Factors Influencing Expected Social Security Dependence

The future of the Social Security System is rather uncertain given the current rate of withdrawal. This system has kept many of today's seniors out of poverty. With many depending solely on social security as a form of retirement it is important to determine those who would most likely be affected by a change in the Social Security System. The retirement needs of "Social Security dependents" approaching retirement could then be addressed early enough to help some of them make adjustments to their retirement sources. This research examined the retirement confidence survey to determine the factors that influence expected social security dependency. The use of Social Security as a source or non source of retirement income was tested against several independent variables to determine what factors significantly influence Social Security as an income source. These independent variables included demographic variables such as age, gender, marital status, and ethnic background. The socioeconomic factors included as independent variables were saving status, income, and education level. Other factors included were retirement confidence, financial responsibility, and financial behaviors

The results of using SPSS logistic regression analysis concluded that age, retirement confidence, saving status, ethnicity, income, education, and financial responsibility were significantly related to Social Security dependency, when considering it as a major source of income. For those not expecting Social Security as an income source it was found that age, gender, income, education, and financial responsibility where significantly related to non dependency. More specifically, it was found that those who, (a) were older individuals, (b) had low retirement confidents, (c) were non savers, (d) were not White/Caucasian, (e) had income less than $50,000, (f) had less education, and (g) had more dependents that they were financially responsible for were more likely to expect to depend on Social Security as a major source of retirement income. The findings of this study suggest a certain type of individual is more likely to become dependent on Social Security for retirement purposes than others.

Social Security has been very successful in decreasing the rate of poverty in the elderly and also providing a way for some to retire early. The solvency of Social Security would be a great cause for concern, especially for those most expected to dependent on it for a primary source of retirement income. Given the uncertainty of the current social system, the intention of this study was to determine those most likely to depend on Social Security as a major source of income, so these individuals can be targeted with early preventative measures.

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Introduction

According to the American Social Security department approximately 51.6 million people currently depend on some form of Social Security, and more than 150 million workers are protected by Social Security. (Social Security, 2004) Social Security was initially signed into law by Franklin Roosevelt in 1935 to help protect Americans struggling to make it through the Great Depression. Social Security was intended to be a supplement for retirement, not the sole source of retirement income. Over the years more and more Americans have become dependent on Social Security for retirement income needs. As workers more accurately anticipate Social Security benefits, presumably workers reduced their other savings for retirement, spending part of their greater wealth in the form of higher consumption during their work life and part in the form of earlier retirement. (Ippolito, 1990) The replacement rate for the medium earner who retires at age 65 is approximately 41 percent. In other words, Social Security benefits are equal to approximately 41 percent of individuals' pervious earnings. The problem facing Social Security today is a two-fold problem; the life expectancy of the average American is increasing every year and the ratio of workers-to-beneficiaries has fallen from 16-to-1 to 3.3-to-1 today. (Social Security, 2004) There have been several suggestions for social reform, but the fact remains many Americans have become dependent on a system that was not intended to be the sole source of retirement benefits.

For two-thirds of the elderly, Social Security is their major source of income. For a third of the elderly, Social Security is virtually their only source of income. (Social Security, 2004) Social Security paid an

average monthly benefit of $924.20 to retired workers in the year ended February 2004. (Social Security, 2004) According to the U.S. Census Bureau the average household income in 2002 was $42,409. (U.S. Census Bureau, 2003) This is a number that has probably decreased considering economic conditions over the past two years. While Social Security replaces about 40 percent of the average workers' pre-retirement earnings, most financial advisors say that you will need 70 percent or more of pre-retirement earnings to live comfortably. (Social Security, 2004) With retirement needs at approximately 70 percent of pre-retirement income the average American would need to have $29,686 in retirement income to retire comfortably. For those dependent on Social Security as the only source of retirement income this represents an $18,596 shortfall in retirement income.

Those using Social Security as the sole source of retirement income would find themselves just shy of the national average poverty line. For a single person age 65 the poverty line is $8,825 and for a married household 65 and older the poverty line is $11,122 in annual income. (U.S. Census Bureau, 2003) It is important to realize that social security was meant as a supplement to income. Married individuals dependent on Social Security with a single draw would be considered below the poverty line.

