

# Making Ends Meet: How Low-Income DI Beneficiaries Meet Their Needs

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# **Making Ends Meet (Idiom, 17<sup>th</sup> Century)**

**Making Ends Meet: Managing household income, expenses, assets, and debt to meet needs for housing, food, transportation, health care, etc.**

## **Study Question**

- How do low-income DI beneficiaries make ends meet?**
- What is the material well-being of beneficiaries?**

# LOW-INCOME DI BENEFICIARIES

- 38% less than 150% Federal Poverty Level (\$1518)

<b>Two Item Hypothetical Budget</b>	
Rent (Efficiency Apartment)	\$850
Food (Low-Cost Food Plan)	\$240
<b>TOTAL EXPENDITURES</b>	<b>\$1,090</b>
<b>TOTAL INCOME (100% FPL)</b>	<b>\$1,012</b>
<b>NET</b>	<b>(\$78)</b>

# Do Low-Income DI Beneficiaries Have Access to Other Resources?

## **In-Kind Public Assistance**

- **Medicare, Medicaid, SNAP, Housing Subsidies**

## **Informal Income**

- **Cash or in-kind income from family, friends, non-profits**
- **Unreported earnings**

## **Savings & Debt**

- **Accumulating credit card debt**
- **Spending down savings**

# QUALITATIVE METHODS



- **35 low-income DI beneficiaries interviewed**
- **Worcester, MA and surrounding areas**
- **Recruitment/Participant criteria**
- **Two or three Interviews (\$150 stipend)**
- **Interview locations**
  - **Residences, community programs, UMMS offices**

# FINANCIAL SITUATION

How well are you managing financially these days?

- 2 Living comfortably
- 5 Doing okay
- 15 Just getting by
- 11 Finding it difficult to get by

***“Well it is difficult, can be very difficult. I’m stringing it, managing it, just barely staying above water. I have been treading water for a long time.”***

# BALANCED BUDGET, MONTH-TO-MONTH

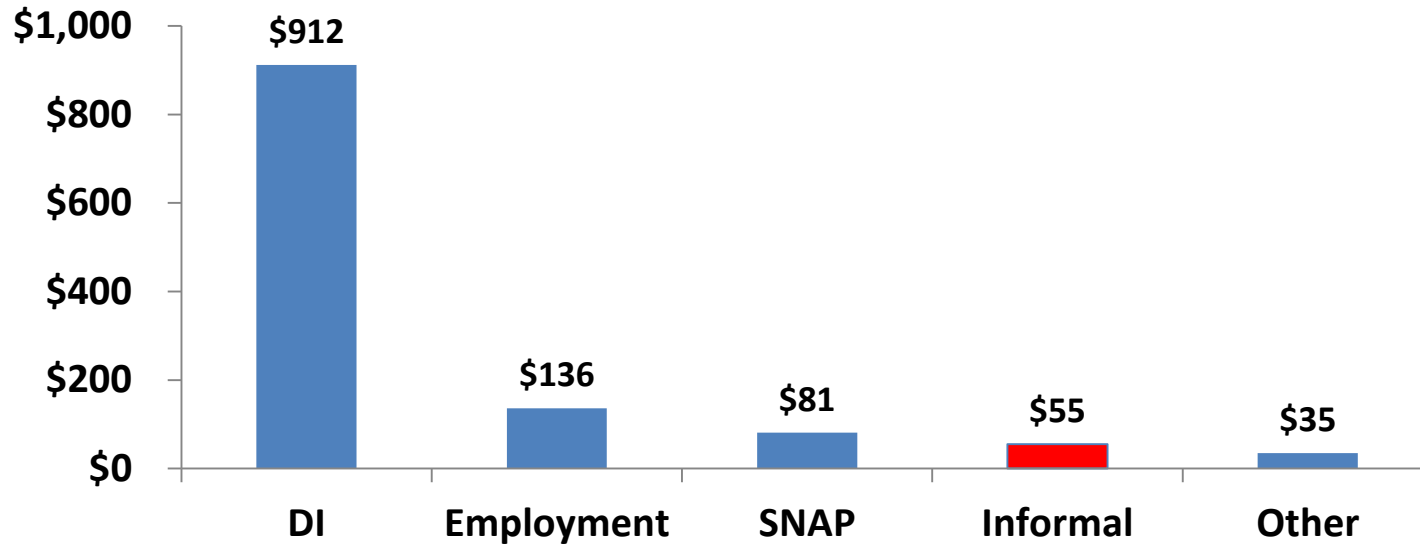
Study participants did not support consumption by:

- Accumulating debt
- Spending down savings

*“I’m always worried about money. I only get a check once a month. So I have to stretch it out all month long. Usually, by the end of the month, I have no money. I’m waiting for the next check to come in.”*

