

SSI: Trends and Changes, 1974-80

by Lenna Kennedy*

By the end of 1980, the Supplemental Security Income (SSI) program was making monthly cash assistance payments, averaging \$170, to almost 4.2 million aged, blind, and disabled persons. When SSI payments began in January 1974, the number of recipients was 3.2 million and the average payment was \$117. Since 1975, both SSI payments and Social Security benefits have been automatically adjusted each year to correspond with increases in the Consumer Price Index. A number of other trends in addition to growth can be discerned in the size of the population served, as well as in their categorical, geographic, and age distributions. This article discusses some of these trends and changes, using program data for the end of each calendar year through 1980. It also presents a brief summary of the program at the end of that period.

The Supplemental Security Income (SSI) program provides cash assistance to residents of the 50 States, the District of Columbia, and the Northern Mariana Islands who are categorically eligible—aged 65 and older, blind, or disabled—and whose income and resources are within the limitations imposed by law and regulations. The maximum Federal SSI payment, originally \$140¹ per month for an individual without countable income and \$210 for a couple, had risen by mid-1980 to \$238 for an individual and \$357 for a couple (table 1). Since 1975 the automatic cost-of-living increase in Social Security (OASDI—Old-Age, Survivors, and Disability Insurance) benefits has been applicable to Federal SSI payments also. The actual amount payable depends on individual circumstances including marital status, living arrangement, and income after exclusions.²

In addition to the Federal payment, the law provides for State supplementary payments, which may be made to all or to selected groups of recipients. At the end of 1980, all jurisdictions except Texas and the Northern Mariana Islands were making some supplementary payments. The amount of these supplementary payments

differed from State to State. In addition, payments within a State varied depending on criteria such as special living arrangements—for instance, a recipient sharing an apartment or living in a domiciliary care facility. A few States also made higher supplementary payments to persons residing in metropolitan areas.

Although SSI has been affected by a number of legislative changes, the program has experienced little net expansion since its beginning. Under Public Law 92-603 (October 1972) the recipients of the existing Federal-State programs of Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD) were transferred to the Federal rolls. Eligibility was extended to disabled persons under age

Table 1.—Federal SSI benefit rates applicable to individuals and couples living in their own household, 1974-80¹

Effective date	Individual	Couple
January 1974	\$140.00	\$210.00
July 1974	146.00	219.00
July 1975	157.70	236.60
July 1976	167.80	251.80
July 1977	177.80	266.70
July 1978	189.40	284.10
July 1979	208.20	312.30
July 1980	238.00	357.00

¹ Latest data available are for July 1981: Individual, \$264.70; couple, \$397.

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¹ Payments in January 1974 were based on a Federal benefit rate of \$130 because the increase to \$140 was enacted December 31, 1973, too late to be implemented. Retroactive payments covering the difference were made in February 1974.

² For the exclusions from income and resources and a detailed history of program provisions, see *Social Security Bulletin, Annual Statistical Supplement, 1980*, pages 43-46.

18 who had not been covered under APTD. The first SSI payments were made on January 1, 1974.

Even before payments began, it was recognized that the Federal SSI payment level would mean a loss of income to some recipients whose State payments had been higher. In July 1973, Public Law 93-66 assured these persons against such a loss by requiring that the State supplement their Federal payment by the amount necessary to maintain the person's December 1973 income (assistance payments plus other income). This provision is known as the "mandatory supplementation" requirement.

Subsequent program changes included the exclusion of the recipient's home from countable resources (Public Law 94-569, October 1976), and the extension of the

SSI program to residents of the Northern Mariana Islands (1978). This extension was part of a covenant that established the Commonwealth of the Northern Marianas. In Guam, Puerto Rico, and the Virgin Islands, the Federal-State assistance programs have continued to operate.

Overview of the Caseload

The first 2 years of the SSI program were characterized by substantial month-to-month growth in the number of recipients. More than 3.2 million people received payments in January 1974. By the end of that year the number had grown to 4 million, and by December 1975,

Table 2.—Number of persons receiving SSI payments, by type of payment and reason for eligibility, 1974-80

Month and year	Total	Federally administered payments ¹	Federal SSI ²	Total with State supplementation	Federally administered supplementation		State-administered supplementation	
					Total ³	State supplementation only	Total ⁴	State supplementation only
All persons								
January 1974	3,248,949	3,215,632	2,955,959	1,838,602	1,480,309	259,673	358,293	33,317
December 1974	4,027,572	3,996,064	.....	.....	.....	.....	300,724	31,508
December 1975	4,359,625	4,314,275	3,893,419	1,987,409	1,684,018	420,856	303,391	45,350
December 1976	4,285,340	4,235,939	3,799,069	1,912,550	1,638,173	436,870	274,377	49,401
December 1977	4,287,044	4,237,692	3,777,856	1,927,340	1,657,645	459,836	269,695	49,352
December 1978	4,265,483	4,216,925	3,754,663	1,946,781	1,681,403	462,262	265,378	48,558
December 1979	4,202,741	4,149,575	3,687,119	1,941,572	1,684,283	462,456	257,289	53,166
December 1980	4,194,254	4,142,017	3,682,411	1,934,279	1,684,765	459,606	249,514	52,237
Aged								
January 1974	1,889,898	1,865,109	1,690,496	1,022,244	770,318	174,613	251,926	24,789
December 1974	2,307,722	2,285,909	.....	.....	.....	.....	193,057	21,813
December 1975	2,333,685	2,307,105	2,024,765	1,028,596	843,917	282,340	184,679	26,580
December 1976	2,175,442	2,147,697	1,867,318	934,586	774,226	280,379	160,360	27,745
December 1977	2,077,808	2,050,921	1,765,147	906,636	754,187	285,774	151,131	26,887
December 1978	1,995,976	1,967,900	1,685,651	885,827	739,028	282,249	146,799	28,076
December 1979	1,903,384	1,871,716	1,593,486	859,101	718,207	278,230	140,894	31,668
December 1980	1,838,406	1,807,776	1,533,366	837,411	702,763	274,410	134,648	30,630
Blind								
January 1974	73,850	72,390	55,680	45,828	37,326	16,710	8,502	1,460
December 1974	75,528	74,616	.....	.....	.....	.....	5,898	912
December 1975	75,315	74,489	68,375	36,309	31,376	6,114	4,933	826
December 1976	77,223	76,366	69,083	38,215	33,484	7,283	4,731	857
December 1977	78,368	77,362	69,534	38,868	34,401	7,828	4,467	1,006
December 1978	78,027	77,135	68,192	39,214	35,022	8,943	4,192	892
December 1979	78,110	77,250	67,973	39,603	35,666	9,277	3,937	860
December 1980	79,139	78,401	68,945	39,847	36,214	9,456	3,633	738
Disabled								
January 1974	1,285,201	1,278,122	1,209,783	769,501	672,575	68,350	96,926	7,068
December 1974	1,644,322	1,635,539	.....	.....	.....	.....	101,769	8,783
December 1975	1,950,625	1,932,681	1,800,279	922,229	808,725	132,402	113,504	17,944
December 1976	2,032,675	2,011,876	1,862,668	939,711	830,463	149,208	109,248	20,799
December 1977	2,130,868	2,109,409	1,943,175	981,524	869,057	166,234	112,467	21,459
December 1978	2,191,162	2,171,890	2,000,820	1,014,467	907,037	171,070	107,430	19,272
December 1979	2,220,824	2,200,609	2,025,660	1,036,240	930,410	174,949	105,830	20,215
December 1980	2,276,258	2,255,840	2,080,100	1,050,118	945,788	175,740	104,330	20,418

