

# Supplemental Security Income and Its Noninstitutional Recipients: July 1997 and 1999

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## Introduction

For a small proportion of people living in the United States, Supplemental Security Income (SSI) represents a significant proportion of their total income. Since 1974, SSI has provided economic assistance to people with low incomes and resources and who are disabled or aged. This report provides a brief look at the SSI Program and its recipients.

The data for this report come from the Survey of Income and Program Participation (SIPP), the Census Bureau's primary source for longitudinal information on household economic and demographic characteristics. Since the early 1980s, SIPP has been a valuable source for data on national assistance programs, wealth, and overall social well being.

By collecting monthly data on income and program participation, SIPP allows analysts to measure change by repeatedly interviewing households and respondents to update their information. Each interview cycle, or wave, is conducted every 4 months during the survey period, and the number of waves in each SIPP panel is determined prior to the start of interviewing. This survey technique gives analysts the ability to follow respondents over time and measures the extent to which a particular sample is dependent on government programs. SIPP also has a number of topical modules that are used as a rich data resource for economists, demographers, sociologists, and other researchers. Information traditionally collected in SIPP's topical modules includes assets, disability, child

well being, healthcare utilization, and taxes. The SIPP data used for this report come from waves 5 and 11 (covering July 1997 and July 1999, respectively) and are supplemented using the disability information contained in the functional limitations topical modules that were administered in those waves. The SIPP does not include people who are institutionalized or live in group quarters as part of its sample frame.<sup>1</sup>

## Highlights<sup>2</sup>

- Supplemental Security Income (SSI) provided income assistance to 2.5 percent (6.7 million) of the population in July 1999. That consisted of 2.0 percent (4.8 million) of those under the age of 65 and 5.7 percent (1.9 million) of those aged 65 and older.
- The average monthly amount of SSI benefits was \$386 in July 1999.
- On average, SSI benefits constituted 63.4 percent of a recipient's total income.

<sup>1</sup> According to the Social Security Administration, individuals in some living arrangements that the Census Bureau defines as group quarters, are not eligible for SSI benefits. These arrangements include halfway houses, city or county rest homes, or public institutions. SSI benefits are, however, paid to individuals residing in Medicaid-approved institutions that would be considered group quarters by the Census Bureau's definition. According to the SSA, 2.2 percent (0.1 million) of SSI recipients resided in Medicaid-approved institutions as of December 1999.

<sup>2</sup> The estimates in this report are based on responses from a sample of the population. As with all surveys, estimates may vary from the actual values because of sampling variation or other factors. All comparisons made in this report have undergone statistical testing and are significant at the 90-percent confidence level unless otherwise noted.

## Current Population Reports

By  
Arthur Jones

Demographic Programs

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- Of people receiving SSI in July 1999, 47.9 percent (3.2 million) were non-Hispanic Whites, compared with 71.5 percent (194.1 million) of the total population.
- More than half (57.8 percent or 3.1 million) of SSI recipients' aged 25 and older had less than a high school education. Relatively few recipients (3.5 percent or 0.2 million) had attained a bachelor's degree or higher.
- Most (83.3 percent or 5.3 million) of SSI recipients in July 1999 aged 15 and older had total income that placed them in the lowest 40 percent of the income distribution.

**Supplemental Security Income (SSI) is an important transfer program that provides cash benefits to the low-income aged and disabled populations.**

The Social Security Administration's (SSA) Supplemental Security Income (SSI) program provides means-tested benefits to the aged and disabled population. As the federal government's primary means-tested cash transfer program for the disabled, SSI provides cash benefits to people with low incomes and few resources who are disabled, blind, or at least 65 years of age or older.

In January 1974, the SSI program replaced the federal and state adult assistance and aid to the blind and disabled programs and began issuing payments. Under SSI, eligible people are entitled to a monthly cash payment based on a federal statutory rate; each year payments are adjusted in accordance with changes in the cost of living. SSI is not only a federal program, however, as most states supplement the federal benefit.

**Qualification standards for SSI are set by the Social Security Administration.<sup>3</sup>**

Qualification for benefits is a two-stage process. First, since SSI is a federally funded, means-tested program, individuals must demonstrate an economic need for payments. Economic needs are based on a sliding scale, where individual earnings and income count against SSI benefits. In 1999, the maximum monthly federal SSI benefit was \$500 for an individual and \$769 for a couple.

The federal payment is based on the individual's countable income and earnings, excluding the first \$20 of monthly income and the first \$65 of a person's monthly earnings.<sup>4</sup> Once the exclusions are exceeded, the monthly benefit is reduced by \$1 for every additional dollar of unearned income received and 50 cents for each dollar earned over \$65. People remain eligible for payments until the computed benefit reaches zero. For example, the maximum SSI benefit for an individual was \$500 per month in 1999, so an individual without earnings would have reached a zero benefit with an income of \$520 per month. If the individual had income consisting solely of earnings, person would

<sup>3</sup> This description of benefits is based on the Social Security Administration's *Publication No. 05-11000, March 2001* ICN 480200. More information regarding SSI eligibility and rules and regulations are contained in this document and are available at the Social Security Administration's Internet site ([www.ssa.gov](http://www.ssa.gov)).

<sup>4</sup> Earnings are income received for work (includes wages, salary, and self-employment income). Income, which includes earnings, is the sum of monetary payments made to a person, household, or family. The Census Bureau definition of income contains 18 sources, which include earnings, unemployment insurance, workers compensation, social security, SSI, public assistance, veteran's payments, survivor benefits, disability benefits, retirement benefits, interest, dividends, rent, educational assistance, alimony, child support, and other financial assistance from outside the household.

have reached a zero benefit at \$1,085.

In addition, the SSA regulations limit the personal property and wealth of recipients. A single person may not have more than \$2,000 in countable assets; couples may have up to \$3,000 in countable assets. SSA does not include as assets or wealth the home a person lives in, one car (of limited value), burial plots for the individual or immediate family, burial funds up to \$1,500, and life insurance with a face value of \$1,500.

The second criterion for SSI qualification is a demonstrated disability (including blindness) or proof of being 65 years or over. It is important to note that the SSA, not the individual, determines disability.

The SSA defines blindness as corrected vision of 20/200 or worse in a person's better eye. Disability is defined as a medically determinable physical or mental impairment that keeps a person from performing any "substantial gainful activity," defined in 1999 as monthly earnings from work of \$700 or more. Individuals are considered disabled if the SSA decides that they cannot perform other work because of their medical condition. The impairment must also be expected to last at least 12 months or result in death.

Children may also be eligible for *SSI Benefits for Children*. The SSA determines a person to be a child for the purposes of the SSI program if the person is not married (or head of the household) and is either under the age of 18 or under the age of 22 and regularly attending school. Children under the age of 18 are considered disabled if the SSA determines them to have severe functional limitations expected to last 12 months

or result in death.<sup>5</sup> If the child is between the ages of 18 and 22, then the adult disability criteria are used.

