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## Paths Taken By New Awardees of Federal Disability Benefits

*Priyanka Anand and Yonatan Ben-Shalom*

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*We use administrative data from the Social Security Administration to examine the paths followed by new awardees of Social Security Disability Insurance (DI) and Supplemental Security Income (SSI) and to study the characteristics of awardees who have been most likely to take particular DI and SSI paths. Our findings show that 80 percent of DI-first awardees and 53 percent of SSI-first awardees either achieved no additional milestones of any kind in the 10 years after their initial award or died or attained full retirement age before reaching any other milestone. During this same time period, 6 percent of DI-first awardees subsequently received SSI, and nearly 25 percent of SSI-first awardees subsequently received DI. Both DI-first and SSI-first awardees in top 10 paths who achieved work-related milestones were more likely to be younger than age 45; DI-first awardees in these paths were also more likely to have more than a high school education.*

### Introduction

In 2014, nearly 13 million working-age people with disabilities received benefits from the Social Security Disability Insurance (DI) and Supplemental Security Income (SSI) programs (Social Security Administration [SSA] 2015a). That same year, 8.2 percent of DI beneficiaries and 10.5 percent of SSI recipients left the rolls of those programs for reasons including their death, attainment of full retirement age (FRA), disqualifying income level, or improvement in their medical condition (SSA 2015a, SSA 2015b). Little is known, however, about the many

possible paths that beneficiaries take while they are on the program rolls. Better information about the factors that differentiate awardees who take diverse paths after they enter the program could help policymakers develop programs that are tailored to the needs and circumstances of beneficiaries who share particular characteristics (for example, age, gender, and program type).

For this study, we used SSA administrative data to answer two research questions: (1) What are the most common paths that new DI and SSI awardees take in the 10-year period after their first award? (2) What characteristics distinguish awardees who have been most likely to take particular DI and SSI paths? To answer these questions, we identified 19 program-specific milestones and other work- and non-work- related events for a cohort of DI beneficiaries and SSI recipients who first entered either program in 2001.<sup>1</sup> We placed these awardees in two categories: DI-first awardees either received DI benefits only or received their DI award before their SSI award. SSI-first awardees either received SSI benefits only or received their SSI award before their DI award. Awardees who received their first DI and SSI award in the same month were assigned to the DI-first group and not included in the SSI-first group. We then recorded all possible milestone paths in a 10-year period after award and identified the 10 most frequent paths that awardees completed in that period. Finally, we examined the individual awardee characteristics that are associated with completing each path.

#### Milestones reached by awardees within 10 years of first award

Table 1 shows how often DI-first awardees reached each of the observed milestones over a 10-year period. About one-third (32.5 percent) reached no additional milestones of any kind in the first 10 years after their award, 29.7 percent reached FRA during this period, and 21.3 percent died. In terms of work-related milestones, 7.4 percent of DI-first awardees completed a trial work period (TWP), 6.3 percent enrolled in employment services (ES), 4.3 percent had their DI benefits suspended for at least one month due to work, and 3.1 percent had their benefits terminated or suspended for at least 12 consecutive months due to work. Six percent of DI-first awardees were also awarded SSI at some point during the 10-year period, 2.2 percent recovered from their medical condition, 1.6 percent were incarcerated for at least one month, and 0.7 percent were incarcerated for at least 12 consecutive months.

Table 2 shows how many SSI-first awardees reached each observed milestone over a 10-year period. About one-quarter (25.3 percent) of SSI-first awardees reached no additional milestones in the first 10 years after their initial award, 20.7 percent died, and 14.7 percent reached FRA. In terms of work-related milestones, 9.9 percent of SSI-first awardees enrolled in ES, 17.2 percent had positive countable earnings (PCE), 7.1 percent reached 1619(b) status, 7.2 percent had their SSI benefits suspended for at least one month due to work, and 2.3 percent had a suspension due to work that lasted at least 12 consecutive months or resulted in termination of their benefits. About one-quarter (24.6 percent) of SSI-first awardees also received a DI award at

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<sup>1</sup> We used administrative data from the SSA Disability Analysis File to identify individuals who were first awarded DI and SSI benefits in 2001, and linked these data to the Rehabilitation Services Administration's annual closure (RSA-911) files to track those beneficiaries who used employment services. We then used the linked data to construct 19 milestones reached by these awardees through 2011. For people who exited the program for reasons such as medical recovery or termination of benefits because of earnings from work, we did not continue to track milestones such as re-entry into the program or the beneficiary's death after that initial exit. We restricted the sample to awardees who were ages 18 to 64 at the time of award.

a later date. This, in part, reflects that some beneficiaries apply for both programs at the same time, but begin receiving DI a few months later than SSI because of DI's five-month waiting period.<sup>2</sup> Furthermore, 10.4 percent of SSI-first awardees had their SSI benefits terminated or suspended for at least one year due to excess income that included a DI payment, indicating that a substantial share of beneficiaries who received DI income lost their SSI payments as a result. Finally, 3.8 percent of SSI-first awardees recovered from their medical condition, 7.6 percent were incarcerated for at least one month, and 3.3 percent were incarcerated for at least 12 consecutive months.

