

## SSI Recipients in Multirecipient Households, March 1994\*

This note addresses concerns about the amounts of Supplemental Security Income (SSI) payments made to households where two or more recipients live together. Under current law these payments are not generally reduced. One of the concerns is that the SSI program may be providing income to households whose income exceeds an equitable standard, defined in terms of the poverty guidelines.<sup>1</sup> This study measures the incidence of this happening by comparing unit incomes to the 1994 poverty guidelines.

In March 1994, few SSI recipients were living in households with other recipients. Just over 500,000 recipients (not including eligible couples) out of the more than 6,000,000 total SSI recipients lived in the same household with others also receiving SSI (8.5 percent).

Another 400,000 persons were living in 2-recipient households as SSI couples. Their payments were subject to a limitation of 1.5 times the amount paid to an individual.

The households in which SSI recipients lived together generally were not large. Less than 4 percent of the persons in multirecipient households lived with more than three other recipients. The most common type of household group was composed of disabled adults.

When only SSI payments are considered, 50 percent of the multirecipient units were below the poverty guideline, and almost all the rest were between 100 and 150 percent of poverty.

When a proxy for "countable" income is added to the SSI payment, 94 percent of all the multirecipient units were at or

above the poverty level, including all of the households of three or more recipients.

This analysis is based on a representative 5-percent sample of recipients. Those living in noninstitutional multirecipient households were identified by using an automated address-matching technique, further validated by a manual review of the records.

### Background

Several times during the SSI program's 20-year history, the existence of large SSI households with large aggregate SSI payments has become a public issue. This concern was based on media accounts of individual situations, questions of equity, and governmental interest in the potential budget savings to be achieved by limiting the amount of SSI payments going into a single household. Below is a case provided by a Midwest Social Security office about large multirecipient households:

The household consists of a couple who both receive Title II benefits based on the husband's disability (he is age 55). Living with them are five children ranging in age from 17 to 22. Four of the children receive Title II benefits, and all five receive SSI payments. The total payments to the household in August 1994 were:

Total .....	\$3,004
SSI.....	2,058
SSDI.....	946

In addition, the wife and child of the 22-year old son live in the household, and receive AFDC payments of \$229 per month.

Few reliable data exist on the number and size of households with more than one SSI recipient. An SSA study in 1973-74 found about 148,000 adults (approximately 4 percent of the adult

caseload at that time) living in multirecipient households. A 1978 study of children found 40,000 children (20 percent of recipient children) living with at least one other recipient. Most recently, a 1985 study by SSA staff found 268,000 recipients (6 percent of the caseload, not including SSI couples) living with other recipients.

The purpose of this note is to update the national data on SSI recipients who live with other recipients. The note will describe the size of the units, present some characteristics of this population, estimate the SSI payments going to these households, and estimate the extent to which the SSI payments raise the income of these multirecipient households to or beyond the poverty level.

### Findings

There were relatively few multirecipient households. Altogether, about 15 percent of the SSI recipients lived with other recipients. This amounted to an estimated 910,780 people in 428,160 units—but many of these were 2-person units, comprised entirely of eligible couples already subject to a limitation on their SSI payments. If these 2-person units were removed from the analysis, there would be only 516,540 recipients in 231,040 households—8.5 percent of the SSI caseload (table 1).

Even when units where the only recipients were SSI couples were removed from the analysis, most of the households were small. More than 4 out of 5 of the 231,040 units had only two recipients. Fifteen percent included three persons getting SSI, and 4.0 percent of the units had four or more recipients.

The estimated number of recipients in units with four or more persons represents less than half of 1 percent of all SSI recipients in March 1994.

The most common type of multire-

\*Lenna D. Kennedy, Charles G. Scott, and Alfreda M. Brooks, Office of Program Benefits Policy, Division of Program Management, Research, and Demonstrations, Social Security Administration.

recipient household was a group of disabled adults living together (table 2). These households accounted for almost

30 percent of the multirecipient units. Another 26 percent included only aged and disabled adults, while 20 percent of the units were comprised entirely of disabled adults and children.

In 13 percent of the multirecipient units all of the recipients were disabled children. Units with only aged recipients comprised 8.0 percent of the total, and almost all of these were 2-person units. The larger units, four persons or more, were mostly groups of aged and disabled adults, or disabled adults living with children.

