

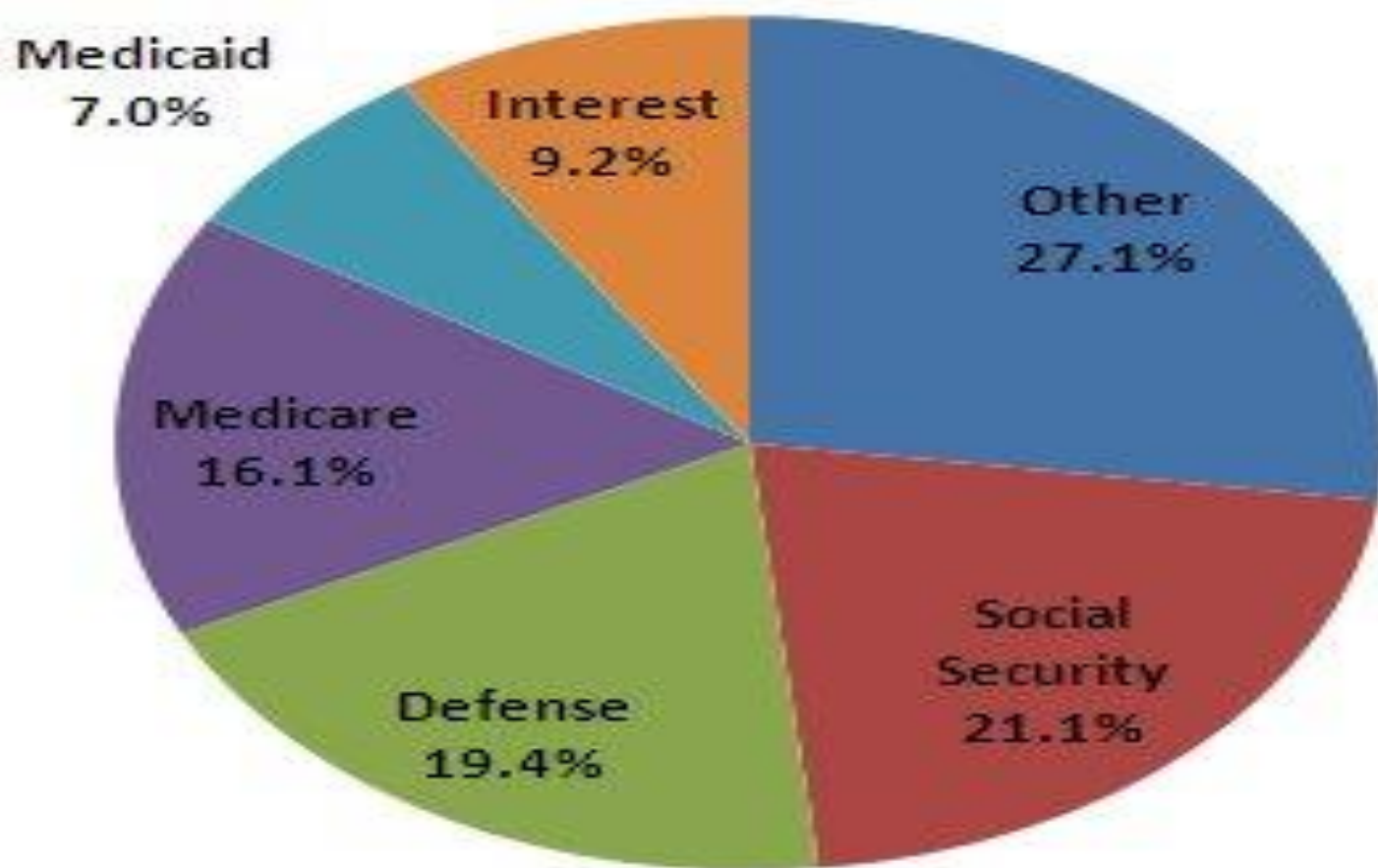
# **Income Support Policies and the Well- Being of the Elderly**

