Income Support Policies and the Well-Being of the Elderly

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Federal Spending 2007
Actual, fiscal year ended Oct. 31

- Medicaid: 7.0%
- Medicare: 16.1%
- Defense: 19.4%
- Social Security: 21.1%
- Other: 27.1%
- Interest: 9.2%

Source: Congressional Budget Office
Health Effects of Income Support Policies (i.e. SSI and Social Security)?
Low Income Is Associated with Much Higher Mortality...

Odds of mortality over 15-year period

- 8% for High Income
- 40% for Low Income
...and Worse Health Status

Source: National Center for Health Statistics, 2005
Why are Poor People Sicker?

- What Money Buys
- Obesity, Smoking, and Lack of Exercise
- Stress and Control
Controversies

- How to establish a causal link between poverty/income and health
The Health Effect of Income Supports among the Elderly
International

- South African Pensions (Case)
- PROGRESA (Gertler)
- Canadian Pensions (Emery and Matheson)
Domestic

- Social Security
  - “The Notch” Study (Snyder and Evan; Handwerker)
  - OAA Studies (Fishback and Stoian; Balan Cohen)
Supplemental Security Income
Why Study SSI?

- Income increases matter more for the very poor
- State variation in benefits
Example: Massachusetts

- **Annual Dollar Benefit Change, 1990-2000:** $444
- **Maximum Annual SSI Income in 2000:** $7692
Results: All Single People

<table>
<thead>
<tr>
<th>SSI Maximum Benefits</th>
<th>$500</th>
<th>$600</th>
<th>$700</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>27.13%</td>
<td>26.52%</td>
<td>25.92%</td>
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</table>
## Results: Low Income Single People

<table>
<thead>
<tr>
<th>SSI Maximum Benefits</th>
<th>$500</th>
<th>$600</th>
<th>$700</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>29.22%</td>
<td>27.96%</td>
<td>26.70%</td>
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Conclusions

- Income supports likely improve the health of the elderly.

- Need for research and data. In particular a method that can estimate effects of Social Security on health.
EXTRA SLIDES
The Policy Implications of Studying Income Supports

- A new approach to improving health
- Alternative impacts of income support policies
Sensitivity Analyses

- Alternate Samples
- Alternate Dependent Variable
- Medicaid
- SSI maximum does predict SSI benefits
...Much Higher Disability Rate

Prevalence of ADL/IADL disability among XXX year olds in 2004

9% (Nonpoor)

23% (Poor)

Source: National Center for Health Statistics, 2005
...and Worse Overall General Health Status

% fair/poor among XXX in 2004

Source: National Center for Health Statistics, 2005
Figure 1. Income and Mortality, 1986-2001/2 American Changing Lives Study

Source: House, Lantz, and Herd 2005
Why So Little Study of Income Supports?

- Focus on health care and health insurance
- Does income really improve health?
1. Research Findings
2. Unresolved research questions, puzzles and controversies
3. Wish list of data and methodologies
4. What should health researchers learn about family structure? And what should family researchers learn about health?