Table 1. Milestones reached by 2011: 2001 DI-first award cohort

First award: DI <sup>a</sup> (n = 550,535)	Description	Percent reached
DI award	First DI award payment as an adult	100.0
SSI award	First SSI award payment as an adult	6.0
Enrollment in ES	First instance of assigning a Ticket to Work to a service provider or being determined eligible for state VR services	6.3
TWP	First instance of completing trial work period	7.4
DI benefits suspended 1 month or longer for work	First instance of awardee having his or her DI payment status suspended for 1 month or longer for work	4.3
DI benefits terminated or suspended 12 months or longer for work	First instance of awardee having his or her DI payment status terminated or suspended for 12 consecutive months or longer for work	3.1
Medical recovery	Cessation of awardee's disability	2.2
Incarceration, 1 month or longer	First instance of being an inmate of a penal institution for 1 month or longer	1.6
Incarceration, 12 months or longer	First instance of being an inmate of a penal institution for 12 consecutive months or longer	0.7
Mortality	Awardee's death	21.3
Attainment of FRA	Awardee's attainment of FRA <sup>b</sup>	29.7
No milestones after initial award		32.5

Source: SSA Disability Analysis File, 1996–2012; Rehabilitation Services Administration (RSA-911) files, 1996–2012.

Notes: DI = Social Security Disability Insurance, SSI = Supplemental Security Income, ES = employment services, FRA = full retirement age, and TWP = trial work period.

<sup>a</sup> Awardees who received their first DI and SSI award in the same month were assigned to the DI-first group and not included in the SSI-first group.

<sup>b</sup> The FRA was 65 for those born before 1938 and then increased by two months every year until it reached 66 for those born in 1943 through 1954.

<sup>2</sup> Beneficiaries who apply for both DI and SSI at the same time, but begin receiving DI a few months later than SSI because of the DI five-month waiting period, are also known as serial beneficiaries or joint SSI/DI beneficiaries, depending on whether they continue to receive SSI payments after they begin receiving DI (Rupp and Riley 2011).

Table 2. Milestones reached by 2011: 2001 SSI-first award cohort

First award: SSI <sup>a</sup> (n = 286,574)	Description	Percent reached
SSI award	First SSI award payment as an adult	100.0
DI award	First DI award payment as an adult	24.6
Enrollment in ES	First instance of assigning a Ticket to Work to a service provider or being determined eligible for state VR services	9.9
PCE	Earnings (after disregards and earned income exclusion) exceed zero	17.2
1619(b)	High countable earnings preclude SSI payments, but SSI and Medicaid eligibility are retained	7.1
SSI benefits suspended 1 month or longer for work	SSI benefits suspended 1 month or longer for work	7.2
SSI benefits terminated or suspended 12 months or longer for work	SSI benefits terminated or suspended 12 months or longer for work	2.3
SSI benefits suspended 1 month or longer for excess income that includes current DI payment	SSI benefits suspended 1 month or longer for excess income that includes current DI payment	19.0
SSI benefits terminated or suspended 12 months or longer for excess income that includes DI payment	SSI benefits terminated or suspended 12 months or longer for excess income that includes current DI payment	10.4
SSI benefits suspended 1 month or longer for other reasons	SSI benefits suspended 1 month or longer for other reasons,	7.0
SSI benefits terminated or suspended 12 months or longer for other reasons	SSI benefits terminated or suspended 12 months or longer for other reasons	1.9
Medical recovery	Medical recovery	3.8
Incarceration, 1 month or longer	First instance of being an inmate of a penal institution for at least 1 month <sup>b</sup>	7.6
Incarceration, 12 months or longer	First instance of being an inmate of a penal institution for at least 12 consecutive months <sup>b</sup>	3.3
Mortality	Awardee dies	20.7
Attainment of FRA	Awardee reaches FRA <sup>c</sup>	14.7
No milestones after initial award		25.3

Source: SSA Disability Analysis File, 1996–2012; Rehabilitation Services Administration (RSA-911) files, 1996–2012.

Notes: DI = Social Security Disability Insurance, SSI = Supplemental Security Income, ES = employment services, PCE = positive countable earnings, and FRA = full retirement age.

<sup>a</sup> Awardees who received their first DI and SSI award in the same month were assigned to the DI-first group and not included in the SSI-first group.