### *Characteristics of Individuals in Multirecipient Households*

In March 1994, about 6 million persons received SSI payments. Of these, about 516,000 (9.0 percent) lived in a household with more than one SSI recipient (table 3).

Table 3 shows the distributions by sex, age, race, and geographic region for two populations: all SSI recipients and multirecipient households in March 1994. Men are somewhat more likely to be in multirecipient units. They made up 46 percent of those in multirecipient households, compared with 41 percent of all recipients in the study month.

The age distribution indicates that recipients in multirecipient units are younger than the caseload as a whole—24 percent were under age 18, compared with 12 percent of all those receiving SSI. Also, only 23 percent of those in multirecipient households were aged 65 or older, compared with 36 percent of all recipients.

Among all recipients, 47 percent identified themselves as white, 25 percent as black, and 13 percent as being of other races.<sup>2</sup> For 15 percent the code was missing. Those who were living with

Table 1.—SSI multirecipient households: Number of units, by size, March 1994

Unit size	Without 2-person couple units	
	Number	Percent
Total units	231,040	100
2.....	188,060	81.4
3.....	34,440	14.9
4.....	6,840	3.0
5.....	1,100	.5
6.....	300	.1
7.....	200	.1
8.....	40	.0
12.....	60	.0

<sup>1</sup> Based on a 5-percent sample.

Table 2.—Multirecipient households: Number of units by unit size, number, and percent by age, March 1994<sup>1</sup>

Unit size	Age <sup>2</sup>							
	Total	Disabled adults only	Disabled adults and children	Aged adults only	Aged and disabled adults	Aged adults and children	Children only	All three types
	Number							
Total units <sup>3</sup> .....	231,040	67,980	47,160	19,860	60,540	5,060	28,880	1,560
2.....	188,060	59,900	34,680	17,240	46,580	4,120	25,540	0
3.....	34,440	6,840	9,380	2,260	11,360	740	2,860	1,000
4.....	6,840	920	2,240	340	2,260	160	440	480
5.....	1,100	220	420	20	320	40	40	40
6.....	300	60	180	0	20	0	0	40
7.....	200	20	180	0	0	0	0	0
8.....	40	20	20	0	0	0	0	0
12.....	60	0	60	0	0	0	0	0
	Percent							
Total units.....	100.0	29.4	20.4	8.6	26.2	2.2	12.5	0.7
2.....	100.0	31.9	18.4	9.2	24.8	2.2	13.6	.0
3.....	100.0	19.9	27.2	6.6	33.0	2.1	8.3	2.9
4.....	100.0	13.5	32.7	5.0	33.0	2.3	6.4	7.0
5.....	100.0	20.0	38.2	1.8	29.1	3.6	3.6	3.6
6.....	100.0	20.0	60.0	0	6.7	.0	.0	13.3
7.....	100.0	10.0	90.0	.0	.0	.0	.0	.0
8.....	100.0	50.0	50.0	.0	.0	.0	.0	.0
12.....	100.0	.0	100.0	.0	.0	.0	.0	.0

<sup>1</sup> Based on a 5-percent sample.

<sup>2</sup> Persons aged 65 or older; disabled adults 18-64; children under age 18.

<sup>3</sup> Does not include units with only a 2-person SSI couple.

other recipients were less likely to be white (42 percent), and more likely to be black (33 percent). The proportion identifying themselves as "other race" was 12 percent, about the same as in the total caseload.

Those who were in multirecipient households showed a geographic pattern similar to that for all recipients in the study month. Nineteen percent of all recipients lived in the Midwest (16 percent in the multirecipient units), 19 percent in the Northeast (22 percent in multirecipient units), about 40 percent in the South (42 percent in multire-

ipient units), and 22 percent in the West (20 percent of the multirecipient units).

### Comparisons to the Poverty Level

One concern about multirecipient units is that, in those units, the SSI program may provide income that exceeds an equitable standard. One way to measure this is to compare unit incomes to the official poverty standard. In 1994 that standard is \$613 per month for a 1-person unit, and an extra \$206.50 for each additional person in the unit. A 1-person household was considered poor

if the income was less than \$613 per month, and a 2-person household was poor with income less than \$820.

By comparison, the maximum monthly SSI Federal payment was \$446 for an individual living independently (well below the poverty level); \$669 for an eligible couple (well below the poverty level); and \$892 for two persons, not an eligible couple, living together in a multirecipient household (slightly above the poverty level).

