

The Role of Supplemental Security Income in the Lives of Former Welfare Recipients After 1996

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Motivation

- PRWORA was associated with increases in labor supply and earnings for many former recipients
- Evidence that a sizeable number of former recipients have become disconnected from both welfare receipt and work
 - Wood and Rangarjan (2003)
 - Acs and Loprest (2004)
 - Turner, Danziger, Seefeldt (2006)
 - Blank and Kovak (2007)

Disconnect from Work and Welfare

- 20-25% of single mothers disconnected by 2003
- Economically vulnerable population
- Evidence on higher levels of disadvantage among the disconnected
- Higher levels of physical and mental limitations

Supplemental Security Income (SSI)

- Means-tested income support to disabled individuals
- Five-step disability determination process
- Less than 1/2 of SSI applicants ultimately approved

Substitutability between SSI and AFDC/TANF

- Populations served have historically been similar on observable characteristics
 - Employment history
 - Educational attainment
- High rates of disabilities among AFDC/TANF recipients

Evidence of Interactions between AFDC/TANF and SSI

- Pre-PRWORA
 - Garrett and Glied (2000)
 - Kubik (1999)
 - Schmidt and Sevak (2004)

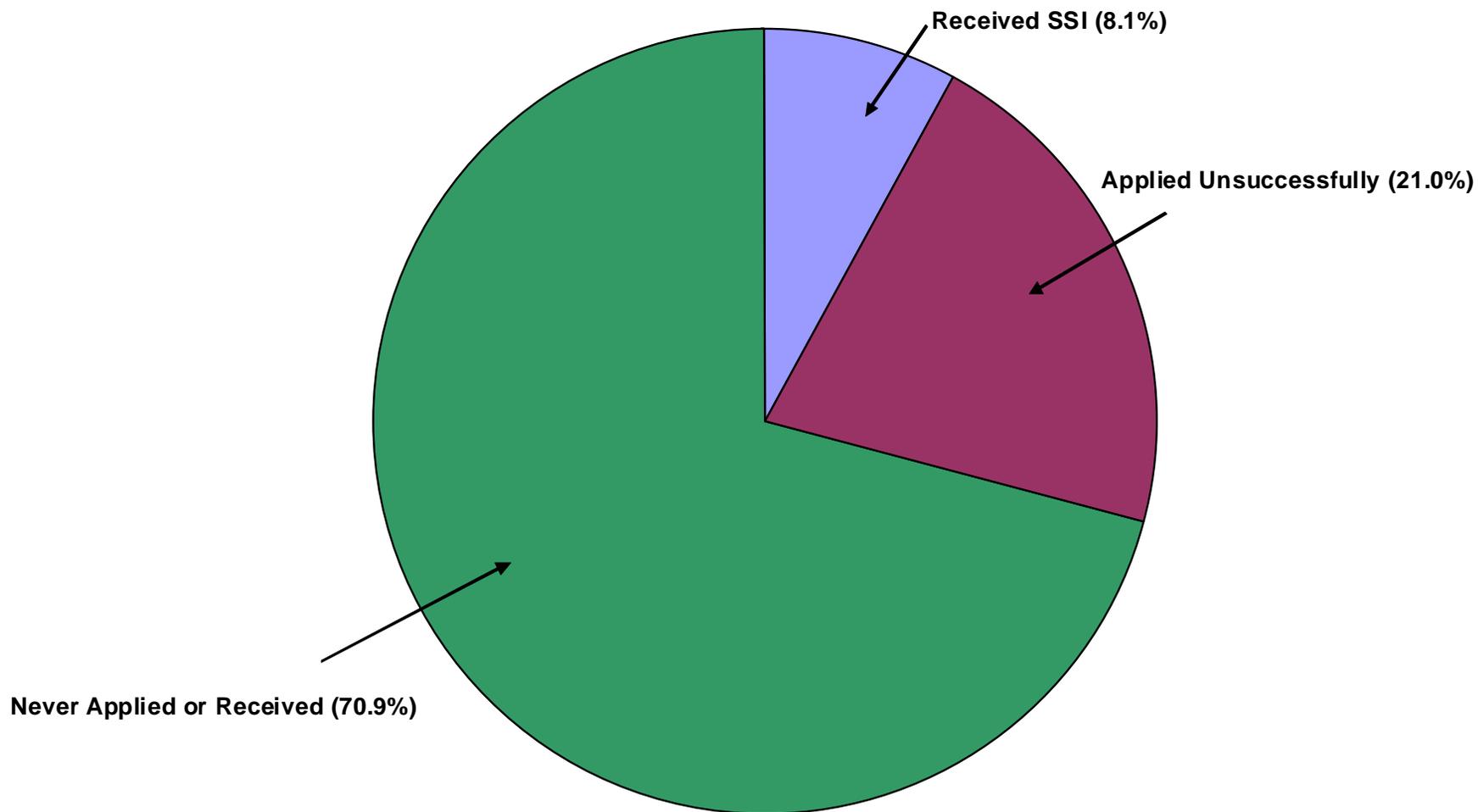
Evidence of Interactions between AFDC/TANF and SSI

