

## Supplemental Security Income for Children with Disabilities

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### Summary

About 8 to 9 percent of children in the United States have a relatively serious disability. Families caring for these children are more likely to experience various economic hardships than other families with children, even when their incomes are the same. Recent research finds that costs associated with raising a disabled child, including lost parental income, average at least \$6,150 a year. Costs at the high end, which are more likely to reflect the subset of disabled children who are most impaired, are around \$20,000 a year.

Supplemental Security Income (SSI)—run by the Social Security Administration, but separate from the Social Security program—offsets some of these costs and helps parents provide the basics that children with disabilities need to thrive and become successful adults. In 2012, the maximum monthly SSI supplement was \$698 and the average amount received by child beneficiaries was \$619. About 1.3 million low-income children with disabilities—fewer than 1 in 4 children with disabilities—received SSI in August 2012. This relatively low number is mostly due to SSI’s means-test and strict disability standard. Recent research finds that SSI increases family economic security, reduces reliance on food stamps and other means-tested assistance, and does not reduce parental employment. Even during the Great Recession, nearly half of children on SSI had a working parent. Because SSI is gradually reduced as parents’ earnings increase, the program supports work among families with disabled children. Between 2000 and 2012, the number of children assisted by SSI increased from 847,000 to 1.3 million. The increase is due almost exclusively to an increase in the number of low-income children as their parents lost jobs and earnings during the Great Recession. Federal expenditures on SSI for children are projected to decline as a share of gross domestic product (GDP) going forward.

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## Introduction

Supplemental Security Income, signed into law by President Nixon in October 1972, assists Americans with limited resources who are elderly or have significant disabilities, including about 1.3 million children with severe mental and physical disabilities. SSI provides a small monthly income supplement that helps families offset some of the additional costs of raising a child with disabilities, replaces some of the parental income lost due to staying home to care for the child, and provides basic necessities such as food, clothing, and shelter, enabling families to raise their children with disabilities at home rather than in an institution.

## How Many Children Have Disabilities?

Estimates vary depending on how disability is defined and measured, but national statistics find that 8 to 9 percent of children have a relatively serious disability.<sup>1</sup> The International Classification of Functioning, Disability, and Health (ICF) is the most widely accepted framework for understanding disability today. It views disability as an umbrella term for impairments, activity limitations, or participation restrictions.

The federal government's primary indicator of child disability measures the percentage of children (ages 5-17) with an *activity limitation* resulting from one or more *chronic health conditions*.<sup>2</sup> Using this definition and data from the National Health Interview Survey, in 2010:

- 9.2 percent of children (ages 5-17) had at least one activity limitation due to one or more chronic health conditions.
- Low-income children had somewhat higher rates of childhood disability—12.5 percent of children in families with incomes below the poverty line had activity limitations due to a chronic health condition, compared to 7.3 percent of children in families with incomes above twice the poverty line.

As noted, the federal government's primary indicator of child disability does not include children under the age of 5. However, Neal Halfon and others, also using the National Health Interview Survey, calculated that 7.7 percent of all children had activity limitations due to chronic conditions in 2008-2009.<sup>3</sup>

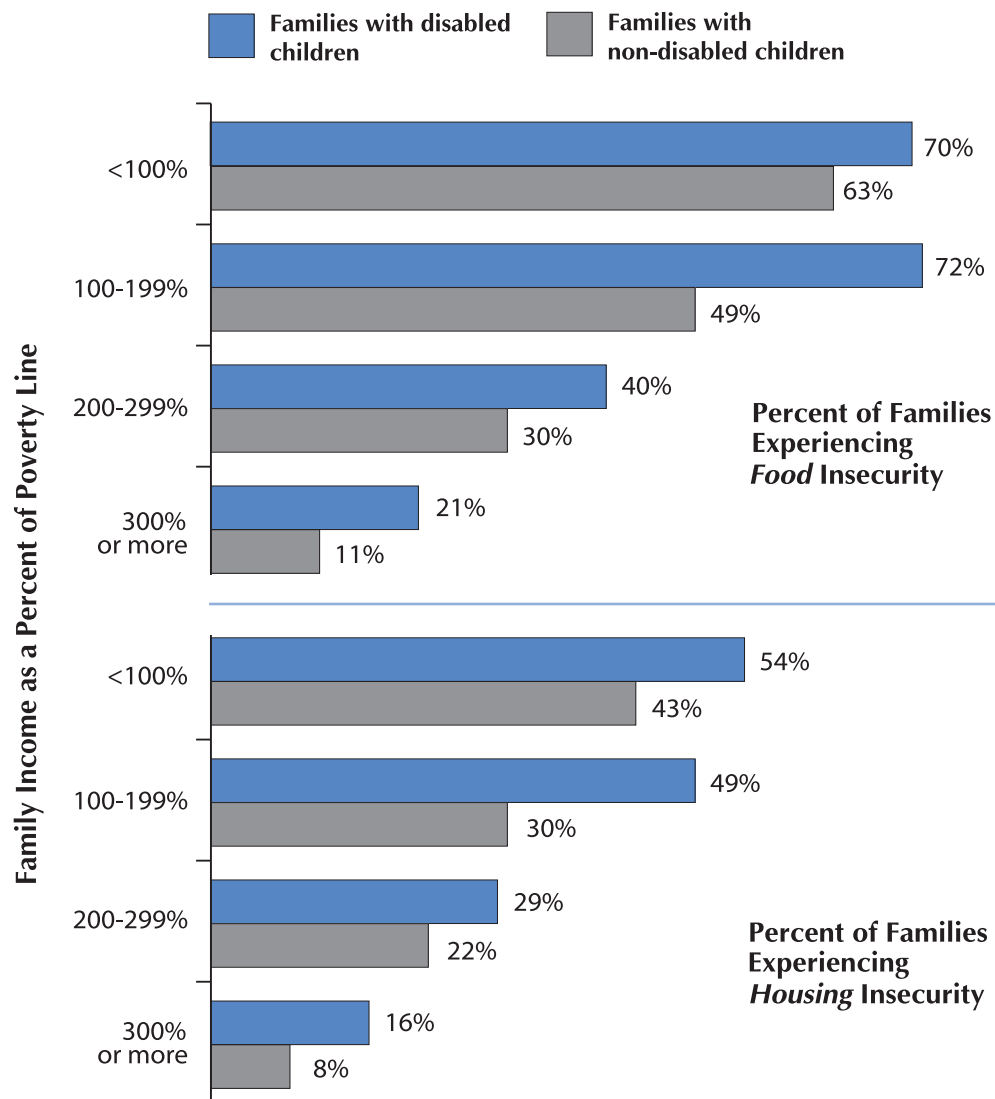
## How Does Childhood Disability Affect Family Economic Security?

