The background of the page features a collage of US dollar bills and a Social Security card. The bills are shown in various orientations, with the words "ONE HUNDRED DOLLARS" and "100" visible. The Social Security card is partially visible, showing the words "SOCIAL SECURITY" and the number "15-51".

# **THE POLITICS OF RETIREMENT:**

## **A Report on Voters Age 50+**

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## EXECUTIVE SUMMARY

Many Americans are facing a retirement crisis including 35% of working Republicans over the age of 50 who are likely to face an income shortfall in retirement.

A poll commissioned by the Transamerica Center for Retirement Studies<sup>1</sup> and conducted by Harris Poll found that 30% percent of Baby Boomers (age 55-73) have less than \$100,000 in retirement savings and 45% percent of Generation X (age 41-54) have less than \$100,000 in retirement savings. These findings match the polling commissioned by Americas Majority Foundation for this study on the Politics of Retirement.

To understand the retirement crisis, it helps to look at how it plays out at the individual level.

A 55-year-old currently making \$50,000 year could expect to receive \$1,090 a month if they started taking Social Security at age 62 or \$1,600 a month if they waited to age 67.<sup>2</sup> If this person has \$100,000 saved by age 67 and expects to live to 80, they can reasonably plan to draw \$877<sup>3</sup> in monthly income from their retirement savings for an annual income of about \$30,000 (before taxes) *if* they can wait till age 67 to draw Social Security.

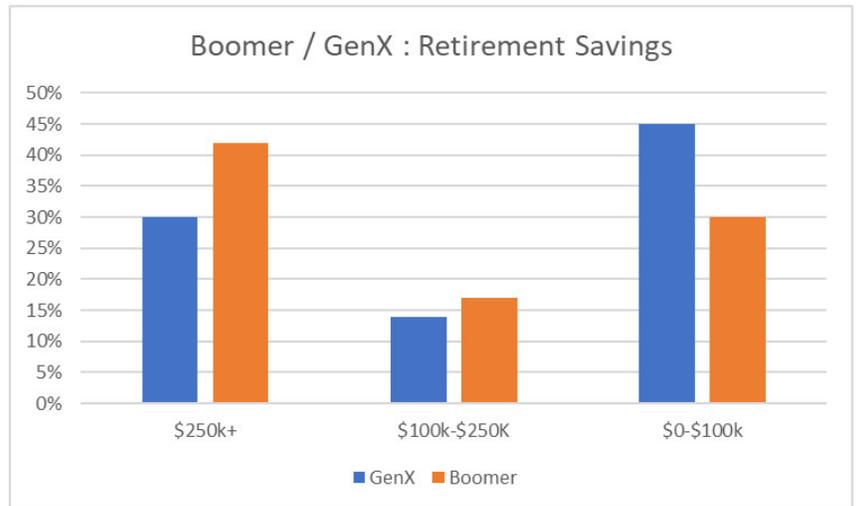
If this same person has to retire at due to a health problem at 62 and has \$85,000 saved, their monthly income from Social Security and savings drops to \$1,678 a month or \$20,000 a year.

For a person who had been making \$50,000 a year, going to \$20,000 a year is a crisis.

These illustrations could easily apply to 35% of Republicans over the age of 50. The impact of the retirement crisis could dramatically realign the electorate as a significant share of those who would be impacted the hardest are members of the current Trump/Conservative coalition.

The Democrats have already proposed their own plans. Social Security 2100 act which includes phrasing out the \$132,000 cap on Social Security taxes to fund increased payments to retirees. The Democrats have also proposed allowing workers over the age of 50 to “buy in” to Medicare for their health insurance.

The current state of retirement savings has been studied by academics and industry groups. The causes of the retirement crisis are numerous and interconnected and related to the basic human tendency to spend rather than save.



While there is rich data on the trends of retirement preparation most polls about retirement savings and preparation do not ask questions about partisan political identification and ideological world view. This project was designed to illuminate how a retirement crisis could manifest and affect elections and used three separate polling firms—Cygnal, Evolving Strategies, VCreek/AMG—nationally surveying more than 2,800 respondents age 50+ with a mix of Cell Phone, Land Line, and Online methodologies.

This study is the first part of two studies in which we review preparation for retirement and the politics of retirement beginning with voters 50 and over. The second part of the study will deal with voters 18 to 49.

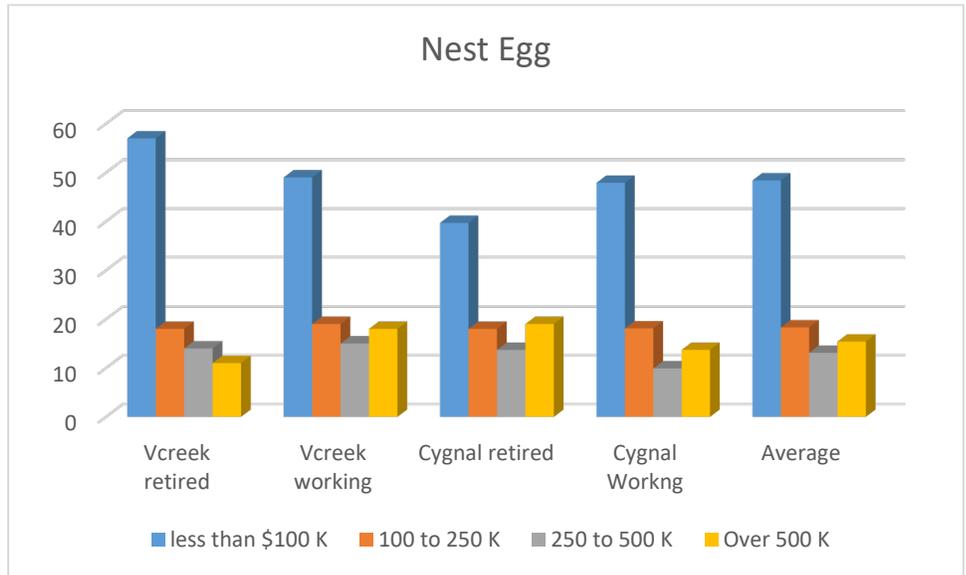
TABLE OF CONTENTS

Key Toplines.....4  
Political Impact.....7  
    Education & Retirement Preparation.....12  
    Challenges to Retirement.....13  
    Social Security.....16  
    World Views, Openness, Identity.....18  
Moving Forward.....22  
Notes & Sources.....25  
Methodology.....26  
Appendix 1: Crosstabs by Race & Ethnicity.....27  
Appendix 2: Results—Evolving Strategies.....29  
Appendix 3: Results—Cygnal.....46

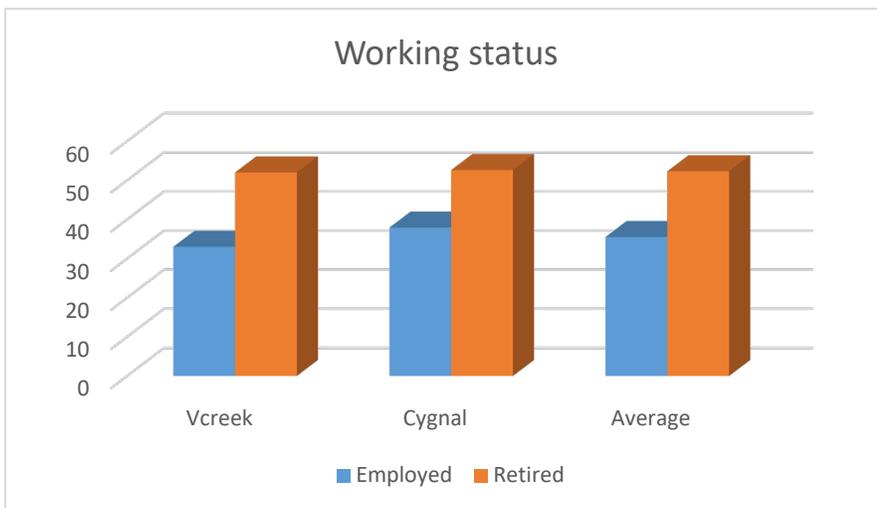
## KEY TOP LINES

Are voters over the age of 50 on track to fund their retirement? Cygnal and VCreek asked retirees about the size of their Nest Egg when they transitioned from full time work and asked those still working the approximate amount of their retirement savings.

Both pollsters found similar trends that match other public polling.



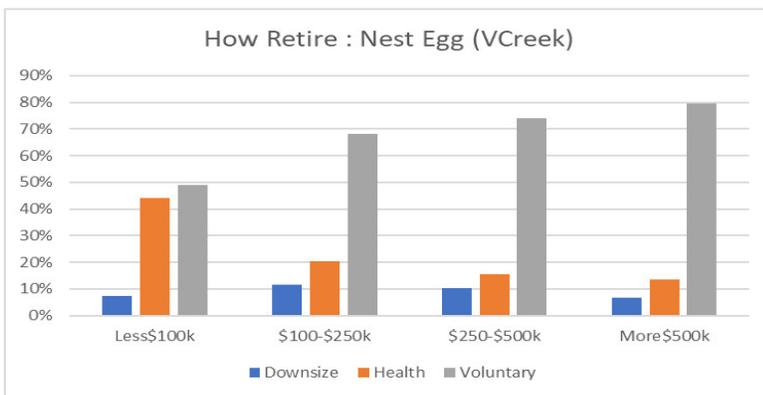
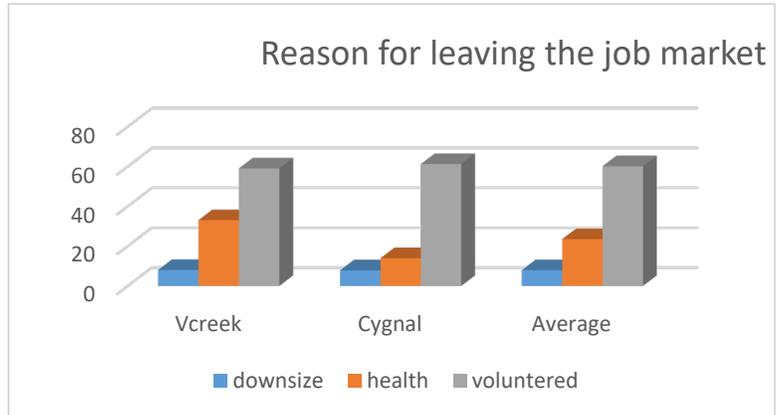
VCreek found that 57% of retirees and 49% of those still working in the VCreek group had nest eggs less than \$100K. Cygnal found that 40% of retirees and 48% workers had nest egg less than \$100K. Combining the two shows that 48% overall had retirement nest eggs under \$100K.



Both Cygnal and VCreek asked respondents about their work status. 52% of voters over the age of 50 in the VCreek survey along with 33% still working and in the Cygnal survey, 52.6% were retired and 37.9% still working. Both polls combined show that slightly over 52% of voters over the age of 50 retired and little over 35% were still working.

To dig deeper, both Cygnal and VCreek asked whether respondents retired voluntarily, or retired due a health problem or job loss. 59% in the VCreek survey stated they retired voluntarily along with 61% in the Cygnal survey.

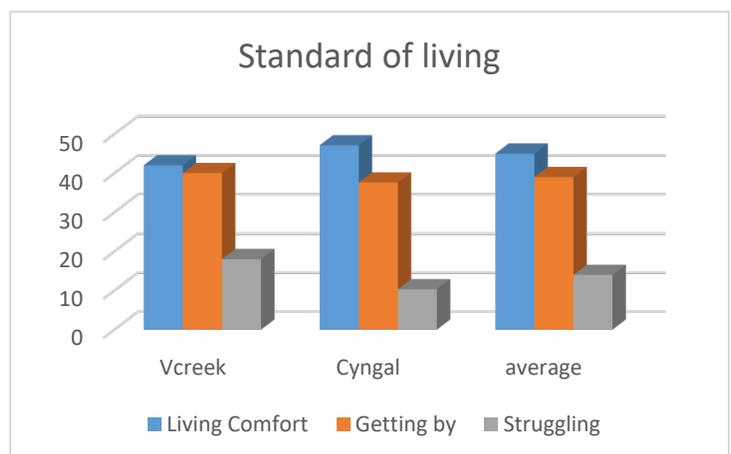
Three out of every five chose to retire of their own volition. 33% in the VCreek survey and 14% in the Cygnal survey were forced to retire due to health reason while 8% in both groups were downsized. Combining both data, nearly 24% of retirees left the work force due to health reason and 8% due to downsizing. Nearly a third of workers retired because of factors outside of their control. This has an impact on their own retirement nest eggs, if they were unable to continue working to reach their savings goals.



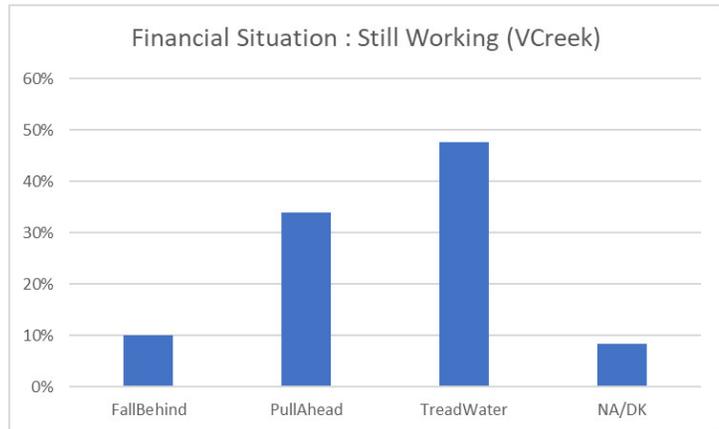
Retirement savings also showed a strong correlation to why a person retires. VCreek found that 50% of retirees with less than \$100k saved stopped working voluntarily compared to 80% who had more than \$500k saved. This is likely related to the nature of work. A blue-collar worker could find it harder to return to work after an injury or illness than an office worker.

In terms of how retirees see their own standard of living 42% in the VCreek and 47% in the Cygnal group stated they were living comfortably for an average of 45%. 40% of the VCreek survey and nearly 38% of the Cygnal group stated they were getting by, with the overall average of 39%. 18% of the VCreek and 10% in the Cygnal group mention they were struggling for an average overall of 14%.

Nearly half in our surveys mention that they were living comfortably and only 14% viewed themselves as struggling may represent a good sign. The real question centers on the 39% of those “getting by.” How many of this group is one major illness away from getting by to struggling and what security blanket are they looking for? We will examine this more closely in the Political Impact section.



Those still working were asked a reflective question about personal finances phrased: *“Thinking of the finances of your friends, neighbors and co-workers...are they pulling ahead, falling behind, or just treading water?”* The question is asked indirectly because partisan affiliation and which party controls the White House affects how people respond to questions about the economy. During the Obama Administration Democrats thought the economy was great, Republicans thought it was mediocre. After Trump won, the results reversed with Republicans thinking the economy was great.



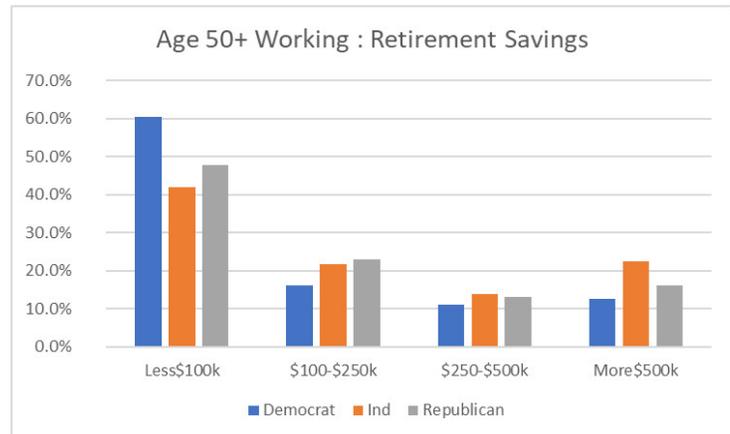
Even with strong economic numbers in job growth, low-unemployment and some wage growth, 48% of workers over the age of 50 say their “friends, neighbors and co-workers” are just treading water.

Overall the numbers are not encouraging. Many people in or near retirement do not have adequate savings to replace their working income. For many retirees, their ability to grow their income is restricted and based on a continuing growing stock market if they still have investments.

As we will explore further, this could have an impact on the political landscape when voters over 50 decide if economic security and a certain paycheck takes precedence over their political identity and world view.

## **POLITICAL IMPACT**

Forty-seven percent of Republicans age 50+ who are working have less than \$100,000 saved for retirement. Among Republicans who are retired, 49% had less than \$100,000 saved when they transitioned to retirement. Fifty-one percent of all working voters age 50+ have less than \$100,000 saved for retirement. Retired voters were in the same position with 51% having saved less than \$100,000 when they transitioned from full time work. (combined Cygnal & VCreek respondent level data)



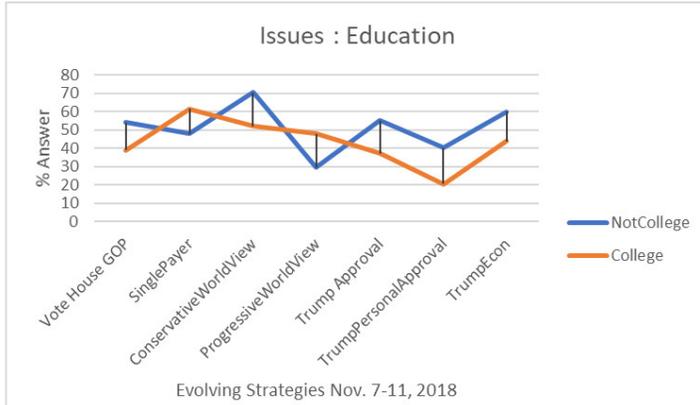
The demographic group least prepared for retirement is the base of the Trump/Conservative coalition.

Over the past two decades the Republican Party has shifted from being proportionally made up of blue-collar workers, skilled trades and educated professionals to a party increasingly made up of workers and skilled trades.

