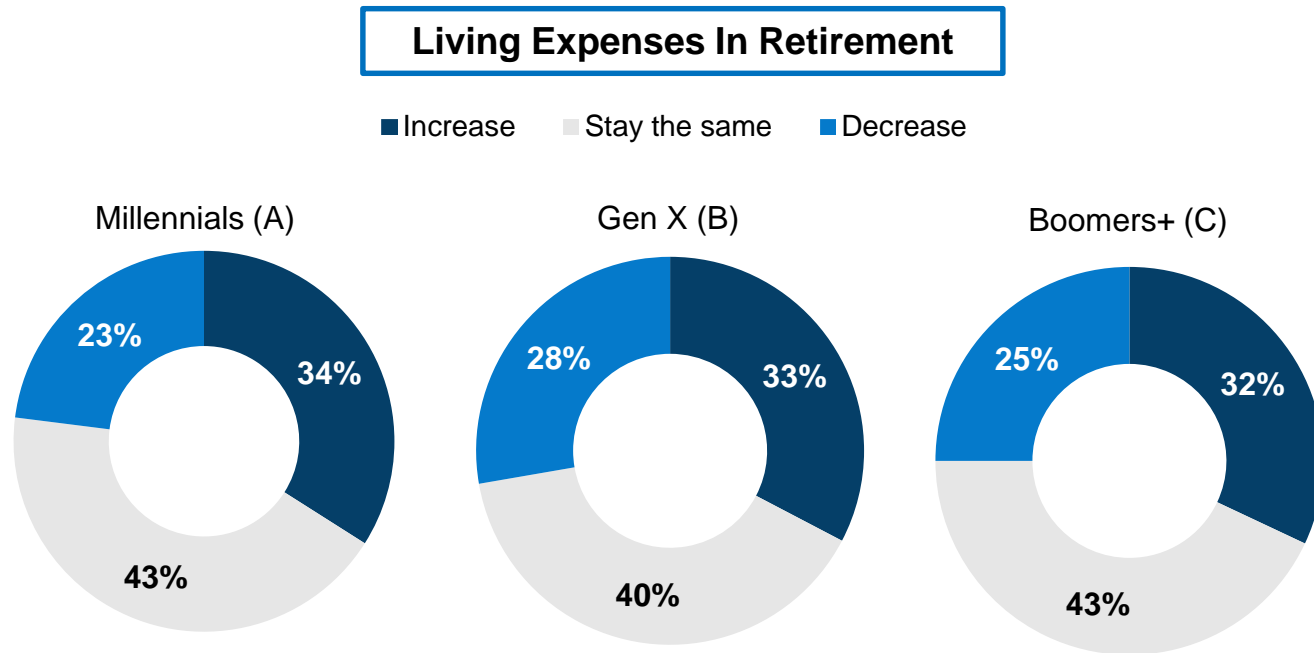
Avg. % of Expenses Expect Social Security to Cover:

- Millennials: 48%
- Gen X: 47%
- Boomers+: 56%^{AB}



Across all generations, about a third expect living expenses in retirement to increase

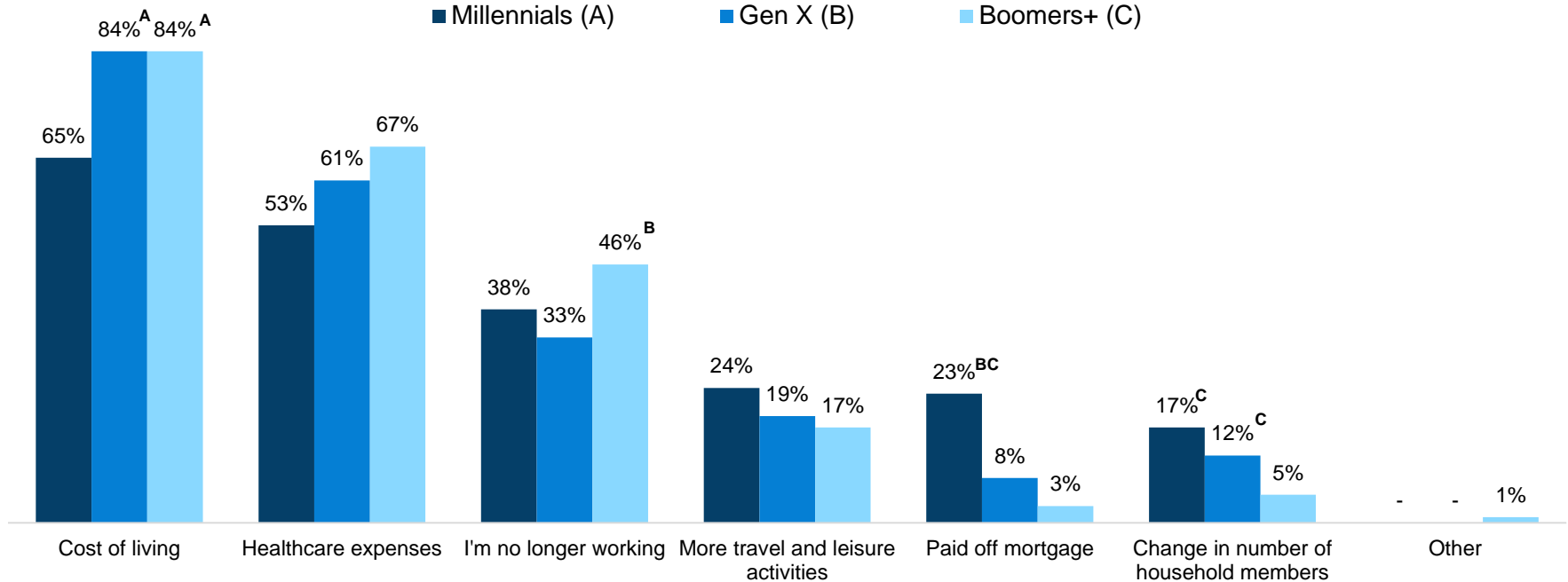
- Roughly a quarter expect them to decrease, and about 4 in 10 expect them to stay the same.



Gen Xers and Boomers+ are more likely than Millennials to say living expenses have increased/think they will increase in retirement due to cost of living [increases]

- Across all generations, half to two thirds say living expenses have increased/think they will increase in retirement due to [increases in] healthcare expenses.

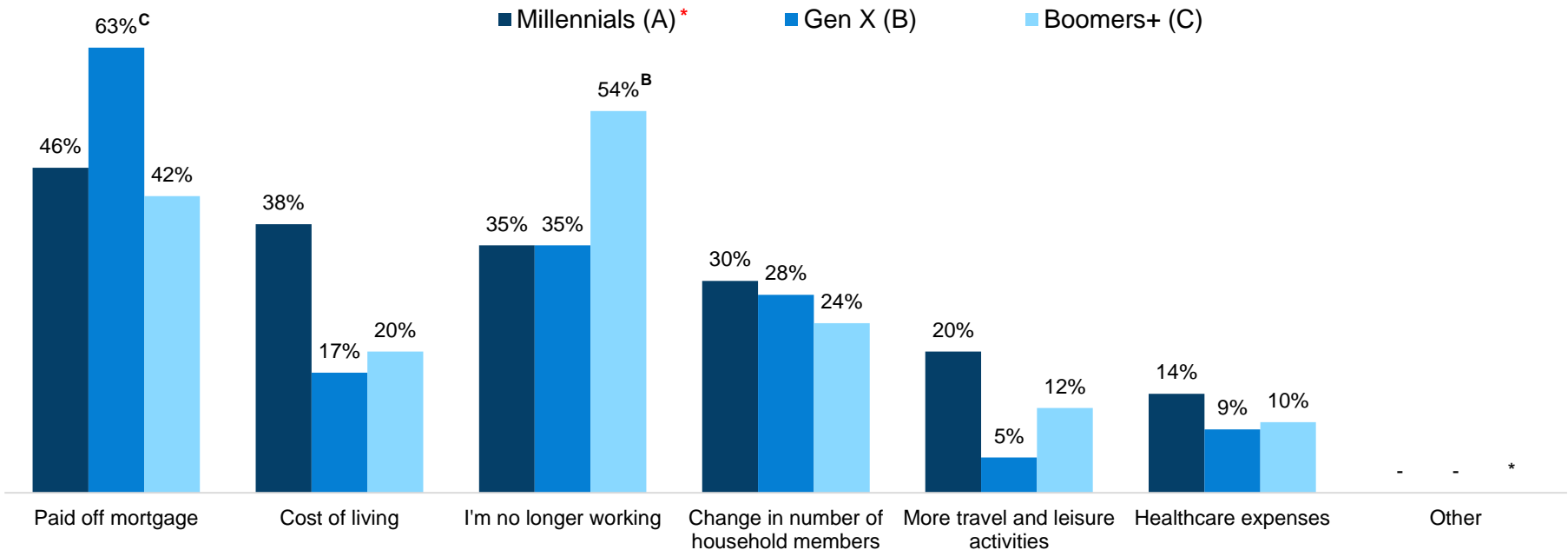
Reasons Living Expenses [Will Increase/Increased] In Retirement (Among those whose living expenses [expected to] increase[d])



Note: Only coded responses >3% among Total are displayed

For Millennials and Gen Xers, paying off a mortgage is the most common reason living expenses are expected to decrease in retirement, whereas for Boomers+ it's that they're no longer working

Reasons Living Expenses [Will Decrease/Decreased] In Retirement
(Among those whose living expenses [expected to] decrease[d])



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

Note: Only coded responses >3% among Total are displayed

Base: Respondents Whose Living Expenses Decreased (Total n=446): Millennials (n=69*); Gen X (n=128); Boomers+ (n=249)

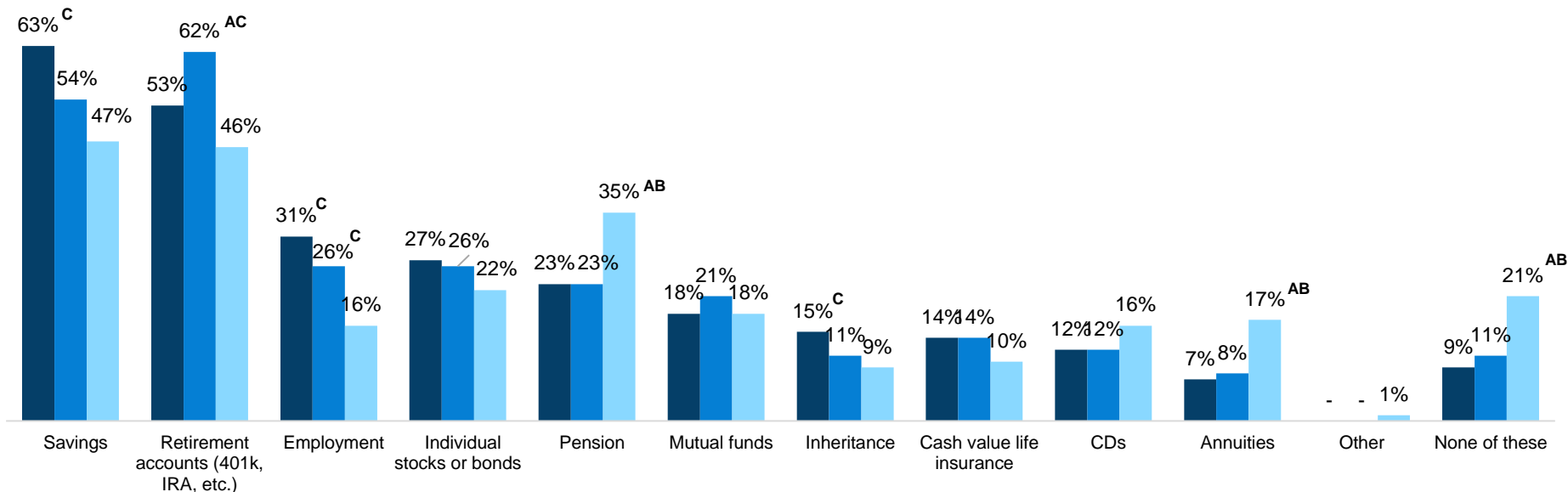
Q755 [Why did your living expenses/do you expect your living expenses to] ["decrease"]? That is, what do you believe that is due to?

One in five Boomers+ do not have sources of retirement income beyond Social Security, about double that of Millennials and Gen Xers

- Millennials most commonly expect to rely on savings in retirement for income, whereas Gen Xers most commonly expect to rely on a retirement account.
- Both Millennials and Gen Xers are more likely than Boomers+ to expect to rely on employment for retirement income.
- Unsurprisingly, Boomers+ are more likely than Millennials and Gen Xers to rely on a pension as a source of retirement income.

Sources Of Retirement Income

■ Millennials (A) ■ Gen X (B) ■ Boomers+ (C)



Note: Only coded responses >3% among Total are displayed

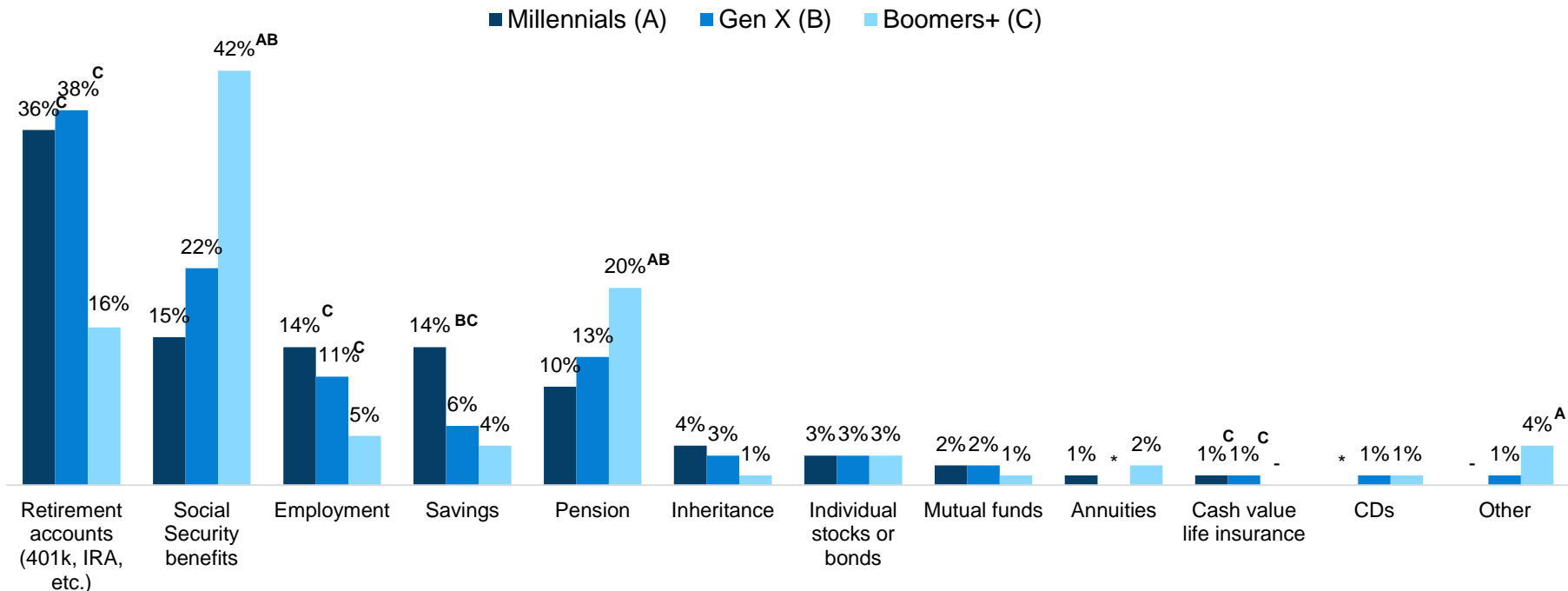
Base: Qualified Respondents (Total n=1727): Millennials (n=304); Gen X (n=471); Boomers+ (n=952)

Q716 In addition to Social Security, [do you have/will you have] any of the following sources of retirement income? Please select all that apply.

