How Do Older Workers Learn from Social Security about Their Benefits?: Characterizing Variation in *my Social Security* Account Access and Social Security Statement Receipt in the 2010s

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Key Findings:

1) We examined fully insured workers born between 1947 and 1957 in their informational interactions with Social Security from 2012 to 2021. Automatic Social Security Statement mailings varied substantially across these cohorts within this range: for some cohorts, approximately 20% received a Statement during this period, whereas for others, nearly 60% received one.
2) These cohorts also received different numbers of personalized Statements as they approached the Early Eligibility Age of 62.
3) Only between 0.06% and 0.15% of workers in this birth cohort ever requested a personalized Statement.
4) Setting up and accessing online *my Social Security* accounts increased over this period, with younger cohorts generally more likely to access an account, and all cohorts experiencing a sharp increase in utilization in 2021.
5) Self-reported use of *my Social Security* accounts from an online panel survey representative of a comparable group is approximately twice as high than the administrative records indicate, suggesting that these online survey respondents may be over-representative of workers who access Social Security information online.

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Abstract: Effective communication about Social Security benefits is vital to inform workers about their entitlements, aiding in claiming decisions and retirement planning. SSA communicates with future and current beneficiaries with a range of tools, but the two largest in terms of scope are the Social Security Statement and *my Social Security* online accounts. There has been substantial recent variation in both of these communications: prior to 2011, paper Statements were automatically sent to all workers age 25 and over; in 2011, budget constraints led to a cessation of automatic mailings. In the six years that followed, there were three separate reintroductions and two additional cessations, leading to the current policy, whereby only eligible individuals age 60 or over receive an automatic mailing every year. This variation in communications is further affected by SSA's 2012 introduction of *my Social Security* online accounts, which allow users to observe the same information as on the Statement and use retirement planning tools. Although these Statement policies have been described in official documentation and academic research (Armour 2020), the implications of the variation for actual receipt patterns are complex. Furthermore, little has been reported on trends in *my Social Security* account use among older workers. In this paper, using Social Security administrative records, I document how this variation affected a set of workers in birth cohorts approaching retirement during the 2010s, including the fraction of each birth cohort sent a Statement, how many requested Statements, and how many accessed *my Social Security* accounts. Among these older fully insured workers, there were substantially different Statement receipt patterns among even adjacent birth cohorts; combined with prior work on the Statement's impact during its introduction in the 1990s (Armour 2020, Smith 2020), these differences imply potentially substantial impacts on benefit claiming. Additionally, I find that rates of accessing *my Social Security* accounts have increased, with a large spike in 2021; however, self-reported rates of access in the online Understanding America Study are approximately twice as high for the same cohorts, suggesting that respondents in these surveys are more likely to access Social Security information online.

Introduction

Workers who pay into Social Security are covered against a wide range of declines in earnings, but what kinds of benefits do they personally expect to receive? And how do they learn about them from the Social Security

Administration (SSA)? Social Security benefits provides substantial support, both relieving poverty and affecting the incentives to save and work at older ages. Additionally, the choice of when to claim Old Age Insurance benefits, although actuarially neutral on average, will vary in optimal claiming by personal characteristics. All of this is to say that personalized communications from SSA on entitlements and claiming incentives can lead to more informed choices, potentially resulting in improved economic security at older ages, as well as having broader impacts on the program at large. Indeed, Armour (2018) showed that the original introduction of the Social Security Statement resulted in an approximate doubling of application rates to Social Security Disability Insurance (SSDI) among those with pre-existing work-limiting health conditions. Although the effects of the Social Security system in general, and the mediating impact of Social Security communications, are of interest, this study focuses on recent variation in how older workers learn about their personalized benefits from SSA directly.

In particular, I focus on two major conduits of SSA information: the online *my Social Security* account and the personalized Social Security Statement. A range of studies show high rates of recall of the Social Security Statement, with corresponding increases in knowledge of future benefits and confidence in Social Security overall (Cook et al. 2010, Greenwald et al. 2010, Mastrobuoni 2011, Smith and Couch 2014a, Armour 2020, Smith 2020, Armour et al. 2022). However, there has been little focus on heterogeneity in the importance of the Statement; namely, in areas of the country with sparse field office coverage or internet connectivity, an automatic, personalized paper Statement represents a substantial decrease in the costs of acquiring information about future benefits.

Additionally, there is no information about engagement with *my Social Security* accounts and the subsequent differences in claiming behavior and labor supply. Armour (2020) found that individuals who report having these accounts are more informed about their own benefits and more knowledgeable about the Social Security system more broadly, but these differences *precede* the introduction of *my Social Security* accounts themselves, suggesting that these individuals may proactively be seeking out this information already. This study draws on SSA administrative records to characterize how varied access to these sources of information have been in the past decade.