Pamela Herd

University of Wisconsin, Madison

# Federal Spending 2007

Actual, fiscal year ended Oct. 31

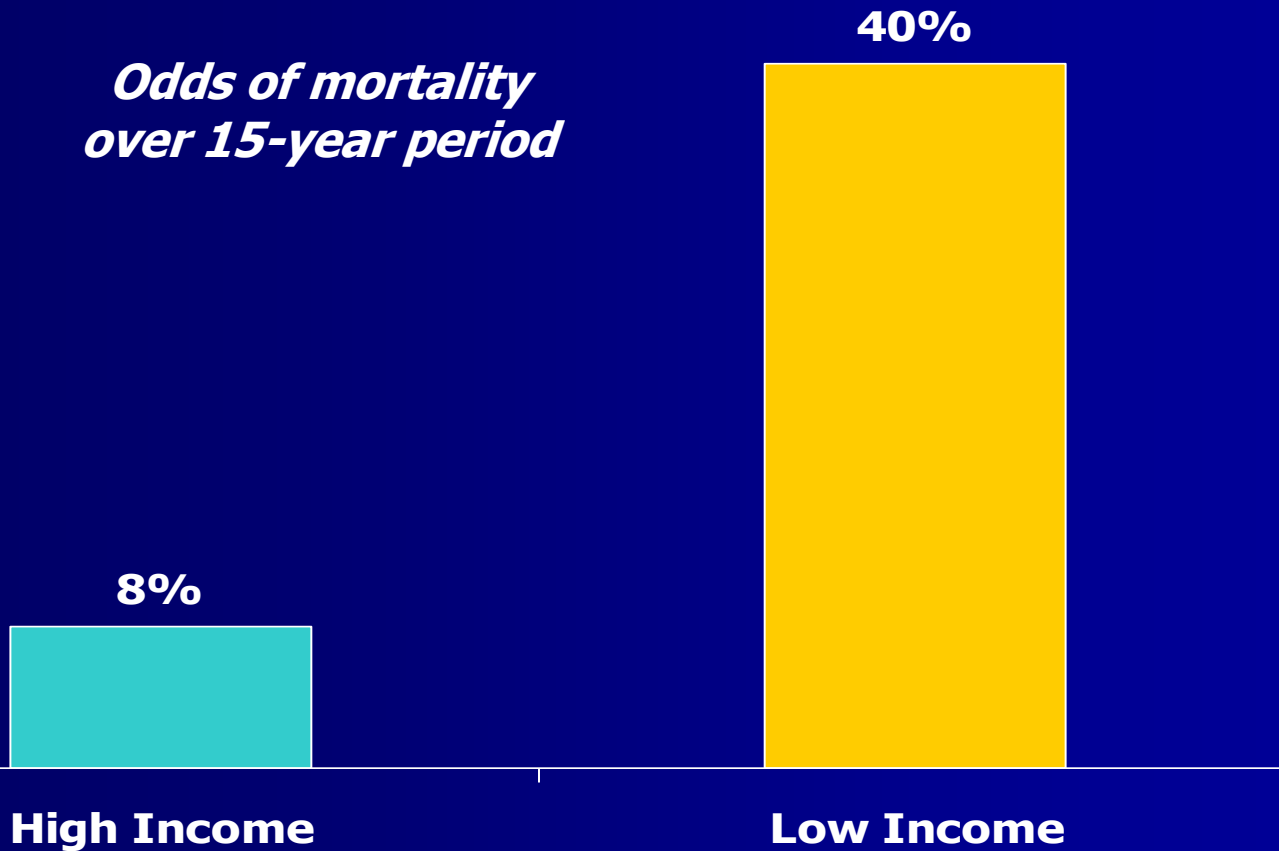


Source: Congressional Budget Office

