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Estimating the Cost and Impacts of the SSI Restoration Act

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Introduction

Supplemental Security Income (SSI) is a cash benefit program administered by the Social Security Administration that provides vital aid to more than 7 million adults and children with disabilities and older adults with little to no income or assets. At its inception in 1974, SSI represented a major advance over the patchwork of state disability benefits that preceded it, creating a financial baseline that states could build upon to serve their residents. Since then, however, state aid has largely withered away, and SSI has not evolved to meet the financial needs of its recipients. While its monthly benefit is regularly adjusted for inflation, other aspects of the program—including its asset limits and income disregard—are not. And while the monthly benefit could, with state supplements, pull recipient households out of poverty, it is woefully inadequate on its own. As a result, 50 years since its launch, most SSI recipients live at or below the federal poverty line.

After decades of neglect, and as a result of the concerted efforts of disability advocates, federal lawmakers have finally started to pay attention. Over the last few years they have put forth bills to repair and modernize the ailing program. Most prominent among



these is the SSI Restoration Act, which was first introduced in the House in [2013](#) and more recently reintroduced in the Senate in 2021 and the House in 2024. The bill would reform SSI's outdated asset limits, streamline benefit calculations, remove the SSI "marriage penalty," and increase the maximum benefit. The proposed reforms could both improve the material conditions of SSI recipient households and reduce the complexity and expense of administering the program.

However, little research has been done on the potential impact or cost of the SSI Restoration Act, or on any changes to SSI more broadly, given both the complexity of the program and limitations in available data. This paper attempts to rectify this. We use a methodology called microsimulation applied to data from the Current Population Survey Annual Social and Economic Supplement (CPS-ASEC) to analyze current conditions and then model how the SSI Restoration Act as a whole and each of its individual components would affect incumbent SSI households and the households of those who would become eligible for the program should the legislation go into effect. We find that the SSI Restoration Act would reduce the SSI household poverty rate (inclusive of new recipients) by about 60 percent at a cost of about \$60 billion per year. We also analyze the impact of the legislation across a variety of subgroups including by age (children, 18–64, and 65+ recipients), marital status, and race/ethnicity and find particularly strong impacts for married couples where both individuals receive SSI. This analysis will be useful to lawmakers if and when they take up SSI reform again and provides crucial information about poverty impacts and cost that will be useful in "scoring" similar proposals.

Before we turn to the analysis of the bill, we review the history of SSI to explain its current state and why it is inadequate to meet the needs of its recipients. We then describe the reform proposals we are evaluating and briefly review our methodology before providing estimates of both the status quo for SSI households and how that would change under the analyzed provisions.

The History of SSI

The Supplemental Security Income program was created as part of the Social Security Amendments of 1972, which were signed into law by President Richard Nixon. The legislation replaced the patchwork of existing state-administered and (partly) federally funded programs for adults with disabilities that had been in place since the passage of the Social Security Act of 1935 and created a new federal program administered by the Social Security Administration (SSA) and available to children and adults alike.



When SSI started in 1974, benefit levels were set about 20 percent lower than that of the [median state-level program provided in 1973](#) (authors' calculation).¹ For people in low-benefit states, federal SSI represented a marked increase in benefits. Some states' maximum benefit was below \$500 a month in today's dollars—the introduction of SSI nearly doubled their benefits. However, in 37 states, the maximum federal SSI benefit level was below what the state program previously provided.² Completely substituting the federal SSI for the prior state programs would have meant significant benefit cuts in these states. However, when SSI was launched, supplemental state benefits played an important role on top of the federal program.

Two provisions ensured a significant role for supplementary state benefits on top of federal SSI benefits. First, federal lawmakers mandated that states maintain benefit levels for people already enrolled in state-level programs transferred to federal SSI by “topping up” federal benefits with state funds. This ensured no one's benefits were cut when federal SSI started. Second, the legislation gave states the option to supplement federal SSI with their own funds to make the program more generous in their state—expanding benefits relative to what the state provided before instead of simply ensuring no one's benefit was cut when SSI was first implemented. This provision for optional state supplementation was [taken by 33 states](#) and Washington, DC, when SSI started.

The combined effect of state supplements made SSI benefits considerably more robust than federal SSI benefits alone. Federal SSI operated as a benefits floor—in aggregate, supplemental state payments [were worth 46 percent of federal benefits](#) when SSI launched.³ Although not all SSI beneficiaries received state payments, those left out still saw large benefit increases compared to what they previously received under their states' programs. Overall, SSI was one of the most robust welfare programs of its time. Cash benefits for low-income families under the Aid to Families with Dependent Children program were [rapidly declining in real terms](#), food stamps were still in their infancy, and Medicaid eligibility was [extremely limited](#) (in most states, SSI enrollment was one of the only ways to receive Medicaid). While SSI did not guarantee recipients a life free from poverty, it provided a significant cash benefit for people with little to no other income.

¹ The initial SSI benefit level was \$130, changed to \$140 in late December 1973 before the program launched but not in time to change the rules for the first benefit payment issued in January 1974. It makes sense to compare the initial \$130 figure to maximum state benefit levels in 1973 because state benefit levels in 1974 are unknowable (since state programs were replaced with federal SSI). The median state-level maximum benefit was \$157 in 1973.

² The maximum benefit is just one measure of the comparative generosity of different programs; it is possible some state programs had larger maximum benefits but more aggressive means-testing than federal SSI—rules between states varied. Federal SSI also included coverage for disabled children, a population previously only covered by state Aid to Families with Dependent Children programs.

³ Authors' calculation based on linked data.



“The committee bill would make a major departure from the traditional concept of public assistance as it now applies to the aged, the blind, and the disabled. Building on the present Social Security program, it would create a new Federal program administered by the Social Security Administration, designed to provide a positive assurance that the Nation's aged, blind, and disabled people would no longer have to subsist on below-poverty-level incomes.”

—Report of the Senate Committee on Finance ([1972, p. 384](#))

These initial gains were, however, lost over the ensuing decades. First, though SSI benefits are indexed to inflation, some of its provisions for means-testing (meant to ensure only “needy” people receive benefits) were not. SSI determines recipients’ eligibility and benefit amount by reducing benefits dollar-for-dollar for unearned income (for instance, Social Security retirement benefits or dividend earnings from investments) and by 50 cents for every dollar of earned income (income from working). Before that formula is applied, a certain amount of both unearned and earned income is subtracted from gross household income. This “income disregard” has been fixed at \$20 for unearned and \$65 for earned income each month since program inception, meaning that the real value of the disregard has declined by roughly 84 percent. When SSI originated, recipients could work 10 hours per week at the federal minimum wage before their SSI benefits started to be reduced. Today, an SSI recipient can work no more than 2 hours a week at the federal minimum wage before their benefits start being reduced. Notably, this is true even though the real value of the federal minimum wage has declined since 1974.

