California Budget
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Child Poverty and SSI/SSP: Overview and Opportunities

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LIFTING CHILDREN AND FAMILIES OUT OF POVERTY TASK FORCE MEETING

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Key Themes

Overview of SSI/SSP:

- Basic background: Eligibility, funding, benefits
- Role for children in poverty
- Practical limitations
- Issues to consider

Basic Background: Eligibility, Funding, and Benefits

Eligibility

Cash income support for low-income individuals with disabilities and seniors.

- Disability benefits for adults and children:
  - For adults with earned incomes less than about $18K if single ($27K if married) as of 2017.
  - For children with parental earned incomes less than about $41K if single parent ($50K if two parents) as of 2017, assuming two children, one with disability.
- "Aged" benefits for age 65+.

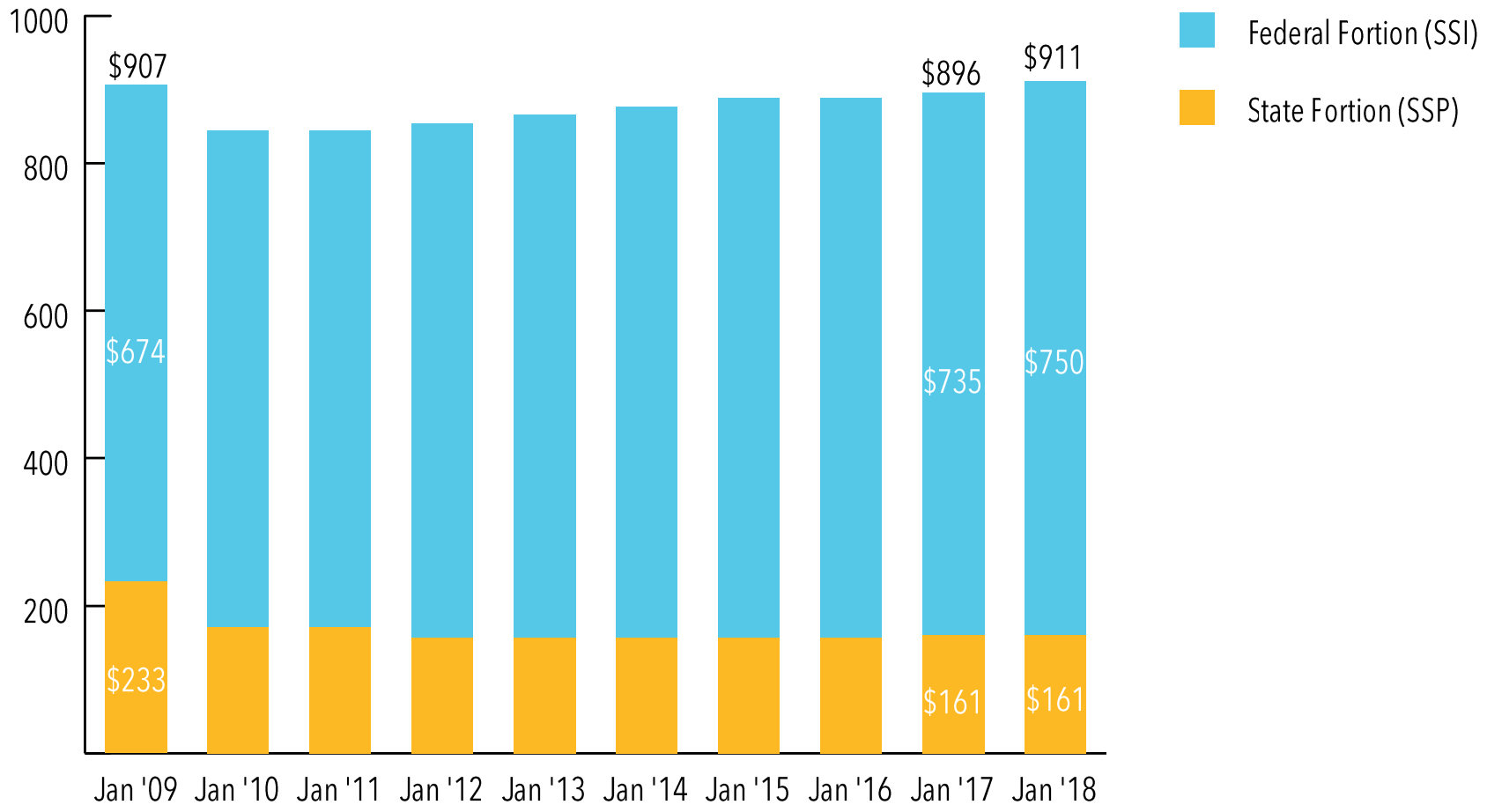
Funding

Joint federal and state funding.

- Supplemental Security Income (SSI) portion through federal funding:
  - $750 per month for individuals as of 2018.
- State Supplemental Payment (SSP) portion through state funding:
  - $161 per month for individuals as of 2018.
- Total projected benefits payments for 2018-19 = $9.75 billion (state spending $2.48 billion).

SSI/SSP Grants for Individuals in 2018 Are Just $4 Per Month More Than the 2009 Level

Maximum Monthly Grant for Individuals Who Have Disabilities or Are Seniors



Note: Grant level is for individuals who live independently in their own homes and have cooking facilities.
Source: Department of Social Services

Role for Children in Poverty

Limited Focus on Children

- Per CPM 2015 data, only about 25% of SSI/SSP expenditures in California benefit families with children.

- Direct recipients are 45.1% seniors, 46.4% adults with disabilities, 8.5% children with disabilities in California as of December 2016.

Benefits for Children with Disabilities

- About 108,000 children with disabilities are direct beneficiaries – small relative to state child population.
- These children have multiple disadvantages – serious disability as well as low income, and their special needs may limit parents' ability to work.
- Income limits if parents are working are above the CPM poverty threshold in many counties.

Children Also Share Households With Adult Beneficiaries

- Per CPM 2015 estimates, about 402,000 children lived in families where someone received SSI/SSP income.
  - 21% of these children lived with a senior receiving SSI/SSP.