# MONTHLY CASH INCOME

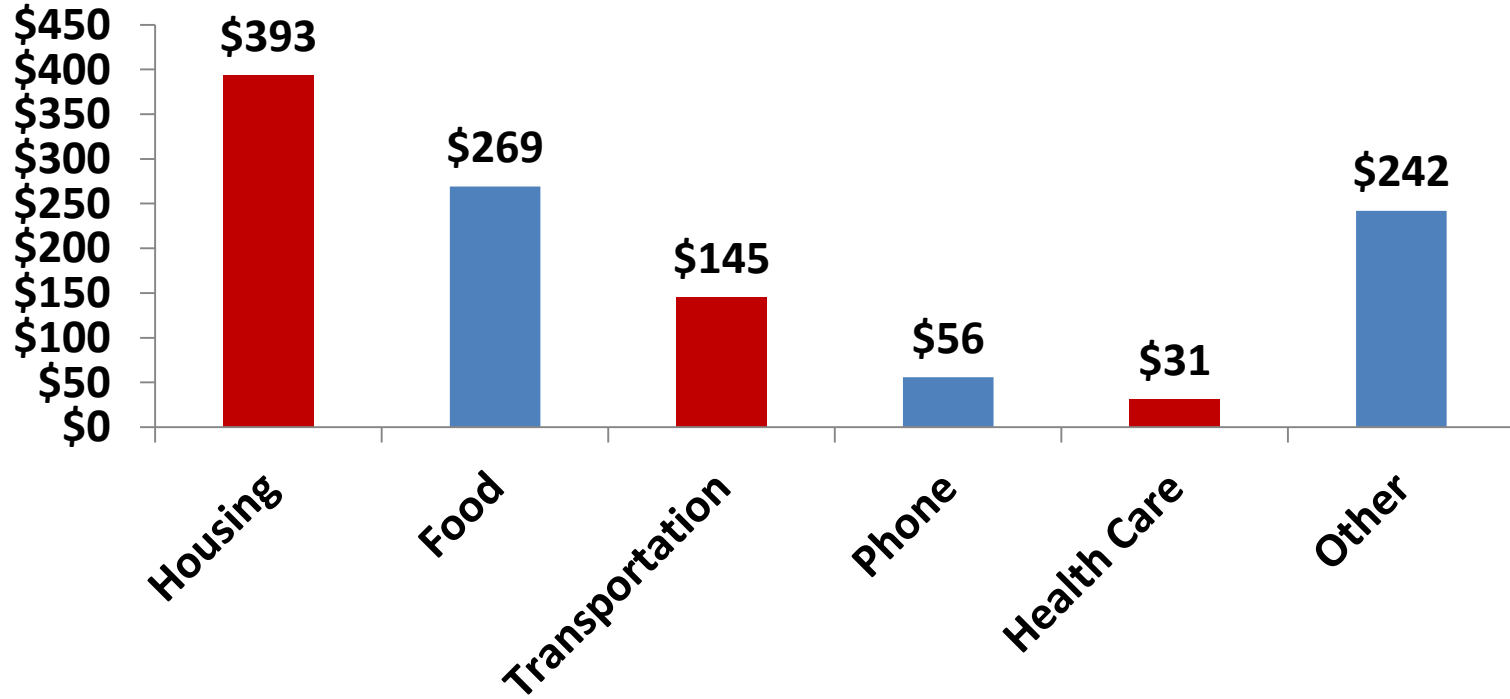
AVERAGE BY SOURCE (TOTAL, \$1218)





# EXPENDITURES

AVERAGE BY CATEGORY (TOTAL, \$1137)