¹ All persons with Federal SSI payments and/or federally administered State supplementation.

² All persons with Federal SSI payments whether receiving Federal payments only or both Federal SSI and federally administered State supplementation.

³ All persons with federally administered State supplementation whether receiving State supplementary payments only or both Federal SSI and federally administered State supplementation.

⁴ All persons with State-administered State supplementation whether receiving State supplementary payments only or both Federal SSI and State-administered State supplementation.

⁵ All persons with State-administered State supplementation whether receiving State supplementary payments only or both Federal SSI and State-administered State supplementation.

to 4.3 million (table 2).³ Beginning in 1976, the pattern reversed, and for the next 5 years the total dropped slowly but unevenly, until in December 1980 the number of recipients was 4.2 million. Thus the program experienced a swift increase of 34 percent, followed by a slower, more sustained decline, which after 5 years totaled 4 percent.

The fall in the total caseload masks other changes of different directions and magnitudes that appear when the caseloads for recipients are examined by reason for eligibility. In the following discussion it is important to note that the SSI classifications "aged," "blind," and "disabled" are based on the reason for the individual's initial eligibility. The SSI program does not reclassify "blind" and "disabled" recipients as "aged" at age 65.

In January 1974, the number of aged recipients—those whose eligibility is based on age and financial need—was almost 1.9 million. By the end of 1975, this number had increased by 23 percent to over 2.3 million. In 1976 a decline began, even sharper than that evident in the total caseload. By December 1980, "aged" recipients totaled 1.8 million, a drop of more than one-fifth.

In contrast, the number of persons whose eligibility was based on blindness or disability increased from 1974 to 1980.⁴ The number of blind recipients rose from just

under 74,000 in January 1974 to 79,000 by the end of 1980 (7.2 percent). However, the most significant growth in the SSI program in this period was among those whose eligibility was based on disability. In December 1973, 1.3 million persons received APTD payments. The first 12 months of SSI produced a net increase of 28 percent, to 1.6 million disabled recipients. This was followed by another 19-percent increase during 1975 and smaller gains in succeeding years. By December 1980, there were more than 2,276,000 disabled recipients, of whom 222,000 were children, either under age 18 or between ages 18 and 22 if students.

When the caseload is distributed by age, it becomes apparent that the proportion of the SSI population aged 65 or older has declined—from 61 percent in January 1974 to 54 percent in December 1980 (table 3). Within this group, those classified as blind or disabled have increased from 87,000 to 419,000 (or from 3 percent to 10 percent of the total caseload).

There has been little change, however, in the proportion of blind and disabled adults aged 22–64. It remained almost constant (37–39 percent) over the 7 years. These figures may reflect the same stability in the proportion of the general population who meet both the definition of disability and the income and resources criteria of the SSI program.

The segment of the population that showed the greatest increase was "blind and disabled children." Since the APTD programs did not provide for payments to persons under age 18, there were few children transferred to the SSI program in January 1974. However,

³ The peak caseload occurred in April 1976, when 4.4 million persons received payments.

⁴ The definitions of "blind" and "disabled" for SSI purposes are the same as those used for the Social Security Disability Insurance program. Determinations of disability are also made by the States' disability determination services.

Table 3.—Number and percentage distribution of persons receiving federally administered SSI payments, by age and reason for eligibility, 1974–80¹

