



**POLICY INNOVATION CHALLENGE:  
Social Security Adequacy and Solvency**

***Call for Applications for Funding***

**Notice of Intent to Apply Due:  
August 31, 2016**

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September 30, 2016**



## **POLICY INNOVATION CHALLENGE: Social Security Adequacy and Solvency**

August 2016

Social Security is the foundation of financial security for American families when workers retire, face career-ending disability, or families suffer the death of a working parent or spouse. Yet benefits are modest, and the program was created in the context of much different demographic and economic trends than those that prevail today. As our nation looks to the future of Social Security, the goals must be to keep what works, make improvements where needed, and take the steps to achieve long-term financial stability.

AARP is launching this Innovation Challenge to identify policy solutions to strengthen economic security for American workers and retirees by achieving Social Security solvency and maintaining benefit adequacy for future generations.

Through the Challenge and this application, scholars and researchers are herein invited to submit ideas from such varied disciplines as political science, law, actuarial science, behavioral science, sociology, social work, economics, psychology, philosophy, and industry. Applicants are encouraged to consider macro trends (e.g., in the workforce, income, wealth, savings rates, life expectancy, fertility rates, marital status) and to take an innovative look at policy options that address these trends.

AARP and an expert review panel will review applications for funding. Successful applications may be awarded up to \$30,000 to further develop the policy innovation. AARP and the external reviewers will choose up to five projects to fund for further development. Additionally, AARP will work with The Urban Institute to assess the financial and distributional impact of the policy proposals developed by the successful applicants.

Each successful applicant will deliver a detailed policy paper (up to 15 pages) and executive summary on one or more specific policy innovation(s) to strengthen Social Security's solvency and/or adequacy. Successful applicants with the most innovative policy designs must be able to participate in at least one public event in 2017 to release the innovations.

## CHALLENGE PROCESS

**Notice of Intent to Apply.** Applicants are encouraged, but not required, to submit by August 31, 2016 a notice of intent to apply for funding. The notice should include the name and title of the applicant and the topic you plan to address. AARP will use the notices in planning the review. Send notices to [ThoughtLeadership@aarp.org](mailto:ThoughtLeadership@aarp.org).

**Application for Funding.** The application for funding should include a letter of transmittal, a narrative proposal, and resumes for key staff:

- A. Letter of Transmittal.** The letter of transmittal should identify the applicant organization or individual.
- B. Narrative Proposal.** The narrative proposal should include:
  - (1) Cover page with proposal title and applicant's name(s) and organization(s);
  - (2) Answers to the four questions in Table 1 (see below). This text should not exceed three (3) pages, using twelve-point Times New Roman font with 1.5 line spacing and 1 inch margins; and
  - (3) Reference page for sources cited.
- C. Resumes.** Applicants' resumes should demonstrate policy analytic skills, experience in income security policy analyses; research and writing skills; and other relevant experience. Resumes should not exceed five (5) pages.

**Table 1 – Questions to address in the Application for Funding**

1. Identify topic.
2. What is your policy approach?
  - a. Current policy
  - b. Proposed innovation/solution
3. How would the proposed innovation address solvency and/or adequacy?
4. What population(s) would it help? Provide your estimates on scope and/or population impacted.

**Review Criteria.** AARP and an expert review panel will evaluate applicants' funding requests. Review criteria include: (a) quality of the analysis, (b) clarity of presentation, (c) level of innovation, (d) scope or significance of population impacted, (e) impact on solvency and/or adequacy, (f) diversity and mix of ideas to be covered by the final project awards, and (g) compliance with guidelines (detailed in the Application for Funding section).