Even Boomers+ who have other sources of retirement income are about twice as likely to say Social Security is/will be their primary source of retirement income

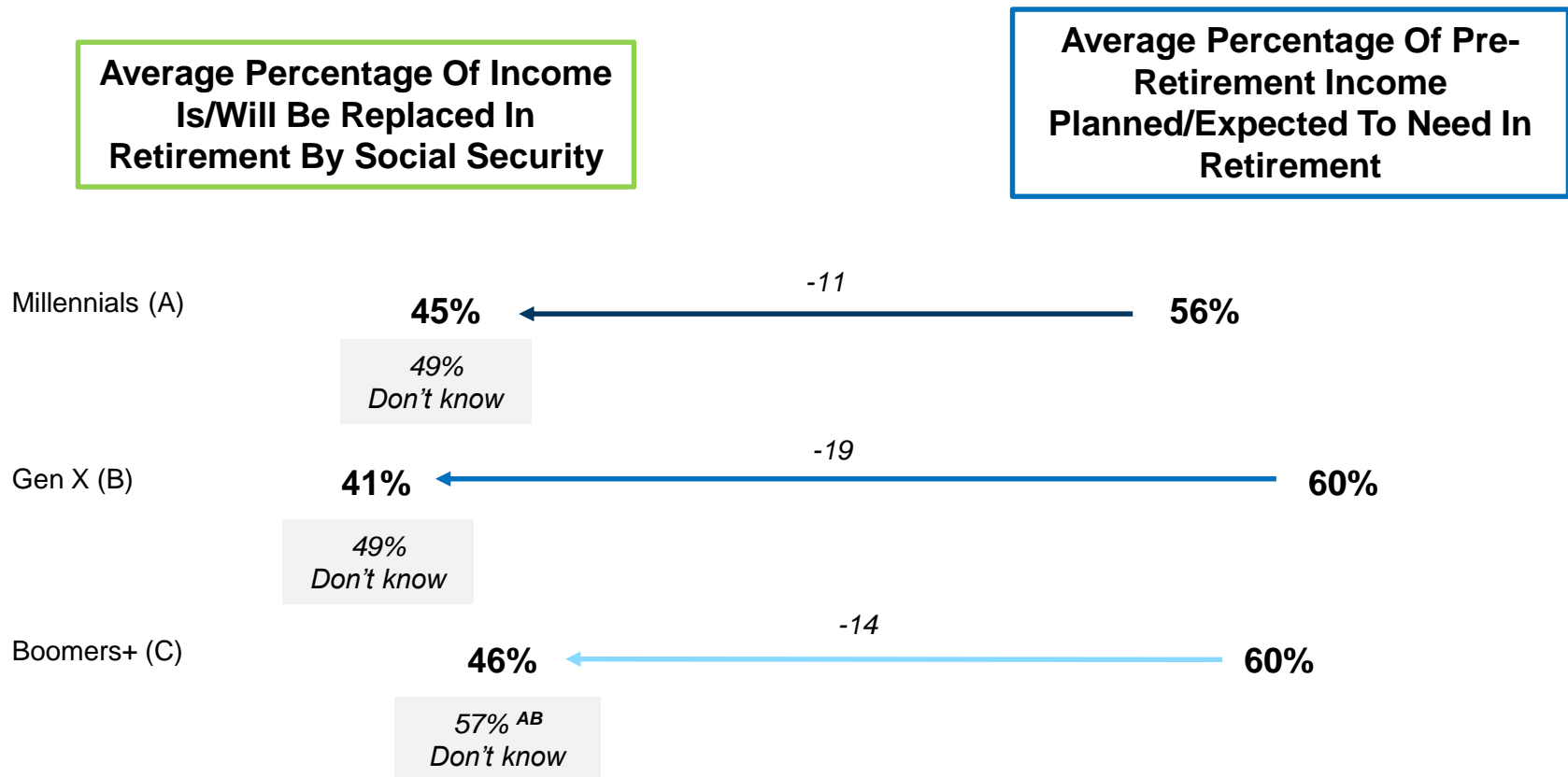
- While 4 in 10 Boomers+ expect Social Security to be their primary income source in retirement, just 2 in 10 Gen Xers expect it to be, and even fewer Millennials do.
- Millennials and Gen Xers most commonly expect retirement accounts to be their primary source of retirement income.

Primary Source Of Retirement Income (Among those who have sources of retirement income in addition to Social Security)



Across all generations, people planned to need or expect they will need more income in retirement than what is/what they expect to be provided by Social Security

- Gen X has the biggest gap between the amount of pre-retirement income expected to need in retirement and what Social Security is expected to replace.
- Across all generations, half or more simply don't know what proportion of their income will be replaced by Social Security in retirement, especially true of Boomers+.



Millennials most commonly estimate expected monthly Social Security payment by guessing, whereas Gen Xers and Boomers+ view their Social Security statement

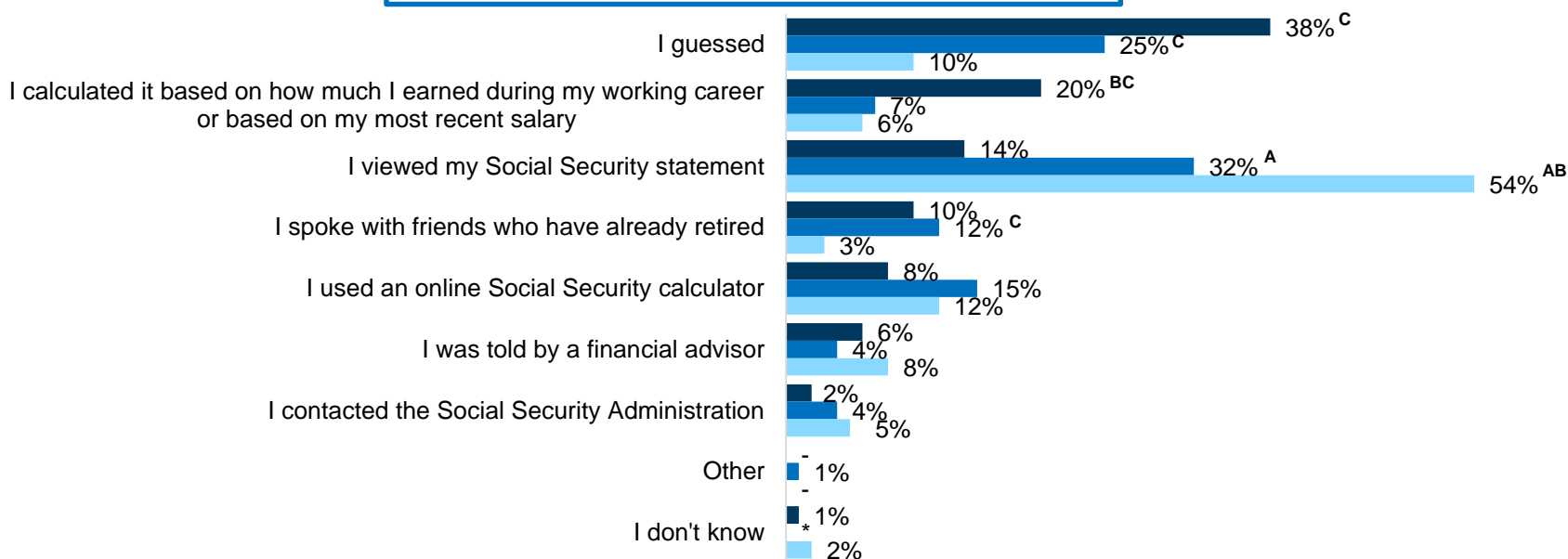
- Over half of Boomers+ not yet collecting Social Security estimate their expected Social Security payment by viewing their statement, compared to a third of Gen Xers and less than 1 in 6 Millennials.
- Millennials are expecting to receive less, on average, than Gen Xers and Boomers+ do.

Social Security Payment Expecting/Receiving (Mean)

- Millennials (A) \$1,150
- Gen X (B) \$1,533^A
- Boomers+ (C) \$1,422^A

How did you arrive at that dollar amount?

(Expecting)



Note: Only coded responses >3% among Total are displayed

Base: Qualified Respondents (Total n=1727): Millennials (n=304); Gen X (n=471); Boomers+ (n=952)

Q720 What monthly payment are you currently receiving/expecting to receive from Social Security?

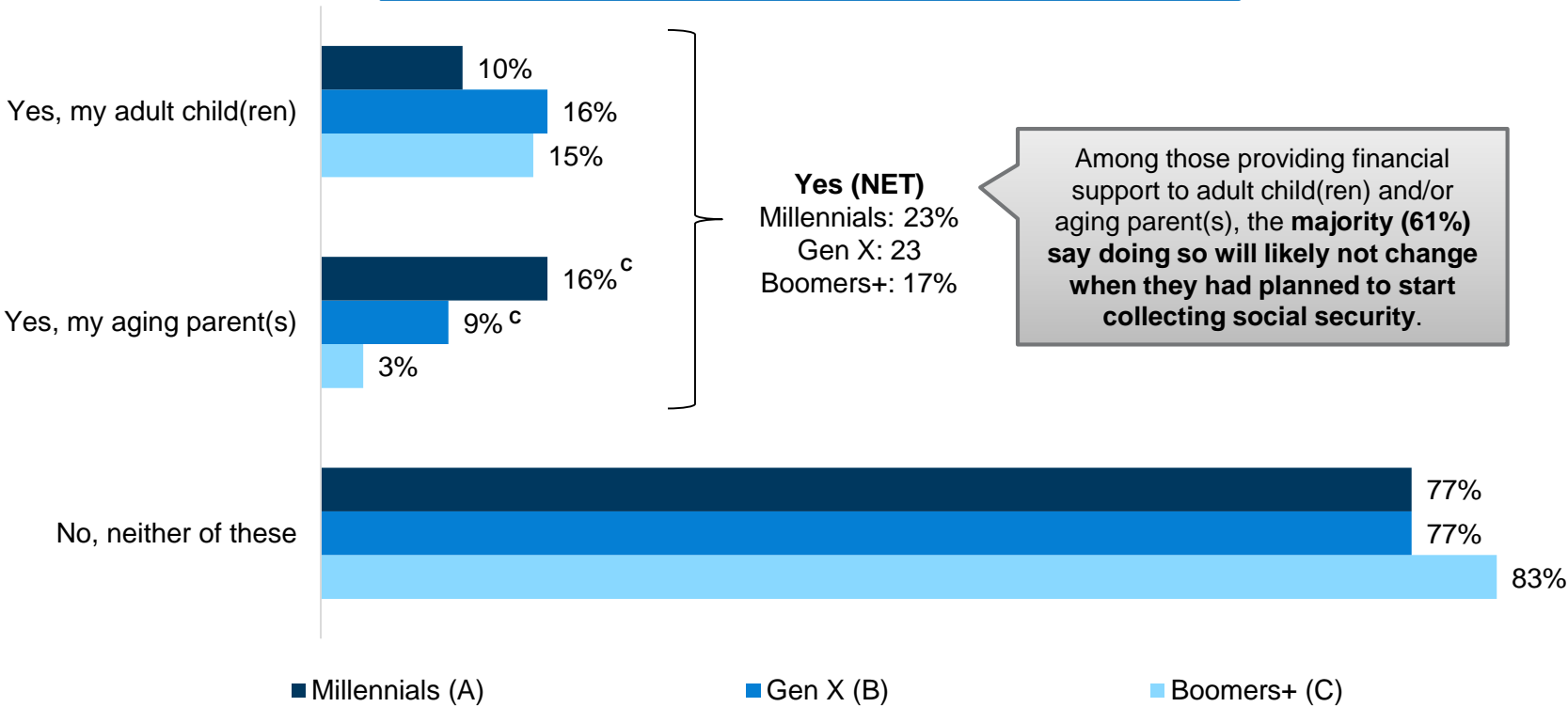
Base: Plan to Draw Social Security and Provided Expected Monthly Dollar Amount (Total n=455): Millennials (n=125); Gen X (n=183); Boomers+ (n=147)

Q722 Which one of the following best describes how you arrived at this dollar amount?

One in six Millennials and 1 in 10 Gen X currently provide financial support to aging parents

- Roughly 1 in 6 Gen Xers and Boomers+ provide financial support to an adult child.
- The majority of those providing financial support to an adult child(ren) or aging parent(s) say doing so likely won't change when they had planned to start collecting social security.

Do You Currently Provide Financial Support To Your Adult Child(ren) And/Or Aging Parent(s)?
(Among those who plan to draw Social Security)



Base: Plan to Draw Social Security (Total n=850): Millennials (n=230); Gen X (n=353); Boomers+ (n=267)
 Q3NEW2020 Do you currently provide financial support to your adult child(ren) and/or aging parent(s)? Please select all that apply.

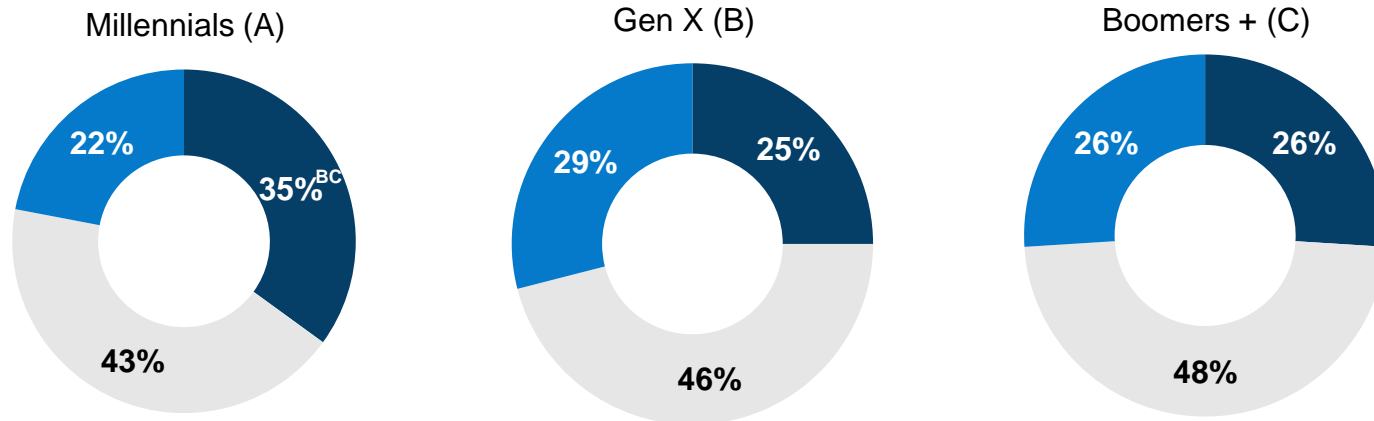
Base: Plan to Draw Social Security and Providing Financial Support to Parent or Adult Child (Total n=171)
 Q4NEW2020 You mentioned that you are currently providing financial support to your adult child(ren) and/or aging parent(s). How, if at all, has this impacted your plans for when you might claim Social Security?

