
Notes and Brief Reports

Social Security Beneficiaries Receiving SSI Payments*

The supplemental security income (SSI) program initiated in 1974 was designed as a two-pronged attack on the income needs of the low-income aged, blind, and disabled population. One purpose was to provide a monthly cash supplement to the aged, blind, and disabled receiving old-age, survivors, and disability insurance (OASDI) benefits. The other was to serve as the primary income source for aged, blind, and disabled persons not receiving OASDI benefits or other significant unearned income. This note reviews the SSI role 5 years later and focuses on those OASDI beneficiaries who are also receiving an SSI payment.

Benefit Amounts

As of September 1978, the month the data were collected, an individual eligible for SSI payments who was living in his own household and was without income countable for program purposes could receive a Federal SSI payment of \$189.40 monthly.¹ An adult living in another's household generally was eligible for two-thirds of this amount, or \$126.27. A married couple living in their own household was eligible to receive 150 percent of the nonmarried person's payment, or \$284.10.

In determining the amount of the SSI payment, the first \$20 of an individual's or a couple's monthly earned or unearned income is disregarded. Unearned income (including social security benefits) above \$20 reduces the amount of the SSI payment dollar for dollar. A nonmarried OASDI beneficiary accordingly could receive a partial SSI payment if his OASDI benefit did not exceed \$209.40 or \$146.27, respectively, depending on whether he was living in his own or in another's household. The analogous amounts were \$304.10 and \$209.40 for a married couple. These amounts are higher in States that provide State supplements to the Federal payment.

Benefits under OASDI represent the primary source of

* Prepared by Herman Grundmann, Division of Supplemental Security Studies, Office of Research and Statistics, Office of Policy, Social Security Administration. The beneficiary data file was prepared by Garrett Kowaluk.

¹ Effective for July 1979, under the automatic adjustment provision of the Social Security Act, the Federal SSI payment was raised to \$208.20 for an individual and to \$312.30 for a couple. For the adult living in another's household, the payment became \$138.80.

income for persons and couples aged 65 and older and also for nonmarried men and women receiving disabled-worker benefits. (Earnings are the predominant income source for married couples in which at least one partner is disabled and under age 65.)²

The amount of the OASDI benefit directly influences SSI eligibility through the SSI income limitation. Because individuals and couples with a high OASDI benefit are precluded from receiving SSI payments, categories of aged and disabled OASDI beneficiaries with high average benefit amounts may be expected to include comparatively smaller proportions of persons with a benefit amount low enough for SSI eligibility.

The average OASDI benefit amount for the various categories should therefore show an inverse relationship to the proportion of beneficiaries receiving SSI payments after taking into account the effects of marital status. The benefit amount is a more accurate measure of OASDI income than the primary insurance amount (PIA), the basic computational element from which the benefit is derived.³ Monthly benefits for dependents and survivors are a specified proportion of the PIA. Unlike the PIA, the monthly benefit amount reflects benefit reductions for early retirement and under the family maximum provision, as well as benefit increments derived from dual entitlement and delayed retirement.

The expected inverse relationship between the average benefit amount and the proportion of SSI recipients is weakened to the extent that some of the benefits may have been reduced as a result of the retirement test. Any such reduction reflects increased rather than reduced total income from benefits and earnings combined because the OASDI benefit is reduced less than proportionately against the beneficiary's earnings. The monthly data used here, however, include only benefits in current-payment status; the effect of the earnings test is restricted to the relatively few beneficiaries who received a partial payment for the month in question—September 1978.

² Susan Grad, *Income of the Population Aged 60 and Older, 1971*, Staff Paper No. 26, 1977, table 10, Social Security Administration, Office of Policy, Office of Research and Statistics; Mary Ellen Burdette and Philip Frohlich, *The Effect of Disability in Unit Income* (1972 Survey of Disabled and Nondisabled Adults, Report No. 9), 1977, table 11, Social Security Administration, Office of Policy, Office of Research and Statistics.

³ The primary insurance amount is the amount related to the worker's average earnings that is payable to a retired worker at age 65 or to a disabled worker and used as the base for all benefits payable on the worker's record.