Like many US safety net programs, SSI also pairs its means test with an asset test, meaning that those who possess assets (e.g., cash savings, stocks, retirement accounts) valued above the program’s specified threshold are ineligible for benefits. Because the SSI asset limits have not been updated since 1989, [the SSI asset test](#) has become particularly strict: \$2,000 for individuals and \$3,000 for couples. This greatly limits the ability of SSI households to save. It also has also had a less-obvious effect as the US has shifted from a focus on defined-benefits programs for retirement to a defined-contributions model: While a pension may eventually count as income for the SSI means test, [401k and IRA savings](#) count against the asset limit. Although the main impact of the asset test is inhibiting and discouraging savings among the millions of SSI households, on the margin it also creates costly (both to recipients and the SSA) benefits churn. Roughly 70,000 recipients have their benefits suspended and 40,000 recipients have their benefits terminated each year [due to exceeding the asset cap](#).

Second, and most importantly, state-level support has withered over time. Congress mandated that states maintain their more generous pre-SSI benefits only for those enrolled in state programs before federal SSI launched. The pre-SSI caseload quickly



became a small fraction of overall SSI enrollment. Two decades after the launch of SSI, [just 3,200 people](#) were still receiving mandatory supplements, less than 0.1 percent of the overall caseload. Optional state supplementation also hit a high-water mark soon after federal SSI launched. States were so aggressive in cutting optional supplements that Congress stepped in in 1976 to [mandate states preserve them, but only in nominal terms](#). In 2010 (the last year the federal government collected comprehensive data), [aggregate state spending on supplements](#) was 9 percent of the total federal government spending on SSI, compared to 46 percent when federal SSI started in 1974. Only a handful of states offer significant supplements (and eligibility can be restrictive)—the typical state’s total spending on supplements was less than 2 percent of the federal government’s spending on SSI.

The vast majority of SSI recipients must therefore rely solely on federal benefits. And as noted, federal benefits are not enough to lift SSI households out of poverty. SSI’s maximum benefit has hovered between 71 and 75 percent of the federal poverty line for its entire history. As a result, a shockingly large number of SSI households live in poverty. Using administrative records, researchers estimated that [more than 50 percent](#) of SSI recipients in 2016 lived in households that fell under the federal poverty line even after including the SSI benefit. Using the Supplemental Poverty Measure (SPM, see Methodology section) preferred by researchers, [Chantel Boyens et al. of the Urban Institute estimated](#) that roughly 35 percent of SSI households lived in poverty in 2017. Given that states have not stepped in to fill in the gap, expansion and reform (including simplification) of the federal benefit has become an increasing focus of disability rights advocates.

The SSI Restoration Act of 2024

The most recent proposals to reform SSI include the bipartisan [SSI Savings Penalty Elimination Act](#), the SSI Restoration Act of 2021, and the SSI Restoration Act of 2024—the latter a reintroduction of the 2021 Act with some minor revisions. The SSI Savings Penalty Elimination Act would update SSI’s asset limits from \$2,000 for singles and \$3,000 for couples to \$10,000 for singles and \$20,000 for couples and automatically index the limits to inflation. In addition to representing a large increase in the asset limits and bringing them closer to [the real values that applied at program launch](#), this bill would remove the “marriage penalty” by doubling the asset limit for married couples instead of applying a 150 percent modifier. The SSI Restoration Acts of 2021 and 2024 propose the same changes to the asset formula and include the following additional reforms:

- excluding retirement accounts from the asset test
- updating the unearned/general income exclusion from \$20 per month to \$150 per month to account for inflation in since 1974



- updating the earned income inclusion from \$65 per month to \$487 per month to account for inflation since 1974
- removing “in-kind support and maintenance” from income calculations (see below)
- setting the maximum benefit for a single recipient to the federal poverty line for a household of one⁴
- setting the maximum benefit for a married couple both receiving SSI benefits to double the value for single recipients
- indexing all the above numbers to inflation going forward using the Consumer Price Index for Elderly Consumers (CPI-E)

Some analysis, though limited, has been done of the SSI Penalty Elimination and SSI Restoration Acts. The Social Security Administration [estimated](#) that the SSI Penalty Elimination Act would cost the federal government roughly \$9.8 billion in direct program costs over a 10-year window (less than \$1 billion a year) due to an increase in the number of households that would become eligible or maintain eligibility for SSI. In a [separate analysis](#), the SSA estimated that the SSI Restoration Act of 2021 would cost roughly \$510 billion over a 10-year period (\$51 billion per year on average), with roughly \$350 billion (\$35 billion per year) of that deriving from the change to the maximum benefit.

For estimates of impacts on poverty from the reforms proposed in the [SSI Restoration Act of 2021](#), we have only the fact sheet produced by [Boyens et al.](#) Using 2017 data and the SPM on the Urban Institute’s [TRIM3 microsimulation model](#), they estimate that the proposed reforms (not including changes to the asset test) would reduce the poverty rate for SSI households by more than half from 35.7 percent to 16.1 percent and the overall poverty rate from 12.3 to 11.2 percent.

The Boyens et al. fact sheet includes typically excellent but limited analysis. As a fact sheet, the focus is on top-line poverty reduction for SSI households and for all households. It does not include estimates of impacts on deep poverty or the larger income distribution, it does not explore impacts on specific subpopulations such as Black and Hispanic households or households in different states/regions (though they note that Black and Hispanic households would likely benefit disproportionately), it does not include cost estimates, and, as already noted, it provides estimates using a 2017 annual baseline. Our analysis builds on this important work both by updating the estimates to a 2024 baseline and by diving deeper into policy impacts for key subgroups. We briefly explain our approach below before presenting results.

⁴ The SSI Restoration Act sets the maximum benefit for a single recipient to the FPL for a household of one regardless of the size of the recipient's household. This means that a single recipient living alone and receiving the maximum benefit would automatically be at the FPL line but the maximum benefit alone would not be sufficient to lift a larger household above the poverty line.



Methodology

This paper uses a methodology called *microsimulation* to evaluate the impacts and costs of the major provisions of the [SSI Restoration Act of 2024](#). This methodology is commonly used to evaluate policy proposals, such as during the debate around the [child tax credit expansion in 2021](#). Data on SSI is, however, harder to work with than data on federal tax rates in part because of the complexity of the program. As a result, there are many fewer analyses of SSI reform proposals or indeed of the status quo for SSI recipients. What exists typically relies on administrative data releases and paints a picture several years out of date.

We use the CPS-ASEC, a nationally representative survey that provides details about individuals' sources and amounts of income, including earnings from work as well as income from benefits programs like SSI. The survey is conducted at the household level, so it contains details on household members' relationships to one another.⁵ With this information, for any given individual, we can also compute their parent or spouse's income as relevant. This data, combined with some assumptions about the tax filing units generated from the individuals and households within, allows us to estimate baseline economic conditions for SSI households (and households in general). We can also estimate to first approximation the impacts of a policy shift by computing recipients' benefit amounts under current and proposed rules. For instance, if in the survey an SSI recipient lives in a single-person household, gets \$700 per month from Social Security (specifically, Old-Age and Survivors Insurance) benefits, and has no other income, their 2025 SSI benefit would be \$287 per month. This comes from computing the person's unearned income (\$700 minus the earned income disregard of \$20, which is $\$700 - \$20 = \$680$). Unearned income is then subtracted from the benefits standard for a single person to get the person's benefit level ($\$967 - \$680 = \$287$). The same basic methodology can compute a person's SSI benefit under alternative SSI benefit rules. For instance, under the SSI Restoration Act, the benefits level is increased to \$1,304 and income disregard is increased to \$150, increasing that same recipient's benefit to \$778.