# **VIABLE HOUSING: SUBSIDY OR LIVE WITH OTHERS**

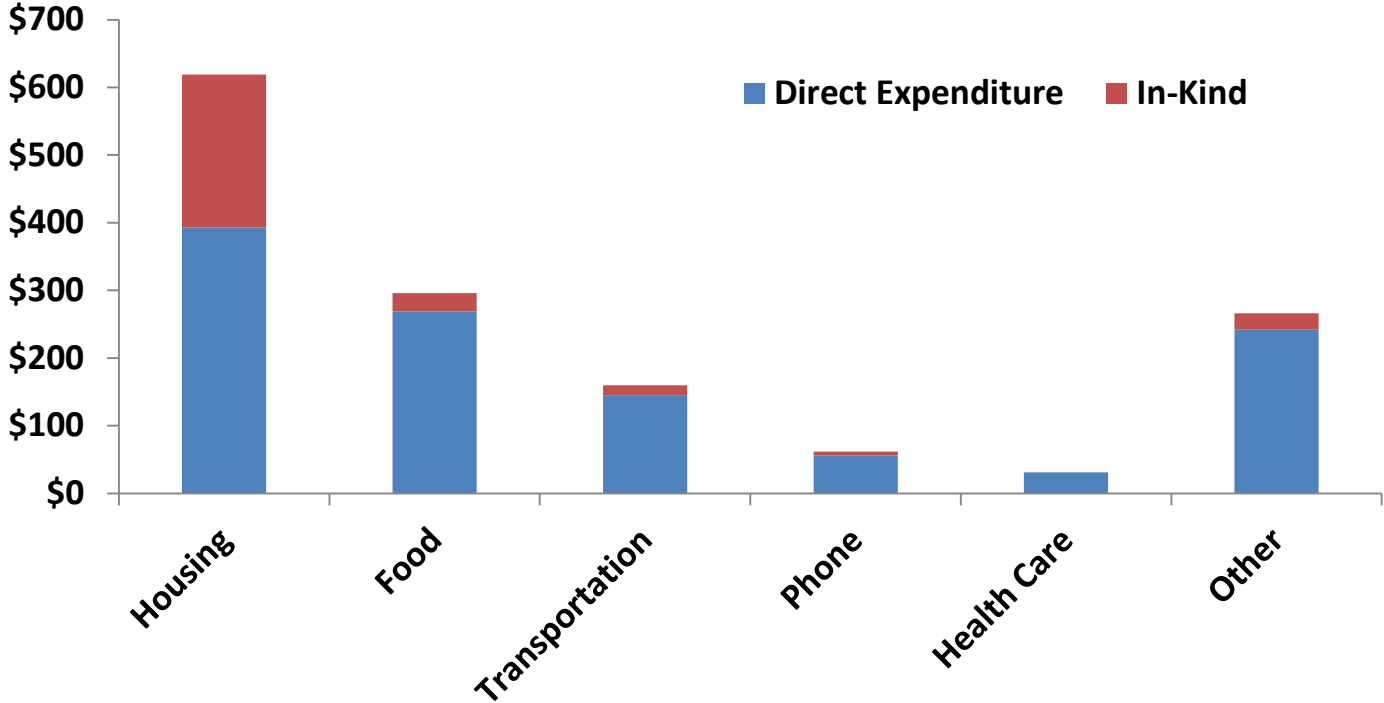
## **Housing Status**

- **14 Public subsidy**
- **3 Family**
- **8 Private, living with others**
- **8 Homeless/unstable**
- **2 Private, living alone**

***“Affordable housing, or else I’m just practicing. Otherwise eventually I will wind back up here, because you can’t keep up. From my experience you can only rob from Peter to pay Paul so many times before it all comes crumbling down...I’m talking about my own apartment. Living with other people, it’s never possible.”***

# CONSUMPTION = EXPENDITURES (79%) + IN-KIND\* (21%)

AVERAGE BY CATEGORY (TOTAL, \$1433)



\*Not including health care or housing for homeless

# CONSUMPTION ADEQUACY / MATERIAL WELL-BEING

*“I have MassHealth [Medicaid] and Medicare. I’m getting everything I need.”*

*“I need a CD player right now because I’m in a choir at church and I don’t have a CD player to practice the music. So I can’t even go buy one -- even if it is \$20, I don’t have it.”*

*“I haven’t bought clothes for the past four years.”*

*“It’s just food is expensive and food stamps go fast. First 15 days and then I’m broke. I just get a couple jars of peanut butter and I live on bread. I guess Cream of Wheat pulls me through. I love that Cream of Wheat anyway.”*

# OVERALL WELL-BEING

***“Being homeless drains you, physically, spiritually, psychologically. It drains you. The lack of sleep, sometimes you have to rough it and sleep in places where you’re not too comfortable sleeping, like basements or somebody’s vehicle. If times get really rough and you don’t know what else to do, you try your best to avoid bad situations.”***

***“I’m just kind of freaked out because I hear a lot of voices; sometimes they cave in my head and embarrass me. People told me telepathy doesn’t exist and they put me on tons of meds.”***

# LIMITATIONS

- **Findings apply to study participants; however, can not be generalized to DI population**
  - **Sample not random**
  - **Single geographic area (Worcester, Massachusetts)**
- **Self Reported Data**

# CONCLUSIONS

- **Poverty-level percentage was a relatively good indicator of material well-being for most**
  - Average consumption (excluding health care) was approximately 36% higher compared to income
- **Low levels of consumption with some material hardship**
  - Health care is the exception
- **Low housing expenditures for most. Inability to obtain/keep low-cost housing may result in hardship**
  - Homeless
  - Insufficient money for other basic needs

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