The SSA also determines the economic criteria for children's SSA benefits. This is done through a process called *deeming*. *Deemed income* is a portion of the total countable income received by a child's parents; this applies only to children under the age of 18. Income is *deemed* for children who live at home, or live at school, but come home on weekends, holidays, and are subject to parental control. The SSA deems only a portion of the parent's income and does not include the following types of income: public assistance, veteran's payments, foster care payments, and income used to make court ordered support payments. In addition, the SSA does not count some resources such as a home, household furnishings (up to \$2,000), or pension plans.

### **SIPP's coverage items provide a better proxy for SSI benefits than reciprocity questions.**

The definition of who can receive income is an important one. The Census Bureau asks income questions of anyone over the age of 15; this approach is at odds with the way the SSA determines who is eligible for SSI benefits. Since disabled children under 18 years of age may be eligible for SSI, children under the age of 15 also qualify. The SIPP data suggest that this is the case. Although the SIPP does restrict its income universe to people aged 15 and older, it also has a series of items that account for people who are *covered* by means-tested programs. These

<sup>5</sup> As in the case of adult SSI eligibility, the SSA determines the criteria for what constitutes a functional limitation. This is done at state offices usually called the Disability Determination Service.

variables show the beneficiaries of the program rather than those who receive the check who in many cases may not be covered by the program themselves. Since the purpose of this report is to examine those people who have qualified for and benefit from SSI, the concept of coverage will be used in place of SSI reciprocity.

### **SSI provides benefits to a relatively small segment of the nation's population.**

Table 1 shows that in July 1999, 2.5 percent (6.7 million) of the population was covered by payments from the SSI program (this does not represent a statistically significant difference from the percentage of people covered by benefits in July 1997). Despite providing payments to only a small portion of the population, SSI payments are extremely important to those covered by SSI because they are among the poorest individuals in the nation and most in need of assistance. Of the population under age 65, 2.0 percent (4.8 million) were covered by SSI in July 1999; of the aged (age 65 and older), 5.7 percent (1.9 million) were covered by SSI payments (see Table 2).

As for most means-tested government programs, the question of who benefits is very important. The nation's population is very diverse, as is the population covered by SSI. Individuals covered by SSI come from all races and ethnicities, ages, and educational backgrounds.

Figure 1 shows that 1.7 percent (3.2 million) non-Hispanic Whites were covered by SSI payments in July 1999. In comparison, 5.8 percent (2.0 million) of the Black population was covered by SSI payments; this compares with 2.5 percent (6.7 million) for all

groups combined. Asian and Pacific Islanders and American Indians and Alaskan Natives also had relatively high rates of SSI participation, 5.7 and 4.5 percent (0.2 and 0.4 million), respectively. Among Hispanics, 3.0 percent (1.0 million) reported being covered by SSI in July 1999.

### **Educational attainment is a good predictor of an individual's earnings and income.<sup>6</sup>**

Figure 2 shows that 57.8 percent (3.1 million) of people covered by SSI in July 1999, aged 25 and older, had less than a high school diploma. In comparison, among the total population of people aged 25 and older only 17.0 percent (29.6 million) had less than a high school diploma. Conversely, people with a bachelor's degree or higher were much more common among the total population when compared with those covered by SSI. Only 3.5 percent (0.2 million) of people aged 25 and older that were covered by SSI had that level of educational attainment in July 1999; among the total population, 23.8 percent (41.4 million) had at least a bachelor's degree.

### **SSI coverage among the aged and young can vary.**

Because SSI is a program for both low-income disabled people and low-income elderly people it is not surprising that 5.7 percent (1.9 million) of the population aged 65 and older were covered by SSI payments in July 1999. Just 2.0 percent (4.8 million) of the population under the age of 65 were covered by SSI (see Table 2).

In July 1999, non-Hispanic Whites aged 64 and under accounted for

<sup>6</sup> Mincer, Jacob. 1974. *Schooling, Experience and Earnings*. New York: Columbia University Press for NBER.

Table 1.  
**Selected Characteristics of People Covered by Supplemental Security Income Benefits:  
 July 1997 and July 1999**

(All people covered by SSI, unless otherwise noted. Numbers in thousands)

Characteristics	July 1997		July 1999		Difference 1999-1997
	Covered	Standard error	Covered	Standard error	
<b>Total population</b> . . . . .	<b>265,836</b>	<b>43</b>	<b>271,382</b>	<b>29</b>	<b>*5,546</b>
Number of people covered by SSI . . . . .	6,570	179	6,663	198	93
Percent of total population covered by SSI . . . . .	2.5	0.43	2.5	0.47	0.0
<b>Race</b>					
White . . . . .	61.4	1.35	60.2	1.48	-1.2
Non-Hispanic . . . . .	49.0	1.38	47.9	1.50	-1.1
Black . . . . .	30.3	1.27	30.7	1.39	0.4
Asian and Pacific Islander . . . . .	2.3	0.41	2.7	0.49	0.4
American Indian and Alaskan Native . . . . .	6.0	0.66	6.4	0.74	0.4
Hispanic <sup>1</sup> . . . . .	14.9	0.98	14.5	1.06	-0.4
<b>Sex</b>					
Male . . . . .	43.7	1.37	43.5	1.50	-0.2
Female . . . . .	56.3	1.37	56.5	1.50	0.2
<b>Education (aged 25 and older)</b>					
Total number covered by SSI . . . . .	5,215	160	5,407	120	192
Less than high school . . . . .	62.0	1.51	57.8	1.49	*-4.3
High school diploma (includes GED) . . . . .	25.6	1.36	28.1	1.36	2.5
Some college (no degree) . . . . .	5.8	0.73	7.2	0.78	1.4
Associates degree . . . . .	3.4	0.56	3.4	0.55	0.0
Bachelor's degree or higher . . . . .	3.3	0.55	3.5	0.55	0.2
<b>Disability (aged 15 and over)</b>					
Total number covered by SSI . . . . .	5,840	169	5,971	188	131
With a disability . . . . .	89.1	0.91	86.5	1.03	*-2.6
With a work disability . . . . .	64.1	1.41	63.1	1.46	-1.0
No work disability . . . . .	25.0	1.27	23.4	1.28	-1.6
With a severe disability . . . . .	80.8	1.16	77.7	1.26	*-3.1
With a work disability . . . . .	61.4	1.43	59.8	1.48	-1.6
No work disability . . . . .	19.4	1.16	17.9	1.16	-1.5
With a disability, not severe . . . . .	8.3	0.81	8.8	0.86	0.5
With a work disability . . . . .	2.7	0.48	3.3	0.54	0.6
No work disability . . . . .	5.6	0.67	5.5	0.69	-0.1
No disability . . . . .	10.9	0.91	13.5	1.03	*2.6
<b>Living Arrangements of People Covered by SSI</b>					
All households . . . . .	99.1	0.27	99.0	0.30	0.0
Family households . . . . .	69.9	1.27	69.3	1.39	-0.5
Married-couple families . . . . .	34.3	1.31	33.8	1.43	-0.6
With children under 18 . . . . .	11.6	0.89	11.3	0.95	-0.3
No children under 18 . . . . .	22.7	1.16	22.5	1.26	-0.3
Nonmarried-couple families . . . . .	35.5	1.32	35.6	1.45	0.1
With children under 18 . . . . .	14.7	0.98	15.1	1.08	0.4
No children under 18 . . . . .	20.8	1.12	20.4	1.22	-0.3
Nonfamily households . . . . .	29.2	1.26	29.7	1.38	0.5
Male households . . . . .	9.5	0.81	10.5	0.93	1.0
Female households . . . . .	19.7	1.10	19.2	1.19	-0.5
Noninstitutional group quarters . . . . .	0.9	0.27	1.0	0.30	0.0
<b>Size of Household</b>					
One person . . . . .	24.3	1.19	25.4	1.31	1.1
Two people . . . . .	25.6	1.21	25.8	1.30	0.2
Three people . . . . .	16.4	1.02	17.1	1.14	0.7
Four people . . . . .	14.4	0.97	12.8	1.01	-1.6
Five people . . . . .	9.0	0.79	8.4	0.84	-0.6
Six people . . . . .	5.3	0.62	5.2	0.67	-0.1
Seven or more people . . . . .	5.1	0.61	5.3	0.68	0.2
<b>Employment Status (aged 15 and older)</b>					
Total number receiving SSI . . . . .	5,840	169	5,971	188	131
Worker . . . . .	10.9	0.91	11.1	0.95	0.2
Nonworker . . . . .	89.1	0.91	88.9	0.95	-0.2
<b>Coverage by Other Government Programs<sup>2</sup></b>					
TANF <sup>3</sup> . . . . .	12.7	0.92	8.9	0.86	*-3.8
Food stamps . . . . .	44.8	1.38	42.6	1.49	-2.2
Medicaid . . . . .	93.2	0.70	92.5	0.80	-0.7
Other . . . . .	65.1	1.32	62.3	1.46	-2.8
<b>Age</b>					
Under 18 . . . . .	14.2	0.15	13.5	0.92	-0.7
18 to 64 . . . . .	57.4	0.21	58.7	1.32	1.3
65 and older . . . . .	28.3	0.19	27.8	1.20	-0.5
65 to 69 . . . . .	8.0	0.12	7.2	0.69	-0.8
70 to 74 . . . . .	7.8	0.11	7.8	0.72	0.0
75 and older . . . . .	12.5	0.14	12.8	0.90	0.3

