

Increasing SSI Uptake among the Potentially-Eligible Population

Letters to aged individuals increased SSI awards by XX%; stating the maximum benefit amount further increased applications and awards

Target a Priority Outcome The Social Security Administration (SSA) administers Supplemental Security Income (SSI) as a monthly benefit to people with limited income and resources who are disabled, blind, or age 65 or older. Survey data from the Health and Retirement Study suggest that less than 60 percent of individuals age 65 or older who are eligible for SSI receive the benefit,¹ and administrative data from SSA suggest that uptake may be substantially lower than this.

Translate Evidence-Based Insights The economic literature has identified at least three main barriers to SSI uptake among individuals age 65 or older. First, individuals may not be aware that they are eligible for SSI,² (SSA 1976, Warlick 1982) which may be a particularly important barrier for individuals for whom being age 65 or older partly determines eligibility. Second, the expected magnitude of benefits affects uptake,³ (McGarry 2000, McGarry and Schoeni 2015) with individuals with lower expectations about benefits less likely to participate in SSI. Third, potential SSI participants may view the application process as confusing and burdensome.⁴

Embed Tests Three hypotheses were tested using a randomized evaluation with over 4 million individuals. In this study, individuals age 65-80 and who were identified by SSA as being potentially eligible for SSI were randomly assigned to receive one of four letter types through US mail or to a

control condition (i.e., business as usual): (1) a basic letter; (2) a letter which states the maximum benefit; (3) a letter which states that applying is simple; (4) a letter combining the maximum benefit element and the “applying is simple” element. All letters were mailed in September 2017.

Analyze Using Existing Data Administrative data from SSA was used to track SSI applications filed, SSI applications awarded, and SSI payment amounts. These outcomes were measured three, six, and nine months following the mailing.

Reanalyzed Results Three months after the intervention, all of the letters had a large and statistically significant impact on applications and awards. Of beneficiaries who received a letter, 5.22 percent applied for SSI in the three months after the letters were sent out, compared with 0.40 percent of beneficiaries who did not receive a letter, a difference of 4.82 percentage points ($p < 0.000$, 95% CI [xxx,xxx]). Similarly, 1.77 percent of beneficiaries who received a letter were awarded SSI during this time, compared with 0.20 percent of beneficiaries who did not receive a letter, an increase of over 850 percent ($p < 0.000$, 95% CI [xxx,xxx]). Finally, monthly SSI payments were lower among those who received SSI as a result of the letter (\$199.62) compared to those who did not receive a letter (\$274.85), a decrease of 27.37 percent ($p < 0.000$, 95% CI [xxx,xxx]). The maximum benefit letter element boosted applications and awards by XX and YY, respectively, above the basic letter, while the “applying is simple” letter element boosted applications and awards by XX and YY, respectively. The same results held after six and nine months as well.

¹ McGarry, Kathleen, and Robert F. Schoeni. "Understanding Participation in SSI." *University of Michigan Retirement Research Center (MRRRC) Working Paper*, WP 319 (2015): 4.

² Warlick, Jennifer L. "Participation of the Aged in SSI." *Journal of Human Resources* (1982): 236-260.

³ McGarry and Schoeni (2015).

⁴ Warlick (1982). McGarry, Kathleen. "Factors determining participation of the elderly in supplemental security income." *Journal of Human Resources* (1996): 331-358. McGarry and Schoeni (2015).

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of living adjustment notice; or sending a stand-alone notice upon attaining age 65.

Placeholder for
results graph

Build Evidence

- Although small, these findings suggest that if the letters had been sent to the control group, there would likely have been an increase in SSI participation of over 63,000 low-benefit seniors and additional cumulative SSI payments of about \$76 million over the nine-month follow-up period.
- Adding behaviorally-informed statements increased the effectiveness of the communications at virtually zero cost.
- Still, absolute uptake among the potentially eligible in the study sample remained small in relative terms.
- Our results reveal a large tradeoff between increasing applications and the acceptance rate.
- Future variations in communications could include variations in the targeted selection criteria; including basic information about potential SSI eligibility on the annual cost