# **Health Effects of Income Support Policies (i.e. SSI and Social Security)?**

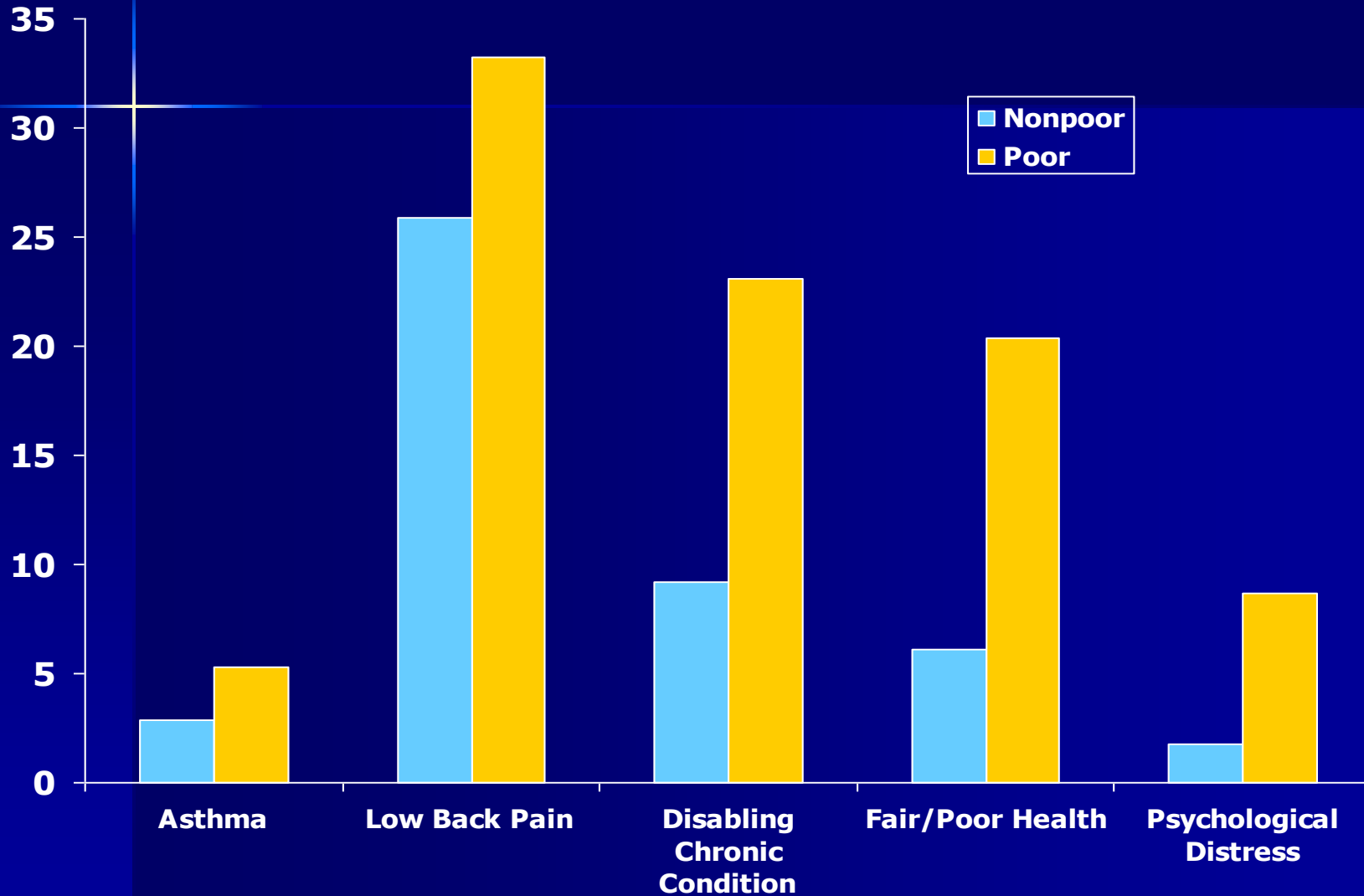
# Low Income Is Associated with Much Higher Mortality...

