

## Cuts to SSI in Multi-Recipient Households Push Older Adults & Their Families Deeper into Poverty

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### Introduction

#### Supplemental Security Income (SSI)

As part of our nation's Social Security system, Supplemental Security Income (SSI) provides a basic standard of living for almost 8.3 million Americans (1.2 million children and 4.8 million adults with significant disabilities; and 2.2 million seniors).<sup>1</sup> SSI helps people meet their basic needs for food and shelter, pay for out-of-pocket medical and disability-related expenses, and avoid extreme hardship and homelessness. All SSI recipients have extremely low incomes and assets.

SSI's modest benefits average only about \$540 per month,<sup>2</sup> or \$18 per day, and are the only personal income for over half of adult recipients.<sup>3</sup> The maximum federal SSI payment for an individual (\$735 per month in 2017)<sup>4</sup> is less than

75 percent of the federal poverty guideline for a single person.<sup>5</sup> Nevertheless, SSI lifts roughly half of recipients out of deep poverty.<sup>6</sup>

#### Trump's FY2018 Budget Penalizes Families

One proposal in President Trump's Fiscal Year 2018 budget May 23 proposal, would cut nearly \$1 billion per year from SSI recipients<sup>7</sup> by creating "[a] sliding scale for multi-recipient SSI families." This proposal would reduce benefits for the almost 1 million households where more than one family member receives SSI, pushing low-income seniors, people with disabilities, and their families deeper into poverty and economic uncertainty.

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Amounts for 2017, [ssa.gov/oact/cola/SSI.html](https://ssa.gov/oact/cola/SSI.html).

5 U.S. Department of Health and Human Services, Poverty Guidelines for 2017, [aspe.hhs.gov/poverty-guidelines](https://aspe.hhs.gov/poverty-guidelines).

6 Arloc Sherman and Danilo Trisi, *Safety Net More Effective Against Poverty Than Previously Thought*, Center on Budget and Policy Priorities, May 2015, [cbpp.org/research/poverty-and-inequality/safety-net-more-effective-against-poverty-than-previously-thought](https://cbpp.org/research/poverty-and-inequality/safety-net-more-effective-against-poverty-than-previously-thought).

7 Office of Management and Budget, *Major Savings and Reforms, Budget of the U.S. Government, Fiscal Year 2018*, pp. 110 -111, [gpo.gov/fdsys/pkg/BUDGET-2018-MSV/pdf/BUDGET-2018-MSV.pdf](https://gpo.gov/fdsys/pkg/BUDGET-2018-MSV/pdf/BUDGET-2018-MSV.pdf).

1 SSA Monthly Statistical Snapshot, Table 3: Supplemental Security Income recipients, April 2017, [ssa.gov/policy/docs/quickfacts/stat\\_snapshot/index.html#table3](https://ssa.gov/policy/docs/quickfacts/stat_snapshot/index.html#table3).

2 *Id.*

3 SSI Annual Statistical Report, Table 8: Recipients, by type of income, eligibility category, and age, December 2015, [ssa.gov/policy/docs/statcomps/ssi\\_asr/2015/sect02.html#table8](https://ssa.gov/policy/docs/statcomps/ssi_asr/2015/sect02.html#table8).

4 SSA Office of the Chief Actuary, SSI Federal Payment

Proposals to cut SSI if recipients live together – including families – run counter to the fundamental American value that people should not be discouraged from pulling together in tough times, and penalizes families.

### The Vu Family

Mr. and Mrs. Vu<sup>8</sup> came to the United States as refugees from Vietnam in the 1970s. They are both in their late 60s now, and living in Philadelphia. Mr. Vu was able to become a U.S. citizen, and receives Supplemental Security Income (SSI) benefits based on his age. They have two sons – their younger son, Chinh, was born in the U.S. He is 30 and lives with his parents. He has severe schizophrenia and has never been able to live on his own. He also receives SSI benefits. The Vu family relies on the two SSI checks to cover their housing expenses and all of their basic needs. If their SSI benefits were to be reduced, they wouldn't be able to afford their current housing, and would have to consider placing Chinh in an institution rather than living at home with his family.

## Cuts to SSI Would Push Older People and People with Disabilities onto the Streets and into Institutions

People use SSI to pay for daily living expenses such as rent, utilities, food, medicine and transportation. Housing is a major challenge for SSI recipients who live in the community; the average SSI benefit is far less than typical rents. In 2014, on average nationally, an individual receiving SSI needed to pay 104% of their monthly benefit to rent a one-bedroom apartment on the open market.<sup>9</sup>

Analysis of SSA data shows that only 28% of all adult SSI recipients live alone.<sup>10</sup> There are various reasons why SSI recipients may decide to live together, including to decrease isolation and to provide love and supportive care for one another. Economic factors also result in SSI recipients choosing to live together, in order to pool resources to share rent and other household expenses such as utilities or food. As with all families, those receiving SSI benefit from being able to set up their households in the way that makes the most sense for their unique situations. Many SSI recipients are able to keep a roof over their head only because of shared living arrangements, and should not be penalized for living together.

### Who Would Be Most Impacted?

Although there are limited details included in this budget, there have been proposals for sliding-scale benefit reductions for children receiving SSI benefits in multi-recipient households for decades.<sup>11</sup> It is clear

<sup>8</sup> The names used in this profile are pseudonyms.