Age and reason for eligibility	January 1974	December 1975	December 1976	December 1977	December 1978	December 1979	December 1980
Total number (in thousands)	3,216	4,314	4,236	4,238	4,217	4,150	4,142
Under 22	(2)	201	228	256	281	293	310
Blind and disabled children	7	128	153	175	198	212	229
Blind and disabled adults	(2)	73	75	81	83	81	82
22–64	² 1,257	1,605	1,611	1,628	1,624	1,599	1,605
Blind	48	46	47	45	43	43	44
Disabled	1,209	1,559	1,564	1,583	1,581	1,556	1,561
65 or older	1,952	2,508	2,397	2,353	2,312	2,258	2,226
Aged	1,865	2,307	2,148	2,051	1,968	1,872	1,807
Blind	23	22	22	25	25	25	25
Disabled	64	179	227	277	319	361	394
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 22	(2)	4.7	5.4	6.0	6.7	7.1	7.5
Blind and disabled children . . . . .	.2	3.0	3.6	4.1	4.7	5.1	5.5
Blind and disabled adults	(2)	1.7	1.8	1.9	2.0	2.0	2.0
22–64	² 39.1	37.2	38.0	38.4	38.5	38.5	38.7
Blind	1.5	1.1	1.1	1.1	1.0	1.0	1.1
Disabled	37.6	36.1	36.9	37.4	37.5	37.5	37.7
65 or older	60.7	58.1	56.6	55.5	54.8	54.3	53.7
Aged	58.0	53.5	50.7	48.4	46.7	45.1	43.6
Blind . . . . .	.7	.5	.5	.6	.6	.6	.6
Disabled	2.0	4.1	5.4	6.5	7.6	8.7	9.5

¹ Age distribution not available for December 1974.

² Not available separately for January 1974. Adults under age 22 are included

with blind and disabled adults aged 22–64.

the number increased dramatically in the first 2 years, to 128,000 in December 1975. Subsequent growth was smaller but continuous, and by the end of 1980, the total was 229,000. About one-sixth of these were 18-22 years old and eligible based on their status as students.

Amount of Payments

In 1974, annual payments under the SSI program totaled \$5.2 billion. By 1980, this amount had increased to more than \$7.9 billion (table 4). The growth was not uniform and reflects both the caseload changes described above and increases in the level of the Federal benefit rate shown in table 1. After an initial 12-percent rise from 1974 to 1975 (coinciding with the large increase in the number of recipients), the annual growth in the 1976-78 period was 3-4 percent. The larger proportional increases in 1979 and 1980 occurred despite a declining caseload and reflect, in large part, the sizable cost-of-living raises in those years.

Federal SSI payments as a proportion of total SSI

Table 4.—Total amount of SSI payments, by type of payment and reason for eligibility, 1974-80

[In thousands]

Year	Total	Federal SSI	State supplementation	
			Federally administered	State administered
All persons				
1974	\$5,245,719	\$3,833,161	\$1,263,652	\$148,906
1975	5,878,224	4,313,538	1,402,534	162,152
1976	6,065,842	4,512,061	1,388,154	165,627
1977	6,306,041	4,703,292	1,430,794	171,955
1978	6,551,682	4,880,691	1,490,947	180,044
1979	7,075,408	5,279,181	1,589,544	206,683
1980	7,940,650	5,866,354	1,848,286	226,010
Aged				
1974	\$2,503,407	\$1,782,742	\$631,292	\$89,373
1975	2,604,792	1,842,980	673,535	88,277
1976	2,508,483	1,784,996	635,381	88,106
1977	2,448,724	1,736,812	627,075	84,837
1978	2,432,738	1,706,220	635,860	90,658
1979	2,525,396	1,759,426	661,294	104,676
1980	2,734,265	1,860,194	756,829	117,242
Blind				
1974	\$130,195	\$91,308	\$34,483	\$4,404
1975	130,936	92,427	34,813	3,696
1976	137,793	95,651	38,409	3,733
1977	146,070	100,370	41,768	3,932
1978	152,210	104,525	43,502	4,183
1979	166,831	115,873	46,571	4,387
1980	190,068	131,506	54,321	4,241
Disabled				
1974	\$2,601,936	\$1,959,112	\$597,876	\$44,948
1975	3,142,476	2,378,131	694,186	70,159
1976	3,419,543	2,631,414	714,364	73,765
1977	3,710,788	2,866,110	761,950	82,728
1978	3,965,611	3,069,946	811,585	84,080
1979	4,380,929	3,403,880	881,679	95,370
1980	5,013,872	3,874,655	1,037,137	102,080

payments remained essentially stable over the 7-year period, 73-75 percent. Among the aged it was 68-71 percent, and among the blind and disabled, 75-77 percent.⁵

The average payment under the SSI program, including both Federal payments and federally administered State supplementation payments, increased significantly during this time, from \$117 to \$170 (table 5). However, because of the variations in coverage and payments under State supplementation plans, it may be more useful to consider the change in Federal SSI payments separately.

Over the 7 years, the maximum possible payment—

⁵ This figure does not include the Federal contribution to State supplementation or the "hold harmless" payment, which is discussed under "State Supplementation Programs."

Table 5.—Average monthly SSI amount received, by type of payment and reason for eligibility, 1974-80

Month and year	Total	Federally administered payments	Federal SSI	State supplementation		
				Total	Federally administered	State administered
All persons						
January 1974	\$116.97	\$113.55	\$88.01	\$65.20	\$70.92	\$41.54
December 1974	114.76	112.83	...	...	...	37.75
December 1975	116.36	114.39	96.17	66.86	70.71	45.59
December 1976	121.53	119.70	101.72	70.24	73.63	50.00
December 1977	126.39	124.52	106.61	72.39	75.36	53.68
December 1978	131.79	129.61	111.98	73.02	75.00	58.82
December 1979	157.87	155.65	123.89	¹ 106.45	¹ 112.26	71.23
December 1980	170.42	167.77	143.35	96.93	99.15	79.57
Aged						
January 1974	\$99.33	\$95.69	\$74.54	\$60.37	\$68.12	\$36.66
December 1974	93.15	91.06	...	...	...	35.35
December 1975	92.99	90.93	75.94	61.48	66.38	39.12
December 1976	96.33	94.37	79.42	65.54	70.23	42.91
December 1977	98.75	96.62	81.78	67.20	71.35	46.49
December 1978	102.96	100.43	85.69	68.94	71.97	53.63
December 1979	125.66	122.67	93.53	¹ 104.89	¹ 112.18	67.71
December 1980	131.75	128.20	106.70	93.85	96.97	77.54
Blind						
January 1974	\$128.82	\$124.27	\$105.03	\$79.97	\$84.34	\$60.86
December 1974	143.30	140.59	...	...	...	55.95
December 1975	148.96	146.57	116.40	89.78	94.32	61.13
December 1976	155.32	152.77	119.10	98.55	102.70	69.04
December 1977	161.39	159.20	124.08	103.70	107.22	75.21
December 1978	167.19	164.40	132.43	101.85	104.24	86.60
December 1979	214.56	212.27	160.97	¹ 146.88	¹ 152.98	91.60
December 1980	215.70	213.23	169.91	134.39	138.15	96.92
Disabled						
January 1974	\$142.22	\$139.01	\$106.05	\$70.79	\$73.41	\$52.64
December 1974	143.78	141.98	...	...	...	41.27
December 1975	143.07	141.15	118.15	71.97	74.31	55.26
December 1976	147.21	145.50	123.43	73.77	75.63	59.60
December 1977	152.05	150.36	128.53	75.96	77.57	62.53
December 1978	156.78	154.82	133.44	75.46	76.35	67.58
December 1979	183.80	181.71	146.53	¹ 107.47	¹ 110.77	78.47
December 1980	200.06	197.90	169.48	97.92	99.28	85.57

