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Correlates of the Elderly's Participation and Nonparticipation in the Supplemental Security Income (SSI) Program: A New Evaluation

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This paper analyzes the economic and sociodemographic factors associated with the elderly's participation and nonparticipation in the Supplemental Security Income (SSI) program. Unlike the previous findings based on the early phase of the program, this analysis found that the amount of benefit is no longer a significant predictor of participation for couples and individuals receiving support and maintenance. Level of education and housing status are now found to be consistently significantly associated with participation of all or most filing units. The paper concludes with a discussion of policy recommendations for more aggressive outreach efforts.

Introduction

Since its inception in 1972, the Supplemental Security Income (SSI) program has been viewed as the most comprehensive public assistance program for the poor elderly, disabled, and blind. The federally administered program, with its nationally uniform eligibility standards and base cash grant, was regarded as a major advance over the state-administered Old Age Assistance (OAA), Aid to the Permanently and Totally Disabled (APTD), and Aid to the Blind (AB) programs (Ozawa, 1974; Schulz, 1984; Warlick, 1984). Despite the stringency in its establishment of eligibility and the federal guarantee level which was lower than the OAA levels in some states, federal financing of the program and its administration by the Social Security Administration (SSA) have most certainly assured its stability as a safety net for those without, or with insufficient, Social Security benefits.

The efficiency of SSI as a safety net, however, has been much weaker than expected, primarily because of the consistently low participation rate, approximately 50%, especially among the eligible elderly. In December 1987, approximately one third of all recipients were elderly (1.48 million out of 4.45 million total). However, their number had gradually decreased from 2.29 million in December 1974 to 1.48 million in December 1987, while the number of disabled participants—including the blind—had increased from 1.71 million to 2.97 million in the same period (Social Security Administration, 1989).

Low rates of utilization of such public assistance programs as Aid to Families with Dependent Children (AFDC) (44%) and Food Stamps (50%) have also been a constant concern (Butler, 1986; Coe 1985a; Reischauer, 1989). But because SSI is the only program currently available for improving the economic standard of the aged poor, who have little means of self-support and little prospect of gaining employment, their low participation rate has been considered a more serious problem. In this context, this paper attempts to analyze sociodemographic and economic factors associated with the elderly's participation and nonparticipation in SSI based on the 1987 March Current Population Survey (CPS) data. Specifically, this study intends to shed light on how the significance of these factors changed in 1986 as compared to the early phase of the SSI program as illustrated by previous studies. A simulation of the SSI-eligible elderly sample is carried out in accordance with the federal-state combined income and asset test and types of living arrangement; this simulation is followed by a bivariate analysis of sociodemographic and economic status and a multivariate estimation of a maximum likelihood logit probability model of participation.

Earlier Studies

In the late seventies various analyses were undertaken to identify factors associated with participation or nonparticipation in SSI by the eligible elderly, based on data from the early phase of the program. The findings of these studies generally indicated that nonparticipants were more likely to be in the 65-74 age group; thus they were younger than participants. They were also more likely to be male. The findings showed that

elderly poor may forgo their potential benefits because of such barriers as lack of information (they knew little about the program, and the information they had was often inaccurate); a sense that they would be stigmatized if they participated; and the perception that the benefits were so small that they would not be worth going through the hassle of applying.

The study of Menefee, Edwards, and Schieber (1981), based on the Survey of Low Income Aged and Disabled during 1973 and 1974, found that only 7.4% of elderly nonparticipants knew about SSI and that nonparticipants were consistently more likely than participants to report that they would never receive welfare. Coe's study (1985b), based on data six years later, found the situation, though much improved, still unsettling: 36.2% of eligible nonparticipants were unaware of the program or knew nothing about eligibility rules, 37.4% of them knew the program existed but thought they were ineligible, and 26.4% thought they were eligible but did not participate.

Another barrier that kept many eligible elderly from applying for SSI was the attitude that they did not need the benefits. This attitude, as in the case of food stamp nonparticipants, was often found (Coe, 1985a) among those who "have been accustomed to low—but survivable—standards of living" (p. 65). Such an attitude is more likely to be deeply ingrained especially in elderly poor who have survived long-term poverty.