The purpose of this study is to use the retirement confidence survey to determine the factors that influence expected social security dependency and determine a prediction model for social security dependency.

Literature Review

Few literary sources have been written on the topic of factors influencing social security dependency. There has been research on retirement behavior, needs, and determinates. The following review of literature combines the previous research to develop a model for determining social security dependency.

Role of Social Security in retirement planning

What will be the role of Social Security in retirement planning? On average Social Security makes up approximately 40 percent of most people's retirement income. According to current research financial advisors feel that Social Security is in crisis (34%) or that the system has major problems (56%). (Dumm, Colquitt, Hoyt, 2002) Given the current status of Social Security many advisors would be likely not to include Social Security income at current levels in retirement projections. This creates a problem for those who will be dependent on Social Security as a sole source or major source of retirement income. Older research had suggested that Social Security anticipated benefits represented 60 percent of household assets. (Feldstein, 1974) As shown the percentage of Social Security as a source of income has already fallen and will continue to fall as baby boomers retire. With this shortfall individuals need to address this issue early so they can take advantage of compounding to be more flexible in retirement.

Retirement Needs

Retirement is defined as the period of a person's life during which a person is no longer working, or the commencement of that period. It is no debate as to what is needed monetarily in retirement. An individual is assumed to choose a retirement age that maximizes current and future income streams to maintain a certain standard of living after that individual is no longer working. Studies suggest that retirement patterns depend on expected earnings at each future age, the stream of private pension and Social Security benefits available for each possible future retirement age, and the form and structure of preferences for income and leisure. (Field, Mitchell, 1984) Most consider retirement to be a three legged stool; Social Security, pensions, and personal savings. Over the last several years expected dependency on these three forms of retirement has changed, markedly away from Social Security and toward pensions and personal savings. This has been in part due to the lack of confidence in the future of the Social Security system. According to a study done by Susan Mitchell (1994) 6 percent of married couples age 65 and older are below the poverty line, and one-fourth of elderly women living alone are poor. The retirement needs of those approaching retirement could be addressed early enough to help some of these people make adjustments to their retirement sources.

Retirement Determinates

Retirement can be determined from a number of income sources. It is questionable as to which sources should currently be the most important source of retirement determination. The Retirement Confidence Survey (RCS 1999) suggests possible retirement income sources to be: pension or contribution retirement accounts, personal retirement accounts, personal savings-non work or retirement related, money from sale of home or business, part or full-time employment, children or other family support, Social Security, and/or other forms of government income programs. Different life phases would suggest different supposed dependency on these forms of income.

Retirement can also be determined by extrapolating actual changes observed during the decade prior to their retirement. (Field, Mitchell, 1984) Given the past four year market returns several retirees have postponed

retirement due to dependency on market gains and economic status. Not all retirement factors are due to funding, it is also assumed that many retirees consider future economic states when determining a retirement date. Just as consumer confidence helps drive the stock market, so confidence in retirement drives retirement age considerations.

Once retirement sources, needs, and determinates have been figured it is then possible to calculate the actual benefits and dependency on social security. This can be based on age, income level, and gender and several other factors. No literature has been found on the link between the factors that influence Social Security dependency. It is assumed that the closer one gets to retirement age the larger the role social security will play in their retirement plan. There has been research done finding Social Security has a statistically significant effect on retirement age. (Ippolito, 1990) Despite this effect on retirement age, these studies also find that changes in the level of Social Security benefits have little effect on participation rates.

