# UnderStandingAmericaStudy

## SOCIAL SECURITY ADMINISTRATION KNOWLEDGE INDICES

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## INTRODUCTION

This document describes the construction of three indices of knowledge about Social Security indices. Similar indices have been used by Shoven et al (2017) and Yoong et al (2015). However, these indices differ slightly from those since some questions were excluded to ensure comparability across rounds of the "What do People Know About Social Security" surveys (surveys UAS16 and UAS94).

All of the indices below are calculated only for those respondents who completed the relevant survey sections.

## INDICES

There are three index variables provided in the data file. In addition it includes auxiliary variables for calculating the indices. The file also includes a 'FRA' variable, which represents the Full Retirement Age; calculated depending on year of birth (65 if born before 1943, 66 if born between 1943 and 1959, and 1967 if born after 1959).

## KS_ssret_basic

Is an index of basic test questions of Social Security knowledge. It can take values from 0 to 9, with a higher number indicating a larger number of correct responses:

It is constructed as the number of correct answers to the following basic questions on Social Security knowledge: q9 (how benefits are calculated), q10a (whether the spouse qualifies),  q10b (on claiming age), q10c (on the inflation adjustment of benefits),  q10d (on whether people have to claim as soon as they retire), q10f (on how they are paid for), q10g (on disability ), q10h (on benefits for children survivors)  and q10i (on when spouses can claim).

Ks_ssret_basic equals the sum of the correct responses: Ks_ssret_basic = q9_correct + q10a_correct + q10b_correct + q10c_correct + q10d_correct + q10f_correct + q10g_correct+ q10h_correct + q10i_correct

Ks_ssret_basic is set to "." If the correctness of one of the knowledge questions could not be determined (e.g. if q9_correct equals ".")

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## KS_ssret_ages

Is an index composed of six questions about the key ages for claiming Social Security retirement benefits (Early Eligibility Age, Full Retirement Age and Delayed Retirement Credits). It can take values from 0 to 6.

It is constructed as the number of correct answers to the following questions: np_01 ("when is your personal earliest eligibility age for claiming Social Security") , np_02 ("when is your personal Full Retirement Age"), np_03 ("the link between the age at which one stops working and the age when one can claim benefits"), np_04 ( the meaning of Delayed Retirement Credits), np_05 (the age of first eligibility for Delayed Retirement Credits), and np_06 (the age at which beneficiaries stop earning Delayed Retirement Credits).

KS_ssret_ages equals the sum of the following variables: KS_ssret_ages = np_01_correct + np_02_correct + np_03_correct + np_04_correct + np_05_correct + np_06_correct

KS_ssret_ages is set to "." If the correctness of one of the knowledge questions could not be determined (e.g. if np_01_correct equals ".")

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## KS_ssret_comp

Equals the sum of KS_ssret_basic  and KS_ssret_ages. It takes values between 0 and 15.

# REFERENCES

Shoven, J. B., Slavov, S. N., & Wise, D. A. 2017.. "Social Security Claiming Decisions: Survey Evidence" NBER Working Paper Series No. w23729.. National Bureau of Economic Research.

Yoong, Joanne, Lila Rabinovich and Saw Htay Wah. 2015. "WHAT DO PEOPLE KNOW ABOUT SOCIAL SECURITY?" CESR Working Paper Series. 2015-022. https://cesr.usc.edu/documents/2015-022.pdf