<sup>9</sup> Technical Assistance Collaborative, Inc. and Consortium for Citizens with Disabilities Housing Task Force, *Priced Out in 2014: The Housing Crisis for People with Disabilities*, 2015, [tacinc.org/media/52012/Priced%20Out%20in%202014.pdf](http://tacinc.org/media/52012/Priced%20Out%20in%202014.pdf).

<sup>10</sup> Michelle Stegman Bailey and Jeffrey Hemmeter, *Characteristics of Noninstitutionalized DI and SSI Program Participants*, 2013 Update, Table 9: Number and percentage distribution of SSI recipients, by age group and household and family characteristics, 2013, [ssa.gov/policy/docs/rsnotes/rsn2015-02.html](http://ssa.gov/policy/docs/rsnotes/rsn2015-02.html).

<sup>11</sup> National Commission on Childhood Disability, *Supplemental Security Income for Children with Disabilities: Report to Congress*, pp. 64 – 65, October 1995, [ssa.gov/history/reports/SSI/ChildhoodDisabilityReport.html](http://ssa.gov/history/reports/SSI/ChildhoodDisabilityReport.html); US Congress, House Committee on the Budget, *Concurrent Resolution on the Budget – Fiscal Year 2013*, House Report 112-421, p. 101, March 23, 2012, [gpo.gov/fdsys/pkg/CRPT-112hrpt421/pdf/CRPT-112hrpt421.pdf](http://gpo.gov/fdsys/pkg/CRPT-112/hrpt421/pdf/CRPT-112hrpt421.pdf); Congressional Budget Office, *Supplemental Security Income: An Overview*, p. 14, December 2012, <https://www.cbo.gov/publication/43759>.

that under this plan, SSI benefits would not just be reduced for households with multiple child recipients, but for each additional family member, regardless of age.

In fact, a GAO report indicated that the vast majority of multi-recipient households—almost 70%, or 754,000 households—had no children at all.<sup>12</sup> Only 30% of the multi-recipient households they identified had any children receiving SSI. And even in those households with children, more than half had only one child recipient. The benefit cuts proposed in the Trump 2018 budget would be unachievable if only households with multiple children were affected. These cuts would fall on all multi-recipient households, and would affect hundreds of thousands of adults with disabilities and seniors receiving SSI and living with other SSI recipients.

The most common recipient groupings in multiple recipient households were two or more adults with disabilities age 18 to 64 (31.7%) or two or more seniors age 65 and older living together (24.5%).<sup>13</sup> Although the GAO numbers did include households with married couple recipients, these account for a small number of such households, at just 1.2% of all SSI recipient households.<sup>14</sup> The remaining nearly 1 million households with multiple, non-married SSI recipients include combinations of related or unrelated people living together, such as parents and children, siblings, or roommates. The vast majority of non-married, multi-recipient households (86.7% or 941,000 households) reported being one family, with “family” defined as a group of two or more people related by birth, marriage, or adoption living together.<sup>15</sup>

Cutting SSI if two or more recipients live together would create a disincentive for elderly and disabled individuals to remain in their family homes. SSI helps many people with disabilities and seniors live in the community and avoid living in costly institutions such as nursing facilities. Cuts would almost certainly pose a barrier to serving people with disabilities in the least restrictive setting in accordance with the Supreme Court’s *Olmstead* decision, and increase the burden on state and local governments to provide adequate services for seniors and people with disabilities.

## Cuts Would Bring Costly Administrative Burdens to SSA

These cuts would devastate already-struggling households, and would be very difficult for SSA to administer. The proposal as included in the Trump budget would require SSA to make intrusive inquiries into individuals’ living arrangements to determine if SSI recipients living together are family members or unrelated individuals, and then reduce the benefits depending on if and how many family members receiving SSI are living in the household.

Households with two or more SSI recipients may change from month to month and year to year, for many reasons. Reducing benefits for SSI recipients who are family members living together would require SSA to track month-to-month changes in living arrangements at a significantly greater level of detail than SSA currently does, to increase or reduce SSI benefits for every member of a shared household, every time the household makeup changes. For example, when a household drops from three to two SSI recipients, each member’s benefit would need to be changed – in all likelihood leading to months of over- and under-payments before correct benefits are issued. Faced with inadequate administrative resources, SSA already

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12 U.S. Government Accountability Office (GAO), *Supplemental Security Income: SSA Provides Benefits to Multirecipient Households but Needs System Changes to Improve Claims Management*, GAO 16-674, August 2016, [gao.gov/assets/680/679137.pdf](http://gao.gov/assets/680/679137.pdf).

13 *Id.*

14 *Id.*

15 *Id.*

struggles to minimize improper payments in the SSI program. The proposed policy would almost certainly lead to a substantial increase in improper payments, while increasing the costs of administering the already complex SSI program.

## Conclusion

Instead of taking money away from those trying to meet basic standards of living in order to fund tax breaks for the wealthy, we need to fix the current program to make SSI more responsive to the needs of older adults and people with disabilities in our communities who are struggling in poverty. Legislation such as the SSI Restoration Act would allow individuals to save money for emergencies, earn more income without being penalized with reduced benefits, and continue to receive their full benefits if they live in multi-recipient households. These are the changes our Congress needs to push for.