Calculating the Restoration Act's impact on poverty involves comparing people's income to a poverty line threshold. For instance, the single person referenced before would have a total annual income of \$11,844 from their Social Security and SSI benefits. In 2024, the official poverty line for a single person is \$15,060, so they would be counted as below the poverty line. However, under the SSI Restoration Act, their annual income would increase to \$17,736, which would put them above the SPM poverty threshold.

⁵ Some SSI recipients living in institutions are not surveyed by the CPS. Using [prior research](#) that linked CPS survey respondents to administrative records, we estimate that about 7 percent of senior SSI recipients are not in the CPS sampling frame—lower age groups are not significant.



Aggregating this process over thousands of survey responses allows us to calculate the change in poverty rates under the SSI Restoration Act.

Rather than the official poverty line, we use the Census’s Supplemental Poverty Measure (SPM). This metric is almost universally preferred by researchers as a more accurate measure of poverty because it implements several improvements to the official poverty line. The two most notable differences are that it counts safety net benefits like the Supplemental Nutrition Assistance Program (SNAP) as income (whereas the official poverty line only counts pretax cash income and thus leaves out vouchers like SNAP or credits like the earned income tax credit) and it adjusts the poverty line for an individual’s local cost of living based on housing costs (whereas the official poverty line is the same for the 48 contiguous states).

Assumptions and Complexities

Because of limitations in the data, household income and benefit calculations are not always as straightforward as presented above.⁶ There are issues, for example, with underreporting of benefits in the CPS-ASEC and surveys more broadly. Past analyses that compare matched survey and administrative data have demonstrated that survey respondents regularly miss or mistake the benefits they and other households members receive. To account for this, we (and policy researchers more broadly) “reweight” the data to provide more accurate baseline estimates.

Due to lack of data on household wealth in the CPS-ASEC, we do not model the impact of the Restoration Act’s increases to SSI’s asset limits. Other research has found that increasing these limits would have a rather minor impact on the total number of people who qualify for SSI. For instance, researchers from the [Center on Budget and Policy Priorities estimated](#) that eliminating SSI’s asset limit would only increase SSI enrollment by 6 percent. The vast majority of people with a low enough income to qualify for SSI also have little to no savings. Of course, modifying these rules is important to allow SSI recipients to save without worrying about having their benefits terminated.

Some SSI rules are complicated, and information from survey data is not detailed enough to calculate benefit levels without making some assumptions that leave room for error.⁷ For instance, SSI recipients who receive income or support from people living in or outside their household can have their benefits reduced under the in-kind

⁶ Readers interested in the technical details of how we reweighted the data, estimated induced uptake, and more can see Appendix A for more information on our methodology.

⁷ Similarly, information in the survey data itself is subject to error—some people may misremember or otherwise [misreport](#) their [income](#) in an interview.



support and maintenance (ISM) rule.⁸ This kind of informal support (e.g., help paying the rent or prepared meals⁹) is not captured in the survey data. We therefore impute it using a comparison of calculated versus self-reported benefits to back out the presence of ISM deductions.¹⁰

A separate significant challenge in modeling the impacts of a policy is accounting for newly eligible beneficiaries. Individuals whose income is currently too high to qualify for SSI would become eligible under the Restoration Act's revised thresholds. For instance, under current SSI rules, a typical SSI recipient with \$1,000 a month of outside "unearned" income cannot qualify for SSI. Under the Restoration Act, they could qualify for a benefit of about \$400. Some percentage of these newly eligible individuals will apply for and receive SSI benefits, though many will not. Our analysis of both the impact and cost of the SSI Restoration Act includes these new beneficiaries based on a selection algorithm we developed for the project. However, we also provide estimates of the impacts of the SSI Restoration Act assuming no behavioral response (i.e., no induced uptake) in the Appendix D for reference.¹¹

Baseline Estimates

Our model estimates policy impacts relative to the baseline described above. So it is important to first describe what poverty looks like overall and for specific groups under these baseline conditions. Tables 1 through 4 present baseline poverty estimates, with tables 1 and 2 presenting statistics for households and individuals respectively. We

50 years since its launch, most SSI recipients live at or below the federal poverty line.

estimate that in 2024, of the roughly 130 million households in the United States, 13.3 percent (17.38 million) lived in poverty and 4.8 percent (6.27 million) lived in deep poverty (defined as at or below 50 percent of the SPM poverty line). We estimate that 6.16 million households contain one or more SSI recipients, that 29.2 percent of them (1.8 million) fall below the SPM poverty line, and that 4.4 percent of them (270,000) fall below the deep poverty threshold.

⁸ Support from people living inside one's household does not count toward the in-kind support and maintenance rule if the household is classified as a "public support household." Near the end of its term, the Biden administration proposed an expansion of this definition to include households receiving SNAP, but the Trump administration [canceled](#) this reform.

⁹ In September 2024 (after the data used for our analysis had already been collected), the SSA instituted a final rule that [removed food from ISM calculations](#). Although the Trump administration has rescinded some Biden-era SSI rules, this one is still in effect.

¹⁰ Using this methodology, we estimate that 11 percent of SSI recipients receive ISM reductions, which nearly [matches the SSA's administrative data](#) on how many recipients receive ISM reductions (9 percent).

¹¹ The "no behavioral response/incumbent only" estimate can be treated as a conservative/safe estimate of impact of the SSI Restoration Act of 2024: Impacts will be at least this big.



Table 1: Household-Level SPM Poverty and Deep Poverty

All numbers in this and subsequent tables are rounded to the nearest ten thousand. Percentages are based on these numbers.

Status Quo	Total Households	SPM Poverty	SPM Deep Poverty
SSI households	6,160,000	1,800,000 (29.2%)	270,000 (4.4%)
All households	130,330,000	17,380,000 (13.3%)	6,270,000 (4.8%)

Author's calculations (Stephen Nuñez and Jack Landry, Roosevelt Institute)

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At the individual level, the percentages are slightly different because multiple individuals can live in the same impoverished household, but the basic story remains unchanged. We estimate that in 2024, of the roughly 329 million individuals in the United States, 12.6 percent (41.48 million) lived in poverty and 4.2 percent (13.81 million) lived in deep poverty. We estimate that there are 7.25 million SSI recipients, that 29.33 percent of them (2.13 million) fall below the SPM poverty line, and that 4.3 percent of them (310,000) fall below the deep poverty threshold.

Table 2: Individual-Level SPM Poverty and Deep Poverty

	Total Individuals	SPM Poverty	SPM Deep Poverty
SSI recipients	7,250,000	2,130,000 (29.3%)	310,000 (4.3%)
All individuals	328,740,000	41,480,000 (12.6%)	13,810,000 (4.2%)

Author's calculations (Stephen Nuñez and Jack Landry, Roosevelt Institute)

Created with Datawrapper

Two things are immediately apparent: The first is that SSI households and recipients are much more likely to experience poverty than households and individuals more generally. The second is that SSI household and individual deep poverty rates are quite similar to the overall deep poverty rates. This speaks to both the failures and successes of the SSI program: SSI, although inadequate given the erosion of state supplements, has effectively reduced the deep poverty level among SSI recipients to the overall average.