Methodology

Data collection

The data for this study was collected from the ninth annual Retirement Confidence Survey (RCS). The 1999 RCS was collected by the Employee Benefit Research Institute, Mathew Greenwald & Associates, and the American Savings Education Council. The RCS, "gauges the views and attitudes of working and retired Americans regarding retirement, their preparations for retirement, their confidence with regard to various aspects of retirement, and related issues."(Yakoboski, Dickemper, 1999)

The survey was conducted in the United States between January 4th and February 28th, 1999, as 20 minute telephone interviews. A total of 1,002 individuals (776 workers and 226 retirees) ages 25 and older were interviewed. Telephone numbers were selected through random digit dialing from around the United States. Of the 1,002 individuals interviewed this study was restricted to include only the 776 workers. Retirees were eliminated because the objective of this study was to develop a model for social security dependency factors in pre-retirement. These individuals were then limited to three groups (a) those that expect Social Security as a major source of income, (b) those that expect Social Security as a minor source of income, and (c) those that don't expect Social Security as a source of income. The respondents who did not know or refused to answer were then removed from the analysis (n=8). It is important to note that the final number of participants used for this sample size was 768 pre-retirees who answered the question of whether Social Security would be a major, minor, or non source for retirement.

Analysis

The use of Social Security as a source or non source of retirement income was tested against several independent variables to determine what factors significantly influence expected Social Security as an income source. Binary Logistic Regression was used to identify these significantly related factors, but first an assessment of Pearson's correlation was run to determine which variable were highly correlated. Both tests were run using the Statistical Package for the Social Sciences (SPSS).

Dependent Variables

The dependent variables were established as those respondents who answered whether Social Security was expected to be a major source of income, a minor source of income, or not a source of income in retirement. Those who responded that social security was expected to be a major source of income were coded as a 1; all other were coded as 0 for sample 1. In sample 2 those who responded that social security expected to be a minor source of income were coded 1; all others were then coded as 0. In sample 3 those who responded that social security was not expected to be a source of income were coded 1; all others coded as 0. In total there were 184 respondents in sample 1, 417 respondents in sample 2, and 167 respondents in sample 3.

Independent Variables

The independent variables included demographic variables such as age, gender, marital status, and ethnic background. The socioeconomic factors included as independent variables were saving status, income, and education level. Other factors included were retirement confidence, financial responsibility, and financial behaviors. These variables were then compared using a Pearson Correlation matrix (see Table 1). Using the Pearson Correlation matrix it was determined that no two variables were significantly correlated enough to be eliminated.

The actual age and education levels were used from the survey, but gender, marital status, ethnic background, saving status, and income level were recoded using dummy variables. Respondents were recoded with a 1 if they were male, married, White/Caucasian, a saver, or had income above $50,000. Ethnic background was recoded to White/Caucasian for ease of interpretation and lack of significant sample size for other ethnicity groups.

Other studies have found no systematic differences in retirement associated with Blacks or Hispanics. (Gustman, Steinmeier, 2001) Income was tested using a median value of $50,000. The 1999 RCS measured annual income using the following categories: (a) less than $15,000; (b) $15,000 to $24,999; (c) $25,000 to $34,999; (d) $35,000 to $49,999; (e) $50,000 to $74,999; (f) $75,000 to $99,999; and (g) $100,000 or more. For this study it was determined that for model robustness and since the majority of the participants salaries were distributed from $25,000 to $75,000 it would be appropriate to develop a dummy variable for those above or below $50,000.

The independent variable gender was recoded for the purposes of model conformity and was included for its implications on social security dependency. The RCS measured marital status in the following five categories: (a) married, (b) divorced or separated, (c) widowed, (d) single, never married, and (e) not married, living with significant other. Marital status was recoded for lack of significance numbers in some cells. Saving status was from a combination of two question; (a) have you personally saved any money for retirement, not including Social Security taxes or employer-provided money?, and (b) has your spouse/partner personally saved any money for retirement?. These two questions were combined to reflect all those that are currently saving for retirement. This included those who were personally saving and/or those whose spouse/partner were personally saving.

Five questions were used to measure retirement confidence in the 1999 RCS. These questions were: (a) overall how confident are you that you (and your spouse/partner) will have enough money to live comfortable throughout your retirement years?, (b) you are doing a good job of preparing financially for your retirement, (c) you will have enough money to take care of your medical expenses when you retire, (d) you will have enough money to take care of your basic expenses during your retirement, (e) you will have enough money to support yourself(ves) in retirement, no matter how long you live. Each question was measured on a Likert scale, from 1(*not at all*) to 4 (*very confident*). These variables were then combined and recoded to create a retirement confidence scale from 20 (highest confidence) to 5 (least confidence).