<sup>b</sup> For SSI, the incarceration milestone also includes individuals confined by court order after a finding of “not guilty by reason of insanity.”

<sup>c</sup> The FRA was 65 for those born before 1938 and it was increased by two months for every following birth year until it reached 66 for those born in 1943 through 1954.

## Most common paths taken in the 10 years after first award

In Table 3, we present the 10 most common milestone paths taken by DI and SSI awardees. Almost four in five DI-first awardees either reached no milestones at all in 10 years (32.5 percent), or their only milestone was reaching FRA (27.6 percent) or dying (19.7 percent). None of the remaining seven paths was taken by more than 3 percent of DI-first awardees. Few DI-first awardees took top-10 paths that included work-related milestones: 2.8 percent enrolled in employment services (ES) but did not reach any of the other nine milestones we identified.<sup>3</sup> Other DI-first awardees completed the TWP without ever enrolling in ES: 1.5 percent completed the TWP but had no additional milestones, 1.8 percent had their benefits terminated or suspended for at least 12 consecutive months due to work after completing the TWP, and 0.6 percent completed the TWP and later reached FRA. A small number of DI-first awardees were also awarded SSI benefits: 0.8 percent of DI-first awardees were also awarded SSI benefits and kept them throughout the period we observed without achieving any additional milestones, and 1.3 percent received SSI awards, but had their SSI benefits terminated or suspended for at least 12 consecutive months due to excess income that included DI payments. The only remaining path in the top 10 is medical recovery with no additional milestones, reached by 2.1 percent of DI-first awardees.

Slightly more than half the SSI-first awardees either reached no milestones at all in 10 years (25.3 percent), or their only milestone was death (14.7 percent) or attaining FRA (12.5 percent). Some SSI-first awardees took more work-related paths that included PCE, 1619(b), or ES as a milestone; 3.4 percent reached PCE with no additional milestones, and 2.0 percent enrolled in ES with no additional milestones.<sup>4</sup> Finally, there are SSI-first awardees who were later awarded DI benefits: 6.0 percent of SSI-first awardees later received a DI award and had their SSI benefits terminated or suspended for at least a year due to DI income, another 1.9 percent had their SSI benefits suspended for less than a year before they died, and 1.9 percent received a DI award, but did not lose their SSI benefits and had no additional milestones. The last two of the top 10 paths for SSI-first awardees were medical recovery (2.8 percent) or incarceration (2.2 percent) as the only milestone.

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<sup>3</sup> Almost one in ten (9.2 percent) DI-first awardees took paths other than those in the top 10. Some of these paths include milestones like those in the top 10 paths, but they were reached in a different order and/or with other milestones interspersed. For example, 3.5 percent of DI-first awardees took a path outside the top 10 that included ES as a milestone, and 1.3 percent took a path outside the top 10 that included DI benefit termination or suspension for at least 12 consecutive months due to work.

<sup>4</sup> Over one-quarter (27.3 percent) of SSI-first awardees took paths other than those in the top 10. Some of these paths include milestones like those in the top 10 paths, but they were reached in a different order and/or with other milestones interspersed. For example, 7.9 percent of SSI-first awardees took a path outside the top 10 that included ES as a milestone, and 2.3 percent took a path outside the top 10 that included SSI benefit termination or suspension for at least 12 consecutive months due to work.

Table 3. Ten most common milestone paths taken by DI-first and SSI-first awardees

Percent taking path	Milestone 1	Milestone 2	Milestone 3	Milestone 4	Milestone 5
<b>DI-first awardees (n = 550,535)</b>					
32.5	DI award				
27.6	DI award	FRA			
19.7	DI award	Death			
2.8	DI award	Enrollment in ES			
2.1	DI award	Medical recovery			
1.8	DI award	TWP completion	DI benefits suspended 1 month or longer for work	DI benefits terminated or suspended 12 months or longer for work	
1.5	DI award	TWP completion			
1.3	DI award	SSI award	SSI benefits suspended 1 month or longer for excess income that includes current DI payment	SSI benefits terminated or suspended 12 months or longer for excess income that includes DI payment	
0.8	DI award	SSI award			
0.6	DI award	TWP completion	Retirement		
9.2	All other DI-first paths				
<b>SSI-first awardees (n = 286,574)</b>					
25.3	SSI award				
14.7	SSI award	Death			
12.5	SSI award	Retirement			
6.0	SSI award	DI award	SSI benefits suspended 1 month or longer for excess income that includes current DI payment	SSI benefits terminated or suspended 12 months or longer for excess income that includes DI payment	
3.4	SSI award	PCE			
2.8	SSI award	Medical recovery			
2.2	SSI award	Incarceration, 1 month or longer	Incarceration, 12 months or longer		
2.0	SSI award	Enrollment in ES			
1.9	SSI award	DI award			
1.9	SSI award	DI award	SSI benefits suspended 1 month or longer for excess income that includes current DI payment	SSI benefits suspended 1 month or longer for other reasons	Death
27.3	All other SSI-first paths				

Source: SSA Disability Analysis File, 1996–2012; Rehabilitation Services Administration (RSA-911) files, 1996–2012.