- Post-PRWORA
 - Low levels of SSI receipt in “Leavers’ Studies”
 - Wood and Rangajaran (2003) ~ 3.5%
 - Loprest (2003) ~ 3.8%
 - Larger connections?
 - Wamhoff and Wiseman (2005/06)
 - Pavetti and Kauff (2006)

Data: Women's Employment Survey (WES)

- Longitudinal survey of former welfare recipients in one urban Michigan County
- Initial sample of white non-Hispanic and African American single mothers who were welfare recipients in February 1997

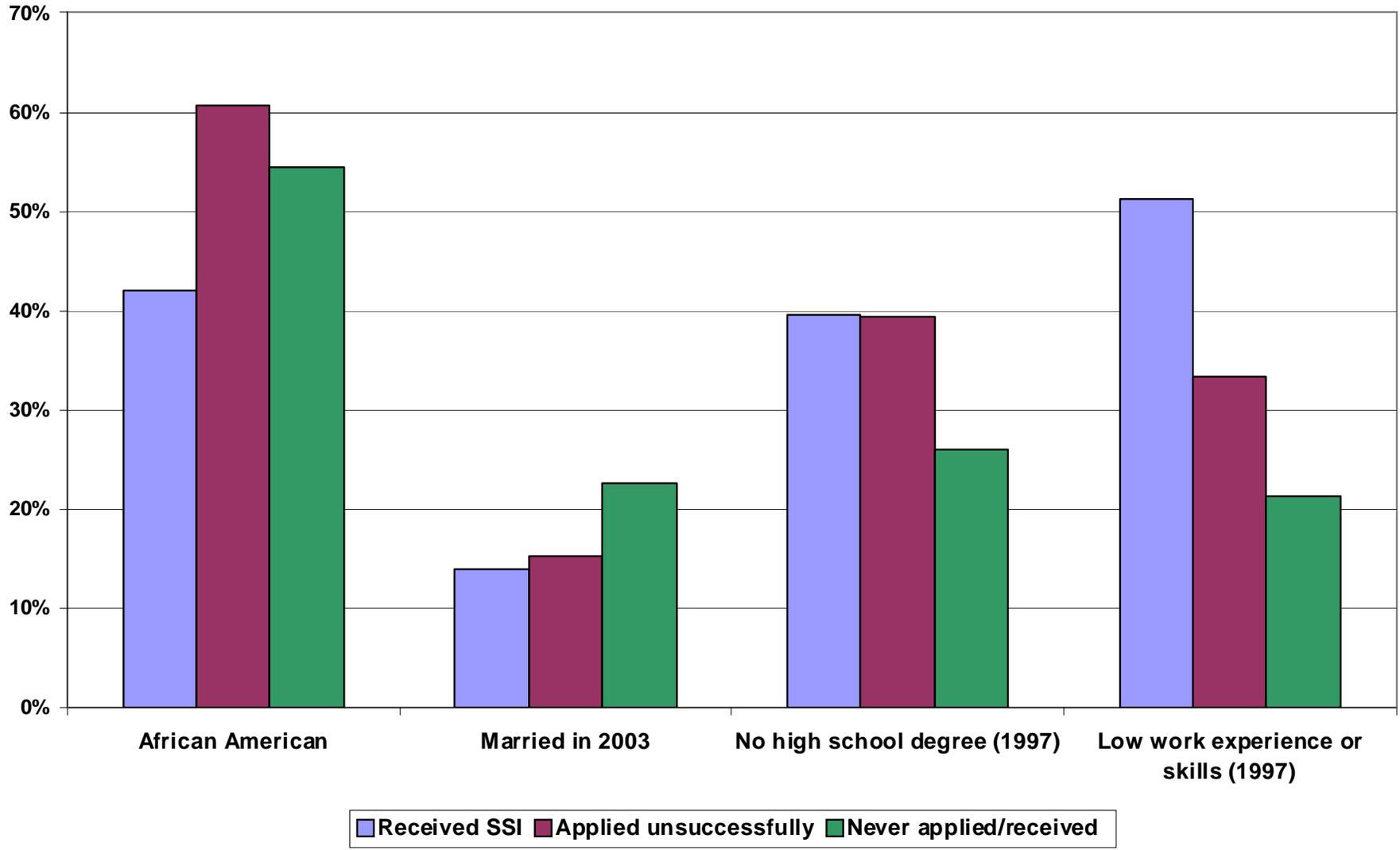
SSI Application and Receipt in the WES



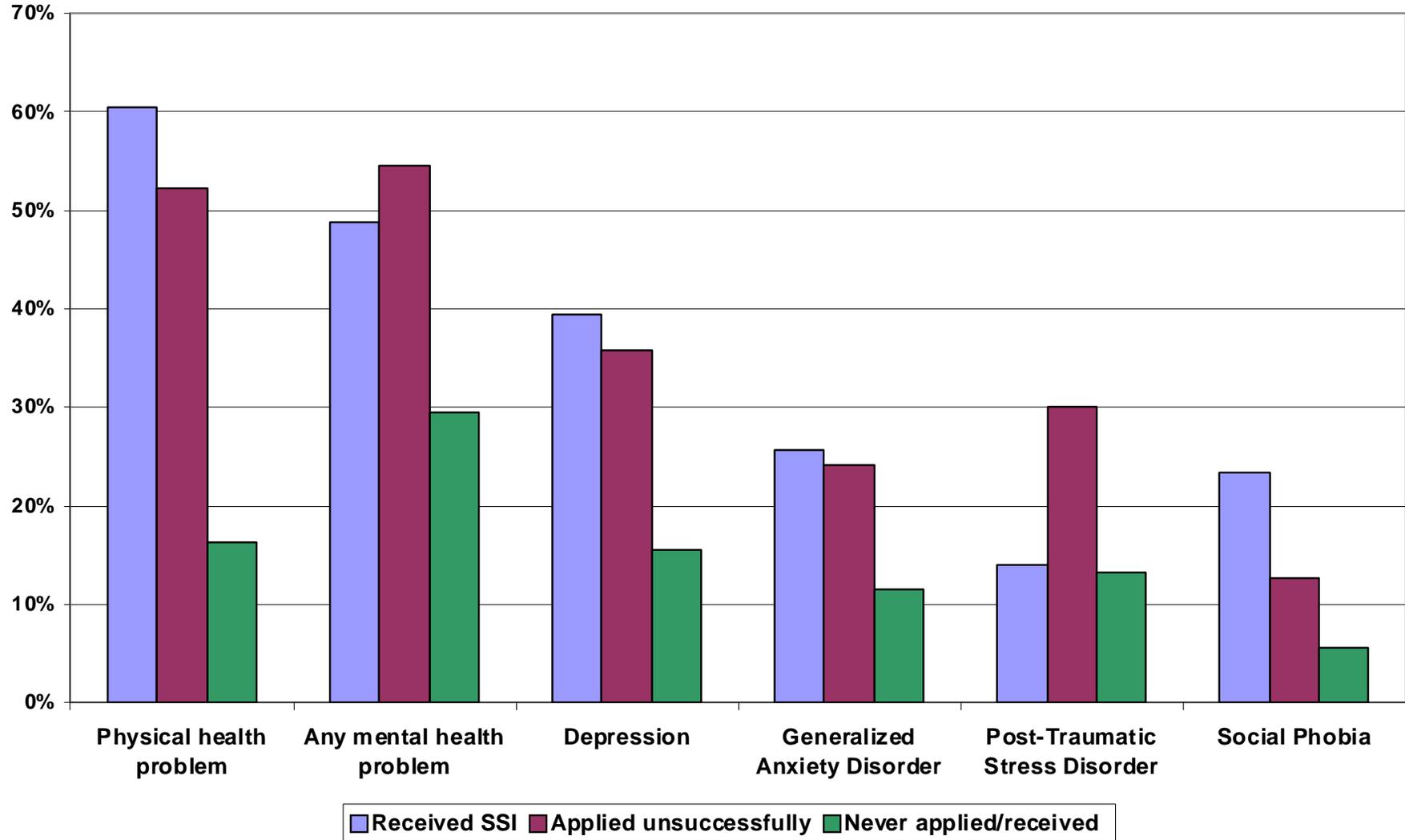
Our Research Questions

- What characteristics of former welfare recipients are associated with SSI applications post-1996?
