Evaluating Growth in the Supplemental Security Income Program for Disabled Children

Like the Social Security Disability Insurance (SSDI) program and the Supplemental Security Disability program for adults, the Supplemental Security Income (SSI) program for disabled children has grown rapidly over time. At the start of the program in 1974 about 71,000 children received SSI benefits for a disability, and program expenditures totalled around $40 million (Figure 1). By 2011 the program was orders of magnitude larger, delivering benefits to about 1.3 million children at a cost of $9.3 billion.

While these unadjusted increases in the SSI child disability program grab attention, policymakers need to know how the program has grown relative to the population potentially eligible to receive benefits. It turns out that computing this type of statistic is complicated. Supplemental Security Income is a means-tested program. As such, beneficiaries must meet two criteria: the Social Security Administration disability criteria *and* the federal SSI means test, showing that their household income and wealth is below a prescribed minimum.

The means-test component of the program implies that not all children under age 18 will be eligible for program benefits even if they experience a disability. Indeed, only those children with disabilities whose families meet the income and asset tests will qualify.

Unfortunately, SSI means-test rules are complicated, and there are no publicly available data that provide reliable information on the number of children living in households who would meet the SSI means test. As such, researchers must estimate the number of "income and asset eligible" children who, if disabled, would be able to receive SSI-disabled children benefits.

We make several such estimates of the eligible population and provide the results in Figure 2. As a benchmark we begin by plotting the evolution of SSI disabled child caseloads as a fraction of all children under 18—the age range for eligibility (blue line). The remaining lines in the figure show how caseloads have evolved over time using alternative measures of the income eligible child population.

Our estimates of the income eligible population are based on multiples of the U.S. Census Bureau poverty line for a family of three, which was $18,106 in 2011. The topmost line in the figure shows SSI child disability caseloads as a fraction of all children below the U.S. Census Bureau poverty line in each year. Since the SSI means test is not as strict as the U.S. poverty line, the figure also shows the levels and trends in SSI child disability caseloads as a fraction of children living in households below 125%, 150%, and 200% of the U.S. poverty line.

Not surprisingly the figure shows that the estimate of the percentage of eligible children receiving SSI child disability benefits in any given year varies with the estimates of the population that is income eligible. It is lowest for the most generous view of the size of the eligible population (the 200% of the poverty line) and it is highest for the most conservative view of the eligible population (100% of the poverty line).

However, the figure also highlights that, no matter which income eligibility estimate is used, SSI child disability caseloads as a fraction of income eligible children have risen significantly over time. The program grew rapidly after inception, followed by a period of relatively slow growth through most of the 1980s. In 1990, the SSI disabled children benefit population jumped following the Supreme Court decision that expanded eligibility, and continued to rise until 1996, when caseloads per thousand children fell slightly before trending upward again.[1] This pattern holds across all the measures of income eligibility.

Overall, the data on SSI caseloads adjusted for income eligibility point to a rapid rise in SSI recipiency among eligible children.

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* The views expressed above are those of the authors and should not be considered those of the Federal Reserve Bank of San Francisco or of the Board of Governors of the Federal Reserve System.

