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Who Will Benefit from the 2024 ABLE Age Adjustment Act?

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Abstract

This study explores different characteristics in asset and savings behavior of Supplemental Security Income (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 be new potential users of Achieving Better Life Experience (ABLE) savings 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 Survey of Income and Program Participation (SIPP) merged with the 2014 Social Security Supplement Data, this study finds that the current work status is significantly associated with having any savings accounts for SSI recipients who had disability between the ages of 26 and 45. Predicted values from the linear probability models indicate that SSI recipients who report bothering, work-limiting, and work-preventing health issues between ages 26 and 45 have lower likelihoods of having savings accounts (66–80 percent) than other age groups (over 87 percent). With savings accounts as a proxy for ABLE accounts, this result suggests a low rate of participation for new eligible users of ABLE accounts as this age group becomes eligible in 2026 through the ABLE Age Adjustment Act.

Keywords: Savings Account; Disability; Supplemental Security Income

JEL codes: D14, G51, I38

Introduction

People with severe disabilities with limited income can apply for Supplemental Security Income (SSI) from the Social Security Administration (SSA). SSI, along with other SSA programs, is one of the main policies that is responsible for reducing poverty among people with disabilities (Ben-Shalom, Moffitt, and Scholz 2012). Moreover, in reviewing the percent reduction in poverty by specific social programs, Meyer and Wu (2018) concluded that SSI reduced poverty rates by two to seven percent in people with disabilities, depending on the data sources and the estimation of poverty measures.

Despite the poverty protection effect, SSI can have unintended consequences on asset building capacity of the recipients due to the asset-tests, which are designed to target benefits to the most in need. Social insurance in general has a disincentivizing effect on savings and asset tests exacerbate this effect (Hubbard, Skinner, and Zeldes 1995). Furthermore, using the 1984 Survey of Income and Program Participation (SIPP), Neumark and Powers (1998) found that SSI disincentivized elderly SSI recipients' savings. While recent studies suggest mixed findings on the negative effect of asset tests (Hurst and Ziliak 2006; Maynard and Qiu 2009), most of means-tested transfer programs, including Supplemental Nutrition Assistance Program (SNAP), Women, Infants, and Children (WIC), school food programs, and the Medicaid program, have evolved to reduce or eliminate asset tests (Moffitt 2018). SSI is an exception to this evolution, restricting savings and asset building ability of its participants.

SSI applicants/recipients need to keep their asset levels under \$2,000 for individuals and \$3,000 for couples in order to keep their SSI benefits. But some resources do not count toward the asset limits including the house that SSI applicants/recipients reside in, one vehicle that the household uses for transportation, and others. These asset limits are not indexed to inflation and have not been changed since 1984. While a bipartisan bill is currently introduced at the Senate to increase the SSI asset limits (Sen. Brown 2023), SSI recipients still experience material hardship including inability to pay for extra health expenses (She and Livermore 2007).

Trusts for disabled individuals (also referred to as “special needs trusts”) can be used to accumulate resources without losing SSI benefits. However, it can be costly to set up the trust funds as legal assistance is needed and the funds can only be used for “special and supplemental

needs” of an individual with disabilities, and not for the daily living expenses (Kelly and Hershey 2022).

To help smooth income fluctuations and extraordinary healthcare expenses for SSI recipients while keeping Social Security monthly income assistance and access to Medicaid, Congress passed the Stephen Beck, Jr., Achieving a Better Life Experience (ABLE) Act in 2014, providing a way to save for disability-related expenses in tax-free saving accounts. Account holders may save up to \$100,000 in an ABLE account where anyone can contribute (within the IRS annual tax exclusion for gifts, up to \$17,000 annually in 2023) without risking losing SSI benefits because the savings in ABLE accounts do not count against the asset limit by SSA. Funds in ABLE accounts can be spent on disability-related expenses including assistive technology, vehicle modification, housing, food education, healthcare expenses, and so on. And compared to trusts for disabled individuals, ABLE accounts are relatively inexpensive to set up and the account holders can control their own finances (Germany 2018). However, there is little research on the use and impact of ABLE accounts partly due to a lack of nationally representative and public data and variations in administration mechanisms by states. Furthermore, the participation rate as of 2021 is as low as 1.1 percent among SSI recipients (Weathers, Kelly, and Hemmeter 2024).