Confidence in Social Security was also tested using the same Likert scale as in retirement confidence. The survey asked the question: how confident are you that the Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today? This variable was included to test the model under the assumption that those who were very confident in Social Security would also consider Social Security to be a source of retirement income.

Financial Responsibility was included in the model tested with the question: other than yourself, how many people are you (and your spouse/partner) financially responsible for? This variable ranged in value from none to 14 dependents. The highest frequency was in none with 92.9 percent of participants captured at 3 dependents. This was included in the model because it seemed reasonable that individuals who had more dependents would be more likely to have to depend on Social Security. This would be probable since these individuals would spend a larger portion of current income to support their dependents and would have been less likely to have had extra disposable income to contribute toward retirement.

Retirement education was tested with the question: in the past 12 months, has an employer provided you with educational material or seminars about retirement planning and savings? This question was included to test employers' role on Social Security dependency. Retirement behavior was tested with two questions: (a) have you tried to figure out how much money you will need to save by the time you retire so that you can live comfortably in retirement?, and (b) has your spouse/partner tried to figure out how much money you will need to have saved by the time you retire so that you can live comfortably in retirement? These two questions were combined coding a 1 for those who have either tried to figure out how much they need and/or for those who partner has done the same.

Findings

Characteristics of the Sample

The mean age of the sample for this study was 43 years old. Slightly less than one half of the respondents were male (49.4%). The largest part of the sample was White/Caucasian (80.8), with the second largest segment being African American (7.9%). Most participants were married (64.8%) and had income less than $50,000 (63.9%). More than half of those surveyed had less than a college degree (62.6%). A large percentage of the participants were currently saving in some form (74.5%). The mean of the sample (2.09) was not too confident than Social Security would continue to provide benefits of at least equal value to the benefits received by retirees today. The mean of the sample was financially responsible for slightly more than one person (1.49), and an almost equal portion had tried to figure out how much money they would need to live comfortably in retirement (1.46). The dependent variables were found to be those that expected Social Security a major source of income (24%), those that expected it a minor source of income (54.3%), and those that did not expect it to be a source of income (21.7%). The results of the

sample (n=776) and the result for the entire sample (n=1002) are presented in Table 2.

Factors Associated With Social Security Dependency

Group 1.

When binary logistic regression was performed for the Group 1 (those that considered Social Security to be a major source of retirement income) 7 variables were considered significant to the .05 level. The results show that older individuals are slightly more likely to depend on Social Security than are younger individuals. Those who are more confident about retirement (higher=20) are less likely to depend on Social Security than are those who are less confident. The odd ratio for Table 3 shows that those who are confident about retirement are .892 times as high as those who are not confident. In other words, those with higher retirement confidence are only 89.2 percent as likely to depend on Social Security as those who have a lower retirement confidence score, all other things being equal. Individuals who were considered savers were 46.6 percent less likely and White/Caucasian were 47.2 percent less likely to depend on Social Security as a major source of retirement income. The other significant variables were income, education, and financial responsibility. Those who had incomes greater than $50,000 were 57.7 percent less likely to depend on social security as those who had incomes less than $50,000, other things being equal. Higher education resulted in an odd ratio .765 as compared to those with less education. Table 3 shows that those respondents with a greater number of financial dependents where 1.925 times likely to depend on Social Security than those with fewer financial dependents. A greater number of financial dependents resulted in a 92.5 percent greater likelihood to expect to depend on Social Security. In Group1 there were 5 variables that were considered insignificant determinates of Social Security dependency. These variables were: gender, marital status, Social Security confidence, retirement education, and financial behavior. This suggests that those who would be less likely to depend on Social Security as a major source of income were not significantly different from those who were more likely to depend on Social Security in the stipulations of gender, marital status, Social Security confidence, retirement education, and financial behavior.

Group 2.