Nonetheless, economic urgency appears to have been the primary reason for participants to apply for and receive SSI benefits, as indicated by their pre-SSI economic standard that was lower than that of nonparticipants, appears to have been the primary reason. Menefee et al. (1981) reported that compared to participants, nonparticipants were relatively better off financially, "although the actual dollar amounts are small" (p. 13). Using data from the 1975 March CPS, Warlick (1980) also found that regardless of the type of filing unit (individuals, individuals with ineligible spouses, and couples), the annual dollar amount of SSI benefits available to the filing units was consistently associated positively with the probability of participation. This indicates that without SSI, participants would have been apparently worse off than nonparticipants and that they have thus received larger benefits than nonparticipants would. Coe's study

(1985b), based on data from the Panel Studies of Income Dynamics, also confirms that benefit level (\$10 or more monthly) was a significant predictor of participation in 1979.

Although these findings are quite informative, the decreasing elderly caseload, notwithstanding some major relaxation in eligibility criteria since the early phase, make necessary a new look at the issue of participation versus nonparticipation. The rising standard of living, the expanded coverage and increased benefits of Social Security, and the almost unrestrained increase in Medicare expenditures have no doubt contributed to the remarkable decline in the proportion of elderly who were poor in the early 1970s and mid-1980s. But because of the increasing size of the elderly population, the absolute number of elderly persons living below the poverty line has increased. Coupled with the increasing number of the poor, the following changes in the eligibility criteria and benefit level are most likely to have contributed to the increase in the number of elderly persons eligible for SSI:

First, there was a substantial reduction in mandatory state supplementation, but a substantial increase in the number of states providing optional supplementation as well as in the breadth of optional supplementation (Hawkins, 1980, 1983). Hawkins's studies show that death of OAA recipients and the continuous increase in Social Security benefits resulted in a drastic decline by the late 1970s in the number of those receiving mandatory state supplementation. On the other hand, some states experienced as much as a 10% gain in the participants roll following the introduction of broad state supplementation in the late 1970s.

Second, in 1976 the value of applicants' homes was entirely excluded from consideration in determining their resources, so that previously ineligible elderly homeowners might become eligible. The initially enjoined food stamp receipt by SSI recipients was also relaxed. As a result, some states included the value of food stamps in their state supplementation, while other states adopted varied provisions regarding food stamp eligibility of SSI recipients.

Despite these favorable circumstances, the decreasing number of participants and possibly the decreasing participation rate

despite these favorable circumstances is most likely to be associated with the changes over time in the sociodemographic and economic characteristics of participants vis-a-vis nonparticipants.

The difference between the previous studies and this current study also lies in the fact that as of 1986, SSI had been in existence for more than a decade. Although there is no systematic research on this aspect, it might safely be assumed that informational barriers are still an important issue, given largely anecdotal but convincing case stories of poor elderly people. Considering that the subjects in Coe's study were better informed than were those in Menefee et al's study, however, it is possible that this sample is comparatively better informed than were previous samples. With the decline in importance of informational barriers, it is most likely that the elderly's decision to participate in SSI is more dependent than before on their self-perception of economic urgency and, possibly, their sense of stigma. Although the current study is limited in that it uses a data set that does not contain variables measuring self-perception or attitudes directly, it intends to examine possible differences in these aspects between the early phase and the mid-1980s through the analysis of sociodemographic and economic variables.

Methodology

The federal eligibility rule for SSI benefits differentiates between individuals and couples as well as between those who live in their own households and those who live in others' households and receive support and maintenance. The federal benefit level is reduced by one third for an individual or couple living in another person's household and receiving both support and maintenance (SSA, 1986). Therefore, in our analysis here, the CPS noninstitutionalized elderly sample aged 65 or over in 1986 is divided into the following five filing units: unrelated individuals; family members without support and maintenance; family members with support and maintenance; individuals with ineligible spouses; and couples.

The category *unrelated individuals* includes those who live alone in their own households as well as those who live with

other unrelated individuals. Of all unrelated individuals, 98% are not married. *Family members* refers to unmarried individuals who live with other family members or relatives. Family members are assumed to receive support and maintenance only if their total family income, excluding any form of public assistance, is above the official poverty threshold. (This assumption is adopted in accordance with the advice of the staff of the Supplemental Security Income Branch, Social Security Administration.) An *individual with ineligible spouse* is a currently married individual aged 65 or over living with a spouse who is under 65. On the other hand, a *couple* is a husband-wife team, both of whom are 65 or over.

