

Can Informational Interventions Be Effective Policy Tools? The Example of the *Social Security Statement*

Barbara A. Smith, Social Security Administration¹
Kenneth A. Couch, University of Connecticut²

Policymakers are increasingly concerned about the retirement security of American workers. Social Security retirement benefits represent an important component of retirement income for most workers. The decision as to when to claim these benefits is one of the most serious financial decisions that individuals will make. Articles in both the popular press and the research literature discuss how delayed claiming can contribute to retirement security. We look at how the retirement benefit claiming decision is affected by the information provided in the *Social Security Statement*, which the Social Security Administration (SSA) has been mailing to American workers since 1995.

Our previous work showed that receipt of the *Statement* led to sizeable increases in knowledge about Social Security Administration programs and benefits. We continue this research making use of the *Continuous Work History Sample (CWHS)* to analyze the impact of *Statement* receipt on claiming of Social Security retirement benefits and individual labor force participation. We estimate models that contrast those who would have received a *Statement* with those who would not have making use of the implementation schedule for the mailings. We also examine the effect of controlling for the increase in full retirement age (FRA) that occurred for individuals turning 62 in 2000 through 2004. This allows us to contrast impacts of the mailing with other changes in retirement policy and separate their effects empirically.

We find that receipt of the *Statement* resulted in statistically significant decreases in benefit claiming at earlier ages and corresponding increases in claiming at later ages. Even after controlling for the impacts of the FRA, we find that receipt of the *Statement* had a significant effect on claiming behavior. These patterns are stronger among sub-groups who received a greater number of *Statement* mailings from SSA and those that have more attachment to the labor market. Receipt of the *Statement* also resulted in significant increases in labor force participation at all ages from 62 through 70. Our results, although preliminary, suggest that the provision of information might be an effective tool for policymakers interested in encouraging retirement security by having workers delay claiming Social Security benefits and work longer.

¹Senior Economist, Office of Retirement Policy, Office of Retirement and Disability Policy, Social Security Administration, 500 E Street S.W., Washington, D.C. 20254, (202) 358-6303, barbara.a.smith@ssa.gov

²Professor, Department of Economics, University of Connecticut, 365 Fairfield Way, Storrs, CT 06260, (203) 486-4570, kenneth.couch@uconn.edu