When binary logistic regression was performed for Group 2 (those that considered Social Security to be a minor source of retirement income) only 2 variables were considered significant to the .05 level. As shown in Table 4, those who had a higher level of retirement confidence were 1.076 times as likely to depend on Social Security as those with a lower level of retirement confidence. Savers in this group were 2.255 times more likely to depend on Social Security than non savers. This means that savers were 125.5 percent more likely to depend on Social Security as a minor source of income than were non savers. All other variables in this group were considered insignificant determinates of Social Security dependency.

Group 3.

When binary logistic regression was performed for Group 3 (those that considered Social Security not to be source of retirement income) 5 variables were considered significant to the .05 level. As shown in Table 5 older individuals were .956 times likely to not depend on Social Security as a source of retirement income than were younger individuals. Males were 59.5 percent more likely not to depend on Social Security as a source of income than were females. Those with income greater than $50,000 were 1.776 times more likely not to depend on Social Security than those with income less than $50,000. Those with more education were 31.8 percent more likely not to depend on Social Security than those with less education. Those with a greater number of financial dependents were 37.7 percent as likely not to depend on Social Security than those with few dependents. Table 5 show that the other 7 variables in this group were considered insignificant determinates of Social Security non-dependency.

Summary

This study examined the factors that influence the expected use of Social Security as a major, minor, and non source of retirement income. Binary logistic regression was used in an effort to determine what set of factors could be used to determine Social Security dependency. The results of the model concluded that age, retirement confidence, saving status, ethnicity, income, education, and financial responsibility were significantly related to Social Security dependency, when considering it a major source of income. It found that retirement confidence and saver status were significantly related to Social Security dependency, when considering it a minor source of income. When not expecting Social Security as any income it was found that age, gender, income, education, and financial responsibility where significantly related to non dependency. In group 1 (Table 3) it was found that those who, (a) were older individuals, (b) were not retirement confident, (c) were non savers, (d) were not White/Caucasian, (e) had income less than $50,000, (f) had less education, and (g) had more dependents that they were financially responsible for were more likely to expect to depend on Social Security as a major source of retirement income. In group 2 (Table 4) it was found that those who (a) had higher retirement confidence and (b) were savers were more likely to expect Social Security as a minor source of retirement income. In group 3 (Table 5) it was found that those who (a)

were younger, (b) were males, (c) had income greater than $50,000, (d) had higher education, (e) and a fewer number of financial dependents were more likely not to expect Social security as a source of retirement income.

Discussions and Implications

The findings of this study suggest a certain type of individual is more likely to become dependent on Social Security for retirement purposes than others. Little research has been done to find those who are more likely to be dependent on Social Security. This research suggests that there is a significant difference in some characteristic of those who expect Social Security to be a major source of income. Research has shown that older persons are more likely to retire based on personal characteristics, especially age. This paper suggests a similar result that those individual who are older are more inclined to see Social Security as a major source of income. This is likely due to the fact that older individuals are more conscious of retirement than are their younger counterparts and are thus more likely to look for avenues of retirement income. Those individuals who are more confident about there retirement are less likely to expect Social Security to be a major source of income. This would be intuitive given that people who are confident about retirement are more likely to have alternative sources of retirement income and thus do not expect to rely of Social Security.

The model also found that savers were found to be less likely to expect to depend on Social Security as a major source of income. Savers were defined as those individuals that who had personally or whose spouse had personally saved any money for retirement, not including Social Security taxes or employer-provided money. These individuals would be less likely to depend on Social Security because they would have other sources of income. This would confirm Cagetti's (2003) conclusion that a major purpose for saving is retirement. White/Caucasian respondents were found to be half as likely to expect social security as a major source of income as were of ethnic groups. This is consistent with data presented Wasow's (2002) data presented in a Social Security report showing that minorities are much more dependent on Social Security as a source of retirement wealth than are White/Caucasian.

Those with income greater than $50,000 were almost half as likely to expect Social Security to be a major source of income. Research by Browning has shown that there is a correlation between wealth and participation in savings. Diminishing dependency on Social Security for those with higher incomes, when other factors are held constant, would be intuitive considering those with higher salaries would be more likely to save and thus more likely to have alternative sources of retirement income. (Browning, Luzardi, (1996) Those with lower levels of education were also found to be more dependent on Social Security as a major source of income. Browing has shown that those with the lowest levels of wealth are found to be those with the lowest levels of education. (Browning, Luzardi, (1996) This again links those with lower education having lower levels of savings and thus a greater reliance upon Social Security.