¹ The December 1979 total and federally administered figures, which are so much larger than those for either the preceding or the following year, represent the payment in that month of large retroactive amounts by a number of States.

the Federal benefit rate for an individual without countable income and living in his or her own household—rose by 70 percent from \$140 to \$238 per month. Given this increase in the standard, it would have been surprising if the average payments had not risen substantially, which, in fact, they did. For the entire group, the average Federal payment increased by 63 percent (\$55) from January 1974 to December 1980. By eligibility category, the increase in the average payment to the aged category was smaller—43 percent (\$32), than among the blind—62 percent (\$64), or the disabled—60 percent (\$63).

The amount of an individual's SSI payment is determined by marital status, living arrangement, and countable income. Although the changes in the Federal payment described above reflect changes in the caseload mix of all of these characteristics, the most significant change is in countable income, particularly the increase in the amount of Old-Age, Survivors, and Disability Insurance (OASDI) benefits received by SSI recipients.

The proportion of the SSI caseload also receiving an OASDI benefit has not changed appreciably; it was 53 percent in December 1975 and 51 percent in December 1980. The average amount of the Social Security benefit received by those entitled under both programs has risen from \$130 to \$197. Since the exclusion applicable to unearned income has remained the same—\$20 per month—SSI is now counting a higher proportion of the OASDI benefit than previously. This would have a greater effect on the payments to the aged category, 70 percent of whom received Social Security benefits in addition to SSI.

State Supplementation Programs

All States but one provide, to at least some of their residents, additional monies to augment the Federal SSI payment.⁶ These amounts may reflect either the optional supplementation provisions of the original law or the mandatory supplementation requirement of Public Law 93-66. The number of persons receiving mandatory supplementation declined sharply, from 95,000 in mid-1977 (the first year for which figures are available) to 20,000 in mid-1980. This figure represents only about 1 percent of all supplementation cases.

Coverage under optional State plans, on the other hand, may be generally applicable to persons living in their own households or limited to selected groups, such as to persons in domiciliary care facilities. In addition, the States may either administer the payments themselves or contract with the Social Security Administration (SSA) to do this. In the latter case, SSA assumes the

⁶ Texas does not make supplementary payments because of a State constitutional barrier.

administrative costs and is reimbursed by the States for the amount of the payments.

Initially, 33 States and the District of Columbia made optional supplementation payments. Some States have since made changes, in either the level of payments or criteria for eligibility. By the end of 1980, 42 States and the District of Columbia were making optional payments. Twenty-six States and the District of Columbia were using the SSA administrative mechanism.⁷

In January 1974, more than 1.8 million persons received State supplements. This number showed an uneven pattern of large initial growth with a decline of 75,000 during 1976,⁸ and a smaller decrease of 7,000 during 1980. The latter was due to the continuing drop in the State-administered program. The federally administered caseload grew from 1.5 million in 1974 to almost 1.7 million by 1975, and since then it has fluctuated around that level.

However, payments to persons receiving only a State supplement continued to grow after 1975. These supplements are made to persons with income too high to allow them to receive a Federal payment, but still within the limits of the State plan. The number of "supplementation only" cases under Federal administration increased from 260,000 to 460,000, and under State-administered plans from 33,000 to 52,000.

Annual supplementary payments have increased from \$1.3 billion to \$1.8 billion for federally administered programs, and from \$149 million to \$226 million for the State administered. Although payments rose in each eligibility category over time, the largest change was in payments to the disabled.

As previously mentioned, some part of the federally administered supplementation is reimbursed to the States by the Federal Government under the hold-harmless provision. The original SSI law provided that, where a State chose Federal administration of supplementation, its financial liability for the cost of supplementary payments was limited to the non-Federal share of its OAA, AB, and APTD programs in 1972. Table 6 shows the amount of reimbursements under this provision. Six States received hold-harmless payments for fiscal year 1974, but by fiscal year 1976, the provision was no longer applicable in California, Nevada, and New York. For the remaining three States, payments decreased through 1976, then rose again after Public Law 94-585 (October 1976) required States to pass along the annual increases in Federal SSI payments.

The average State supplementation payment of both types increased over the period in response to changes

⁷ Sue C. Hawkins, "SSI: Trends in State Supplementation, 1974-78," *Social Security Bulletin*, July 1980, pages 19-27.

⁸ Public Law 94-585 (1976) mandated the States to pass on to their supplementation recipients the cost-of-living increase in the Federal payment (effective with the July 1977 Federal increase).