Demographic Characteristics

We also investigated baseline data according to a variety of demographic characteristics, including race and ethnicity, age bracket, region as captured by census division, self-reported disability status, and marriage. With the exception of the latter two, these subgroup analyses can be found in Appendix B. We include disability and marriage status tables here because of their importance in evaluating the impact of SSI under the status quo and SSI Restoration Act scenarios.

As noted, SSI recipients experience poverty at much higher levels than the general population, but the program has been effective in reducing deep poverty to levels experienced by the general population. But millions of people who are disabled do not receive SSI. This may be because they receive a different disability benefit (e.g., Social Security Disability Insurance), are unaware of the program or their eligibility, have applied and are still waiting for approval (average time for disability determination for SSI is about eight months, not including appeals for denial), are not considered “disabled enough” to qualify for the benefit, or earn too much to qualify (with considerable overlap between the latter two reasons).

Table 3 presents baseline statistics on poverty and deep poverty by self-reported disability status and receipt of SSI. Given that the CPS only asks disability-related questions to people aged 15 and up, we do not include children in this analysis. For individuals over 65 years old, having a low income and low assets are the only criteria required to qualify for SSI¹² (rather than having a low income, low assets, *and* a disability), meaning SSI is not primarily a disability income support program for older adults. We therefore focus this analysis on adults aged 18–64.

Under the status quo, those that identify as disabled in the CPS but do not receive SSI experience poverty at lower rates than those receiving SSI (22 percent versus 28 percent) but at much higher rates than those who do not identify as disabled (22 percent versus 10.9 percent). In contrast, their deep poverty rate (8.6 percent) is more than double that of both the SSI (4.1 percent) and nondisabled population (4 percent). The CPS does not include questions on the nature or severity of the indicated disability, but this discrepancy suggests that many in this category struggle with conditions that limit the nature or kind of work they can do but either earn too much to qualify, have conditions that are not sufficient to receive a federal disability determination, or both.

¹² SSI eligibility is generally limited to citizens and noncitizens who have long-term permanent resident status. It is also not available in Puerto Rico or other American territories regardless of citizenship status.



Table 3: Individual-Level Poverty and Deep Poverty by Disability Status and SSI Receipt

Group	Total Individuals	SPM Poverty (Status Quo)	SPM Deep Poverty (Status Quo)
Disabled Age 18–64, Not Receiving SSI	13,140,000	2,900,000 (22.0%)	1,130,000 (8.6%)
Disabled Age 18–64, Receiving SSI	4,040,000	1,140,000 (28.1%)	160,000 (4.1%)
Nondisabled Age 18–64, Not Receiving SSI	181,400,000	19,740,000 (10.9%)	7,180,000 (4.0%)

Author's calculations (Stephen Nuñez and Jack Landry, Roosevelt Institute)
Created with Datawrapper

Table 4 and Figure 1 present baseline poverty statistics by marital status. We focus here only on adult SSI recipients, and we compare individuals who are not married or who are married to a spouse who does not also receive SSI with married couples who both receive SSI.

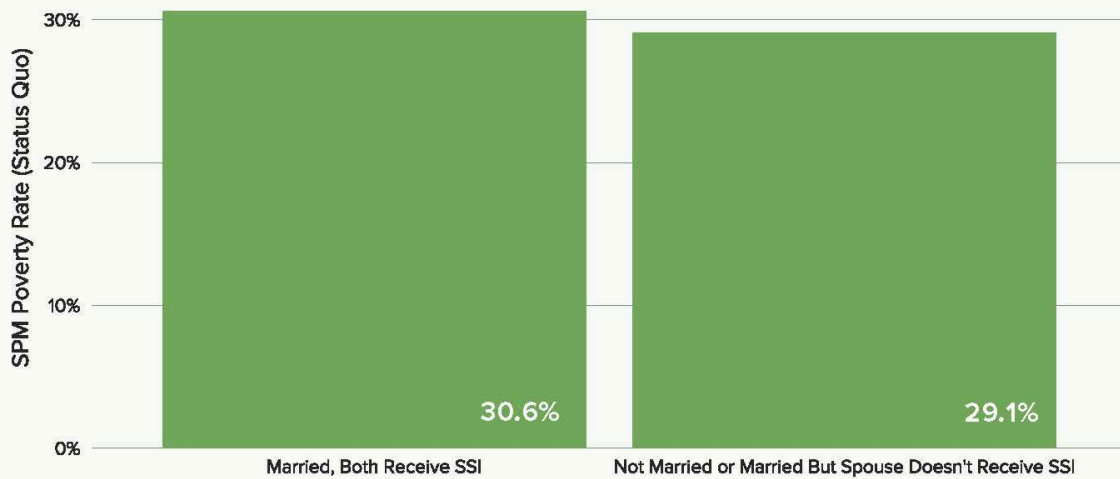
Table 4: SSI Receipts - Individual-Level Poverty and Deep Poverty by Marital Status

Marital Status	Total SSI Recipients	SPM Poverty (Status Quo)	SPM Deep Poverty (Status Quo)
Not Married or Married But Spouse Doesn't Receive SSI	5,770,000	1,680,000 (29.1%)	270,000 (4.6%)
Married, Both Receive SSI	490,000	150,000 (30.6%)	20,000 (4.9%)

Author's calculations (Stephen Nuñez and Jack Landry, Roosevelt Institute)
Created with Datawrapper



Figure 1: Individual-Level Poverty by Marital Status



Source: Author's Own Calculation

Under the status quo, there are no notable differences in the poverty and deep poverty rates for these two categories. However, the SSI Restoration Act produces important differential impacts across these categories given its structure, which we present below.

Although SSI has served as an effective tool for combating deep poverty for individuals with disabilities, our analysis of the status quo reveals a program that has failed to provide an acceptable standard of living for its recipients. The SSI Restoration Act includes several reforms meant to address this. Below we estimate its effectiveness in doing so.

Impacts

We first estimate the overall impacts of the SSI Restoration Act of 2024 on household and individual-level poverty. Table 5 and Figure 2 present overall impacts on household-level SPM poverty. The first row of Table 5 presents SPM poverty and deep poverty statistics under the status quo for SSI households specifically and for US households in general. The second row of Table 5 estimates the impact on each measure for each population. We estimate that the SSI Restoration Act would generate an additional 2.58 million SSI recipient households (meaning one or more newly enrolled SSI recipients in the household). The SSI household poverty rate would drop by 17.4 percentage points to 11.8 percent. Deep poverty in SSI households would drop by



