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# Commentary: SSI and the Low-Income Population

By Jack Schmulowitz\*

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The Supplemental Security Income (SSI) program was established by Congress in 1972 as part of the Social Security amendments of that year. It replaced the Federal grants to States for Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD) in the 50 States and the District of Columbia, effective January 1, 1974. The grants programs were continued in Puerto Rico, Guam, and the Virgin Islands.

Under the OAA, AB, and APTD programs, States were responsible for program administration and they received Federal grants that are used to share program and administrative costs. Through the years, the adult assistance programs evolved and accomplished the goal of providing basic income support. However, considerable differences in payment levels among the States remained a continuing problem under the three programs. In December 1972, OAA payments, which averaged \$80 nationally, were less than \$60 in 7 States; \$60-\$69 in 14 States; and more than \$100 in 10 States. Eligibility requirements (consideration of homes and other resources, disability definition, and other factors) also varied extensively among States.

The SSI program dealt with the problem of benefit disparities by assuring, through a federally administered program, national minimum income levels for the aged, blind, and disabled with limited income and resources. Basic eligibility requirements (income, resources, age of eligibility, and medical definitions of disability and blindness) and payment standards are uniform in all States. The program is administered by the Social Security Administration (SSA) and financed from general revenues of the Federal Government.

Under the SSI program, States are permitted to supplement the basic Federal payment to the extent that they choose and most do so. Previous assistance recipients were assured that the level of their payments in December 1973 would be maintained.

When the SSI program became effective in 1974, the approximately 3.1 million individuals who had been receiving OAA, AB, and APTD payments were transferred to the new Federal program. By the end of 1987, nearly 4.4 million persons were receiving federally administered SSI payments. Benefit payments in that year totaled \$13.0 billion, of which \$10.0 billion was from the Federal SSI program, \$2.6 billion from federally administered State supplementation, and \$0.4 billion

from State-administered supplements.

As preparations were being made during 1973 for conversion of State adult assistance caseloads to the SSI program, a new Division of Supplemental Security Studies was formed within SSA's Office of Research and Statistics. The Division initially had three major functions: to develop a research strategy to measure the impact of the new program on the people served; to provide participation and cost estimates; and to design a statistical system and publication plan to provide a broad range of data for a wide group of users.

The **Survey of the Low-Income Aged and Disabled (SLIAD)** was designed as the vehicle to study the impact of the SSI program. Interviews for this survey were conducted in 1973 and 1974, before and after the SSI program became effective. Four separate survey panels were selected: welfare aged, welfare disabled, Current Population Survey (CPS) aged, and CPS disabled.

Findings from the **SLIAD** were reported in numerous **Social Security Bulletin** articles, beginning in February 1977 with Thomas Tissue's "The Survey of the Low-Income Aged and Disabled: An Introduction." The

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**Table M-24.**—SSI: Number of persons, total amount, and average State payment to persons under State-administered supplementation programs, by reason for eligibility, 1974–88<sup>1</sup>