Several other factors affect the size of the SSI payment, including State supplemental payments and a reduction for living in a household headed by someone else and receiving support and maintenance there. In table 4 we compare the poverty guidelines with both the size of the actual SSI payment in multirecipient units, and the size of the maximum Federal and State payment to those units.

The average amount of SSI payments to these multirecipient households in March 1994 ranged from \$728 in 2-person units (\$364 per person) to over \$5,100 in 12-person units (\$426 per person). These amounts included both Federal SSI and federally administered State supplementation in the States where such payments were made (table 4). When only Federal SSI is considered, the amount of payments ranged from \$660 for the 2-person units (\$330 per person), to \$5,000 for the 12-person units (\$417 per person).

In table 4 the columns headed "Maximum SSI household payment" present the highest amount that could have been paid to these households in March 1994. The calculations considered the presence of SSI couples and those people whose maximum payment was reduced by one-third because of in-kind income received from the household in which they lived.

The difference between the maximum payment possible and the average payment actually received can be considered a rough estimate of the amount of income in the household that is countable for SSI purposes.

In this analysis we use the maximum payment possible as a proxy for the sum of SSI payments plus countable income, in order to compare the income of

Table 3.—SSI multirecipient households: Total number of SSI recipients, and multirecipient units without 2-person couple units, by type, sex, age, race, and geographic locations, March 1994<sup>1</sup>

Selected characteristics	All SSI recipients		Multirecipients <sup>2</sup>	
	Number	Percent	Number	Percent
Total.....	6,018,200	100	516,540	100
Category: <sup>3</sup>				
Aged adults.....	1,463,400	24.3	78,580	15.2
Blind adults.....	74,500	1.2	5,700	1.1
Disabled adults.....	3,605,400	59.9	290,340	56.3
Children.....	874,900	14.5	142,000	27.4
Sex:				
Female.....	3,570,600	59.3	281,280	54.5
Male.....	2,447,600	40.7	235,260	45.5
Age:				
Under 10 years.....	321,500	5.3	54,780	10.6
10-17.....	406,000	6.7	71,320	13.8
18-29.....	638,300	10.6	67,060	13.0
30-39.....	724,800	12.0	68,960	13.4
40-49.....	668,700	11.1	55,300	10.7
50-64.....	1,088,300	18.1	80,500	15.6
65-74.....	1,116,900	18.6	66,580	12.9
75 or older.....	1,053,700	17.5	52,040	10.0
Race:				
Black.....	1,524,700	25.3	170,520	33.0
White.....	2,823,600	46.9	217,740	42.2
Other.....	757,800	12.6	59,480	11.5
Not reported.....	912,100	15.2	68,800	13.3
Geographic area:				
Midwest.....	1,130,100	18.8	85,120	16.5
Northeast.....	1,151,100	19.1	114,440	22.2
South.....	2,386,700	39.7	214,060	41.4
West.....	1,350,300	22.4	102,920	19.9

<sup>1</sup> Based on the SSI 1-percent sample.

<sup>2</sup> Based on a 5-percent sample. Does not include 2-person couple units.

<sup>3</sup> Based on SSI program category.

multirecipient households to the poverty guidelines.<sup>3</sup>

Based on the *average* amounts, multirecipient households had at least as much income in the study month as the 1994 poverty guidelines. This is also true when only Federal payments are considered. Even for the 2-person units, the maximum payment was \$865, higher than the poverty guideline of \$820 (table 4).

Table 5 shows the income of multirecipient households as ratios of the applicable poverty guidelines. With the SSI payment alone, half of the multirecipient units were below the poverty guideline, and almost all of the rest were between 100 and 150 percent of poverty. Only 6,600 households out of 231,000 in the study exceeded 150 percent of the guidelines.

The ratios increased with the size of the household. More than half of all households with more than five recipients received SSI payments totaling over 150 percent of poverty. This is 2/10ths of 1 percent of the multirecipient households, and 1/10th of 1 percent of all recipients.

When the maximum household payment is considered as the measure of SSI payments plus countable income, the ratios rise. Six percent of households were below 100 percent of poverty, and 9 out of 10 were between 100 and 150 percent. The proportion of households over 150 percent of poverty increased to 5 percent.

Once again, the ratios increased with the number of recipients in the household. Less than 2 percent of all households with three or more recipients had income under 100 percent of the poverty level.