Families caring for children with disabilities incur additional costs and burdens compared to other families with children. Recent research documents the impact on families caring for disabled children. Susan Parish and her colleagues find that families caring for a child with a disability are more likely than other families with children to experience various forms of economic insecurity.<sup>4</sup> Using the National Survey of American Families, the researchers determined “food insecurity” based on whether a family worried that food would run out, the food they bought did not last, they cut or skipped meals for lack of money, or they received emergency

food. “Housing insecurity” was determined based on whether a family was unable to pay rent, moved in with others, or experienced shutoff of telephone service for more than one day during the past year.

Parish finds that, in general, these hardships decline as income rises (Figure 1). However, at each income level, families with a disabled child are more likely to experience hardship than families at the same income level, but with nondisabled children. Higher rates of insecurity persist for families with disabled children when incomes are up to twice the poverty level, with more than *two thirds* of families at those income levels experiencing food insecurity.

**Figure 1. Families Experiencing Food or Housing Insecurity, By Income and Child Disability Status**



Source: Susan L. Parish et al., “Material Hardship in U.S. Families Raising Children with Disabilities,” *Exceptional Children*, Vol. 75, No. 1 (2008): 71-92 and “Material Hardship in U.S. Families Raising Children with Disabilities: Research Summary and Policy Implications,” (Chapel Hill: University of North Carolina, 2009).

Families raising children with disabilities experience higher rates of economic hardship in part because they face additional costs associated with their child’s disability, and in part due to foregone parent earnings. Many parents of disabled children—typically mothers—have to cut their hours or temporarily leave work to care for the disabled child. Dennis Hogan finds that mothers of children with disabilities are less likely to return to the labor force within the first two years after their child is born, than mothers whose children do not have disabilities.<sup>5</sup> (Notably, most mothers of disabled children eventually do return to paid work and work a substantial portion of their working-age years.)<sup>6</sup>

In a synthesis of research on the costs to families of raising a child with a disability, Mark Stabile and Sara Allin estimate that the two main costs to families—reduced earnings of a caretaking parent (usually the mother), and direct expenses for health care and other disability-related expenses—average about \$6,150 a year in 2011 dollars.<sup>7</sup> Their estimate is based on the average costs incurred by *all* families with disabled children, including children with less significant impairments. If limited to children whose disabilities were significant enough to meet SSI’s strict disability criteria, the average costs to families would almost certainly be much higher. At the high end, which may better approximate the SSI disability standard, Stabile and Allin estimate that the families’ costs in terms of foregone earnings and disability-related expenses are around \$20,000 a year.

## What is the Origin of the SSI Program?

The Social Security Act of 1935 that created the Social Security program also provided federal grants to states for means-tested public assistance programs for elderly and blind individuals (Old-Age Assistance and Aid to the Blind). Legislation signed by President Eisenhower in 1950 established Aid to the Permanently and Totally Disabled (APTD), which extended these grants for state programs to adults who met an earnings history requirement and were permanently and totally disabled.<sup>8</sup> In 1956, Congress established Social Security Disability Insurance as a federal program. Benefits were provided for disabled insured workers between the ages of 50 and 65 and for disabled children of retired or deceased insured workers (if the child was disabled before age 18).<sup>9</sup>