Starting in 2026, however, more SSI recipients may access ABLE accounts as its disability onset age threshold increases from age 26 to age 46, expanding opportunities to save for larger SSI populations. Thus, this study investigates different savings behavior and asset building patterns across different disability onset age groups: prior to age 26, ages 26 and 45 (potential new ABLE account users), and age 46 and over. SSI recipients whose disability onset is before age 26 and between the ages of 26 and 45 may be different. For example, individuals with older disability onset ages can have longer work histories than younger disability onset age groups and therefore greater savings capacity. This can affect the decision to open an ABLE account. Additionally, this older disability onset age group may include veterans who can learn about ABLE accounts from interacting with local VA offices. By identifying heterogeneous socioeconomic characteristics and savings behavior of the potential new ABLE users, this study can provide strategies to reach out to the potential new customers and create a better user experience (*SSA Retirement and Disability Research Consortium Focal Area: Use of ABLE accounts among SSI recipients*). Indeed, the findings in this study suggest that the current work status of SSI recipients is significantly

associated with having any savings account that is a proxy for an ABLE account. This study discusses work incentive programs for SSI recipients as a policy implication.

More importantly, the findings can be helpful for better understanding the life-course savings and asset building behavior of SSI recipients who are incentivized to save under \$2,000 (for individuals; \$3,000 for couples) to keep Social Security benefits. This study suggests that SSI recipients who report bothering, work-limiting, and work-preventing health issues between ages 26 and 45 have lower likelihoods of having savings accounts (66–80 percent) than other age groups (over 87 percent), spotlighting the different financial potential of SSI recipients.

In the following sections, I provide a summary of the data sources and analytic models in Section 2 and present the descriptive statistics and regression results in Section 3. Section 4 discusses the findings and concludes.

Methodology

Data

This study uses the 2014–2017 Survey of Income and Program Participation (SIPP) longitudinal panel merged with the 2014 SSA Supplement. The SIPP is a nationally representative household survey collected by the US Census Bureau that provides broad information on income dynamics, government program participation, employment, household composition, and economic well-being and health care. The disability onset age information comes from the 2014 Supplement, in which respondents from the 2014 SIPP are surveyed additionally for the purpose of collecting disability status, personal retirement accounts, pension and retirement plans, and self-reported health status. The Supplement asks three types of disability onset ages: i) “age that the main health condition started to bother,” ii) “age that the main condition started to limit the work ability,” and iii) “age that the main condition started to prevent from working.” As these onset ages are time-invariant, this study uses them for the respondents in the 2014–2017 panel (waves 1 to 4). Further, from the 2014 panel, age as of interview date is used as additional onset age information.

As this study utilizes the individual-level longitudinal component of all the waves in the 2014–2017 SIPP panels, the longitudinal weight (FINPNL4) is used for the analysis as recommended by the US Census Bureau (US Census Bureau 2019).

The 2014–2017 SIPP and 2014 SSA Supplement in this study have 214,813 individual-year observations, which include non-missing values for the focal variables.

Measures

This study uses several measures of assets and savings to explore potentially different savings patterns in three age groups, comparing all individuals and SSI recipients. All the asset values and savings amounts are inflation-adjusted with 2017 dollars using the Consumer Price Index (CPI) and winsorized at 1 percent to avoid extreme values skewing the results. In addition, the regression results report the assets and savings amounts that are inverse hyperbolic sine (IHS) transformed due to the highly right-skewed nature of assets and savings. The IHS transformation is conducted using the Stata command, *asinh*.

Outcome variables

SSI assets. In this study, SSI assets refer to the total assets excluding the values of housing and vehicle, which is in accordance with the SSI asset test. SSI applicants/recipients face asset-testing in order to apply for SSI or to keep SSI benefits, which include multiple resources such as cash, financial assets, personal property, or anything else that could be changed to cash and used for food or shelter. However, some exceptions are made for the house that applicants/recipients reside in, a vehicle used for transportation, and others (Social Security Administration, n.d.). This asset measure (“SSI asset”) aims to capture the state of the resources that SSI applicants/recipients report to SSA. For the first step of the analysis, this study codes individuals with any SSI assets as 1 (0 otherwise) and accounts for the total estimated dollar amount of the SSI assets in the second analysis. The total asset is also used as an alternative measure of asset, which means the person-level sum of all asset values including financial assets, interest-earning and other income-generating assets (stocks and bonds), businesses, real estate, values of home and vehicles, and so on. This is coded as 1 if individuals have any assets and 0 otherwise for the first step of the analysis and the amount is used for the second part of analysis.

Savings in this study serves as a proxy for opening/having ABLE accounts because ABLE accounts are a type of savings account and because the SIPP does not capture information about ABLE accounts specifically. Savings accounts include joint and individual savings accounts,

savings in bank accounts, educational funds, and others. For the jointly-owned savings accounts in the 2014 SIPP panels, the question is asked for only one spouse or partner and the response amount is divided by two, which is then copied to both spouses'/partners' records (US Census Bureau 2018). For individuals with any savings accounts, the first analysis codes them as 1 (0 otherwise) and the second analysis uses the total savings amount.