Data and Sample Construction: The administrative records for this project come from the Social Security Administration, including the Detailed Earnings Record, Master Beneficiary Record, SSA's Office of Operations records on *my Social Security* account usage, and SSA's Office of Systems records on automatic mailings of paper Statements, as well as requests for these Statements.

Additionally, I draw on University of Southern California's Understanding America Study (UAS), a nationally representative online panel survey. The UAS has fielded multiple modules on knowledge of Social Security and use of various information sources, including one of their first modules "What do People Know about Social Security," module 16, fielded in 2015, with the fifth version of this same survey fielded in July of 2024. Survey respondents have also been asked questions ranging across retirement planning and Social Security benefits more broadly; we rely on the 113th and 238th UAS survey modules, both of which cover respondents in 2020, and that ask respondents whether they have ever signed up for a *my Social Security* account.

My analysis is limited to birth cohorts 1947 to 1957, as well as years 2012 to 2021. Given the introduction of the *my Social Security* account in 2012, and the variation in automatic Statement policy from 2011 to 2017, these cohorts experience substantial variation in the lead-up to reaching Social Security claiming ages. I exclude individuals who are not fully insured for Old Age Insurance (i.e., they require 10 years, or 40 quarters of coverage, of earnings), are alive as of 2012, and have never received Old Age, Survivors, or Disability Insurance (OASDI) benefits prior to 2012. These are thus individuals who would have been sent a Statement automatically in the pre-2011 Statement policy regime and are those for whom information on their future benefits will be relevant to their choice of when to claim these benefits. Furthermore, we did not use all available workers due to computation constraints, instead limiting to a random sample of 5 million of these workers for analytic tractability.

Due to limitations in access to Social Security personnel and resources, this analysis was limited to describing the variation in automatic Statement receipt, requested personalized Statements, and accessing my Social Security accounts. Although we draw on publicly available survey data for comparisons of the administrative records with *my Social Security* account usage, such data are not available for this period for

ascertaining whether individuals requested personalized Statements from SSA.[2] Additionally, the author is unaware of data that asks whether an individual has received a personalized Statement in the past year; surveys in the RAND American Life Panel and the UAS ask whether individuals have ever received a Statement, which would include Statement receipt prior to the 2010s.

Statement Variation: For the sake of space, we defer describing all the recent variation in Statement mailings, which is discussed in Smith and Couch (2014b) and Armour (2020). The relevant variation for the study at hand can be broken down into six periods:

1) October 1999-March 2011: all eligible individuals (non-OASDI recipients with SSNs and any past earnings) age 25 and older were sent a personalized Statement annually.
2) March 2011-January 2012: no Statements were automatically sent.
3) February 2012-September 2012: Statements were sent to eligible individuals age 60 and over, and those turning 25 from July to September.
4) September 2012-August 2014: no Statements were automatically sent.
5) September 2014-January 2017: Statements are sent to eligible individuals age 60 and over and those turning a multiple of five, starting with age 25.
6) February 2017-present: Statements are sent only to eligible individual age 60 and over.

The birth cohorts selected for this study – those born between 1947 and 1957, inclusively - represented different experiences not just in terms of potential Statement receipt or exposure to the *my Social Security* account; although all of them reached their Full Retirement Age (FRA) after they could have set up an account, the earlier cohorts were well past their Early Eligibility Age (EEA) of 62 when these accounts were first available. Additionally, many of the earlier cohorts would have been sent Statements throughout their 60s before the 2011 discontinuity in Statement policy, our sample restriction, however, ensures that none of the older workers in these cohorts have claimed OASDI benefits as of 2012. But as Table 1 shows, these cohorts are reaching claiming ages in years that correspond to different Statement policies, as well as different FRAs for the youngest three birth cohorts.

[2] The Health and Retirement Study contains modules that have asked respondents whether they have requested such a paper. However, the last time in which they did so was 2008, and these questions have not been asked in the post-cessation era.

