



WHO WILL BENEFIT FROM THE 2024 ABLE AGE ADJUSTMENT ACT?

*Research conducted by Hyun Ju Kim,
University of New Hampshire Institute on Disability
July 2024*

Achieving a Better Life Experience (ABLE) accounts can be an important asset-building opportunity for Supplemental Security Income (SSI) recipients as savings in ABLE accounts do not count against SSI's asset limits. Given the low take-up rate (1 percent) of ABLE accounts, it is important to understand the savings and asset capacity of SSI recipients as more SSI recipients will be able to access ABLE accounts in 2026 when the eligibility criteria increase from the disability onset age 26 to age 46.

Savings and Asset Building Characteristics of SSI Recipients by Disability Onset Age Groups

This study explores different characteristics in asset and savings behavior of SSI recipients by three disability onset age groups: before age 26, ages 26-45, and age 46 and older. The focus is placed on the second age group who can potentially be new users of ABLE accounts as the eligibility criteria expands in 2026 to include SSI recipients who experienced disability onset before the age of 46 (currently age 26). Using the 2014-2017 Survey of Income and Program Participation (SIPP) longitudinal panel merged with the 2014 SSA Supplement, the first two steps of the analysis explore sociodemographic characteristics that are associated with i) having any assets (or savings accounts) and ii) the amount of assets (or savings) among all individuals and SSI recipients, separately by the three disability onset age groups.

With the sociodemographic characteristics identified in the first step, the final step of the analysis presents predicted values of having any savings accounts by three age groups for all individuals and for SSI recipients. The likelihood of having any savings accounts in this study is a proxy for having ABLE accounts as ABLE accounts are a type of savings account.

The current work status of SSI recipients is significantly associated with having any savings accounts.

For SSI recipients whose disability onset ages are between 26 and 45 years, the current work status is a significant indicator of having savings accounts. For older disability onset age group (age 46 or older), marital status shows a positive association for having savings accounts, while no significant correlates are found in the younger onset age group (before age 26).

SSI recipients with disability onset ages between 26 and 45 years are less likely to have savings accounts (66-80 percents) than other age groups (over 87 percent).

Predicted values based on the demographic characteristics of having savings accounts indicate that SSI recipients who report disabilities between the ages 26 and 45 have lower likelihoods of having savings (66-



Retirement and Disability Research Center

UNIVERSITY OF WISCONSIN-MADISON

80 percent) accounts than other age groups (over 87 percent). With savings accounts as a proxy for ABLE accounts, this result can suggest potentially low take-up rates of ABLE accounts once the disability onset age threshold increases to 46.

Implications

- Income-generating work activities are likely to incentivize savings for SSI recipients particularly for individuals who had disabilities between ages of 26 and 45.
- However, perhaps due to the limited level of employment in this population, these potentially new users of ABLE accounts may have low participation rates for ABLE accounts when they become eligible in 2026.
- Employment-encouraging programs such as Ticket-to-Work (TTW) may be beneficial for boosting labor participation of SSI recipients, which can ultimately help improve participation of ABLE accounts, particularly for the newly eligible ABLE account users among SSI recipients.

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.