Table 6.—Federal contribution to State supplementation, by State, fiscal years 1974–80

[In millions]

State	Amount							
	1974	1975	1976	Transition quarter	1977	1978	1979	1980
Total	\$80.5	\$210.6	\$63.8	\$7.0	\$39.3	\$38.8	\$41.3	\$39.3
California	29.5	69.3	...	...	...	...	...	...
Hawaii . . . . .	.7	1.7	.9	...	(1)	(2)	.1	.1
Massachusetts	19.8	42.3	28.7	1.7	9.4	6.9	5.5	3.1
Nevada . . . . .	.3	.6	.1	...	...	...	...	...
New York	25.9	69.4	7.6	...	...	...	...	...
Wisconsin	4.3	27.2	26.5	5.3	29.9	31.8	35.6	36.2

¹ Amount of contribution: \$20,200.

² Amount of contribution: \$33,100.

both in caseloads and in the State plans (table 5). This rise was greater in the State-administered program.

Program Status, 1980

Tables 7, 8, and 9 present the standing of the SSI program on a State-by-State basis at the end of 1980, in terms of the number of recipients and total and average payments.⁹ California, with just over 10 percent of the Nation's population in 1980, had 17 percent of the total

⁹ For similar data for January 1974, see James C. Callison, "Early Experience Under the Supplemental Security Income Program," *Social Security Bulletin*, June 1974, pages 3–11. Data for the end of each year since 1975 are published annually in *Program and Demographic Characteristics of Supplemental Security Beneficiaries*, Office of Research and Statistics, Office of Policy, Social Security Administration.

SSI caseload at the end of that year, 12 percent of all those receiving Federal SSI payments, and 36 percent of all those receiving supplementation payments. It also accounted for the highest share of 1980 expenditures—one-fourth of the total, 13 percent of Federal dollars, and almost three-fifths of State supplementation (table 8).

At the end of 1980, payment levels in California (Federal SSI plus State supplementation, for those without countable income) ranged from \$402 per month for individuals living independently, to \$454 per month for those residing in facilities providing nonmedical board and care. In the same month, the Federal SSI maximum was \$238.

The impact of State supplementation and the interaction between the Federal and State programs, especially in California, can be seen in table 9, which shows the average payments at the end of 1980. The average payment in California was \$253, almost half again as high as the national average of \$170. The next highest State was New York with \$190. In terms of the Federal payment, California's average was \$155, higher than the national figure of \$143, but lower than in six other States. However, the State supplement—averaging \$165 to more than 700,000 persons—raised the State average substantially.

The singular position of California in the SSI program does not reflect only the changes in the age and geographic distribution of the population. Between 1974 and 1980 the U.S. population over age 65 increased from 21.8 million to 25.5 million. California's share of this population grew from 9.1 percent to 9.5 percent.

Table 7.—Number of persons receiving SSI payments, by type of payment and State, December 1980

State	Total	Federally administered payments	Federal SSI	Total with supplementation	Federally administered supplementation		State-administered supplementation	
					Total	State supplementation only	Total	State supplementation only
Total	¹ 4,194,254	4,142,017	3,682,411	1,934,279	1,684,765	459,606	249,514	52,237
Alabama	139,840	134,092	134,092	16,979	...	...	16,979	5,748
Alaska	3,343	3,083	3,083	928	...	...	928	260
Arizona	29,849	29,638	29,638	1,690	...	...	1,690	211
Arkansas	77,800	77,800	77,776	375	375	24	...	...
California	717,464	717,464	429,063	700,241	700,241	288,401	...	...
Colorado	40,702	30,465	30,465	31,813	...	...	31,813	10,237
Connecticut	32,340	23,412	23,412	12,674	...	...	12,674	8,928
Delaware	7,179	7,179	7,082	510	510	97	...	...
District of Columbia	15,148	15,148	14,800	14,601	14,601	348	...	...
Florida	173,620	173,620	173,620	3,253	15	...	3,238	...
Georgia	154,527	154,527	154,441	521	521	86	...	...
Hawaii	10,187	10,187	9,589	9,679	9,679	598	...	...
Idaho	8,262	7,518	7,518	3,535	...	...	3,535	744
Illinois	131,053	123,554	123,554	30,960	...	...	30,960	7,499
Indiana	41,405	41,405	41,405	...	...	...	...	...
Iowa	25,576	25,576	25,342	1,742	1,742	234	...	...
Kansas	20,433	20,433	20,425	220	220	8	...	...
Kentucky	95,471	93,694	93,694	8,412	...	...	8,412	1,777

Table 7.—Number of persons receiving SSI payments, by type of payment and State, December 1980—Continued

State	Total	Federally administered payments	Federal SSI	Total with supplementation	Federally administered supplementation		State-administered supplementation	
					Total	State supplementation only	Total	State supplementation only
Louisiana	136,545	136,545	136,453	1,321	1,321	92	...	...
Maine	21,593	21,593	17,203	20,513	20,513	4,390	...	...
Maryland	48,764	48,314	48,282	1,024	574	32	450	450
Massachusetts	123,631	123,631	75,530	118,610	118,610	48,101	...	...
Michigan	113,791	113,791	101,869	106,581	106,581	11,922	...	...
Minnesota	32,844	31,901	31,901	10,439	...	...	10,439	943
Mississippi	111,811	111,811	111,792	416	416	19	...	...
Missouri	91,385	84,395	84,395	25,953	...	...	25,953	6,990
Montana	6,837	6,837	6,743	701	701	94	...	...
Nebraska	14,971	13,741	13,741	6,102	...	...	6,102	1,230
Nevada	6,756	6,756	5,719	3,909	3,909	1,037	...	...
New Hampshire	5,398	5,398	5,398	4,482	...	...	4,482	(2)
New Jersey	85,823	85,823	78,619	79,958	79,958	7,204	...	...
New Mexico	25,421	25,420	25,420	301	...	...	301	1
New York	365,467	365,467	313,375	345,110	345,110	52,092	...	...
North Carolina	142,870	140,552	140,552	10,676	...	...	10,676	2,318
North Dakota	6,254	6,252	6,252	126	...	...	126	2
Ohio	119,274	119,274	119,227	552	552	47	...	...
Oklahoma	69,894	67,250	67,250	56,407	...	...	56,407	2,644
Oregon	24,475	22,220	22,220	12,267	...	...	12,267	2,255
Pennsylvania	163,210	163,210	148,579	153,513	153,513	14,631	...	...
Rhode Island	15,036	15,036	12,445	13,722	13,722	2,591	...	...
South Carolina	83,405	83,405	83,405	1,639	...	...	1,639	...
South Dakota	7,991	7,991	7,989	505	124	2	381	(2)
Tennessee	130,526	130,526	130,526	33	33	...	...	...
Texas	261,664	261,664	261,664	...	...	...	...	...
Utah	7,754	7,754	7,754	6,150	...	...	6,150	...
Vermont	8,915	8,915	7,445	8,337	8,337	1,470	...	...
Virginia	80,645	80,645	80,645	3,088	...	...	3,088	(2)
Washington	45,286	45,286	40,832	41,483	41,483	4,454	...	...
West Virginia	41,039	41,039	41,039	109	...	...	109	...
Wisconsin	68,277	68,277	46,652	61,373	61,373	21,625	...	...
Wyoming	1,818	1,818	1,818	715	...	...	715	...
Other:								
Northern Mariana Islands	612	612	612	...	...	...	...	...