More than one third of Millennials think life in retirement will be better than before it, compared to just a quarter of Gen Xers and Boomers+

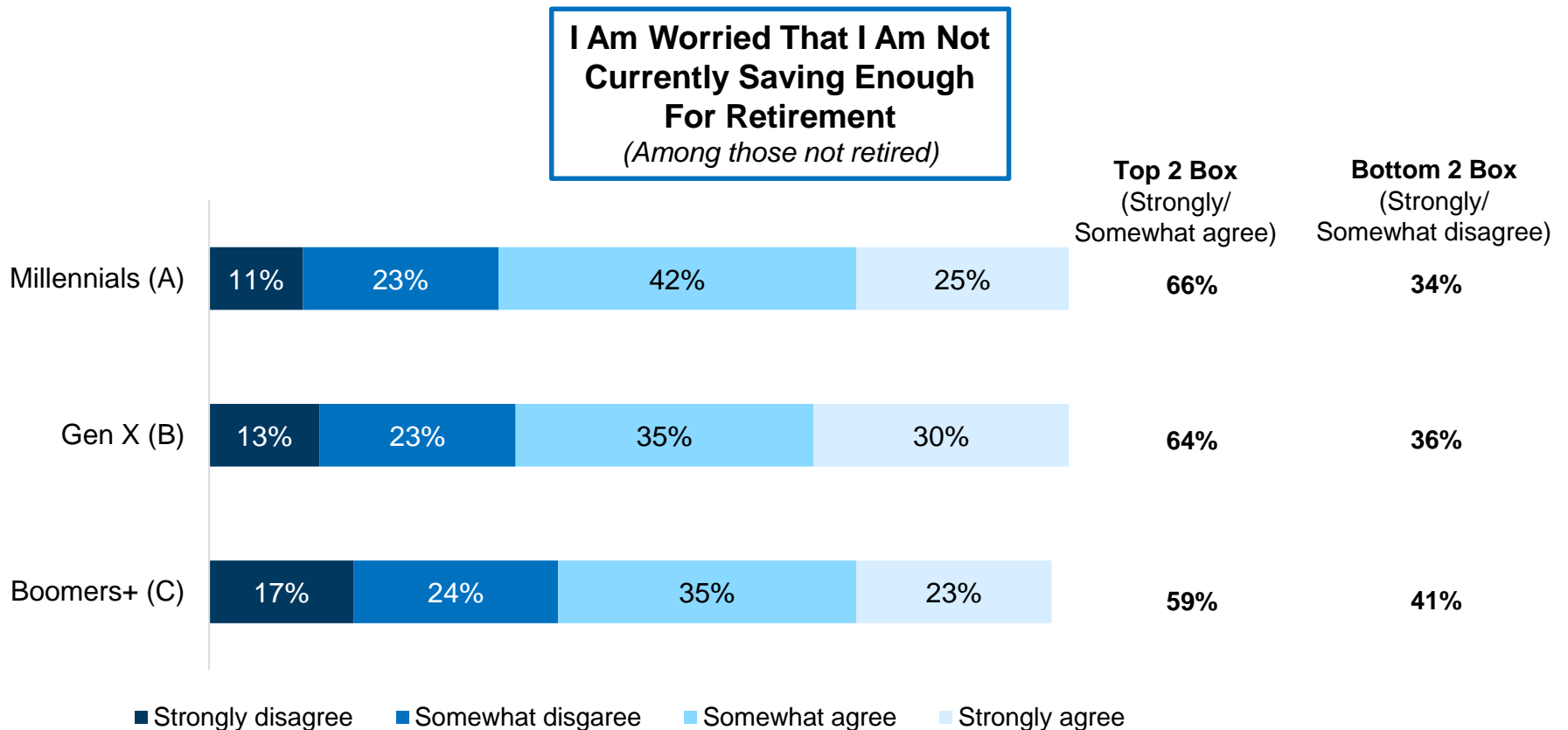
- Notably, many Boomers+ are answering about a current state (i.e., that life is better, worse, or the same in retirement), whereas most Millennials and Gen Xers are thinking about the future.

[Is/Will] Life In Retirement [Be] Better Or Worse Than Before Retirement?

■ Better ■ The same ■ Worse



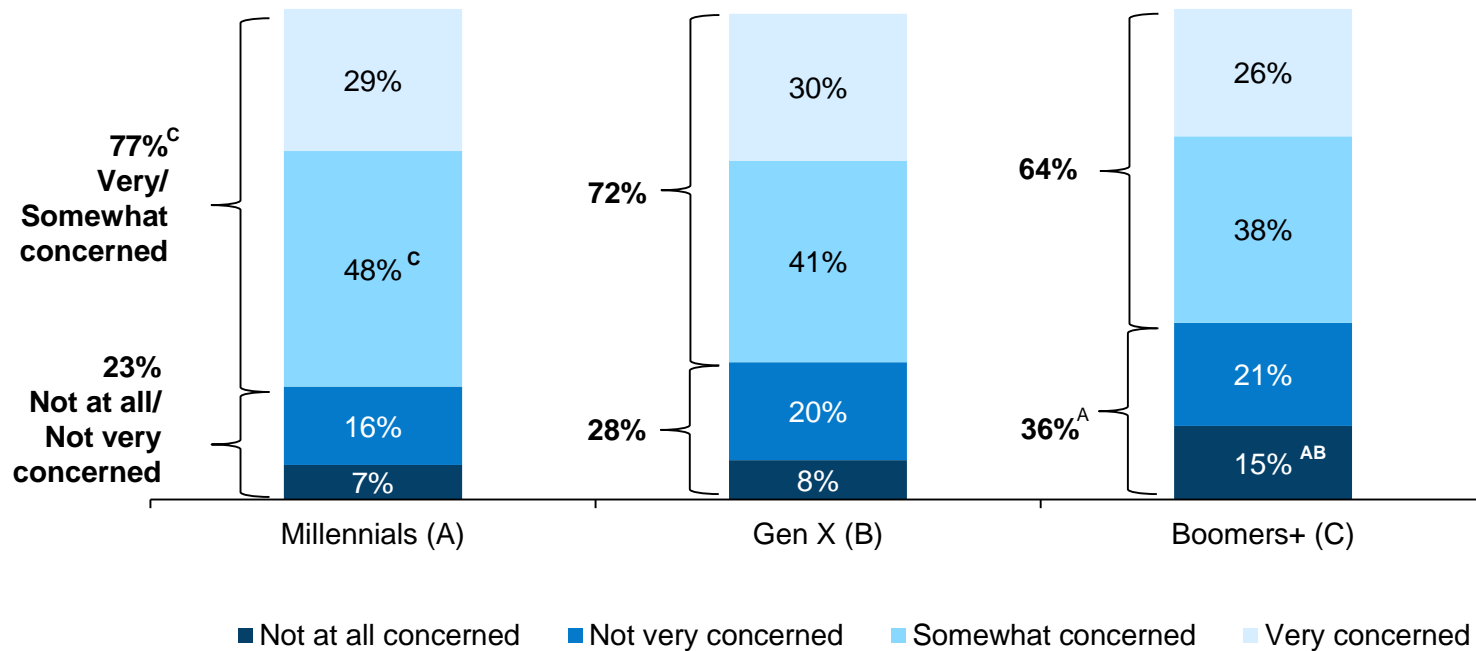
Regardless of generation, 3 in 5 or more who are not yet retired are worried they aren't saving enough for retirement.



Over 3 in 4 Millennials are concerned about their financial preparedness for retirement.

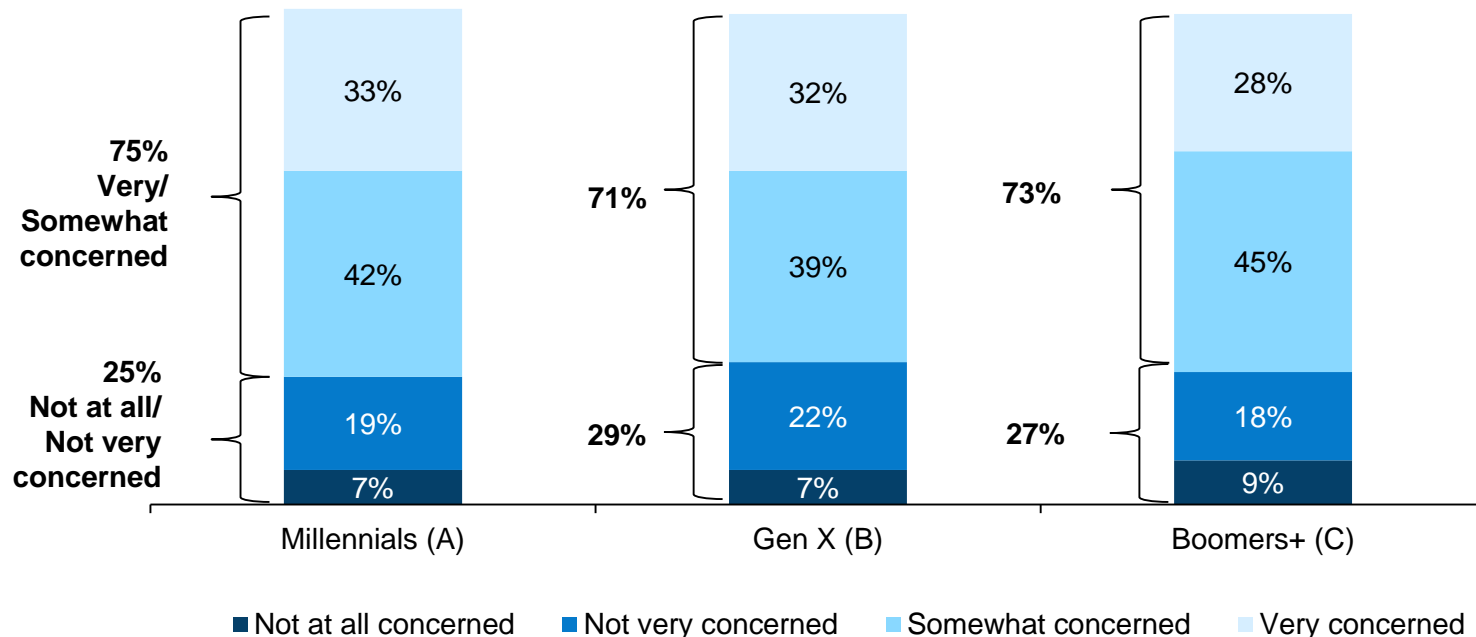
- Among those not retired, Millennials are more likely than Boomers+ to be concerned about their financial preparedness for retirement, while Boomers+ are more likely than both Millennials and Gen Xers to say they are not at all concerned.

My Financial Preparedness For Retirement
(Among those not retired)



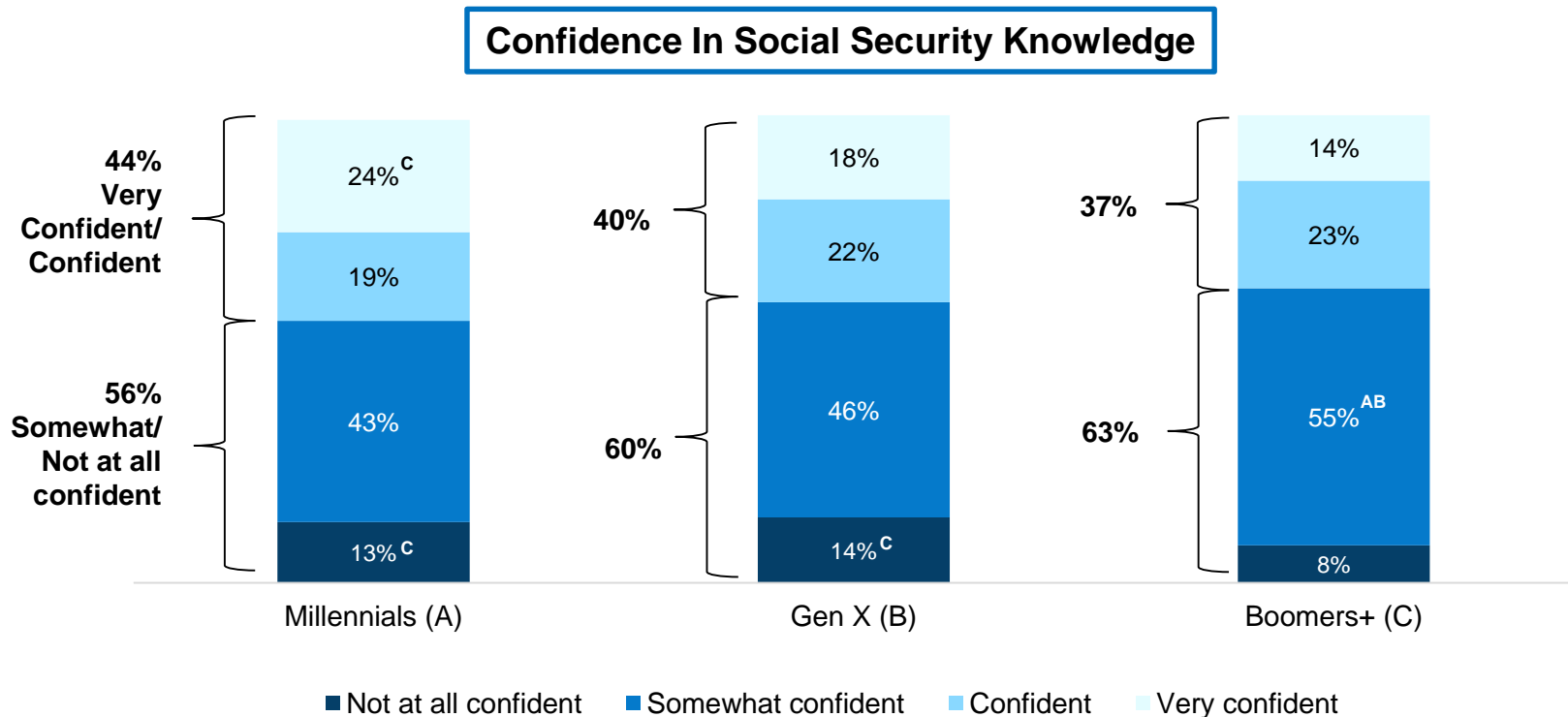
Regardless of generation, at least 7 in 10 non-retirees are concerned about the impact their health could have on health care costs in retirement

The Impact My Health Could Have On My Health Care Costs When In Retirement
(Among those not retired)



Majorities across all generations are only somewhat or not at all confident in their knowledge of Social Security

- Millennials differ from Boomers+ at the extremes; they are more likely to say they are very confident but also more likely to say they are not at all confident.
- Gen Xers are also more likely than Boomers+ to say they are not at all confident.
- More than half of Boomers+, arguably those closest to the topic, say they are only somewhat confident in their knowledge of Social Security.



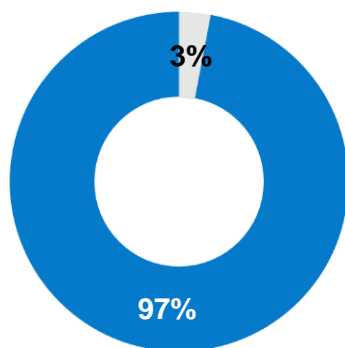
Nearly all Millennials, most Gen Xers, and nearly three in four Boomers+ incorrectly identify the age at which they are eligible for benefits

- Across all generations, people most commonly think they are eligible for benefits sooner than they actually are.