Eligibility for SSI among these filing units is identified in accordance with a microsimulation model based on state of residence, on total annual personal and family income, on asset income, and on following these three steps:

1. The maximum combined federal-state guarantee level for each filing unit is calculated in each state and the District of Columbia for those both with and without earnings. The maximum combined federal-state guarantee level is the result of the 1986 federal maximum guarantee plus \$20 monthly federal unearned-income disregard and additional, if any, state unearned-income disregard, plus any optional state supplementation for the independent-living or shared-living category. For those with earnings, \$65 monthly of earnings plus one half of any earnings over \$65 are also disregarded.

2. For the income test, unrelated individuals and family members with pre-SSI *personal* income—personal income inclusive of all earned and unearned income minus SSI benefits, if any—less than the maximum guarantee levels are deemed eligible. In the cases of individuals with ineligible spouses and of couples, those with total pre-SSI *family* income—family income inclusive all earned and unearned income minus SSI benefits, if any—less than the guarantee levels are deemed eligible. The choice of family income is needed because almost 90% of our sample couples (including individuals with ineligible spouses) consist of husband-wife-only families, in which case the wife's (husband's) income is included at the time of eligibility decision by SSA. Even for the rest of the sample couples who live with

children, young or old, and with their elderly parents, the selection of total family income is considered a reasonable choice, as the entire family is most likely to share the cost of living.

3. For the asset test, an often-used assumption that the combined value of interest, rents, dividends, and royalties represents a 6% return on the asset portfolio of individuals and couples is also adopted. Thus, only individuals and couples (including individuals with ineligible spouses) who had asset income— inclusive of interest, dividends, royalties, and rents—less than \$105 ($= \$1,750 \times .06$) and \$153 ($= \$2,550 \times .06$), respectively, are deemed eligible for SSI (\$1,750 and \$2,550 represent the 1986 federal resource limit for SSI receipt for individuals and couples, respectively).

Throughout the analysis, *elderly participants* are identified as individuals and couples who were 65 or older in 1986, who were deemed eligible based on the simulation, and who actually received \$1 or more from the SSI program in that year. *Elderly nonparticipants* are individuals and couples who were 65 or older in 1986, who were deemed eligible based on the simulation, but who did not receive benefits from the SSI program in that year. Likewise, SSI benefits for the participants are self-reported amounts, as recorded in the CPS, while SSI benefits for the nonparticipants are simulated amounts. Also, because the CPS is basically a household survey, this analysis and its findings apply to the noninstitutionalized elderly residing in community.

Given that the CPS elderly sample is known for their underreporting of unearned income, the asset test based on asset income as reported in the survey may not fully reflect the value of their assets. This in turn may result in the overestimation of the eligible and consequently underestimation of participation rates. On the other hand, because the asset and income tests in this analysis are based on the yearly total, the pool of the eligible is in general underestimated. That is, those who were eligible only part of the year but not the whole year—because of an upward or downward change in income or assets above or below the eligibility limit—are not considered eligible. Moreover, some types of assets that are excluded from countable resources—most notably, life insurance with face value of less

than \$1,500 (\$3,000 for a couple) and burial expenses of \$1,500 in separately identifiable funds— are not factored in the above asset test. The exclusion of the possible cash surrender value of these assets from the asset test may also result in the underestimation of the sample numbers of elderly eligibles. Considering that this study is an update of previous studies which used the same or similar income and asset tests, however, these constraints are not judged to be a serious obstacle to the comparison between this study and previous ones.

Findings

Bivariate Analysis. The participation rates in this analysis are indeed lower than those found in previous studies. Among the eligibles, only 46% (434 out of 943) of unrelated individuals, 44% (97 out of 220) of family members without support and maintenance, 26% (135 out of 515) of family members with support and maintenance, 45% (24 out of 54) of individuals with ineligible spouses, and 36% (82 out of 230) of couples have received payments from SSI. Thus, the overall participation rate is only about 40%. During the period between previous studies and this study, not only has the number of elderly beneficiaries decreased, but the participation rate thus appears to have actually dropped.

As shown in Table 1, significant differences between participants and nonparticipants lie in the level of education and racial distribution. The participating groups have less education and have a higher proportion of nonwhites than do nonparticipating groups. Participating unrelated individuals, family members with support and maintenance, and individuals with ineligible spouses also show a significantly lower rate of homeownership than do nonparticipants in the same categories.