Over time, the state assistance programs came under increasing criticism because of the great disparities among states in their financial capacity or willingness to provide needed support. In 1972, Congress enacted Supplemental Security Income to replace the state programs with a federal program with uniform eligibility criteria throughout the nation. In his signing statement, in October 1972, President Nixon noted that people receiving benefits under the prior state-administered programs were “subject to great inequities and considerable red tape inherent in [...] varying State programs with different benefits, eligibility standards, and rules.”<sup>10</sup>

## What is the Rationale for the Childhood SSI Program?

The prior federal law for state assistance programs had provided funds to states for children who were blind, but not for other children with significant disabilities. The question arose whether

the new federal SSI program should include blind and disabled children. In its report on the legislation, the House Ways and Means Committee explained its rationale for providing SSI benefits to children:

Disabled children living in low-income households are among the most disadvantaged of all Americans and are deserving of special assistance in order to help them become self-supporting members of our society... [P]oor children with disabilities should be eligible for SSI benefits because their needs are often greater than nondisabled children.<sup>11</sup>

In 1994-1995, the National Academy of Social Insurance convened a Committee on Childhood Disability to assess the SSI program for children, including the rationale for the program and ways to improve it. The committee found a “clear rationale and compelling need for cash support to families with a disabled child.” The Congressionally-mandated National Commission on Childhood Disability also found a clear rationale for the SSI childhood program. Both groups concluded that the purpose of the program is to:

- Help families care for children with disabilities in their own homes, instead of in costly institutions;
- Help meet children’s basic needs for food, clothing and shelter;
- Compensate for some of the lost wages when parents are out of the labor force or work fewer hours while caring for a disabled child;
- Meet some of the additional costs of raising a disabled child; and
- Enhance the child’s opportunity to achieve an independent, rewarding, and productive life, including the world of work in adulthood.<sup>12</sup>

Today, SSI can be viewed as part of a national strategy that is based on what sociologist Dennis Hogan has called “family-centered” responsibility for children with disabilities.<sup>13</sup> Instead of placing children with disabilities in institutions, it is expected that parents will take primary day-to-day responsibility for caring for children with disabilities and preparing them for adult life.<sup>14</sup> SSI and other laws and programs provide crucial services and financial supports to children and youth with disabilities, that together help make family-centered care possible.

## What are the Medical Eligibility Standards?

To apply for SSI for a child with a disability, a parent or caregiver must file an application at a Social Security Administration (SSA) field office. A state Disability Determination Service (DDS) then evaluates whether the child qualifies for SSI under SSA’s standard for childhood disability, discussed below. SSA disability examiners typically obtain four to five sources of evidence in making their determinations: medical evidence from treating professionals, school records, teacher and parent assessments, and prescribed treatment and medications.<sup>15</sup>

SSI is payable only to children who have: (1) a medically determinable physical or mental impairment that has lasted or is expected to last at least twelve months or result in death, *and* (2) which results in marked and severe functional limitations.<sup>16</sup> In practice, to satisfy SSI's medical eligibility criteria, the child's impairment(s) must "meet" *or* "medically equal" *or* "functionally equal" an impairment in SSA's Listing of Impairments. In contrast to the adult disability determination process, there is no vocational analysis for children.

An impairment is considered to *meet* a listed impairment if it satisfies all of the criteria specified in the listing.<sup>17</sup> An impairment is considered to *medically equal* a listed impairment if it is of equal medical significance to the criteria specified in a listed impairment. An impairment or combination of impairments is considered to *functionally equal* a listed impairment if it results in disabling functional limitations that are the same as those of a listed impairment.

To determine whether an impairment "functionally equals" a listed impairment, SSA uses something called the "whole child approach," looking at six broad areas of functioning, or *domains*, that address the ability to learn, the ability to focus on information and tasks, the ability to relate to others, fine and gross motor skills, self-care, and physical health. The SSA labels for these domains are as follows: (1) acquiring and using information, (2) attending and completing tasks, (3) interacting and relating with others, (4) moving about and manipulating objects, (5) caring for oneself, and (6) health and physical well-being.<sup>18</sup> A child's impairment(s) will be considered functionally equivalent and thus disabling if the impairment(s) causes *extreme* limitations in one domain or *marked* limitations in two or more domains.<sup>19</sup>

SSA is required by law to conduct periodic reviews to ensure that children who are allowed benefits continue to meet the strict disability standard.<sup>20</sup> Continuing disability reviews, or CDRs, are required at age 1 for all children awarded benefits due to low birth weight, and every three years in all child cases where medical improvement is expected.<sup>21</sup> In order to continue receiving benefits as an adult, all child SSI recipients are reevaluated at age 18 under the adult standard.<sup>22</sup>

## What are the Financial Eligibility Standards?

Children with disabilities receive SSI only if they have low incomes and very limited assets. The income and assets of a child's parents are generally counted in determining a child's eligibility for SSI, after excluding modest living allowances for parents and other children and applying certain other exclusions and disregards.<sup>23</sup>

*Asset Eligibility:* A disabled child is financially eligible for SSI only if he or she has less than \$2,000 in countable assets. Certain parental assets are "deemed" to the child. Parental assets in excess of \$3,000 (\$2,000 if the child lives with only one parent) are counted toward the \$2,000 asset limit. Assets that SSA does not count toward this limit include the home the child lives in, one vehicle for the family, and money put aside for a specified period of time under an approved Plan to Achieve Self-Support (PASS) to pay for items or services needed to achieve a specific occupational goal of the child.<sup>24</sup> Notably, the SSI asset restrictions are not adjusted annually to keep up with inflation. Had they been adjusted to keep pace with inflation



(as measured by the CPI-W) since 1972 when Congress first set them (at \$1,500 for a single person and \$2,250 for a couple or child living with two parents) they would be approximately \$7,000 and \$10,500 in 2012, respectively.