 - Do these characteristics differ between successful and unsuccessful SSI applicants?
- How does the well-being of former welfare recipients vary by SSI application/receipt status?

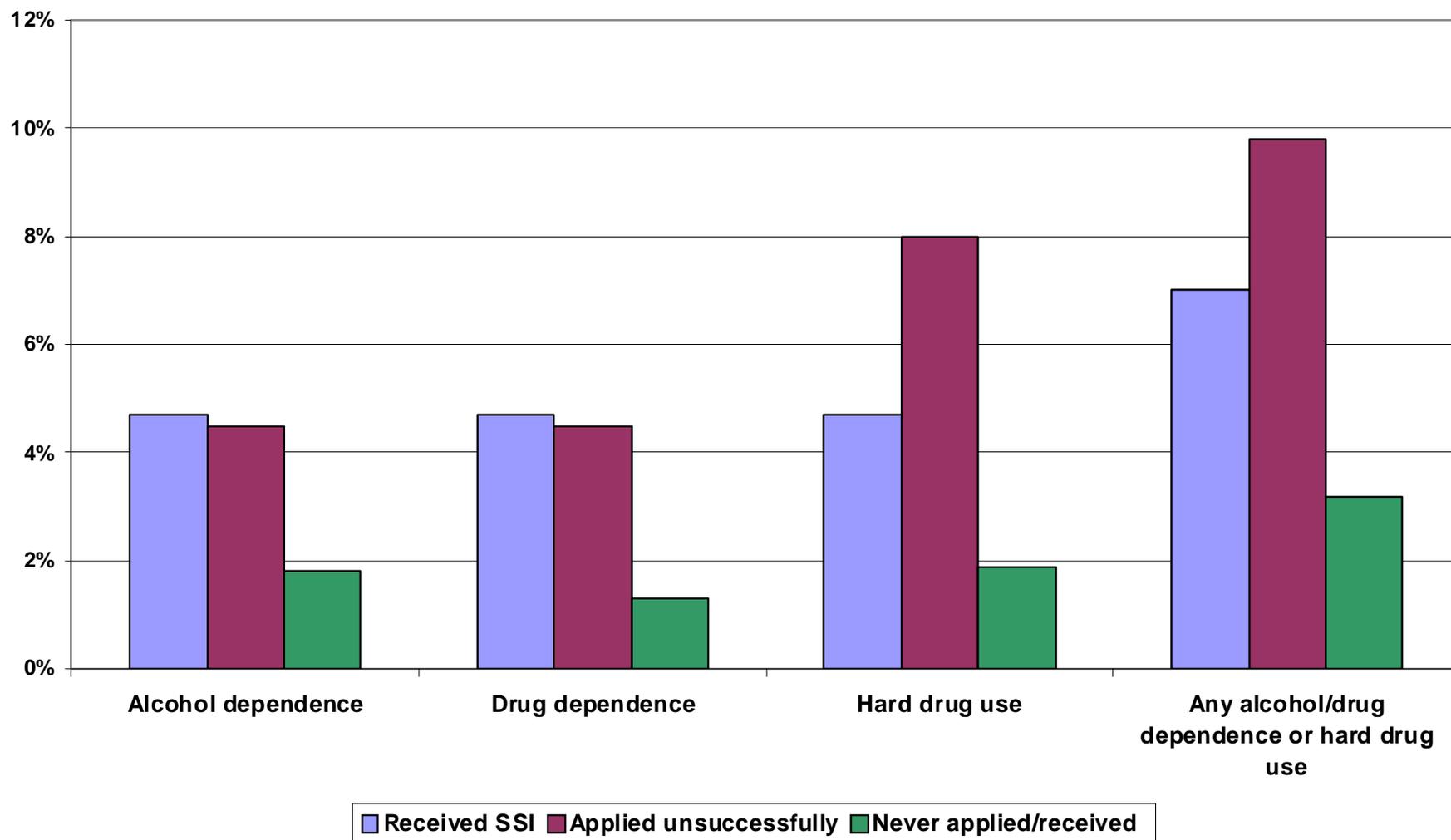
Characteristics of WES respondents, by SSI Application/Receipt