For unrelated individuals, family members without support and maintenance, and couples, there is also a significant difference in the region of residence: southerners appear to comprise a higher proportion of participants than do nonsoutherners. But residence in the metropolitan statistical area (MSA) turns out to be significant only for unrelated individuals. Our assumption was that the elderly living in small towns might be less likely to apply for and participate in SSI than those living in large

Table 1

Comparison between SSI Participants and Nonparticipants: Sociodemography

	Unrelated individuals		Family members without support		Family members with support		Individuals with ineligible spouses		Couples	
	P ^a	N ^b	P ^a	N ^b	P ^a	N ^b	P ^a	N ^b	P ^a	N ^b
Number	451	508	101	124	135	376	22	29	77	150
Participation rate (%)	46		44			26		45	36	
Age (yr)	75.4	75.2	75.7	76.3	77.1	77.5	70.7	68.9	76.6	75.9
Sex (%)										
Male	18.9	18.7	10.3	16.9	10.4	15.4	79.9	90.0	—	—
Female	81.1	81.3	89.7	83.1	89.6	84.6	20.1	10.0	—	—
Education (yr)	8.0	10.2***	7.5	8.6**	8.1	9.5***	7.5	9.9**	7.7	10.6***
Race (%)										
White	68.9	76.5**	45.3	65.3**	69.6	79.8**	50.0	70.0	64.6	77.2**
Nonwhite	31.1	23.5	54.7	34.7	30.4	20.2	50.0	30.0	35.4	22.8
Housing (%)										
Own	46.0	62.4***	60.8	62.1	73.8	84.8**	62.5	83.3*	70.7	79.7
Rent	54.0	37.6	39.2	37.9	26.7	15.2	37.5	16.7	29.3	20.8
Residence in MSA ^c (%)										
MSA	57.0	68.3***	59.8	65.3	83.0	80.6	75.0	76.7	54.9	65.1
Non-MSA	43.0	31.7	40.2	34.7	17.0	19.4	25.0	23.3	45.1	34.9
Region of Residence (%)										
South	57.9	43.1***	71.1	57.3**	47.4	45.8	33.3	53.3	54.9	27.5***
Non-South	42.1	56.9	28.9	42.7	52.6	54.2	66.7	46.7	45.1	72.5

^aParticipants (those who actually received SSI benefits in 1986).

^bNonparticipants (those who were eligible for but did not receive SSI benefits in 1986).

^cMetropolitan statistical area

*p<.10; **p<.05; ***p<.001.

Table 2

Comparison between SSI Participants and Nonparticipants: Economic Status

	Unrelated individuals		Family members without support		Family members with support		Individuals with ineligible spouses		Couples	
	P ^a	N ^b	P ^a	N ^b	P ^a	N ^b	P ^a	N ^b	P ^a	N ^b
Number	451	508	101	124	135	376	22	29	77	150
Pre-SSI total income										
% without	18.4	8.0***	36.1	8.9***	30.1	19.9**	13.0	13.3	9.6	7.4
Mean (\$)	2,382	3,092***	1,662	2,857***	2,021	2,895***	2,924	3,799	4,767	5,360
SSI										
Mean ^c (\$)	1,962	(1,389)***	2,595	(1,520)***	2,220	(2,086)	2,040	(2,338)	3,139	(2,992)
Post-SSI total income (\$)										
Personal Mean	4,343	3,092***	4,257	2,857***	4,241	2,895***				
Family Mean			9,159	5,942**	32,909	30,270	4,964	3,799	7,906	5,360***
Social Security										
% receiving	78.6	83.8**	60.8	85.4***	63.0	77.0*	61.9	56.9	80.7	79.2
Mean (\$)	2,263	2,710***	1,570	2,617***	1,813	2,495***	1,312	2,242	4,351	4,652
Public assistance ^d										
% receiving	6.9	5.7	5.1	8.1	6.3	4.5	33.0	1.0***	4.7	3.2
Mean (\$)	51	91	62	162	97	75	655	5**	78	122

towns because of a lower probability of access to relevant information in small places. This assumption appears to be valid only for unrelated individuals. Moreover, unlike previous studies, this analysis does not show any significant difference in age and sex distributions of participants versus nonparticipants.

As for economic status, the data in Table 2 indicate that in the absence of SSI benefits, unrelated individual and all family member participants would have significantly lower income than would nonparticipants. This economic disadvantage of participants appears to be due mostly to their significantly lower Social Security benefits. Their lower average Social Security benefits, in turn, stem primarily from two factors: (1) a lower proportion of them are Social Security recipients and (2) the Social Security recipients get lower benefits than do the nonparticipants.