*Income Eligibility:* A disabled child is financially eligible for SSI only if he or she has countable income that is less than the *federal benefit rate*, or maximum SSI benefit amount (\$698 per month in 2012).<sup>25</sup> Parent income is “deemed” to the child. In determining a child’s countable monthly income, SSA disregards the first \$85 plus half of any monthly earnings (these are typically parents’ earnings, but also may include earnings of the child). As discussed later in this brief, SSI also has additional incentives for youth under age 22 to pursue employment and education.

## How Are Benefit Amounts Determined?

The amount of a child’s monthly SSI benefit is determined by subtracting countable income from the federal benefit rate, which is \$698 in 2012 and will increase to \$710 for 2013.

The average children’s benefit was \$619 per month in July 2012.<sup>26</sup>

The federal benefit rate for SSI is increased annually to keep up with the cost of living (as measured by the CPI-W, or Consumer Price Index for Urban Wage Earners). Unlike Social Security benefits, the federal benefit rate for SSI has never been adjusted upward to reflect the general rise in living standards. If the SSI benefit rate had been adjusted using Social Security’s national average wage index, it would be \$778 in 2012.

### How SSI Helps Families Caring for Children with Disabilities: Will, Tyler, and Noah

**Will Bentley**, 10, lives in Covington, Kentucky, with his parents and sister. Nearly from birth, his parents knew something was wrong. He was slow in learning to speak and learned to sign so that he could communicate. He had frequent, violent seizures. An MRI eventually showed lesions on his brain. He struggles with anxiety and has memory problems. His mother Katie was forced to shut down her small business so that she could stay home with Will, whose care became a full-time job. Katie said, “I surrendered my career so that Will’s needs were met. SSI allows us to focus on what Will needs ... At one time, Will was unable to do anything for himself. He could not even feed himself. Now he can read and zip his own jacket. For a parent with a child with a disability, the support that comes from SSI is a dream come true.”

**“My family would literally be homeless without SSI.** I am the mother of **Tyler and Noah**, 5-year-old autistic twins. Both have severe symptoms—one is nonverbal and engages in typical autism behaviors like flapping his arms, spinning, and throwing tantrums; the other is verbal but has severe anxiety, intestinal problems, and sensory problems. Raising not one but two children with a severe disability took a toll on our marriage. I am now separated from my husband and right now our only dependable sources of income are food stamps and SSI. I want to work, but jobs with the flexibility I need to provide for my sons are hard to come by... SSI makes it possible for me to put a roof over my family’s head in the meantime.”

—Rhonda Roberts, Elgin, Texas

## Who Are the Children Receiving SSI?

In 2011, about 1.3 million children received SSI. They account for 1.7 percent of all children in the United States and 3.9 percent of all children with family incomes less than twice the federal poverty line. These children are a small subset of the roughly 9 percent of U.S. children with one or more activity limitations due to a chronic health condition (the federal government's headline statistic for childhood disabilities).<sup>27</sup>

According to the National Survey of SSI Children and Families, nearly 90 percent of children who received SSI in 2000-2001 had family incomes below 200 percent of the federal poverty line, and 75 percent of parents of children receiving SSI had total liquid assets of less than \$500.<sup>28</sup> In 2011, 200 percent of the poverty line was \$36,250 for a family of three and \$45,620 for a family of four.<sup>29</sup>

About two-thirds of children receiving SSI have a mental disorder as their primary diagnosis (Table 1). This share has remained stable over the last 15 years and is consistent with disability among children generally.<sup>30</sup>

## How Does SSI Receipt Affect Family Economic Security?

When economists Mark Duggan and Melissa Kearney compared family economic status before and after a disabled child began receiving SSI, they found that overall household income increased by 20 percent on average, and families' likelihood of having income below the poverty line decreased by about 11 percent.<sup>31</sup> After receipt of SSI, families received fewer benefits from the Supplemental Nutritional Assistance Program (SNAP, previously the Food Stamp Program), the Women, Infants, and Children program (WIC, nutrition assistance for pregnant women and children up to age 5) and Temporary Assistance to Needy Families (TANF, or means-tested income supplements for families with children).

## How Does Child SSI Receipt Affect Parental Employment?

While many parents caring for children with disabilities have to reduce their work hours or leave work due to caregiving responsibilities, there is no evidence that receipt of SSI for a disabled child reduces parents' likelihood of engaging in paid work. Duggan and Kearney, for example, found that a child's receipt of SSI had "little [negative] impact on parental labor supply."<sup>32</sup>

SSI is a "work-support" program for many parents of disabled children. Although SSI is means-tested, the income rules are designed to encourage paid work by parents. Because only half of parental earnings from work are counted against a child's SSI benefit, families with SSI income and an employed parent will have higher incomes than those who just have SSI income.

