



HOUSING FOR SSI RECIPIENTS: EXPENDITURES, QUALITY, AND TRENDS

*Erik Hembre, University of Illinois-Chicago
September 2022*

In recent decades, SSI recipients have spent an increasing amount on housing costs. With house prices soaring, and the limited, fixed income benefit of SSI recipients, this increase has led to concerns over poor housing conditions or experiences.

SSI Recipient Housing Consumption, Expenditures, and Trends Since 1985

SSI households spend a large and increasing amount on housing costs. These increased costs could reflect higher home prices and imply worsening housing conditions, or alternatively could reflect greater housing consumption. To analyze how housing conditions have changed alongside increased expenditures, this study utilizes the American Housing Survey between 1985 and 2019 and compares housing outcomes of SSI households to SNAP and all other households.

This research analyzes trends in housing expenditures, quality, quantity, and insecurity. Expenditures and housing quantity are straightforward to observe, as expenditure amounts or income shares, and unit sizes or total rooms. To measure housing quality, I create a poor-quality housing index based on 30 poor-quality housing indicators such as if there is a sagging roof or broken appliances. A housing insecurity index is similarly created using seven measures of insecurity such as overcrowding and recent moves.

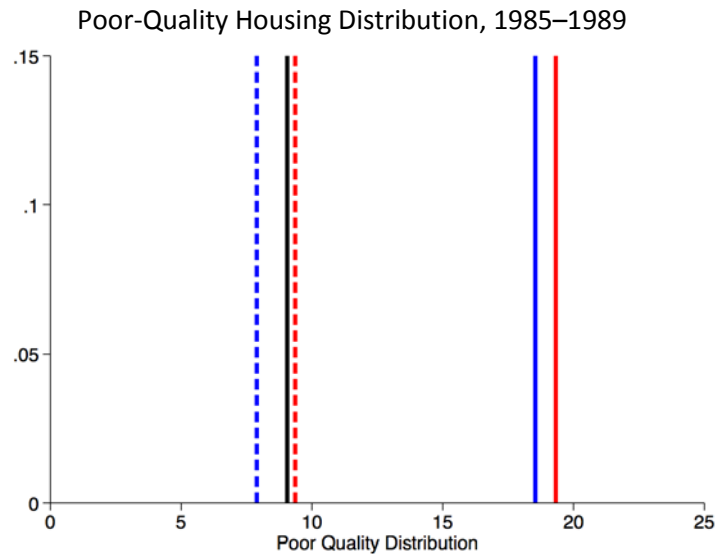
More than half of SSI recipients are housing cost burdened

I find that 73 percent of single SSI recipients are renters and on average currently spend \$744 per month on housing, with 54 percent spending more than half of their income on housing, up from 46 and 40 percent prior to 2000. Among all SSI recipients, just under half are homeowners. 48 percent of these SSI homeowners currently have at least \$100,000 in home equity, up from 34 percent prior to 2000.

SSI recipients housing quality and quantity have increased substantially from 1985

Home sizes for SSI recipients have expanded in recent decades. Square footage is up 15 percent among all SSI households and total rooms are up 0.34 rooms since 1985. Lot sizes, among single-family houses, are also bigger, increasing by 10 percent.

Housing quality has increased substantially for SSI recipients since 1985. Shown in the histogram below, the average single-person SSI recipient poor-quality housing was at the 91st percentile in 1985. However, the 2019 average, placed in the same 1985 distribution, is far better at the 59th percentile. All but one of the 30 poor quality indicators have decreased over this period reflecting a broad and large increase in quality.



Note: This histogram presents the poor-quality housing distribution between 1985–1989 using the NSI-W index. Values have been top-coded at 25. The blue vertical lines represent the mean values for the full SSI sample and the red lines are mean values for the single-person SSI samples. Solid vertical lines represent the 1985-1989 average and dotted lines represent the 2015-2019 average.

Rates of housing insecurity also declined for SSI households over this period, though this decline is more modest than the poor-quality decline. Though several insecurity indicators did increase, the housing insecurity decline generally suggests that the housing market experiences or turmoil for SSI recipients have not worsened alongside the housing quality and quantity improvements.

Implications

- *Increased housing expenditures for SSI housing conditions have primarily resulted in improved housing conditions.*
- *Housing is the largest expenditure for SSI households. Policies that would help alleviate future housing price increases would greatly benefit this group.*
- *Subsidized housing – both the rise rates among SSI recipients and the shift from public housing to housing vouchers -- has contributed to improved housing quality.*

The research reported herein was performed pursuant to a grant from the U.S. Social Security Administration (SSA) funded as part of the Retirement and Disability Consortium. The opinions and conclusions expressed are solely those of the author(s) and do not represent the opinions or policy of SSA or any agency of the Federal Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of the contents of this report. Reference herein to any specific commercial product, process or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply endorsement, recommendation or favoring by the United States Government or any agency thereof.