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Carolyn L. Weaver
Resident Scholar and Director of Social Security Pension Studies, American Enterprise Institute
April 30, 1999

It has been a privilege to serve as Honorary Co-Chairs of Americans Discuss Social Security (ADSS).

Social Security touches virtually all Americans. The program reinforces our sense of community and intergenerational responsibility. Any changes to the program must have the support of the millions who contribute to, and benefit from, the current system. ADSS has contributed significantly to public education on this vital issue and public involvement in the debate about its future.

In the process, ADSS has also expanded opportunities for citizens to engage in public policy discussion. Its imaginative blending of the traditional roundtable discussion with interactive video satellite transmission, the use of wireless electronic keypads to produce instantaneous voting results and the computerized gathering of individual comments have made it possible to extend the town meeting concept to the national level.

The project has clearly demonstrated that, when important questions of Federal policy are before the Nation, Americans want unbiased, factual information. Furthermore, they want to voice their concerns and opinions and they want to be heard by their elected representatives and other policy makers in Washington. This reaffirmation of the democratic process is a legacy of which ADSS and The Pew Charitable Trusts can be justifiably proud.

Sincerely,

Daniel Patrick Moynihan
United States Senator

Charles E. Grassley
United States Senator
Over the past year-and-a-half, Americans Discuss Social Security has stimulated a national conversation about the future of Social Security and has discovered what Americans think about changing the program. These efforts include 10 public opinion surveys, four video teleconferences linking citizens in 23 states with policymakers in Washington, large-scale citizen forums in an additional 17 states and forums on more than 100 college campuses in each of the 50 states and Puerto Rico.

Throughout this process, ADSS has sought to gauge what values Americans believe should guide the reform process. Most agree on one overriding principle: the preservation of a safety net that will prevent older Americans from falling into poverty, will maintain their dignity and that will provide support for people with disabilities and for the survivors of workers who die before retirement.

In both surveys and forums, ADSS has found several specific reforms at the top of the public's list of preferred alternatives. They are:

- Collecting payroll taxes on earnings above the current (1999) cap of $72,600.
- Reducing benefits for people with higher retirement incomes.
- Permitting workers to direct a share of their Social Security contributions toward private investments. This option was somewhat less popular in the teleconferences and forums than it was in polling.

SURVEYS
In late 1997, ADSS launched the first in a series of surveys aimed not only at gauging Americans' views about Social Security but also at identifying attitudes about aging and retirement. The polling, conducted for ADSS by Princeton Survey Research Associates, covered a range of topics:
Americans' views on aging in general and their own in particular;
Citizens' financial preparations for retirement;
General awareness of the facts about Social Security's financial challenge;
Americans' knowledge of the effect of demographic trends on Social Security;
Americans' knowledge of the various reform efforts being proposed;
Americans' opinions on the various approaches to reforming Social Security;
Tradeoffs Americans would choose to preserve some aspects of Social Security; and
The values the public believes should guide reform efforts.

Eight separate polls were conducted from November of 1997 through September 1998; two more were conducted in 1999. In addition to providing an unusually rich body of information on public opinion about Social Security, the poll results reflect the evolution of Americans' thinking around this issue during the past 18 months. Among the findings:

• A majority (58 percent) of Americans believe that Congress and the President should decide about changes in Social Security before the elections next year, while 34 percent say they should wait until after the elections.
• Social Security is near the top of the public's agenda of issues that they want Congress and the President to address. In May 1999, 39 percent of Americans said that Social Security should be the top or the next highest priority for the policymakers. Ahead of Social Security was Education (50 percent and Health Care (40 percent). In March 1998, Social Security received 34 percent top/next support, trailing Education (51 percent) and Health Care (39 percent).

• More Americans are paying closer attention to the Social Security debate. The percentage today who say they are following it “very closely” or “fairly closely” has risen to 51 percent, up from 45 percent in March 1998.
• During the same period, there was an increase in public understanding of what the Social Security debate was all about—34 percent described their understanding as good or excellent in March 1998. The May 1999 survey shows that figure at 38 percent.
• Americans say they are aware that Social Security is confronting a funding challenge, but only 26 percent identify demographics as the core problem. Forty-three percent believe the main problem with Social Security is that the government has spent the program’s reserves on other programs.
• Though unsure of the source of the problem, a large majority overstates its scope. One-third of the public expects Social Security to be completely bankrupt in
20 years. Another third believes that the problem means that, in 20 years, beneficiaries will receive less than half the benefits they would get today. In fact, experts say that with no changes to the program, Social Security would still be able to pay 71 percent of current benefits 35 years from now.