Table 1: Years and Social Security Policy Parameters for Sample Birth Cohorts

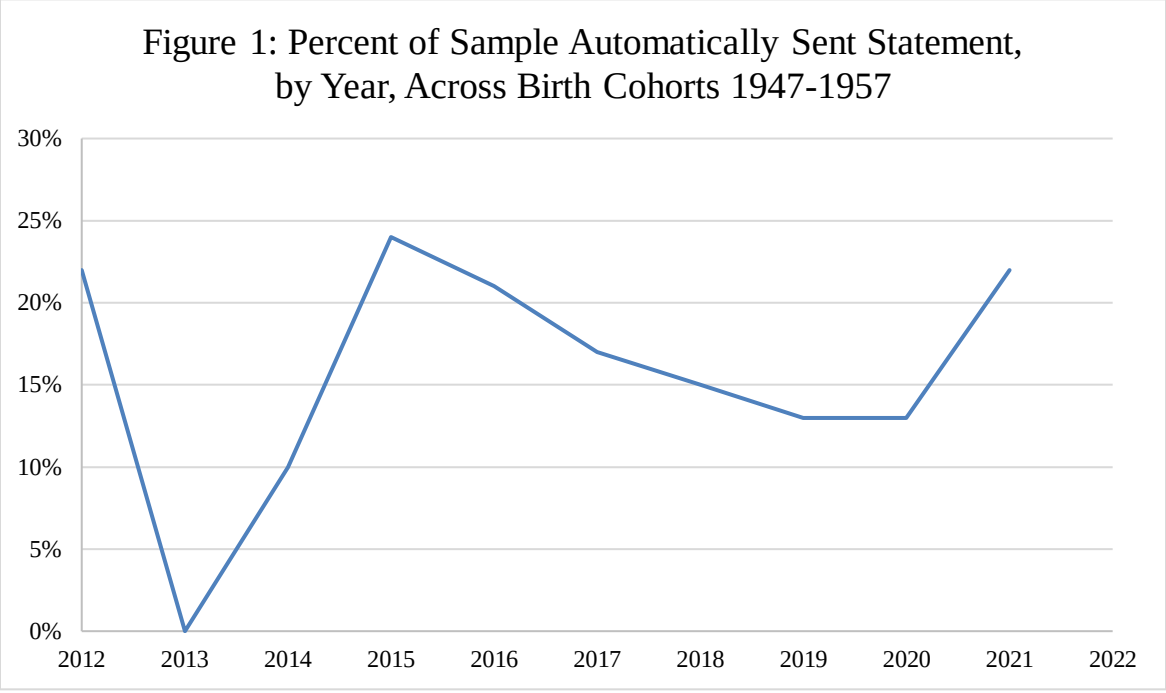
Birth Cohort	Year Turning 60	Year Turning FRA	FRA
1947	2007	2013	66
1948	2008	2014	66
1949	2009	2015	66
1950	2010	2016	66
1951	2011	2017	66
1952	2012	2018	66
1953	2013	2019	66
1954	2014	2020	66
1955	2015	2021/2022	66 & 2 mths
1956	2016	2022/2023	66 & 4 mths
1957	2017	2023/2024	66 & 6 mths

We now turn to characterizing actual Statement receipt by birth cohort and year.

Results

Automatic Statement Receipt

Figure 1 below shows the pattern of *any* Statement receipt by year, averaging across all these cohorts.



The qualitative pattern shown in this figure reflects the variation described in the last section after the 2011 cessation of automatic benefits for all workers 25 and older: a brief reintroduction in 2012, then a total cessation

in 2013, then a return to mailings dependent on age. The result is that between 10 percent and 25 percent of this cohort received a Statement in each year from 2014 to 2021.