Table 1.—Number and percent of OASDI beneficiaries in concurrent receipt of federally administered SSI payments, by type of beneficiary, September 1978

Type of beneficiary	All OASDI beneficiaries	OASDI beneficiaries with SSI payment					
		Number			Percent of total		
		Total	Aged	Blind and disabled	Total	Aged	Blind and disabled
Total	34,242,318	2,157,269	1,374,887	782,382	6.3	4.0	2.3
Retired workers and dependents ¹	21,812,476	1,320,962	1,062,603	253,359	6.1	4.9	1.2
Retired workers aged 65 and over	16,289,068	1,091,808	950,138	141,670	6.7	5.8	.9
Men	8,916,921	478,097	409,786	68,311	5.4	4.6	.8
Women	7,372,147	613,711	540,352	73,359	8.3	7.3	1.0
Wives and husbands aged 65 and over	2,337,041	132,256	112,343	19,913	5.7	4.8	.9
Disabled adult children	132,709	58,140	122	58,018	43.8	.1	43.7
Retired workers aged 62-64	1,901,529	22,140	.....	22,140	1.2	.....	1.2
Men	939,171	11,043	.....	11,043	1.2	.....	1.2
Women	962,358	11,097	.....	11,097	1.2	.....	1.2
Wives and husbands aged 62-64	433,408	9,855	.....	9,855	2.3	.....	2.3
Children under age 18 and students aged 18-21	518,946	2,555	.....	2,555	.5	.....	.5
Wives with children	199,775	4,208	.....	4,208	2.1	.....	2.1
Disabled workers and dependents	4,872,114	337,815	2,046	335,769	6.9	(?)	6.9
Disabled workers under age 65	2,874,756	301,593	.....	301,593	10.5	.....	10.5
Men	1,949,982	151,857	.....	151,857	7.8	.....	7.8
Women	924,774	149,736	.....	149,736	16.2	.....	16.2
Wives and husbands aged 65 and over	36,670	3,320	2,046	1,274	9.1	5.6	3.5
Disabled adult children	31,145	16,862	.....	16,862	54.1	.....	54.1
Wives and husbands aged 62-64	41,769	1,314	.....	1,314	3.1	.....	3.1
Children under age 18 and students aged 18-21	1,471,996	8,677	.....	8,677	.6	.....	.6
Wives with children	415,778	6,049	.....	6,049	1.5	.....	1.5
Survivors of deceased workers	7,557,728	498,492	310,238	188,254	6.6	4.1	2.5
Widows and widowers aged 65 and over	3,513,656	348,902	306,649	42,253	9.9	8.7	1.2
Disabled:							
Widows	128,684	37,892	.....	37,892	29.4	.....	29.4
Adult children	251,637	73,891	1,552	72,339	29.4	.6	28.7
Parents aged:							
65 and over	17,083	2,127	2,037	90	12.5	11.9	.5
62-64	351	23	.....	23	6.6	.....	6.6
Nondisabled widows and widowers aged 60-64	542,245	21,284	.....	21,284	3.9	.....	3.9
Children under age 18 and students aged 18-21	2,531,164	6,856	.....	6,856	.3	.....	.3
Widowed mothers and fathers	572,908	7,517	.....	7,517	1.3	.....	1.3

¹ Excludes 139,445 special age-72 beneficiaries.

² Less than 0.05 percent.

OASDI and SSI Eligibility Categories

In September 1978, 34.2 million persons were receiving a monthly OASDI benefit. Of these, 2.2 million (6.3 percent) were also receiving an SSI payment; they accounted for 52 percent of the total number of beneficiaries with federally administered SSI payments. Eleven percent of all SSI recipients were not eligible for a Federal SSI payment and were receiving a State supplement only. Among concurrent beneficiary recipients, 19 percent had only a State supplementation payment.

The proportions receiving SSI payments were 6.1 percent of the retired-worker beneficiaries and their dependents, 6.9 percent of the disabled-worker beneficiaries and their dependents, and 6.6 percent of the survivor beneficiaries. These similar rates of receipt, however, mask important variations within the subgroups of OASDI beneficiaries that can be accounted for largely in terms of differing OASDI and SSI eligibility requirements (table 1).

Eligibility for an SSI payment is always conditional on attainment of age 65, blindness, or disability as the primary

criterion. Fully one-fourth of the 34.2 million social security beneficiaries, however, were receiving their OASDI payments based on eligibility categories not available under the SSI program.

Variations in the proportions of social security beneficiaries who are also SSI recipients are discussed below for each of three broad groups designed to highlight both common and disparate elements among OASDI and SSI eligibility criteria. These groups and the overall proportion of SSI recipients within each are as follows: (1) Beneficiaries aged 65 and older—7.1 percent, (2) beneficiaries with entitlement based on disability—14.3 percent, and (3) other beneficiaries—1.0 percent.