The greater the number of dependents the greater the relationship was found with expected Social Security dependency. This study found that those with a greater number of dependents were almost twice as likely to depend on Social Security as a major source of income. With a greater number of household dependents a respondent would be less likely to have the excess funds to save for retirement and would thus have to depend on Social Security to help finance retirement. The other significant finding in this study was that males were 54 percent more likely to not depend on Social Security as an income source than were females. This could be due to the widowed or single divorced females in the sample that needed a reliance on Social Security due to income deficiencies or other current obligations. Research has suggested that as many a one-fourth of elderly women living alone are poor. (Mitchell, 1994)

These finding have implications for government policy makers and financial counselors. Government policy makers would be interested in who is the most dependent on Social Security. A recent article by David Wise (1999) has suggested that, "The aging population has made the continuation of current levels of real benefits from Social Security an uncertain prospect." Many of the traditional forms of retirement benefits are expected to change to meet demographic needs and maintain stability in the current economic programs. With the uncertainty surround Social Security it is important that investors don't relay solely on Social Security as the only source of retirement income. Just as a prudent investor would not invest all there money in one security it is crucial that individuals don't place all of their retirement prospects in Social Security. Investment counselors also need to be aware of the type of clients that would be likely to succumb to this retirement pitfall. With Social Security making up about 40 percent of most retiree's income real changes in retirement planning vehicles needs to take place. Social Security has been very successful in decreasing the rate of poverty in the elderly and also providing a way for some to retire early. (Gebhardtsbauer, 2001) Its solvency would be a great cause for concern especially for those most dependent on it

for a primary source of retirement income.

Research Limitations

When using the RCS data several limitations were discovered. First, the dependent variable, Social Security as a major source of retirement income was listed with several other retirement income questions and as such could have been over evaluated or under evaluated by the respondents. Many respondents could have seen Social Security as a source of retirement income, but noted other variables instead. Some participant might have responded that Social Security would be a viable source of retirement income if there were not a negative connotation about the future of Social Security. Secondly, The RCS data used in this study was from 1999, this data might not be applicable in a current model using current data. The purpose of this study was to help develop a relevant starting point to research on this topic since no prior literature had been written on the factors that influence Social Security dependency. Thirdly, the sample size was too small to distinguish different ethnic groups. The data for modeling purposes had to be coded as White/Caucasian or other.

Future Research

The purpose of this research was a preliminary study in determining the factors that influence expected Social Security dependency. Further research needs to be done with newer and more defined participants. A survey needs to be developed that asks specific questions concerning participant's factors that cause this dependency on Social Security as a primary source of retirement income. This research would be beneficial to both government policy makers and financial counselors. Further research on this topic might help determine who is most inclined to be dependent on Social Security for a primary source of income. These individuals could then be targeted for financial education resources and public policy changes. From a public practice standpoint more research could generate further client understanding and relationship building. Banks and financial institutions would be well positioned to generate new revenue from current clients by educating those clients who are unaware of the potential pitfalls that could play on their retirement income with Social Security solvency problems.

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Table 1: Pearson Correlation Analysis