Health Problems in WES in 2003, by SSI Application/Receipt



Alcohol and Drug Use in WES in 2003, by SSI Application/Receipt



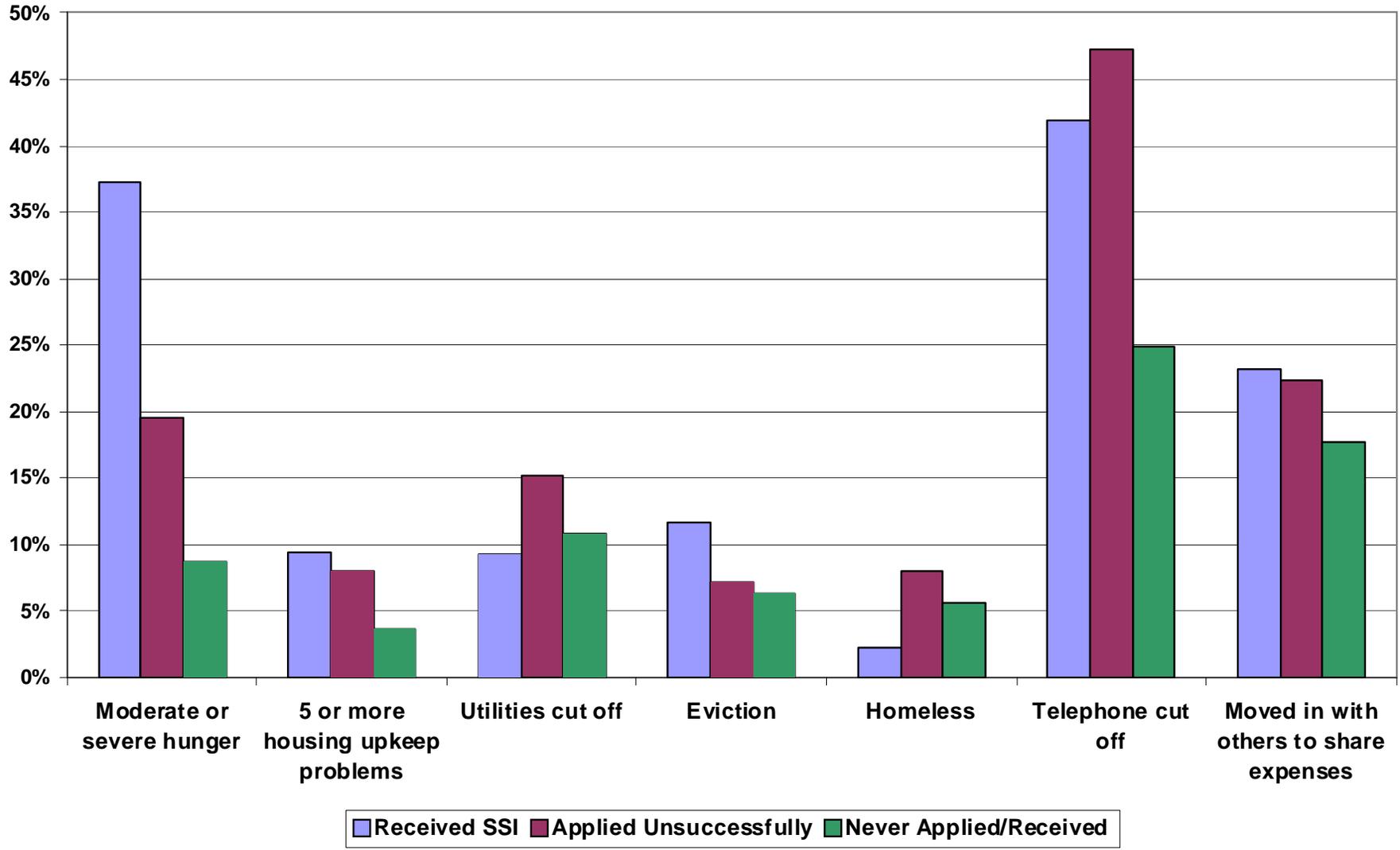
Characteristics Associated with SSI Applications and Receipt

