# Communicating the Implications of How Long to Work and When to Claim Social Security Benefits

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## Key Findings and Policy Implications

This paper reports findings from several visualization experiments designed to increase public understanding of the Retirement Earnings Test (RET). Component study 1 assesses how well prospective retirees understand the RET. Studies 2A, 2B, and 3 are randomized experiments that test the effect of alternative visualizations on people's understanding of the RET and on their subsequent labor market intentions. The paper finds that:

- Awareness and understanding of the RET is generally low. Most participants did not realize that if they were subject to a reduction in immediate Social Security benefits, due to the RET, they would eventually recoup those lost benefits once they did retire. However, written descriptions that included details about the policy were effective in increasing objective knowledge.

- In a hypothetical scenario, using a context analogous but not identical to the RET, the presentation of graphs that included the income a person would earn from continuing to work led participants to prefer working more and to (erroneously) think that doing so would mean a larger total payout. However, by emphasizing the *shift* in benefits from sooner to later, rather a mere *difference* in benefits, understanding of the hypothetical policy improved.

- Further exploration of graphical visualizations that focus on RET policy explicitly, and that more clearly display the RET tradeoff – lower benefits before the full retirement age and higher benefits after – can improve understanding and application of RET policies.

The decision of when to claim SSA retirement benefits is one part of an interconnected set of retirement-related choices, closely related to decisions about when to stop working, and how and when to draw down retirement savings. Findings from this project demonstrate how information about the RET can improve public understanding of its provisions and may in turn improve the interconnected decisions surrounding work and claiming.

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