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Age - (1)	Pearson Correlation	1	-0.069	-0.006	0.091	-0.088	0.027	0.082	-0.129	-0.177	0.288	0.048	-0.076
	Sig. (2-tailed)	.	0.057	0.872	0.011	0.014	0.458	0.023	0.000	0.000	0.000	0.187	0.045
Retirement Confidence- (2)	Pearson Correlation	-0.069	1	0.406	0.079	0.118	0.335	0.211	0.316	-0.026	0.127	-0.202	-0.363
	Sig. (2-tailed)	0.057	.	0.000	0.030	0.001	0.000	0.000	0.000	0.469	0.000	0.000	0.000
Saver/ Non Saver- (3)	Pearson Correlation	-0.006	0.406	1	0.088	-0.040	0.260	0.208	0.225	-0.045	0.047	-0.228	-0.304
	Sig. (2-tailed)	0.872	0.000	.	0.015	0.274	0.000	0.000	0.000	0.214	0.202	0.000	0.000
Caucasian/ Non Caucasian- (4)	Pearson Correlation	0.091	0.079	0.088	1	0.004	0.073	0.115	0.048	-0.037	-0.019	0.032	-0.041
	Sig. (2-tailed)	0.011	0.030	0.015	.	0.922	0.041	0.001	0.184	0.299	0.597	0.375	0.283
Male/ Non Male- (5)	Pearson Correlation	-0.088	0.118	-0.040	0.004	1	0.004	0.022	0.087	0.008	0.026	0.019	-0.046
	Sig. (2-tailed)	0.014	0.001	0.274	0.922	.	0.904	0.541	0.015	0.825	0.473	0.613	0.226
Income > $50,000/ not- (6)	Pearson Correlation	0.027	0.335	0.260	0.073	0.004	1	0.259	0.214	0.034	0.059	-0.131	-0.222
	Sig. (2-tailed)	0.458	0.000	0.000	0.041	0.904	.	0.000	0.000	0.344	0.103	0.000	0.000
Married/ Not married- (7)	Pearson Correlation	0.082	0.211	0.208	0.115	0.022	0.259	1	0.060	0.196	0.025	-0.013	-0.151
	Sig. (2-tailed)	0.023	0.000	0.000	0.001	0.541	0.000	.	0.098	0.000	0.492	0.727	0.000
Education level- (8)	Pearson Correlation	-0.129	0.316	0.225	0.048	0.087	0.214	0.060	1	0.021	-0.009	-0.140	-0.223
	Sig. (2-tailed)	0.000	0.000	0.000	0.184	0.015	0.000	0.098	.	0.568	0.807	0.000	0.000
Other than yourself, how many people are you financially responsible for?- (9)	Pearson Correlation	-0.177	-0.026	-0.045	-0.037	0.008	0.034	0.196	0.021	1	-0.108	-0.020	-0.008
	Sig. (2-tailed)	0.000	0.469	0.214	0.299	0.825	0.344	0.000	0.568	.	0.003	0.586	0.835
How confident are you: that Social Security will continue to provide benefits?- (10)	Pearson Correlation	0.288	0.127	0.047	-0.019	0.026	0.059	0.025	-0.009	-0.108	1	-0.017	-0.017
	Sig. (2-tailed)	0.000	0.000	0.202	0.597	0.473	0.103	0.492	0.807	0.003	.	0.652	0.656
Has an employer provided you with educational about retirement planning/saving?- (11)	Pearson Correlation	0.048	-0.202	-0.228	0.032	0.019	-0.131	-0.013	-0.140	-0.020	-0.017	1	0.084
	Sig. (2-tailed)	0.187	0.000	0.000	0.375	0.613	0.000	0.727	0.000	0.586	0.652	.	0.027
Have you tried to figure out how much money will be needed in retirement?- (12)	Pearson Correlation	-0.076	-0.363	-0.304	-0.041	-0.046	-0.222	-0.151	-0.223	-0.008	-0.017	0.084	1
	Sig. (2-tailed)	0.045	0.000	0.000	0.283	0.226	0.000	0.000	0.000	0.835	0.656	0.027	.

Table 2: Demographic Characteristics of the Final Sample

	Test Sample (N=776)			Test Sample (n=1002)		
Characteristic	Mean	Median	%	Mean	Median	%
Age (continuous)	43	42		49.24	47	
25-34			25.9			20.2
35-44			30.9			24.2
45-54			24.1			19.9
55-64			15.2			16.4
Older than66			3.8			19.3
Gender						
Male			49.4			47.8
Female			50.6			52.2
Ethnicity						
White/Caucasian			80.8			82.6
African American			7.9			7.3
Other			11.3			10.1
Marital Status						
Married			64.8			62.3
Other			35.2			37.7
Income						
< $50,000			36.1			30.9
>$50,000			63.9			69.1
Education						
Some high school or less			5.9			8.6
High school graduate			25.9			26.8
Some college/ trade or business school			30.8			29.0
College graduate			22.6			22.1
Postgraduate work			5.9			5.3
Graduate degree			8.9			8.2
Savings Status						
Saver			74.5			75.5
Non Saver			25.5			24.5
Retirement Confidence (continuous)	14.41	15		14.69	15	
5 to 8			8.2			7.6
9 to12			17.8			16.7
13 to16			45.1			45.4
17 to20			26.3			30.4
Social Security Confidence	2.09	2		2.09	2	
Financial Responsibility	1.49	1		1.49	1	
Retirement Education	1.58	2		1.58	2	
Financial Behavior	1.46	1		1.46	1	
Dependent Variables						
Major Source			24.0			30.6
Minor Source			54.3			50.4
Not a Source			21.7			19.1