\* Denotes a statistical significant difference between July 1997 and July 1999.

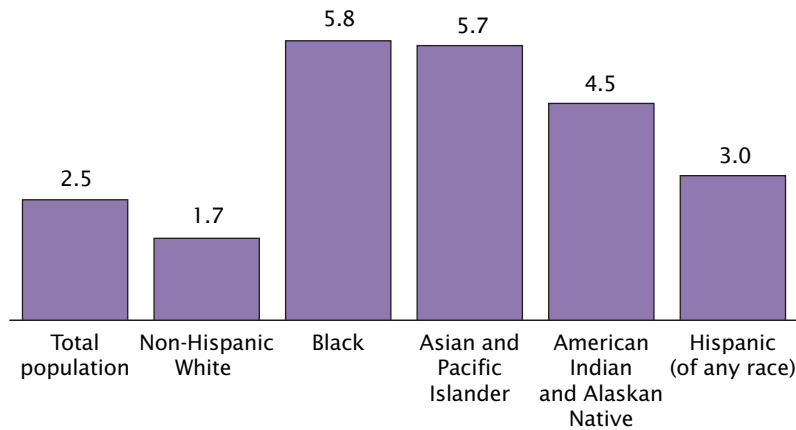
<sup>1</sup>Because Hispanics may be of any race, data in this report for Hispanics overlap with data for the Black population, the Asian and Pacific Islander population and the American Indian and Alaska Native population. Based on the 1996 SIPP Panel Wave 11 for July 1999, 4.1 percent of the Black population 15 years and older; 3.5 percent of the Asian and Pacific Islander population aged 15 and older; and 17.4 percent of the American Indian and Alaskan Native population aged 15 and older were of Hispanic origin.

<sup>2</sup>Categories are not mutually exclusive.

<sup>3</sup>TANF = Temporary Assistance to Needy Families.

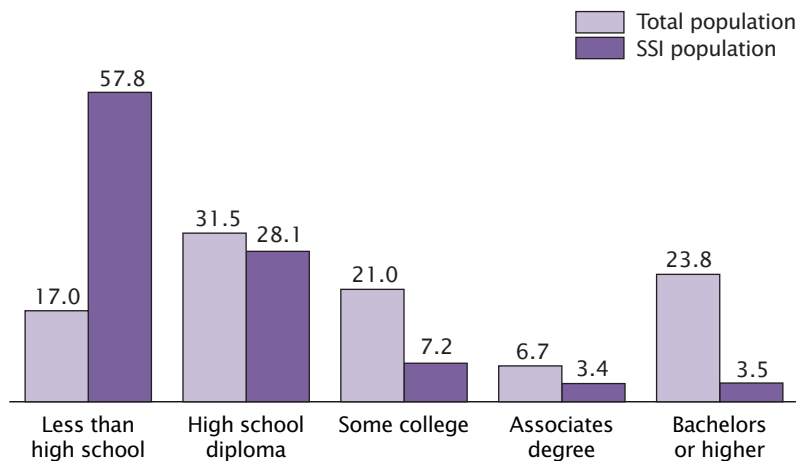
Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 Panel.

Figure 1.  
**Percentage of People Covered by Supplemental Security Income, by Race and Hispanic Origin: July 1999**  
 (Percentage covered by SSI in each group)



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 Panel.

Figure 2.  
**Educational Attainment of People Covered by Supplemental Security Income: July 1999**  
 (Percentage of total and SSI populations for people age 25 and older)



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 Panel.

52.7 percent (2.5 million) of those covered by SSI, while non-Hispanic Whites aged 65 and older accounted for just 35.4 percent (0.7 million). Blacks accounted for 32.8 percent (1.6 million) of all people under the age of 65 covered by SSI in July

1999. Among people covered by SSI aged 65 and older, Blacks comprised 25.4 percent (0.5 million).

Children under the age of 18 represented 13.5 percent (0.9 million) of people covered by SSI in July 1999.

Adults between the ages of 18 and 64 accounted for 58.7 percent of all SSI recipients during this period; those over the age 65 and older accounted for 27.8 percent of all people covered by SSI.

Males and females aged 64 and under had similar coverage rates in July 1999, 52.4 percent (2.5 million) were female and 47.6 percent (2.3 million) were male.<sup>7</sup> Women aged 18 to 64 accounted for 26.6 percent (1.8 million) of people covered by SSI payments in July 1999, while men in the same age group were 32.0 percent (2.1 million). Among people 65 and older, 67.0 percent (1.2 million) of people covered by SSI were women and 33.0 percent (0.6 million) were men. This differs from the gender distribution of the total elderly population; 57.6 percent (18.7 million) are female, 42.4 percent (13.8 million) male.