¹ Includes 73 persons for whom State was unknown.

² Data not available.

Florida and Texas experienced even higher proportional increases in their aged populations. Among SSI recipients over age 65, however, the proportion in California rose from 14 percent in 1974 to 18 percent in 1980, while the proportion in Florida rose by a smaller amount, and the proportion in Texas fell (table 10).

In addition, the proportion of the over-age-65 population receiving SSI payments has declined from 10.5 percent in 1974 to 8.7 percent in 1980. Only two jurisdictions showed an increase—the District of Columbia and California.

The level of supplementation payments in California has had a pronounced impact on the size of its own SSI caseload, and, by extension, on the national program as well. For instance, California received 63 percent of all

federally administered State supplementation only payments.

Summary

The first 7 years of the Supplemental Security Income program were characterized by both overall growth and internal change. The initial caseload of 3.2 million persons rose in 2 years to almost 4.4 million, and then fell slowly to 4.2 million by the end of 1980. This decline reflected a decrease in the number of persons eligible based on age, while the number of blind and disabled recipients, particularly children, continued to increase. Total payments grew steadily from \$5.2 billion in 1974 to \$7.9 billion in 1980, and the average payment rose from \$117 to \$170 during the same period.

Table 8.—Amount of total SSI payments, Federal SSI payments, and State supplementation payments, by State, 1980

[In thousands]

State	Total	Federal SSI	State supplementation	
			Federally administered	State administered
Total	¹ \$7,940,650	² \$5,866,354	³ \$1,848,286	⁴ \$226,010
Alabama	207,814	195,322	...	12,492
Alaska	7,472	5,526	...	1,946
Arizona	54,471	53,198	...	1,273
Arkansas	107,240	107,174	66	...
California	1,962,005	736,372	1,225,633	...
Colorado	77,949	46,376	...	31,573
Connecticut	58,701	38,848	...	19,853
Delaware	11,039	10,581	458	...
District of Columbia	31,034	27,083	3,951	...
Florida	293,366	291,015	(5) (6)	6 2,351
Georgia	232,852	232,762	90	...
Hawaii	19,860	15,610	4,250	...
Idaho	14,273	10,974	...	3,299
Illinois	232,827	206,508	...	26,319
Indiana	59,474	59,474	...	(7)
Iowa	33,741	32,862	6 879	(6) (7)
Kansas	27,919	27,837	82	...
Kentucky	162,885	150,959	...	11,926
Louisiana	220,923	220,742	181	...
Maine	28,553	24,001	4,552	...
Maryland	82,539	81,740	6 211	6 588
Massachusetts	240,782	118,601	122,181	...
Michigan	237,021	164,003	73,018	...
Minnesota	52,029	41,754	...	10,275
Mississippi	170,776	170,719	57	...
Missouri	139,938	128,372	...	11,566
Montana	10,729	10,055	674	...
Nebraska	23,713	19,024	...	4,689
Nevada	11,066	8,552	2,514	...
New Hampshire	12,614	7,814	...	4,800
New Jersey	156,448	129,800	26,648	...
New Mexico	41,543	41,337	...	206
New York	790,713	565,474	225,239	...
North Carolina	233,216	209,756	...	23,460
North Dakota	9,513	8,556	...	957
Ohio	200,337	200,196	141	...
Oklahoma	142,205	100,039	...	42,166
Oregon	40,763	34,745	...	6,018
Pennsylvania	312,046	252,949	59,097	...
Rhode Island	24,565	18,499	6,066	...
South Carolina	125,914	123,630	...	2,284
South Dakota	10,841	10,257	6 38	6 546
Tennessee	198,695	198,695	(5)	...
Texas	364,977	364,977	(8)	(8)
Utah	12,128	11,399	...	729
Vermont	15,739	10,990	4,749	...
Virginia	125,943	119,523	...	6,420
Washington	85,389	67,023	18,366	...
West Virginia	72,344	72,250	...	94
Wisconsin	124,073	61,855	62,218	...
Wyoming	2,715	2,534	...	181
Other:				
Northern Mariana Islands	1,379	1,379	(8)	(8)

¹ Includes \$23,562,000 paid to Indochina refugees not reported by State.
² Includes \$94,000 not reported by State and \$16,542,000 paid to Indochina refugees not reported by State.
³ Includes \$7,020,000 paid to Indochina refugees not reported by State. Payments reduced by \$96,000 to reflect returned checks and overpayment refunds.
⁴ Excludes data for Indiana and Iowa.

