

SUPPLEMENTAL SECURITY INCOME (SSI)

Aged. Blind. Disabled. Limited income and assets.

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SSI is a federal assistance program that provides cash payments to low-income aged, blind, or disabled individuals.

ELIGIBILITY

Age and Disability Criteria

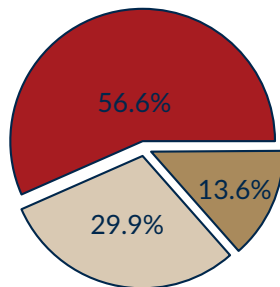
- Aged (≥ 65)
- Adults with disabilities ($< 65, >18$): unable to engage in substantial gainful activity (SGA = \$1,350/month in 2022)
- Children with disabilities (≤ 18): unable to engage in age-appropriate childhood activities

Income and Asset Tests

- Countable income $<$ \$841/month for an individual (\$1,261/month for a couple)
- Countable resources $<$ \$2,000 for an individual (\$3,000 for a couple)
 - Excluded resources: primary residence, one vehicle, federal tax refunds

BENEFICIARIES

Disabled Adults



- 7.69 million recipients (January 2022)
 - 1.04 million children
 - 4.35 million adults
 - 2.30 million seniors

Elderly

Disabled Children

BENEFITS

- The 2022 maximum monthly federal SSI benefit: \$841 (\$1,261 for couples)
- $\approx \frac{1}{4}$ of SSI recipients also receive SSDI
- Average SSI benefit \$625 (January 2022)
- SSI recipients automatically eligible for Medicaid and SNAP

HISTORY

- Created in 1972, began in 1974 (federalized existing state-level programs)
- 1990 Sullivan vs. Zebley case expanded child SSI eligibility
- 1996 restricted eligibility for children

EXPENDITURES

- SSI expenditures = \$56.3 billion (2020, 53.8 federal SSI + 2.5 state SSI) \approx 0.5% GDP
- Funded from general revenues

EFFECTIVENESS

- Terminating SSI benefits for young adults results in long-term income loss (Deshpande AER 2016)
- SSI enrollment reduces poverty (Duggan and Kearney JPAM 2007)
- SSI benefits reduce the labor supply of men as they near retirement (Neumark and Powers JPE 2000)
- SSI reduces financial distress: bankruptcy, foreclosure, and home sale (Deshpande, Gross, and Su AEJ:AE 2021)

SOME POLICY QUESTIONS

- SSI benefits are about $\frac{3}{4}$ of the poverty line for a single person. Is that enough to support independent living?
- SSI resource limits are minimal and have been frozen for decades. What effect does this have on savings and financial stability?

BENEFITS AND INCOME

