

## Social insecurity: Many expect no retirement cash



Americans have major doubts about the financial health of Social Security.

A new [survey](#) by Pew Research Center finds that 41 percent of Americans think there will be no Social Security benefits for them when they retire and nearly a third expect reduced levels of benefits. ([Tweet This](#))

Some of those fears may be overblown. "People who think they will get zero benefits from Social Security are wrong and they should look at the facts," said Andy Landis, a former claims representative for the Social Security Administration (SSA) and author of "Social Security: The Inside Story."

There are concerns that benefits may be reduced, however.

The Social Security and Medicare Trustees' 2014 [report](#) projects that all the Social Security trust funds will be depleted by 2033. At that point, the agency will be able to pay out about 77 percent of retirement benefits from payroll taxes collected. By 2088, the trustees forecast the agency will be able to pay out 72 percent of benefits. ([Studies](#) from Harvard and Dartmouth project the trust funds could be depleted sooner than that and claim the Social Security Administration's actuarial forecasts have been consistently overstating the financial health of the program's trust funds since 2000.)

Of course, those projections assume that Congress does nothing to change the funding of Social Security. Landis expects lawmakers will act to raise taxes, cut benefits or a combination of both before the trust funds are depleted.

"Congress has a good track record of coming through on Social Security," Landis said. In 1983, when Congress last raised taxes and cut Social Security benefits, lawmakers said those measures would give the program an

additional 50 years of solvency. "That takes us to 2033," he said. "We don't have an immediate shortfall and most plans to fix Social Security focus on younger workers, not people near retirement."

The Pew report shows Social Security skepticism varies by age. Among the 18-to-29-year-old Americans Pew surveyed, 43 percent expected they would receive no Social Security benefits when they retired compared with 47 percent of 30-to-49-year-olds and 31 percent of 50-to-64-year-olds. Pew polled 1,692 adults in the U.S., as well as 1,700 in Germany and 1,516 in Italy.

Pew researchers were looking at how families in different countries support the elderly. Only 24 percent of Americans said the government should bear the greatest responsibility for people's economic well-being in their old age compared with 48 percent of Germans and 58 percent of Italians. That the elderly should bear the greatest responsibility for their own economic well-being was the most popular answer in the U.S. with 31 percent of Americans agreeing with the statement while 28 percent of Germans and just 4 percent of Italians concurred.

Though the U.S. places a higher value on personal responsibility than Germany and Italy, 43 percent of Americans surveyed by Pew were not saving for retirement. (That compared with 38 percent of Germans and a whopping 76 percent of Italians not saving for retirement.) The reason for not saving in the U.S.? Sixty-eight percent of the non-savers said they didn't have the money, 23 percent haven't started thinking about retirement and the rest either said they don't need to save for retirement or don't know if they should.

Regardless of what happens with Social Security, Americans should be saving money for retirement, say financial advisors. They'd also be wise to factor any concerns about Social Security benefits into their planning.

"I usually recommend reducing the Social Security Administration's benefit estimate by about 25 percent to account for potential trimming in the future due to Social Security funding constraints," said Gilbert Armour, a certified financial planner in San Diego.

Advisors also recommend delaying the benefits until your full retirement age, so you can maximize the amount you collect, something more Americans are doing in part because they are waiting longer to retire. "Since most people will need to rely on Social Security either in part or in full to survive in retirement, we recommend that you delay your retirement benefits as long as possible," said John Fowler, a financial planner in Keller, Texas.

Whatever your age and thoughts on the future of Social Security, advisors agree it will likely be around when you retire. "You can expect at least 77 percent of your benefits," Landis assured. "It's not going to zero."