### Study Methodology

One of the impediments to consideration of a household limit is that it is difficult to identify which SSI recipients are living with other recipients.<sup>4</sup> The Supplemental Security Record (SSR), the main administrative record for the SSI program, was designed to support the basic policy of individual eligibility, and does not permit the ready identification of recipients who live in the same household. The only household units

Table 4.—SSI multirecipient households: Number of units, by size, mean amount of Federal SSI and total SSI payments, maximum SSI household payment, and monthly poverty guideline, March 1994<sup>1</sup>

Unit size	Number of units	1994 poverty guideline <sup>2</sup>	Average SSI Payment		Maximum SSI household payment <sup>3</sup>	
			Total	Federal	Total	Federal
2.....	188,060	\$820	\$728	\$660	\$936	\$865
3.....	34,440	1,026	1,082	948	1,395	1,267
4.....	6,840	1,233	1,460	1,267	1,873	1,683
5.....	1,100	1,440	1,937	1,792	2,322	2,182
6.....	300	1,646	2,414	2,289	2,715	2,596
7.....	200	1,853	3,258	3,008	3,371	3,122
8.....	40	2,060	3,343	3,342	3,456	3,456
12.....	60	2,888	5,115	5,003	5,464	5,352

<sup>1</sup> Based on a 5-percent sample. Does not include 2-person SSI couple units.

<sup>2</sup> Annual poverty guideline for unit of specified size, divided by 12.

<sup>3</sup> The largest amount of SSI which could have been paid to the household, taking into account SSI couples, and persons who live in another person's household and receive support and maintenance there.

which generally *can* be identified are couples and minor children who live with their parents. With these two exceptions, there are no cross references or indexes on SSR records. For this reason, the study used an address-matching technique to identify multirecipient households.

A nationally representative 5-percent sample of SSA field offices was identified. Records for 284,000 noninstitutionalized recipients served by these offices who received an SSI payment in March 1994 were extracted from the SSR. These cases were matched using the recipient's address. During this automated step, cases were eliminated for persons whose addresses were easily identifiable from the address as nursing homes, board and care homes, or other group living situations which could not be considered "households."

One of the problems in obtaining an accurate match was the fact that the recipient's address is not entered on the records consistently. As a result, addresses could appear to "match" which are not the same, or persons who in fact live at the same place would not "match." To minimize these errors, two additional reviews were undertaken. First, the matched units were manually reviewed to determine, to the extent

possible, the accuracy of the automated match.

To avoid overstating the number of very large SSI households, an additional review was done for all those units that appeared to have six or more persons living in the same household. Individual SSI Record Displays were obtained to determine whether all of these people were living in the same household. Corrections were made to the study file where appropriate.

The final study file consisted of 45,000 recipients in 21,408 units. When weighted, they represented 910,780 recipients in 428,160 units. Of these, 197,120 units consisted entirely of eligible SSI couples. Because the SSI payments to these units are already limited, they are removed from most of the analysis.

### Notes

<sup>1</sup> The standard cited here is the "poverty guideline," created by the Office of Management and Budget for the purpose of determining eligibility for a number of Federal programs.

<sup>2</sup> Race is a voluntary self-reported characteristic on SSA administrative records.

<sup>3</sup> This analysis is limited in its comparison of poverty units to SSI multirecipient households. The poverty unit includes all persons

Table 5.—SSI multirecipient households: Number of units, by size and ratio of SSI payment and maximum household payment to 1994 poverty guidelines, March 1994<sup>1</sup>