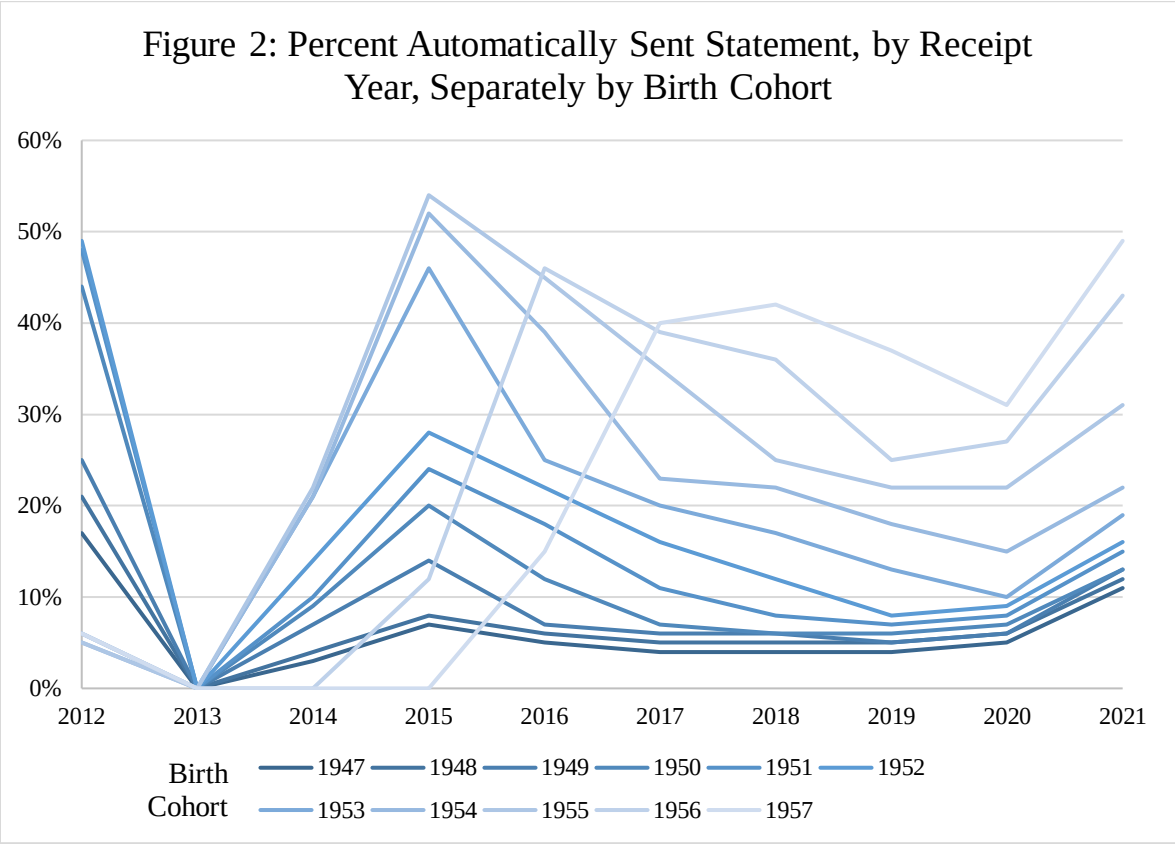


Figure 2 illustrates the same statistic but separates out the percent receiving Statements by birth cohort. Darker shades represent earlier birth cohorts. A few patterns emerge: 2012 receipt patterns are non-monotonic in the likelihood of Statement receipt. Approximately 20 percent of the 1947, 1948, and 1949 cohorts received a Statement, over 40 percent of the 1950 through 1954 cohorts received a Statement in that year, while only 5 percent of the 1955, 1956, and 1957 cohorts received a Statement in that year.

Subsequent to 2013, receipt of Statement for the oldest cohorts was low which is easily explained by their increased likelihood of already having claimed OAI benefits. Later cohorts were more likely to receive these Statements in later years, with dramatic rises once the 1956 cohort turned 60 in 2016 and when the 1957 cohort turned 60 in 2017. The implication of the change in Statement policy is apparent: there is substantial variation in adjacent years and adjacent birth cohorts in terms of Statement receipt.

Figure 3 presents an alternative likelihood of Statement receipt: it shows the percent of each cohort that ever received a Statement between 2012 and 2021. Here again we see the substantial cross-cohort variation in

Statement receipt on the extensive margin: whether they were sent a Statement at all in this period, which peaked for the 1952 birth cohort, but with approximately 50 percent of the 1950 to 1955 birth cohorts receiving a Statement at least once.