Polling by PEW found in 1994 54% of college graduates identified as or leaned Republican. By 2017 only 39% of college graduates thought of themselves as Republican and 54% aligned with Democrats. A complete reversal in 23 years. Voters with “some” college went from 50% Republican to 45% Republican.<sup>4</sup>

In terms of the Trump/Conservative coalition, the shift was just as prominent among white voters. In the same 23 years, whites with a college degree went from 59% Republican to 46% Republican. White voters with “some” college have held steady at 55% Republican. White High School graduates with No College have shifted to Republicans rising from 47% to 58%.<sup>5</sup>

The Wall Street Journal called this shift in education between the parties “the yawning divide that explains American politics.”<sup>6</sup>



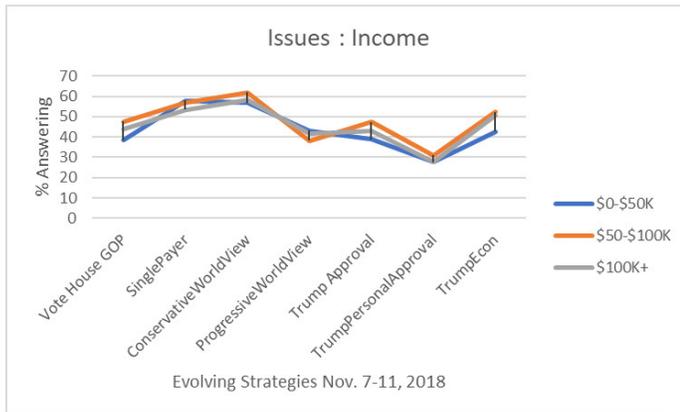
A poll conducted by Evolving Strategies just after the 2018 mid-term elections highlights the spreads between College Graduates and Non-College.

Looking at those same questions by voter income, it becomes clear how much education is the “yawning divide” and not income.

To get a clearer picture of the education divide, VCreek/AMG’s polling in this project of voters over the age of 50 broke the education categories into High School,

Associates/Technical/Certification, Some College, College graduate. The most Republican group was

Associates/Technical/Certification at 47% Republican, 26% Democrat and 25% Independent. High School Graduates were 39% Republican, 41% Democrat, 18% Independent. Overall VCreek found 65% of Republicans do not have a college degree.

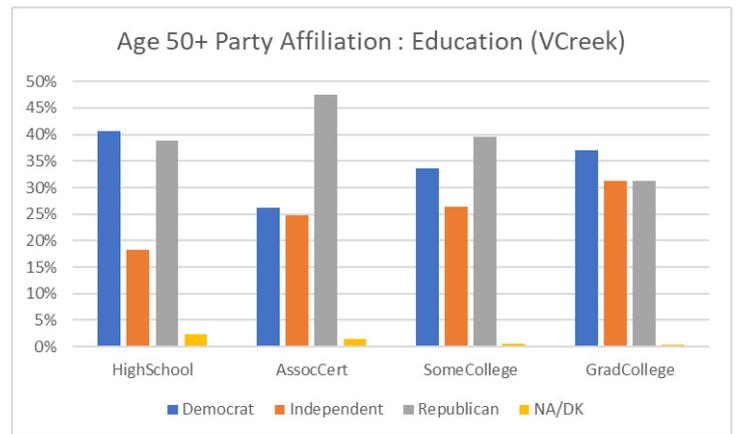


These Republicans without a degree account for 73% of Republican workers age 50+ who have saved less than \$100,000.

How they might react to a recession, market correction or other economic disruption could realign elections for decades. To fully understand the electoral effects it is important to understand voters’ paths, plans and preparation for retirement.

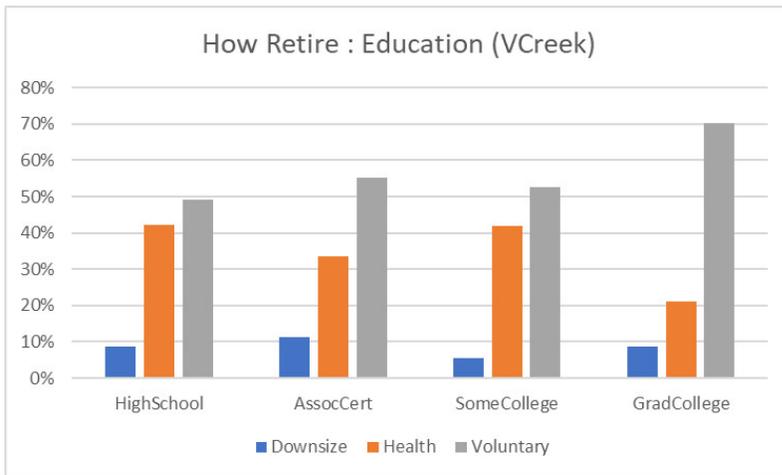
Other than government employees, few people between age 50-65 have employer sponsored pension plans. Boston College’s Center for Retirement Research reports that in 1983 62% of workers could count on a pension plan. By 2016 only 17% of workers had an employer sponsored pension plan. In 33 years retirement shifted from employer obligation to worker responsibility.<sup>7</sup>

The effects of this transition from employer to worker are now playing out at scale.



Transamerica finds that the average retirement savings for a college graduate is \$154,000. For workers with some college or who completed a trade education the average is \$51,000 and only \$36,000 for High School graduates.

To make up for this preparation gap many plan on working in retirement. Transamerica finds that 57% of people with some college or less plan on working in retirement. The plan doesn't often workout. Polling by Merrill Lynch finds that 55% of retirees had to stop working or transition to different work earlier than planned.<sup>8</sup>



VCreek's polling dug into this question and found that 47% of voters who did not graduate college had to stop working or transition due to a health problem or losing their job. Only 30% of college graduates experienced health or job problems precipitating retirement. As reported above the same trend emerges with retirement savings. Keep in mind that these results are during an era of record high employment and job growth. If the economy slows down or slips into a recession, it is probable that even fewer people will be able to stay on the job longer or find supplemental retirement work.

A recession would also likely cause a marked decline in the size of retirement nest eggs.

Research by the asset manager Fidelity finds that assets in 401k and other employer sponsored defined contribution plans has dramatically increased in the past decade. In 2008 the average balance was \$63,500. In 2018 it was \$102,900. A gain of 62% in ten years! These are impressive top-line numbers but do not account for the drivers of these account balances.<sup>9</sup>

On January 18, 2008 the S&P 500 Index was 1,325. During the Bear market of the Great Recession the S&P bottomed out at 735 on February 27, 2009. On March 15, 2019 the S&P was near an all-time high of 2,822. In the past 11 years the S&P dropped 44% during the Great Recession and climbed back up 112% to record high valuations.

Transamerica's polling finds that 61% of workers have some of their retirement savings in the stock market. Another 22% don't know how their retirement

savings are invested. Fidelity's research shows that 23% of workers have a stock allocation higher than recommended in their employer plan. A stock market drop could dramatically reduce most workers' retirement savings.

Some scholars like Andrew Biggs of the American Enterprise Institute point to high levels of participation and deposits to defined contribution plans as evidence that there is no retirement crisis.<sup>10</sup>

What these experts ignore is that despite record high participation in savings plans and record high balances in aggregate, which are driven by a sky-high stock market, a significant share of workers getting close to the retirement zone are not prepared for retirement.

As illustrated above, 55-year-old with a solid income and an average retirement savings could find themselves with a \$20,000 to \$30,000 decline from their pre-retirement income. Some will note that experts advise that retirees only need to generate 70% of their pre-retirement income. For our hypothetical worker that is still at shortfall of \$5,000 to \$15,000.

The Liberals and Progressives are positioning themselves to take advantage of this crisis with proposals to increase Social Security Payments funded by a tax increases and allowing workers over the age of 50 to "buy in" to Medicare for health insurance. Both of these proposals are popular even with voters who identify as Republican.

Across the three separate polling firms commissioned for this project there were several broad trends:

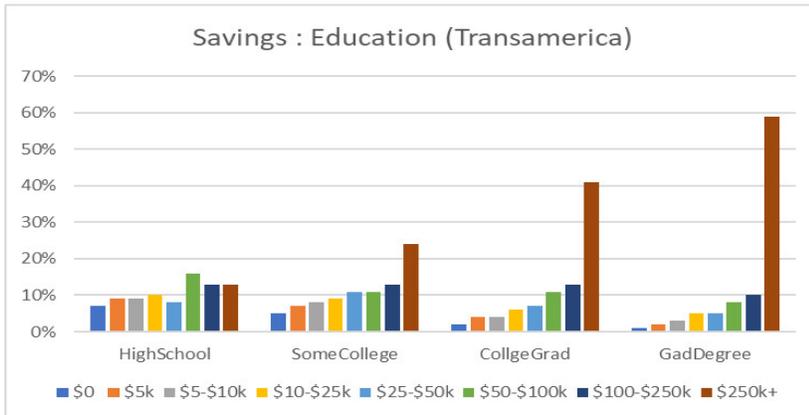
- Strong relationship between education retirement preparation.
- Significant share of Republicans support increased Social Security benefits paid for by tax increases on the rich.
- Significant percentage of Republicans think individual workers should have less responsibility for their retirement than they current do.



- Large share of Republicans support expanded Medicare Benefits from “Buy In” to “No out of Pocket Expenses.”
- Higher education leaned more liberal than lower education

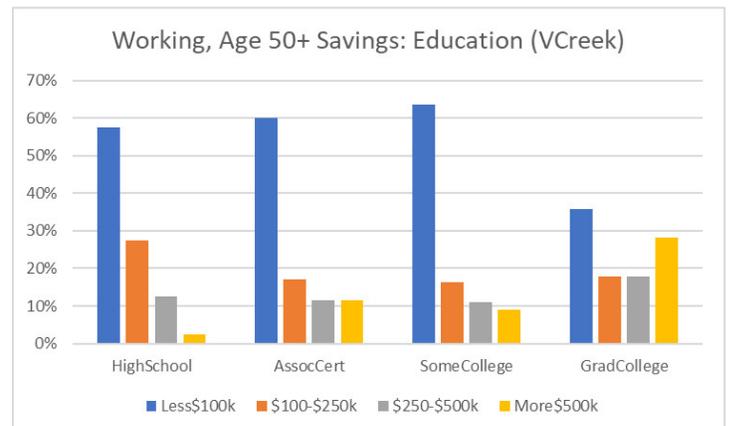
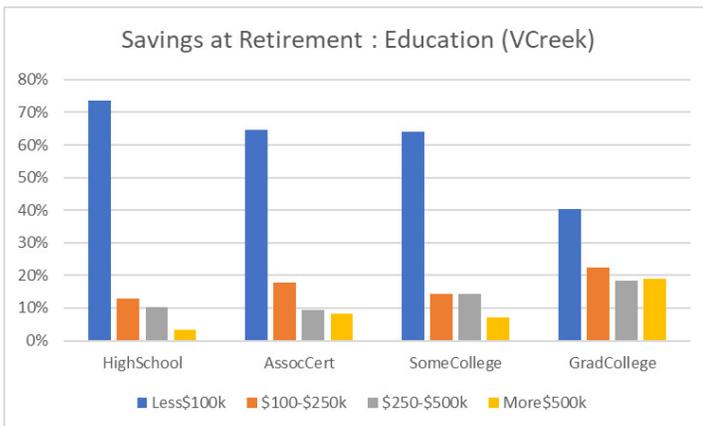
## EDUCATION AND RETIREMENT PREPARATION

A large poll conducted in 2017 by the Transamerica Institute for Retirement Studies found a clear relationship between education and savings for retirement.



For this report VCreek/AMG divided the respondents by working status before asking them about retirement savings. Retirees were asked for the size of their retirement nest egg at the time they retired or transitioned from full time work. People currently working full time and not-retired were asked about their current retirement savings.

The “yawning divide that explains American politics” also explains the retirement crisis. For many college educated voters, there is no retirement crisis. The Trump/Conservative coalition though has a significant base of support with people who did not graduate from college and they are open to Liberal/Progressive ideas to resolve the retirement crisis.



## CHALLENGES TO RETIREMENT

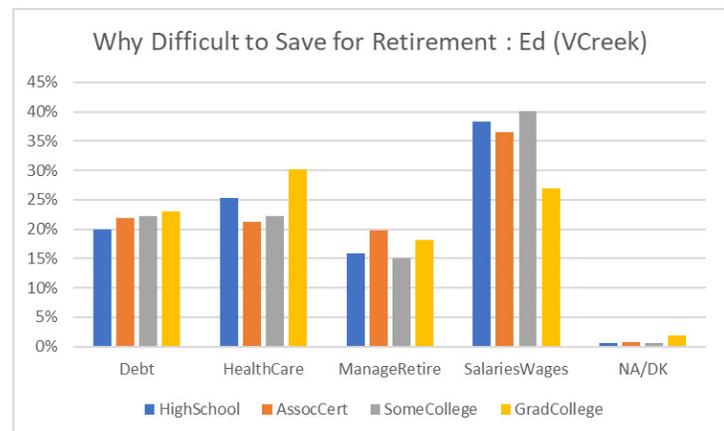
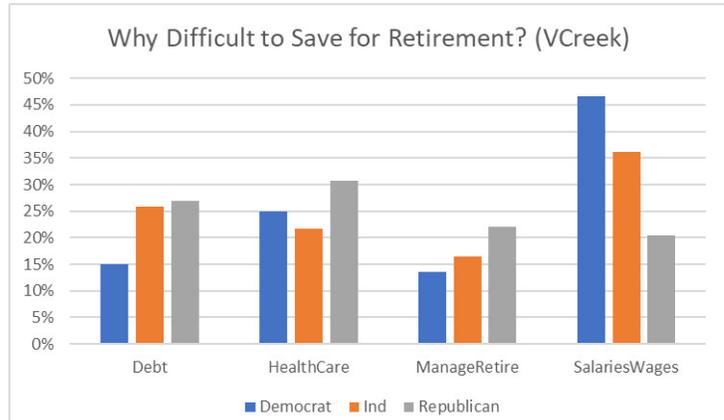
VCreek asked all respondents “*What do you believe is the most important factor making it difficult for Americans to prepare for retirement? Is it because, Salaries and wages are not keeping up? Increasing personal debt? Workers must now manage their own retirement savings and planning? The cost of health care?*”

Education and Party affiliation caused some swings in the responses. Democrats were far more likely to cite “salaries and wages not keeping up” than Republicans despite a subsequent question later in the survey showing an equal distribution of earnings among party identification. Republicans do not earn significantly more than Democrats. The spread could be explained by the partisan view of the economy explained above. Education led to a more likely set of responses with higher educated people less likely to cite “salaries and wages not keeping up.”

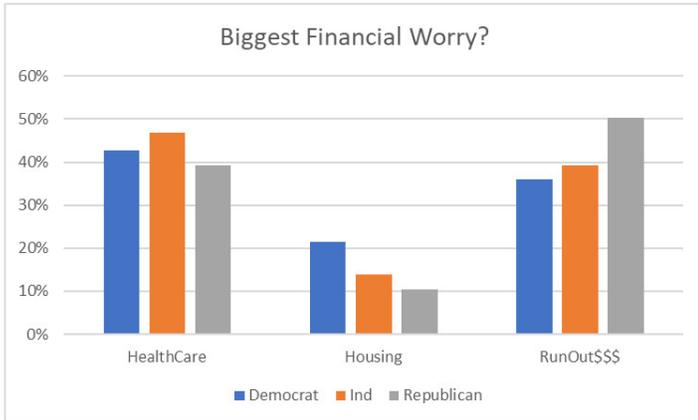
A recent poll by SSRS<sup>11</sup> for Bankrate.com found that 38% of adults weren’t saving because of expenses, 16% said their job wasn’t good enough—a proxy for salaries—and 13% cited debt.

There is a strong impression among voters that wages and salaries have not been rising as fast as expenses. The impression some has empirical support. PEW, citing Bureau of Labor Statistics data reported “today’s real average wage (that is, the wage after accounting for inflation) has about the same purchasing power it did 40 years ago.”<sup>12</sup> Economists and pundits can argue about whether inflation is calculated correctly. The key point is that there is a strong impression among voters that wages and salaries are not keeping up and that they are just trading water financially.

Debt, particularly student loan debt, and the costs of healthcare and health insurance, which rises faster than inflation, are eating workers earnings making it easy to have the correct impression that wages and salaries aren’t keeping up. Among voters age 50+, health care is a major expense and they are looking for a solution.



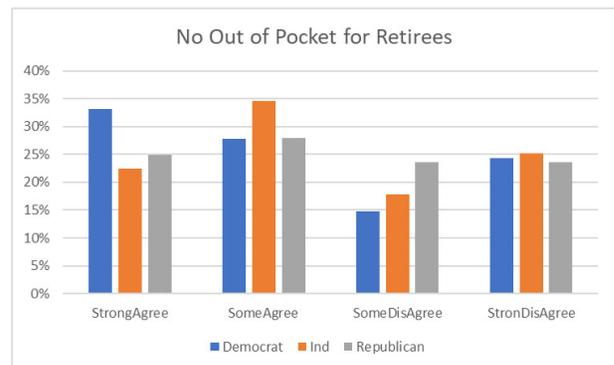
VCreek asked retired voters: “What is your biggest financial concern? Healthcare costs? Cost of housing? Or, running out of money as you get older?”



The worries about health care costs and running out of money as retirees age are interrelated. A study by the asset manager Vanguard & Mercer Health Benefits estimated that the average 65-year-old woman would have \$5,200 in out of pocket medical expenses in 2018. A retired woman on the low end of the risk spectrum may spend as little as \$3,200. On the high risk end it goes up to \$21,000 in out of pocket expenses in a given year.<sup>13</sup> Boston College’s Center for Retirement Research “estimates that a typical 65-year-old couple will spend \$197,000 to cover total health care expenses in retirement.” It is little wonder why proposals to mitigate the risks of healthcare expenses are popular.

Nearly every pollster in America has asked various questions about *Medicare for All* and found that while it is popular as a concept, once voters learn about the details they are less enthusiastic.

VCreek asked voters over the age of 50 a Medicare question more in line with retirees’ worries: “To what extent do you agree or Disagree with the following statement ‘Medicare should be modified so that retirees have NO out of pocket expenses?’”

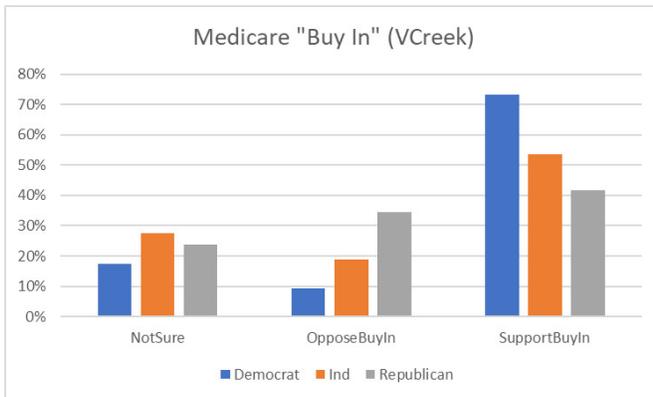


More than 50% of Republicans over the age of 50 generally agree with the idea that Medicare should be modified to eliminate out of pocket expenses.

The modern economy has tamed many risks while creating a massive financial healthcare cost risk and voters respond to policies that address this risk.