Unit size	Ratio to poverty guidelines									
	SSI payment <sup>2</sup>					Maximum household payment				
	Total	Under 1	1 to 1.5	1.5 to 2	Over 2	Total	Under 1	1 to 1.5	1.5 to 2	Over 2
	Number of households									
Total.....	231,040	114,340	110,100	6,520	80	231,040	13,620	205,040	12,160	220
2.....	188,060	98,040	89,300	720	0	188,060	13,020	174,180	860	0
3.....	34,440	14,060	16,520	3,860	0	34,440	560	26,620	7,280	0
4.....	6,840	2,060	3,580	1,200	0	6,840	40	4,020	2,780	0
5.....	1,100	160	560	320	60	1,100	0	160	840	100
6.....	300	20	120	160	0	300	0	60	220	20
7.....	200	0	20	160	20	200	0	0	160	40
8.....	40	0	0	40	0	40	0	0	40	0
12.....	60	0	0	60	0	60	0	0	60	0
	Percent									
Total.....	100.0	49.5	47.7	2.8	0.1	100.0	5.9	88.7	5.3	0.1
2.....	100.0	52.1	47.5	.4	.0	100.0	6.9	92.6	.5	.0
3.....	100.0	40.8	48.0	11.2	.0	100.0	1.6	77.3	21.1	.0
4.....	100.0	30.1	52.3	17.5	.0	100.0	.6	58.8	40.6	.0
5.....	100.0	14.5	50.9	29.1	5.5	100.0	.0	14.5	76.4	9.1
6.....	100.0	6.7	40.0	53.3	.0	100.0	.0	20	73.3	6.7
7.....	100.0	.0	10.0	80.0	10.0	100.0	.0	.0	80.0	20.0
8.....	100.0	.0	.0	100.0	.0	100.0	.0	.0	100.0	.0
12.....	100.0	.0	.0	100.0	.0	100.0	.0	.0	100.0	.0

<sup>1</sup> Based on a 5-percent sample. Does not include 2-person SSI couple units.

<sup>2</sup> Includes State supplementation where paid.

in the household; the study units are limited to SSI recipients. This understates both the size and the income of the households. Also, the payment levels cited reflect income counted for SSI purposes, which may be lower than gross income.

<sup>4</sup> This study looked only at SSI recipients who were living together. Many of these households may have included nonrecipients as well.

## Appendix

One of the limitations of the study described above is that it does not provide any information on persons who live in the same household with more than one SSI recipient, or on the relationships, if any, between those who share these households.

To collect information on these areas of interest, we identified a random subsample of 106 of the 231,040 study households for more intensive study.<sup>1</sup> Claims folders were obtained for all persons within the 106 households, and information was extracted on household composition and payment amounts.

### Findings

In addition to the 516,000 persons receiving SSI payments, there were an estimated 309,000 other persons in those households who did not receive SSI payments. In all, there were about 825,000 people in the 231,040 study households. The mean number of persons in the households was 3.6 (table I).

To establish family relationships, we first had to establish a reference person.

We chose the oldest person in the household as the reference person.<sup>2</sup> Then we related the other persons in the household to this person. The results are shown in the following tabulation:

Total number of—	
All household members.....	825,000
Reference persons.....	231,000
Other persons.....	594,000

Total percent, other persons....	100
Children, stepchildren.....	59
Brothers, sisters.....	5
Husband, wife.....	9
Grandchildren/ great-grandchildren.....	12
Niece, nephew, aunt, uncle, cousin.....	3
In-laws.....	2
Unrelated.....	10

Table I.— Number of persons and household size by SSI payment receipt

Number of persons	Household size	
	All persons in household	Only SSI recipients <sup>1</sup>
Total percent.....	100.0	100.0
2.....	27.1	72.9
3.....	32.3	21.9
4.....	15.6	2.1
5.....	14.6	2.1
6.....	5.2	1.0
7.....	3.1	0
8.....	2.1	0
Mean number of persons.....	3.6	2.4

<sup>1</sup> These numbers differ slightly from those in the original report because they are based on a very small sample.

person was chosen as the reference person. The reference-person concept is similar to the "householder" concept used in Census data. With these data there was not sufficient information to establish a person as the householder. There were other ways to have done this, including choosing an SSI recipient as the reference person.

<sup>3</sup> *Annual Statistical Supplement, 1994*, to the *Social Security Bulletin*, table 7.F1, p. 300.

Most of the "other" household members were closely related to the reference person. About 60 percent were children of the reference person. This is an interesting finding, since the earlier study found that only 24 percent of the 516,000 SSI recipients were under age 18. This means that many of these "children" are adults who still live with their parents. Since the majority of SSI disabled recipients have a mental disorder, many multirecipient households may consist of mentally disabled adult children who continue to live with their parents.<sup>3</sup>

It has been suggested that the SSI benefit structure encourages unrelated persons to live together in order to achieve the economies of scale. It is worth noting that very few of these recipients were unrelated to any other household members. The great majority (over 90 percent) of the 231,040 households contained two or more persons in some sort of "nuclear" family relationship (parent, spouse, child).

### Notes

<sup>1</sup> The sample was obtained based on account numbers of the first person in each unit.

<sup>2</sup> An exception was where the oldest person was not related to the rest of the family. In that event, the oldest related