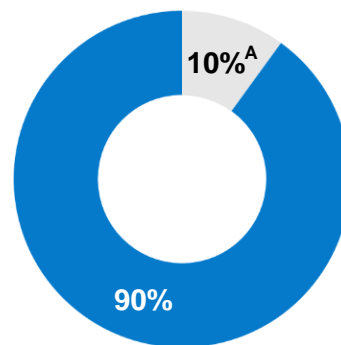
Age Of Eligibility For Full Retirement Benefits

- Correctly Identified Age Eligible for Full SS Benefits
- Thinks They Are Eligible for Full SS Benefits Later than they Actually Are
- Thinks They Are Eligible for Full SS Benefits Sooner than they Actually Are

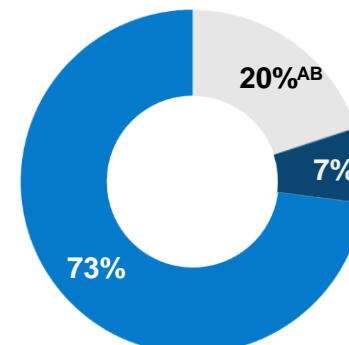
Millennials (A)



Gen X (B)



Boomers+ (C)



Incorrect Response:

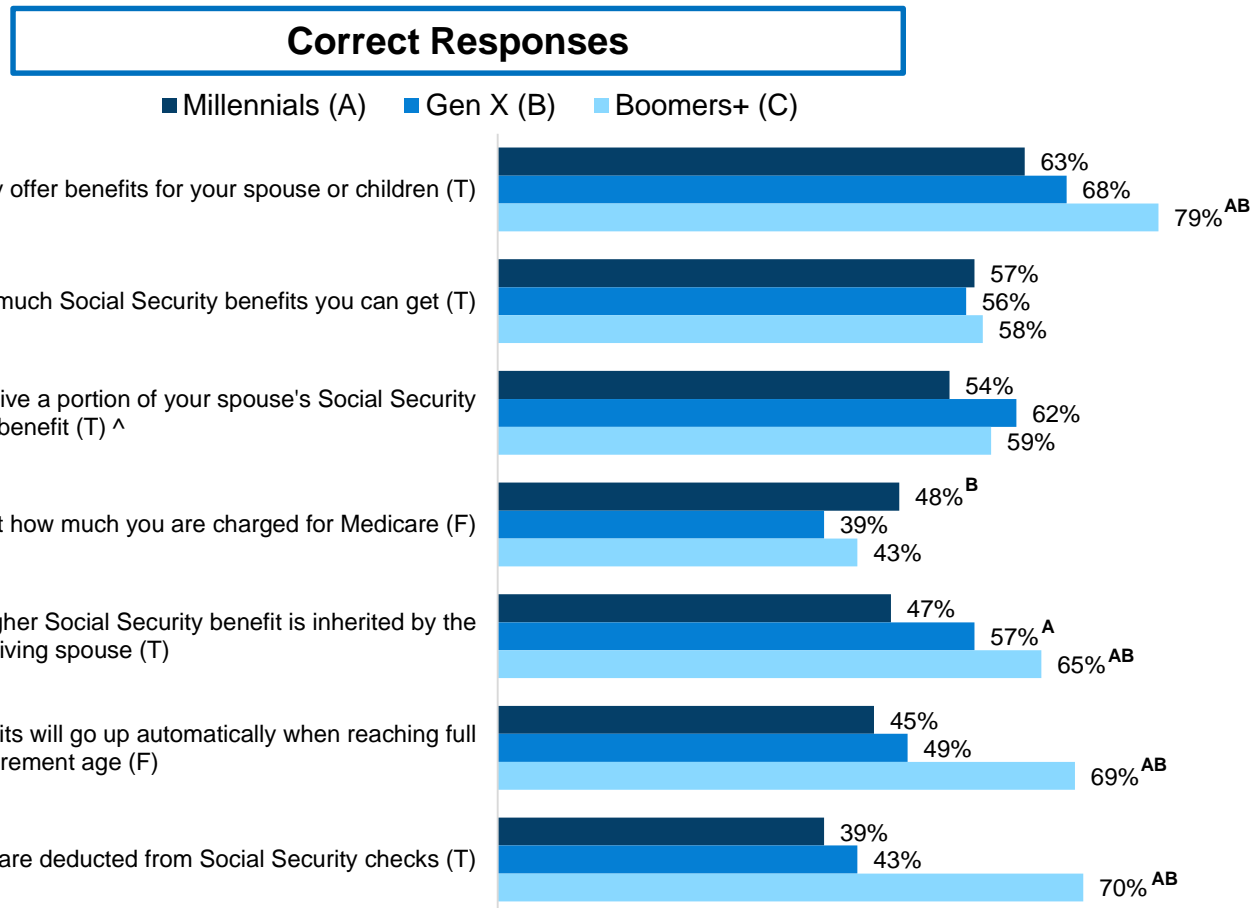
97%^{BC}

90%^C

73%

Despite similar levels of lacking confidence in Social Security knowledge, Boomers+ much more likely than Gen Xers and Millennials to know specific details.

- Across all generations, the statement most commonly answered correctly is that Social Security may offer benefits to a spouse or children, but still one third or more Millennials and Gen Xers don't know this is true.



^Added in 2020

Base: Qualified Respondents (Total n=1727): Millennials (n=304); Gen X (n=471); Boomers+ (n=952)

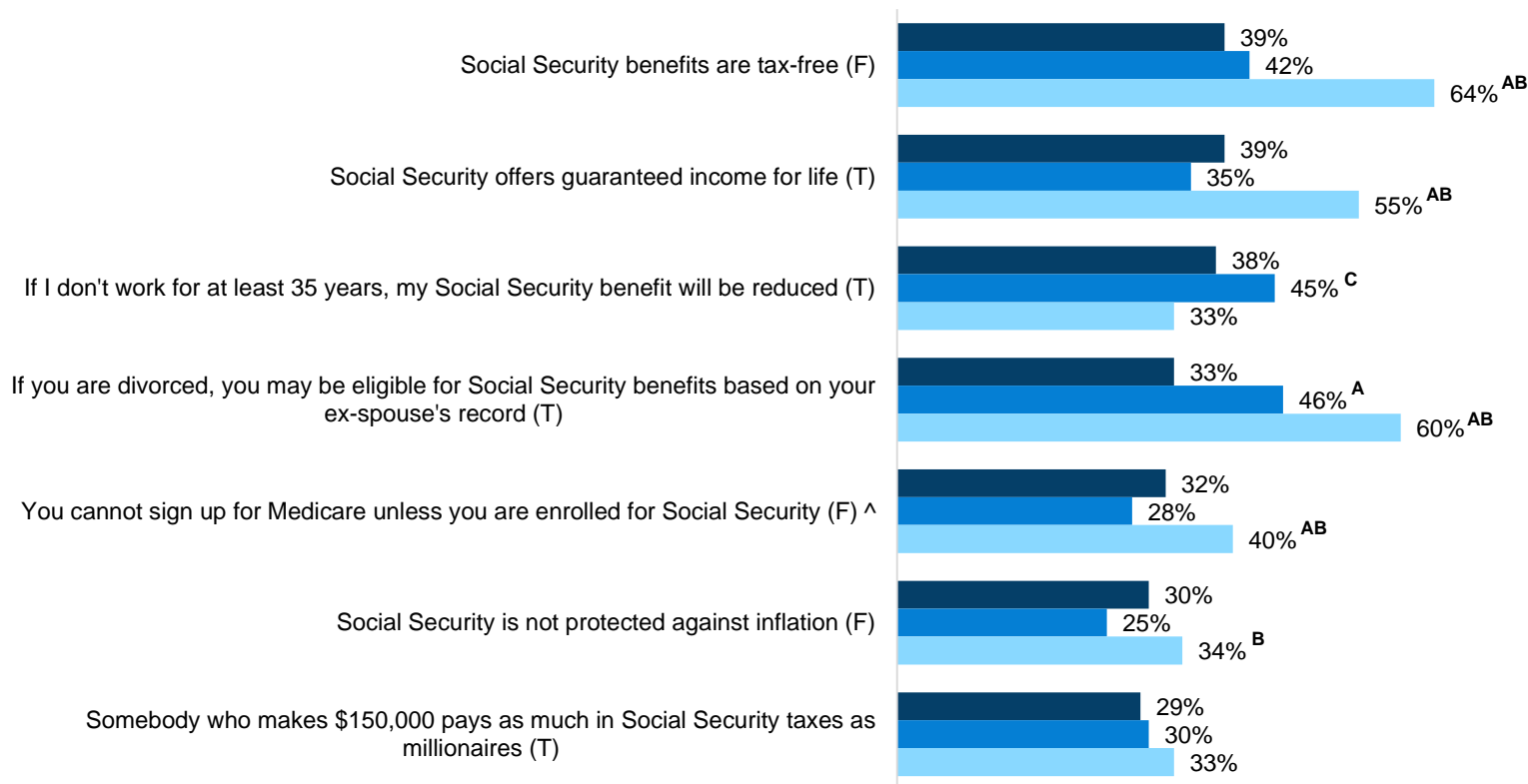
Q735 Do you believe the following statements to be true or false?

Only one third or less know that Social Security is protected against inflation and that there are tax caps for Social Security

- Opportunities for education abound, particularly for Millennials and Gen Xers.

Correct Responses, Continued

■ Millennials (A) ■ Gen X (B) ■ Boomers+ (C)



^Added in 2020

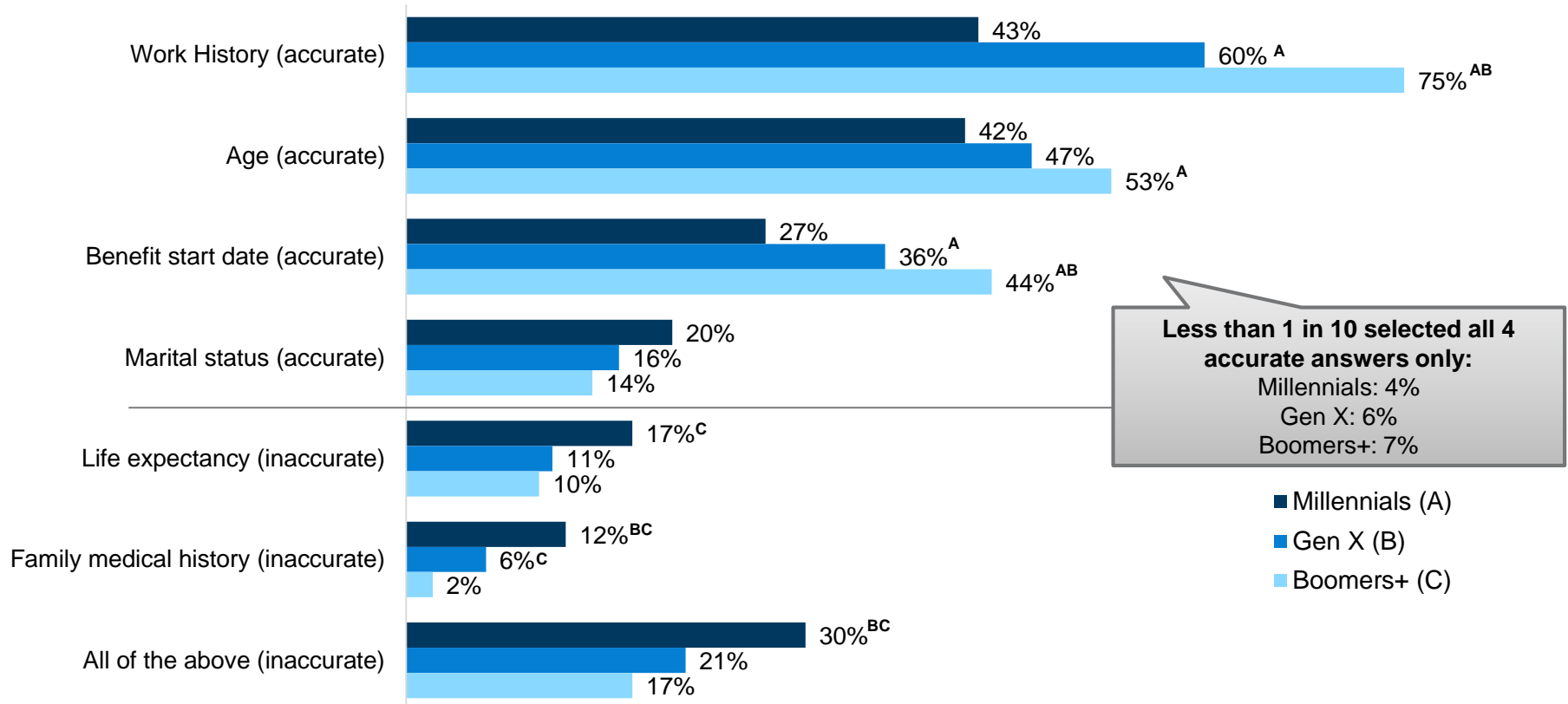
Base: Qualified Respondents (Total n=1727): Millennials (n=304); Gen X (n=471); Boomers+ (n=952)

Q735 Do you believe the following statements to be true or false?

Millennials most likely to inaccurately identify factors that determine the maximum Social Security benefit

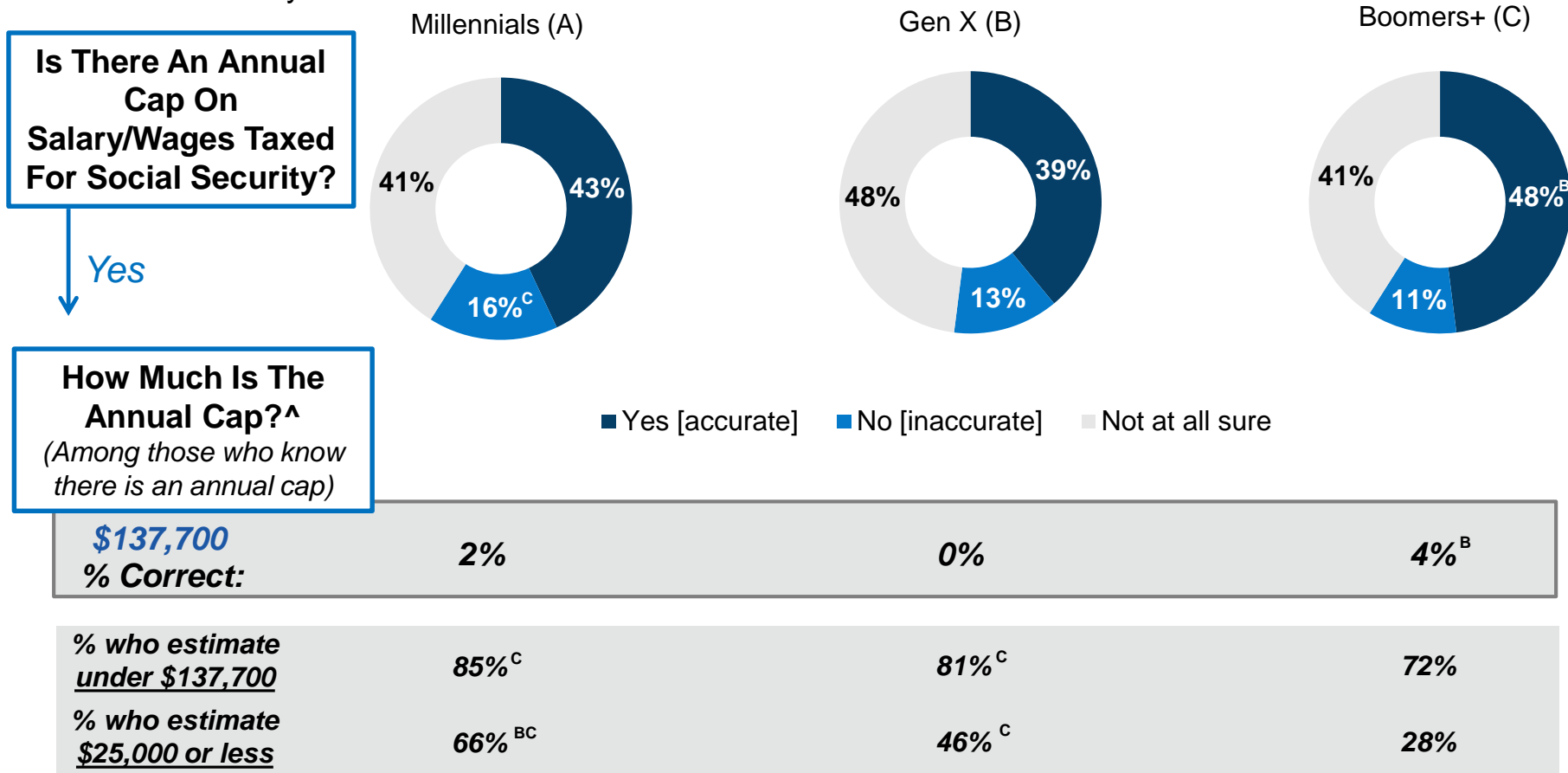
- While Boomers+ are more likely to accurately identify most of the things that determine the maximum benefit, they are similarly as likely as Millennials and Gen Xers to select only all 4 accurate items, something very few across all generations can do.

What Determines The Maximum Social Security Benefit?



Less than half know there is an annual cap on wages taxed for Social Security, but even among those who know there is one, almost none can accurately identify it

- Nearly three quarters or more who know there is a cap underestimate what it is, vastly so particularly among Millennials.
- Across all generations, at least 4 in 10 are not at all sure if there is an annual cap on wages taxed for Social Security.