Democrats have recently proposed allowing workers over the age to “buy in” to Medicare.

VCreek asked workers over the age of 50 “*Would you support or oppose a plan that would allow people over the age of 50 to Buy Into Medicare for their health insurance?*”



Support for the Medicare “buy in” is strong across the board and even 40% of Republicans support the concept of the policy.

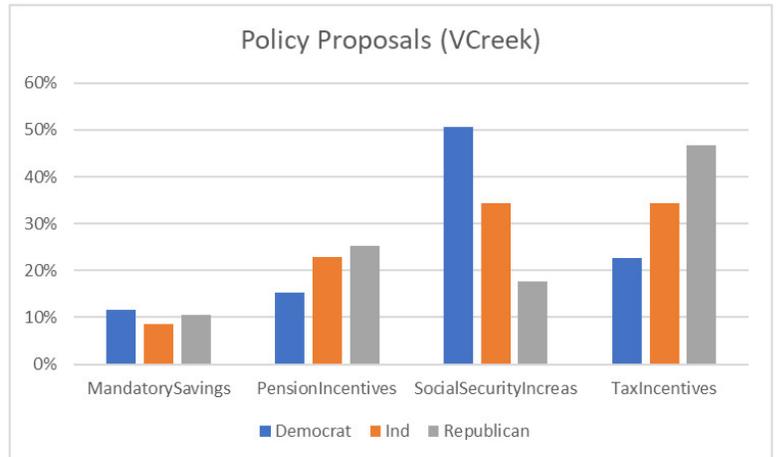
Liberals and Progressives have laid down policy platforms to address what voters see as barrier to retirement savings and serious financial risk in retirement—cost of healthcare.

Democrats are also making proposals to directly address the income shortfall in retirement.

## SOCIAL SECURITY

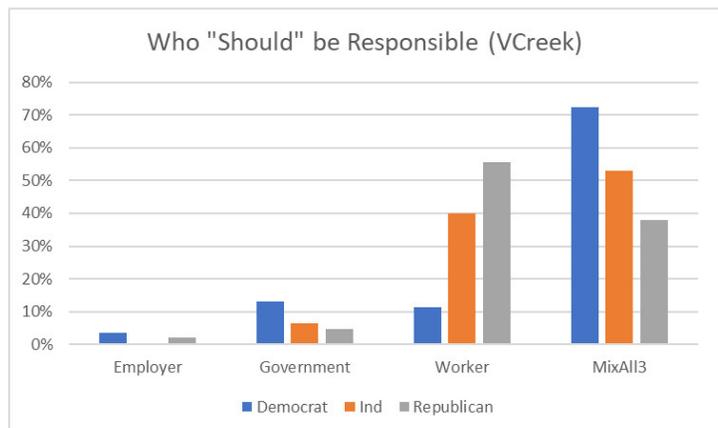
The Democrat’s “Social Security 2100 Act” introduced in February of 2019 is aimed squarely at voters feeling the financial pressures of retirement. And it popular among Democrats, Independents and Republicans.

VCreek tested four generic policy prescriptions address the retirement crisis asking “*What should leaders in Washington, DC do to ensure more Americans have a secure retirement? Enact Better tax incentives for retirement savings? Mandatory retirement savings accounts? Incentives for private companies to offer pension plans? Higher Social Security payments paid for by taxes on the very wealthy?*”



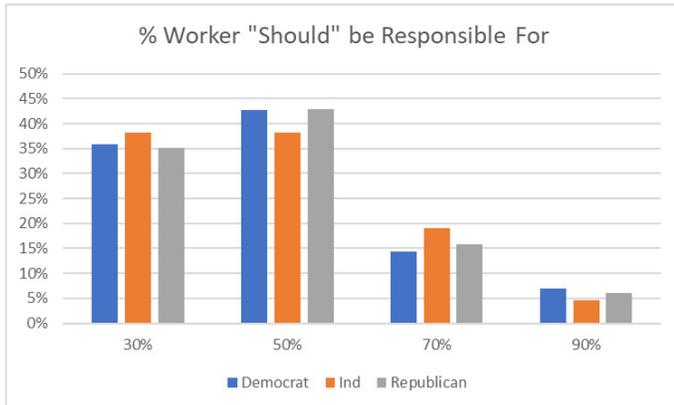
In addition to “Social Security 2100” Democrats have been pushing for states to create mandatory defined contribution plans for workers who do not have access to an employer sponsored plan. There is also bi-partisan legislation pending that would make it easier for defined contributions plans to offer annuities that would be similar to traditional pensions. A traditional Republican offering could be increased tax incentives for retirement savings. The tax incentives poll well, but that may not translate to electoral support. Currently an individual worker can put up to \$19,000 a year in a 401k plan. Fidelity reports that the average contribution is \$6,560. An increase in the deduction limit could easily be framed as “for the rich.” An expansion of the “Savers Credit” would also test well but likely have little impact on savings as it is a yearly tax credit that does not impact the monthly spending patterns of most adults.

Diving deeper into Social Security VCreek asked “*Who SHOULD bear the most responsibility for a person’s retirement? The individual worker? Their employer? The Government? Or a mix of all three?*”



The Mix of All Three ranking so high should not be surprising as it reflects reality. Social Security is designed to cover around 35% of a worker’s average lifetime earnings. Many employers do match a portion of an employee’s contribution to a 401k plan.

Those who answered “Mix of all three” were then asked a follow-up question: “*What percentage of their retirement SHOULD individual workers be responsible for?*”



Of the 38% of Republicans who indicated “Mix of all three,” 78% think individual workers should be responsible for only 50% OR LESS of their retirement.

These results show that a sizeable portion of Republicans over the age of 50 are open to tax increases to fund larger Social Security payments and think that Government and Employers should contribute a larger share to a worker’s retirement income and savings.

Direct, personal economic issues though are not the sole reason why people cast their votes because the two parties also stand for divergent world views that affect people’s self-identity.

## WORLD VIEWS, OPENESS, IDENTITY

Ronald Inglehart, Director of the World Values Survey, which has conducted in-depth polls for decades, has found that as the prosperity of a country increases younger people born into material well-being shift their values from the “survival values” of previous generations to fulfilling the “needs for belonging, esteem and intellectual and self-expression.”<sup>14</sup>

Inglehart further explains “Economic accumulation for the sake of economic security was the central goal of industrial society. Ironically, their attainment set in motion a process of gradual cultural change that has made these goals less central – and is now bringing a rejection of the hierarchical institutions that helped attain them.”

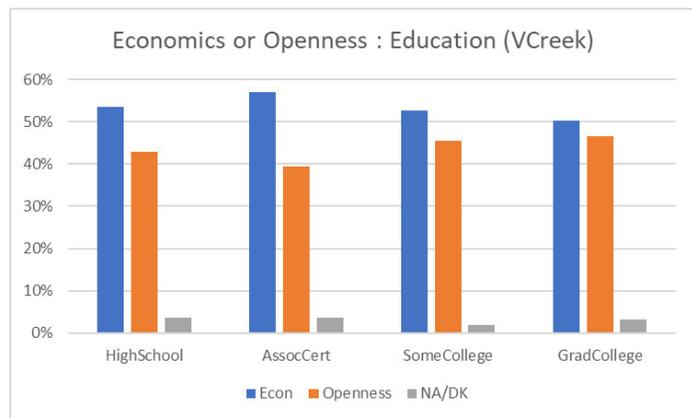
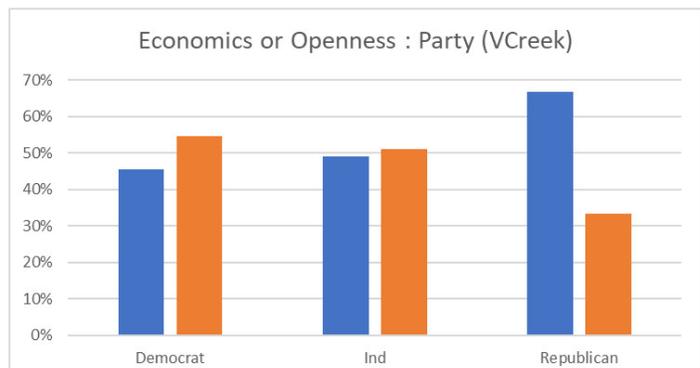
VCreek posed Inglehart’s question to voters over the age of 50 asking: *“Which set of goals is more important to you: Economic growth, controlling inflation and rising prices, fighting crime -- OR--Freedom of speech, giving people more say in government decisions, more say on the job and a society where ideas count.”*

The political trend is for Republicans to strongly favor the “survival issues” but more than 30% of Republicans opt for what Inglehart calls “needs for belonging, esteem and intellectual and self-expression.”

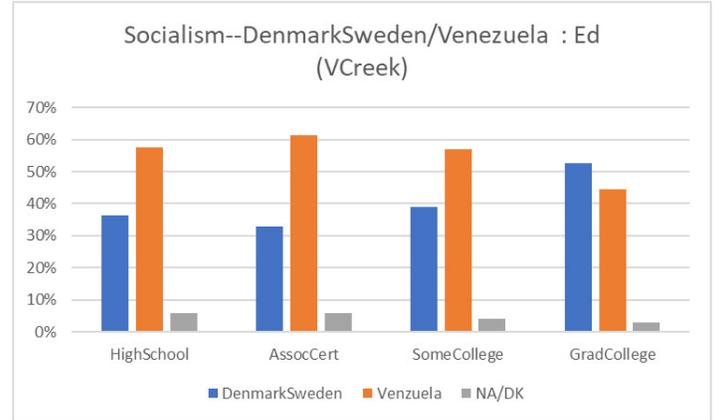
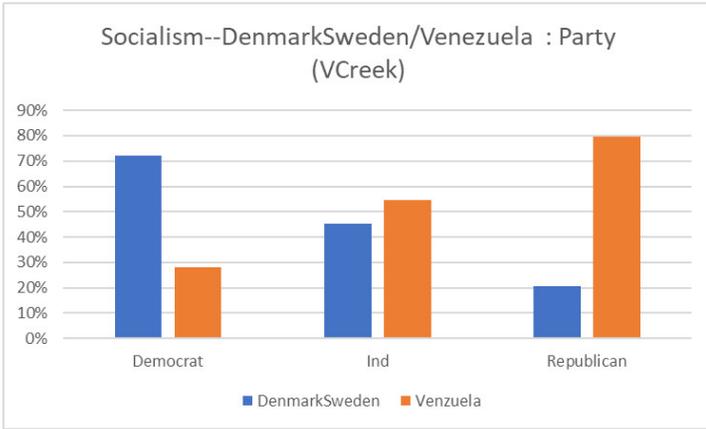
It is also important to keep in mind that Inglehart has found that younger people are less oriented toward the economic issues than older people and this is a poll of voters over the age 50+.

There is also a clear trend with education levels with High School and Associates/Technical/Certification showing stronger preference for the harder economic “survival issues” than college graduates.

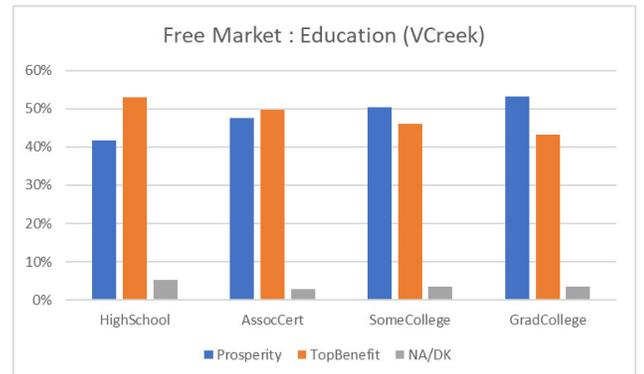
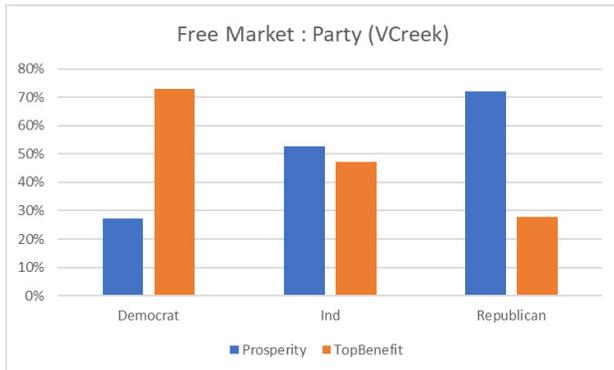
These same partisan and education trends play out in a series of questions where World View overlays policy.



VCreek: *“When you hear or read the term “socialism” do you think of? Scandinavian Social Democracies like Denmark and Sweden. Or. Venezuela, North Korea and the Former Soviet Union.”*



VCreek: *“When you hear or read the phrase “free market capitalism” do you think...”It is an economic system that has created great prosperity and allowed millions around the world to escape poverty.” Or Do you think “It is an economic system where those at the top benefit at the expense of the rest.”*



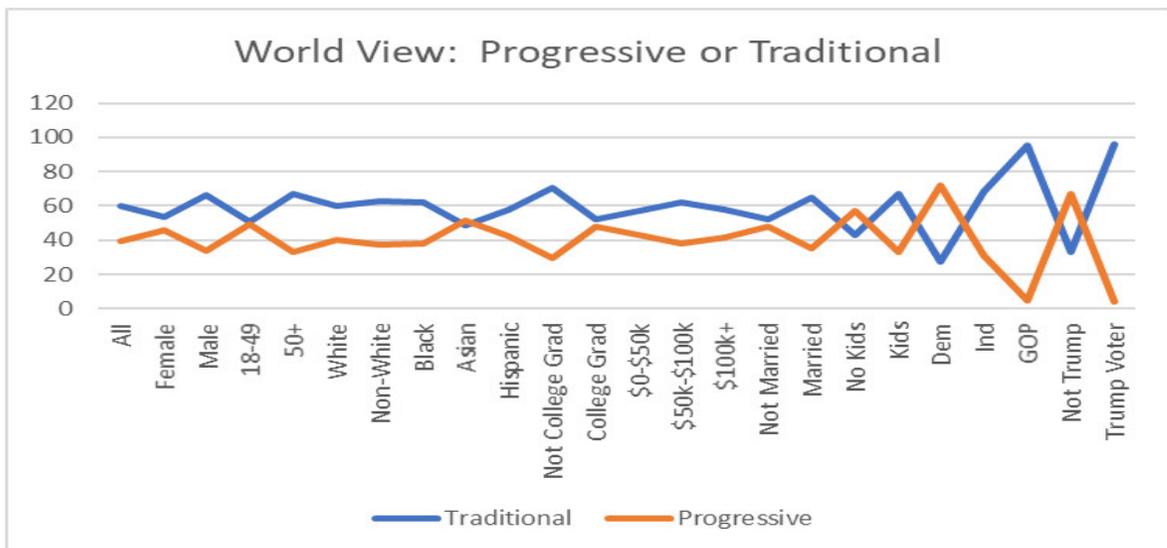
On this question the partisan trend stayed as expected with most Republicans linking Capitalism with prosperity. What is concerning is the education effect. The most Republican group by education level “AssocCert” was more likely to associate Capitalism as a system where the Top Benefit. College graduates seemingly flipped with a majority associating Capitalism with prosperity.

How then to square College Graduates being open to free market capitalism and associating Socialism with “Denmark/Sweden”? The simplest explanation is that they know what real socialism is and as the

highest earners and most prepared for retirement, appreciate the rewards of the free market while at the same time having a desire for expanded social welfare benefits to mitigate the risks of the free market.

People with Associates/Certification are often incredibly hard-working people who have been treading water financially. They don't buy into "Denmark/Sweden" sales pitch, but have not had an economically rewarding experience with the free market for much of their most productive working years.

The World View findings match previous polling by Evolving Strategies after the 2018 mid term election. Voters were asked "*which set of ideas are closer to your worldview? multiculturalism, social & economic justice, smarter, better government can create a more just world, and spiritual but not religious. or, personal responsibility, consequences for bad decisions, hard work, delayed gratification, and faith in god.*"



The demographics of the "Traditional Worldview" are age 50+, white, did not graduate college, income between \$50-\$100k, married, have children. These demographics have a large crossover with the groups most likely to be affected by the retirement crisis and form a base of the Trump/Conservative coalition.

The findings of these polls and the larger study allow for a few conjectures and conclusions:

- Education is the decisive variable in our current politics and the retirement crisis.
- A significant share of the Trump/Conservative coalition is facing a retirement crisis and open to the policy proposals from Democrats to solve their crisis.
- Considerable numbers of Republicans are willing to support tax increases to fund growth of Social Security benefits, are open to a Medicare "buy in" for people over the age of 50 and supportive of retirees paying no out of pocket expenses for medical care.

- The strongest force keeping those with an education level of High School/Assoc./Tech/Cert in the Trump/Conservative coalition is their World View and identity.
- The conservative coalition is counting on World View to overcome personal economics.

## MOVING FORWARD

There are two debates within the conservative movement on the retirement crisis. AEI scholar Andrew Biggs is making the case that there is no retirement crisis by citing high participation rates in 401k style plans and aggregate savings.

Our own view is that many conservatives are blind to the potential disaster facing us politically. There is overwhelming data to show that many Americans are going into retirement unprepared. Our data shows that, depending upon the pollsters, 40% to 50% of Americans have nest eggs less than \$100,000 dollars and this is more pronounced among lower income and lower education voters. We also found high numbers of workers who are being forced to retire early due to lay-offs, downsizing and health reason and this is most pronounced among those with lower income and education.

The challenge for Republicans is to protect their base among older voters, while designing a strategy that appeals to voters age 18 to 49 and college graduates. Younger voters are facing their own financial distress with student loan debt that could slow down their accumulation of wealth for retirement.

For older voters, conservatives are lacking policy solutions that focus on healthcare cost risk and retirement income for those in or very close to retirement and wealth creation and savings for those still working.

The number of voters willing to increase taxes on the wealthy as a solution to shore up and even increase Social Security benefits is something conservatives must realize. Seniors will not allow their own benefits to decline in any future budget crunch. They feel entitled to the benefits of both Social Security and Medicare because they have been contributing to the system.

Seniors are more likely to have long term issues with health care than younger voters and spend high percentage of their income on health care. Minimizing the financial risk of healthcare is important for Senior voters including Republican voters when talking about health care. As this study found, there is strong support for eliminating out of pocket expenses for Medicare recipients and allowing workers over the age of 50 to “buy in” to Medicare.