Unlike these individuals, however, participating and nonparticipating couples—including individuals with ineligible spouses—would not have significantly different income even in the absence of SSI. (A caveat is required, however, in the case of individuals with ineligible spouses; the insignificance of pro-SSI income difference is quite likely due to the fact that SSI participants also received significantly higher public assistance benefits from other sources.) Consequently, potential benefits for nonparticipant couples are not significantly different from the current benefits of participant couples. In the case also of family members with support and maintenance, potential benefits for nonparticipants are not significantly different from the current benefits of participants. This might be due to the fact that benefits for those with support and maintenance are not very substantial anyway.

With SSI benefits, however, all participants, with the single exception of individuals with ineligible spouses, have significantly higher income than do nonparticipants. The contrast between nonparticipants and participants is even more striking when the percentage of those who are lifted above 75% of the official poverty line is compared. As shown in Table 3, without SSI benefits, 98.6-60.8% of all participant units, as compared with 74.3-39.0% of all nonparticipant units, would have been below 75% of the official poverty threshold. But the former, with SSI

Table 4

Variables Associated with SSI Participation: Logistic Regression Results

	Unrelated individuals	Family members without support	Family members with support	Individuals with ineligible spouses	Couples
Number	951	193	490	50	227
	Beta(SE)	Beta(SE)	Beta(SE)	Beta(SE)	Beta(SE)
Intercept	.713(.831)	2.282(1.838)	-.015(1.111)	-10.187(6.515)	1.321(2.077)
Age ^a	.001(.010)	-.022(.021)	-.001(.013)	.292(.115)**	-.005(.024)
Sex — Male	-.324(.189)*	-.304(.469)	-.403(.334)	-1.992(1.286)	
Education	-.121(.021)***	-.109(.048)**	-.085(.029)***	-.239(.119)**	-.113(.039)***
Race — White	-.141(.167)	-.507(.346)	-.345(.245)	-.472(.783)	-.523(.338)
Housing — Own ^b	-.903(.151)***	-.121(.354)	-.452(.264)*	-2.161(1.104)*	-.889(.369)**
Residence in MSA / Non-MSA					
MSA	-.558(.159)***	-.669(.381)*	-.024(.289)	-1.820(1.246)	-.119(.366)
Region of residence — South	.223(.225)	.157(.703)	.723(.398)*	-4.327(2.100)**	.841(.522)
State supplementation — Provided	-.281(.224)	-.482(.760)	.846(.409)**	-2.236(2.042)	-.130(.534)
Medicaid eligibility — Automatic	.811(.174)***	-.521(.445)	-.315(.273)	-.954(1.027)	.252(.419)
Benefit ^c	.037(.006)***	.062(.012)***	.002(.007)	-.018(.021)	.002(.006)
-2 log likelihood ratio					
X ²	186.71(p<.0005)	46.32(p<.0005)	26.59(p<.0030)	22.50(p<.0128)	34.07(p<.0005)
df	10	10	10	10	9

^aAge of the older spouse in the case of individuals with ineligible spouses; age of the husband in the case of couples.

^bInclusive of all housing units where cash rent does not have to be paid.

^cUnit: \$100.

benefits, are much better off : 57.3-12.8% of them are below 75% of the official poverty threshold.

Multivariate Analysis. To measure the multiplicative effects of the sociodemographic and economic variables (including state optional-supplementation and Medicaid eligibility-determination criteria) on the elderly's participation or nonparticipation in SSI, a maximum likelihood logit model was estimated. The dependent variable was set equal to 1 if the eligible filing unit actually received SSI benefits and 0 if it did not. As for state optional supplementation, states that provide, on top of the federal guarantee level, optional supplementation of \$10 or more monthly for the independently living who did not require personal care were set equal to 1 in contrast to those that do not. Those states which adopted the automatic Medicaid eligibility for SSI recipients were also set equal to 1 in contrast to the others which chose the Medicaid beneficiaries based on their own eligibility criteria. Because this is a nonlinear model, the effect of each explanatory variable varies, depending on where it is measured. But this analysis focuses on the level of significance and the sign of a coefficient rather than its size.