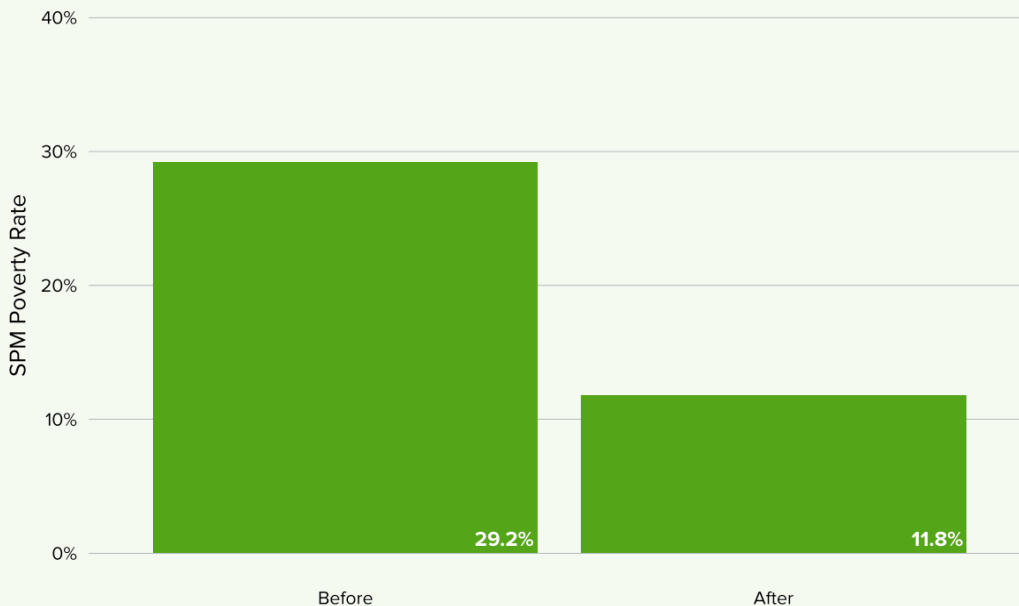
3.4 percentage points to 1 percent. Overall household poverty would drop by 0.9 percentage points to 12.4 percent. And deep poverty would drop by 0.2 percentage points to 4.6 percent.

Table 5: Poverty and Deep Poverty Impacts of SSI Restoration Act (Households)

Scenario	Total SSI Households	SPM Poverty SSI Households	SPM Deep Poverty SSI Households	SPM Poverty Overall	SPM Deep Poverty Overall
Baseline	6,160,000	1,800,000 (29.2%)	270,000 (4.4%)	17,380,000 (13.3%)	6,260,000 (4.8%)
SSI Restoration Act, Includes New Recipients	8,740,000	1,030,000 (11.8%)	90,000 (0.99%)	16,210,000 (12.4%)	6,030,000 (4.6%)

Author's calculations (Stephen Nuñez and Jack Landry, Roosevelt Institute)
Created with Datawrapper

Figure 2: Poverty Impacts of the SSI Restoration Act



Source: Author's Own Calculations



Table 6 presents the impact of the SSI Restoration Act at the individual rather than household level. The results are broadly similar. We estimate that the SSI Restoration Act would generate an additional 2.8 million SSI recipients.¹³ The SSI recipient poverty rate would drop 18.1 percentage points from 29.3 percent to 11.2 percent. Deep poverty among SSI recipients would drop 3.5 percentage points from 4.3 percent to 0.8 percent. Overall poverty would drop 0.7 percentage points from 12.6 percent to 11.9 percent. This represents 2.21 million people lifted out of poverty: current SSI recipients and members of their households as well as new SSI recipients and members of their households. And overall deep poverty would drop by 0.1 percentage points from 4.2 percent to 4.1 percent, lifting 480,000 individuals, including current and new SSI recipients and members of their households, out of deep poverty.

Table 6: Poverty and Deep Poverty Impacts of SSI Restoration Act (Individuals)

Scenario	Total SSI Recipients	SPM Poverty SSI Recipients	SPM Deep Poverty SSI Recipients	SPM Poverty Overall	SPM Deep Poverty Overall
Baseline	7,250,000	2,130,000 (29.3%)	310,000 (4.3%)	41,470,000 (12.6%)	13,800,000 (4.2%)
SSI Restoration Act, Includes New Recipients	10,050,000	1,120,000 (11.2%)	80,000 (0.78%)	39,260,000 (11.9%)	13,320,000 (4.1%)

Author's calculations (Stephen Nuñez and Jack Landry, Roosevelt Institute)
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Overall, we conclude that the SSI Restoration Act would bring SSI household and individual poverty rates largely in line with overall poverty rates. In fact, accounting for new beneficiaries, SSI poverty rates would be slightly lower than the overall averages. Under the status quo, SSI household and individual deep poverty rates are already broadly similar to overall averages, reflecting a success of the program. Under the SSI Restoration Act, deep poverty among SSI recipients would be almost entirely

¹³ This number is slightly higher than the number of new SSI households because households may have more than one SSI recipient (e.g., a parent and a child or a married couple that each receive the benefit).



eliminated: Less than 1 percent of households and only about three-quarters of a percent of recipients would live in deep poverty.

Component Analysis

We also estimate the impacts of the SSI Restoration Act of 2024 by component to provide a sense of the contribution of each part of the bill if it were to be enacted in isolation. Specifically, we ask what the impact would be if we only increased the earned and unearned income exclusions, only removed the “income support and maintenance” component of the benefit means test, or only increased the maximum monthly benefit (including changes to both single and married couple benefit calculations).

Table 7 and Figure 3 analyze the impact of introducing each component of the SSI Restoration Act separately on poverty and deep poverty. When reading this table, note that these changes are not additive. In other words, the overall impact of the SSI Restoration Act is not the same as the sum of the impacts of each provision if implemented separately. This is because, for example, two separate provisions might lift a household over the poverty line, and implementing both simultaneously would not change the result: The household is lifted over the poverty line regardless.

Table 7: Impact of SSI Restoration Act Components in Isolation

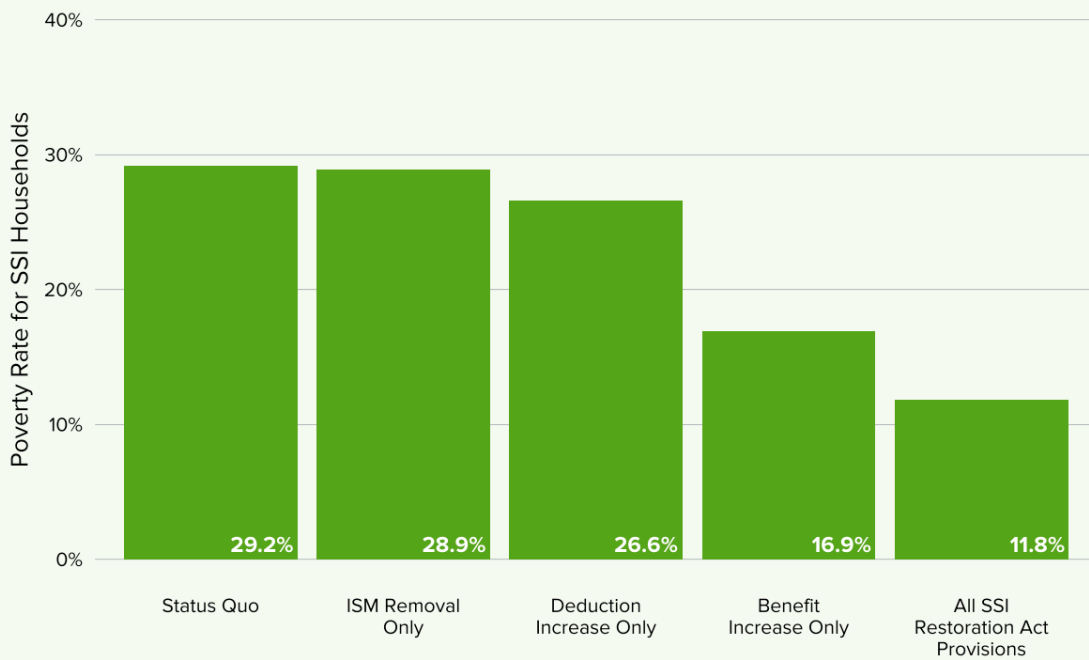
Scenario	Poverty SSI Households	Deep Poverty SSI Households	Poverty Overall	Deep Poverty Overall
Status Quo	1,800,000 (29.2%)	270,000 (4.4%)	17,380,000 (13.3%)	6,260,000 (4.8%)
All SSI Restoration Act Provisions	1,030,000 (11.8%)	90,000 (1.0%)	16,210,000 (12.4%)	6,030,000 (4.6%)
Benefit Increase Only	1,530,000 (16.9%)	180,000 (2.0%)	16,410,000 (12.6%)	6,120,000 (4.7%)
Deduction Increase Only	1,870,000 (26.6%)	240,000 (3.4%)	17,190,000 (13.2%)	6,210,000 (4.8%)
ISM Removal Only	1,850,000 (28.9%)	220,000 (3.4%)	17,370,000 (13.3%)	6,210,000 (4.8%)