Period	Number				Total amount (in thousands)				Average payment			
	Total <sup>2</sup>	Aged	Blind	Disabled	Total <sup>2</sup>	Aged	Blind	Disabled	Total <sup>2</sup>	Aged	Blind	Disabled
January 1974	358,293	251,926	8,502	96,926	\$14,884	\$9,237	\$517	\$5,102	\$41.54	\$36.66	\$60.86	\$452.64
December 1974	300,724	193,057	5,898	101,769	11,354	6,824	330	4,200	<sup>3</sup> 37.75	<sup>3</sup> 35.35	<sup>3</sup> 55.95	<sup>3</sup> 41.27
December 1975	303,391	184,679	4,933	113,504	13,803	7,225	301	6,273	45.59	39.12	61.13	55.26
December 1976	274,377	160,360	4,731	109,248	13,720	6,882	327	6,511	50.00	42.91	69.04	59.60
December 1977	269,695	152,449	4,467	112,467	14,477	7,096	336	7,033	53.68	46.54	75.21	62.53
December 1978	265,518	146,854	4,188	107,524	15,641	7,886	363	7,279	58.91	53.70	86.68	67.70
December 1979	257,289	140,894	3,937	105,830	18,327	9,540	361	8,305	71.23	67.71	91.60	78.47
December 1980	249,474	134,555	3,649	104,367	19,920	10,435	356	8,995	79.85	77.55	97.45	86.18
December 1981	249,565	133,880	3,487	105,756	20,041	10,355	347	9,192	80.31	77.39	99.53	86.92
December 1982	247,995	130,582	3,419	107,198	21,844	11,304	389	9,979	88.08	86.56	113.70	93.09
December 1983	254,175	130,402	3,333	113,343	23,529	11,802	391	11,081	92.57	90.50	117.37	97.77
December 1984	268,045	131,276	3,219	125,615	25,913	12,312	370	12,795	96.67	93.79	114.91	101.86
December 1985	254,656	114,721	3,032	128,683	24,971	10,314	358	13,777	98.06	89.90	117.95	107.06
December 1986	279,297	123,291	3,123	143,981	29,586	12,584	374	16,017	105.93	102.07	119.69	11.24
December 1987	271,656	111,116	3,114	146,598	30,112	11,860	392	17,253	110.85	106.74	125.92	117.69
1987												
March	282,190	122,439	3,142	146,919	30,138	12,662	380	16,637	106.80	103.42	121.08	113.24
April	268,170	113,085	3,093	142,231	28,423	11,331	370	16,220	105.99	100.20	119.49	114.04
May	268,376	112,685	3,092	142,943	28,497	11,321	373	16,307	106.18	100.47	120.76	114.08
June	268,247	112,455	3,100	143,048	28,505	11,326	370	16,294	106.26	100.71	119.47	113.91
July	268,404	112,336	3,120	143,213	28,896	11,455	376	16,481	107.66	101.97	120.46	115.08
August	268,902	111,752	3,119	143,993	29,098	11,483	382	16,671	108.21	102.76	122.41	115.78
September	269,763	111,939	3,104	144,451	29,270	11,592	378	16,717	108.50	103.56	121.91	115.73
October	270,205	111,749	3,089	145,340	29,372	11,556	372	16,863	108.70	103.41	120.55	116.02
November	269,316	111,032	3,097	145,271	29,864	11,794	402	17,068	110.89	106.19	129.90	117.49
December	271,656	111,116	3,114	146,598	30,112	11,860	392	17,253	110.85	106.74	125.92	117.69
1988												
January	269,935	110,330	3,105	146,071	29,393	11,699	385	16,677	108.89	106.04	124.12	114.17
February	269,448	109,794	3,099	146,150	29,937	11,646	384	17,275	111.10	106.08	123.91	118.20
March	269,797	110,232	3,092	145,776	30,218	11,827	386	17,397	112.00	107.29	124.81	119.34

<sup>1</sup> Data reported to the Social Security Administration by individual States. All data subject to revision. Excludes optional supplementation data for Missouri and North Dakota; for Maryland in December 1974 and 1975; and

for New Mexico in December 1976.

<sup>2</sup> Includes data not distributed by reason for eligibility.

<sup>3</sup> Excludes data for South Carolina.

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survey results also were the subject of a special **SLIAD Report** series, in which the Tissue report was Number 1.

The statistical system developed for the SSI program is composed of data bases derived from SSA administrative files. Its major components are a partially summarized ("table in memory") statistical data base, a statistical file based on the SSI accounting system, and a 1-percent microdata sample. These files are available on a monthly basis. In addition, a reporting system for

States administering their own supplementation programs was developed on a voluntary basis with the State agencies.

National and State data are published in monthly tables in the **Social Security Bulletin** and, in more detailed form, in the **Annual Statistical Supplement to the Bulletin**. Compilations of SSI data for counties and ZIP Code areas are prepared on an annual basis.

Through the years since the inception of the SSI program, the **Social Security Bulletin** has

served as a major source for communicating the history of its progress. In June 1974, James C. Callison's article, "Early Experience Under the Supplemental Security Income Program," introduced readers to the program's initial activity. One year later, in the June 1975 **Bulletin**, Lenna D. Kennedy, Dorothea Thomas, and Jack Schmulowitz authored "Conversions to Supplemental Security Income from State Assistance: A Program Records Study." In January 1980, the

**Table M-25.—SSI: Number of persons receiving State-administered supplementation, total amount, and average payment, by reason for eligibility and State, March 1988<sup>1</sup>**