- Generally, Americans are unfamiliar with the proposals for reform. Asked whether they had heard “a lot,” “a little” or “nothing” about specific ideas, respondents generally said they had heard little or nothing about reforms. The best known proposal was raising the retirement age; 35 percent said they had heard a lot about it.
- Nearly seven in ten (68 percent) Americans agree that everyone “will need to give up something at some point in order for the Social Security program to continue.” More than half (57 percent) say Social Security is headed for major financial trouble, and 58 percent say big changes are needed.

Starting in mid-1998, ADSS began including some brief descriptions of the reform ideas in its questionnaires. A reform option that has consistently received strong popular support (61 percent of all respondents in May 1999) is the proposal to collect payroll taxes on annual earnings above the current (1999) cap of $72,600. Notably in the May poll, among those earning more than $60,000 annually, support for lifting the cap was also 61 percent.

- Sixty-three percent favor using more than 60 percent of the federal budget surplus to add to the Social Security trust funds. But 74 percent believe other changes will be needed to solve the program’s problems, not just using the budget surplus.
- Fifty-eight percent favor “reducing benefits for people who have retirement incomes over about $60,000 per year.”
- Fifty-eight percent favor permitting workers to direct the investment of some of their Social Security payroll contributions themselves.

- Fifty-two percent oppose a proposal to permit the government to invest a share of the Social Security Trust Funds in the stock market; 36 percent favor the idea.
- Two other proposals are opposed by majorities as well—reducing the cost-of-living adjustment (COLA) (53 percent) and gradually increasing the full-benefit retirement age to 70 (74 percent). A few other findings of interest:

- Although a small majority favors allowing workers to have individual retirement accounts, when forced to choose between retirement accounts and a guaranteed, exact, Social Security benefit, 59 percent of respondents say that they would prefer to keep a guaranteed benefit and just 33 percent opt for individual retirement accounts.
- Notably, 59 percent of Americans making more than $60,000 per year support reducing benefits for retirees in their own income bracket—nearly the same level of support for this option found in lower income groups.
- Asked to choose between stock market investments by the Social Security Trust Funds that could offer a higher rate of return, and keeping the money in investments that would produce lower returns, Americans opt for safety. Sixty-six percent say keeping the investments safe is the priority, while 26 percent say that the higher rate of return is worth the higher risk of the stock market. This finding was consistent across all demographic groups, including age, income and political affiliation.

**TELECONFERENCES AND FORUMS**

Over the last year, ADSS has conducted a series of nonpartisan teleconferences and forums on Social Security, leading participants through a rigorous process of education, discussion and debate, before
asking participants to choose possible solutions. Participants were selected to reflect the demographics of their respective communities. The results of these sessions do not qualify as scientific public opinion research. However, the sentiments expressed at the various sessions have been largely consistent with the opinions Americans reveal to pollsters.

ADSS innovation in citizen engagement was demonstrated in four large-scale initiatives:

- A five-city Plains States Teleconference, held on October 10, 1998, joining Washington decision-makers with citizens in Bismarck, North Dakota; Casper, Wyoming; Helena, Montana; Lincoln, Nebraska; and Rapid City, South Dakota.
- A ten-city Women’s Teleconference, held on January 23, 1999, linking panelists in Washington with participants in Albuquerque, Atlanta, Cleveland, Los Angeles, Milwaukee, New Orleans, Oklahoma City, Portland (Maine), Portland (Oregon) and San Antonio.
Each of these events followed a similar road map. Participants were recruited through public service announcements, advertising, outreach through co-sponsoring organizations and advance publicity. These approaches attracted diverse citizens who committed to spending several hours discussing the issue. The resulting groups were generally representative of their communities in terms of age, employment status, income and gender, except for the Women's Teleconference, which deliberately sought predominantly female participation.

The agenda in the forums and teleconferences started with a discussion of the values that participants hold about Social Security. Also, there were opportunities for participants to question experts, including actuaries and representatives of the Social Security Administration, about the current program and the potential impact of some of the proposed reforms. There were votes supporting or opposing reform options, the list of which grew from nine at the early forums to 15 at the final ones. In the October 10, 1998 teleconference, participants were asked to construct their own comprehensive package of reform ideas. In most forums and teleconferences, wireless electronic keypads were used to provide instantaneous voting results. Using laptop computers at each table, participants were able to record the outcome of their deliberations.

Participants in all the sessions repeatedly voiced the view that the principal value of Social Security is that it saves retired Americans from poverty and preserves a measure of dignity in retirement, while also providing support for the disabled and for the survivors of workers who die before retirement. The second most often selected value was ensuring the solvency and integrity of the Social Security system itself. In addition, participants generally expressed strong support for ensuring fairness in the system, especially across the generations.