In December 2011, despite near record-high unemployment (8.5 percent), nearly 40 percent of SSI children lived with an employed parent.<sup>33</sup> A decade earlier, when the unemployment rate was around 4 percent, some 55 percent of SSI children lived with an employed parent.<sup>34</sup>



**Table 1. Primary Diagnoses of Children Receiving SSI, December 2011**

<b>Diagnostic group</b>	<b>Number</b>	<b>Percent</b>
<b>Congenital anomalies</b>	<b>68,843</b>	<b>5.4</b>
<b>Endocrine, nutritional, and metabolic diseases</b>	<b>8,334</b>	<b>0.7</b>
<b>Infectious and parasitic diseases</b>	<b>1,397</b>	<b>0.1</b>
<b>Injuries</b>	<b>6,927</b>	<b>0.5</b>
<b>Mental disorders</b>	<b>860,971</b>	<b>67.4</b>
Autistic disorders	106,928	8.4
Developmental disorders	260,528	20.4
Childhood and adolescent disorders not elsewhere classified	249,961	19.6
Intellectual disability	132,963	10.4
Mood disorders	42,986	3.4
Organic mental disorders	27,809	2.2
Schizophrenic and other psychotic disorders	4,207	0.3
Other mental disorders	35,589	2.8
<b>Neoplasms (cancer)</b>	<b>15,378</b>	<b>1.2</b>
<b>Diseases of the—</b>	<b>186,820</b>	<b>14.6</b>
Blood and blood-forming organs	13,729	1.1
Circulatory system	6,581	0.5
Digestive system	14,943	1.2
Genitourinary system	3,562	0.3
Musculoskeletal system and connective tissue	9,451	0.7
Nervous system and sense organs	99,728	7.8
Respiratory system	36,457	2.9
Skin and subcutaneous tissue	2,369	0.2
<b>Other/Unknown</b>	<b>128,452</b>	<b>10.1</b>
<b>Total</b>	<b>1,277,122</b>	<b>100.0</b>

Source: Table 20 in Social Security Administration, *SSI Annual Statistical Report*, 2011 (Washington, DC: 2012).

## How Did the More Restrictive Child Disability Standard of 1996 Affect Families with Disabled Children?

Between 1996 and 1999, over 100,000 children with impairments had their SSI benefits terminated after Congress made the SSI eligibility rules more restrictive for children with disabilities as part of the Personal Responsibility and Work Opportunity Reconciliation Act of

1996.<sup>35</sup> This change offers a case study in what happens to the economic well-being of families caring for children with disabilities when SSI benefits are removed. Lynn Karoly and Paul Davies compared families whose children lost SSI benefits as a result of the 1996 law with families whose children lost SSI benefits due to normal attrition, such as improvement in the child's condition or an increase in parents' income.<sup>36</sup> They found that families whose benefits were terminated as a result of the new law were worse off: they had lower incomes, were more likely to receive food stamps, and were less likely to have earnings from work. Summarizing the implications of their findings and related qualitative research, Karoly and Davies note that there may have been:

a limit to the labor market response to benefit loss, particularly for families where the child's disability creates a barrier to a parent's employment. Other families that were able to work when they received SSI benefits may no longer have been able to do so when the benefit payments stopped. This might have been due to problems with childcare or access to needed medical services that interfered with the parent's ability to work.<sup>37</sup>

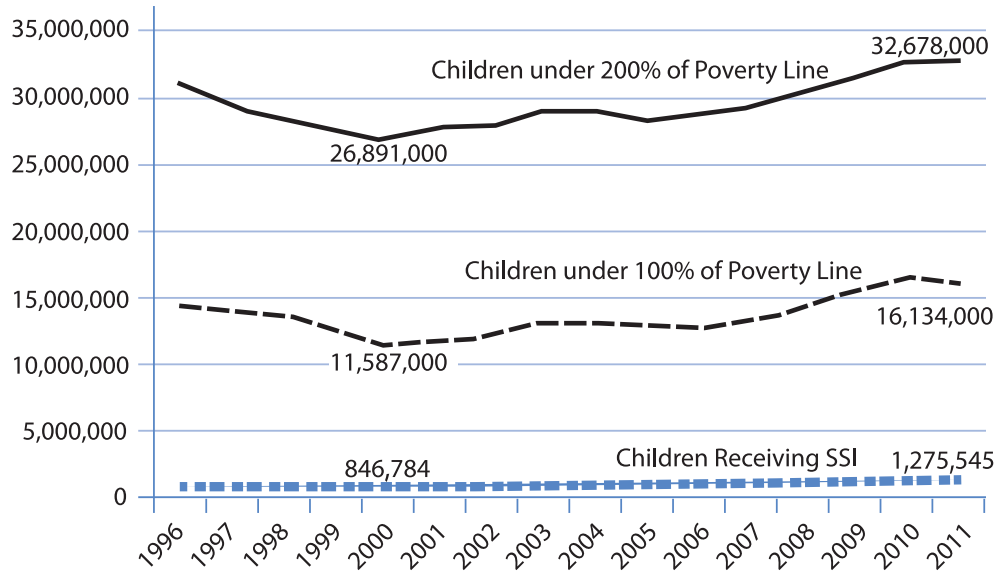
## How Has the Number of Children Receiving SSI Changed Since 2000 and Why?

