



Research Brief

Erik Hembre
University of Illinois-Chicago

Carly Urban
Montana State University

Housing Assistance Preferences for People with Disabilities and Supplemental Security Income Participation

The number of Supplemental Security Income (SSI) recipients increased by 70 percent from 1990 to 2017, when program participation exceeded eight million people. With current cash transfers of \$54 billion, SSI is the largest

Average monthly benefits are roughly \$666 per month, which exceeds the average 2018 monthly SSI payment of \$536.

means-tested cash assistance program for non-working households in the U.S. Another benefit available to low-income households is housing assistance, with the primary sources being public housing and housing choice vouchers. While the five million households on housing assistance benefit from large subsidies, far more households are eligible for housing assistance than receive it. Local Public Housing Authorities (PHAs) operate waitlists to manage the demand for housing assistance. While some PHAs use a lottery system, others list preferences and rank their waitlists based on a scoring system, in which many PHAs allocate additional points to working-age household heads with disabilities. The priority access to housing assistance that some PHAs provide to households with disabilities is a substantial financial benefit, given that most households have to wait several years before receiving assistance.

The decision to apply for SSI can be a difficult one, as it involves a lengthy and costly application and disability review process. Previous studies have shown that households are more likely to apply for SSI when the relative financial incentives to do so are higher. This study explores how housing assistance may influence people's decision to apply for and receive SSI benefits.

Center for Financial Security

University of
Wisconsin-Madison

1300 Linden Drive
Madison, WI 53706

608-890-0229
cfs@mailplus.wisc.edu
cfs.wisc.edu

How do PHA Rules for Housing Influence SSI Claiming?

Using data from the Current Population Survey, we created a metropolitan statistical area (MSA) by year measure, capturing the difference in the likelihood that a working-aged low-income household head with disabilities is on housing assistance compared to a low-income household head without a disability. There is a wide range in the extent to which local PHAs appear to favor people with disabilities, and these preferences vary by year (see figure for the top eight MSAs by population from 1990 to 2018). This variation allows us to then see how these local patterns are associated with use of SSI.

In addition, by estimating the added value of housing assistance for households in a community based on local area rent levels for a two-bedroom apartment, we can see how the relative level of housing benefits for households reporting disabilities affects SSI participation.

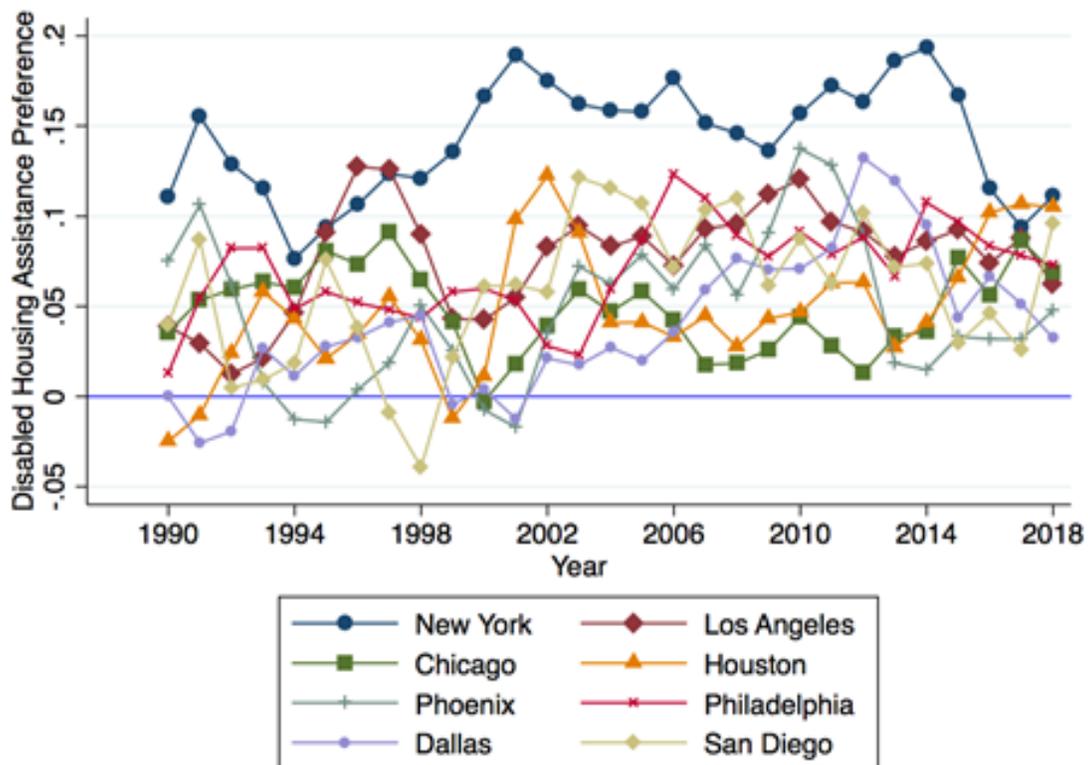


Figure 1

Housing Assistance Preference for People with Disabilities Over Time by City

Local Housing Subsidy Preferences for People with Disabilities Are Associated with Increased SSI Participation

Local communities with more housing benefits for people with disabilities significantly increase SSI participation. This study shows that a \$1,000 increase in annual expected disabled housing benefits leads to a 3.3 percent increase in SSI participation among low-income households. This increase in SSI participation is concentrated among lower-educated and single-adult households.

One concern is that perhaps people moved onto SSI after changes in other safety net programs. This analysis finds no clear evidence of caseload shifting—people are not simply being moved from one assistance program to SSI.

There is an interaction between the increased probability of receiving housing assistance among people reporting a disability and local area fair market rents. That is, people who have disabilities and live in high-cost housing markets are more likely to respond to PHA preferences and more likely to enroll in SSI benefits. This is consistent with financially vulnerable people in cities with a high cost of living relying more heavily on housing subsidies and also on income supports through SSI. Disabilities and the inability to engage in full-time work are a problem in any community, but especially in places with expensive rents.

Implications

Understanding more about local PHA policies towards households with disabilities will allow researchers, policymakers, and practitioners to see how households participate in both housing assistance and SSI. This work also highlights how housing costs are a major burden for low-income people. Programs targeting people with disabilities in one area can interact with other programs.

Policy makers and program administrators need to better understand how to anticipate how changes to benefit levels or eligibility can reverberate into seemingly unrelated programs in predictable ways.