People aged 65 and older covered by SSI also had lower levels of educational attainment: in July 1999, 76.6 percent (1.4 million) of these people had less than a high school education, compared with 48.0 percent (1.7 million) of those between the ages of 25 and 64. Only 14.0 percent (0.3 million) of the older age group had received a high school diploma, compared with 35.5 percent (1.3 million) of the younger age group.

Older people covered by SSI were also more likely to live alone. In July 1999, 41.1 percent (0.8 million) of people 65 and older covered by SSI lived alone. This difference is to be expected given increased mortality rates among the aged, as well as the declining probability of having young

<sup>7</sup> The apparent difference between the coverage rate of males and females is not statistically significant.

Table 2.

## Selected Characteristics of People Covered by SSI Benefits, People Aged 64 and Under and People Aged 65 and Older: July 1997 and July 1999

(All people covered by SSI unless otherwise noted. Numbers in thousands)

Characteristics	People aged 64 and under				Difference 1999-97	People aged 65 and older				Difference 1999-97
	July 1997		July 1999			July 1997		July 1999		
	Covered	Standard error	Covered	Standard error		Covered	Standard error	Covered	Standard error	
<b>Total population</b> . . . . .	<b>233,923</b>	<b>418</b>	<b>238,920</b>	<b>459</b>	<b>*4,996</b>	<b>31,912</b>	<b>421</b>	<b>32,462</b>	<b>467</b>	<b>550</b>
Number of people covered by SSI . . . . .	4,708	152	4,812	169	104	1,862	96	1,852	106	-10
Percent covered by SSI . . . . .	2.0	0.46	2.0	0.50	0.0	5.8	1.21	5.7	1.33	-0.1
<b>Race and ethnicity</b>										
White . . . . .	62.8	1.58	61.6	1.73	-1.2	57.8	2.57	56.5	2.84	-1.3
Non-Hispanic . . . . .	52.5	1.63	52.7	1.77	0.2	40.0	2.55	35.4	2.74	-4.6
Black . . . . .	31.6	1.52	32.8	1.67	1.2	26.8	2.30	25.4	2.49	-1.4
Asian and Pacific Islander . . . . .	2.4	0.50	2.7	0.58	0.3	2.2	0.76	2.5	0.89	0.3
American Indian and Alaskan Native . . . . .	3.2	0.58	2.9	0.60	-0.3	13.2	1.76	15.6	2.08	2.4
Hispanic <sup>1</sup> . . . . .	12.5	1.08	10.6	1.09	-1.9	20.9	2.11	24.6	2.47	3.7
<b>Gender</b>										
Male . . . . .	49.2	1.63	47.6	1.77	-1.6	29.6	2.37	33.0	2.69	3.4
Female . . . . .	50.8	1.63	52.4	1.77	1.6	70.4	2.37	67.0	2.69	-3.4
<b>Education (aged 25 and older)</b>										
Total Number covered by SSI . . . . .	3,352	128.88	3,555	145.90	202	1,862	96	1,852	106	-10
Less than high school . . . . .	53.8	1.63	48.0	1.77	*-5.8	76.8	2.19	76.6	2.42	-0.2
High school diploma (includes GED) . . . . .	32.2	1.53	35.5	1.70	3.3	13.7	1.79	14.0	1.99	0.3
Some college (no degree) . . . . .	6.8	0.82	8.8	1.01	2.0	3.8	0.99	4.0	1.12	0.2
Associates degree . . . . .	4.0	0.64	4.1	0.70	0.1	2.2	0.76	2.1	0.82	-0.1
Bachelor's degree or higher . . . . .	3.1	0.57	3.6	0.66	0.5	3.5	0.96	3.3	1.02	-0.2
<b>Disability (aged 15 and older)</b>										
Total number covered by SSI . . . . .	3,978	140	4,119	157	141	1,862	96	1,852	106	-10
With a disability . . . . .	91.4	0.92	90.1	1.06	-1.3	80.7	2.05	78.5	2.35	-2.2
With a work disability . . . . .	86.3	1.12	84.5	1.29	-1.8	17.4	1.97	15.4	2.07	-2.0
No work disability . . . . .	5.1	0.72	5.6	0.82	0.5	63.3	2.51	63.1	2.76	-0.2
With a severe disability . . . . .	84.0	1.20	82.3	1.36	-1.7	67.9	2.43	67.6	2.68	-0.3
With a work disability . . . . .	82.0	1.26	80.3	1.41	-1.7	17.0	1.95	14.3	2.00	-2.7
No work disability . . . . .	2.0	0.46	2.0	0.50	0.0	50.9	2.60	53.3	2.86	2.4
With a disability, not severe . . . . .	7.3	0.85	7.8	0.95	0.5	12.7	1.73	11.0	1.79	-1.7
With a work disability . . . . .	4.2	0.66	4.2	0.71	0.0	0.4	0.33	1.2	0.62	0.8
No work disability . . . . .	3.1	0.57	3.6	0.66	0.5	12.3	1.71	9.8	1.70	-2.5
No disability . . . . .	8.6	0.92	9.9	1.06	1.3	19.3	2.05	21.5	2.35	2.2
<b>Living Arrangements of People Covered by SSI</b>										
All households . . . . .	99.0	0.32	99.0	0.35	0.0	99.2	0.47	98.9	0.59	-0.2
Family households . . . . .	75.1	1.41	74.7	1.54	-0.4	56.5	2.58	55.3	2.85	-1.3
Married-couple families . . . . .	34.9	1.56	33.6	1.68	-1.3	32.9	2.44	34.2	2.72	1.3
With children under 18 . . . . .	14.2	1.14	13.7	1.22	-0.5	5.2	1.15	5.1	1.26	-0.1
No children under 18 . . . . .	20.8	1.33	19.9	1.42	-0.8	27.7	2.33	29.1	2.60	1.4
Nonmarried-couple families . . . . .	40.2	1.60	41.1	1.75	0.9	23.7	2.21	21.1	2.34	-2.6
With children under 18 . . . . .	19.9	1.31	20.5	1.44	0.6	1.7	0.67	1.1	0.59	-0.6
No children under 18 . . . . .	20.3	1.31	20.6	1.44	0.3	22.0	2.15	20.0	2.29	-2.0
Nonfamily households . . . . .	23.9	1.39	24.3	1.52	0.4	42.6	2.57	43.7	2.84	1.1
Male households . . . . .	10.3	0.99	11.0	1.11	0.7	7.4	1.36	9.2	1.66	1.8
Female households . . . . .	13.6	1.12	13.3	1.21	-0.3	35.2	2.48	34.4	2.72	-0.8
Noninstitutional group quarters . . . . .	1.0	0.32	1.0	0.35	0.0	0.8	0.47	1.1	0.59	0.2
<b>Size of Household</b>										
One person . . . . .	18.7	1.27	19.4	1.40	0.7	38.6	2.53	41.1	2.82	2.5
Two people . . . . .	22.4	1.36	23.7	1.51	1.3	33.4	2.45	31.3	2.66	-2.1
Three people . . . . .	18.7	1.27	19.6	1.41	0.9	10.6	1.60	10.5	1.76	-0.1
Four people . . . . .	17.7	1.25	15.5	1.29	-2.2	6.0	1.23	5.9	1.35	-0.1
Five people . . . . .	10.8	1.01	10.3	1.08	-0.5	4.3	1.05	3.4	1.04	-0.9
Six people . . . . .	5.7	0.76	5.7	0.82	0.0	4.2	1.04	4.0	1.12	-0.2
Seven or more people . . . . .	6.0	0.78	5.8	0.83	-0.2	2.9	0.87	3.8	1.09	0.9
<b>Employment Status (aged 15 and older)</b>										
Total number covered by SSI . . . . .	3,978	140	4,119	157	141	1,862	96	1,852	106	-10
Worker . . . . .	14.4	1.15	14.9	1.26	0.5	3.4	0.94	2.6	0.91	-0.8
Nonworker . . . . .	85.6	1.15	85.1	1.26	-0.5	96.7	0.94	97.4	0.91	0.8
<b>Coverage by Other Government Programs</b>										
TANF <sup>3</sup> . . . . .	16.5	1.21	11.2	1.12	*-5.3	3.1	0.90	3.0	0.98	-0.1
Food stamps . . . . .	45.3	1.63	43.9	1.76	-1.4	43.4	2.58	39.4	2.80	-4.0
Medicaid . . . . .	91.7	0.90	90.8	1.03	-0.9	96.9	0.90	97.0	0.98	0.1
Other . . . . .	56.2	1.62	53.1	1.77	-3.1	87.7	1.71	86.0	1.99	-1.7