Author's calculations (Stephen Nuñez and Jack Landry, Roosevelt Institute)

Created with Datawrapper



Figure 3: Impacts of SSI Restoration Act Components in Isolation



Source: Author's Own Calculations

The impacts by provision show that we could derive an impact roughly 71 percent as large as that of the full legislative package from increasing the maximum monthly benefit alone. Conversely, changes to the increases in the earned and unearned income disregards alone would have an impact only about 15 percent as large as the impact of the full bill on SSI household poverty. And removing the “in-kind support and maintenance” component of the benefit means test alone would barely reduce SSI household poverty, producing an impact only about 2 percent as large as that of the full bill. Recall that only roughly 9 percent of SSI households are currently impacted by that rule. In other words, making a substantial dent in poverty will require more than updates to calculations about how much of the existing benefit one may receive; the benefit must also increase in value.

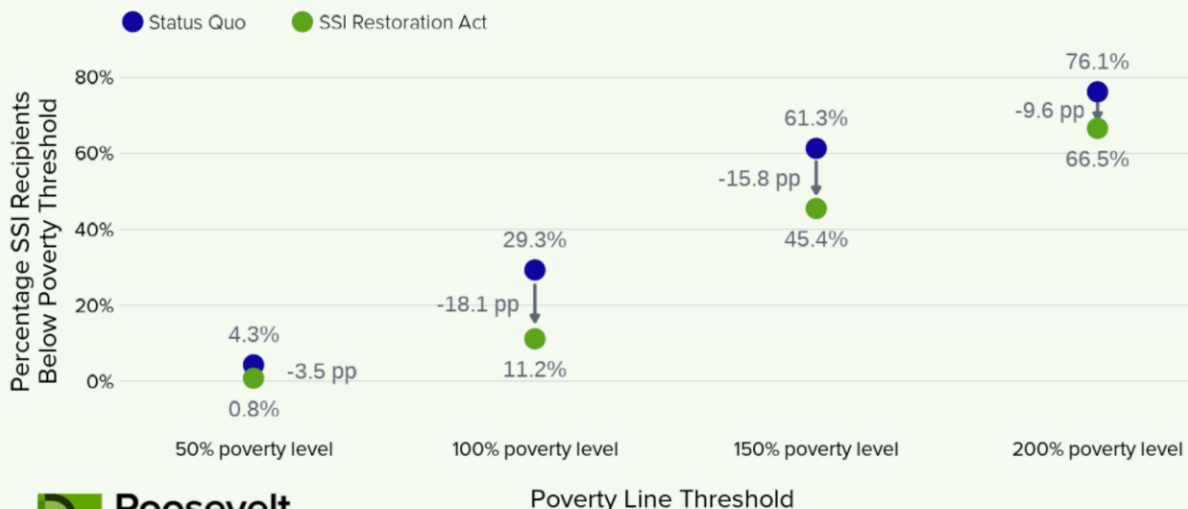
Impacts on SPM Distribution

In the tables above, we presented impacts on SPM poverty and deep poverty, where deep poverty is defined as having household-level income below 50 percent of the SPM poverty threshold. Figure 4 extends our analysis to examine impacts of the SSI Restoration Act at the 150 percent and 200 percent SPM poverty levels. Each column displays the percentage point decrease in SSI recipients that have income at or below



the respective poverty level. For example, the percentage of SSI recipients living in households below 150 percent of the SPM poverty level dropped by 11.3 percentage points from 61.3 to 45.4 percent.

Figure 4: SSI Restoration Act Impact on Different Poverty Line Thresholds



Source: Author's own calculations

Impacts by Demographic Category

As with our estimates of the status quo, we calculate poverty rates under the SSI Restoration Act according to demographic categories including race/ethnicity, age group, disability status, and marital status. As before, tables on all but the latter two categories can be found in the appendix (in this case Appendix C). We also provide a map of impact by region (census division).

As noted, a sizable population of individuals who report having a disability do not receive SSI (though they may receive some other disability-related benefit such as Social Security Disability Insurance). The SSI Restoration Act extends eligibility by income up the income distribution, meaning that some self-identified disabled individuals would become eligible and eventually become SSI recipients (see discussion above). So it is natural to investigate the impacts of the program by disability status, as presented in Table 8 and Figure 5.

