



Security Matters

February 2021 | Center for Financial Security
Retirement & Disability Research Center | UW-Madison

The Demographics Behind Aging in Place: Implications for Supplemental Security Income Eligibility and Receipt

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Practitioner applications provided by the Center for Financial Security, UW-Madison

Summary

Despite a growing aging population, institutional residency populations - such as residents of assisted living facilities and nursing homes - are decreasing within the US.¹ This paper investigates two growing demographic trends of populations that historically were less likely to live in nursing homes and may be driving this decline: increasing racial and ethnic diversity, and an increasing longevity among men. Additionally, this paper explores what living arrangements are increasing as nursing home populations decline, and the implications of this change on the Supplemental Security Income (SSI) and Medicaid programs. This study utilized data from decennial census and American Community Survey from 1980, 1990, 2000, 2008—2010, and 2014—2018.

Key Findings

- Since the 1980's, institutional residency declined 55 percent among financially vulnerable older adults nationally, and in all except 4 states. Continued growth of diverse populations and longevity of men may further reduce institutional care.
- Rates of co-residency and assisted living residence increased to offset the institutional residency decline.
- Changes in Medicaid policy to increase coverage for home-and community-based long-term care services explain 60 percent of institutional residency decline.
- Increasing racial and ethnic diversity explain an additional 19 percent of institutional decline.
- Increases in community residence may increase both dependence on SSI and payments of SSI. Rising rates of co-residency and unmarried partnership may lead to more complex benefit determinations and greater administrative cost.

Practitioner Ideas

Lower-income adults over 65 may receive Supplemental Security Income (SSI) in addition to their Social Security (SS) retirement income. These SSI payments are much greater for individuals who live in the community than for those who live in a nursing home. Federal SSI payments are also

¹ Assisted living facilities provide older adults with some help and care in their daily lives. Nursing homes provide a higher level of daily care, especially medical care.

reduced by up to one-third when an older adult lives in another person's home as opposed to living independently. In addition, unmarried partners paying for their own expenses while living in the same home may be eligible for higher SSI payments than a married couple.

This study highlighted changing trends in living situations among various demographic groups as they age. Financial counselors and coaches understand that every individual has unique preferences regarding their living situation and planning for their later years. Financial educators who work with low-income older adults could consider the following conversations to explore these preferences:

- When reviewing income and expenses, clarify the individual's living situation. Are there others in the home and if so, how are expenses managed?
- Explore sources of income to be sure older adults are maximizing benefits from both government and private programs. If the client has had a recent change in their living situation, this change may also affect access to benefits.
- Discuss wishes for staying in their home, living with others, or other arrangements. While no one can predict the future, consider what changes might trigger a review in their situation, such as a health event or widowhood.
- Consider preferences and resources for maintaining home ownership, passing on a home to family, or using the equity for future financial security. For homeowners, note that owning a residence does not count against the SSI asset limit.

States differ on their rules regarding eligibility, living situations, and amount of SSI payments. Refer clients to Social Security Administration partners and other community organizations who navigate benefits for seniors.

Key Resources

SSI and Living Arrangements

<https://www.ssa.gov/ssi/spotlights/spot-living-arrangements.htm>

Home- and Community-Based Services, Centers for Medicare & Medicaid Services

<https://www.cms.gov/Outreach-and-Education/American-Indian-Alaska-Native/AIAN/LTSS-TA-Center/info/hcbs>

Supplemental Security Income (SSI) and Eligibility for Other Government and State Programs

<https://www.ssa.gov/ssi/text-other-ussi.htm>

The research reported herein was performed pursuant to a grant from the U.S. Social Security Administration (SSA) funded as part of the Retirement and Disability Consortium. The opinions and conclusions expressed are solely those of the author(s) and do not represent the opinions or policy of SSA or any agency of the Federal Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of the contents of this report. Reference herein to any specific commercial product, process or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply endorsement, recommendation or favoring by the United States Government or any agency thereof.