Apparently, each filing unit has its own characteristics related to participation or nonparticipation in SSI. But, as already shown in the bivariate analysis, the number of years of education is consistently negatively correlated with the probability of participation in SSI. Those with higher education are less likely to participate. Homeownership or residence in a rent-free housing unit is also a significant deterrent to participation in SSI for four out of five filing units. On the other hand, age, sex, and residence in the South and MSA's have significant effects on only one or two filing units, whereas race has no significant effect on any. Thus, the comparatively higher proportion of nonwhites among participants than among nonparticipants, as shown in the bivariate analysis, does not appear to indicate differential participation rate by race. Interestingly, southern residence in the case of individuals with ineligible spouses appears to be inversely associated with participation in SSI. But southern residence in the case of those with support and maintenance is positively associated with participation.

Table 3

Comparison between SSI Participants and Nonparticipants: Poverty Status

	Unrelated individuals		Family members without support		Family members with support		Individuals with ineligible spouses		Couples	
	P ^a	N ^b	P ^a	N ^b	P ^a	N ^b	P ^a	N ^b	P ^a	N ^b
Number	451	508	101	124	135	376	22	29	77	150
Pre-SSI income level (%)										
<50% of OPL ^c	49.7	28.8	68.1	34.9	59.1	33.3	60.9	40.1	29.4	25.7
50-75% OPL	39.5	38.4	30.5	39.4	28.5	30.2	26.5	36.6	31.4	13.3
75-100% OPL	10.5	29.9	1.4	24.8	11.5	32.4	12.6	8.7	17.3	29.7
>100% OPL	.3	2.9	0	.9	.9	4.1	0	14.6	21.9	30.4
Post-SSI income level (%)										
<50% of OPL	6.4	28.8	3.3	34.9	5.3	33.3	34.3	40.1	5.0	25.7
50-75% OPL	10.0	38.4	17.9	39.4	34.3	30.2	23.0	36.6	7.8	13.3
75-100% OPL	70.1	29.9	67.1	24.8	45.0	32.4	24.8	8.7	30.1	29.7
>100% OPL	13.5	2.9	11.7	.9	15.4	4.1	17.9	14.6	57.1	30.4

^aParticipants (those who actually received SSI benefits in 1986).

^bNonparticipants (those who were eligible for but did not receive SSI benefits in 1986).

^cOfficial poverty line

Note. For unrelated individuals and for family members with or without support and maintenance, *personal income* of the elderly person was considered, while for individuals with ineligible spouses and for couples, *family income* adjusted for the size of the family was considered.

As for economic variables, the amount of benefit still appears to be a significant predictor of participation for unrelated individuals and for family members without support and maintenance. But, for family members with support and maintenance and for couples, it no longer is.

The state optional supplement of \$10 or more a month is a significant factor for participation only of family members with support and maintenance, whereas the automatic Medicaid eligibility is a significant factor for participation only of unrelated individuals. Our assumption was that the residents of states where state optional supplements are provided might be more likely to participate, because the supplements would increase their potential benefits. It is quite unrealistic to assume that the elderly are knowledgeable about the specific contents of the program and that they make rational choices. Nonetheless, states that provide optional supplements are usually more progressive and liberal than those that do not and they are thus also more likely to have information readily accessible to potential recipients. The same rationale underlies our assumption that there is an association between SSI participation and the Medicaid eligibility determination: SSI eligibles are more likely to come forward to claim benefits in states where Medicaid eligibility automatically accompanies SSI receipt through federal determination than they are in states where the states themselves determine Medicaid eligibility. But the multivariate analysis results show that the overall effect of state supplementation and automatic Medicaid eligibility on participation is quite limited. The fact is that the states providing state supplementation and automatic Medicaid eligibility are mostly in the West and the Northeast, where the total number of eligibles is often less than in the South alone.

Discussion

As analyzed elsewhere (Warlick, 1984; Zediewski & Meyer, 1989), even the participation in SSI of all eligible elderly poor may not drastically help reduce the current poverty rate of the elderly (e.g., from 15.2 to 12.5% in 1978, according to Warlick's simulation results), but would certainly increase the income of those who could receive SSI benefits. The bivariate analysis of

economic status and poverty rates among participants and non-participants indicates that SSI, despite its many shortcomings, indeed contributes to improving the standard of living of many of the elderly poor. Nonetheless, many more eligible poor elderly are not being served by the program, thus effectively weakening the potential antipoverty function of SSI. Despite many positive changes in eligibility criteria since the early phase of the program, the analysis in this paper indicates that the utilization rate of SSI is actually much lower than the previously believed 50% level; this implies that the declining numbers of elderly participants may have been a result of a declining participation rate.