Between 2000 and 2011, the number of children receiving SSI increased from 847,000 to 1.28 million—an increase of about 530,000 children. Almost all of this increase is due to an increase in the number of low-income children, as their parents faced setbacks during the economic recession and slow recovery. Over the same period, the number of children with family incomes below twice the poverty line grew by 5.8 million (Figure 2). Children receiving SSI made up a relatively stable share (3 to 4 percent) of low-income children between 2000 and 2011.

December 1999 marked the most recent low point in children's receipt of SSI. In that same month, unemployment had also fallen to a record low of 4 percent. Prior terminations of SSI benefits for more than 100,000 children under the 1996 legislation had also reduced the number of children eligible for and receiving SSI. Researchers have found that rates of child SSI receipt vary with state unemployment levels, which further underscores the link between the economy and children's receipt of SSI.<sup>38</sup>

SSA actuaries and the Congressional Budget Office (CBO) project that the number of disabled children receiving SSI will level off over the next few years.<sup>39</sup> Reflecting the improving economy, there has already been a decline from 2010 to 2011 in both the number of applications for SSI filed on behalf of children, and the number of new child beneficiaries. SSA and CBO also project that payments to disabled children as a percentage of GDP will start trending downward after 2013.<sup>40</sup> This is due to both to the projected leveling off of the number of children receiving SSI and the fact that SSI benefits are not adjusted to keep pace with increases in real earnings over time.

**Figure 2. Number of Children Receiving SSI and Number of Low-Income Children, 1996-2011**



Sources: U.S. Census Bureau, POV01 Tables from Historical Poverty Tables, Current Population Survey, Annual Social and Economic Supplement; and Table 3 in Social Security Administration, *SSI Annual Statistical Reports*.

## What Initiatives Are Underway to Improve Outcomes for Young People who Receive SSI?

As currently structured, SSI contains an array of supports and incentives for beneficiaries to pursue employment and education. For instance, the income rules encourage earnings from work—the first \$85 plus half of all remaining monthly earnings do not reduce monthly SSI benefits. Beneficiaries under age 22 who are regularly attending school can earn up to \$1,640 per month (and a yearly maximum of \$6,600) without any reduction in their SSI benefits. Additionally, in most states, Medicaid coverage continues if the child ceases to receive SSI due to earnings, as long as certain criteria are met.<sup>41</sup> And through the Section 301 program, young people can continue receiving SSI up to age 22 while they finish school and transition into special vocational rehabilitation programs.<sup>42</sup>

An array of efforts are underway to explore how SSA and other federal agencies can better support youth receiving SSI and prepare them for an independent, productive, and rewarding adulthood. One example is SSA’s Youth in Transition Demonstration (YTD), a program that provides extra supports and services to youth receiving SSI or Social Security Disability Insurance (SSDI). Early results from a random assignment evaluation of YTD suggest modest increases in youth employment in two sites after 24 months and no increase in a third site.<sup>43</sup> One of the sites that increased employment guaranteed a summer job to all people assigned to YTD. Interestingly, in the two sites that produced increased employment, youth in YTD were

somewhat more likely to be receiving SSI after 24 months, largely due to demonstration rules that allowed them to earn more before losing benefits or having their benefits reduced. There was no difference in SSI receipt in the site that did not increase employment. Results are not yet available from the three other YTD sites in the evaluation.

Another demonstration effort, the PROMISE program—Promoting Readiness of Minors in SSI—was recently established to fund and evaluate pilot projects that aim to improve outcomes for youth who receive SSI and their families. Other recent pilot programs include the Opening Doors to the Future Project and the Transitional Employment Training Demonstration, both of which explore how to most effectively support improved outcomes for youth through a more integrated, holistic approach to transition support.