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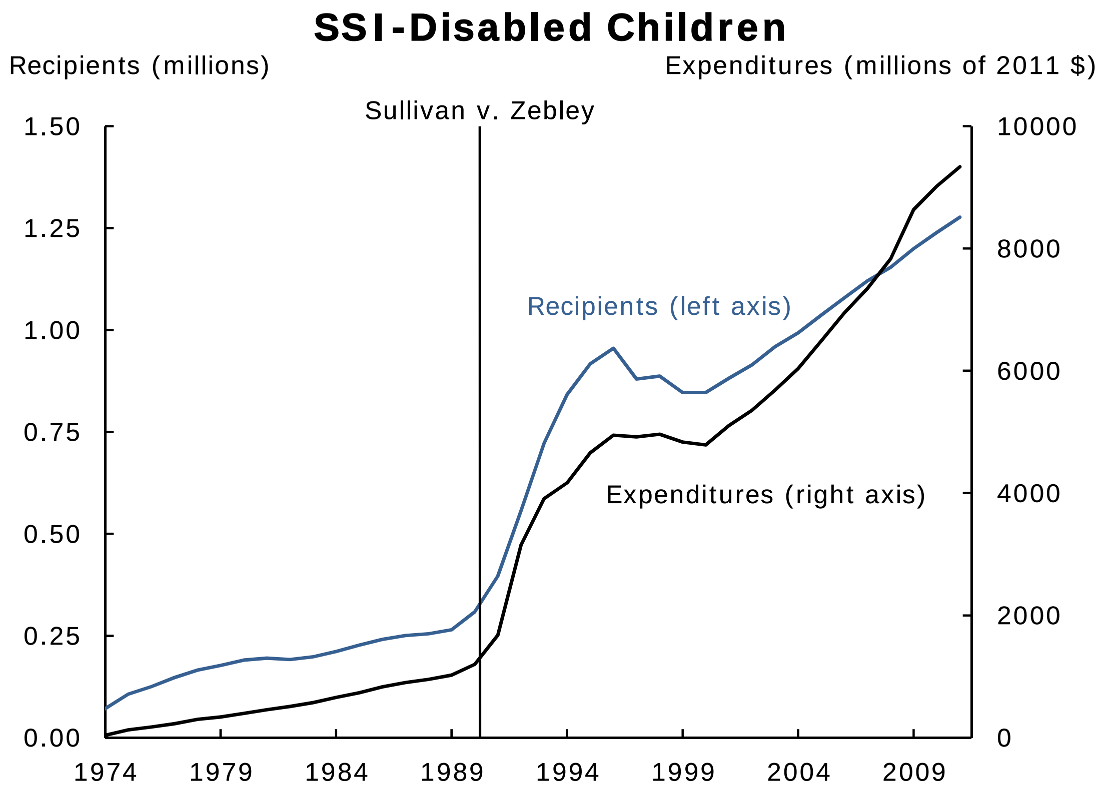
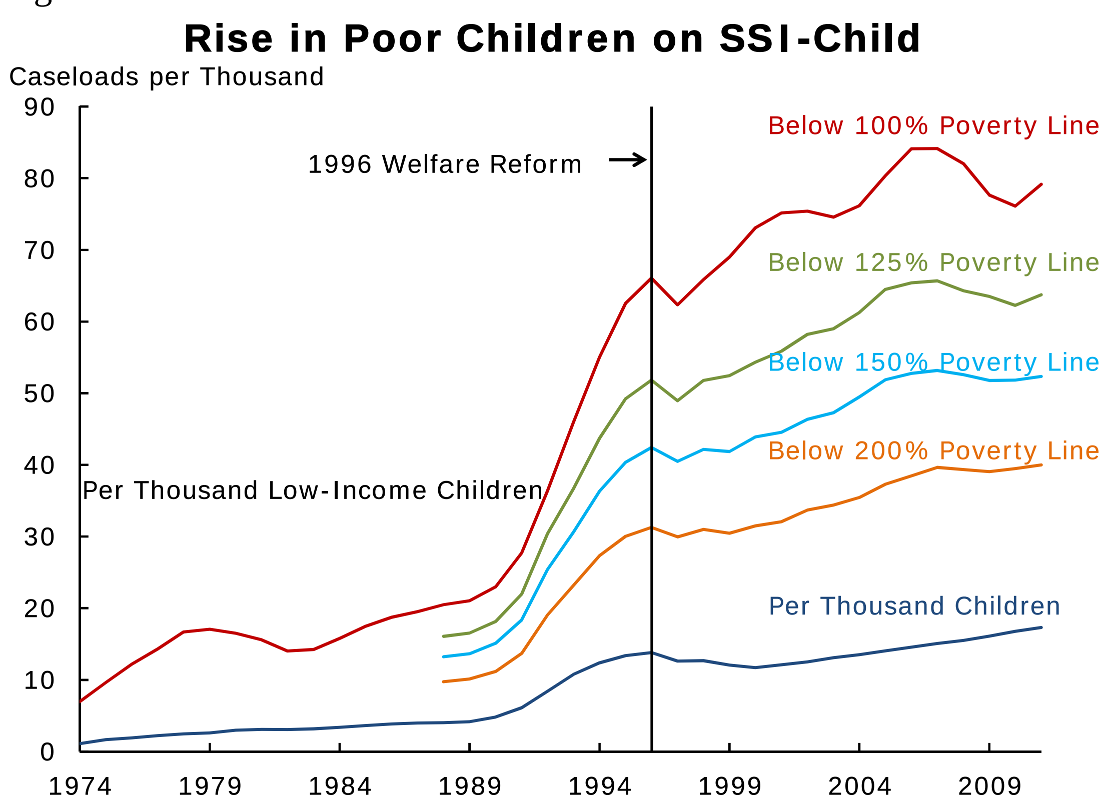
[1] The Supreme Court decision in the case of *Sullivan v Zebley* (1990) greatly expanded the disability eligibility criteria for children, resulting in substantial subsequent growth in caseloads. See Burkhauser and Daly (2011) and Daly and Burkhauser (2003) for a detailed treatment of the rolls and eligibility criteria.

Figure 1



Sources: Annual Report of the SSI Program and SSI Annual Statistical Report

Figure 2



Sources: SSI Annual Statistical Report and Census Bureau

References

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