



4-2009

The Supplemental Security Income Program: Reach and Research

Katie Stankiewicz

Illinois Wesleyan University

Follow this and additional works at: <https://digitalcommons.iwu.edu/parkplace>

Recommended Citation

Stankiewicz, Katie (2009) "The Supplemental Security Income Program: Reach and Research," *The Park Place Economist*: Vol. 17

Available at: <https://digitalcommons.iwu.edu/parkplace/vol17/iss1/8>

This News and Commentary is protected by copyright and/or related rights. It has been brought to you by Digital Commons @ IWU with permission from the rights-holder(s). You are free to use this material in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/ or on the work itself. This material has been accepted for inclusion by faculty at Illinois Wesleyan University. For more information, please contact digitalcommons@iwu.edu.

©Copyright is owned by the author of this document.

The Supplemental Security Income Program: Reach and Research

The Supplemental Security Income Program: Reach and Research

KATIE STANKIEWICZ

Many people are familiar with the government program Old Age, Survivors, and Disability Insurance, more commonly referred to as Social Security. However, few are aware of a similar program called Supplemental Security Income (SSI). Dr. Paul Davies ('92), director of the Division of Policy Evaluation for the Social Security Administration, is working hard to answer some important research questions about this program that will help to improve the efficiency of SSI.

SSI is different from Social Security because it focuses primarily on disabilities. The program is divided into three different eligibility groups: children with disabilities, adults with disabilities, and seniors over the age of sixty-five. SSI is set up to be a welfare-style program. In order to receive any benefits from SSI, assets must total less than \$2,000 for individuals and \$3,000 for couples. In 2008, there were 7.52 million recipients of SSI who received a total payment of \$3.88 billion.

Children with disabilities are rapidly becoming a large portion of the caseload for the SSI program. Two thirds of the children that are receiving SSI benefits have reported a mental disorder. An important research question that Dr. Davies has examined is: will these children receiving SSI benefits for disabilities be able to transition to independence in adulthood? Dr. Davies and his team have found that there is potential for children to become very long-term recipients of SSI, with an average of twenty-seven years on the program before turning age sixty-five. Though a substantial number of children do come off the program, 40% will remain on SSI well into adulthood.

Adults with disabilities are also eligible to receive benefits from SSI. Dr. Davies explored the role of other programs in providing support for SSI adults. What he found was that program interactions are

very important for these adults. In fact, 24% of adults that receive SSI benefits also receive some benefits from Social Security. Additionally, many of the adults receive their health insurance coverage through Medicaid, and possibly Medicare.

An area of the SSI program that Dr. Davies faults is the financial eligibility criteria. They have not been updated in over twenty years! Due to inflation, \$2,000-\$3,000 of assets in the 1980s was substantially different from \$2,000-\$3,000 of assets today. This concern led to research evaluating any potential changes to the SSI financial eligibility criteria. Dr. Davies discovered that a rule change allowing a 5% increase in program spending could result in an 11% increase in the number of participants. While pursuing this research, Dr. Davies also discovered that some reforms more effectively target additional resources to those in need. In particular, SSI for the elderly is highly target efficient since 78% of the benefits are received by people in poverty. With so many people still meeting poverty standards, it is clear that there needs to be some reform to the program's financial eligibility requirements.

SSI is a large program and is continuing to grow. Dr. Davies and the Social Security Administration have a desire to see that the financial eligibility criteria are updated to reflect today's economy. The Obama administration has expressed some interest in this area as well, so Dr. Davies has hope that progress will be made shortly.

Dr. Davies also pointed out that there are many opportunities in the public sector to influence public policy with objective and independent research. He stated that some of the special benefits of these jobs are access to unique data and work involving an "endless supply of interesting and important questions."