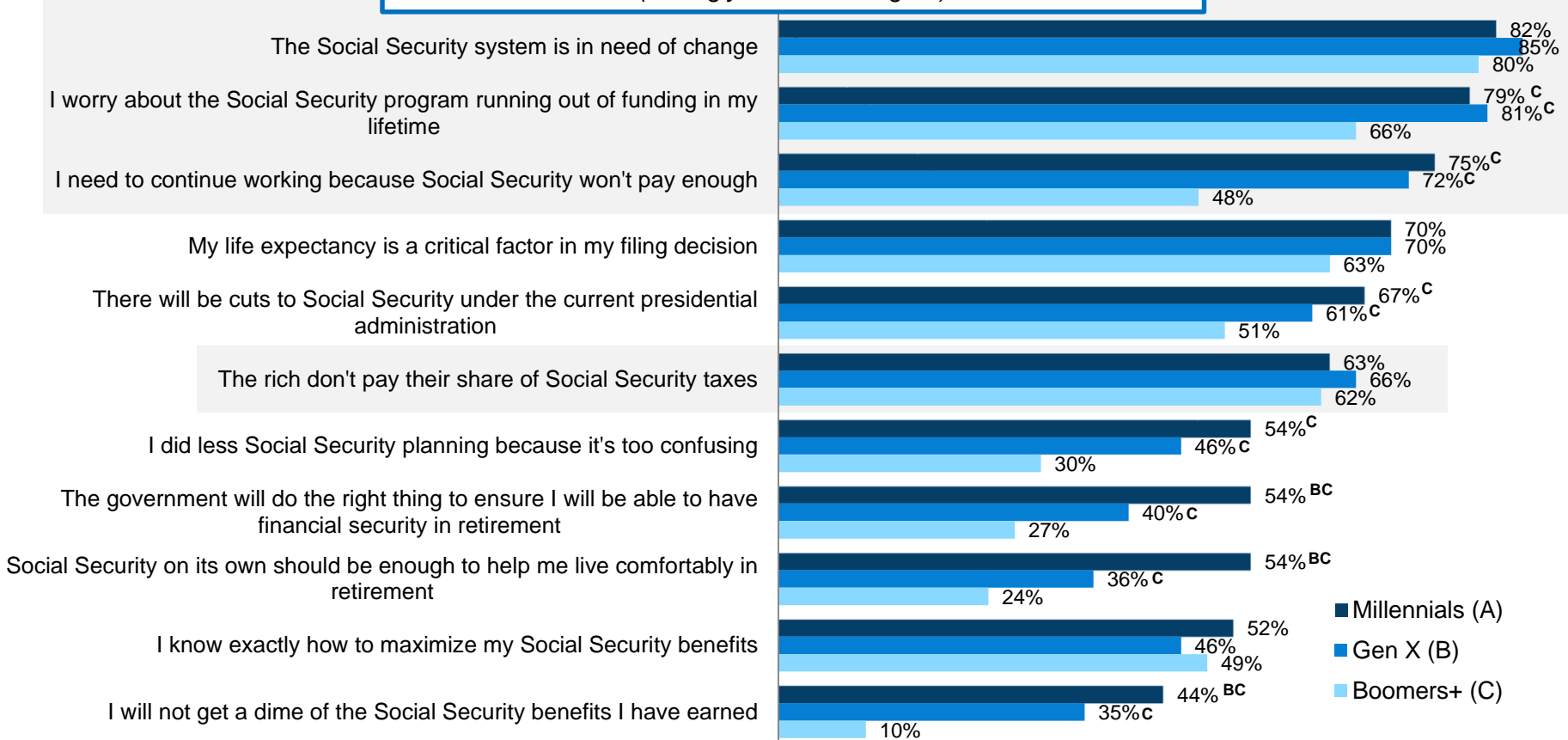
^Format changed in 2020

While all agree Social Security system is in need of change, Millennials and Gen Xers are more likely than Boomers+ to worry it will run out of funding in their lifetime

- Nearly 3 in 4 Millennials and Gen Xers say they'll need to continue working because Social Security won't pay enough, compared to less than half of Boomers+.
- The other area of consensus among the generations is that the rich don't pay their share of Social Security taxes.

Agreement With Statements About Social Security

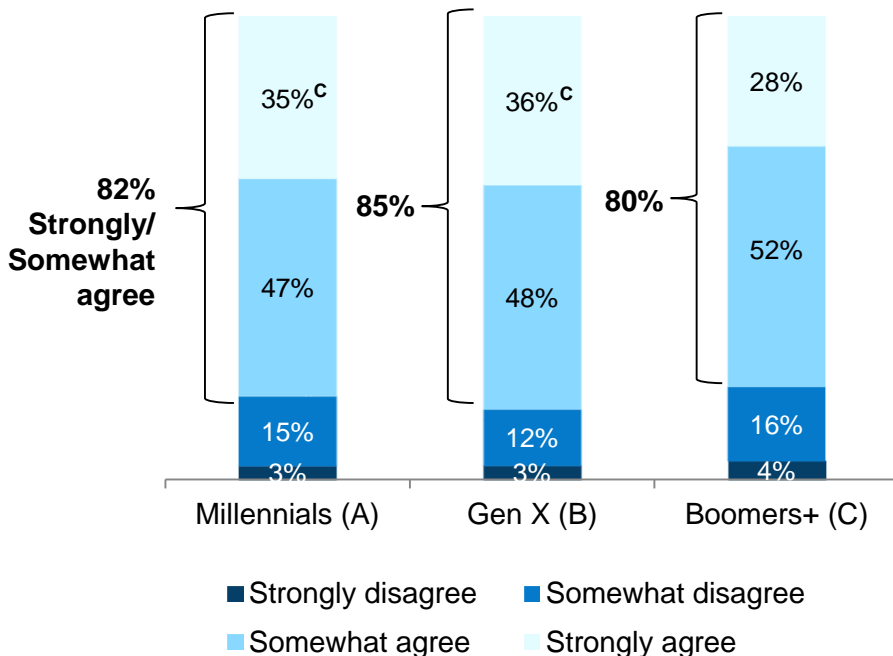
(Strongly/Somewhat Agree)



Across all generations, 8 in 10 or more feel the Social Security system is in need of change

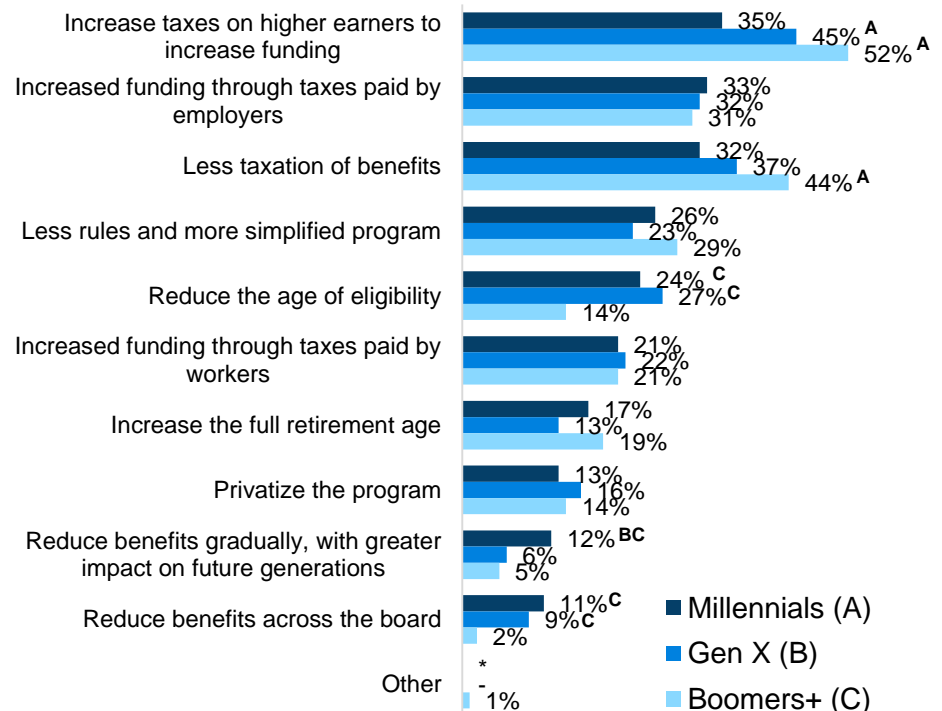
- Members of all generations most commonly say increased taxes on higher earners to increase funding is how it needs to change, with Gen Xers and Boomers+ even more likely than Millennials to say this.

The Social Security System Is In Need Of Change



Changes Needed To Social Security System[^]

(Among those who agree the Social Security system is in need of change)



[^]Updated from select all to select up to 3 in 2020

Note: Only coded responses >3% among Total are displayed

Base: Qualified Respondents (Total n=1727): Millennials (n=304); Gen X (n=471); Boomers+ (n=952)

Base: Agrees SS System Needs Change (Total n=1417): Millennials (n=252); Gen X (n=394); Boomers+ (n=771)

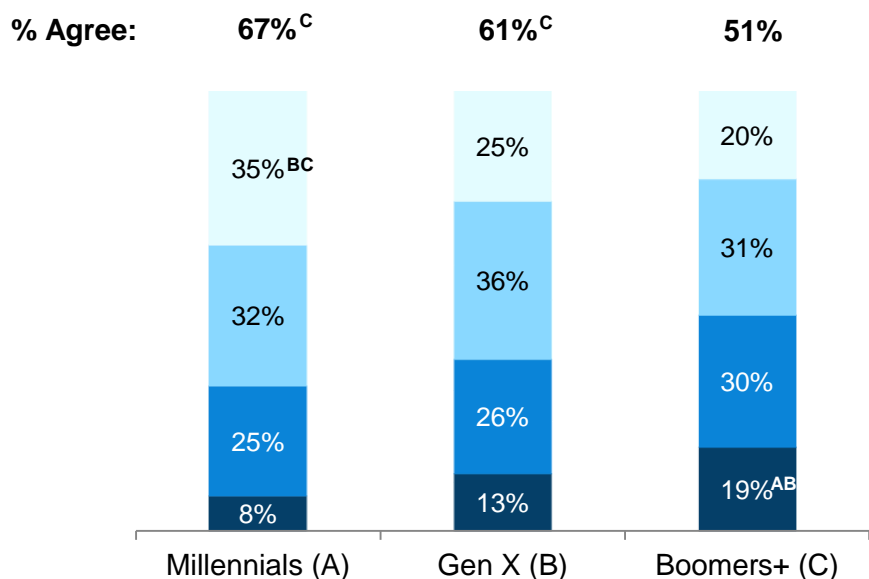
Q740 How much do you agree or disagree with the following statements?

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? 26

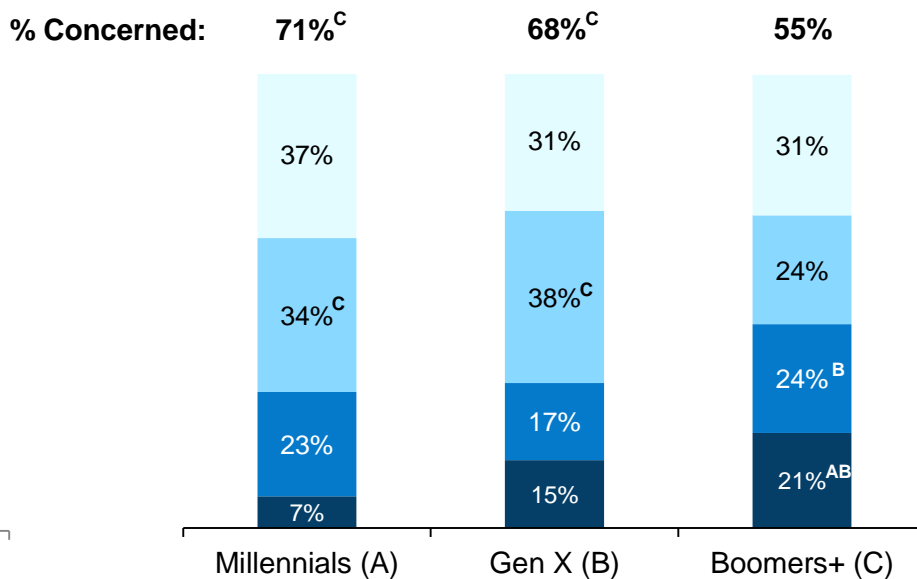
Millennials and Gen Xers more likely than Boomers+ to believe there will be Social Security cuts under the current administration and be concerned about them

- Over one third of Millennials strongly agree there will be cuts and a similar proportion are very concerned about it.

There Will Be Cuts To Social Security Under The Current Presidential Administration



Concerned About Cuts To Social Security Under Current Presidential Administration



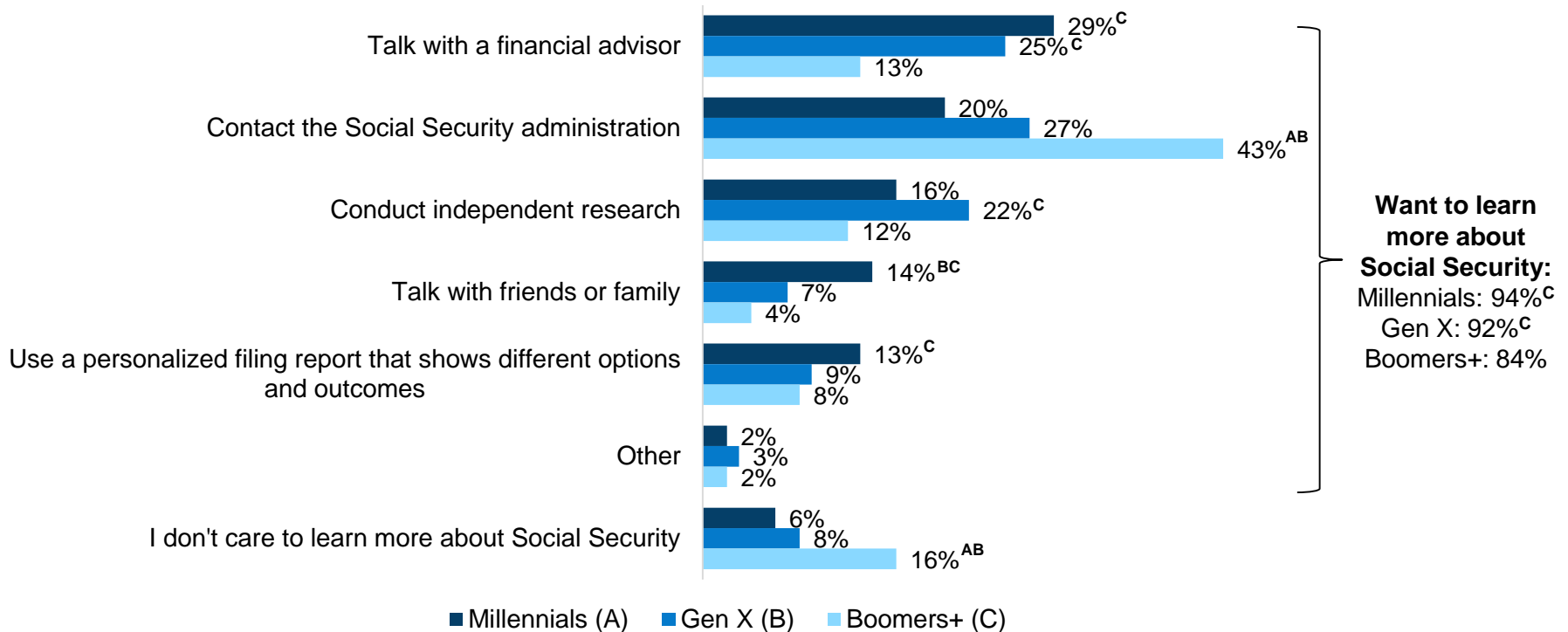
Strongly disagree
 Somewhat disagree
 Somewhat agree
 Strongly agree

Not at all concerned
 Not very concerned
 Somewhat concerned
 Very concerned

Over 9 in 10 Millennials and Gen Xers want to learn more about Social Security; Boomers+ less so

- Boomers+ overwhelmingly prefer to contact the Social Security administration to learn more about Social Security, whereas Millennials and Gen Xers are more likely to prefer several other alternatives.
- Millennials and Gen Xers are more likely than Boomers+ to talk with a financial advisor to learn more.