Beneficiaries Aged 65 and Older

This category includes all OASDI beneficiaries aged 65 and older except for 13,500 disabled adult children receiving child's benefits because of a disability that began before age 18.

The 8.9 million retired men aged 65 and older had an average social security benefit of \$291, compared with \$234 for the 7.4 million retired women in this age group (table 2). The lower average benefit of retired women is one aspect of the weaker economic base of aged women. Thus, 8.3 percent of the women were receiving SSI payments, compared with 5.4 percent of the retired men.

The proportion of beneficiaries with SSI payments was 5.7 percent among the 2.3 million spouses of retired workers and 9.1 percent among the 37,000 spouses of disabled workers. The average benefit of \$243 for the 3.5 million widows and widowers—virtually all of them widows—was almost \$10 higher than that for retired women. Because a large proportion of retired women are also married, the proportion among them receiving SSI payments is nevertheless lower than for widows. Among parents aged 65 and over, the average benefit was \$213, and the proportion receiving SSI payments was 12.5 percent.

Beneficiaries With Entitlement Based on Disability

An OASDI beneficiary who previously became entitled on the basis of his disability is reclassified as an aged beneficiary at age 65, but his benefit amount remains unchanged. (Benefits of disabled adult children are not reclassified at age 65 but remain classified as child's benefits.) By contrast, the SSI program continues to distinguish aged, blind, and disabled beneficiaries after age 65. In accordance with the OASDI classification criterion, the disabled beneficiaries discussed here are all under age 65, except that all disabled adult children are included.

As among retired workers, a substantially larger proportion of women than men among disabled-worker beneficiaries received SSI payments—16.2 percent compared with 7.8 percent. For both men and women, the proportions were considerably larger than the corresponding proportions for retired workers. These differences occur despite the fact that (1) the spouses of disabled workers are more likely than the spouses of retired workers to have earned income and (2) the average benefit amounts are higher for disabled workers than for retired workers. These findings suggest that disabled workers have fewer other resources to fall back on.

Benefit amounts averaged \$313 for the 1.9 million disabled men and \$231 for the 0.9 million disabled women. The 129,000 disabled widows and widowers had an average benefit amount of \$165 and included 29.4 percent with SSI payments. The low average amount reflects the additional benefit reduction applicable to disabled widows according to their age at the time the first benefit is received.

Disabled adult children of retired workers numbered 133,000; those of disabled workers, 31,000; and those of deceased workers, 252,000. Their average benefit amounts were \$121, \$105, and \$176, respectively, and the proportions of each group receiving SSI were 44, 54, and 29

Table 2.—Number of OASDI beneficiaries and average PIA and monthly benefit amount, by type of beneficiary, September 1978

Type of beneficiary	OASDI beneficiaries		
	Number ¹	Average	
		Primary insurance amount	Monthly benefit amount
Total	34,242,318		
Retired workers and dependents	21,812,476		
Retired workers aged 65 and over	16,289,068	\$265.48	\$265.23
Men	8,916,921	301.02	291.20
Women	7,372,147	222.50	233.81
Wives and husbands aged 65 and over	2,337,041	303.32	136.53
Disabled adult children	132,709	277.57	121.40
Retired workers aged 62-64	1,901,529	273.90	229.65
Men	939,171	333.76	273.87
Women	962,358	215.48	186.49
Wives and husbands aged 62-64	433,408	335.34	126.41
Children under age 18 and students aged 18-21	518,946	291.59	98.08
Wives with children	199,775	299.10	91.31
Disabled workers and dependents	4,872,114		
Disabled workers under age 65	2,874,756	288.65	286.82
Men	1,949,982	315.39	313.20
Women	924,774	232.27	231.20
Wives and husbands aged 65 and over	36,670	328.85	99.20
Disabled adult children	31,145	284.67	105.12
Wives and husbands aged 62-64 over	41,769	350.48	96.80
Children under age 18 and students aged 18-21	1,471,996	314.39	81.90
Wives with children	415,778	330.84	83.12
Survivors of deceased workers	7,557,728		
Widows and widowers aged 65 and over	3,513,656	260.46	243.36
Disabled:			
Widows	128,684	288.17	165.46
Adult children	251,637	238.63	175.70
Parents aged:			
65 and over	17,083	261.69	212.60
62-64	351	315.96	236.79
Nondisabled widows and widowers aged 60-64	542,245	302.29	222.61
Children under age 18 and students aged 18-21	2,531,164	302.88	181.07
Widowed mothers and fathers	572,908	324.43	188.26

¹ Excludes 139,445 special age-72 beneficiaries.

percent. These figures reflect the fact that the maximum child's benefit is 75 percent of the worker's PIA for surviving children and 50 percent for children of retired and disabled workers. The lack of a primary beneficiary in survivor cases, moreover, means that the family maximum tends to be less restrictive for survivors than for dependents.

