



UNDER-CLAIMING OF SURVIVORS' BENEFITS AMONG NON-ELDERLY ADULTS

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Social Security Old-Age and Survivors Insurance (OASI) offers support for the economic stability of working-age widow/widower households with children. Understanding patterns in Survivor Insurance (SI) claims may be especially important when considering factors that contribute to inequality by race, income and other factors for families facing the financial shock of a deceased spouse. Based on data from 2019 and 2021, we do not find strong evidence of underclaiming for SI overall but do observe gaps among some low-income widow/widower parents receiving support from Social Security after losing a spouse, especially among Blacks and men, as well as education and employment status. These parents may benefit from outreach about how to claim SI benefits.

Estimating SI Benefit Receipt

Survivors Insurance is paid to a spouse of a deceased insured worker, as well as any dependent children under age 18. Surviving spouses of insured workers can claim benefits at age 60 (50 if disabled), but widowed parents of children under age 16 can also claim. However, SI benefits are subject to the earnings test used for all OASI beneficiaries with earnings above the annual earnings threshold (\$22,320 in 2024). Among low-income widow/widower parents, however, SI could be a valuable source of income. This study seeks to estimate if there are large gaps among these low-income parents in receiving SI.

We compare the sample of potential beneficiaries from the 2019 and 2021 American Community Survey to Social Security Administration reports on the number of recipients of survivors' benefits by age and gender. We focus on people who are under 60 years of age, are widowed (and not remarried), have children under 16 years of age, and have annual earned income under \$25,000 (just above the earnings test threshold). We use an ACS question about respondent income sources¹ to proxy whether they receive Survivors' benefits to estimate likely to take-up Survivors' benefits by race, ethnicity, education level, and economic characteristics using a regression framework.

Likely eligible women are more likely to receive SI than men

Deceased spouses of women may be more likely to have the requisite six credits of work within the three years prior to the spouse's death. This is particularly true for the group who is 20-24 years of age and the least likely to meet the work credit requirement. Deceased spouses of low-income people in their 20s may have had little work history, which could explain the gender difference. Meanwhile, over 70 percent of low-

¹ The ACS asks separate questions for the amount of: a. wages; b. self-employment income; c. interest income; d. Social Security retirement income; e. Supplemental Security Income (SSI); f. Public assistance from state or local welfare; g. private pension, retirement, survivors or disability income ("do not include Social Security"); h. Any other sources of such as unemployment or child support.

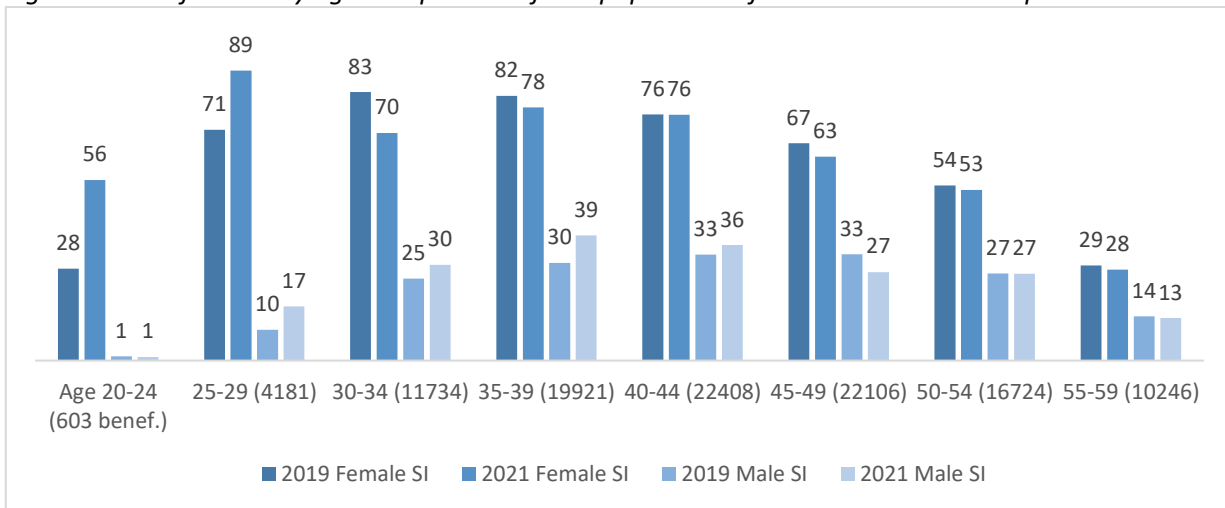


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income widowed women between 25 and 44 with children appear receive SI. These women are more likely to have deceased spouses with the requisite work credits. However, there is a steady decline in the likely eligible having SI as women age. This could be from challenges in applying, or lack of information about the program, concerns about earnings tests or remarriage penalties, or some other factor that discourages SI claiming. We do not observe any major changes in SI patterns from 2019 to 2021, which could be evidence that SI has not experienced a shift in use due to the COVID-19 pandemic.

Figure: SI Beneficiaries by age as a percent of ACS population of low-income widowed parents



Note: Bars show percent of each age group who are reported as receiving SI benefits from SSA administrative reports as a share of the population in the ACS in 2019 and 2021 who are widowed parents under \$25,000 in earned income.

Some populations may struggle to access SI

Low-income widowed parents in the ACS data with at least some college education are seven percentage points more likely to have Social Security income than those who do not have a high school diploma. Parents who are more educated may have fewer challenges finding out about and accessing SI, conditional on likely being eligible.

There are also clear differences by race; Black people likely to be eligible for SI are between five and eight percentage points less likely to have Social Security income than likely eligible White people.

While all respondents have children, those with children under age five are five percentage points less likely to have Social Security income. The burdens of caring for a younger child may create a burden in accessing SI, but it is also possible that schools are one way that parents currently learn about SI.

Employed respondents are 14 percentage points less likely to have Social Security income than those respondents who are not working. While we condition on earning less than \$25,000 in the prior year, it could be that those who are working plan to earn more than the earnings test threshold. For these parents, it may not make sense to apply for SI—the costs of application are more than the benefit levels.



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Homeowners are four percentage points more likely to have Social Security income than those who do not own homes. Owned homes could be a signal of economic stability, financial knowledge, being more connected to community networks, and wealth more generally.

These estimates rely on rough approximations of SI take-up using general population comparisons and rates of households reporting income from SSA. Our earnings threshold is above the earnings test, so we would not expect the ratio of SI beneficiaries and ACS population estimates to account for all SI beneficiaries. There is also some confusion in the ACS as people report on income; they may not SI income received as being from another source. Nevertheless, these data offer a general sense of claiming behaviors relative to the population likely to be eligible with dependent children and earned income below the earnings test.

Implications

- The differences in the estimate use of SI by gender, age, education level and race suggest that some populations may not be using SI despite being eligible.
- Future work, including mixed methods and qualitative studies, could benefit from better understanding the context under which low-income widowed parents decide not to claim SI, or simply fail to claim SI when eligible.
- There may be systematic mis-information about SI program rules or perceived administrative burdens from the earnings test.
- Especially for younger parents with less education and access to information about SI, targeted outreach may help some low-income people to better navigate SI benefits.

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