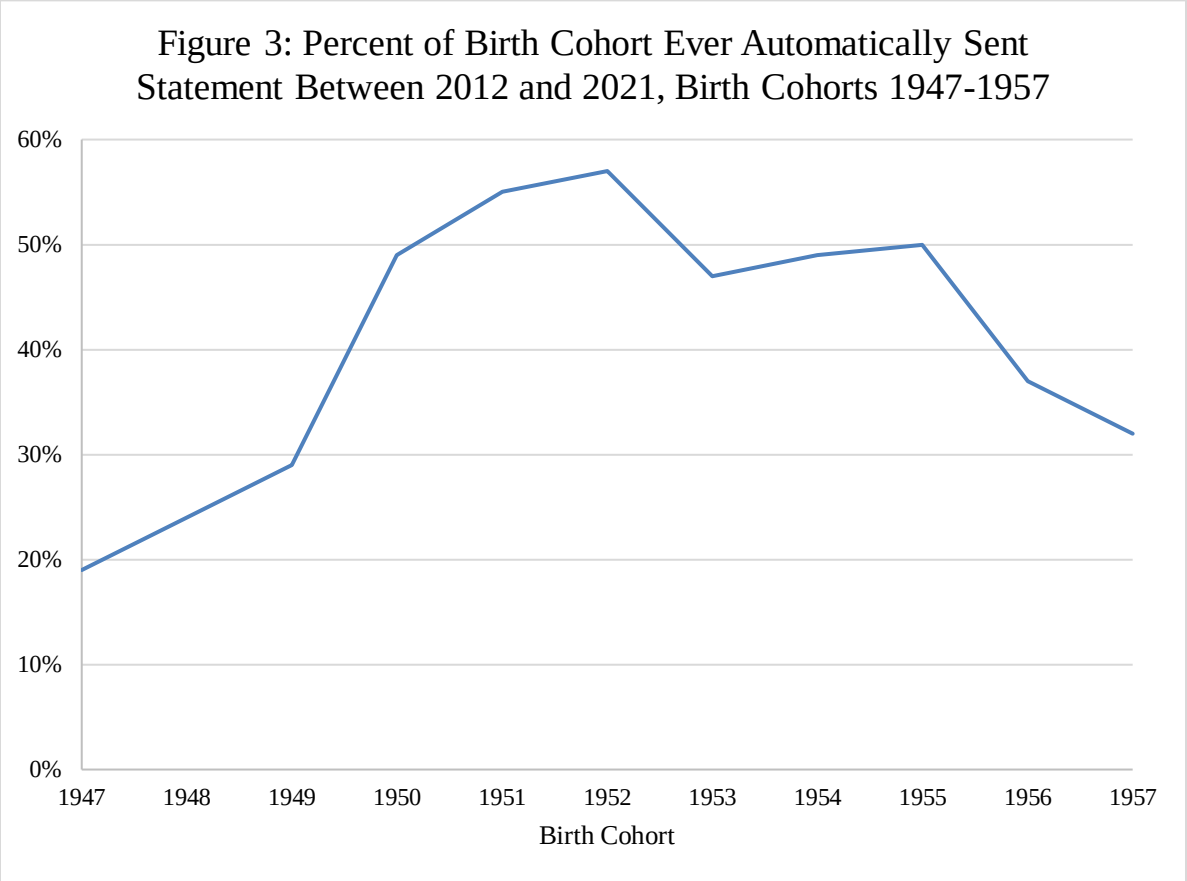
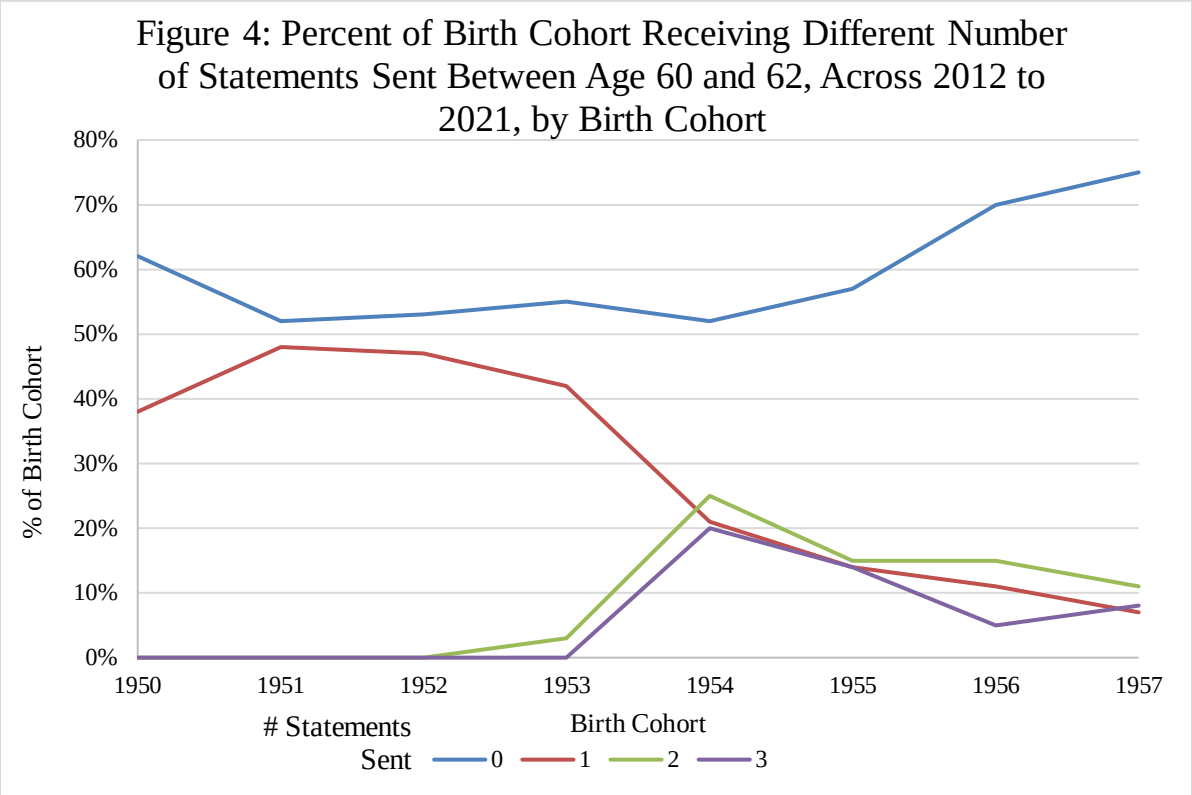


Figure 4 further breaks out this statistic on the intensive margin by the number of Statements that a worker was sent between ages 60 and 62.[3] This statistic therefore measures the volume of information communicated in the ages directly leading up to the first age a worker can claim OAI benefits, which has previously been shown to influence claiming age (Smith 2020). Note that this statistic is not directly comparable to the above, since individuals can receive Statements at ages less than 60 that would not be counted here. Not also that we restrict the birth cohorts to those between 1950 and 1957, since prior cohorts had already reached age 62 by 2012.