Preference For How To Learn More About Social Security

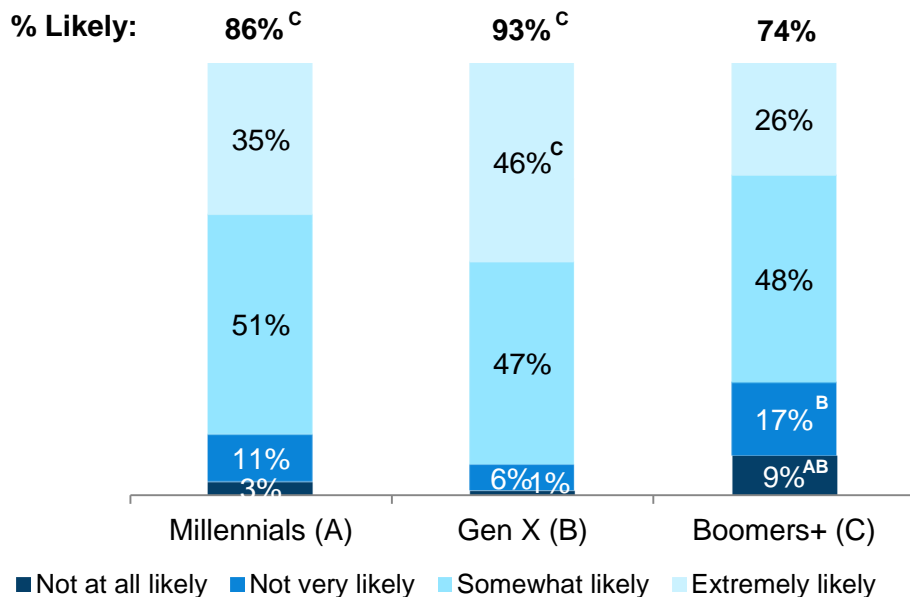


Majorities of all generations likely to find an advisor who would show them how to maximize Social Security benefits, but Millennials and Gen Xers even more likely than Boomers+

- Millennials are fairly evenly split on whether they plan to ask a financial advisor specifically about Social Security benefits – they are more likely than Gen Xers and Boomers+ to say yes, whereas Boomers+ are more likely than these two groups to say no.
- A third or more Millennials and Gen Xers aren't sure, compared to less than 1 in 10 Boomers+.

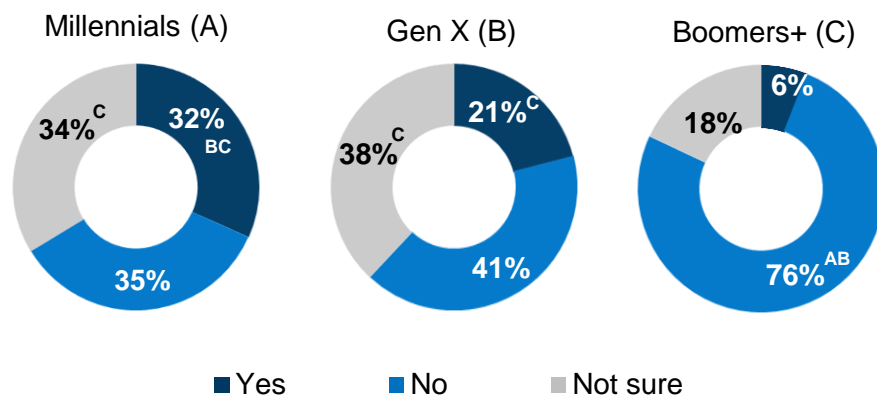
Likelihood Of Switching FA To Maximize Social Security Benefits

(Among those who work with or plan to work with a FA)



Plan On Asking FA About Social Security?

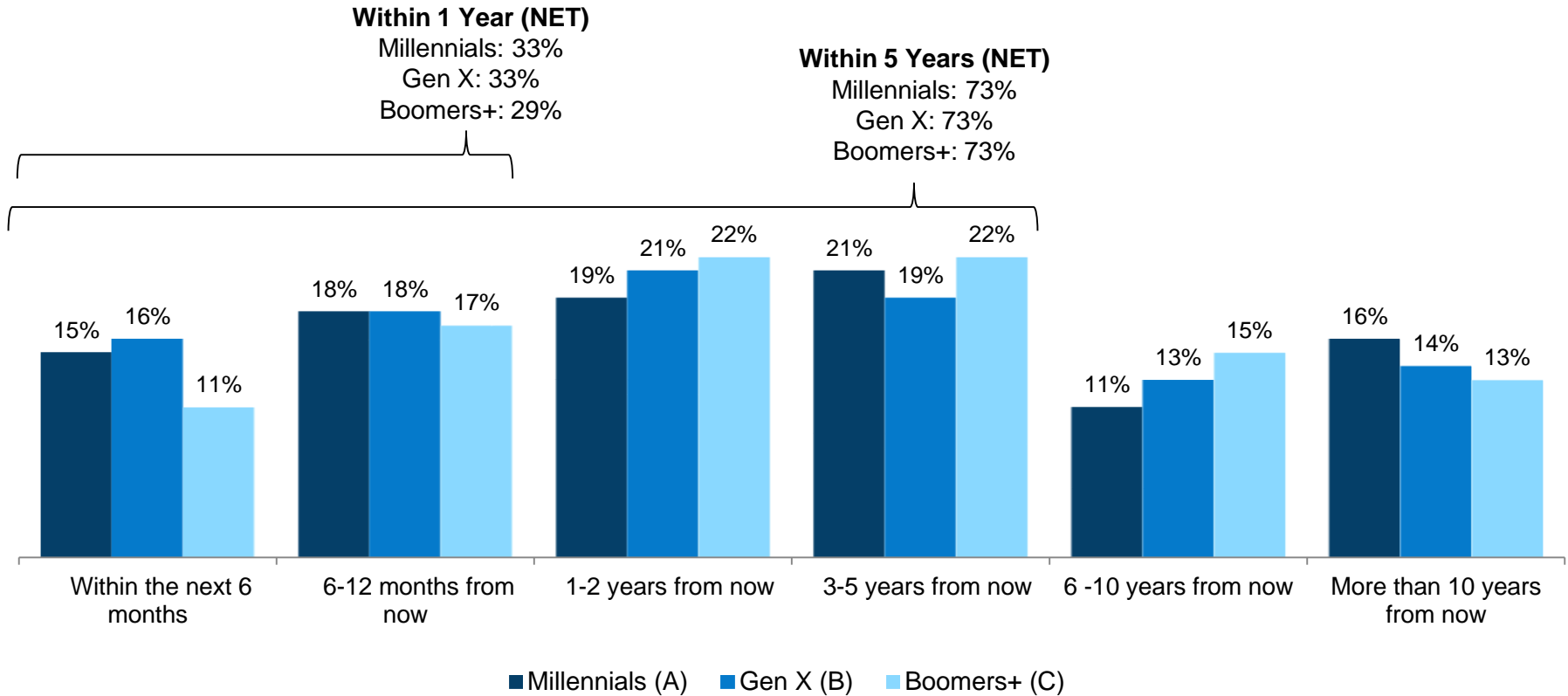
(Among those who do not work with a FA)



Generations are in sync on expected timing of the next recession

- Across the generations, about a third believe it will happen in the next year, and about three quarters think it will happen within the next 5 years.
- *Note: our field period ended March 6, 2020, just prior to the coronavirus pandemic outbreak in the US*

Timing Of The Next Recession

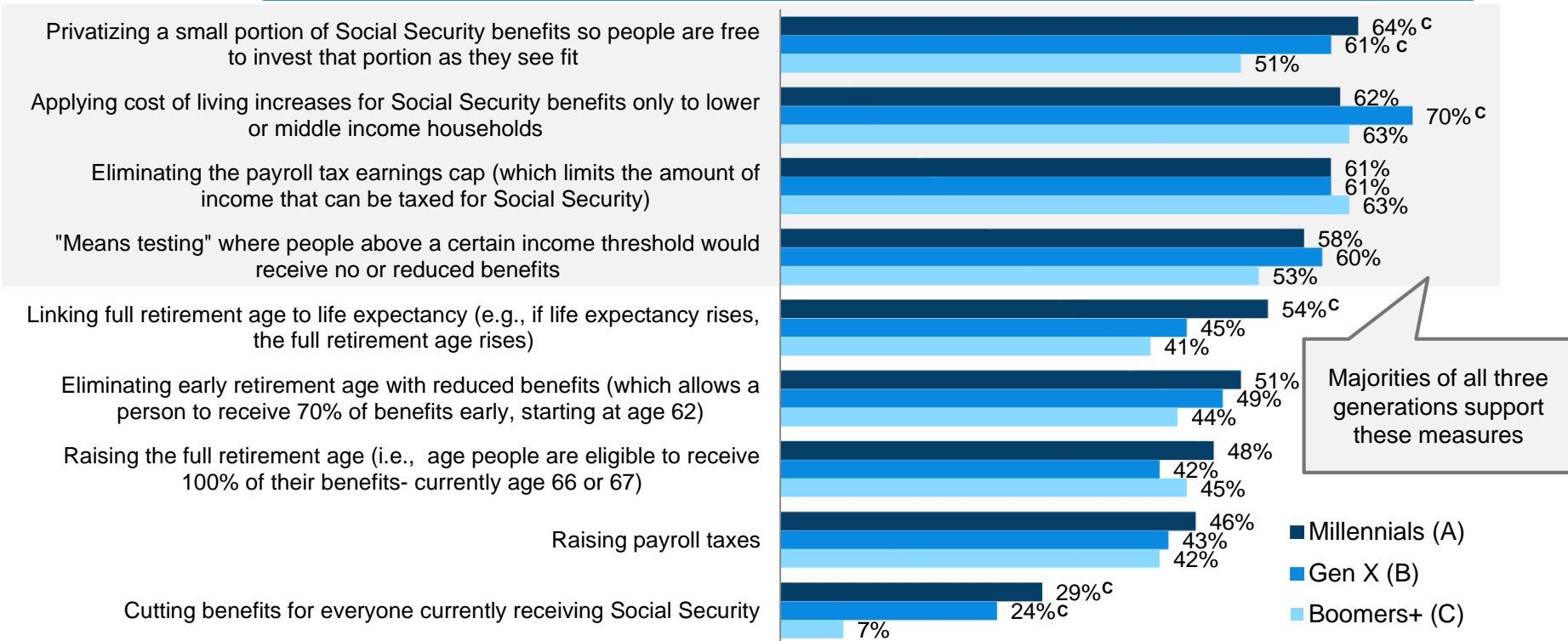


Generations vary on support for some measures to keep Social Security financially viable in the future

- While majorities across all generations support privatizing a portion of the benefit, Millennials and Gen Xers are more likely than Boomers+ to do so.
- While it is the least supported measure by all, Millennials and Gen Xers are more than three times as likely as Boomers+ to support cutting benefits for everyone currently receiving Social Security.

Support For Ways To Keep Social Security Financially Viable In The Future

(Strongly/Somewhat Support)



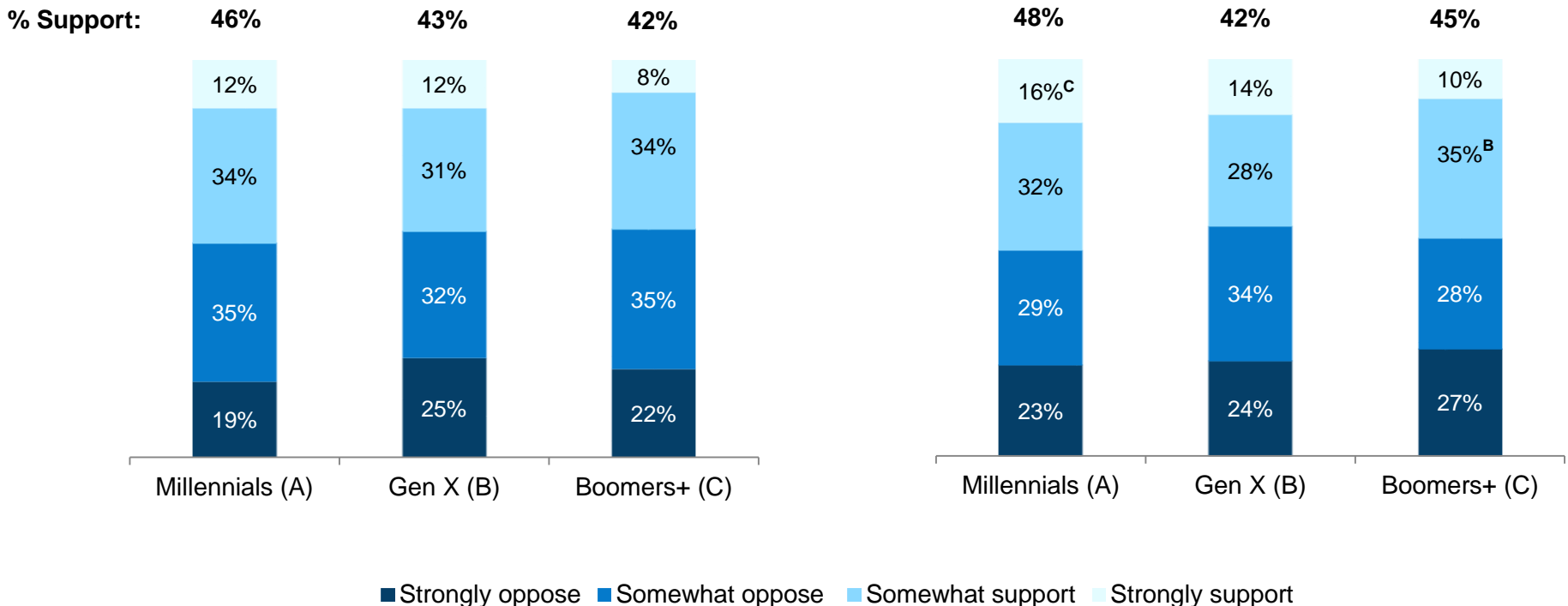
Across all generations, less than half support either raising payroll taxes or raising full retirement age in order to keep Social Security financially viable in the future

- Millennials have stronger support for raising full retirement age compared to Boomers+, who are more likely than Gen Xers to somewhat support the measure.