## Endnotes

- 1 For most of the 20th century, disability was viewed solely in individual and medical terms as a problem intrinsic to the person with the disability. Over the last half century, disability has come to be understood in dynamic social terms as a process that involves the interaction between people with limitations or health conditions, and the environments in which they live and work.
- 2 As used here, a “chronic” health condition is one that lasts at least three months. Federal Interagency Forum on Child and Family Statistics, *America’s Children in Brief: Key National Indicators of Well-Being, 2012* (Washington, DC: U.S. Government Printing Office, 2012), Table Health5, <http://www.childstats.gov/americaschildren/tables.asp>.
- 3 Neal Halfon, Amy Houtrow, Kandyce Larson, and Paul W. Newacheck, “The Changing Landscape of Disability in Childhood,” *The Future of Children*, Vol. 22, No. 1 (Spring 2012): 13-42, [http://futureofchildren.org/futureofchildren/publications/docs/22\\_01\\_02.pdf](http://futureofchildren.org/futureofchildren/publications/docs/22_01_02.pdf).
- 4 Disability status was determined using the question: “Does the child have a physical, learning, or mental health condition that limits his or her participation in the usual kinds of activities done by most children his/her age?” Susan L. Parish et al., “Material Hardship in U.S. Families Raising Children with Disabilities,” *Exceptional Children*, Vol. 75, No. 1 (2008): 71-92 and “Material Hardship in U.S. Families Raising Children with Disabilities: Research Summary and Policy Implications” (Chapel Hill: University of North Carolina, 2009).
- 5 Dennis Hogan, *Family Consequences of Children’s Disabilities* (New York: Russell Sage, 2012).
- 6 Ibid, page 35.
- 7 Stabile and Allin also note that negative effects on future well-being of adults seem to be greater for children with mental disabilities than for physical ones. Mark Stabile and Sara Allin, “The Economic Costs of Childhood Disability,” *The Future of Children*, Vol. 22, No. 1 (Spring 2012): 65-96, [http://futureofchildren.org/futureofchildren/publications/docs/22\\_01\\_04.pdf](http://futureofchildren.org/futureofchildren/publications/docs/22_01_04.pdf).
- 8 See “Legislative History, The Development of the Disability Program under Old-Age Survivors Insurance, 1935-74,” House Ways and Means Committee Staff Report on the Disability Insurance Program, July 1974, <http://www.ssa.gov/history/reports/dibhistory.html>.
- 9 See “A History of the Social Security Disability Programs,” Social Security Administration, January 1986, <http://www.ssa.gov/history/1986dibhistory.html>.
- 10 President Richard Nixon, “Statement on Signing the Social Security Amendments of 1972,” October 30, 1972, <http://www.presidency.ucsb.edu/ws/index.php?pid=3673#axzz1ssmRCsRM>.
- 11 U.S. House of Representatives, Social Security Amendments of 1971, Report of the Ways and Means Committee on H.R. 1, H. Rept. No. 92-251, pp. 146-148.
- 12 Jerry L. Mashaw, James M. Perrin, and Virginia P. Reno, Eds, *Restructuring the SSI Disability Program for Children and Adolescents*, Report of the Committee on Childhood Disability of the Disability Policy Panel (Washington, DC: National Academy of Social Insurance, 1996); National Commission on Childhood Disability, “Supplemental Security Income for Children with Disabilities: Report to Congress of the National Commission on Childhood Disability” (Washington, DC: 1995), <http://www.ssa.gov/history/reports/SSI/ChildhoodDisabilityReport.html>.
- 13 Supra note 5.
- 14 Ibid.
- 15 U.S. Government Accountability Office, “Supplemental Security Income: Better Management Oversight Needed for Children’s Benefits,” GAO-12-497 (Washington, DC: June 2012).

- 16 45 United States Code (U.S.C.) § 1381; 20 Code of Federal Regulations (C.F.R.) § 416.906.
- 17 45 C.F.R. § 416.924.
- 18 45 C.F.R. § 416.926.
- 19 *Marked* and *extreme* are terms of art. SSA evaluates marked and extreme differently based on the age of the child. For children from birth to three years of age: marked is defined as performing two or more standard deviations below the mean (but less than three standard deviations) on standardized tests of functioning, or by functioning at more than one-half but not more than two-thirds of chronological age. Extreme is defined as performing three or more standard deviations below the mean on standardized tests, by functioning at one-half or less of chronological age, or by no meaningful functioning in a given area. For children from age three to eighteen: marked is defined as performing two or more standard deviations below the mean on a standardized test (but less than three standard deviations) or by limitations that are more than moderate and less than extreme. Extreme is defined as performing three or more standard deviations below the mean on a standardized test, or by no meaningful functioning in a given area. See 20 C.F.R. § 416.926a(c)(3).
- 20 42 U.S.C. §§ 421(i) and 1382c(a)(3)(h)(ii)(I).
- 21 20 C.F.R. § 416.990.
- 22 This type of review is commonly referred to as an age-18 redetermination. 42 U.S.C. §1382c(a)(3)(h); 20 C.F.R. § 416.987.
- 23 Counting of household income is subject to certain exclusions and disregards, including a small exclusion of parental income to meet the basic needs of other children in family (currently \$350 per child per month), an exclusion of all of the first \$65 of earned income and half of earned amount above this amount, and an exclusion of income to meet parent’s needs (\$698 for a single parent, \$1,048 for a couple). For more on parent-to-child deeming rules, see 20 C.F.R. § 416.1165; Social Security Administration, Program Operations Manual System (POMS) Section SI 01320.500; and Dave Hammis and Lucy Miller, “Parent-to-Child Deeming” (Richmond, VA: VCU Work Incentive Planning and Assistance National Training Center, February 2011).
- 24 For more information on Plans to Achieve Self-Support (PASS), see Social Security Administration, *2012 Red Book: A Summary Guide to Employment Supports for Persons with Disabilities Under the Social Security Disability Insurance and Supplemental Security Income Programs*, SSA Publication No. 64-030 (January 2012), <http://www.socialsecurity.gov/redbook>.
- 25 Plus the amount of any state supplement. However, most states do not provide any supplement or only a very small one for children. See Social Security Administration, *State Assistance Programs for SSI Recipients, January 2011*, SSA Publication No. 13-11975 (Washington, DC: November 2011), [http://www.ssa.gov/policy/docs/progdesc/ssi\\_st\\_asst/2011/ssi\\_st\\_asst2011.pdf](http://www.ssa.gov/policy/docs/progdesc/ssi_st_asst/2011/ssi_st_asst2011.pdf).
- 26 Social Security Administration, “Monthly Statistical Snapshot for August 2012” (September 2012), [http://www.ssa.gov/policy/docs/quickfacts/stat\\_snapshot/index.html?qs](http://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/index.html?qs).
- 27 Notably, both the share of children receiving SSI and the share of low-income children receiving SSI are lower than all of these various disability prevalence rates.
- 28 Kalman Rupp, Paul S. Davies, Chad Newcomb, et al., “A Profile of Children with Disabilities Receiving SSI: Highlights from the National Survey of SSI Children and Families,” *Social Security Bulletin*, Vol. 66, No. 2 (2005/2006): 21-48.
- 29 U.S. Census Bureau, “Poverty Thresholds by Size of Family and Number of Children, 2011,” <https://www.census.gov/hhes/www/poverty/data/threshld/index.html>.



