

Housing Assistance and SSI Participation

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21st Annual SSA Research Consortium Meeting

August 1 & 2, 2019

National Press Club

529 14th Street NW

Washington, D.C.

This research was supported by a grant from the U.S. Social Security Administration (SSA) as part of the Retirement and Disability Research Consortium (RDRC). The findings and conclusions are solely those of the authors and do not represent the views of SSA, any agency of the federal government, or University of Wisconsin-Madison's Center for Financial Security.

Paper Summary

Between 1990 and 2017, Supplemental Security Income (SSI) recipients grew seventy percent to 8.2 million people and in 2017 received \$54 billion in cash transfers. SSI recipients receive a maximum monthly federal cash benefit of \$771 in 2019, much larger than the average maximum TANF benefit of \$520 per month. Several states contribute additional cash supplements to this amount. SSI recipients also receive Medicaid health insurance and are categorically eligible for other benefits such as SNAP.

This paper investigates a previously unexplored benefit of receiving SSI: increased access to housing assistance. Housing assistance consists primarily of public housing and housing vouchers, and is the only component of the US social safety net which is rationed. According to Collinson, Ellen, and Ludwig (2015), only 20 percent of eligible households receive housing assistance, and the average waitlist time for currently assisted households is 2.3 years. Housing assistance is also characterized by local control, as over 3,300 public housing authorities exist. Each housing authority sets their own selection mechanism for filling vacancies among qualified applicants. Some authorities use a simple queue or a random selection mechanism, however many give categorical preference to various groups which can include the disabled, the elderly, veterans, the homeless, and others.

To qualify for SSI, individuals under 65 years old must submit a disability determination application. Previous work, such as Garret and Glied (2000) and Schmidt and Sevak (2008) have provided evidence that SSI participation is responsive to financial incentives such as expected SSI benefits relative to benefits for non-disabled low-income households including TANF and EITC. Burns and Dague (2017)

similarly show that SSI participation decreased among states which expanded Medicaid access as part of the Affordable Care Act, thus reducing the relative SSI expected benefits. While receiving SSI may not be a necessary condition to qualify as disabled for a local housing authority it is likely to be a sufficient condition, easily providing a verifiable signal that the household is disabled.

This paper first investigates the evolution of disabled housing assistance preference over the past 30 years. Using data from the Current Population Survey Annual Social and Economic Supplement between 1988 and 2018, we measure annual metro-level housing assistance preference by predicting housing assistance receipt using a measure of self-reported disability along with other household characteristics such as presence of children and marital status among a sample of income-eligible households. We find that the likelihood that disabled households receive housing assistance, relative to non-disabled households, has roughly doubled since the 1990s. However, we also find wide variation in the value of disabled preference across metro areas.

We then use our annual metro-level measure of disabled preference to create a variable called “Disabled Housing Assistance Value” or DHAV, which represents the expected housing assistance benefit a disabled household receives. DHAV consists of two parts: the increased probability of receiving housing assistance after becoming disabled, and the value of housing assistance conditional on receiving the benefit. Figure 1 displays our estimated annual housing assistance preference for disabled households. This figure reflects both the general increase in disabled preference but also the wide cross-metro variation in disabled preference. Combining this preference

with the expected value of housing assistance, we estimate that in the 1990s, the average DHAV was \$850 per year while in the 2010s the average DHAV value had risen to \$1,600.

Lastly, we use variation in our DHAV measure within metro-area over time to determine whether there is a causal SSI participation response to this financial benefit. Controlling for household factors, we find a significant relationship between these two elements of the social safety net. Our preferred specification suggests that each additional \$1,000 in DHAV per year increases SSI participation by four percentage points among the income-eligible population. As expected, the SSI participation response is particularly strong among lower-educated households who likely have lower labor market opportunities. While other work such as Schmidt and Sevak (2008) has documented caseload shifting between SSI and TANF, we find only a small and statistically insignificant negative relationship between increased DHAV and TANF participation.

Overall, this paper contributes to the literature on disability and program interactions by being the first paper to document and estimate the rising financial value of housing assistance to disabled households. Using within metro-area variation, we then provide evidence that locations which prioritized housing assistance access to the disabled experienced rising SSI participation. In line with our expectations, the SSI participation response is strongest among lower-educated. In line with previous work, our findings imply that some households consider the financial benefits of program participation and suggest that housing assistance plays an important role for disabled households.

References

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Figure 1. Disabled Housing Assistance Preference by Metro-area and Year, 1990-2018

Disabled Housing Assistance Preference