*Odds of mortality  
over 15-year period*



Income at Baseline

# ...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

## SSI Maximum Benefits

---

\$500

\$600

\$700

---

27.13%

26.52%

25.92%

---

# Results: Low Income Single People

## SSI Maximum Benefits

---

\$500

\$600

\$700

---

29.22%

27.96%

26.70%

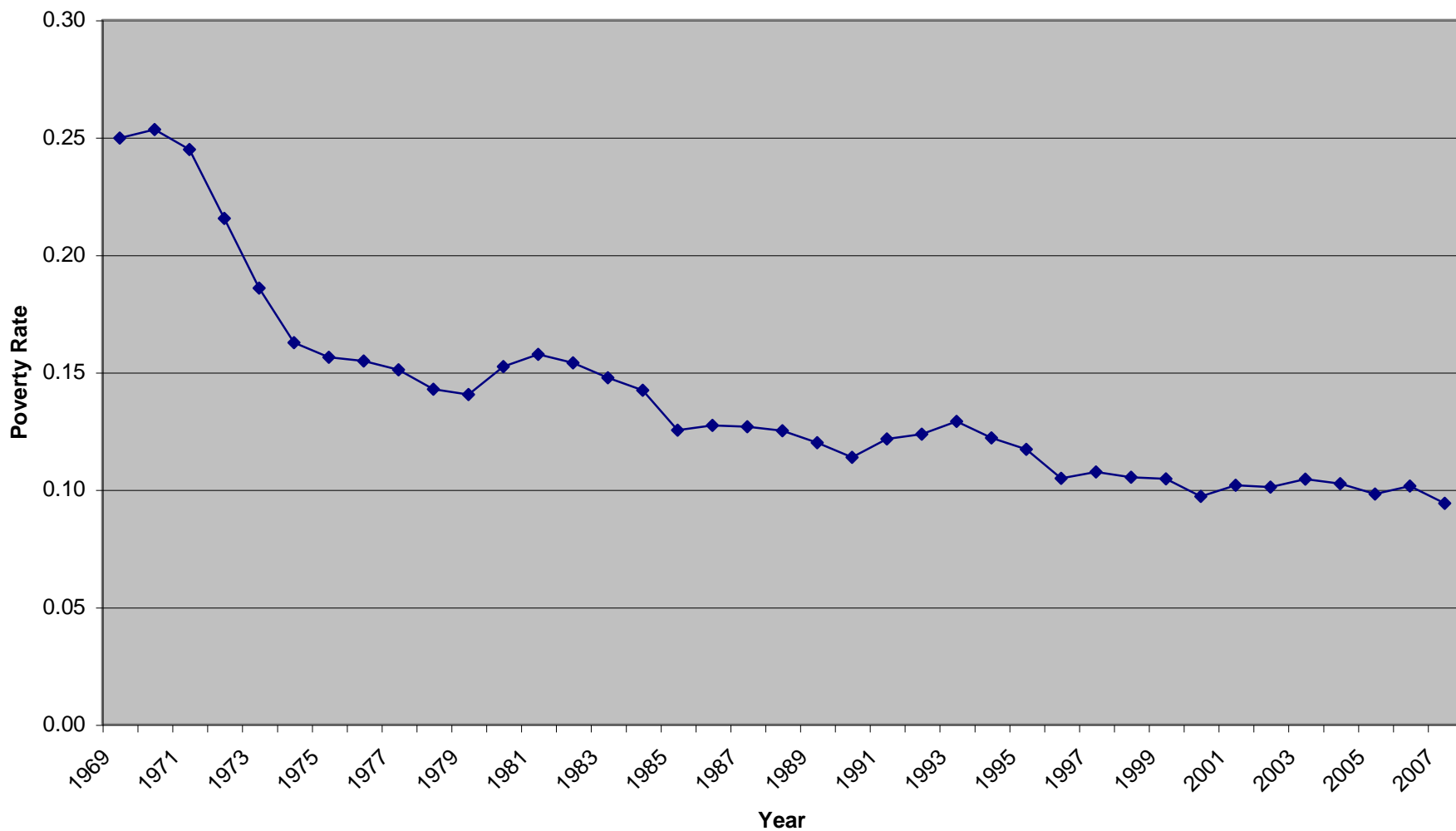
---

# 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.**



## Poverty Trends among those Aged 65 and Older, Current Population Survey 