Although not every forum's participants ranked the various reform options in exactly the same order, the following two proposals were consistently the most popular:

- Raise the earnings cap, so that earnings above $72,600 (in 1999) will be subject to Social Security taxes.
- Reduce retirement benefits for high-income recipients.

Indeed, in the five individual city forums, these two options were the only ones that drew majority or even plurality support. The least popular proposals, based on individual responses at the forums, were those that would have the effect of reducing universally the value of a Social Security benefit: reducing benefits across the board; reducing the COLA; and taxing Social Security like a private pension is taxed.

In the middle were several options that drew more opposition than support, but by a narrow margin:

- Increase the retirement age at which one can receive full benefits.
- Establish individual accounts.
- Invest a portion of trust fund assets in the private markets.
- Increase the payroll tax.

By the time of the Plains States Teleconference in October, new options for reform had been put forward, so discussion leaders put more options on the table. Of these, the most popular were:

- Expand Social Security to cover all new workers hired by state and local government.
- Use the budget surplus to help Social Security indirectly, buying down the national debt.

Participants at the Plains States event were also guided through a process of forging comprehensive
reform packages, working in small groups. Since this process resulted in a variety of combinations, it is difficult to draw broad conclusions about participants' views on overall reform packages, but two components were found in a majority of the packages:

- Eighty-one percent of the small groups in the Plains States Teleconference included the proposal to raise or eliminate the cap on wages subject to the Social Security payroll tax.
- Sixty-three percent included the proposal to include newly hired state and local employees in Social Security.

No other proposal was included in more than 37 percent of the groups' packages. In rank order, the most commonly included proposals were: gradually increasing the retirement age to 70 (37 percent); reducing benefits for high-income retirees (26 percent); government investment of Trust Funds in the stock market and other private securities (23 percent); applying a share of the budget surplus to buying down the national debt as a way to indirectly help Social Security (22 percent); and establishing individual accounts with some share of Social Security contributions that workers could direct themselves (19 percent).

In the Women's Teleconference, several questions were put to a vote by the participants. The first asked which of the following is more important: putting some of the money from Social Security into higher-risk investments like the stock market so they have a chance to increase in value, or, keeping the money in lower-risk Treasury bonds which have a lower rate of increase. Nearly three-quarters (74 percent) said the latter was more important, while the rest (26 percent) chose the former.

The second question: If your family had to bear some of the responsibility for covering the Social Security shortfall, which of the following would you favor? (1) raising the retirement age; (2) taxing workers more; (3) receiving a lower monthly benefit; or, (4) receiving a lower guaranteed benefit and having a portion of your Social Security taxes to invest? Option one, raising the retirement age, was chosen by 28 percent, while raising taxes drew the support of 26 percent. Only 4 percent selected a lower monthly benefit, with 43 percent favoring the fourth option of a lower benefit accompanied by investing a portion of payroll taxes.

A third question: If in fact private retirement accounts become part of the Social Security program, how well do you believe you would do investing in the markets? Seven percent thought they would be excellent investors, 31 percent, good, 35 percent, fair and 28 percent believed they would do poorly.

"This [Des Moines] meeting was well organized and the electronic keypads allowed everyone to participate. I was impressed! ADSS and Pew are to be commended for an educational public meeting on a most important issue."

Rep. Greg Ganske (R-IA)
THE SOCIAL SECURITY CHALLENGE

Early in the Americans Discuss Social Security project, a crucial element became clear: young Americans had to be brought into the conversation about the nation's retirement system. After all, their payroll taxes would be financing the baby boomers' Social Security benefits long before they themselves would be eligible for their own benefits. Would it be possible to get young people thinking about an issue that seems so remote? ADSS's response to this question formed the basis for the appropriately named "Social Security Challenge."

Created in collaboration with four youth organizations—The Foundation for Individual Responsibility and Social Trust (FIRST), Third Millennium, the 2030 Center, and the United States Student Association, the campaign focused on college students. It was designed to get students talking to each other, rather than being lectured by experts. An incentive was provided: cash.

Students from across the country were invited to create a plan and a budget for the plan to make Social Security a hot issue on American campuses. The best plan would be implemented with a $100,000 budget, and each member of the winning team would receive a $10,000 scholarship. More than 150 applications and plans were submitted. Panels of academics and journalists in seven regions selected semi-finalists, and in July, 1998, the winners were chosen: Nathan Cray and D. Conor Seyle, both third-year students from Texas A&M. Applying their skills as moderators in the

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"I'm 22 years old...no one in my age group is talking about it [Social Security], they're thinking that, hey, it's way down the road, you know, it's 40 years away."

Harvey Young, in Buffalo, NY, April 25, 1998

"I hope that Congress acts with the same deliberation that our table acted with...there were a lot of ideas but everybody was very serious about what they were doing."