  - Remainder lived with an adult with disabilities receiving SSI/SSP or were direct recipients.
- Adult beneficiaries typically have limited capacity to earn income through work.

Practical Limitations

Difficult to Target State Resources to Poor Children Through SSI/SSP

- Children living with adult beneficiaries likely have greatest current economic need, but no clear mechanism for targeting these children.
  - SSP payments do not vary based on number of children in the household.
- Eligibility and payments are administered by the federal Social Security Administration.

Issues to Consider

Parents With Disabilities May Struggle to Secure Adequate Incomes

- Children growing up in families without working adults are much more likely to be in poverty.
- Disability is a primary reason a parent may be unable to work.
- Long-term disability that limits work can increase the risk of chronic poverty, which is especially damaging to children.

Parents With Disabilities May Struggle to Secure Adequate Incomes

- SSI/SSP lifts some of these children out of poverty and deep poverty.
  - Among children in families with no earned income, 73% are in CPM poverty and 29% in deep poverty.
  - For those in families with no earned income but with SSI/SSP, 58% are in CPM poverty and 14% in deep poverty.
- Research shows short- and long-term benefits of increased incomes for children in poverty.

Some Parents With Disabilities May Not Qualify for SSI

- SSI disability criteria are specific and stringent.
- Application process can be difficult to navigate.
- Parents may have disabling conditions that limit their ability to work, yet may not meet SSI disability criteria or may not be able to successfully navigate the SSI qualification process.
  - Children in these families may be particularly at risk of experiencing poverty.
  - One study found that a substantial share of timed-out TANF families fell into this category.

The Bottom Line

- SSI/SSP does not primarily focus on families with children, but provides important resources for those who receive it.
- There are practical limitations to targeting state resources to children in poverty through SSI/SSP.
- Children in families with parents who cannot work because of disabilities are at risk of experiencing poverty, and SSI/SSP can be an important income source for these families.
- SSI's strict disability criteria and complex application process prevent some parents from qualifying for benefits even if they have conditions that limit their success in work.

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