	Applied for SSI	Applied, but never received	Received SSI
Less than high school education	(0.248)+	(0.261)*	-0.214 (0.403)
Low work experience or skills	0.457 0.624 (0.247)*	0.532 (0.262)	1.068 (0.376)**
Mental health problem	0.328 (0.232)	0.243 (0.246)	0.599 (0.383)
Physical health problem (strict)	1.394 (0.263)**	0.081 0.981 (0.273)**	1.238 (0.382)**
Child health problem	0.820 (0.256)**	(0.265)*	0.303 (0.404)
Hard drug use	0.649 (0.277)*	0.632 (0.284)**	-0.117 (0.450)
Married and living with husband	-0.038 (0.382)	0.759 0.061 (0.389)	-0.594 (0.632)
Cohabiting as unmarried partners	-0.192 (0.350)	-0.264 (0.379)	0.508 (0.490)
African American	0.313 (0.244)	(0.259)*	-0.517 (0.387)
Number of children in household	-0.097 (0.093)	0.581 0.004 (0.095)	-0.131 (0.146)
Percent of years on welfare as adult	0.238 (0.486)	-0.524 (0.512)	0.743 (0.776)

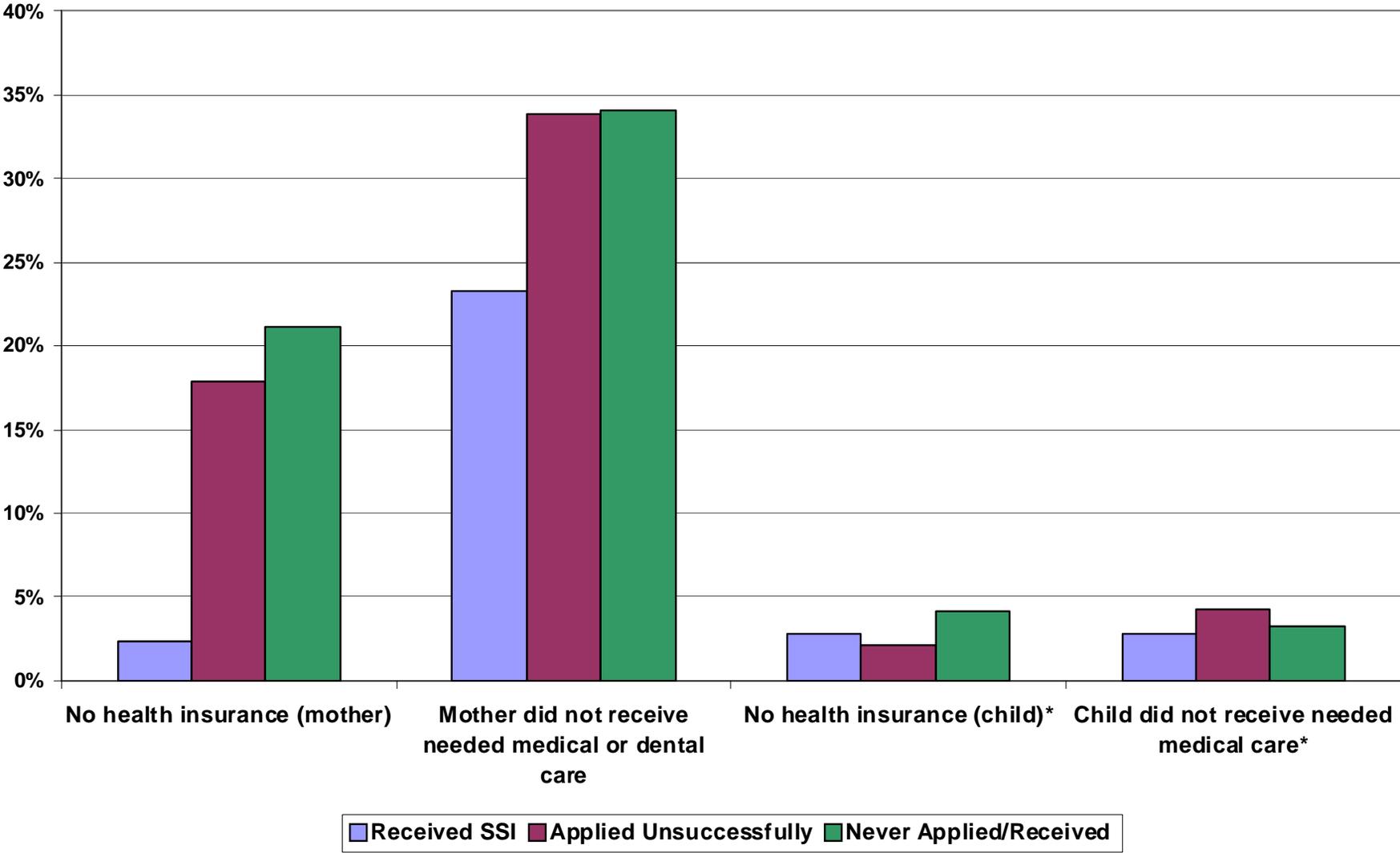
Characteristics Associated with SSI Application/Receipt

<i>Characteristics significantly associated with SSI applications</i>	<i>Successful</i>	<i>Unsuccessful</i>
Less than high school education	X	
Low work experience/low skills	X	
Physical health problem	X	X
Child health problem		
Hard drug use	X	
	X	
	X	

Material Hardships in WES in 2003, by SSI Application/Receipt



Medical Hardships in WES in 2003, by SSI Application/Receipt



Material Hardship and SSI Receipt/Application

	Any Hardship	3+ Hardships