Pio DeCano, in Seattle, WA, May 2, 1998

National Issues Forum (NIF), their plan was to use the NIF format for deliberative discussions on campuses nationwide.

At these forums, students would be the "experts," talking about their own experiences with Social Security and the values they associate with the issue. Some could relate to the survivors' benefits; others were familiar with the disability payments the program provides. After the values discussion, the students would be asked to evaluate three broad-based options for reform: keep the system intact; reduce benefits in order to keep the program solvent or replace the program altogether.

In less than 10 months, the Social Security Challenge reached nearly 5,000 students, in all 50 states and Puerto Rico, in 117 separate events. One involved a teleconference linking 14 Historically Black Colleges; others brought senior citizens and young people together.

And there's ample evidence that the forums really did make a difference. The forums helped students evaluate their opinions and provided them with critical information about the issue. At the start of the forums, many students were unclear about what should be done about Social Security or even if there was a problem with the program. After deliberating, one-third had a clearer idea about reform, and two-thirds felt they now had a general idea of what needed to be done. As a result of participating in the forums, some students changed their opinion about the principles on which the Social Security program should be based.

At the end of the forums, 86 percent of participants thought it was important for individuals to take responsibility for their own retirement and 59 percent of the participants thought it was important to establish private savings plans.
CONCLUSION

Americans Discuss Social Security began with a number of challenges:

• Could Americans from all walks of life be engaged in a discussion of a national policy issue?
• Would they be willing to commit sufficient time to learn the complexities of the issue and to exchange views with their neighbors about it?
• Could their views have an influence on the policymakers?
• Could new technologies be employed in a constructive way to meet these challenges?

Answers to these questions emerged clearly from the activities of the past two years. Citizens from all demographic groups are eager to have input into public policy decisions. At various ADSS teleconferences and forums, participants reflecting the diversity of their respective communities came together to share their unique perspectives.

These Americans demonstrated convincingly that they are willing to commit significant amounts of time to educate themselves and to discuss Social Security and its ramifications with policymakers, experts and their neighbors. In event after event, any doubts about the public’s willingness to grapple with the complex demographic and economic issues at the heart of the Social Security reform debate were quickly laid to rest.

Moreover, policymakers who attended ADSS events were eager to listen to the participants; others who were unable to attend welcomed our reports. All indications are that elected officials were grateful to have a non-partisan organization help connect them to their constituents on an issue of great concern. Indeed, many of these policymakers have expressed their appreciation for educating the public and for bringing public opinion on the issue to their attention.

Finally, ADSS’s experience with the use of new technologies to accomplish a new style of citizen engagement was overwhelmingly positive. Through satellite teleconferencing, the use of laptop computers and temporary computer networks, and aggressive use of the Internet, ADSS managed to deploy new technologies in a variety of constructive ways. The result was a series of conversations that efficiently and effectively blended New England-style town meetings with 21st Century technology. It is possible for the spirit of American democracy—of the people, by the people and for the people—to be the driving force in national conversations on public policy issues of critical importance.

In short, ADSS’s various challenges were met. While the shape of Social Security’s future has not yet been decided, there are clear signals of the values that Americans want to see maintained in the program and there is a vast store of citizen views about reform that policymakers can tap when the time for decision arrives. ADSS also leaves behind a roadmap for future citizen engagement projects.
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The Pew Charitable Trusts, based in Philadelphia, make strategic investments to help organizations and citizens develop practical solutions to difficult problems.

ACKNOWLEDGEMENTS
It has been a privilege to join thousands of thoughtful Americans in the national conversation about Social Security. This conversation would not have taken place without the vision of Rebecca Rimer, President and CEO of The Pew Charitable Trusts, and the Trusts’ support of this two-year project. It also would not have taken place without the commitment and dedication of literally thousands of people who participated in our events, who helped organize our events and who helped guide the process on many different levels, including our own National Advisory Board and staff. And it would not have been a complete conversation without the willingness of policymakers to listen to citizen voices. There are many who can take credit for the success of this project. We are grateful to them for their efforts and proud to have been partners with them in this thoroughly worthwhile enterprise.

SOCIAL SECURITY CHALLENGE
Andrea Batista Schlesinger, Program Director
Cindy Ng, Program Associate
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Robert Lopez, Program Associate

COVER: Members of Congress accept report from the Intern Summit—July 30, 1998
Americans Discuss Social Security is a non-partisan project of The Tides Center, funded by a grant from The Pew Charitable Trusts, to engage Americans from all walks of life in a national conversation about Social Security, so their views can help policymakers shape its future. ADSS takes no position on the issue.