In our data, there was not a widespread love for Medicare for All among voters age 50+ and, as seen in other polls, dropped even further when any elements of choice and private insurance were eliminated. Our polls, like others, show that when Republicans talk choice in health care, they win the debate but when they are sucked into a debate on issues like providing health care to those with pre-existing conditions, they lose. Liberals and Progressives often win on this issue by default because even if voters do not like the details of their plans, they are addressing the real fears of healthcare cost risks.

Many Americans think the U.S. business and economic system is failing them and in past surveys, Americans have told us that deficits, increasing government spending and high national debt hurts their own opportunities to succeed. Nearly two-thirds of voters told us last election that increasing government spending hurts the economy and three out of every five Americans believe that when the private sector grows so does their opportunity to succeed.

Our results in this series of polls found that voters over the age of 50 say that financially they are just treading water and one of the biggest barriers to saving for retirement is that salaries and wages are not keeping up with the cost of living.

Gallup polls, in a 2017 study on the investor class, found that with the exception of the higher income and the elderly, every major demographic saw a decline in having investment accounts. The investor class that began to expand beginning with the Reagan years continued through Clinton and Bush's years began to decline with the Great Recession beginning in 2007. Overall, only 53% of Americans are investors now compared to 63% in 2007. Even during the recovery from the recession this decline continued and many Americans missed out on creating more wealth for their retirement.<sup>15</sup>

During the Great Recession many older voters lost opportunity in wealth creation and many of those who did were voters who became Trump Republicans. A serious concern is that that many older people who vote Republican may switch when what investments they do have or depend upon decline in the next stock market correction.

Conservatives have failed to discuss wealth creation over the past decade. We have talked tax cuts or reducing spending (while doing very little on this) but we failed to discuss why these economics ideas matter in what many Americans want—an opportunity to succeed.

Reagan talked about an opportunity state and wealth creation that benefitted all Americans and most Americans including high school graduates, minorities and the Middle Class saw their income go up plus their overall wealth went up as the stock market moved up along the value of their homes.

While more Americans view free markets as a better alternative than socialism, we saw significant support for socialism even among voters 50 and over. For many Seniors, when they hear socialism, they think Denmark or Sweden because Denmark/Sweden model is desirable to them. They think of social democracy that appears to work and they don't view socialism as leading to Venezuela. Polls show that socialism is more popular among younger voters so we have an entire generation to convert or else, it is game, set, match Democrats.

Originally our goal was to study retirement preparation upon voters age 50 and over and the political impact of those facing a retirement crisis. Finding that the key variable in the retirement crisis—college education—is also the key variable in the electoral divide means the deep links between education, world view, income and wealth creation need to be studied among voters age 18-49. Younger voters who attended or graduated college or had a more expensive trade education are more likely to have higher student debt that makes wealth creation and financial independence harder to attain even in a strong economy.

In this study, we found that many older voters still support market economy but we also saw that many Seniors are not immune to the appeal of Social Democrat ideas for social welfare programs.

There are political winds blowing that conservatives must be prepared to deal with. When nearly half of retirees are going into their golden age unprepared for retirement and just getting by, this present opportunity for our opponents.

Republicans need to understand that many of their own base support a safety net and we also need to talk wealth creation for those under 50 so we can reduce the possibility of a retirement crisis in the

future. Conservatives need to talk about a safety net for those in need and opportunity to succeed. Many Seniors paid into the system and feel that they are now part of the safety net and Republicans need to design a strategy that protects those retired today while creating wealth among those saving the future. We need to play to win since the other side is.

## Notes & Sources

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## **Methodology**

This study used results from three different pollsters using a mix of IVR, Cell Phone, Text, and online methodologies to interview more than 2,800 respondents.

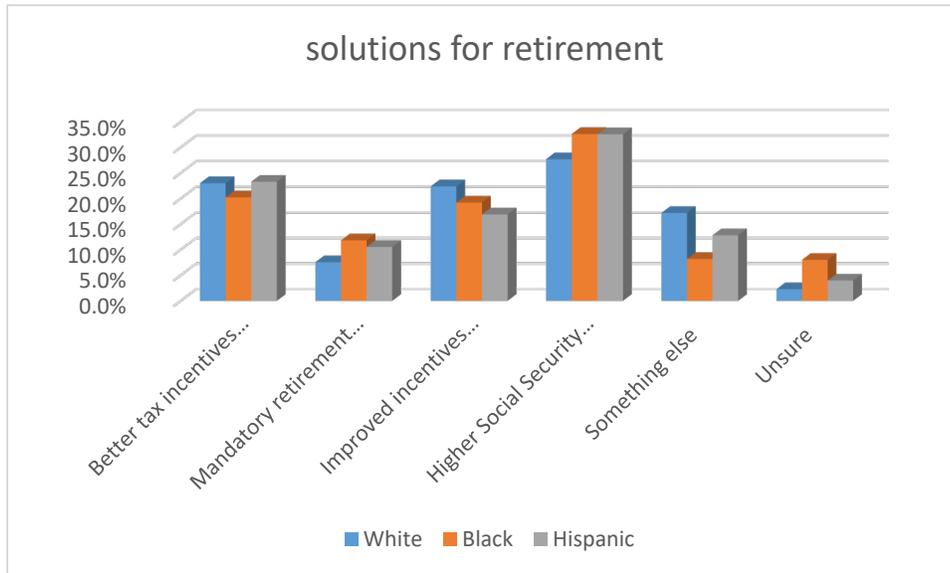
**Evolving Strategies:** A total of 1,097 known, registered voters age 50 and older were surveyed between March 6 and March 11, 2019. Respondents were recruited via cell phone and participated via an online survey instrument and a nationally representative online survey of 1,026 registered voters (Nov. 7 - Nov. 11, 2018)

**Cygnal:** This probabilistic survey was conducted February 27- March 3, 2019, with 1020 registered voters aged 50+. It has a margin of error of  $\pm 3.07\%$ . Interviews were conducted using Interactive Voice Response (IVR) to landline phones, and an online sample acquired via email and SMS invitation sent to known registered voters. IVR interviews constitute 68.9% of the sample, while 31.1% was collected online. This survey was weighted to a registered voter aged 50+ universe.

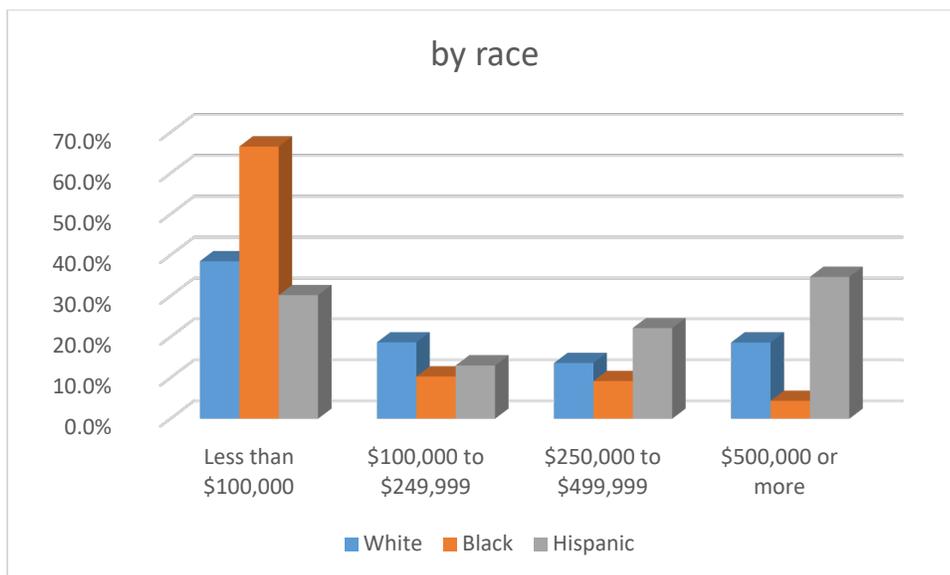
**VCreek/AMG:** N=811 Registered voters over age 50. 334 Respondents via manual dial live interviews on cell phone. 477 Respondents via IVR. CI=3.7 February 26-March 1, 2019

Funding for this project was provided by Mary Beth & Richard Weiss.

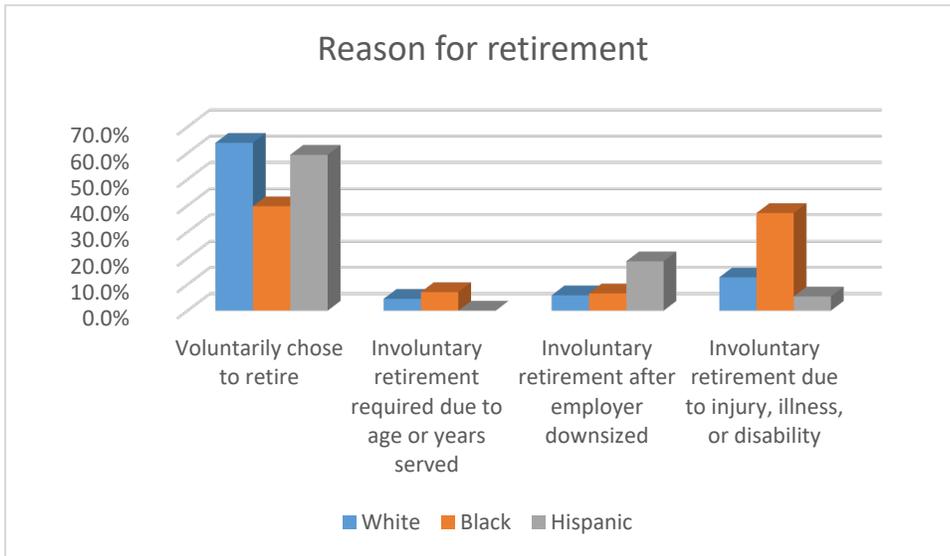
APPENDIX 1: RESULTS BY ETHNICITY AND RACE



When reviewing Blacks, Whites and Hispanics, the number one solution for retirement challenges was increasing tax on the wealthy as 28% White voters, 33% Blacks and Hispanics favored this approach but 45% of White voters, 39% of Black voters and 40% of Hispanics favored better incentives for savings and Employer provided pension plans.



66% of Black voters have nest eggs less than 100,000 dollars compared to 38.5% of White and 30% of Hispanics. Blacks in the Cygnal survey had more than double of retirees under 100,000 dollars and only 4.4% had nest eggs 500,000 dollars or more compared to 18% Whites.



63% of Whites, 59% of Hispanics and 37% of Blacks retired on a voluntary basis and Hispanics were more likely to be forced to retire due to being laid off compared to black and Whites but 37% of blacks were laid off due to health reason and less likely to retire on their own terms. This goes a long way to explain why Blacks have a higher percentage of retirees with a nest egg of less than 100,000 dollars.

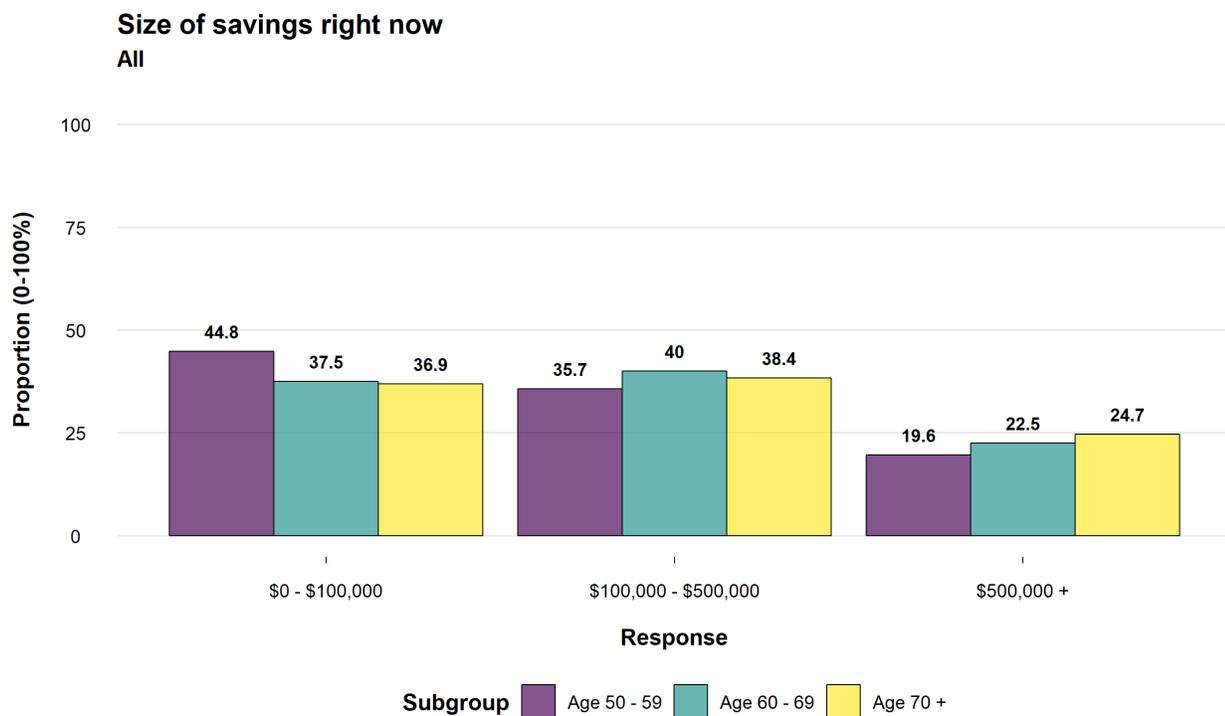
## APPENDIX 2: Evolving Strategies Results

### Nest Egg

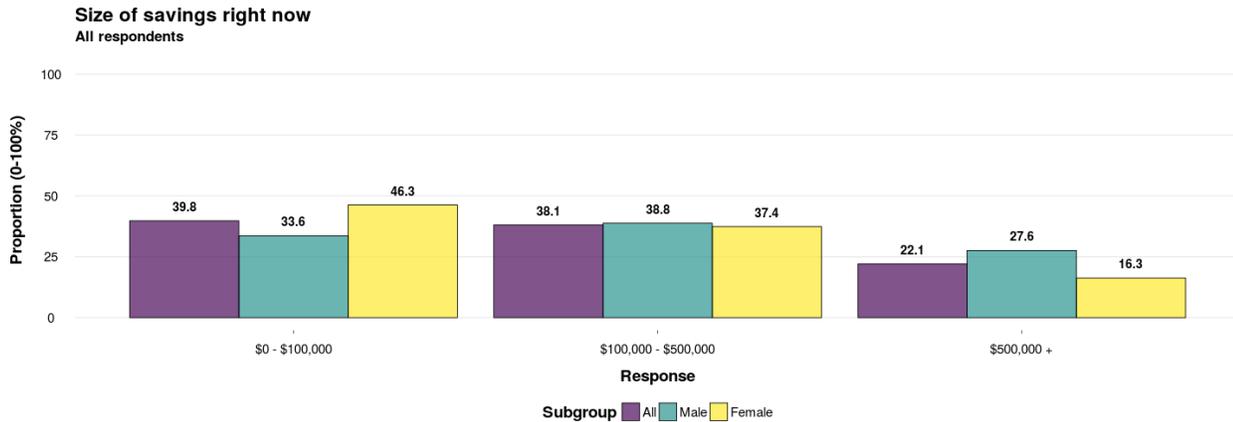
Evolving Strategy conducted an online survey looking at 1100 voters with an online survey. Beginning with size of seniors' nest egg, 45% of age 50-59, 37.5% of age of 60-69 and 37% of seniors over 70 had nest eggs 100,000 dollars and under.

35% of age 50-59, 40% of 60-69 and 38% over 70 had nest eggs between 100,000 dollars to 500,000 dollars along while 20% of age 50-59, 22.5% age 60-69 and 25% over the age of 70 had nest eggs over 500,000 dollars.

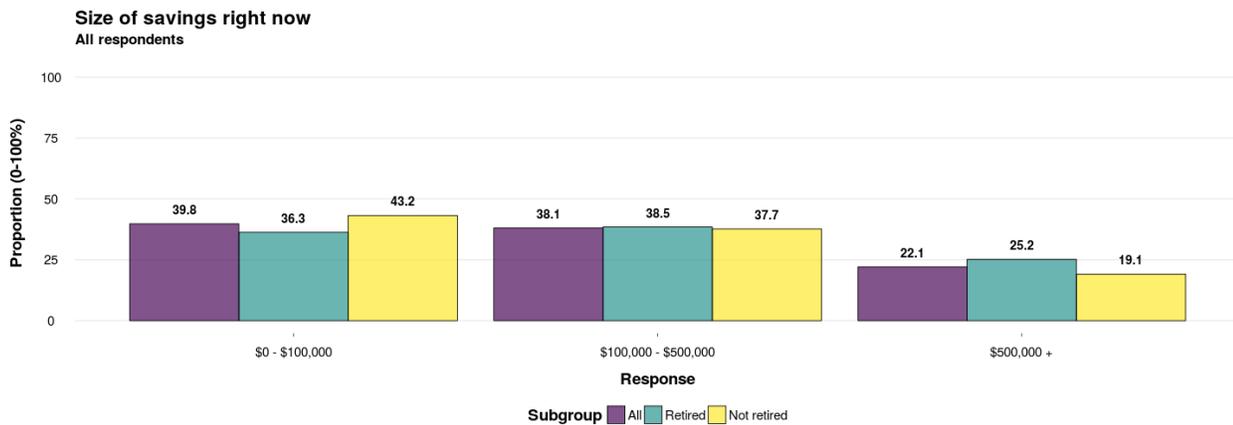
Evolving Strategy saw ranges of 37% to 45% of seniors with nest eggs under 100,000 dollars meaning that many of our seniors have insufficient nest eggs for retirements, while no more than a quarter of seniors have a retirement nest egg of over 500,000 dollars.



39.8% of overall seniors along with 34% of Males and 46% of Females had nest eggs 100,000 dollars and under while 38% overall voters, 39% Males and 37% of Females had nest eggs between 100,000 dollars to 500,000 dollars. 22% total seniors, nearly 28% of men and 16% of females had nest eggs 500,000 dollars or more. Overall two out of five seniors have retirement nest eggs under 100,000 and women were more likely to have insufficient nest eggs compared to men.