[3] Technically, since Statements are sent 3 months before workers' birthdays, this calculation corresponds to the number of Statements sent between the ages of 59.75 and 61.75.

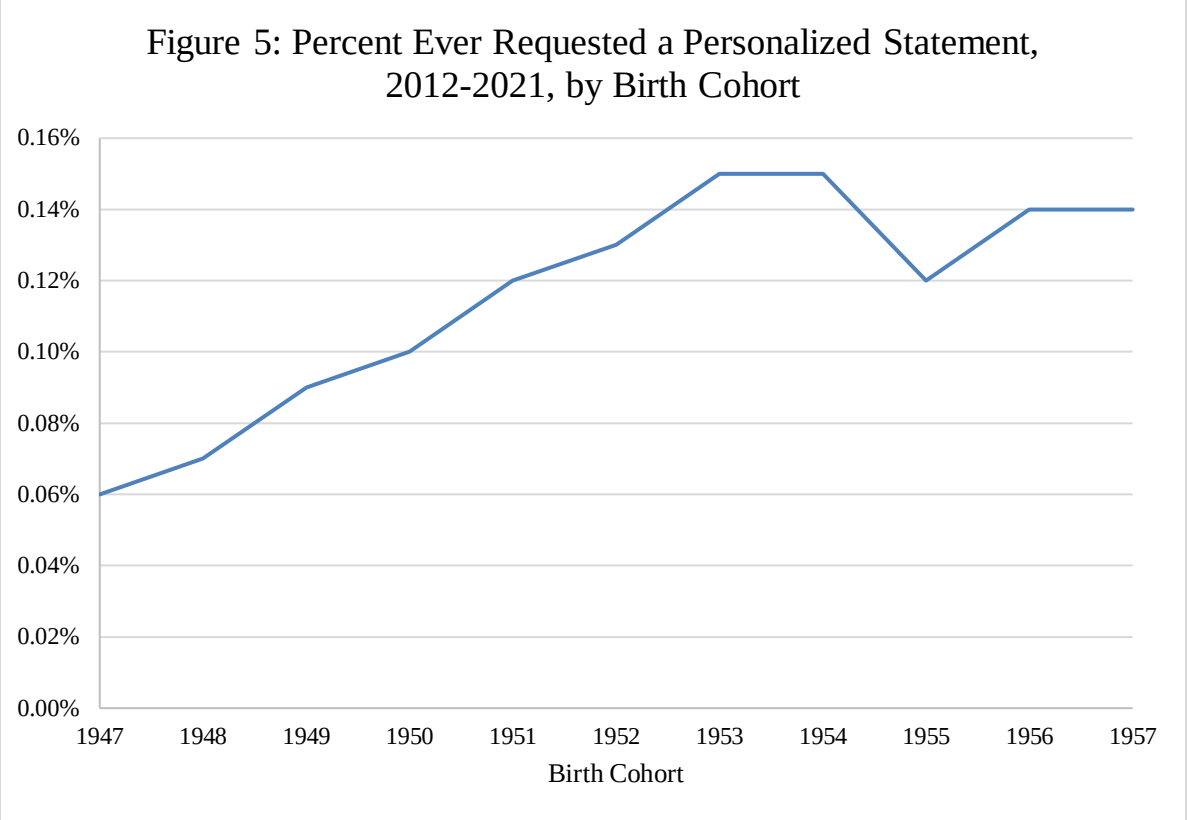
Earlier cohorts were substantially more likely to have received only one Statement in these ages before turning 62; this pattern can largely be explained by these cohorts having fewer years to receive Statements between 2012 and 2021 that overlap with ages 60 and 62.



For the subsequent birth cohorts, we see a general decline in any Statement receipt, consistent with the pattern in Figure 3. But now we also see that even within birth cohort, there is substantial variation in *how many* Statements a worker received in the years leading up to the EEA. As such, we can expect both intensive and extensive variation in information treatments by SSA. Future research therefore has rich variation to use to examine the impact this information may have on claiming decision-making.

Requests for Personalized Statements

The SSA administrative records used for this analysis also includes information on whether workers ever requested a personalized Statement. Although later birth cohorts were more likely to reach out to SSA, we note that requesting personalized Statements is incredibly rare (at most, 2 out of a 1,000 of workers ever requested a Statement over a ten-year period), whereas the above variation in automatic Statement receipt affects up to or over one-half of a birth cohort.



