Social Security
7th Annual Consumer Survey

NATIONWIDE RETIREMENT INSTITUTE®
About the survey

Methodology

Nationwide Retirement Institute’s seventh annual Social Security survey was conducted online by The Harris Poll from February 19 – March 6, 2020 among 1,727 U.S. adults age 24 or older who currently collect or plan to collect Social Security benefits.

The COVID-19 Social Security survey was conducted online by The Harris Poll between May 15 – 19, 2020 among 2,026 U.S. adults age 18 and over via the Harris On Demand omnibus product.
The financial impact of COVID-19 has Americans reevaluating their retirement plans.

38% say COVID-19 has impacted their retirement plans by having to retire later than planned or now not being able to retire at all.

41% are currently reevaluating their retirement plans to assess the financial impact of COVID-19.
Adults are also worried about Social Security program funding due to COVID-19.

63% think it is more important now to optimize Social Security.

61% worry more now than they did before the pandemic about Social Security running out of funding.
Most Americans were worried about their retirement plans before COVID-19.

Regardless of generation, over 3 in 5 who aren’t retired were worried they weren’t saving enough for retirement before COVID-19.

In addition, most Americans were concerned they aren’t financially prepared for retirement (77% Millennials, 72% Gen Xers, 64% Boomers+).
Adults were also already concerned about Social Security running out of funding.

The majority also already worried Social Security would run out of funding in their lifetime…

(79% Millennials, 81% Gen Xers, 66% Boomers+)

…and that they’ll need to continue working because Social Security won’t pay enough.

(75% Millennials, 72% Gen Xers, 48% Boomers+)

Alarmingly, **1 in 5** Boomers+ do not have sources of retirement income beyond Social Security.
Millennials are especially skeptical about Social Security funding.

Over 2 in 5 Millennials (44%) think they will not get a dime of the Social Security benefits they have earned, compared to over a third of Gen Xers (35%) and just 1 in 10 Boomers+ (10%).

Millennials (67%) and Gen Xers (61%) are more likely than Boomers+ (51%) to believe there will be Social Security cuts under the current administration and be concerned about those cuts (71% Millennials, 68% Gen Xers, 55% Boomers+).
There is broad agreement across age groups that the Social Security system is in need of change.

They support ideas such as

Privatizing a portion of Social Security benefits so people are free to invest that portion as they see fit
(64% Millennials, 61% Gen Xers, 51% Boomers+)

Applying cost of living increases for Social Security benefits only to lower- or middle-income households
(62% Millennials, 70% Gen Xers, 63% Boomers+)

Eliminating the payroll tax earnings cap, which limits the amount of income that can be taxed for Social Security
(56% Millennials, 62% Gen Xers, 56% Boomers+)

“Means testing” where people above a certain income threshold would receive no or reduced benefits
(44% Millennials, 38% Gen Xers, 44% Boomers+)
In addition to having concerns, many adults lack a basic understanding of Social Security.

Less than half are confident in their knowledge of Social Security

- **44%** Millennials
- **40%** Gen X
- **37%** Boomers

Half or more say they don’t know how much of their income will be replaced in retirement by Social Security

- **49%** Millennials
- **49%** Gen X
- **57%** Boomers

**Nationwide Retirement Institute 2020 Social Security Survey:**
Base: Qualified Respondents (Total n=1727): Millennials (n=304); Gen X (n=471); Boomers+ (n=952)
Q701 How confident are you in your knowledge about Social Security?
Q5NEW2020 What percentage of your income [is/will be] replaced in retirement by Social Security?
Common Social Security misconceptions include:

- The incorrect belief that if adults claim benefits early, their benefits will go up automatically when they reach full retirement age (45% Millennials, 49% Gen Xers, 69% Boomers+)
- Not understanding eligibility – nearly all Millennials (97%), most Gen Xers (90%), and nearly three in four Boomers+ (73%) incorrectly identify the age at which they are eligible for full benefits
- Fewer than one in ten adults know the factors that determine the maximum benefit (4% Millennials, 6% Gen Xers, 7% Boomers+)

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Q735 Do you believe the following statements to be true or false?
Q742 What factors determine the maximum Social Security benefit an individual can receive?
Social Security payment expectations also do not match reality.

Future retiree expectation: $1,572

Retiree reality: $1,380

Future retirees over 50 expect to receive a higher Social Security payment ($1,572) than what long-term retirees over 50 receive ($1,380) – a difference of $192.
The good news is that adults are eager to learn more about Social Security.

The majority want to learn about Social Security, particularly Millennials (94%) and Gen Xers (92%) (compared to 84% of Boomers+).

In addition, 29% of Millennials, 25% of Gen Xers and 13% of Boomers+ would prefer to talk with a financial professional to learn more about Social Security.
Americans are turning to financial professionals for guidance on navigating the COVID-19 pandemic, as well as for maximizing Social Security benefits.

Roughly one quarter of Americans are seeking help by engaging a financial professional for the first time ever during the pandemic.

A majority of those surveyed would switch to a financial professional that could maximize their Social Security benefits.
Clients
Work with your financial professional to help you prepare to make the best decisions when it comes to Social Security.

Financial Professionals
To learn more about Nationwide’s Social Security 360® program and Social Security 360 Analyzer® tool, call the Retirement Institute Income Planning team at 1-877-245-0763.

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