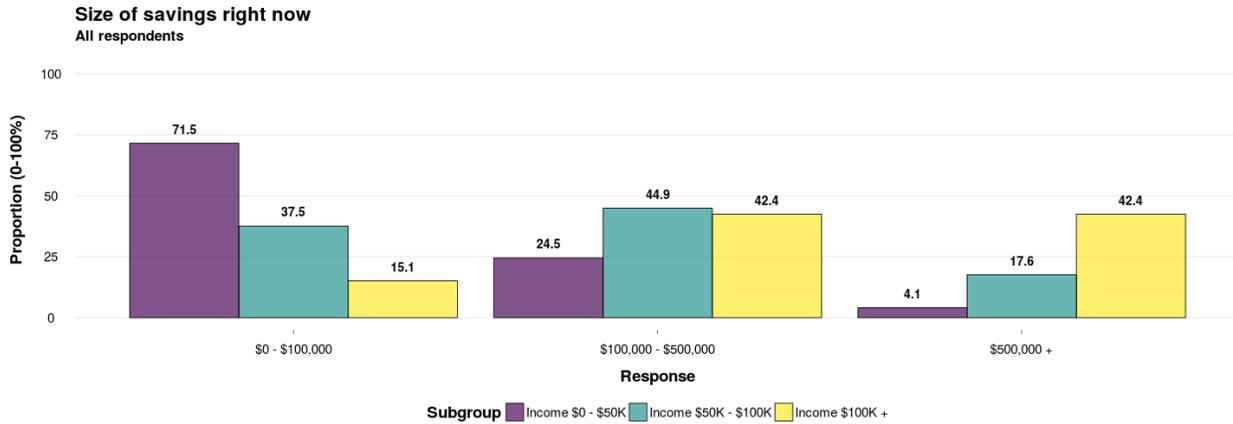


Those retired had a slightly higher nest eggs as 25% of retirees had nest eggs 500,000 dollars and greater compared to 19% of non-retiree. 43% of non-retirees had retirement nest eggs 100,000 dollars or under compared to 36% of retirees.

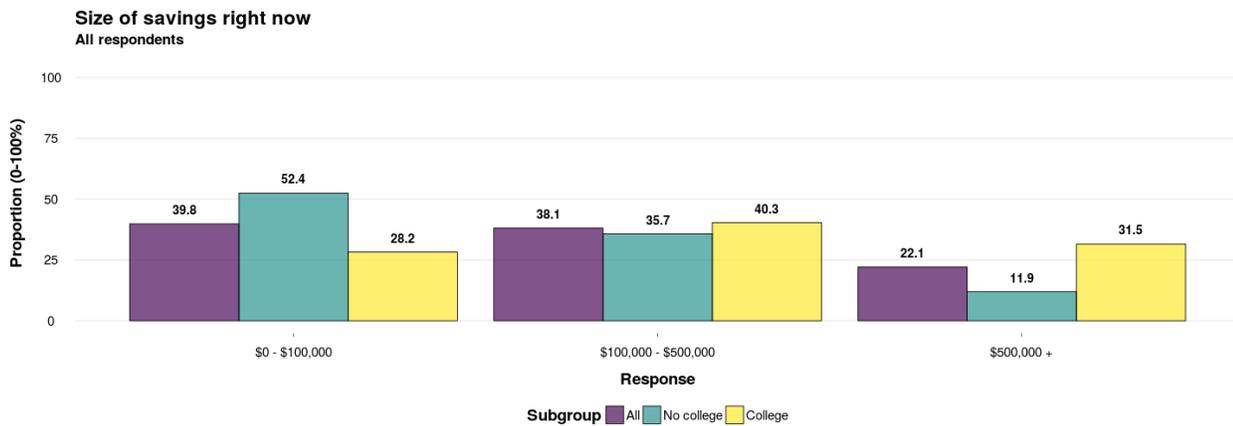


Based on income, 71.5% of those 50,000 dollars and under had nest eggs 100,000 and under compared to 37.5% of those 50 to 100,000 dollars and only 15.1% earning over 100,000 dollars. Reverse, 42.5% of those earning 100,000 dollars and over had nest eggs 500,000 dollars and over compared to 4.1% of those who earned 50,000 dollars and under,

Income is a significant factor in determining nest eggs and those under 100,000 dollars have smaller nest eggs and those under 50,000 dollars barely have much of nest eggs.

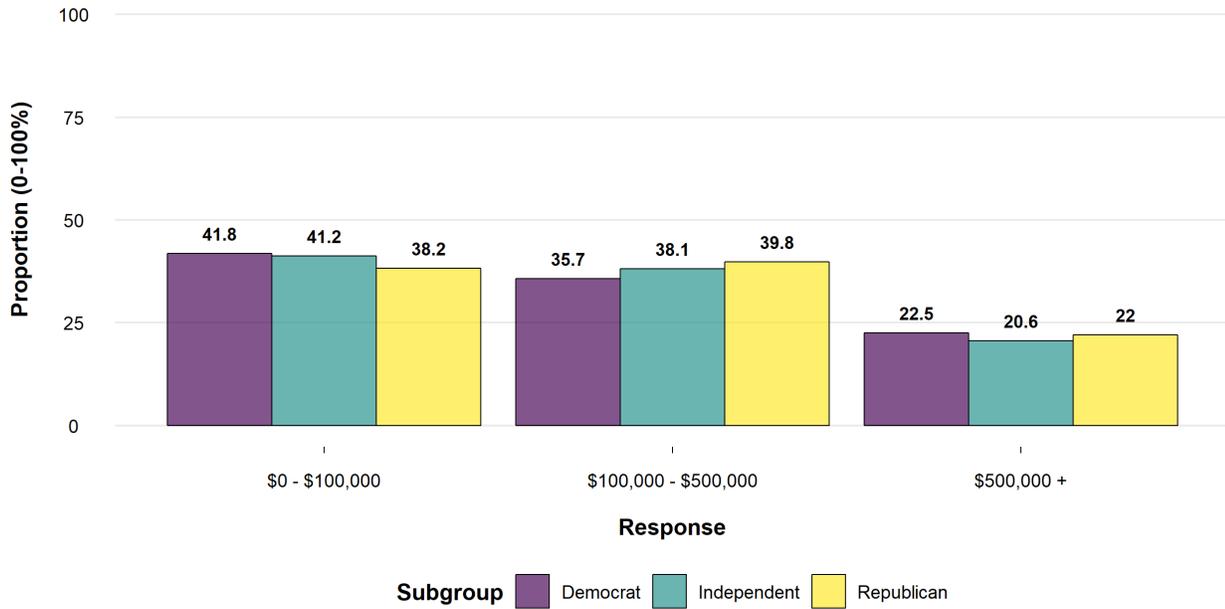


Another factor was education as non-college nest egg were significantly smaller than college education. 52.4% of Non-college seniors had nest egg under 100,000 dollars compared to 28% of those who had college education. 31.5% of college graduates had nest egg over 500,000 dollars compared to 11.9% of those non-college.



38% of Republicans, 42% of Democrats and 41% of Independents have nest eggs under 100,000 dollars while 22.5% of Democrats, 20.6% of Independent and 22% of Republicans had nest eggs over 500,000 dollars. Across the board, Republicans and Democrats are similar in size of retirement nest eggs.

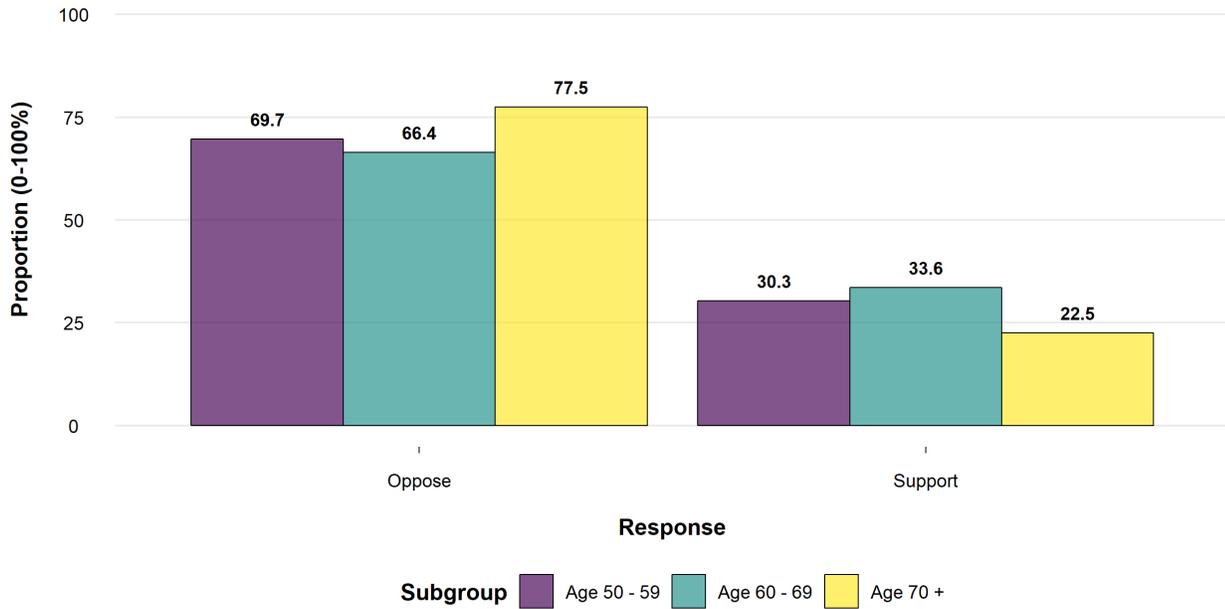
**Size of savings right now**  
All



**Medicare for all View**

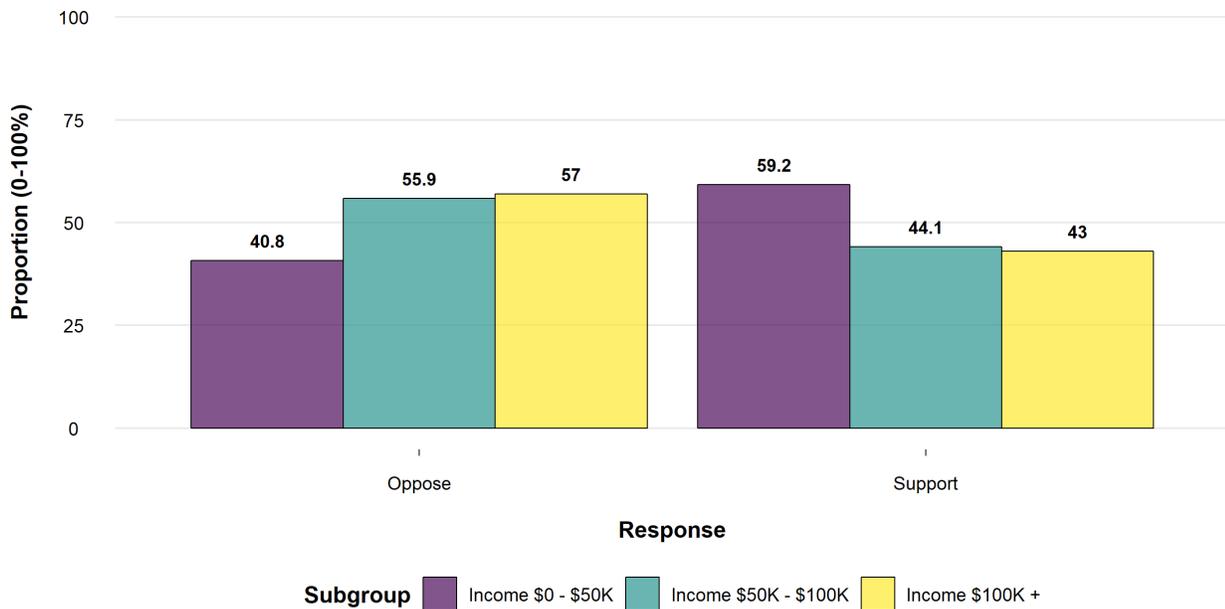
48% of Age 50-59 support Medicare for All along with 51.7% age 60-69 and 42.4%, and when you add the question would you support Medicare for all while eliminating choice. The support for Medicare for All drops to 30.3% among 50-59, 33.6% among 60-69 and 22.5% over 70.

**Medicare for All, even eliminating choice**  
All



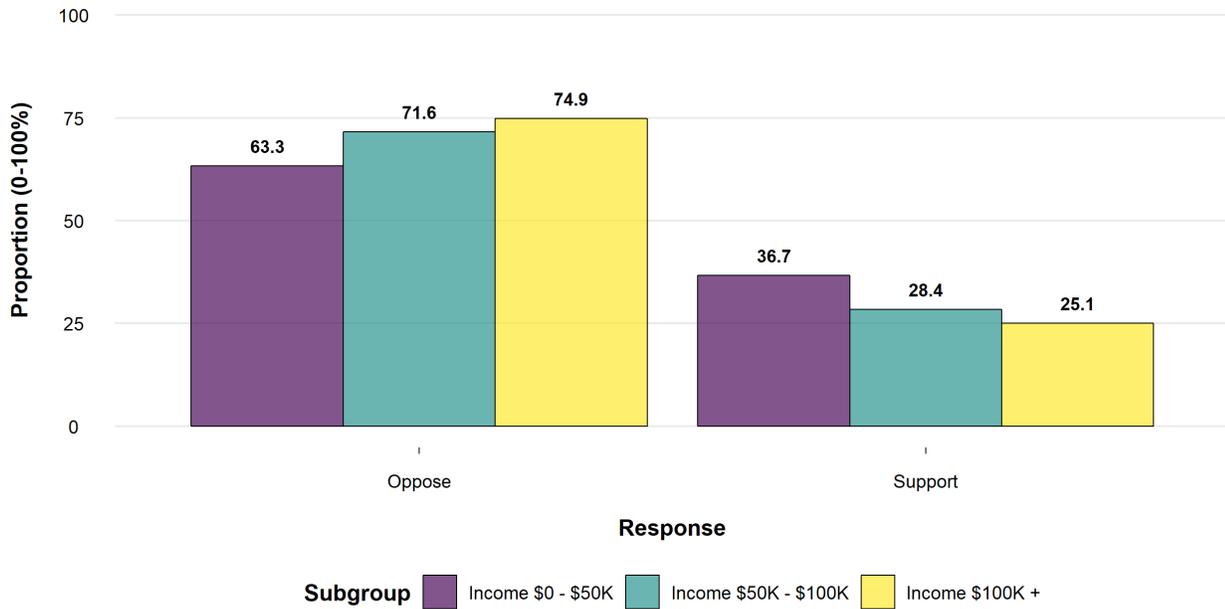
59.2% of 0-50,000 dollars, 44% of 50-100,000 and 43 of income over 100,000 dollars support Medicare for all and when choice is eliminated, 36.7% of 0-50,000 dollars, 28.4% 50 to 100,000 dollars and 25.1% over 100,000 dollars. When you add the elimination of any choice, even those earning under 50,000 dollars do not support Medicare for all

**Medicare for All**  
All



**Medicare for All, even eliminating choice**

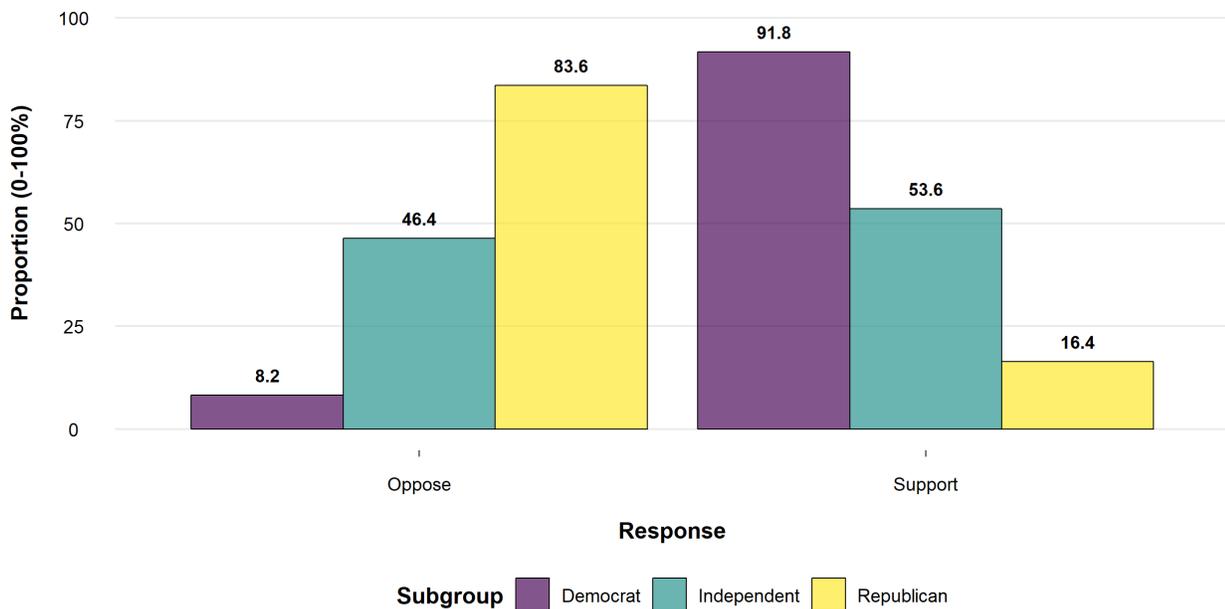
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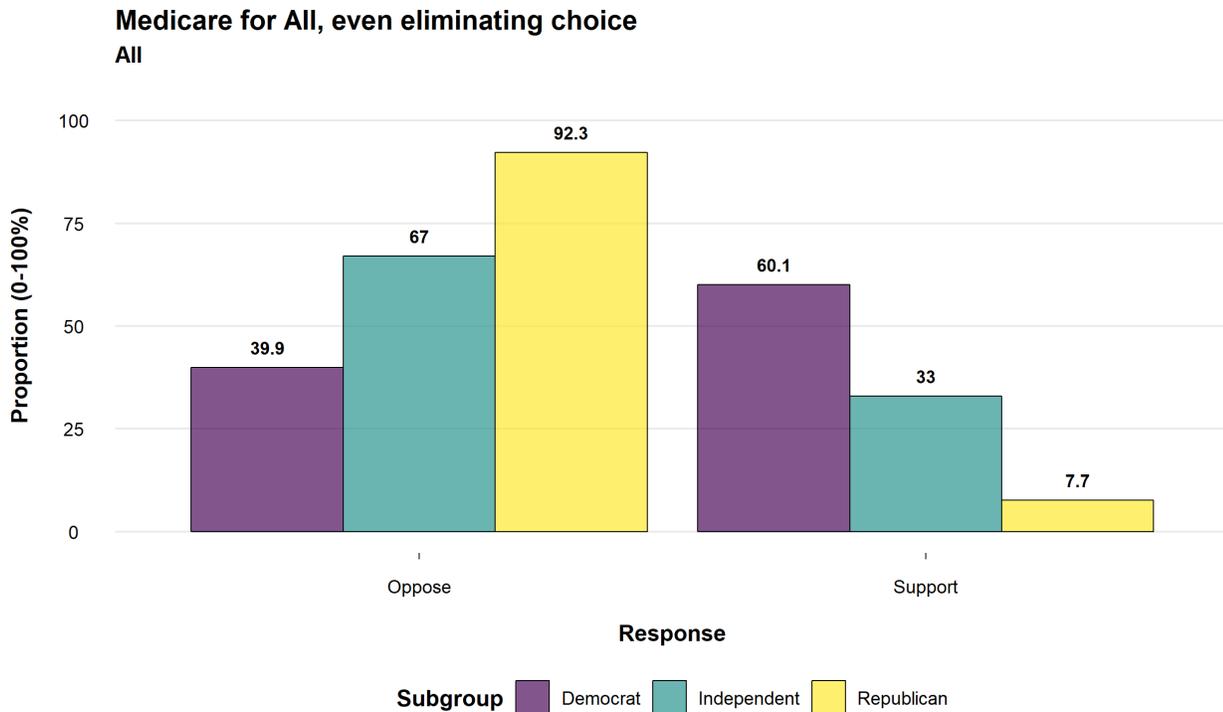
There is big Party divide on the question of Medicare for all as only 16.4% Republicans support this contrasted to 91.8% of Democrats and even Independents support Medicare for all by a 53.7% margin to 46.4%.