State	Number				Total amount (in thousands)				Average payment			
	Total	Aged	Blind	Disabled	Total	Aged	Blind	Disabled	Total	Aged	Blind	Disabled
Total .....	<sup>2</sup> 269,797	110,232	3,092	145,776	<sup>2</sup> \$30,218	\$11,827	\$386	\$17,397	<sup>2</sup> \$112.00	\$107.29	\$124.81	\$119.34
Alabama .....	15,146	9,664	120	5,362	831	516	7	308	54.84	53.38	54.76	57.47
Alaska <sup>3</sup> .....	4,726	1,744	62	2,920	1,081	397	14	670	228.71	227.52	233.65	229.31
Arizona <sup>3</sup> .....	4,055	892	2	3,161	287	78	(4)	209	70.81	87.22	(5)	66.18
Colorado <sup>3</sup> .....	19,623	14,555	92	4,976	2,011	1,655	4	352	102.48	113.69	42.57	70.80
Connecticut .....	18,316	6,951	117	11,248	4,726	1,617	26	3,083	258.00	232.64	217.95	274.09
Florida .....	10,332	5,429	(6)	<sup>7</sup> 4,903	850	482	(6)	<sup>7</sup> 368	82.25	88.74	(6)	<sup>7</sup> 75.06
Idaho <sup>3</sup> .....	2,985	970	21	1,994	350	96	2	253	117.40	99.06	78.24	126.73
Illinois .....	51,483	5,387	257	45,839	5,077	338	19	4,720	98.61	62.69	75.14	102.96
Indiana .....	841	403	6	432	304	126	3	175	361.25	312.67	514.00	404.44
Kentucky .....	6,854	3,455	91	3,308	898	452	7	440	131.08	130.77	71.76	133.04
Maryland .....	<sup>2</sup> 1,776	(6)	(6)	(6)	<sup>2</sup> 511	(6)	(6)	(6)	<sup>2</sup> 287.75	(6)	(6)	(6)
Minnesota .....	12,039	2,669	158	9,212	2,260	335	25	1,901	187.76	125.42	156.13	206.36
Missouri .....	8,119	6,100	328	1,691	318	189	62	67	39.13	30.91	188.11	39.89
Nebraska <sup>3</sup> .....	7,018	2,146	96	4,776	403	81	6	316	57.40	37.77	58.60	66.19
New Hampshire .....	4,216	1,279	167	2,770	489	96	24	368	115.98	75.36	145.86	132.94
New Mexico .....	<sup>2</sup> 278	(6)	(6)	(6)	<sup>2</sup> 21	(6)	(6)	(6)	<sup>2</sup> 75.00	(6)	(6)	(6)
North Carolina .....	14,048	8,364	264	5,420	4,330	2,543	92	1,694	308.21	304.10	348.46	312.59
North Dakota .....	6	5	...	1	(4)	(4)	...	(4)	(5)	(5)	...	(5)
Oklahoma <sup>3</sup> .....	55,256	31,889	550	22,817	2,756	1,498	30	1,228	49.88	46.96	54.96	53.83
Oregon .....	14,453	4,077	682	9,694	1,020	569	55	396	70.54	139.45	81.21	40.81
South Carolina .....	2,987	1,221	18	1,748	422	166	3	254	141.35	135.87	142.11	145.17
South Dakota .....	317	206	3	108	47	32	(4)	14	147.23	157.24	(5)	128.38
Utah .....	<sup>2</sup> 8,643	(6)	(6)	(6)	<sup>2</sup> 76	(6)	(6)	(6)	<sup>2</sup> 8.80	(6)	(6)	(6)
Virginia .....	5,327	2,710	33	2,584	1,133	560	7	565	212.61	206.66	220.88	218.74
Wyoming <sup>3</sup> .....	953	116	25	812	19	2	1	16	20.00	20.00	20.00	20.00

<sup>1</sup> Data reported to the Social Security Administration by individual States. All data subject to revision. Excludes optional supplementation data for Missouri and North Dakota.  
<sup>2</sup> Includes data not distributed by reason for eligibility.  
<sup>3</sup> Estimated data.

<sup>4</sup> Less than \$500.  
<sup>5</sup> Not computed on base of less than \$500.  
<sup>6</sup> Data not available.  
<sup>7</sup> Includes data for the blind.

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**Bulletin** carried the Executive Summary of the Survey of SSI Children, and in January 1984, John Trout and David R. Mattson's article "A 10-Year Review of the Supplemental Security Income Program" was published. An article describing the development of the adult assistance programs under the Social Security Act was prepared for the **Bulletin** by Herman F. Grundmann and was published in October 1985.

The **Social Security Bulletin** article reprinted on the following

pages presents results of the 1973-74 survey in terms of the economic impact of SSI on adult assistance recipients transferred from the three State programs in existence in 1972. The use of State subsamples in the **SLIAD** permitted a differential analysis between States with relatively low payment levels under the OAA, AB, and APTD programs and those with higher payment levels.

The author used various measures to determine the effects of the SSI program, including changes in the distribution of

income amounts and welfare benefits, changes in the poverty ratios of individuals, the proportion of persons with income below the poverty level, and changes in the poverty gap.