Table 3: Binary Logistic Regression Results of the Factors that influence Social Security Dependency in the Major Source of Income Group

Variables	Odd Ratios	Significance	95% C.I. for Odds Ratio (lower)	(upper)
Age	1.030	0.008	1.008	1.052
Retirement Confidence	0.892	0.001	0.833	0.955
Saver (saver=1; non=0)	0.446	0.002	0.268	0.743
White/Caucasian	0.472	0.002	0.291	0.766
Gender (male=1; female=0)	0.794	0.282	0.522	1.209
Income > $50,000	0.577	0.036	0.345	0.965
Marital Status (Married=1; Other= 0)	0.795	0.327	0.502	1.258
Education	0.765	0.005	0.634	0.923
Social Security Confidence	0.962	0.601	0.832	1.112
Financial Responsibility	1.925	0.000	1.514	2.448
Retirement Education	1.099	0.674	0.707	1.709
Financial Behavior	1.054	0.823	0.667	1.665
Constant	0.908	0.922		
Model Chi Square	141.824			
Number of cases included in analysis	660			
Percentage of cases classified correctly	79.400			

Table 4: Binary Logistic Regression Results of the Factors that influence Social Security Dependency in the Minor Source of Income Group

Variables	Odd Ratios	Significance	95% C.I. for Odds Ratio (lower)	(upper)
Age	1.003	0.765	0.986	1.019
Retirement Confidence	1.076	0.009	1.019	1.137
Saver (saver=1; non=0)	2.255	0.000	1.457	3.491
White/Caucasian	1.434	0.082	0.956	2.152
Gender (male=1; female=0)	0.836	0.277	0.605	1.155
Income > $50,000/Not	1.053	0.783	0.729	1.520
Marital Status (Married=1; Other= 0)	1.194	0.342	0.829	1.720
Education	0.983	0.794	0.861	1.121
Social Security Confidence	0.960	0.437	0.867	1.064
Financial Responsibility	1.158	0.116	0.964	1.390
Retirement Education	1.060	0.731	0.760	1.479
Financial Behavior	1.282	0.173	0.897	1.832
Constant	0.077	0.001		
Model Chi Square	50.065			
Number of cases included in analysis	660			
Percentage of cases classified correctly	61.800			

Table 5: Binary Logistic Regression Results of the Factors that influence Social Security Dependency in the Not a Source of Income Group

Variables	Odd Ratios	Significance	95% C.I. for Odds Ratio (lower)	(upper)
Age	0.956	0.000	0.934	0.978
Retirement Confidence	0.966	0.338	0.901	1.037
Saver (saver=1; non=0)	0.807	0.468	0.453	1.440
White/Caucasian	1.209	0.491	0.704	2.076
Gender (male=1; female=0)	1.595	0.027	1.056	2.409
Income > $50,000	1.776	0.018	1.104	2.857
Marital Status (Married=1; Other= 0)	0.974	0.914	0.609	1.560
Education	1.318	0.001	1.116	1.557
Social Security Confidence	1.116	0.069	0.991	1.257
Financial Responsibility	0.377	0.000	0.284	0.499
Retirement Education	0.778	0.248	0.509	1.190
Financial Behavior	0.652	0.073	0.409	1.040
Constant	9.673	0.027		
Model Chi Square	121.598			
Number of cases included in analysis	660			
Percentage of cases classified correctly	79.2			

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