

While Fewer in City Receive Welfare, Many More Get SSI

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SINCE THE ADVENT OF WELFARE REFORM in the mid 1990s, much attention has been focused on changes in the city's public assistance program. There has been much less focus on the other cash assistance program for low-income individuals: Supplemental Security Income (SSI). While the long-term trend in the city's public assistance caseload has been distinctly downward, the SSI caseload rose sharply over much of the last two decades before slowing in recent years. Today, some 400,000 city residents receive SSI—almost as many as those who receive public assistance.

Because the city does not contribute to the cost of SSI benefits, the availability of SSI for many low-income New Yorkers helps the city avoid hundreds of millions of dollars in potential cash assistance costs each year. If half the people receiving SSI were instead getting support from Safety Net Assistance (the state and city-funded welfare program for those who are ineligible for federal public assistance) the additional cost to the city would be almost \$350 million per year.

The SSI program began in 1974 and is administered by the federal Social Security Administration. It is financed from general revenues, unlike Social Security Retirement and Survivors Insurance and Social Security Disability Insurance, which are financed through employee and employer payroll taxes. New York is one of several states that add state funds to increase the size of the grants made to SSI recipients. In calendar year 2003, city residents received \$2.3 billion in SSI payments, with the federal government providing about 86 percent of the funds and the state government providing the other 14 percent.

As with public assistance, an applicant for SSI must satisfy strict income and resource limits. In addition, to be eligible for SSI an individual must qualify on the basis of one of the following: being at least 65 years of age, blind, or disabled. In order to be considered disabled an adult must have a physical or mental impairment that prevents him or her from working, while a child under 18 must have a medically determinable impairment that severely limits their ability to function.

After Doubling, SSI Caseload Growth Slows. Over the last two decades the number of city residents receiving SSI nearly doubled, from 214,000 in December 1985 to 399,000 in August 2004. Much of this growth occurred in the early 1990s; from the end of 1989 through 1995 the number of SSI recipients increased by an average of more than 20,000 per year. Since that time growth has slowed to an average of about 4,000 per year, and data for the last few years suggest that the SSI population may be stabilizing at nearly 400,000.

Annual Change in Number of SSI and Public Assistance Recipients in New York City

	SSI Recipients	12-Month Change	Public Assistance Recipients	12-Month Change	Total Cash Assistance Recipients (SSI + PA)	SSI as % of Cash Assistance
Dec-85	214,476	-	922,919	-	1,137,395	19%
Dec-86	221,050	6,574	898,895	(24,024)	1,119,945	20%
Dec-87	225,932	4,882	847,028	(51,867)	1,072,960	21%
Dec-88	228,763	2,831	822,320	(24,708)	1,051,083	22%
Dec-89	236,032	7,269	823,001	681	1,059,033	22%
Dec-90	251,183	15,151	892,257	69,256	1,143,440	22%
Dec-91	269,273	18,090	977,240	84,983	1,246,513	22%
Dec-92	298,478	29,205	1,053,654	76,414	1,352,132	22%
Dec-93	328,528	30,050	1,112,495	58,841	1,441,023	23%
Dec-94	348,149	19,621	1,157,684	45,189	1,505,833	23%
Dec-95	364,307	16,158	1,046,432	(111,252)	1,410,739	26%
Dec-96	371,864	7,557	940,564	(105,868)	1,312,428	28%
Dec-97	370,085	(1,779)	817,407	(123,157)	1,187,492	31%
Dec-98	384,004	13,919	711,034	(106,373)	1,095,038	35%
Dec-99	387,254	3,250	621,902	(89,132)	1,009,156	38%
Dec-00	392,662	5,408	537,473	(84,429)	930,135	42%
Dec-01	397,389	4,727	462,069	(75,404)	859,458	46%
Dec-02	399,847	2,458	420,583	(41,486)	820,430	49%
Dec-03	396,871	(2,976)	430,113	9,530	826,984	48%
Aug-04	399,436	-	434,996	-	834,432	48%

SOURCES: IBO, New York State Office of Temporary and Disability Assistance.