Support For Ways To Keep Social Security Financially Viable In The Future

Raising Payroll Taxes

Raising Full Retirement Age

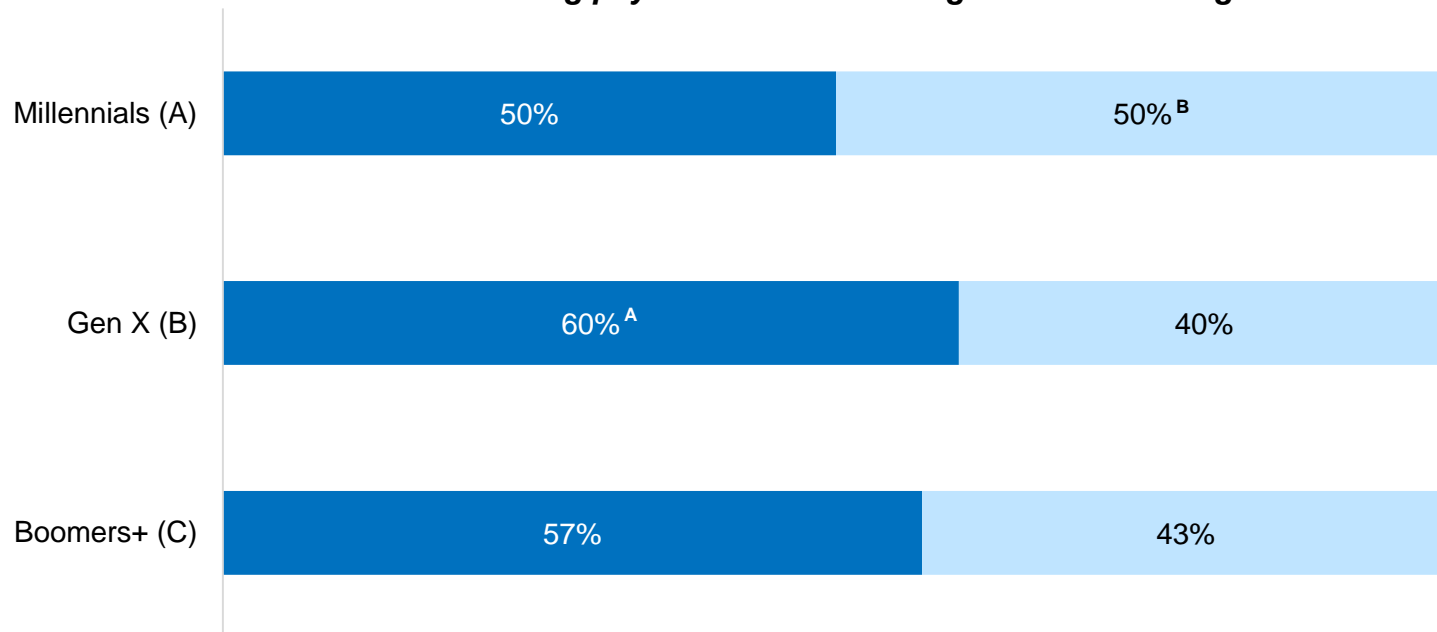


Millennials are equally split on preference between raising payroll taxes and raising full retirement age, whereas Gen Xers and Boomers+ lean slightly toward favoring raising payroll taxes

- Millennials are more likely than Gen Xers to prefer raising full retirement age, whereas Gen Xers are more likely than Millennials to prefer raising payroll taxes

Preference For Keeping Social Security Financially Viable In The Future

Raising payroll taxes vs. Raising full retirement age



- Raising payroll taxes from 12.4% (current) to 15%, with no impact on the full retirement age limit.
- Raising the full retirement age (i.e., the age people are eligible to receive 100% of benefits – currently age 66 or 67 depending on your year of birth), with no impact on payroll taxes.

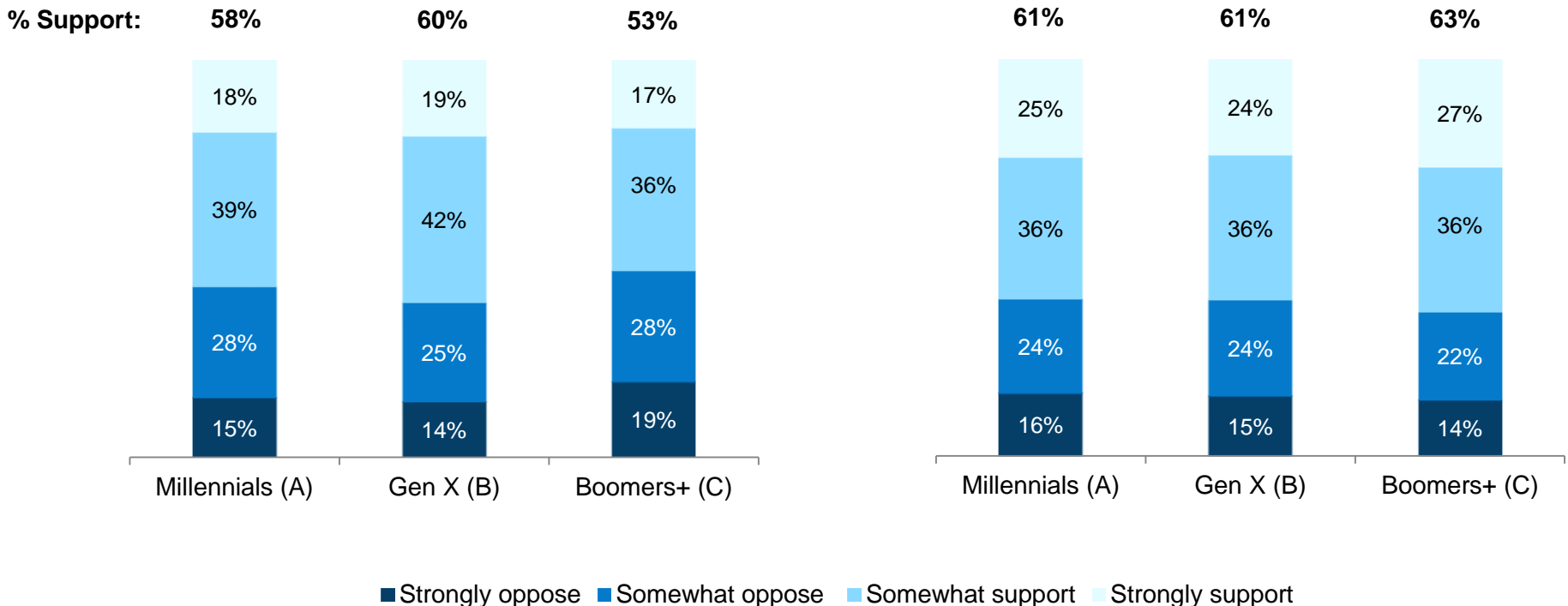
There is moderate support for both means testing and eliminating the payroll tax earnings cap, with no differences by generation

- Compared to means testing, slightly more Millennials and Gen Xers say they support eliminating the payroll tax earnings cap, but within Boomers+ we see a bigger proportion support it.

Support For Ways To Keep Social Security Financially Viable In The Future

'Means testing'

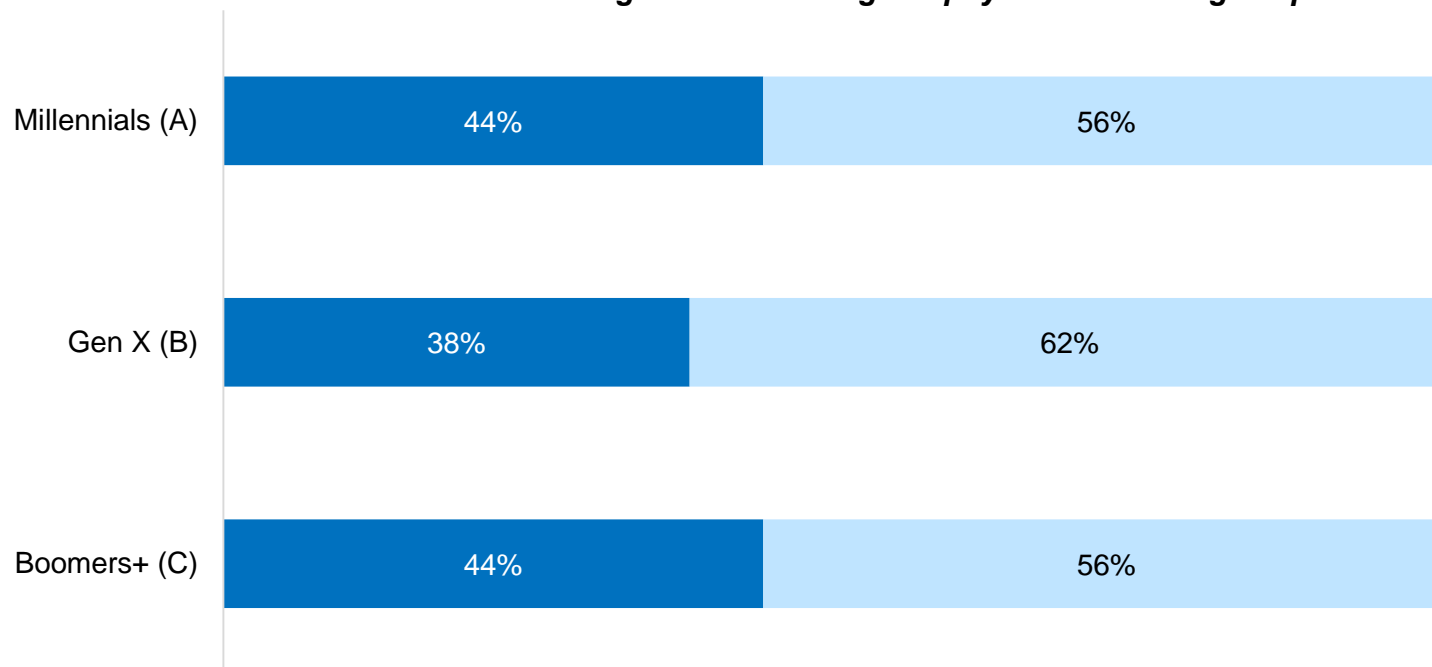
Eliminating the payroll tax earnings cap



Slight majorities across all generations would prefer eliminating the payroll tax earnings cap over means testing

Preference For Keeping Social Security Financially Viable In The Future

'Means testing' vs. Eliminating the payroll tax earnings cap



- “Means testing” (where people above a certain income threshold (e.g., earn above \$200,000 in retirement) would receive no or reduced Social Security benefits).
- Eliminating the payroll tax earnings cap (which limits the amount of income that can be taxed for Social Security, meaning any income above that amount (\$137,700 in 2020) is not taxed for Social Security purposes).

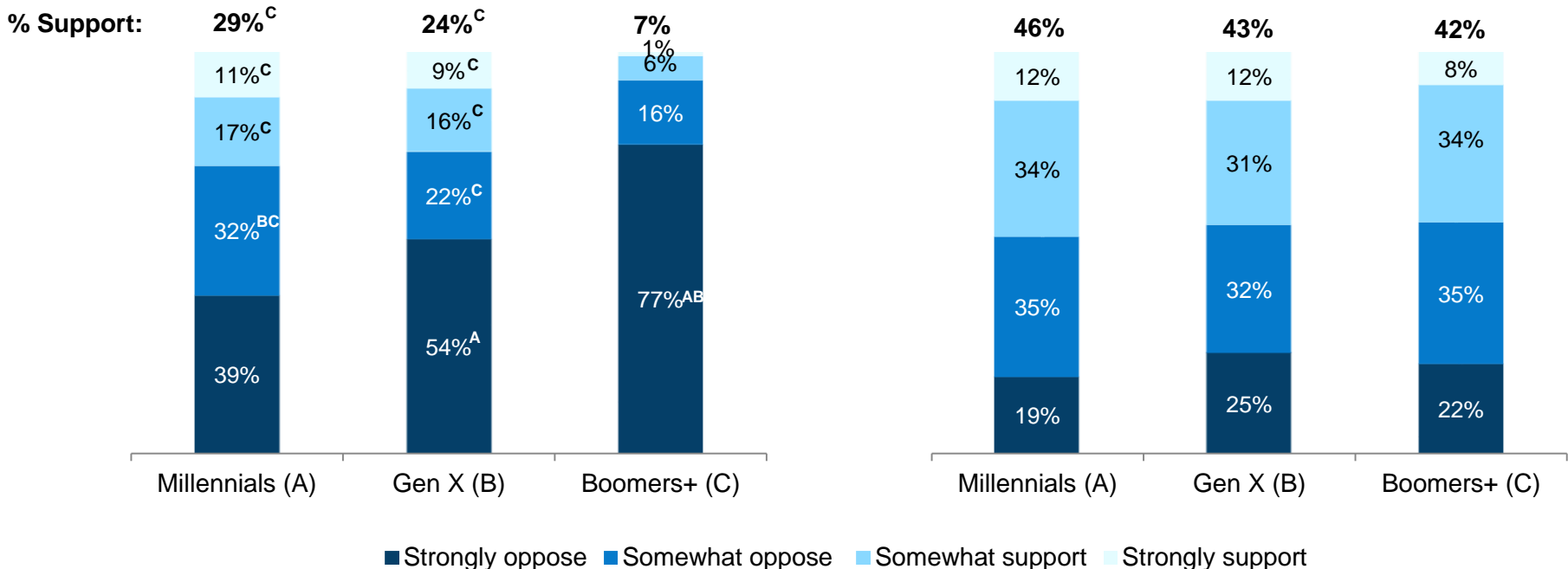
While support for cutting benefits for everyone currently receiving Social Security is low, there are stark generational differences

- Over three quarters of Boomers+ strongly oppose cutting benefits, compared to half of Gen Xers and about 4 in 10 Millennials.
- Nearly twice as many Millennials and Gen Xers, and six times as many Boomers+ support raising payroll taxes (second least supported measure) compared to cutting benefits for everyone (least supported measure).

Support For Ways To Keep Social Security Financially Viable In The Future

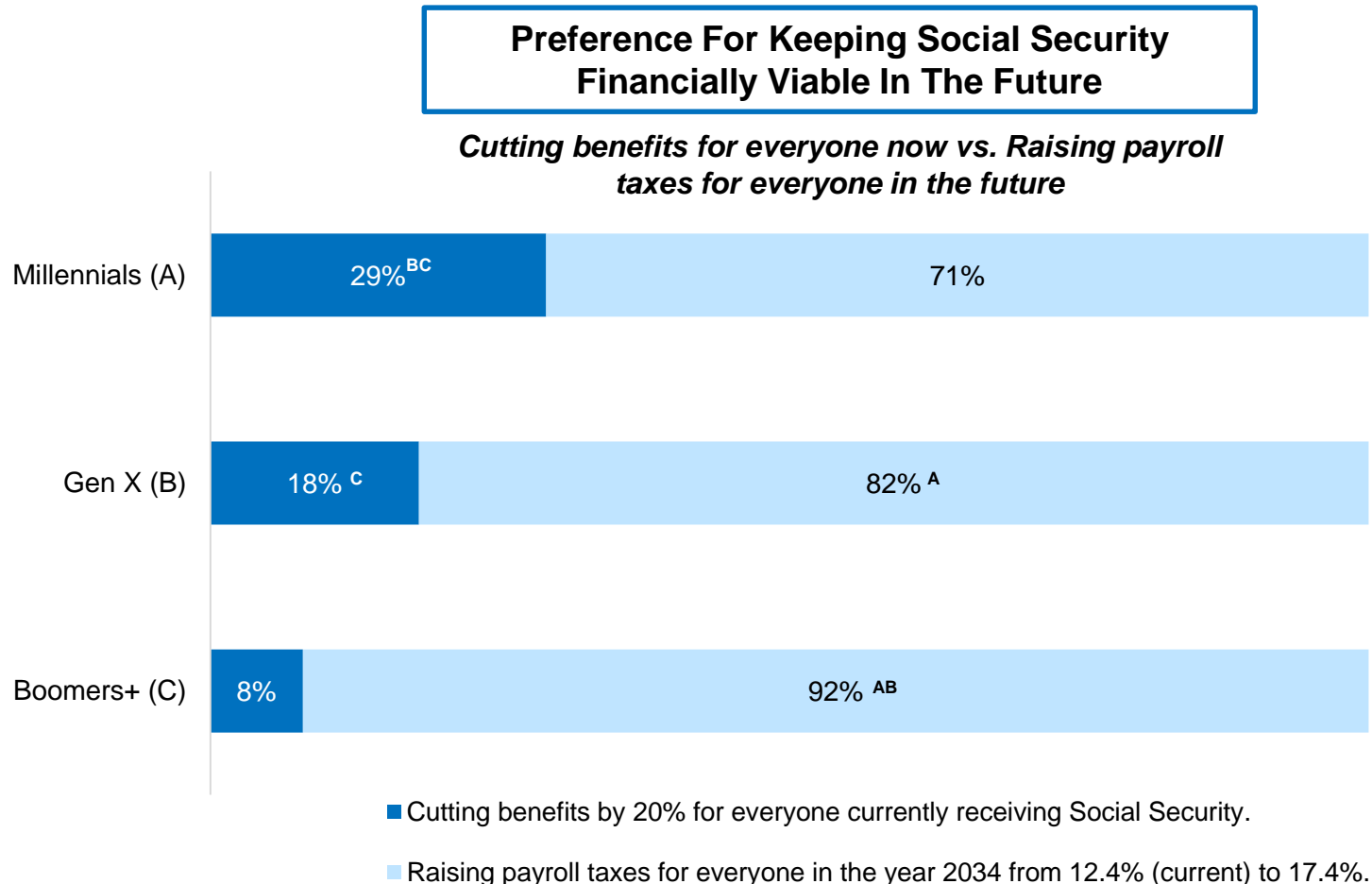
Cutting benefits for everyone currently receiving Social Security