⁵ State makes federally administered mandatory payments. The total of adjustments exceeds the actual amounts paid during the year.
⁶ Mandatory payments are federally administered and optional payments are State administered.
⁷ Data not available.
⁸ State payments not made.

Table 9.—Average monthly amount of SSI received, by source of funds and State, December 1980

State	Total	Federally administered payments	Federal SSI	State supplementation		
				Total	Federally administered	State administered
Total	\$170.42	\$167.77	\$143.35	\$96.93	\$99.15	\$79.57
Alabama	132.42	130.41	130.41	60.67	...	60.67
Alaska	184.27	159.42	159.42	125.23	...	135.23
Arizona	163.52	160.89	160.89	66.66	...	66.66
Arkansas	121.91	121.91	121.87	16.53	16.53	...
California	253.30	253.30	155.04	164.53	164.53	...
Colorado	182.57	136.24	136.24	103.10	...	103.10
Connecticut	165.74	150.52	150.52	144.87	...	144.87
Delaware	139.08	139.08	135.22	79.96	79.96	...
District of Columbia	183.12	183.12	164.21	23.53	23.53	...
Florida	156.77	155.08	155.08	90.22	32.60	90.64
Georgia	135.97	135.97	135.98	19.51	19.51	...
Hawaii	178.07	178.07	150.61	38.20	38.20	...
Idaho	156.98	133.83	133.83	82.19	...	82.19
Illinois	163.00	153.76	153.76	76.34	...	76.34
Indiana	(1)	131.52	131.52	(1)	...	(1)
Iowa	120.72	120.72	118.64	46.49	46.49	...
Kansas	122.47	122.47	122.18	30.69	30.69	...
Kentucky	153.31	145.35	145.35	114.46	...	114.46
Louisiana	144.31	144.31	144.27	13.84	13.84	...
Maine	119.53	119.53	127.07	19.25	19.25	...
Maryland	142.31	153.63	153.35	70.31	32.53	118.28
Massachusetts	169.50	169.50	140.21	87.39	87.39	...
Michigan	182.32	182.32	147.92	53.27	53.27	...
Minnesota	136.05	120.05	120.05	80.84	...	80.84
Mississippi	136.21	136.21	136.18	13.79	13.79	...
Missouri	139.80	136.52	136.52	35.16	...	35.16
Montana	140.61	140.61	133.97	82.76	82.76	...
Nebraska	219.53	126.93	126.93	57.14	...	57.14
Nevada	150.01	150.01	138.29	56.94	56.94	...
New Hampshire	(2)	135.85	135.85	100.85	...	100.85
New Jersey	164.72	164.72	150.14	29.18	29.18	...
New Mexico	146.73	145.96	145.96	65.00	...	65.00
New York	190.13	190.13	161.65	54.56	54.56	...
North Carolina	146.86	134.81	134.81	190.53	...	190.53
North Dakota	123.12	122.69	122.69	21.60	...	21.60
Ohio	152.65	152.65	152.60	25.59	25.59	...
Oklahoma	177.58	132.25	132.25	62.37	...	62.37
Oregon	148.76	142.19	142.19	39.18	...	39.18
Pennsylvania	167.84	167.84	150.58	32.71	32.71	...
Rhode Island	147.24	147.24	133.77	40.02	40.02	...
South Carolina	136.07	133.84	133.84	113.66	...	113.66
South Dakota	(2)	116.48	116.00	93.07	32.77	114.14
Tennessee	136.07	136.03	136.03	24.64	24.64	...
Texas	125.83	125.83	125.83	...	...	...
Utah	143.28	135.25	135.25	10.00	...	10.00
Vermont	157.73	157.73	133.28	49.64	49.64	...
Virginia	(2)	135.49	135.49	188.15	...	188.15
Washington	166.84	166.84	147.79	36.66	36.66	...
West Virginia	157.63	157.44	157.44	71.73	...	71.73
Wisconsin	164.19	164.19	121.61	90.22	90.22	...
Wyoming	138.61	130.68	130.68	20.00	...	20.00
Other:						
Northern Mariana Islands	199.34	199.34	199.34*	...	...	...

¹ Data on State supplements not available.

² Average cannot be computed due to unavailability of data on persons with

State-administered payments only.

Table 10.—Number and percent of U.S. population aged 65 or older receiving federally administered SSI payments, by region, division, and State, December 1974 and December 1980