1969-2007



**EXTRA SLIDES**

# **The Policy Implications of Studying Income Supports**

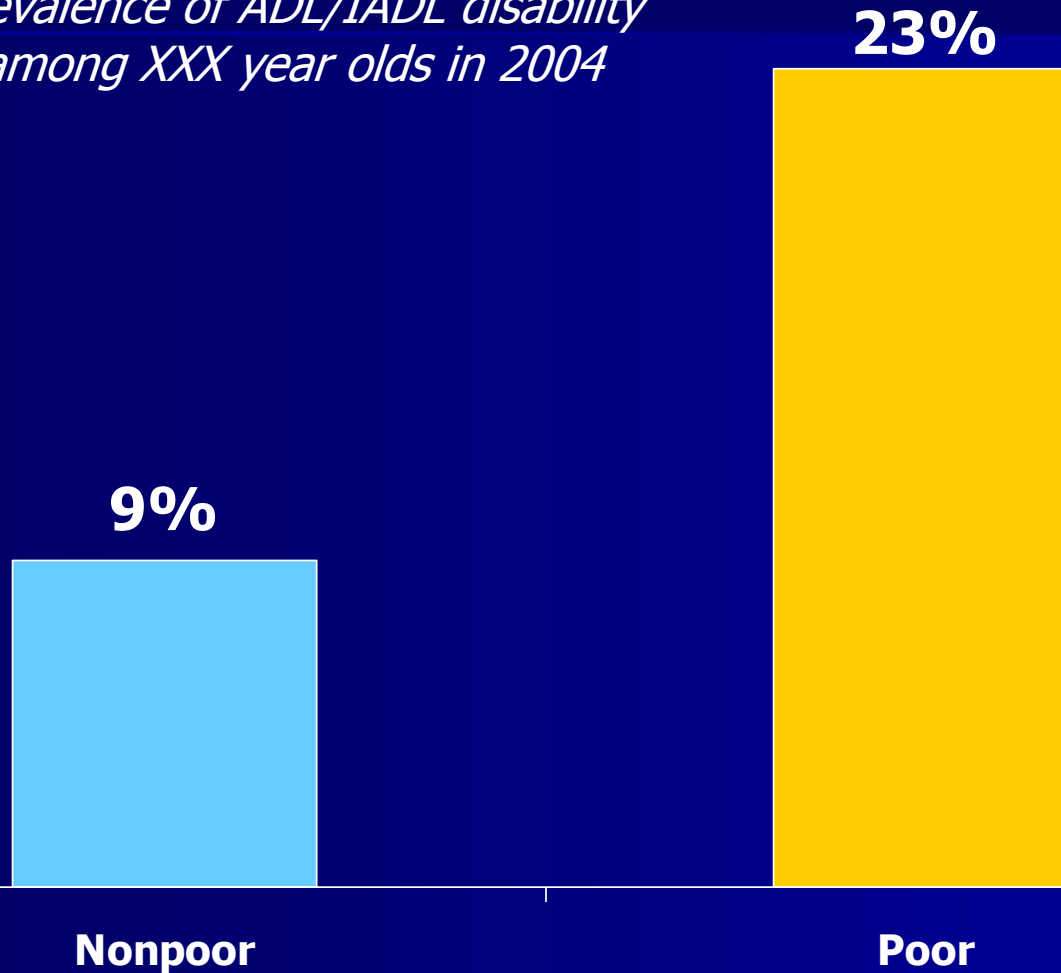
- **A new approach to improving health**
- **Alternative impacts of income support policies**

# Sensitivity Analyses

- **Alternate Samples**
- **Alternate Dependent Variable**
- **Medicaid**
- **SSI maximum does predict SSI benefits**

# ...Much Higher Disability Rate

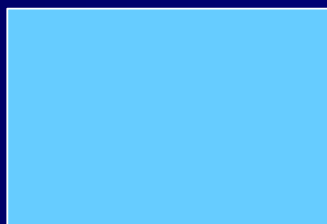
*Prevalence of ADL/IADL disability  
among XXX year olds in 2004*