Received disability benefits	1.055 (0.496)*	-1.002 (0.483)*
Applied for disability benefits but never received	0.143 (0.276)	-0.206 (0.304)
Less than high school education	0.550 (0.237)*	0.900 (0.249)**
Low work experience or skills	-0.131 (0.244)	-0.137 (0.274)
Mental health problem, 2003	1.048 (0.233)**	1.199 (0.243)**
Physical health problem, 2003	0.645 (0.274)*	0.697 (0.276)*
Hard drug use, 2003	0.063 (0.705)	1.252 (0.596)*
Child health problem, 2003	-0.376 (0.285)	0.075 (0.316)
African American	-0.863 (0.221)**	-0.309 (0.248)
Number of children in household, 2003	-0.008 (0.080)	-0.231 (0.099)*
Other household earnings, 2003	0.313 (0.254)	0.314 (0.279)

SSI Application/Receipt and Material Hardships

- Any Hardship
 - SSI Receipt +
 - Unsuccessful applicant NS
 - (Reference category – those who never applied)
- Three or More Hardships
 - SSI Receipt -
 - Unsuccessful applicant NS
 - (Reference category – those who never applied)

Conclusions

- Low levels of SSI receipt in WES, but much higher levels of unsuccessful applications
- Unsuccessful applicants look more like SSI recipients than like overall population of WES respondents
- SSI recipients more likely to suffer any material hardships than those who never applied for SSI, but less likely to suffer 3 or more hardships
- Unsuccessful applicants have no more material hardships than those who never applied for SSI