**Medicare for All**

All



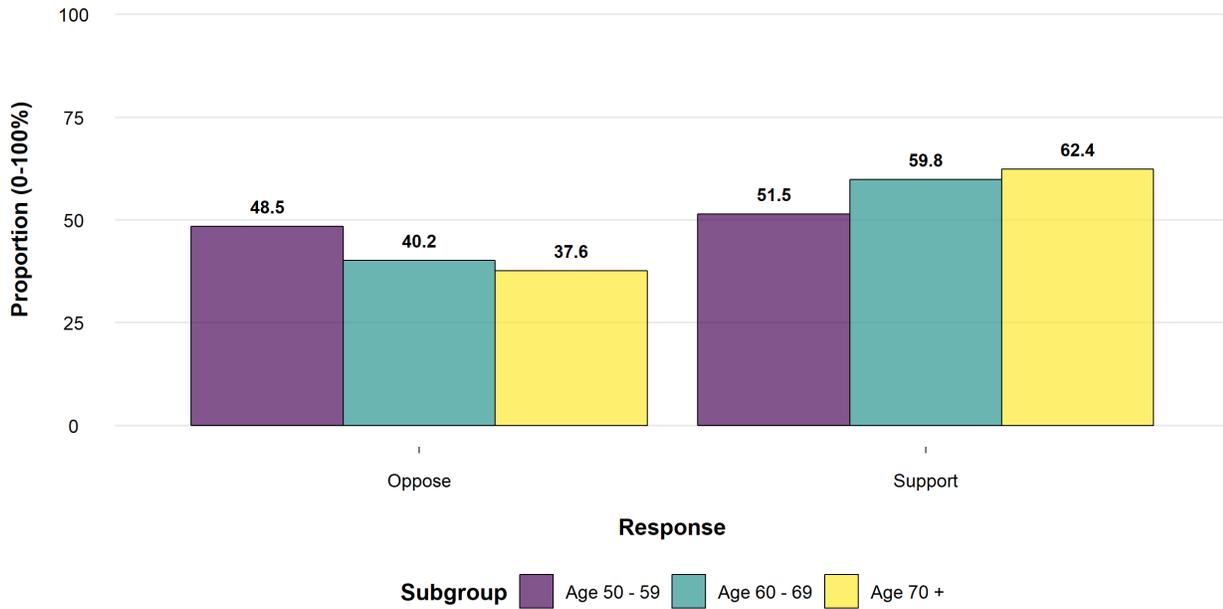
When you add eliminating choice within the present Medicare system, the support for Medicare for all drops. Independent support drops to 33%, Republicans even lower to 7% and Democrats see a 30 point drop as well. What Evolving Strategy finds that among income 0 to 50,000 dollars, Democrats and Independents support Medicare for all but only Democrats will support Medicare for all if choice is eliminated and even support among Democrats drops significantly.



It should be noted that there is support for increasing social security tax on the wealthy to fund higher social security benefits. 51.5% of age 50-59, 60% age 60-69 and 62.4% over the age of 70 support increasing tax on the wealthy. The older a senior voter becomes the more likely that voter will support increasing tax but all groups support the tax

### Increasing tax on wealthy to fund Social Security

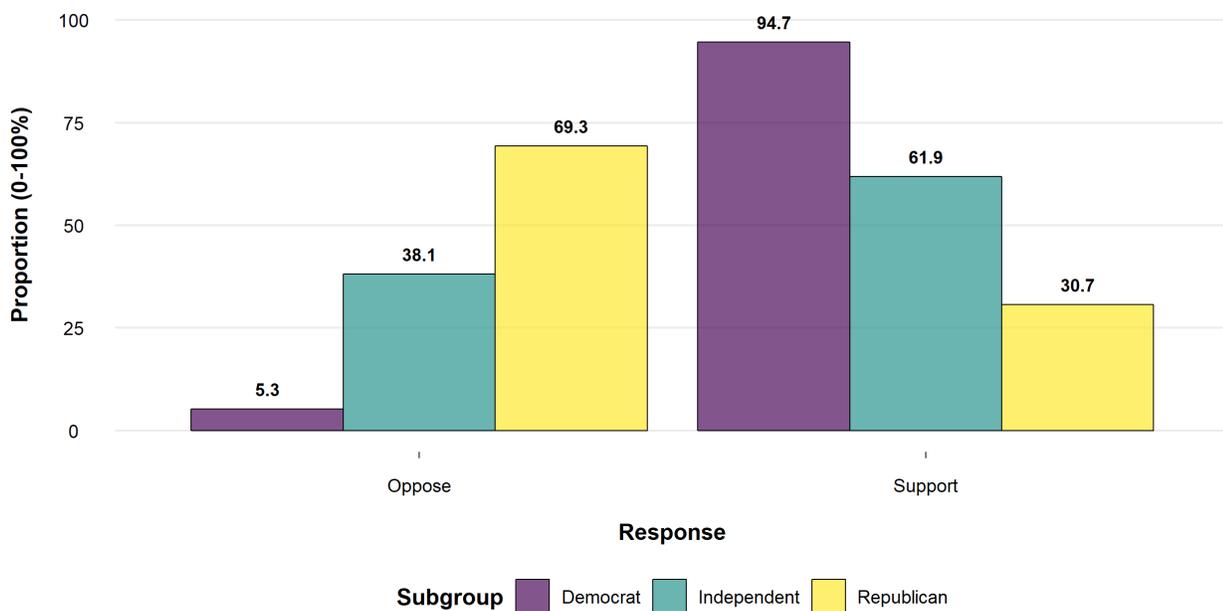
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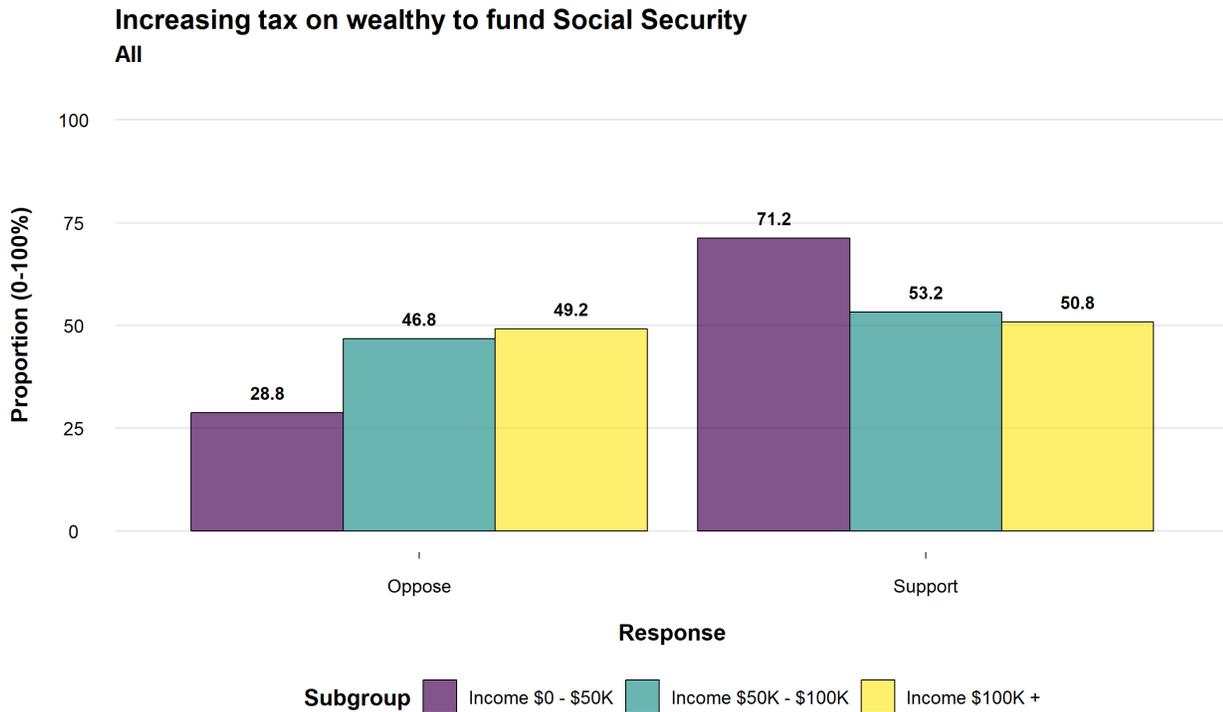
Democrats by a nearly 95% to 5% margin and 62% of Independents support taxing the wealthy to fund social security and nearly 31% of Republicans do as well.

### Increasing tax on wealthy to fund Social Security

All



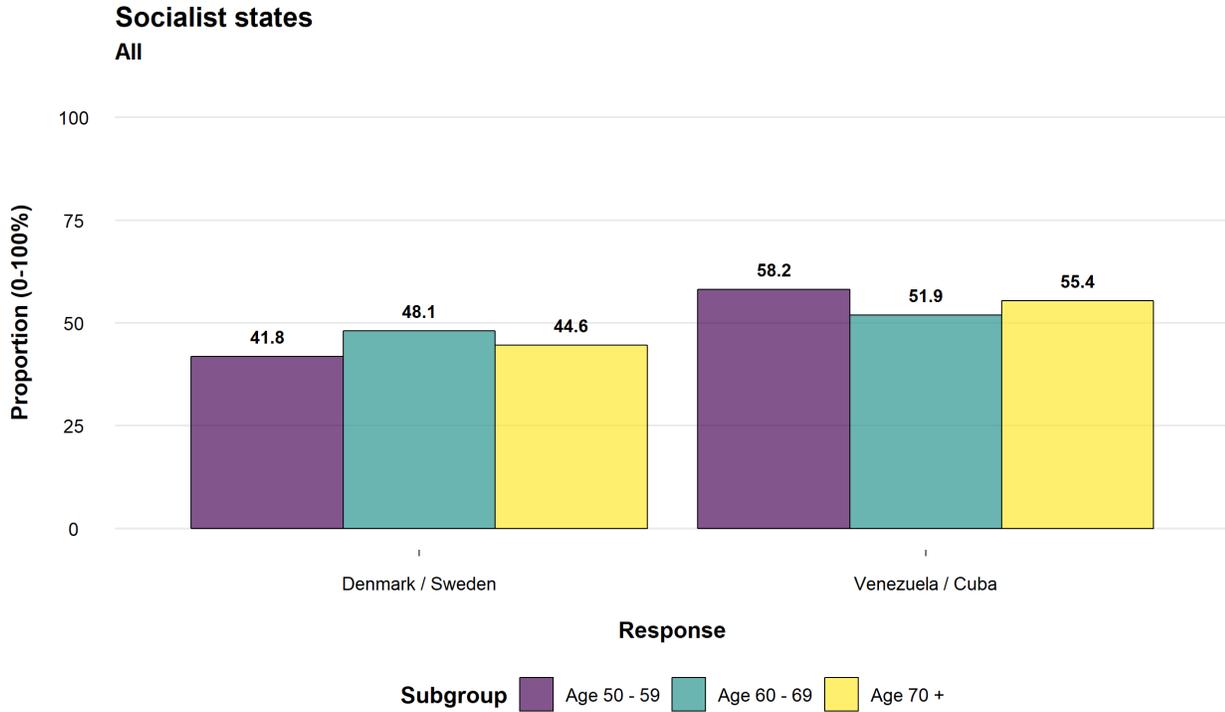
71% of voters earning 50,000 dollars or less, 53% of voters earning 50-100,000 dollars and 51% of those earning over 100,000 dollars also support taxing the wealthy.



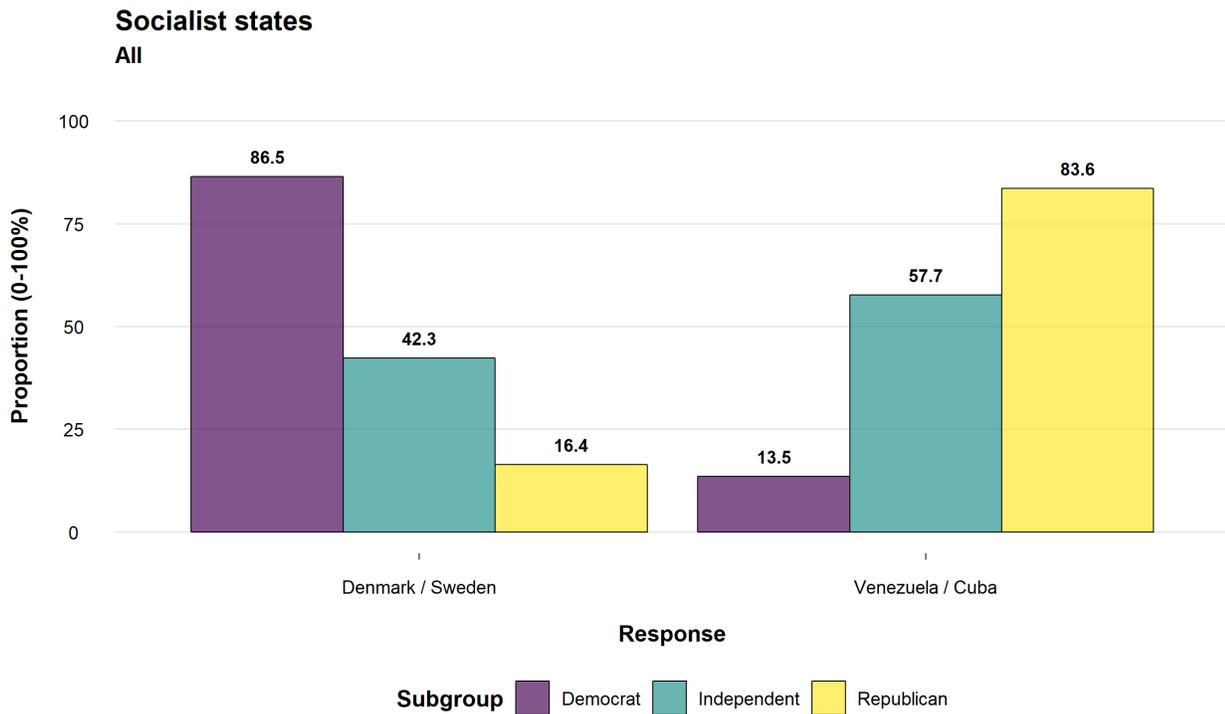
### Socialism and Free markets

We asked voters if when they hear the word socialism, do they think of Venezuela or Denmark?

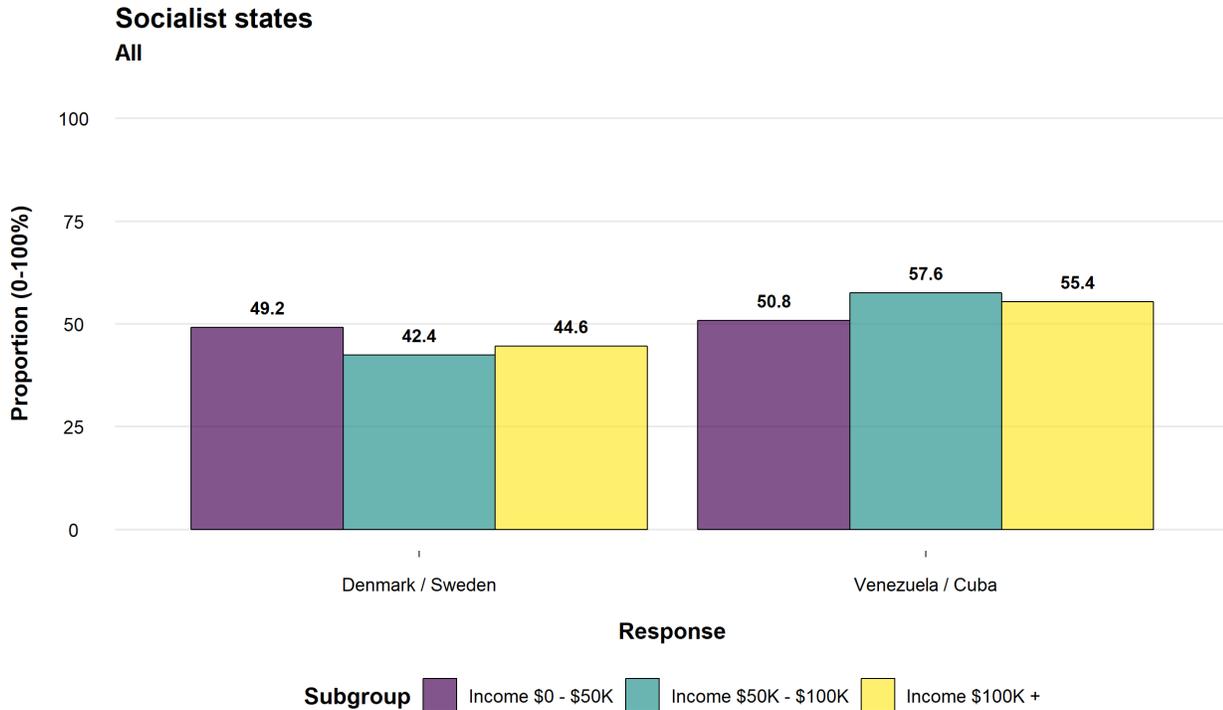
By a margin of 58% to 42%, those age 50-59 viewed socialism as Venezuela along 52% of those age 60-69 and 55% 70 years old and over. This shows that over 40% of the general public view socialism akin to Denmark, a position that Democrat socialism view as their model.