# ...and Worse Overall General Health Status

*% fair/poor among  
XXX in 2004*

**6%**



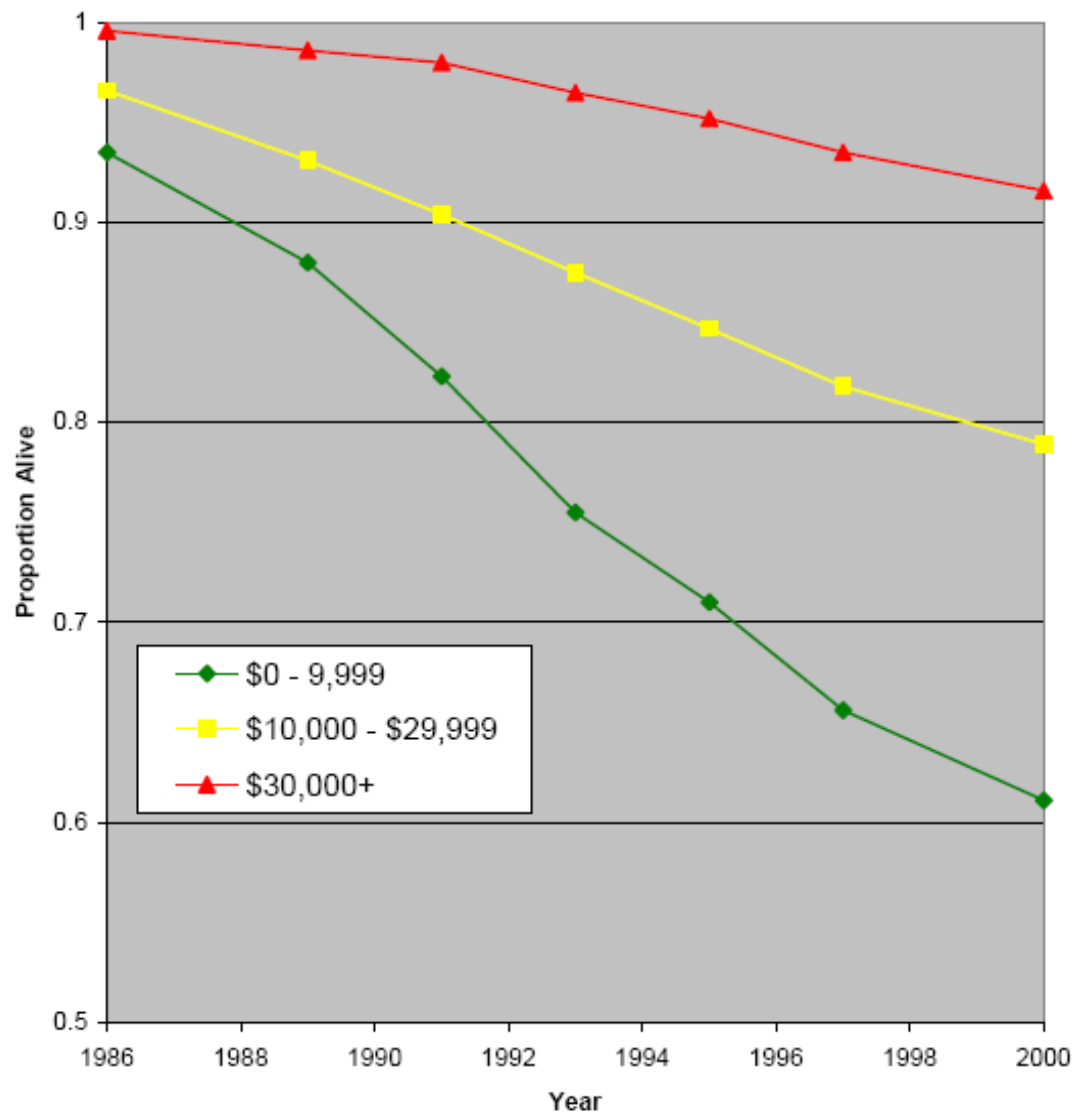
**Nonpoor**

**20%**



**Poor**

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?