The rapid increase in the SSI caseload in the early 1990s and its more recent slowdown resulted in part from changes in federal policy. In the early 1990s federal regulations for determining disability in children were significantly eased. The Social Security Administration expanded its medical standards for assessing mental impairments in children by incorporating functional criteria into the standards and adding such impairments as attention deficit hyperactivity disorder. Children who did not qualify on the basis of medical standards alone were given individualized functional assessments to determine if they had an impairment that limited their ability to act and behave in age-appropriate ways. Partly as a result of these regulatory changes, the number of children receiving SSI rapidly expanded nationwide. Increasing Congressional criticism of this expansion culminated in legislation included in the federal welfare reform act of 1996 that tightened the eligibility rules for children seeking SSI. These tightened eligibility rules contributed to the slowdown in the city's SSI caseload starting in 1996, and negative growth in 1997, the year many children were dropped from the SSI rolls under the new rules.

Another possible factor contributing to the changing rate of growth in the SSI caseload is the success of the city's efforts to facilitate the movement of qualified individuals from public assistance to SSI. Although reliable data are unavailable from

before 2000, it is likely that over time this success has left fewer SSI-eligible individuals on public assistance and resulted in fewer people switching to SSI each year.¹ The city's Human Resources Administration reports that since 2000 the number of public assistance recipients classified as being in some stage of the SSI eligibility determination process has ranged between 4,100 and 5,700. Considering that many people in this category will never actually qualify for SSI and that the eligibility determination process

can take several months to complete, this implies that a relatively small number of current recipients remain who could potentially move to SSI.

The movement of individuals from public assistance to SSI is one element contributing to the convergence of the SSI and public assistance caseloads.

The long term increase in the number of city residents receiving SSI contrasts sharply with the significant shrinkage in the public assistance caseload. In 1985 more than four times as many people received public assistance as SSI. This ratio then decreased steadily, driven by the rapid SSI increases of the early 1990s and the large decreases in public assistance recipients that began with the city's welfare reform policies in 1995. Since 2002 almost as many New Yorkers have been receiving SSI as public assistance. Looked at another way, in 1985 SSI recipients represented only 19 percent of the combined SSI and public assistance caseload, while today they represent 48 percent of the overall cash assistance caseload.

Advantages of SSI: The availability of SSI for many low-income individuals has significant advantages for them and for the city. Over the years the city has helped to facilitate the movement of thousands of individuals from public assistance to SSI. It also is likely that many others who moved directly

onto SSI without ever having been on public assistance would eventually have ended up on the latter program if SSI were not available.

Individuals benefit from the fact that SSI grant payments are generally higher than those for public assistance. In 2004 the maximum monthly SSI grant for a single person living alone is \$651, while the maximum for a comparable person receiving Safety Net Assistance is \$352. For a couple in which both partners receive SSI the maximum monthly grant is \$950, while the maximum for a comparable couple receiving Safety Net Assistance is \$469.

The city also benefits fiscally from the availability of SSI. While the city is required to pay 50 percent of all Safety Net Assistance grant costs (the city-state welfare program) and

25 percent of all Family Assistance grant costs (the federal welfare program), it is not required to contribute to SSI. Therefore, every time a person receives SSI rather than public assistance the city saves money. If half of all of the people currently receiving SSI were instead receiving Safety Net Assistance the additional cost to the city would be about \$350 million per year.

Written by Paul Lopatto

END NOTES

¹ A public assistance caseload engagement status report released by the city's Human Resources Administration in May 2001 indicated that the number of recipients classified as "SSI Pending/Appealing" had decreased from 23,100 in December 1994 to 4,400 in April 2001. It is not clear, however, how much of this apparent decrease was due to a change in reporting that occurred in 2000.

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