\* Denotes a statistical significant difference between July 1997 and July 1999.

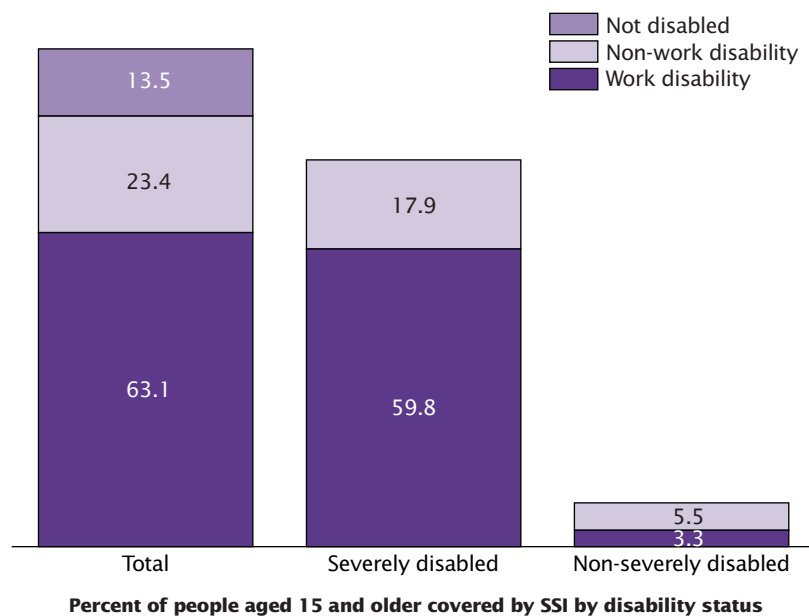
<sup>1</sup>Because Hispanics may be of any race, data in this report for Hispanics overlap with data for the Black population, the Asian and Pacific Islander population and the American Indian and Alaska Native population. Based on the 1996 SIPP Panel Wave 11 for July 1999, 4.1 percent of the Black population 15 years and older; 3.5 percent of the Asian and Pacific Islander population aged 15 and older; and 17.4 percent of the American Indian and Alaskan Native population aged 15 and older were of Hispanic origin.

<sup>2</sup>Categories are not mutually exclusive.

<sup>3</sup>TANF = Temporary Assistance to Needy Families.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 Panel.

Figure 3.  
**Disability Status of People Covered by Supplemental Security Income, by Type of Disability: July 1999**



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 Panel.

children. Those living with other people were as likely to live with only one other person or in a household comprised of 3 or more people (31.3 percent compared with 27.6 percent).

**Most people covered by SSI are disabled.<sup>8</sup>**

Since SSI includes a means-tested disability program, SSA determines the disability status of nonelderly applicants for the purposes of program eligibility. Data collected by the SIPP are self-reported and may differ from SSA's definition. Therefore, it is entirely possible for someone to be disabled according to the SIPP and not be eligible for SSI benefits according to the SSA. It

<sup>8</sup> Information on detailed disability and functional limitations are available on the SIPP for people aged 15 and older. Therefore, this section focuses on a universe of people covered by SSI payments aged 15 and older at the time of interview.

**DEFINITIONS OF DISABILITY STATUS\***

Individuals aged 15 and older were identified as being disabled if they met any of the following criteria:

1. Used a wheelchair, cane, crutches, or a walker.
2. Had difficulty performing at least one of the following activities or functions: *seeing, hearing, speaking, lifting or carrying, using stairs, walking, or grasping small objects.*
3. Had difficulty with *activities of daily living* such as, getting around the house, getting in or out of bed or a chair, bathing, dressing, eating, and using the toilet.
4. Had difficulty with one or more *instrumental activities of daily living*: going outside, keeping track of money and bills, preparing meals, doing light housework, taking prescription medicine in

the right amount at the right time, and using the telephone.

5. Had one or more of the following conditions: learning disability, mental retardation, Alzheimer's disease, or some other type of mental or emotional condition; or had any other mental or emotional condition that interfered with everyday activities.
6. Had a condition that limited the ability to work around the house.
7. Had a condition that made it difficult to work or prevented work at a job or business.

Once an individual was deemed disabled, by the criterion above, they were then classified as severely or nonseverely disabled. People were classified as severely disabled if they met the criteria in 1; or had Alzheimer's disease, mental retardation, or another developmental disability; or were unable to perform or needed help to perform the functions in 2-6. Individuals were classified as work disabled if they met the condition in 7.

\* This section is based on the definitions of disability status and functional limitations presented in McNeil, Jack 1997. "Americans With Disabilities." P70-73, *Current Population Reports, Household Economic Studies*. U.S. Census Bureau.