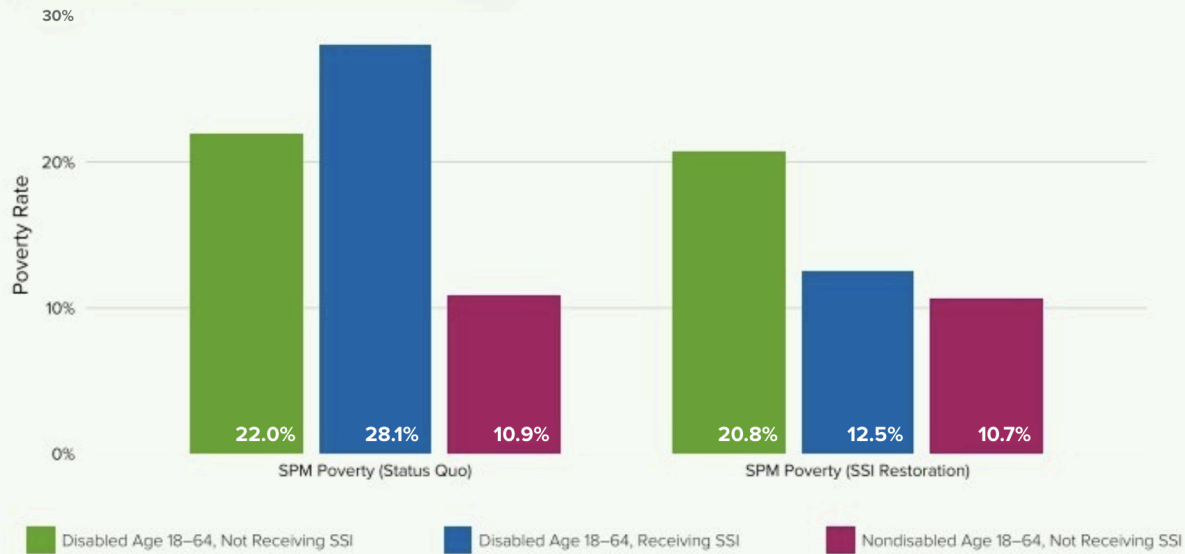


Table 8: Impacts by Disability Status

Group	Total Individuals	SPM Poverty (Status Quo)	SPM Poverty (SSI Restoration)	SPM Deep Poverty (Status Quo)	SPM Deep Poverty (SSI Restoration)
Disabled Age 18–64, Not Receiving SSI	13,140,000	2,900,000 (22.0%)	2,730,000 (20.8%)	1,130,000 (8.6%)	1,110,000 (8.4%)
Disabled Age 18–64, Receiving SSI	4,040,000	1,140,000 (28.1%)	510,000 (12.5%)	160,000 (4.1%)	30,000 (0.8%)
Nondisabled Age 18–64, Not Receiving SSI	181,400,000	19,740,000 (10.9%)	19,370,000 (10.7%)	7,180,000 (4.0%)	7,080,000 (3.9%)

Author's calculations (Stephen Nuñez and Jack Landry, Roosevelt Institute)
 Created with Datawrapper

Figure 5: Impacts by Disability Status



Source: Author's Own Calculations

For those that do not or cannot become SSI recipients, the SSI Restoration Act may still reduce poverty levels due to indirect effects: Some individuals who identify as disabled and do not receive SSI may live in households with SSI recipients (e.g., a parent and SSI recipient child), hence their slight decrease in poverty rate (to about 20.8 percent).



The SSI Restoration Act would reduce the SSI household poverty rate (inclusive of new recipients) by about 60 percent at a cost of about \$60 billion per year.

We also investigated the impacts of the SSI Restoration Act by marital status because of the way the SSI Restoration Act handles married couples that both receive SSI. The SSI Restoration Act sets the maximum benefit for an SSI recipient to 100 percent of the federal poverty line for a household of one. But it sets the benefit for a married couple where each is

a SSI recipient to double that number. The federal poverty line, by contrast, does not grow 100 percent each time a new member is added to the household, as the [formula takes into account](#) economies of scale within the household. This means that under the SSI Restoration Act, the maximum benefit for a married couple where both are receiving SSI benefits (\$31,300/year in 2025) is about 48 percent higher than the FPL for a household of two. Table 9 and Figure 6 present impacts by marital status and compare individuals who are not married or who are married to a spouse who does not also receive SSI with married couples who both receive SSI.

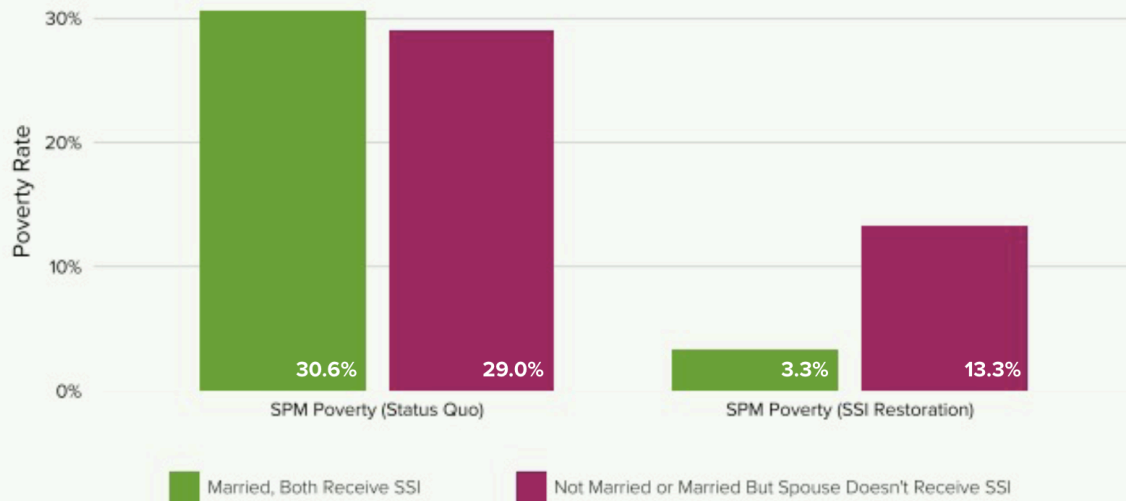
Table 9: Impacts by Marital Status

Marital Status	Total SSI Recipients	SPM Poverty (Status Quo)	SPM Deep Poverty (Status Quo)	SPM Poverty (SSI Restoration)	SPM Deep Poverty (SSI Restoration)
Not Married or Married But Spouse Doesn't Receive SSI	5,770,000	1,680,000 (29.1%)	270,000 (4.6%)	770,000 (13.3%)	50,000 (0.9%)
Married, Both Receive SSI	490,000	150,000 (30.6%)	20,000 (4.9%)	20,000 (3.3%)	0 (0%)

Author's calculations (Stephen Nuñez and Jack Landry, Roosevelt Institute)
Created with Datawrapper



Figure 6: Impacts by Marital Status



Source: Author's Own Calculations

Results for those who are not married or who are married to a spouse that does not receive SSI are largely in line with the overall impacts presented above. Their poverty rate drops from 29.1 percent to 13.3 percent and their deep poverty rate from 4.6 percent to 0.9 percent. Married couples in which both receive SSI, however, see their poverty rate drop from 30.6 percent to just 3.3 percent and see their deep poverty rate drop to 0 percent.¹⁴ While some of the difference could be attributed to differences in household composition, the relatively larger benefit increase implemented for such couples under the SSI Restoration Act is undoubtedly the main driver of this differential impact.

Impacts by Census Division

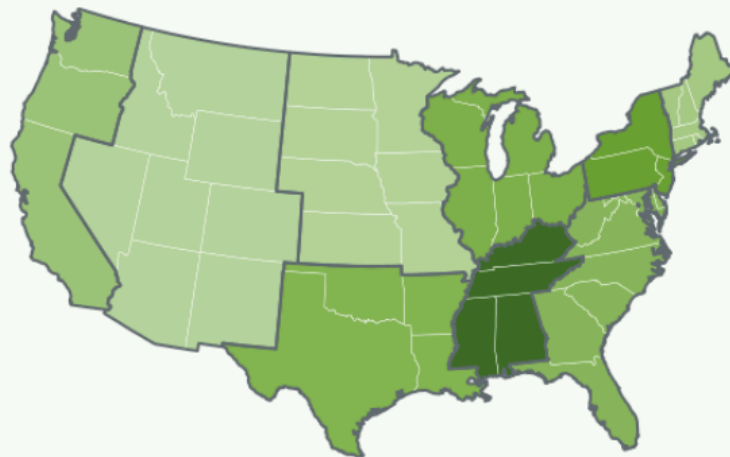
Finally, we examined how the impacts of the SSI Restoration Act vary by region. Figure 7 presents data on impacts across the nine census divisions.¹⁵ We find some important variation in impact by regions—with impacts being particularly strong in the East South Central division, which includes Kentucky, Tennessee, Mississippi, and Alabama. This division includes roughly 7.5 percent of SSI recipients (both under the current program and including new entrants under the proposed reforms) and has a baseline poverty rate of over 32 percent among SSI recipients. That rate drops to about 9.5 percent under the SSI Restoration Act.