My Social Security Account Usage

The last category of SSA information I examine is use of *my Social Security* accounts. The administrative records allow observation of whether an individual ever accessed the account; since these accounts were first available in 2012, I can thus observe whether an individual ever signed up for an account between 2012 and 2021.

Figure 6 shows the fraction of workers in each birth cohort who accessed a *my Social Security* account in a given year. One general trend is that later cohorts are more likely to have access one of these accounts. However, a specific year saw a substantial increase in *my Social Security* account access: 2021. Across all cohorts, there was nearly a doubling in the likelihood of utilization these accounts.

Figure 6: Percent Accessed a my Social Security Account, by Year and Birth Cohort

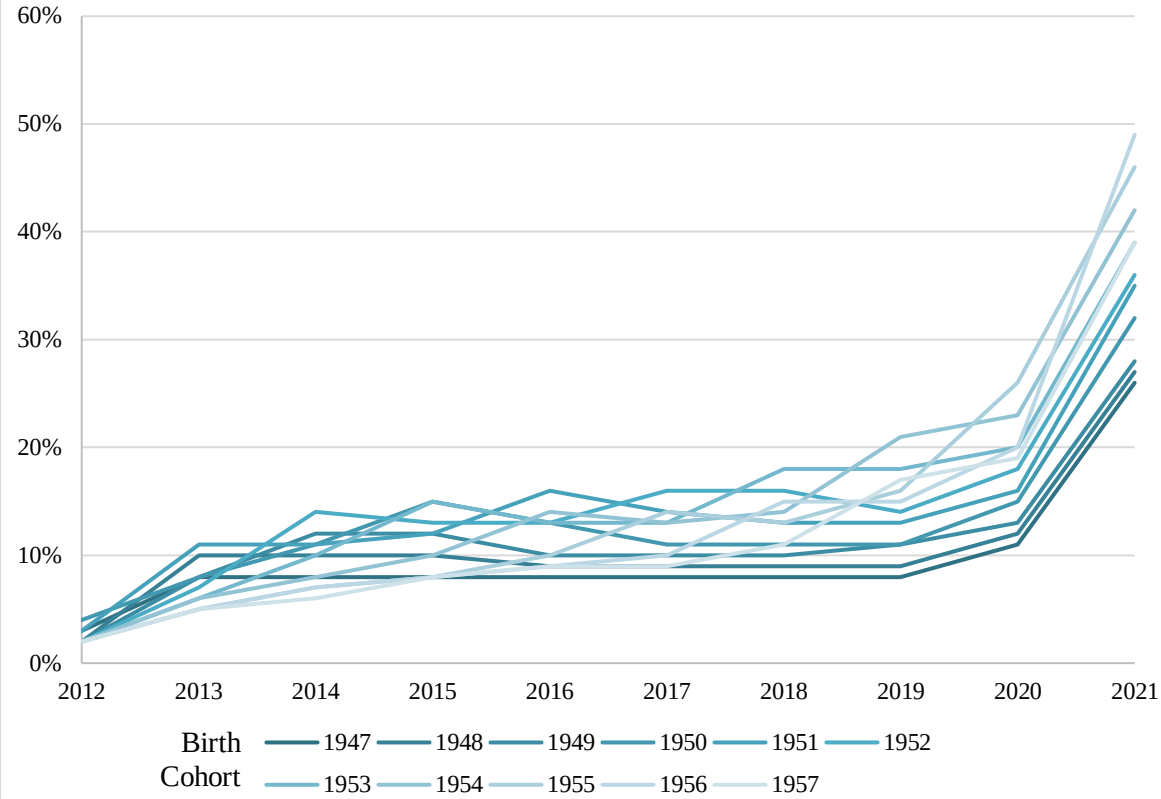
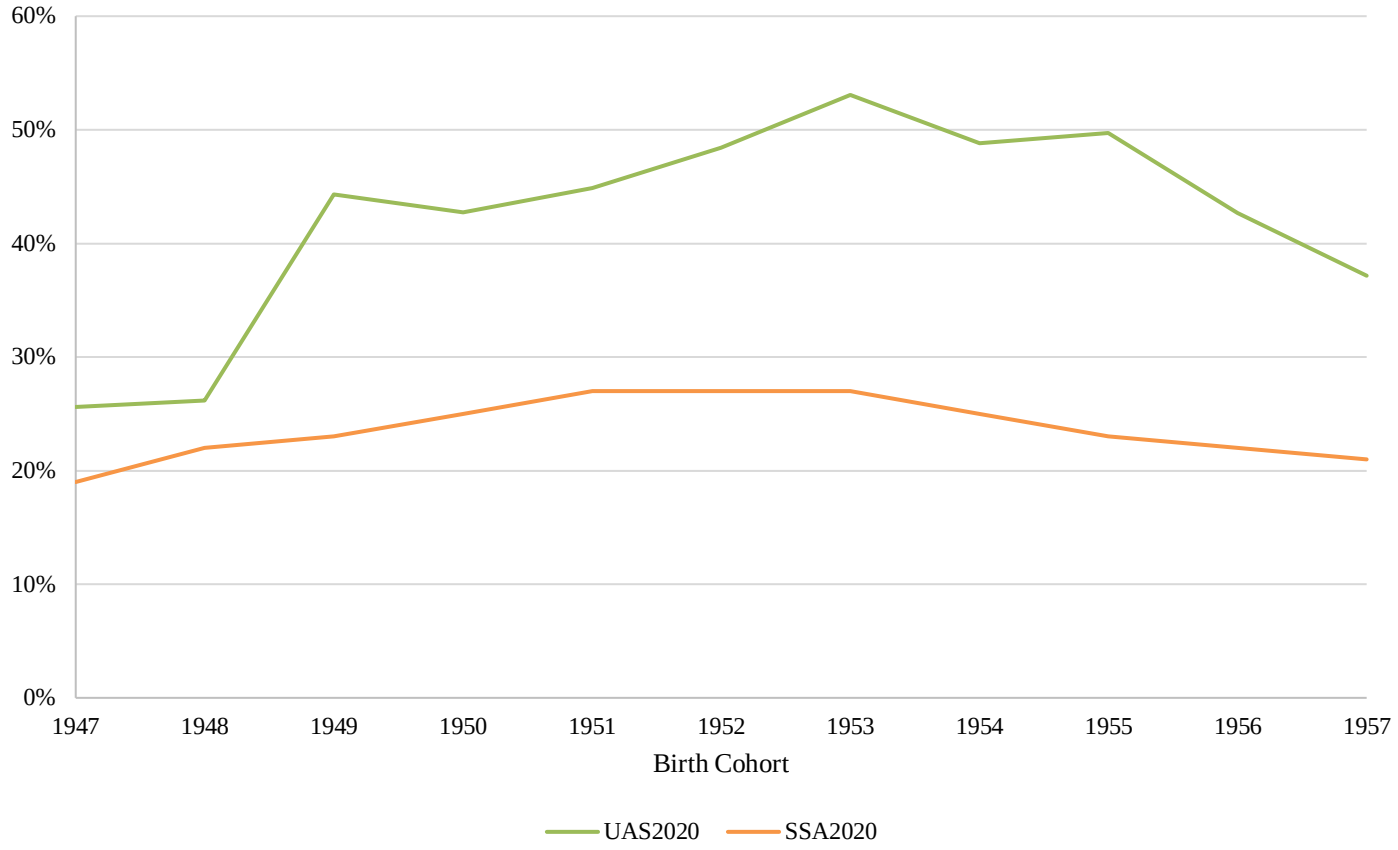