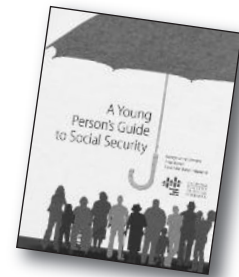
- 30 Authors' calculations from Table 20 in each of the Social Security Administration's *SSI Annual Statistical Reports* over this time period. On greater prevalence of mental than physical impairments among children, see Halfon et al., *supra* note 3, page 23, which finds that top five conditions for children with disabilities generally are primarily developmental, emotional and behavioral, and Fiona M. Gore et al., "Global Burden of Disease in Young People Aged 10–24 Years: A Systematic Analysis," *The Lancet*, Vol. 377, No. 9783 (June 2011): 2093-2102, which finds that mental impairments account for 68 percent of disabilities among 10- to 24-year-olds.
- 31 Using longitudinal data from the SIPP, Duggan and Kearney developed a methodology that allows them to control for unobserved, time-invariant differences across households that might bias cross-sectional estimates. Mark Duggan and Melissa Schettini Kearney, "The Impact of Child SSI Enrollment on Household Outcomes," *Journal of Policy Analysis and Management*, Vol. 26, No. 4 (2007): 861-885.
- 32 Duggan and Kearney "find virtually no evidence of any anticipatory behavior or discrete changes in outcomes before actual benefit receipt." *Ibid*.
- 33 Among SSI children living with one parent, about one-third of parents were employed (reported receiving earned income that month to SSI); among SSI children living with two parents, just under two-thirds (about 62 percent) had one or more employed parents. Authors' calculation from Tables 25-26 in Social Security Administration, *SSI Annual Statistical Report, 2011* (Washington, DC: 2012).
- 34 Table 2 in Paul S. Davies, Kalman Rupp and David Wittenberg, "A Life-Cycle Perspective on the Transition to Adulthood among Children Receiving Supplemental Security Income Payments," *Journal of Vocational Rehabilitation*, Vol. 30 (2009): 133-151.
- 35 Lynn A. Karoly, Randall A. Hirscher, and Jeannette A. Rogowski, *A Descriptive Analysis of the SSI Childhood and Age-18 Disability Redetermination Process: Results Through August 28, 1999*, DRU-2328 (Santa Monica, CA: The RAND Corporation, 2000).
- 36 Lynn A. Karoly and Paul S. Davies, "The Impact of the 1996 Childhood Disability Reforms: Evidence from Matched SIPP- SSA Data" (Ann Arbor, MI: University of Michigan Retirement Research Center, 2004).
- 37 *Ibid*.
- 38 *Ibid*.
- 39 In 2012, SSA's actuaries projected that federal spending on SSI benefits to children with disabilities will decline from .062 percent of GDP in 2012 to .052 percent of GDP in 2022. Table IV.DI in Social Security Administration, *Annual Report of the Supplemental Security Income Program, 2012* (Baltimore, MD: 2012); Congressional Budget Office, "Supplemental Security Income: March 2012 Baseline," (Washington, DC: March 2012), <http://www.cbo.gov/publication/43073>.
- 40 *Ibid*.
- 41 42 U.S.C. §1382(h) (commonly referred to as the 1619(b) provision, because it appears as Section 1619(b) of the Social Security Act).
- 42 For more information on Section 301, see Social Security Administration, *2012 Red Book*, *supra* note 24.
- 43 Jeffrey Hemmeter, "Earnings and Disability Program Participation of Youth Transitional Demonstration Participants After 24 Months," (Social Security Administration, January 2012), <http://www.ssa.gov/disabilityresearch/documents/YTD%20Final.pdf>.

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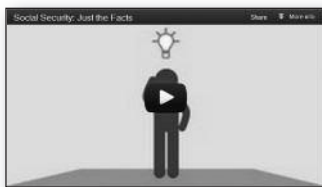
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