**Expert Review Panel.** AARP staff will review Application for Funding proposals for technical compliance with proposal guidelines. Using a scoring rubric, the following panel of reviewers will score the proposals' quality, clarity, level of innovation, and impact:

John Laitner, Director, Center for Retirement Research, University of Michigan

Alicia Munnell, Director, Center for Retirement Research, Boston College

Jeffery Brown, Director, Center for Retirement Research, National Bureau of Economic Research

Debra B. Whitman, Chief Public Policy Officer, AARP

**Deadline for Submissions.** Challenge applications must be submitted electronically to AARP and received no later than midnight September 30, 2016. Send applications electronically to [ThoughtLeadership@aarp.org](mailto:ThoughtLeadership@aarp.org). Applicants will be notified via email of AARP's receipt of their application. If email notification is not received, please contact Franchesca Grace at [fgrace@aarp.org](mailto:fgrace@aarp.org) to confirm receipt of your application. Applicants will be notified by October 31, 2016 of the outcomes.

**Post-Award: Innovation Policy Paper.** Once selected, Challenge awardees are to produce a detailed paper that addresses the following questions about their Social Security policy solution(s). Selected authors will participate in an iterative process of review and refinement with AARP.

**Table 2: Questions to be addressed in innovation policy paper**

1. Identify topic.
2. What is your policy approach?
  - a. Current policy
  - b. Proposed innovation/solution
3. How would the proposed innovation address solvency and/or adequacy?
4. What population(s) would it help? Provide your estimates on scope and population impacted. (\*)
5. How much do you think the innovation will cost/save the Social Security program? If it will cost, how would it be paid for?(\*)
6. What would be involved in implementing the innovation?
7. Who else could be affected? Consider unintended consequences.
8. Would your proposal affect the traditional intent of Social Security? If so, how?
9. Has this been tried before in the U.S., internationally, or in the private sector? What was the experience?

**\*Cost & Distributional Impact of Policy Innovation.** Challenge awardees will work collaboratively with AARP to finalize a policy paper that is ready for The Urban Institute to assess cost and distributional

impact, using the Dynamic Simulation of Income Model (DYNASIM). If estimates already exist, authors are encouraged to report them in the paper. Authors are not required (or expected) to generate new empirical estimates of cost or micro-simulations of distributional impacts. We recognize that not all proposals will lend themselves to distributional analysis. AARP staff will serve as the facilitator between authors and The Urban Institute team modeling the proposed innovation.

**Format.** The final narrative paper should not exceed 15 pages, using twelve-point Times New Roman font with 1.5 line spacing and 1 inch margins. In addition, the final awardee should include a 2-3 page summary and appropriate references.

**Key Project Dates:**

- (a) Letter of Intent due ..... August 31, 2016
- (b) Application for Funding due..... September 30, 2016
- (c) Notice of award..... October 31, 2016
- (d) Outline of Innovation Policy Paper due ..... November 30, 2016
- (e) Draft of full paper due.....January 15, 2016
- (f) Final paper, with 2-3 page summary .....April 1, 2017
- (g) AARP completes a synthesis report based on project summaries .....June 2017
- (h) Event featuring Innovation Challenge awardees and papers.....Summer 2017

**If you have any questions about this call for applications, please contact Ramsey Alwin, Director, Thought Leadership – Financial Resilience at 202-434-2738 or [ralwin@aarp.org](mailto:ralwin@aarp.org).**

## **Appendix A: Further Terms and Conditions**

Successful applicants agree that AARP will own all written material that they develop and submit to AARP related to this effort. The successful applicant shall own any general skills, know-how, expertise, ideas, concepts, methods, techniques, processes, software, materials or other information which may have been discovered, created, developed or derived by the applicant either prior to or as a result of his or her research related to this effort (other than the written material submitted to AARP). To the extent that pre-existing work or materials owned or licensable by the applicant are included in the material submitted to AARP, applicant shall identify such work or materials upon their submission to AARP. Applicant shall grant to AARP an irrevocable, unrestricted, non-exclusive, royalty-free license to use, execute, reproduce, display, and distribute internally and externally and regardless of media or mediums, copies of, and the right to prepare derivative works based upon, such work with or without attribution and the right to authorize others to do the same. Additional terms and conditions may apply upon award.