Figure 7 conducts a comparison: it shows the fraction of each cohort that *ever* accessed a *my Social Security* account (in contrast to Figure 6, which showed the fraction that accessed their account in a given year; the same workers can have accessed their accounts in multiple years, showing up across these years in Figure 6) in the administrative records relative to self-reported data from the nationally representative UAS. As discussed in the data section, the UAS is an online panel survey that has extensively surveyed its respondents on their knowledge of SSA and use of various information sources. Because all its respondents are, by definition, internet users, the question of whether their sample overrepresents the population that accesses SSA information online arises. Figure 7 attempts to answer this question by comparing the fraction of each birth cohorts (defined in parallel terms across both data sources) has ever accessed a *my Social Security* account as of 2020. Although in the 1947 and 1948 cohorts, UAS respondents are only approximately 5 percentage points more likely to have done so, nearly all other cohorts are approximately 20 percentage points more likely to have accessed these accounts. Researchers drawing on the UAS and other online panels may considering proceeding with caution if seeking to use these data in studying SSA information access without accounting for this difference.

Figure 7: 2020 UAS Report of Any *my Social Security* Use vs. SSA Records of *my Social Security* Access as of 2020, by Birth Cohort



Conclusion

Workers who have paid into OASDI have the option to choose their claiming age based on their personal financial circumstances, life expectancy, labor force attachment, and knowledge of their own OASDI benefits and tradeoffs. However, this latter knowledge is not always straightforward to acquire. This analysis shows that very few older workers reach out for personalized Statements from SSA, but many more have taken advantage of SSA's online *my Social Security* accounts, especially after the onset of the pandemic. Yet automatic mailings of the Statement, even when intermittently sent out, reached over twice as many workers. But this intermittent pattern has created substantial variation in personalized information sent directly to older workers; this variation presents an opportunity for future research into how this information affects claiming decisions of older workers in the current information environment.

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