**SOCIAL SECURITY  
ADMINISTRATION  
REGIONS**

*Boston Region*

Connecticut, Maine, New Hampshire, Vermont, Massachusetts, Rhode Island

*New York Region*

New York and New Jersey

*Philadelphia Region*

Delaware, District of Columbia, Maryland, Pennsylvania, West Virginia, Virginia

*Atlanta Region*

Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee

*Chicago Region*

Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin

*Kansas City Region*

Iowa, Kansas, Missouri, Nebraska

*Dallas Region*

Arkansas, Louisiana, New Mexico, Oklahoma, Texas

*Denver Region*

Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming

*San Francisco Region*

Arizona, California, Hawaii, Nevada

*Seattle Region*

Alaska, Idaho, Oregon, Washington

Table 3.  
**Mean Monthly SSI Payment to Recipients and SSI as a Share of Total Personal Income, United States, and by Social Security Administration Region: July 1997 and July 1999**

(All people aged 15 and older receiving SSI payments. In 1999 dollars)

Region	July 1997		July 1999	
	Mean	Mean share of income	Mean	Mean share of income
<b>United States</b> .....	<b>386</b>	<b>63.3</b>	<b>386</b>	<b>63.4</b>
<b>SSA Region</b>				
Boston .....	357	51.3	387	55.1
New York .....	424	67.3	414	70.4
Philadelphia .....	392	69.4	399	68.6
Atlanta .....	329	59.1	330	61.3
Chicago .....	406	65.7	419	66.1
Kansas City .....	380	68.2	340	61.4
Dallas .....	334	62.7	331	63.2
San Francisco .....	432	64.5	413	59.8
Denver .....	346	59.3	430	60.1
Seattle .....	641	65.5	611	64.1

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 Panel.

is also entirely possible that a person is reported as being covered by SSI benefits in the SIPP, but is not reported as being disabled. Since the SIPP data in this report combine core and topical module data, which are independently edited, it is possible that imputation for missing responses also creates what appear to be conflicting answers. It is also possible that errors are made by a respondent misreporting their disability status or SSI coverage.

Figure 3 shows that in July 1999, 86.5 percent of people aged 15 and older, covered by SSI, reported a disability of some type, most of which (63.1 percent) were work-preventing disabilities. Of people covered by SSI who were aged 15 and older, 77.7 percent reported a severe disability; a majority of these cases (59.8 percent) were work preventing. People reporting a nonsevere disability accounted for only 8.8 percent of the SSI population and only 3.3 percent reported work-preventing ailments.

The interaction between a person's age and disability status is also

interesting to consider. Since SSI provides low-income support to people aged 65 and older, they do not need to meet SSA's criteria for disability. It is not surprising to see the data in Table 2 show that in July 1999, a higher percentage of people covered by SSI between the ages of 15 and 64 (90.1 percent, or 3.7 million) reported a disability than did people aged 65 and older (78.5 percent or 1.5 million). This observed difference is reversed in the total population (15.4 percent and 52.3 percent.)

When one considers a work-preventing disability, the difference in reporting is also present. Among those covered by SSI between the ages of 15 and 64, 84.5 percent (3.5 million) reported a work-preventing disability, compared with only 15.4 percent (0.3 million) of the over 65 age group. This large discrepancy may reflect the propensity for people to develop debilitating conditions as they age. Since people aged 65 and older are above the required age for normal retirement benefits, reporting a



Table 4.  
**Selected Economic Measures for SSI and Non-SSI Recipients: July 1997 and July 1999**

(People aged 15 and older. Numbers in thousands. In 1999 dollars)

Characteristics	July 1997				July 1999			
	Non-SSI recipients		SSI recipients		Non-SSI recipients		SSI recipients	
	Estimate	Standard error	Estimate	Standard error	Estimate	Standard error	Estimate	Standard error
<b>Number of people</b> .....	<b>200,320</b>	<b>556</b>	<b>6,364</b>	<b>176</b>	<b>205,223</b>	<b>613</b>	<b>6,400</b>	<b>194</b>
Mean monthly income total .....	\$1,939	23	\$734	30	\$2,098	26	\$784	38
<b>Percent of Population by Selected Income Limits</b>								
Bottom fifth .....	20.5	0.23	4.5	0.58	20.5	0.25	5.1	0.68
Second fifth .....	18.2	0.22	78.1	1.16	18.2	0.24	78.2	1.27
Middle fifth .....	20.3	0.23	12.0	0.91	20.3	0.25	10.3	0.94
Fourth fifth .....	20.5	0.23	3.9	1.37	20.5	0.25	4.6	0.65
Top fifth .....	20.6	0.23	1.5	1.00	20.6	0.25	1.8	0.41

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 Panel.

disability as being work preventing is not required to become eligible for SSI benefits.

**Several states supplement SSI payments from the federal government.<sup>9</sup>**

While, the SSI program is administered at the federal level, states are able to supplement payments made to low-income individuals. Because of state supplements and regional economic differences, average payments to individuals vary by region. There are 49 states that provide supplements to the federal benefit. In 11 of the states the supplement is federally administered; 5 states administer the supplement jointly with the federal government; and 29 programs are state administered.<sup>10</sup>

There are ten SSA regions with regional offices operating in Boston,

New York, Philadelphia, Atlanta, Chicago, Kansas City, Dallas, San Francisco, and Seattle (see text box for region definitions). Each regional office is designed to support the SSA's programs in their region including SSI benefits.

Table 3 displays the average monthly payment to individuals by SSA region.<sup>11</sup> The average SSI payment averaged \$386 in July 1999. Despite what might be viewed as rather significant differences across regions, particularly the Seattle Region, there was only one statistically significant difference between regional averages and the national SSI payment in July 1999; the Atlanta region had an average payment of \$330.

**SSI recipients are clustered in the lower end of the income distribution.<sup>12</sup>**

SSI is the primary low-income government program for people aged

65 and older and for people with a severe disability. The average income among SSI recipients in July 1999 was \$784 monthly (see Table 4), compared with an average of \$2,098 for people who did not receive SSI. The importance of SSI payments made to low-income people is shown by the fact the average share of a recipient's income that came from SSI income was 63.4 percent (see Table 3).

Given their limited ability to work and reliance on government transfers, SSI recipients typically had incomes that did not exceed the lowest portions of the income distribution. Ranking an individual within the overall income distribution is one way to examine their relative economic well being. Generally, the higher the ranking above the median means the individual is relatively well off, while a ranking below the median may mean the individual is relatively disadvantaged.

In Table 4, individuals are ranked by the fifth of the income distribution they occupy, such that each group has an equal number of people. Those residing in the bottom fifth have the lowest incomes, while

<sup>9</sup> In the SIPP, only individuals who report receiving SSI benefits have a positive dollar amount for SSI payments. Dollar amounts are not assigned to those covered by the benefits. Therefore, the results reporting dollar amounts are for recipients who are aged 15 and older.