Other Beneficiaries

A total of 8.6 million persons were receiving OASDI benefits payable for reasons other than the SSI eligibility conditions of age 65, blindness, or disability. This figure included 1.9 million retired workers and 480,000 wives and husbands of retired and disabled workers aged 62-64, 540,000 widows and widowers aged 60-64, 4.5 million children under age 18 and students aged 18-21, and 1.2 million

Table 3.—Number of OASDI beneficiaries with PIA's above, equal to, or below the minimum and number and percent of OASDI beneficiaries in concurrent receipt of federally administered SSI payments, by type of beneficiary, September 1978

Type of beneficiary	All OASDI beneficiaries ¹	OASDI beneficiaries with benefit based on PIA					
		Above \$121.80 minimum ²			At or below \$121.80 minimum ³		
		Total	With SSI payment		Total	With SSI payment	
			Number	Percent of total		Number	Percent of total
Total	34,242,318	32,054,884	1,606,560	5.0	2,187,434	550,709	25.2
Retired workers and dependents	21,812,476	20,258,450	942,746	4.7	1,554,026	378,216	24.3
Retired workers aged 65 and over	16,289,068	15,069,326	766,685	5.1	1,219,742	325,123	26.7
Men	8,916,921	8,446,051	355,514	4.2	470,870	122,583	26.0
Women	7,372,147	6,623,275	411,171	6.2	748,872	202,540	27.0
Wives and husbands aged 65 and over	2,337,041	2,213,460	96,693	4.4	123,581	35,563	28.8
Disabled adult children	132,709	118,945	50,596	42.5	13,764	7,544	54.8
Retired workers aged 62-64	1,901,529	1,774,328	14,807	.8	127,201	7,333	5.8
Men	939,171	903,541	8,270	.9	35,630	2,773	7.8
Women	962,358	870,787	6,537	.8	91,571	4,560	5.0
Wives and husbands aged 62-64	433,408	418,870	8,326	2.0	14,538	1,529	10.5
Children under age 18 and students aged 18-21	518,946	477,099	2,232	.5	41,847	323	.8
Wives with children	199,775	186,422	3,407	1.8	13,353	801	6.0
Disabled workers and dependents	4,872,114	4,740,109	291,326	6.1	132,005	46,489	35.2
Disabled workers under age 65	2,874,756	2,781,005	256,634	9.2	93,751	44,959	48.0
Men	1,949,982	1,915,304	134,345	7.0	34,678	17,512	50.5
Women	924,774	865,701	122,289	14.1	59,073	27,447	46.5
Wives and husbands aged 62-64	36,670	36,071	3,069	8.5	599	251	41.9
Disabled adult children	31,145	29,975	16,301	54.4	1,170	561	47.9
Wives and husbands aged 62-64	41,769	41,412	1,247	3.0	357	67	18.8
Children under age 18 and students aged 18-21	1,471,996	1,441,321	8,305	.6	30,675	372	1.2
Wives with children	415,778	410,325	5,770	.4	5,453	279	5.1
Survivors of deceased workers	7,557,728	7,056,325	372,488	5.3	501,403	126,004	25.1
Widows and widowers aged 65 and over	3,513,656	3,241,174	248,320	7.7	272,482	100,582	36.9
Disabled:							
Widows	128,684	122,396	34,296	28.0	6,288	3,596	57.2
Adult children	251,637	219,543	57,649	26.3	32,094	16,242	50.6
Parents aged:							
65 and over	17,083	16,529	1,950	11.8	554	177	31.9
62-64	351	344	22	6.4	(⁴)	(⁴)	(⁴)
Nondisabled widows and widowers aged 60-64	542,245	523,588	18,210	3.5	18,657	3,074	16.5
Children under age 18 and students aged 18-21	2,531,164	2,380,867	5,846	.2	150,297	1,010	.7
Widowed mothers and fathers	572,908	551,884	6,195	1.1	21,024	1,322	6.3

¹ Excludes 139,445 special age-72 beneficiaries.

² Includes dual beneficiaries with PIA at or below minimum.