Region, division, and State	Population aged 65 or older (in thousands)		SSI recipients aged 65 or older		Percent of population receiving SSI		Region, division, and State	Population aged 65 or older (in thousands)		SSI recipients aged 65 or older		Percent of population receiving SSI	
	1974 ¹	1980 ²	1974	1980	1974	1980		1974 ¹	1980 ²	1974	1980	1974	1980
United States	21,815	25,542	2,285,909	2,225,797	10.5	8.7	District of Columbia	71	74	5,392	6,383	7.6	8.6
Northeast	5,440	6,072	389,768	395,890	7.2	6.5	Virginia	410	505	38,202	41,772	9.3	8.3
New England	1,345	1,520	114,652	109,790	8.5	7.2	West Virginia	206	238	20,446	17,945	9.9	7.5
Maine	122	141	12,998	11,474	10.7	8.1	North Carolina	473	602	74,776	79,774	15.8	13.2
New Hampshire	86	103	3,173	2,521	3.7	2.4	South Carolina	219	287	43,098	47,121	19.7	16.4
Vermont	51	58	4,702	4,499	9.2	7.7	Georgia	413	517	94,868	88,063	23.0	17.0
Massachusetts	661	727	77,944	73,781	11.8	10.2	Florida	1,267	1,685	89,949	105,752	7.1	6.3
Rhode Island	111	127	6,870	7,907	6.2	6.2	East South Central	1,404	1,657	325,298	282,573	23.2	17.1
Connecticut	314	364	8,965	9,608	2.9	2.6	Kentucky	364	410	59,555	49,493	16.4	12.1
Middle Atlantic	4,095	4,552	275,116	286,100	6.7	6.3	Tennessee	429	518	77,007	73,525	18.0	14.2
New York	1,998	2,161	171,712	172,965	8.6	8.0	Alabama	365	440	103,683	87,464	28.4	19.9
New Jersey	749	860	38,087	40,516	5.1	4.7	Mississippi	246	289	85,053	72,091	34.6	24.9
Pennsylvania	1,348	1,531	65,317	72,619	4.8	4.7	West South Central	2,049	2,463	409,174	335,682	20.0	13.6
North Central	6,020	6,689	351,832	304,449	5.8	4.6	Arkansas	264	312	60,138	50,706	22.8	16.2
East North Central	4,009	4,491	209,833	202,051	5.2	4.5	Louisiana	337	404	99,820	76,889	29.6	19.0
Ohio	1,050	1,169	54,311	45,941	5.2	3.9	Oklahoma	328	376	54,797	41,385	16.7	11.0
Indiana	522	585	23,819	18,378	4.6	3.1	Texas	1,120	1,371	194,419	166,702	17.4	12.2
Illinois	1,134	1,261	46,386	52,060	4.1	4.1	West	3,463	4,298	421,928	496,200	12.2	11.5
Michigan	798	912	49,311	49,512	6.2	5.4	Mountain	811	1,061	64,354	58,119	7.9	5.5
Wisconsin	505	564	36,006	36,160	7.1	6.4	Montana	73	85	3,942	2,987	5.4	3.5
West North Central	2,011	2,198	141,999	102,398	7.1	4.7	Idaho	76	94	4,289	3,349	5.6	3.6
Minnesota	432	480	19,803	16,835	4.6	3.5	Wyoming	32	37	1,394	925	4.4	2.5
Iowa	360	387	17,710	12,739	4.9	3.3	Colorado	204	247	21,689	15,304	10.6	6.2
Missouri	591	648	71,453	47,948	12.1	7.4	New Mexico	86	116	12,016	13,848	14.0	12.0
North Dakota	72	80	5,056	3,830	7.0	4.8	Arizona	211	307	13,842	14,678	6.6	4.8
South Dakota	84	91	5,718	4,485	6.8	4.9	Utah	88	109	3,692	3,186	4.2	2.9
Nebraska	191	206	9,137	6,586	4.8	3.2	Nevada	41	66	3,490	3,842	8.5	5.8
Kansas	281	306	13,122	9,975	4.7	3.3	Pacific	2,652	3,237	357,574	438,081	13.5	13.5
South	6,893	8,483	1,122,273	1,029,243	16.3	12.1	Washington	354	431	21,157	19,789	6.0	4.6
South Atlantic	3,440	4,363	387,801	410,988	11.3	9.4	Oregon	251	303	11,063	9,538	4.4	3.1
Delaware	48	59	3,490	3,141	7.3	5.3	California	1,986	2,415	318,835	401,496	16.1	16.6
Maryland	333	396	17,580	21,037	5.3	5.3	Alaska	8	12	1,516	1,511	19.0	13.1
							Hawaii	53	76	5,003	5,747	9.4	7.5

¹ Bureau of the Census, *Statistical Abstract of the United States, 1975*, table 36. Data as of July 1.

² Bureau of the Census, *1980 Census of Population, Supplementary Reports (PC-80-S1-1)*, table 2.

Distribution of Family Income: Improved Estimates

by Daniel B. Radner *

This article describes the results of research to improve estimates of the distribution of family income. In this research, a microdata file was constructed for 1972 using several data sources. The data obtained from these sources were combined and adjusted to produce more precise estimates. Current Population Survey estimates were then evaluated using these improved estimates. Using the improved estimates increased 1972 mean income for all units by 11 percent. The income share of the top 5 percent of the distribution increased substantially. Property income increased and wage and salary income decreased in relative importance. The mean income of family units headed by persons aged 65 or older increased by about 40 percent, by far the largest rise for any group examined; the increase was far lower for low-income family units in that age group. A simple update of mean incomes to 1979 showed no substantial changes from the 1972 pattern of adjustments.

The most important source of data on the distribution of income has been the Current Population Survey (CPS), a household survey conducted by the Bureau of the Census. Income data from household surveys, however, contain substantial response error (the respondents do not know, remember incorrectly, or refuse to answer).¹ These errors usually produce underestimates of average income for all units surveyed, and distort the relative income positions of various socioeconomic groups.

In the mid-1970's the Office of Research and Statistics began a program of research to improve income data bases, using the CPS. In part, this work was a cooperative undertaking with the Bureau of the Census and the Bureau of Economic Analysis, Department of Commerce. In this research a microdata file was constructed for 1972 using several data sources—the CPS, Social Security records, and Federal individual income tax returns.² The data obtained from these sources were combined and adjusted to produce more precise estimates. The CPS estimates were then evaluated using these improved estimates.

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¹ Sampling error, of course, can also be important, but this article deals primarily with systematic response error and its effect on CPS estimates.

² See the Technical Note for a detailed description of the microdata file and methodology.

The goals of this research were

- To assess the size and nature of the errors in CPS income data, both for total income and for specific types of income.
- To construct improved estimates of the distribution of income for 1 year, 1972.
- To examine how improving the estimates of income affects the income of different groups, such as the aged.

This article reports on the results of this research, with the emphasis on the improved estimates for 1972 and the effects of the improvements on estimated income for different groups. In addition, a crude method for adjusting CPS mean incomes for more recent years, which was developed in the course of this research, is applied to CPS data for 1979.

The principal effects of moving from the CPS estimates to the improved estimates were

- Mean income for all units increased 11 percent; mean income increased for all parts of the distribution.
- The income share of the top 5 percent of the distribution increased substantially.
- Property income increased and wage and salary income decreased in relative importance.