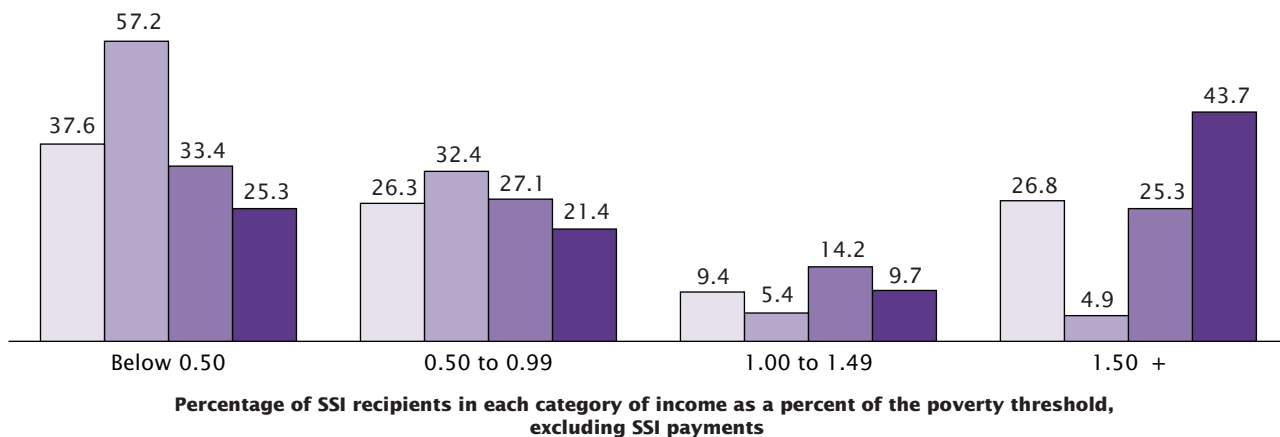
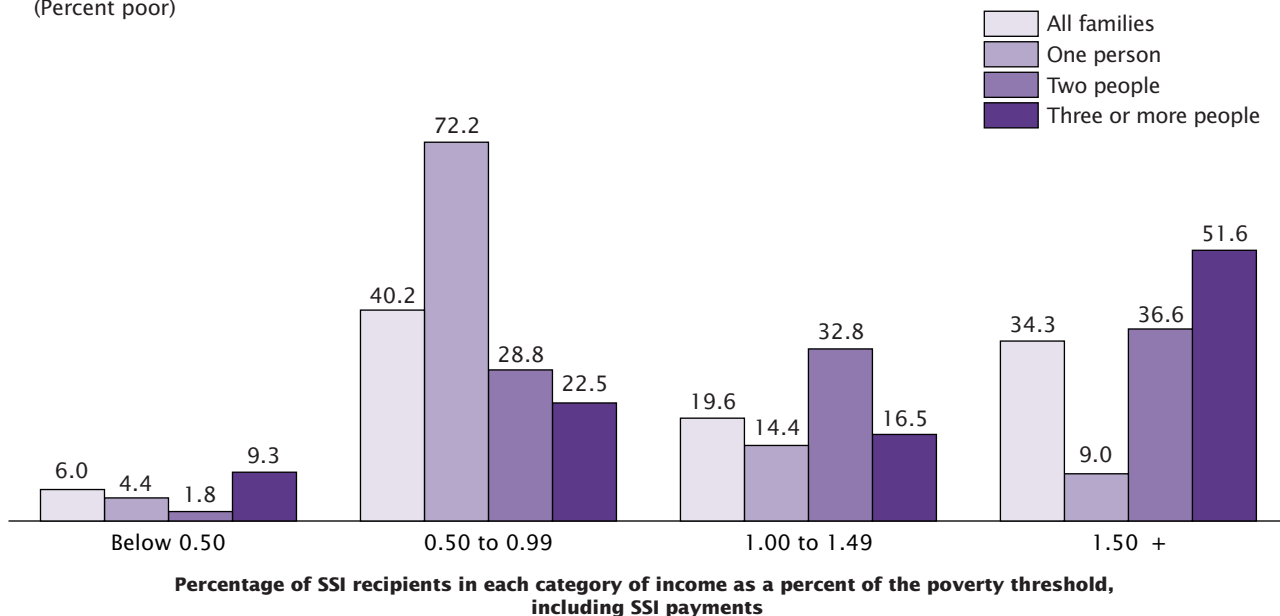
<sup>10</sup> For a detailed list of state programs and supplements see *Annual Report of the Supplemental Security Income Program*, Table III.H1, May 2002. (available at [www.ssa.gov/OACT/SSIR/SSI02/index.html](http://www.ssa.gov/OACT/SSIR/SSI02/index.html)).

<sup>11</sup> The SIPP sample size is too small to examine state-to-state differences.

<sup>12</sup> This section contains income data for the amount of SSI received. The universe for these data are all people reporting to have received SSI payments aged 15 and older; these people are not necessarily covered by SSI and may be receiving payments on someone else's behalf.

Figure 4.  
**Poverty Status of People Covered by Supplemental Security Income  
 by Family Size: July 1999**

(Percent poor)



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 Panel.

those in the top fifth have the highest incomes. The SSI population is poor and overwhelmingly clustered in the lowest two-fifths of the income distribution, rather than being equally distributed by fifth.

In July 1999, most (78.2 percent, or 5.0 million) SSI recipients aged 15 and older had incomes that fell into

the second fifth of the income distribution (which means they received between \$276 and \$1,000 in monthly income, including SSI payments). Of the remaining SSI recipients, 5.1 percent (0.3 million) fell into the lowest fifth, 10.3 percent (0.7 million) had incomes that placed them in the middle fifth of the distribution, and the remaining

6.4 percent (0.4 million) reported total income that placed them in the top two-fifths of the distribution.

**SSI payments can help reduce overall poverty and boost incomes of the very poor.**

The poverty threshold is another, more commonly used, way to measure well being. The poverty

threshold is a dollar amount, adjusted for family size and composition, which is considered the minimum income a family requires to meet its basic needs. In Figure 4, the total family income for families with individuals receiving SSI in July 1999 is divided by the family's poverty threshold. Four categories are displayed, individuals in families where income is less than half the poverty threshold (Below 50 percent), half to less than 100 percent (50 to 99 percent), 100 percent to less than 150 percent (100 to 149 percent), and 150 percent or more. The first two categories display individuals in poverty, while the last two display those out of poverty. The data in the top panel of Figure 4 shows total family income, including SSI benefit payments, as a percentage of the poverty threshold by family size for all SSI recipients in July 1999.

Among people living alone, 4.4 percent (0.1 million) have incomes that are less than 50 percent of the designated poverty threshold, while 72.2 percent (1.6 million) had incomes that were between 50 and 99 percent of the threshold, but still below the poverty line. Few of these individuals lived in families that had incomes that exceeded the poverty threshold (23.4 percent, or 0.5 million).

Among SSI recipients who lived in a family consisting of at least three people, 31.8 percent (0.9 million) lived below the poverty threshold, while the remaining 68.2 percent (2.0 million) were not considered poor. In fact, 51.6 percent (1.5 million) of these people resided in families where total income was at least 150 percent of the poverty threshold.

Figure 4 shows that without SSI payments, 89.6 percent (1.9 million) of people living alone, who received benefits in July 1999,

would be below the poverty line; most of these people (57.2 percent or 1.2 million) had family incomes that were less than 50 percent of the poverty threshold. Of families with at least three people, 46.7 percent (1.4 million) would fall below the poverty threshold.

### **Welfare reform left SSI as the nation's only means-tested cash entitlement program and also tightened eligibility requirements for child cases.**

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 altered the nation's primary cash transfer program to families with dependent children—Aid to Families with Dependent Children (AFDC). It replaced that program with one that requires states to provide for low-income families with their own programs. These programs are federally funded under the Temporary Assistance to Needy Families (TANF) block grant.