³ Includes 30,873 transitionally insured beneficiaries with PIA of \$83.70; excludes

dual beneficiaries with PIA at or below minimum

⁴ Fewer than 10 beneficiaries.

wives and widowed mothers and fathers caring for child beneficiaries.

One percent of these 8.6 million beneficiaries received SSI payments based on blindness or disability even though, as noted, disability was not a condition for their OASDI entitlement. Presumably, most of the adult beneficiaries in this group lacked the covered earnings credits required for disabled-worker benefits. In addition, a "grandfather" clause at the beginning of the SSI program permitted those persons receiving State-administered payments under the Federal-State programs of aid to the permanently and totally disabled and aid to the blind to receive SSI payments irrespective of whether they met the definition of blindness or disability applicable under the SSI program. Some of these blind and disabled beneficiaries are represented here.

Retired workers aged 62-64 were almost equally divided between men and women. The proportion receiving SSI payments was also the same for men and women—1.2 percent. Although these SSI recipients had the covered-

earnings credits required for OASDI retired-worker benefits, most of them evidently could not meet the additional test of recent employment required for disabled-worker benefits.

For the remaining adult categories, the proportion of beneficiaries receiving SSI payments seems to be related primarily to age and marital status. This proportion, for example, was 3.9 percent among nondisabled widows and widowers aged 60-64—a relatively older group of nonmarried beneficiaries—and 1.5 percent among wives of disabled workers caring for a child beneficiary—a group with the opposite characteristics.

Among all children under age 18 and students aged 18-21, the proportion receiving SSI payments was 0.4 percent. Children under age 18 qualify for social security benefits, irrespective of disability, on the basis of the insured status of a deceased, retired, or disabled worker. One would expect these children to be disabled in the same proportion as disabled children in the general population.

Continued on page 43

economic slowdown when the births are less expensive.

Some other prominent models yield quite the opposite, prediction: that fertility rates are on the verge of a long secular increase. If this occurs, the population in 2020 will be much larger than it is now, and much younger. Economic goods and social services associated with children and young people will have been in increasing demand. And the economy will be called upon to provide first jobs for increasingly large numbers of teen-agers.

However, all the evidence we've considered points to a very different future. The declining fertility rates we expect would create a top heavy age structure in the year 2020—something like the 1910 pyramid in fig. 1 turned on its head. This situation would be without precedent in American history, and nearly without precedent in world history. The burden of supporting an increasing proportion of elderly—in terms of economic goods, social and medical services, and social security transfers—might fall on a declining pro-

portion of earners, leading to economic, social, and political strains with which we have no experience. Further, fertility rates would then be so low that our population would not be reproducing itself and the size of the population would be falling. The few societies that have actually faced this prospect have engaged in difficult debates about its consequences and remedies, followed by important policy changes designed to reverse the trend.

Our statistical tests of this model—the model that predicts continuing low fertility except temporarily during economic slowdowns—are certainly not conclusive. We think these tests are quite thorough, given the data on which they have been performed. But the data are highly aggregated, and they treat only one country. Other researchers are by now testing the model in other ways. The strongest test of the predictive power of this model, versus its competitors, will occur naturally as we watch the path of fertility rates and economic conditions during the next five years or so.

SSI/OASDI Beneficiaries

Continued from page 47

Benefits Based on Minimum PIA

Because, as stated earlier, the social security benefit level directly influences SSI eligibility, it is useful to look separately at beneficiaries with low benefit amounts. A low benefit amount is defined here as one derived from the minimum PIA (then \$121.80). All benefits under this definition are low enough to permit individuals and couples living in their own or another's household to be eligible for an SSI payment.

The 2.2 million persons in the low-benefit group (table 3) represented 6.4 percent of the 34.2 million beneficiaries.

These proportions were 7.1, 2.7, and 6.6 percent, respectively, for the retired-worker, disabled-worker, and survivor groups. Fewer of the disability benefits were based on a minimum PIA. On the other hand, the proportion in the low-benefit group who were receiving SSI payments was larger for disabled workers and their dependents (35.2 percent) than for the other two groups (24.3 and 25.1 percent, respectively).

Among beneficiaries aged 65 and older, the proportion with SSI payments increased from 7.1 percent to 28.6 percent when only benefits based on the minimum PIA level were considered. The analogous increases were from 14.3 percent to 49.6 percent among beneficiaries with entitlement based on disability and from 1.0 percent to 3.8 percent among other beneficiaries.