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SSI needs to be reinvigorated—there's no way to survive on its current benefit levels

By **Gerald McIntyre**

In an October 30, 1972, radio address on the day he signed the Supplemental Security Income (SSI) program into law, President Richard Nixon described the new program's purpose, saying, "For millions of older people, it can mean a big step out of poverty and toward a life of dignity and independence." Unfortunately, ever since that day, the SSI program has slipped further and further away from that goal, to the point where today's SSI benefit guarantees that recipients will not be able to step out of poverty. Instead, we have reports of increasing homelessness among older Americans.

Cash Benefit Woefully Inadequate

The SSI program establishes a Federal Benefit Rate (FBR) and provides a monthly cash benefit to eligible individuals to bring their total income up to that rate (a minority of states provide a modest state supplement; SSI recipients in those states are brought up to a slightly higher income level). To be eligible for SSI, an individual must be at least age 65 or blind or disabled, and meet the program's stringent financial eligibility requirements.

The Federal Benefit Rate is currently $674 per month. That means that if an individual SSI recipient in Washington, D.C., or in most states, has no income, he or she will receive a monthly benefit of $674 to pay for housing, food and all other expenses. Although the FBR is adjusted annually to reflect changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), that measure, based as it is on the expenditures of a working-age population, seriously underestimates the increase in cost of living for the elderly and disabled population served by SSI. People on SSI spend a much higher percentage of their income on healthcare—the sector of our economy with the highest rate of inflation. This means that every year the actual purchasing power of the FBR declines.

Over the years, this shortfall has been compounded and negative effects have surfaced. The 2011 homeless census in Los Angeles County showed a drop in homelessness overall, but an increase for those older than age 55, who now account for 34% of the county's homeless population. Many of the homeless receive SSI, but are unable to locate even modest housing on the meager income SSI provides. Unless a more realistic measure of the cost of living, such as the Experimental Consumer Price Index for the Elderly (CPI-E), is used, the value of the FBR will continue to erode, eroding the quality of life for those receiving SSI along with it.

Resource Limit Fails to Keep Pace

To be eligible for SSI, an individual cannot have more than $2,000 in available resources (excluding such items as a home, a car and basic household furnishings). This resource limit has increased by 33% since 1972, even though the cost of living as measured by the CPI-W has increased by more than 500% in that same time. In real dollars, the SSI resource limit has been drastically cut to the point where a recipient cannot put aside enough to pay for predictable needs—let alone deal with unforeseen emergencies.

It was originally contemplated that SSI recipients would be able to remain in their own home, but that is not feasible, even in low-cost areas, when a person cannot put aside enough money to repair the roof or make other necessary repairs. The SSI resource limit needs to be increased to $10,000 in order to allow program recipients to plan and prepare for a more secure future, as well as to prevent the homelessness, illness and stress caused by a combination of emergencies and a lack of minimally adequate resources to fall back on.

Adopting these modest improvements will bring us at least a little closer to President Nixon's vision of a "life of dignity and independence" for people on SSI. ■

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