¹⁴ Recall that we round to the nearest ten thousand.

¹⁵ For a table of these results, see Appendix B.



Figure 7: Decrease in General Population Poverty Rate from SSI Restoration Act
Impact by Census Division



Overall Poverty Rate Decrease (pp)

-1.20 pp -0.80 pp -0.40 pp



Source: Author's own calculations

Cost

The SSI Restoration Act has dramatic impacts on recipient poverty and deep poverty, almost entirely eliminating the latter. But how much would it cost to implement this policy? We investigated both the overall cost of the program and the cost of implementing various components in isolation (Table 10). This information in conjunction with the impact estimates presented above may be helpful to legislators as they consider financing options and which components to focus on if passage of a bill of this size or structure proves politically infeasible.



Table 10: Cost of SSI Restoration Act Overall and by Component

Scenario	Total Annual Cost
Full SSI Restoration Act	\$61 Billion
Benefit Increase Only	\$33.8 Billion
Disregard Increase Only	\$8.5 Billion
ISM Removal Only	\$3.3 Billion

Author's calculations (Stephen Nuñez and Jack Landry, Roosevelt Institute)

Created with Datawrapper

We find that the SSI Restoration Act of 2024 would cost about \$61 billion annually in real 2024 dollars. This is roughly in line with the Social Security Administration's own estimate that the earlier SSI Restoration Act of 2021 would cost an average of \$51 billion per year in real 2020 dollars given inflation over the intervening period. For context, the federal government estimates that it will distribute [roughly \\$64.5 billion in SSI payments](#) during fiscal year 2025. So the SSI Restoration Act would increase overall benefits payments to about \$125.5 billion per year, about 95 percent higher than the status quo. This total is of roughly the same magnitude as the yearly cost of SNAP (food stamp) benefits (about \$100 billion in 2024) but directed at a smaller population of 8.7 million beneficiaries (inclusive of new SSI entrants) as opposed to SNAP's roughly 42 million. SSI is, however, a much more intensive program than SNAP because it is meant to provide comprehensive support to individuals who have limited or no ability to work due to disability; SNAP offers supplemental support to individuals both with and without disabilities.

Analysis of Components

As with impacts, we examine the costs of implementing individual components of the SSI Restoration Act separately. We find, as the SSA did with the 2021 version, that the most expensive single component of the SSI Restoration Act is the increase in maximum benefit. Implementing a benefits increase as structured in the bill would cost roughly \$34 billion per year in real 2024 dollars. Only altering the earned and unearned income disregards would cost roughly \$8.5 billion per year, and only removing the in-kind support and maintenance provision from the SSI benefits calculation would cost roughly \$3.3 billion.



Discussion

The SSI Restoration Act of 2024 would have large impacts on poverty and deep poverty, bringing poverty rates for SSI recipients in line with overall poverty rates in the US and almost eliminating deep poverty among recipients. It does this at a cost of roughly \$61 billion per year—about 0.87 percent of the US federal budget during fiscal year 2025. Most, about 71 percent, of that impact could be achieved at a cost of roughly \$35 billion per year, by raising the maximum benefit value alone. Other features of the bill have much smaller impacts on poverty but, like the changes to the asset limits (not modeled here), would reduce administrative burden and complexity and thus benefits churn at a fairly low cost.

The bill includes provisions to address recognized issues with SSI but does not touch on some of the program's other problematic features. SSI includes extremely steep phaseouts for other household income: Benefits decrease by 50 cents for each dollar of earned income (compared to SNAP's 30 cents per dollar) and dollar-for-dollar for unearned income like Social Security retirement benefits. Many adult SSI beneficiaries cannot work, but some could or would work (more) if not subject to steep phaseouts that punish and discourage it. And, of course, these phaseouts also apply to able-bodied caregivers of minor SSI recipients, who are forced to weigh their ability to work against the steep cuts to their dependents' benefits that would result.

The bill does not address the long and arduous process of disability determination. Some of this is a matter of an administrative backlog that has led to long delays such that [tens of thousands die](#) each year while waiting for an answer. But some of it is due to [strict definitions](#) of what counts as sufficiently disabled to qualify for the benefit.

Both the strict eligibility requirements and the steep phaseouts are worth considering in light of our findings regarding poverty and deep poverty among those who identify as disabled but do not receive SSI. Some of these people in somewhat higher-income households could, under the status quo, presumably stop working to qualify for SSI, though they might end up worse off as a result. In our simulation, a portion becomes eligible for SSI without stopping work and become beneficiaries. But most do not. We don't, as noted, have information on severity of disability, but—given the strict eligibility requirements and their relatively high household incomes (which to be clear could also be the result of earnings from other, nondisabled adults in the household)—it is likely that a portion are not considered “disabled enough” to qualify. One way to support this broader disabled population would be to enhance existing safety net policies meant for the broader population. A more generous earned income tax credit (especially for those without dependent children), a true child allowance, and an expansion of SNAP benefits would better supplement their earnings and could lift many out of poverty.



Another possibility involves reimagining how we think about disability. SSI and Social Security Disability Insurance treat disability as an all-or-nothing condition. But we know that disability is a spectrum. Those who identify as disabled but don't receive SSI have much higher rates of poverty and deep poverty than those who don't identify as disabled. That is consistent with them facing conditions that limit but don't eliminate their capacity to work or work full time. Should such individuals receive some support even if they do not qualify as disabled under current criteria? It is worth considering whether a [move to a fractional disability system](#), such as the one implemented by the Veterans Affairs Department to support disabled veterans, would likely improve our safety net.

Finally, policymakers should think about poverty and material hardship as more than a simple all-or-nothing threshold. Moving millions above the poverty line is obviously important—but material hardship does not end abruptly at the poverty line. People much farther up the income ladder continue to struggle with the cost of living because of the inadequacies of our safety net. This is especially true for individuals living with disabilities, who often struggle to pay the additional costs associated with their disability (a focus of the recently launched [Disability Squeeze](#) initiative).

The added costs of disability also raise a methodological issue, however. The Supplemental Poverty Measure accounts for cost of living but does so primarily by accounting for housing costs in the area a person lives. With the exception of out-of-pocket medical expenses, other costs of living are generally not included in the measure. This is less an oversight and more a response to data limitations: The CPS-ASEC and the American Community Survey, which typically serve as the input for the SPM, do not (and cannot feasibly) include granular cost data for each household. This does not mean that the SPM is incorrect. But it does mean that it cannot capture some forms of material deprivation. This is especially true of the sort that disabled households disproportionately face. And in that sense, the SPM may be underestimating “poverty” among SSI recipients and disabled individuals more broadly. As such, we should be aiming higher with our income support policies.





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