86% of Democrats view Socialism similar to Denmark contrasted to 84% Republican who see Socialism as Venezuela and nearly 58% of Independents see socialism similar to Republicans as similar to Venezuela.



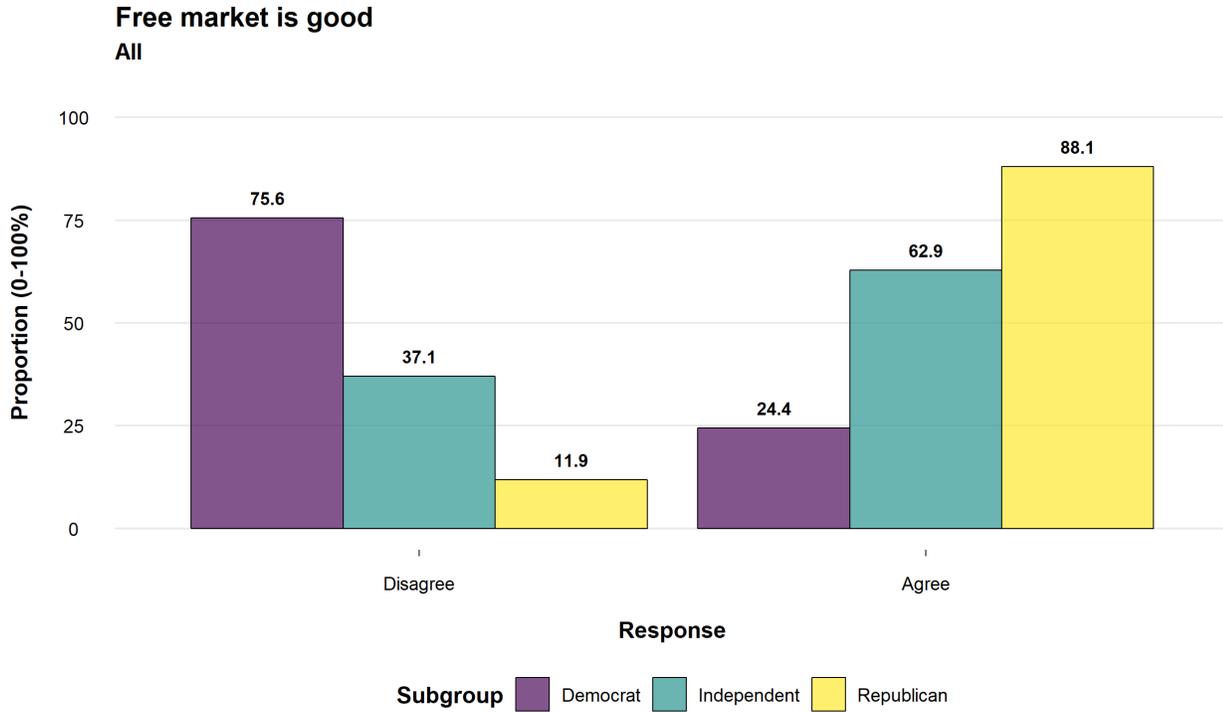
By a 51 to 49% margin, those with income 50,000 dollars view socialism as Venezuela while nearly 58% of those with income 50,000 to 100,000 dollars and 55.4% of those earning 100,000 dollars and over view socialism as being similar to Venezuela. By range of 42.4% to 49%, all incomes voters when they think of socialism, they think of Denmark.



When it comes to free market, we asked if they viewed free markets as a system that has allowed millions to escape poverty and produced great prosperity or an economic system there the top benefit at the expense of the rest.

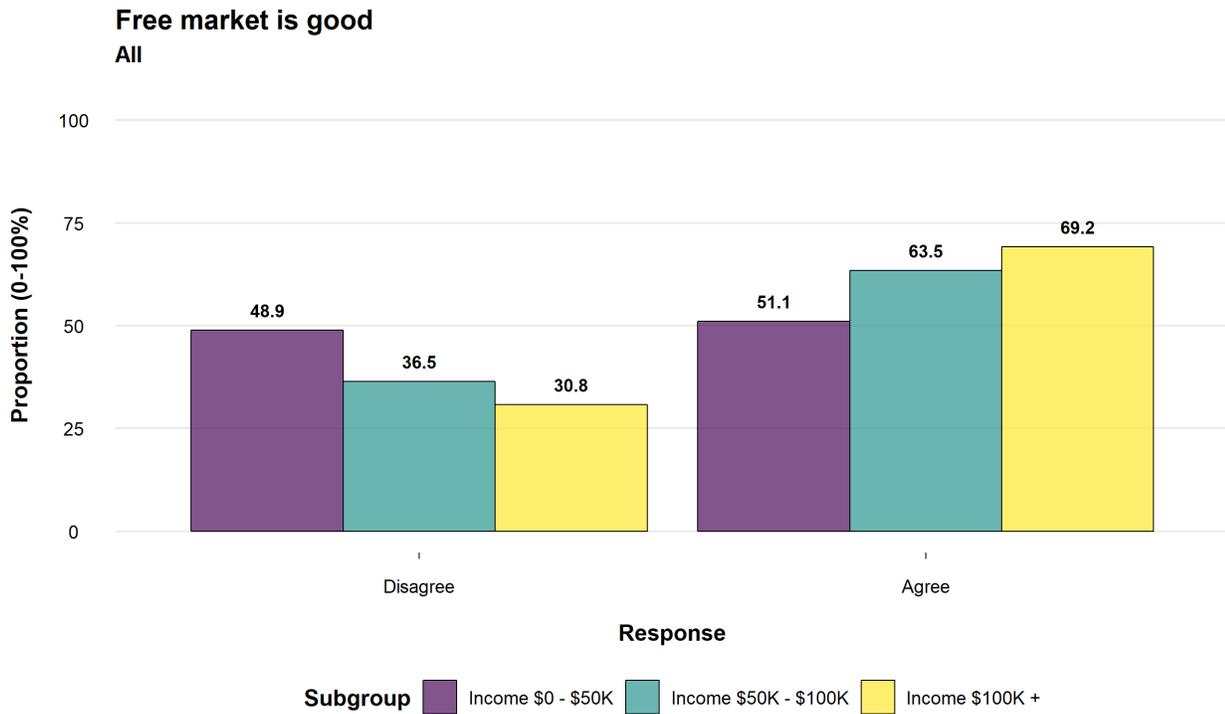
62.5% of those aged 50-59, 59% of those age of 60-69 and nearly 66% of voters viewed free market as providing prosperity and escape poverty while 37.5% of age 50-59, 41% of age 60-69 and 34% of those over the age of 70 viewed free markets as helping 1% at the expense of the rest of the 99%.

63% of Independents and 88% of Republicans view free market as providing prosperity compared to only 24% of Democrats view free market in a positive light. Nearly 76% of Democrats view free market as exploiting the Middle America and the poor at the expense of the rich. Evolving strategy data shows that the Democratic Party is becoming the socialist party of America.



51% of those income 50,000 dollars and under along with 63.5% of those with income 50,000 to 100,000 dollars and 69% of those over 100,000 dollars view free market positively compared to 49% of those with income 50,000 dollars and under, 36.5% of those with 50 to 100,000 dollars and nearly 31% of those earning over 100,000 dollars. Those with middle class and the poor are less likely to view free markets positively and socialism more favorably but this group still by a small margin view free market as providing society with growth and prosperity, providing them with opportunity for successes in their

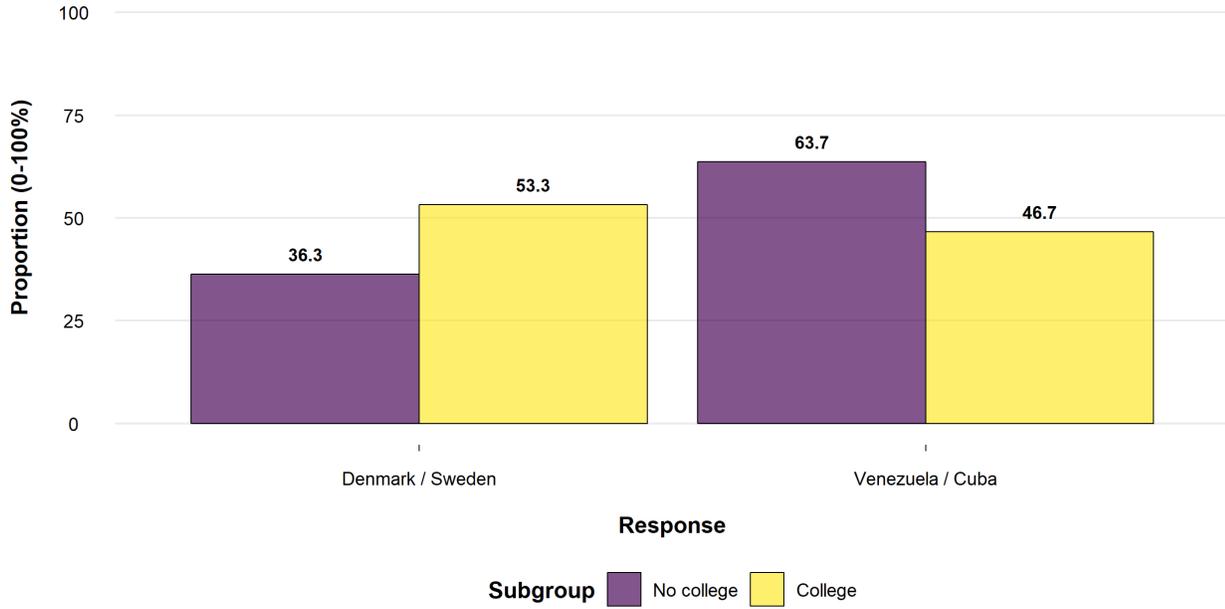
golden age.



Interesting enough, those without college education are more likely to view free markets in a positive light and those with college education view socialism positive. Nearly 64% of non-college viewed socialism as no different than Venezuela and free market as providing prosperity and chance to escape from poverty compared to only 60% of college graduates who viewed free market positive and sees socialism as Denmark.

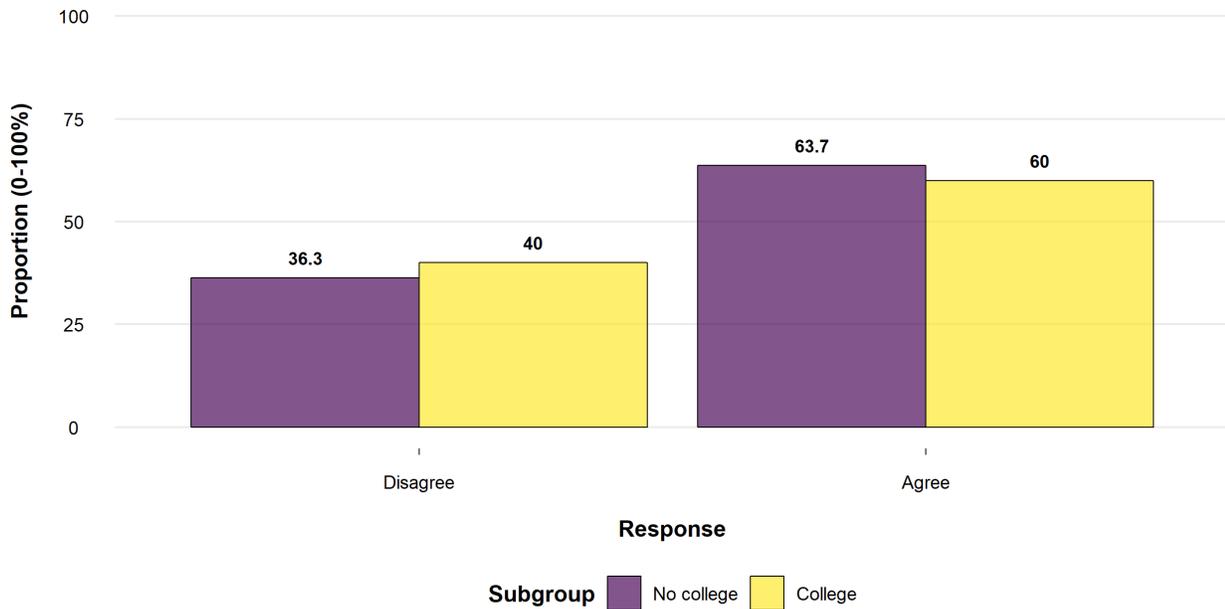
### Socialist states

All



### Free market is good

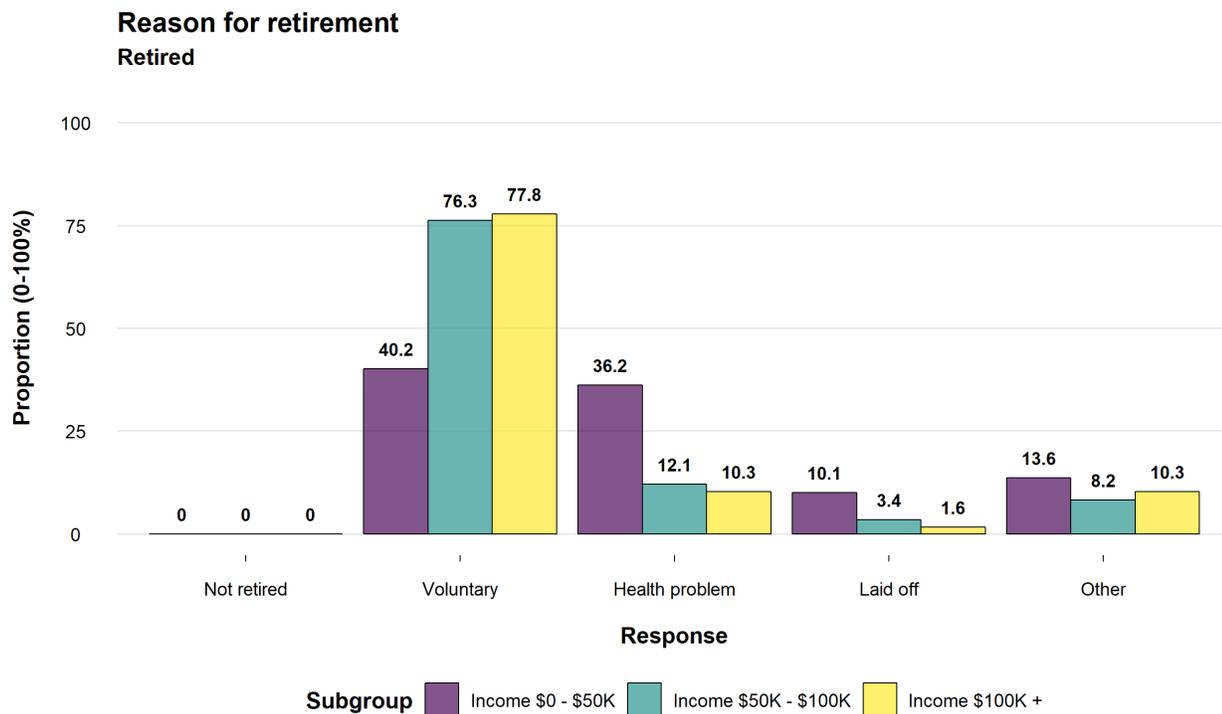
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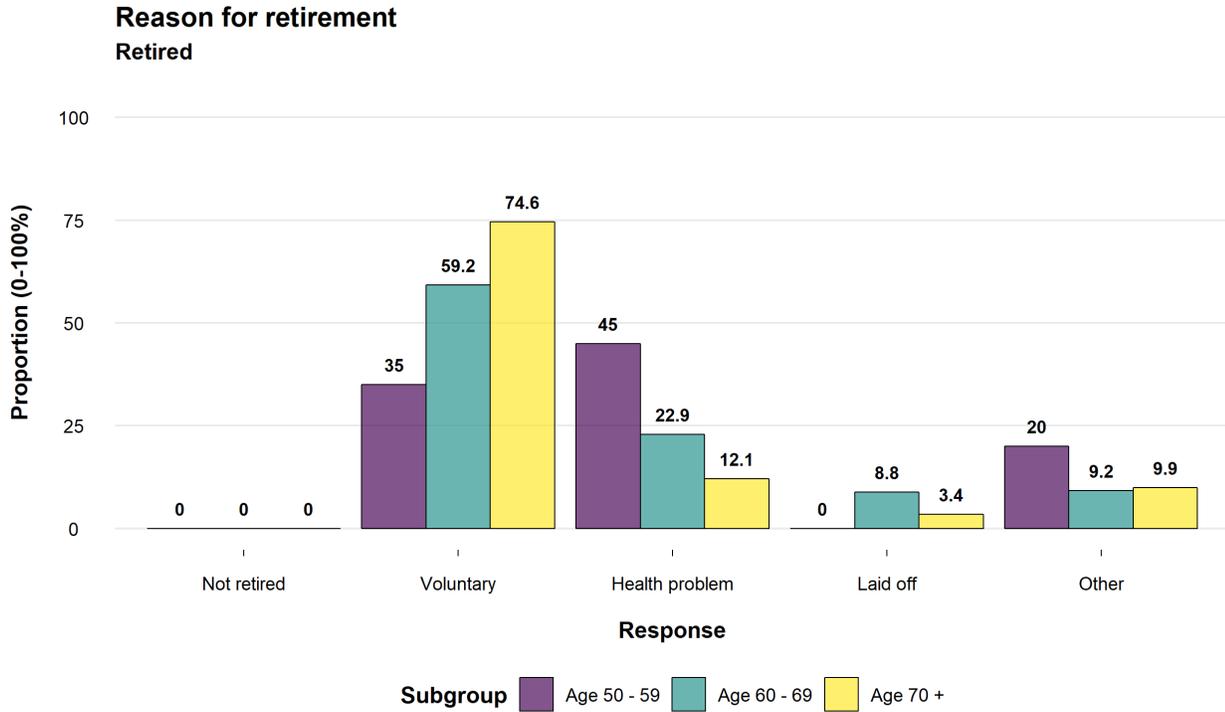
### Leaving the Job market

40.2% of those income 50,000 dollars or under retired volunteered whereas 38% retired due to health issues and 10.1% laid off compared to 76% of those income 50 to 100,000 dollars and 78% of income 100,000 dollars retired volunteered. 12.1% of those earning 50 to 100,000 dollars and 10.3 of those with 100,000 dollars or more retired due to health issues along 3.4% 50 to 100,000 dollars and 1.6% 100,000 dollars were laid off.