In addition to the lower participation rate, this analysis also found that the kinds and nature of sociodemographic and economic factors associated with participation in SSI have been much changed from those found by previous studies. Above all, although previous studies (Coe 1985b; Warlick 1980) had found that one of the most important predictors of participation was the amount of benefit, this analysis found that it mostly affects only single individuals. That is, this study provides further empirical support for the direct positive relationship between the level of income and the level of actual or perceived economic needs among the poor unrelated elderly. The financial disadvantage of participants as compared to nonparticipants, in the absence of SSI, could have been a major trigger for them to seek an additional source of income such as SSI. For couples and individuals with support and maintenance, however, the level of income per se, and therefore the amount of SSI benefits, is not a good predictor of their participation in SSI.

As also compared with the findings of previous studies, the significance of age, gender, and race as factors affecting SSI participation has diminished, while the importance of education and housing status has increased. In fact, the most important predictors of participate in SSI are now the level of education and housing status. Although previous studies did not fail to mention the importance of these variables, their consistent significance across all or most filing units now qualifies them for more serious consideration. For unrelated individuals, couples, and family members with support and maintenance, living in

rented units with the burden of monthly rent appears to contribute to the increased sense of economic urgency and need for more income. The level of education, while not significantly correlated with the amount of pre-SSI income or with the amount of SSI benefits, is consistently inversely correlated with participation in SSI. Thus housing status and the level of education should now be leading factors for identifying eligible nonparticipants and helping them participate.

As for gender, apparently because there are absolutely more women aged 65 or older than men and because those women are poorer than the men, the question of participation or nonparticipation in SSI is not a matter between but within genders, especially the female gender. As a consequence, the issue boils down to whether poor elderly women, who constitute the majority of the eligibles, participate in SSI or not, rather than whether men are more likely to participate than women or vice versa. Also, the age difference between participants and nonparticipants is no longer significant apparently because a majority of elderly eligibles are over 70. The problem is thus not that poor younger cohorts are less likely to participate in SSI than poor older cohorts or vice versa, but that both young and old cohorts, of all races, are equally unlikely to participate.

As mentioned earlier, the effects of variables related to attitude and informational barriers could not be directly estimated in this study. But, speculating from the negative association between educational level and participation in SSI and the insignificance of MSA division, the informational barriers may not be as serious as they used to be. The conventional wisdom is that the less educated are less likely to have adequate information. In reality, however, they are more likely to participate in SSI, thus indicating that there are other reasons for the nonparticipation of the better educated. It is possible that these better-educated eligible nonparticipants may also have a stronger sense of stigma, even though they are well aware of the program contents. In fact, the findings of this analysis suggest that there are indeed many poor elderly people who might have become conditioned to living with unmet needs and might have developed a less need-responsive attitude. Thus, although they are eligible, many elderly people have not come forward to

claim SSI benefits, not because they lack necessary information, but because they have been accustomed to a low standard of living and feel that they can manage without the benefits.

Conclusion

The differences in sociodemographic and economic status between participants and nonparticipants in SSI were analyzed. Unlike previous studies, level of benefits was not found to be an all-encompassing predictor for participation, but level of education and housing status were.

The issues involving accessibility to relevant information and sense of stigma could not be directly dealt with because of lack of data. But what we have deduced is that accessibility of information may not be a major problem for a typical nonparticipant, but sense of stigma as well as the sense of survivable standard of living may be.

Based on these findings, it is recommended that, first, the outreach effort for SSI be carried out more vigorously in the face of declining numbers of elderly participants and possibly declining rates of participation. Second, the targets of such outreach effort needs to be both male and female eligible elderly of all ages and all races, but special emphasis should be placed on the unrelated/single female elderly of 70 or over simply because they constitute the majority of the eligibles. Third, there should also be specific strategies aimed at motivating participation of the upper cadre of the eligibles—homeowners, family members with support and maintenance, couples, and those with higher education—by emphasizing the additional economic comfort and such fringe benefits as state supplementation and Medicaid that SSI will bring to their current situation. Fourth, administrative and outreach efforts should also be made to prevent current recipients from leaving the program for reasons other than income ineligibility. Fifth, further research on the effects of informational barriers and the sense of stigma upon participation in SSI should be conducted to understand the full gamut of factors associated with participation and nonparticipation in SSI and to make the outreach effort more effective. In other words, data on *why* elderly people are not participating should be collected and analyzed in future studies.

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