Raising payroll taxes



As such, not surprisingly, strong majorities prefer raising payroll taxes in the future over cutting benefits today for those receiving Social Security

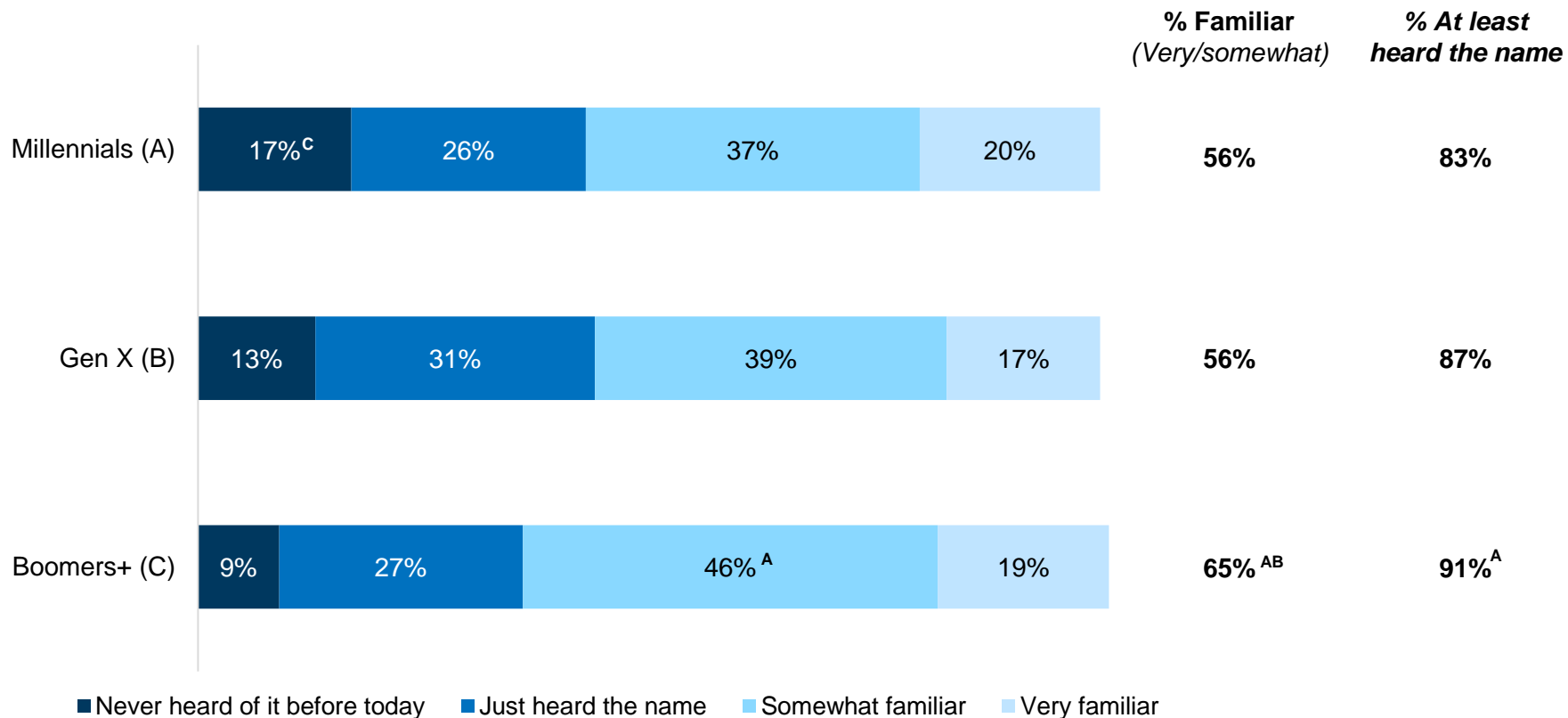
- The same generational patterns hold, where Millennials in particular, but also Gen Xers are more likely than Boomers+ to prefer cutting benefits by 20% for everyone currently receiving Social Security over raising payroll taxes 5% in about 15 years.



While majorities have heard of Medicare For All, less than two thirds are very or somewhat familiar with it

- Boomers+ are more familiar than both Millennials and Gen Xers.
- Millennials are almost twice as likely as Boomers+ to say they had never heard of Medicare For All.

Familiarity With Medicare For All

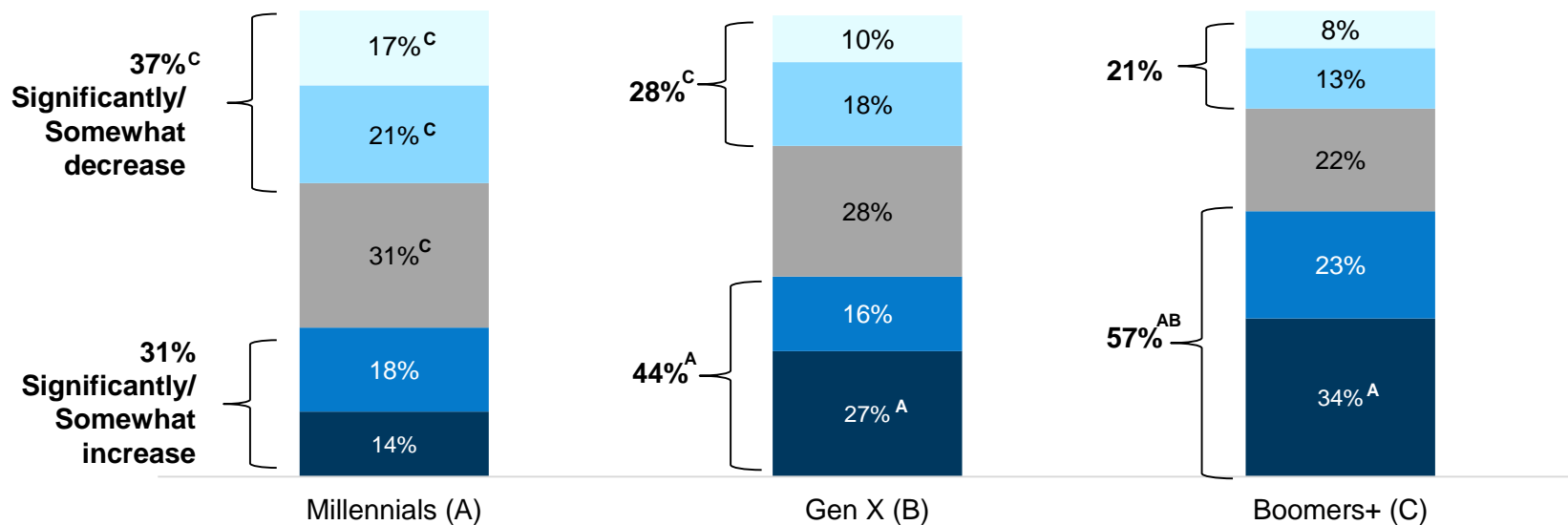


Generations have very different opinions on how Medicare For All would impact their health care expenses

- Millennials are more likely than Boomers+ to say their expenses would decrease or that there would be no impact to them, while over half of Boomers+ say they would increase, compared to less than a third of Millennials.
- Both Gen Xers and Boomers+ are much more likely than Millennials to site the extreme and say health care expenses would significantly increase.

Expected Impact Of Medicare For All On Health Care Expenses

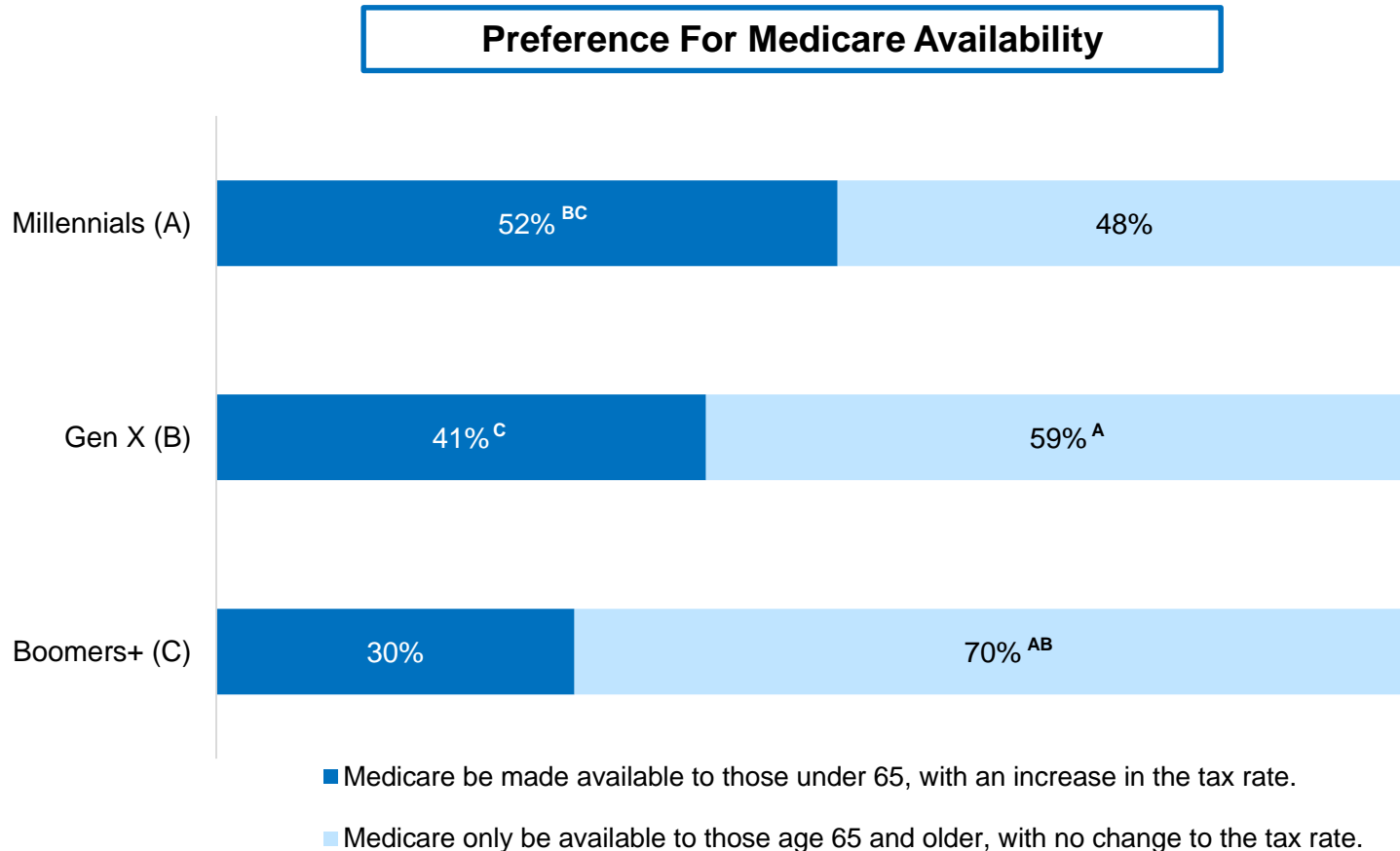
(Among those at least heard the name Medicare For All)



■ Significantly increase ■ Moderately increase ■ No impact ■ Moderately decrease ■ Significantly decrease

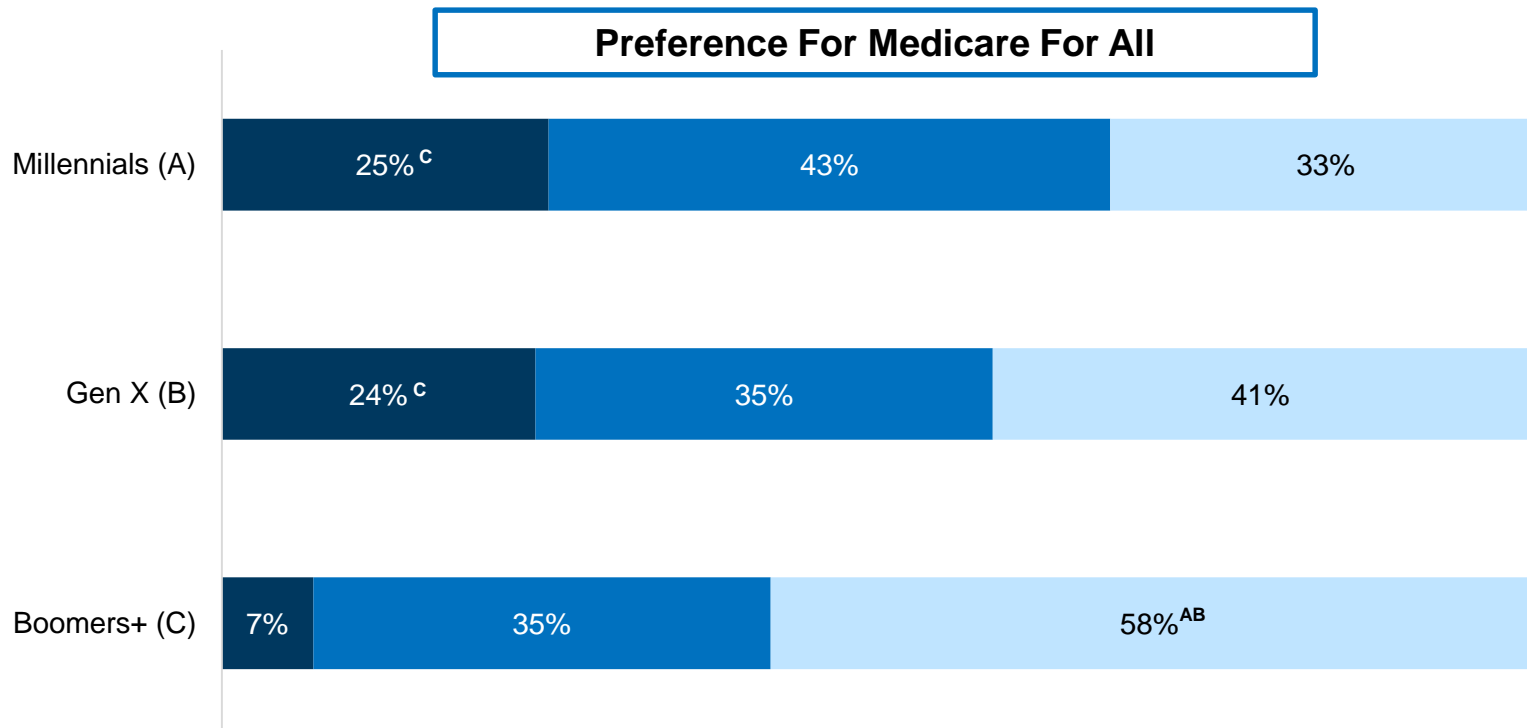
While Millennials are nearly split, majorities of Gen Xers and Boomers+ prefer Medicare only be available to those 65+ over it being made available to those under 65 with an increased tax rate.

- Preference for Medicare only being available to those 65+ with no change to tax rate increases with each generation.



Support for full-stop Medicare For All (no private option) is low, though much higher among Millennials and Gen Xers than Boomers+

- Boomers+ are more likely than Gen Xers and Millennials to prefer a government-backed insurance plan.
- Across all generations, a third or more support Medicare For All if it includes the option to enroll in private plans.



- The government move to a single health insurance plan for all Americans, with no option to enroll in private and/or employer-sponsored health insurance plans.
- The government move to a single health insurance plan for all Americans, but provide people the option to enroll in private and/or employer-sponsored health insurance plans.
- The government to provide a government-backed insurance plan, but provide people the option to enroll in private and/or employer-sponsored health insurance plans

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