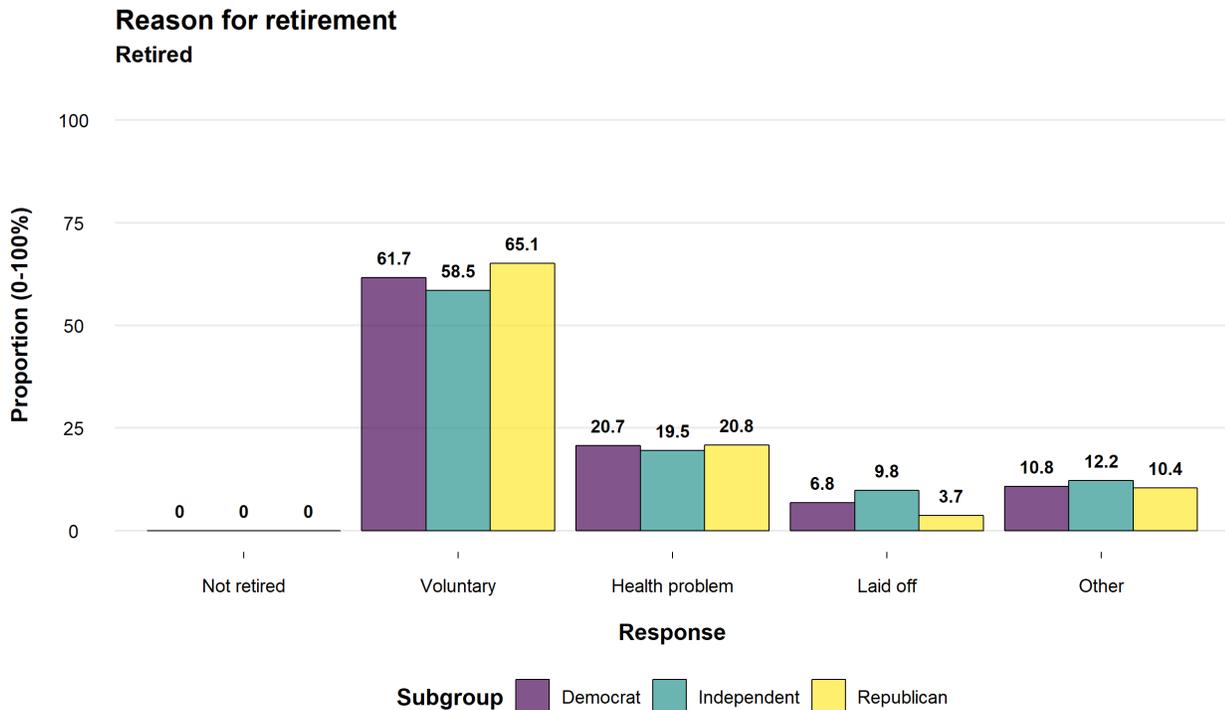
Those in the lower middle class and poor are more likely to retire due to health issues and be laid off, thus hurting their chances of increasing their retired but even 15% of those in the middle class and 12% in the upper middle class and beyond will either leave the job market early due to health issues or be laid off.



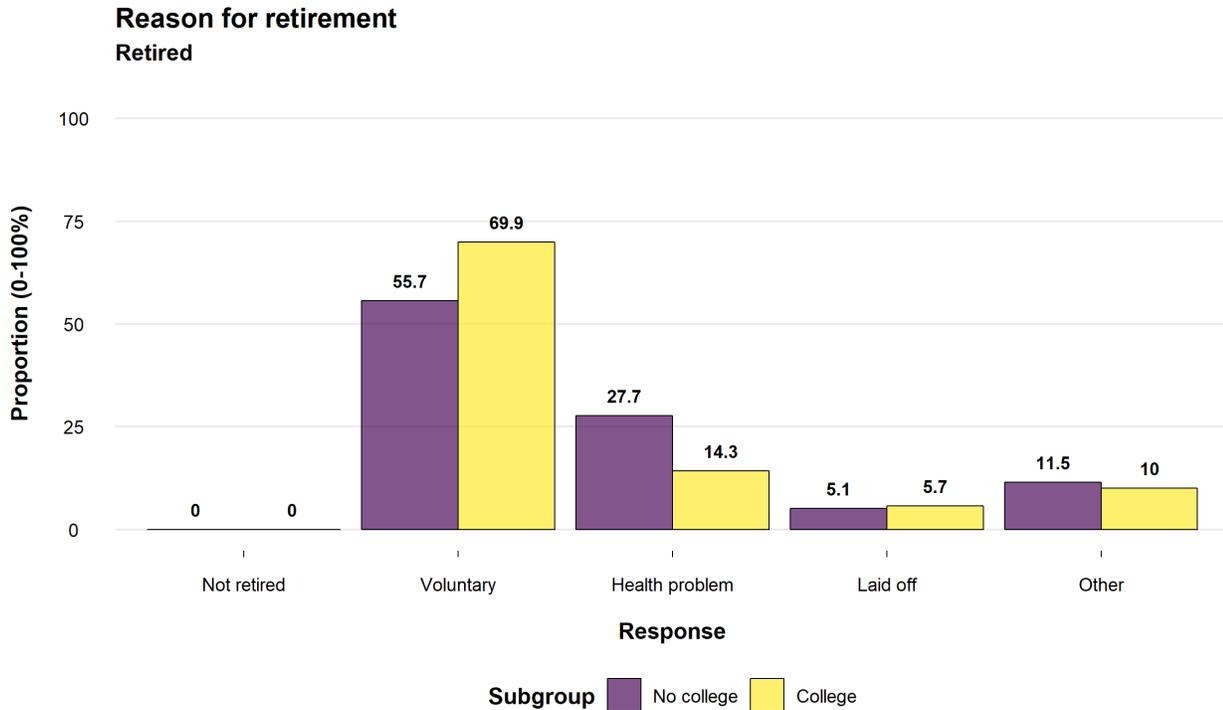
Evolving strategy noted that among younger retirees, 36% retired volunteering while 45% left the job market due to health reason. In those age 60-69, 59% retired volunteering while 23% retired due to health issues and 9% due to being laid off. Those 70 and over are more likely to be retired on their own terms in 75% of the cases and 12% left the job market due to health crisis and 3% due to being laid off.



62% of Democrats, 58.5% of Independent and 65% of Republicans retired on their terms while 21% of Democrats, 19.5% Independents and 21% of Republicans retired due to health issues and 7% of Democrats, 9% Independents and 3.7% of Republicans were laid off.



59% of Non-college retirees and 69% college graduates left the job market voluntarily but nearly 28% of non-college retired due to issues compared to 14% of college graduates even both groups were close at 5.1% non-college and 5.7% college were laid off. Non college graduates were less likely to leave the job market on their term compared to college graduates and both groups voluntary retired under 70%.



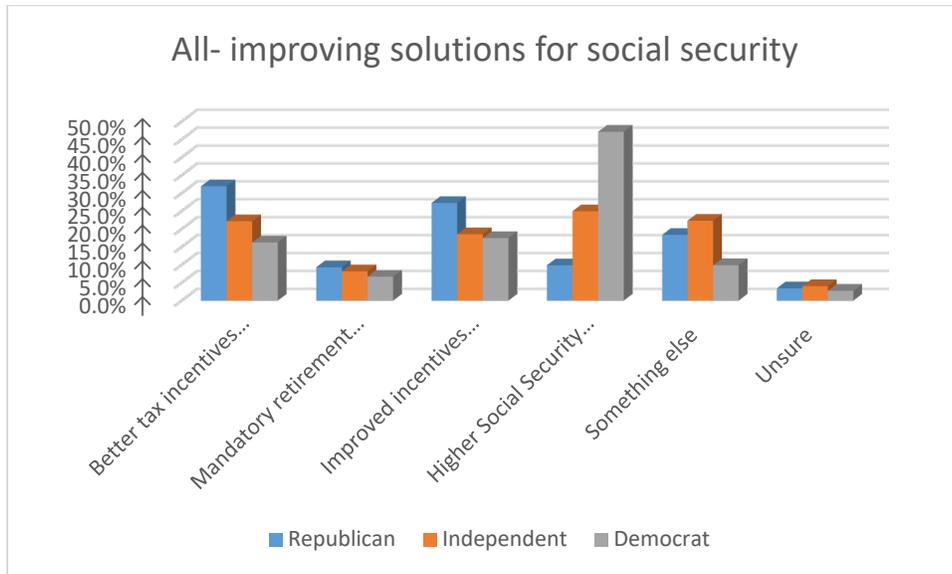
Seniors have no problem with taxing the wealthy to increase social security benefit and right now, Democrats in the House has proposed the 2100 social security which increases Social Security for all Americans but also phase out the cap on taxable income, presently at 132,000 dollars on individual over 400,000 dollars. This represent an increase for workers today to give retirees a boost in benefits and by removing cap on the wealthy, will represent a significant increase for the wealthy.

While the aggregate numbers could be used to support that there may not be a retirement crisis but as Evolving strategy showed, there are significant numbers that show that many Americans have serious issues with their retirement, in particular at the lower end of the economic status. When one compares non-college graduates and those under 50,000 dollars were less likely to leave the job market on a volunteer basis and they were more likely to have nest eggs less than 100,000 dollars. The two are connected since if individuals are forced to retire early due to health issues or being laid off, they are not able to add to their retirement portfolio plus with health issues, health costs go up eating even more of their disposable income.

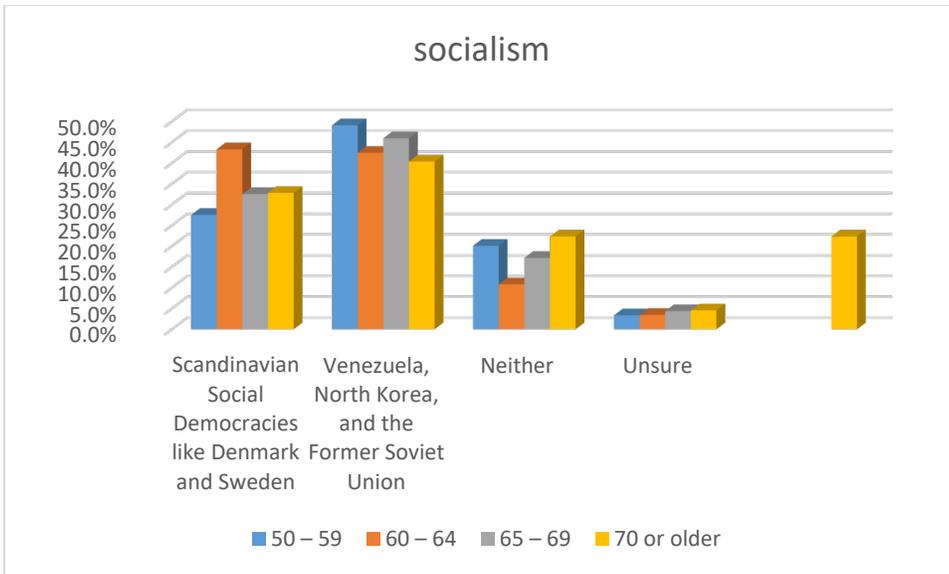
Among those with higher incomes and college degree, there are significant numbers of retirees who have not saved enough or worked long enough to obtain their retirement goals. Evolving Strategy found in their data that the biggest divide was both education and those who earned 50,000 dollars. Those higher were less likely to have insufficient funds for retirement and the same differences were seen between High School and College education.

### Appendix 3: Cygnal Results

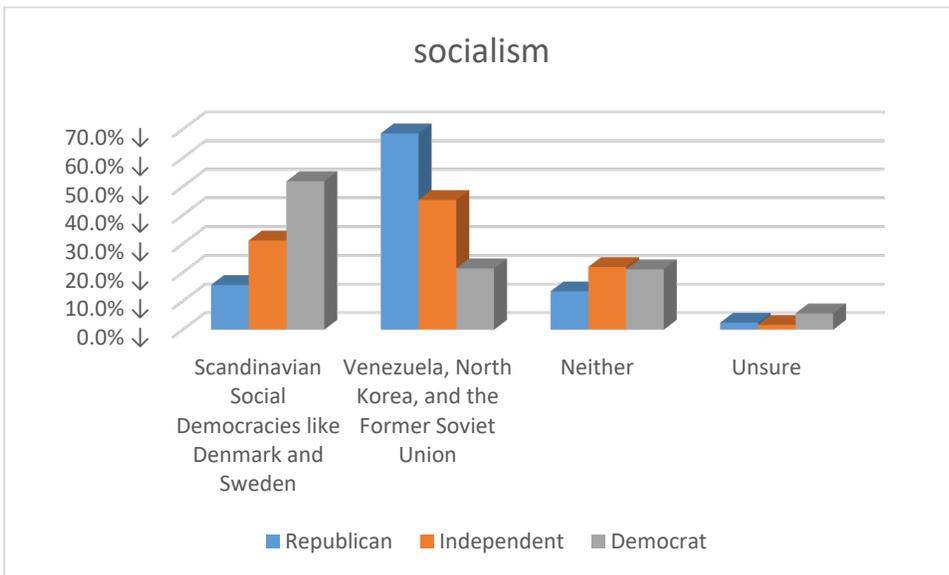
When reviewing solutions for improving social security benefits, 47% of Democrats favor a tax increase for the wealthy where as Republicans favor more market solutions including 32% for better tax incentives for retirement and 27.2% employer based retirement account. With the debate beginning on social security and the social security 2100 act, both Party viewing social security through different prisms.



On the question of socialism, Cygnal reviewed how different age group viewed Socialism. While the 33% of overall voters viewed socialism akin to Denmark compared to 44% to Venezuela. The majority of age groups were more likely to view socialism akin to Venezuela compared to Scandinavian countries, the only exception was age 60-64 where 42.4% viewed socialism akin to Venezuela compared to 43.3% to Denmark.



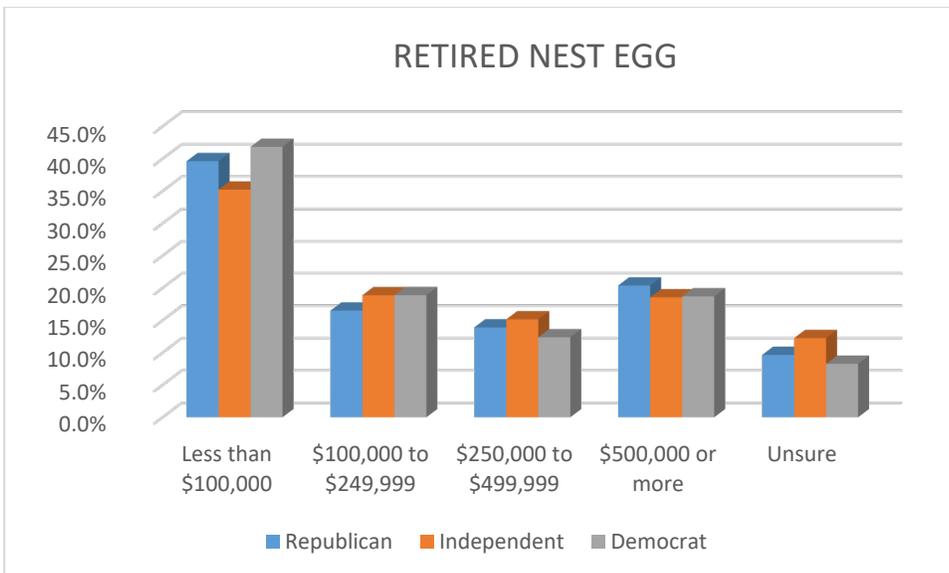
By a margin of 52% to 21%, Democrats view Socialism more with Denmark compared to Venezuela whereas 69% of Republicans and 45% of Independents see Socialism as ending up as Venezuela compared to 16% Republicans and 31% of Independents view socialism as equal to Denmark. Just with other pollsters, Cygnal seeing that Democratic Party is becoming the Party of socialism.



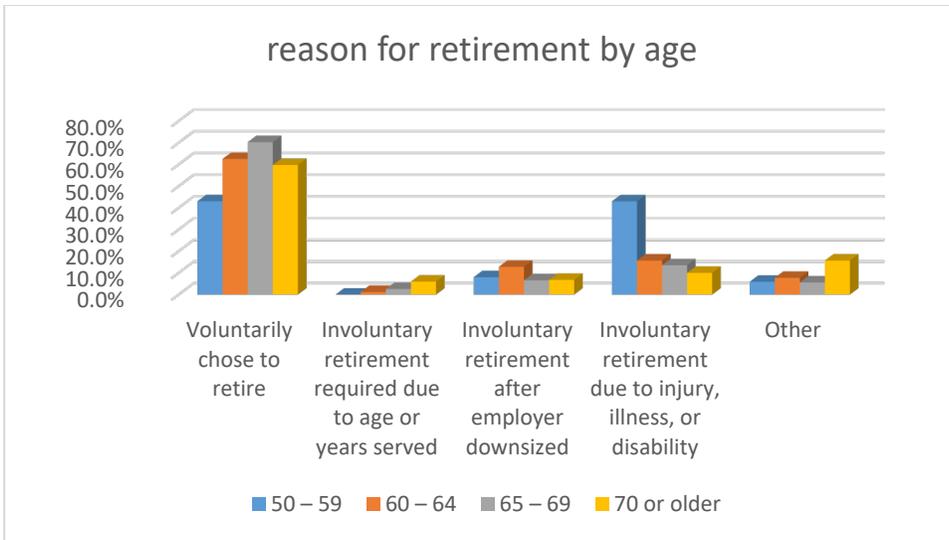
When reviewing nest eggs on retiree 50 and older, Cygnal found what other poll that high number of retiree's don't have nest egg beyond 100,000 dollars. 62.5% of 50-59, 43% of 60-64, 30.7% of 65-69 and 39.1% of those 70 and over had nest egg less than 500,000 dollars



Among Party affiliations, 39% of Republicans, 35% of Independents and 41% of Democrats had nest eggs under 100,000 dollars and 20% of Republicans, 18.5% of Independents and 18.7% of Democrats had nest eggs 500,000 dollars or more.



When reviewing retirement by age, 43% of those between age 50-59 retired on a volunteer basis contrasted 62.5% of 60 to 64, 70% of 65-69 and 60% 70 and over. 43% of those age 50-59 were forced to retire due to health reason contrasted to nearly 16% of age 60-64, 13.5% age 65-69 and 10% 70 and over while those under 60 were least likely to retire due to age requirement or laid off due to downsizing at 8% compared to 14% to 60-64, 9% 65-69 and 12.8% 70 and over.



In the Cygnal series of reviewing reason for retiring, 55% of Republicans retired on a volunteer basis compared to 61% of Independents and 68% of Democrats and nearly 20% of Republicans were retired to health reason whereas Independents were the most likely to be laid off compared to either Republicans and Independents. Part of the reason for this is that we are seeing the GOP turn into the working class Party contrasted to Democrats, who are becoming the Party of the very poor and very rich.