In addition, the federal government required that states establish new rules to govern welfare payments, such as strict time limits and work requirements for those receiving TANF benefits. The new welfare reform law also affected a number of other government programs, including SSI. Although the SSI program is not well suited to limiting benefits, the legislation did change some eligibility criteria.

First, it tightened eligibility requirements for children receiving SSI and required a reevaluation of child SSI cases. In November and December 1996, the SSI sent notices to roughly 264,000 children to inform them that their eligibility was subject to redetermination.<sup>13</sup> PRWORA also

<sup>13</sup> Davies, Paul, Howard Iams, and Kalmon Rupp. 2000. "The Effect of Welfare Reform on SSA's Disability Programs: Design of Policy Evaluation and Early Evidence." *Social Security Bulletin*. Vol. 63. No. 1.

rescinded eligibility for immigrants and noncitizens, but the Balanced Budget Act of 1997 restored benefits to noncitizens who received payments prior to August 1996 (the month the legislation was signed).

Welfare reform also affected people covered by SSI who resided in TANF households. Although SSI recipients are automatically ineligible to receive TANF benefits, they can still benefit from payments if they live in a TANF household.

The data in Table 1 showing people covered by other government programs show SSI recipients who lived in covered households. As state welfare caseloads declined, so did the percentage of people covered by SSI in TANF households. In July 1997, 12.7 percent (0.8 million) of people covered by SSI lived in a household where at least one person was covered by TANF benefits; in July 1999, this figure dropped to 8.9 percent (0.6 million).

The average monthly income of SSI recipients living in TANF households in July 1999 was \$1,057, while those in households without TANF payments had an average income of \$759. Because SSI benefits are reduced dollar for dollar in excess of the first \$20 of income, those without TANF benefits or those who might have lost their eligibility can recoup at least part of this loss in additional SSI payments. The average SSI payment in July 1999 was \$509 for individuals in households that received TANF and \$374 for those who did not receive it. The apparent difference is not statistically significant.

### **Source and Accuracy**

Statistics from surveys are subject to sampling and nonsampling error. All comparisons presented in this report have taken sampling error into account and meet the

U.S. Census Bureau's standards for statistical significance. Nonsampling errors in surveys may be attributed to a variety of sources, such as how the survey was designed, how much nonresponse occurs, how respondents interpret questions, how able and willing respondents are to provide correct answers, and how accurately the answers are coded and classified. The Census Bureau employs quality control procedures throughout the production process, including the overall design of surveys, the wording of questions, review of the work of interviewers and coders, and statistical review of reports.

The Survey of Income and Program Participation (SIPP) employs ratio estimation, whereby estimates are adjusted to independent measures of the national population by age, race, sex, and Hispanic origin. This weighting partially corrects for bias due to undercoverage, but how it affects different variables in the survey is not precisely known. Moreover, biases may also be present when people who are missed in the survey differ from those interviewed in ways other than the categories used in weighting (age, race, sex, and Hispanic origin). All of these considerations affect comparisons across different surveys or data sources.

For further information on statistical standards and the computation and use of standard errors, contact Mahdi Sundukchi at 301-763-4192.

## Appendix

The data in this report have for the most part focussed on the SSI population. The data are from the SIPP 1996 panel and are estimates of the percentage and number of people who received SSI payments. The Social Security Administration maintains files of all people to

Appendix Table 1.  
**Number of People Receiving SSI Payments by Age: SIPP Estimate Versus SSA: 1996 to 1999**

(All people. Numbers in thousands)

Characteristic by year (December)	Social Security Administration (number)	SIPP Estimate (number)	SIPP as a percent of SSA records (percent)
<b>1996</b>			
<b>Total.....</b>	<b>6,614</b>	<b>6,489</b>	<b>98.1</b>
<b>Age</b>			
Under 18.....	955	1,005	105.2
18 to 64.....	3,568	3,654	102.4
65 and older.....	2,090	1,830	87.6
<b>1997</b>			
<b>Total.....</b>	<b>6,495</b>	<b>6,826</b>	<b>105.1</b>
<b>Age</b>			
Under 18.....	880	956	108.7
18 to 64.....	3,562	3,888	109.2
65 and older.....	2,054	1,982	96.5
<b>1998</b>			
<b>Total.....</b>	<b>6,566</b>	<b>6,534</b>	<b>99.5</b>
<b>Age</b>			
Under 18.....	887	896	101.0
18 to 64.....	3,646	3,789	103.9
65 and older.....	2,033	1,849	90.9
<b>1999</b>			
<b>Total.....</b>	<b>6,557</b>	<b>6,653</b>	<b>101.5</b>
<b>Age</b>			
Under 18.....	847	802	94.7
18 to 64.....	3,691	3,972	107.6
65 and older.....	2,019	1,879	93.1

Source: U.S. Census Bureau, Survey of Income and Program Participation 1996 Panel and Social Security Administration, Social Security Bulletin Statistical Supplement Table 2.A1.

whom SSI benefits are paid, and these records are tabulated and published each year as part of the *Annual Statistical Supplement*. The data presented in the supplement are as of December and show the number of persons receiving federally administered SSI payments.

Appendix Table 1 contains a summary of the data from the *Annual Statistical Supplement*, as well as the corresponding SIPP estimates of SSI receipt. The data, in both cases, are for December of the year noted and represent the entire number of SSI recipients, including institutionalized recipients. Since the SIPP does not ask about reciprocity for people under the age of

15, the SSI coverage variable is used in lieu of reciprocity.

While the results in Appendix Table 1 are meant as a rough guide, or benchmark, for the SIPP estimates, they do prove insightful. Survey data, such as those presented in this report, are subject to numerous sources of error. These errors include sampling error, item nonresponse, and respondent classification error. Despite these sources of error the results suggest that the SIPP does a reasonably good job, in aggregate, of estimating actual SSI program participation.

The results are in contrast to research conducted matching

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administrative records from the SSA's Master Benefits Records to the SIPP. Research conducted on match files suggests that the SIPP data underestimate the number of SSI recipients in the 1993 and 1996 panels.<sup>14</sup> The research suggests that the differential is somewhere between 8.2 and 19.6 percent. The evidence presented in this appendix does not, nor could

it, refute these findings. What the results presented here can do is present a benchmark on how well overall the SIPP accounts for SSI program participation at the national level.

Column 1 of Appendix Table 1 contains the SSA's count of SSI recipients; column 2 contains the SIPP estimates for SSI coverage; and column 3 presents the SIPP estimate as a percent of the SSA records; another way to consider these figures are as coverage ratios expressed as percentages. The data are presented for each year between 1996 and 1999 for

all ages, under 18, between 18 and 64, and the 65 and older population.

The coverage ratio (expressed as a percentage) in column 3 for July 1999 is 101.5, suggesting that the SIPP estimates are 1.5 percent higher than the SSA figure. In the case of children under the age of 18, the ratio suggests that SIPP underestimates SSI coverage—the ratio of the SIPP estimate to actual cases for those under 18 is 94.7. The coverage ratio for people between the ages of 18 and 64 is 107.6 and 93.1 for people aged 65 and older.

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