Notes: A description of each milestone can be found in Tables 1 and 2.

DI = Social Security Disability Insurance, SSI = Supplemental Security Income, FRA = full retirement age, ES = employment services, PCE = positive countable earnings, and TWP = trial work period.

### Characteristics associated with taking certain paths: DI-first awardees

Some beneficiary characteristics are over- or underrepresented in certain of the top 10 DI-first paths relative to the overall distribution of characteristics of all DI-first beneficiaries. We found the following associations between individual characteristics of DI-first beneficiaries and the top 10 paths those beneficiaries took. We highlight associations observed in both (1) the raw distribution of characteristics found in beneficiaries who took the different paths and (2) the results of a regression analysis in which other characteristics were held constant:

- After their initial DI award, men are more likely than women to die before reaching any other milestone.
- Younger awardees (under age 45) are overrepresented in work-related paths that include enrolling in ES, completing a TWP, and recovering from their medical condition; they are less likely than older beneficiaries to die before they reach any other milestone.
- Middle-aged awardees (ages 45 to 54) are overrepresented in the path with no additional milestones after the initial award.
- Awardees with more than a high school education are underrepresented in the path in which FRA attainment is the only milestone and overrepresented in the paths where the additional milestone is enrolling in ES or TWP completion.
- Awardees with affective disorders, other psychiatric disorders, or intellectual disabilities are overrepresented in DI-first paths where the only additional milestone is receiving ES or TWP completion and in DI-first paths that include SSI awards; they are underrepresented in DI-first paths that have FRA attainment and death as the only milestones.

### Characteristics associated with taking certain paths: SSI-first awardees

We now highlight the associations between the individual characteristics of SSI-first beneficiaries and the paths in our top 10 that they are more likely to take. We highlight findings observed in both (1) the raw distribution of characteristics found in beneficiaries who took the different paths and (2) the results of a regression analysis in which other characteristics were held constant:

- Women are less likely than men to take paths where the only milestone is death or incarceration for at least a year; they are more likely to take paths with no additional milestones after their initial award or to have their only additional milestone be attainment of FRA, achievement of PCE, or award of DI benefits.
- The youngest SSI-first awardees (ages 18 to 24) are overrepresented in paths where the only milestone is having PCE, enrolling in ES, or medical recovery; they are also overrepresented, however, in the path that includes incarceration for at least a year.
- Awardees with more than a high school education are overrepresented in paths where the only milestone is receiving ES, or where DI benefits are subsequently awarded and then suspended for less than a year, followed by the recipient's death; they are underrepresented in the path where the only milestone is FRA attainment or incarceration for at least a year.

- Awardees who receive disabled adult child or disabled widow(er) benefits are overrepresented in two of the top 10 SSI paths with a subsequent DI award: (1) the path in which the subsequent DI award was the only milestone, and (2) the path in which the subsequent DI benefits are terminated or suspended for at least a year.
- Awardees with affective disorders, other psychiatric disorders, and intellectual disabilities are overrepresented in the path with no new milestones and in paths where the only milestone is having PCE, enrolling in ES, or being incarcerated for at least a year; these same recipients are underrepresented in paths where the only milestone is death or FRA attainment.
- Awardees with back and other musculoskeletal disorders are overrepresented in the path that has FRA attainment as its only milestone.

### Study limitations

This study has some limitations that should be considered when interpreting its findings. First, we consider only the paths defined by the 19 milestones we identified for this study. There could be other milestones of interest that we were unable to identify in our data or simply overlooked. Second, the individual characteristics we have identified as over- or underrepresented in particular paths are simply associations and not causal relationships. Finally, our findings may reflect the specific economic conditions faced by the particular cohorts we followed in this analysis, as well as any other features that are unique to these two groups of awardees. Notably, for example, a major recession occurred in 2009, during the time period we examined for this brief.

### Discussion

These findings could help policymakers as they develop programs designed to improve return-to-work outcomes among DI and SSI awardees. The findings suggest how programs could be tailored to the needs and circumstances of various kinds of beneficiaries. For example, outreach promoting a return to work could be targeted to those whose characteristics are associated with a likelihood of taking work-related paths. Caution is recommended, however, in concluding that individuals who have historically not been likely to take such paths are not good candidates for return-to-work programs.

### References

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