



Highlights of [GAO-05-192](#), a report to congressional requesters

Why GAO Did This Study

The Social Security Statement is the federal government’s main document for communicating with more than 140 million workers about their Social Security benefits. By law, the statement must show an individual’s annual earnings, payments into Social Security and Medicare, and projected benefits. The Social Security Administration also uses the statement to explain the various types of Social Security benefits and to encourage greater financial planning for retirement. GAO conducted a review to examine (1) how well recipients understand the current statement, (2) how the Social Security Administration is evaluating the statement’s understandability, and (3) the promising practices used by private sector companies and other industrial countries. GAO’s information was obtained from its national survey and focus groups of statement recipients, a firm that evaluates benefit statements, officials from three other countries (Canada, Sweden, and the United Kingdom), and other experts from the private sector.

What GAO Recommends

GAO recommends that the Social Security Administration (SSA) develop a plan for regularly evaluating the statement with data from a variety of sources. The Social Security Administration should use the resulting information to determine what changes, if any, need to be made in the statement’s format and content. SSA agreed with our recommendations. www.gao.gov/cgi-bin/getrpt?GAO-05-192.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barbara Bovbjerg at (202) 512-5491 or bovbjergb@gao.gov.

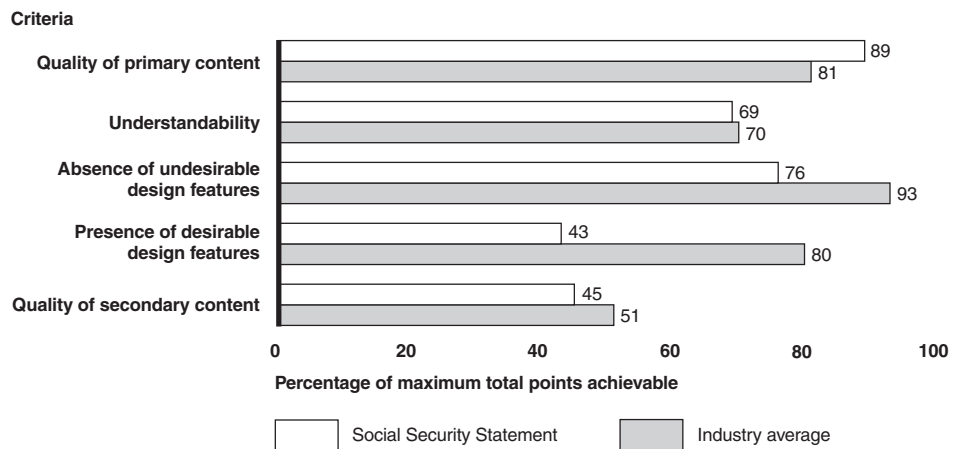
SOCIAL SECURITY STATEMENTS

Social Security Administration Should Better Evaluate Whether Workers Understand Their Statements

What GAO Found

Participants in our review identified both strengths and weaknesses in the current statement’s understandability. Many respondents to GAO’s national survey recalled receiving a statement, but had little recollection of some components, for example, the information on Social Security’s future. Focus group participants provided more detailed information; they found the statement to be comprehensive but less well presented than a comparison statement they also reviewed. A firm that evaluates benefits statements had similar conclusions. The firm rated the quality of primary content and said the general understandability of the statement favorably compared with that of other statements, but use of design to help convey information and quality of secondary content fared less well.

The Social Security Statement’s Evaluation Scores Compared with Industry Average Scores



Source: GAO presentation of Dalbar’s data.

The Social Security Administration’s current evaluation of the statement’s understandability is limited because it does not include focus groups or data from the agency’s many public contacts. For feedback, the agency relies almost exclusively on an annual survey covering many aspects of the Social Security program. Its questions about the statement are general and change each year, limiting their effectiveness. The agency also does not routinely use data collected from such sources as its telephone call centers, walk-in traffic, or Web site to help determine whether the statement is meeting its goals.

Private sector experts and countries GAO studied use several practices the Social Security Administration may find helpful, such as regularly gathering feedback from statement recipients, customizing messages for different age groups, and changing statements every few years to keep readers interested. They also tended to design their statements in ways GAO’s focus groups preferred—for example, putting the most important information at the start.