Key indicator

Onset ages. This study utilizes three onset age variables from the SSA Supplement from the respondents aged 18 or older who reported one health condition or a main condition that began after birth and are asked to report the onset ages. The health conditions in the Supplement refer to health issues that the respondent considers to be the main reason for difficulties or fair or poor health or the main reason for his/her work limitation. The three onset ages include bothering, work-limiting, and work-preventing ages. Bothering age is the age that main health condition first began to bother respondents. Work-limiting age means the age that the respondents became limited in the kind or amount of work s/he could do at a job/business. Lastly, work-preventing age records the age that individuals became unable to work at a job/business. Of these onset ages, this study reports the main findings based on the work-limiting age because when SSA determines disability onset age for its disability programs, the claimant's work history affected by the onset of disability is one of the factors that decide the "established onset date (EOD, Social Security Administration 2024)." For SSI recipients who plan to open ABLE accounts, whether the EOD is before age 26 (in the current age threshold) is the basis for ABLE eligibility. Therefore, this study uses work-limiting age as a main indicator for the EOD, broadly capturing eligible ABLE population among SSI recipients, as opposed to work-preventing age, which can be a conservative but supplemental proxy for the EOD. Bothering age also serves as a supplemental measure for the EOD. Furthermore, this study also adds the current age at the interview from each wave of the 2014–2017 SIPP as a supplement measure.

In order to compare the characteristics of potential new ABLE users, this study groups the onset ages into three categories: before age 26, ages 26 to 45, and age 46 and older, focusing on the second age group. Results using other onset ages (bothering, work-preventing, and age at interview) are qualitatively similar to the main findings and presented in the Appendix.

Covariates

Disability. This study follows the six core questions on disability in the SIPP to measure individuals' disability status. If respondents report at least one of six core disability measures (hearing, seeing, cognitive, ambulatory, self-care, and independent living), they are coded as 1 for disability and 0 otherwise. Note that the six core disability measures are not the same as qualifying disability to SSA.

SSI receipt. SSI recipients are recorded if respondents aged 18 or over reported having SSI benefits for blindness and/or disability at least one month during the reference period.

Other sociodemographic characteristics at the individual level include gender, race/ethnicity, education, marital status, and current employment status. For gender, individuals are coded as 1 if they identify as female (0 otherwise). The race/ethnicity categories are non-Hispanic White (reference), non-Hispanic Black, non-Hispanic Asian, non-Hispanic other, and Hispanic. The education level records individuals with high school degree or higher as 1 (0 otherwise). The marital status records 1 if individuals are currently married at the time of the interview. Lastly, the employment status refers to whether individuals report to be currently working at the time of the interview including full- and part-time. Further, this study adds household-level characteristics including poverty status, whether households have children under the age of five, and number of household members at the time of the interview. The poverty status is determined by the household income-to-poverty ratio in the SIPP. If the household has the ratio below 1, which means less than 100 percent of the Official Poverty Measure (OPM) threshold for the size of the household, it is recorded as being in poverty and 0 otherwise.

Estimation strategy

To identify characteristics of potential ABLE account holders and predict savings behavior, this study takes a three-step analysis. The first two steps explore the individual characteristics that are associated with i) whether individuals have any SSI assets or any savings accounts and ii) how much SSI assets or savings they have in three different age groups for all individuals and for SSI recipients. Once the characteristics of different savings behaviors in age groups are identified, the third step presents predicted values of having any savings accounts as a proxy for having ABLE accounts in three onset age groups. The focus is placed on the second age group as potentially new

ABLE account users once the age threshold is increased with a goal of estimating whether this group would have a different participation rate for ABLE accounts than other groups once they are eligible.

The first set of models regresses whether individuals have any assets or any savings accounts based on the individual- and household-level socioeconomic characteristics in three age groups: before age 26, ages 26 to 45, and age 46 or older. The following linear fixed effects model describes the first analysis.

$$FinancialCapacity_{it} = \alpha + \beta_1 X_{it} + \delta_i + \mu_t + \varepsilon_{it} \quad (1)$$

As described in the previous section, $AssetCapacity_{it}$ refers to whether individual i at year t had any financial capacity (in assets or savings) and is binary. This model estimates the status of any assets and any savings accounts separately. The socioeconomic factors in X_{it} include, female, race/ethnicity, high school or higher, marital status, current working status, disability status, household level poverty, whether households have young children under the age of five, and household size. This model includes individual- and year-fixed effects by δ_i and μ_t , respectively. ε_{it} is the error term and all the regression models are clustered at the state level.

$$FinAmt_{it} = \alpha + \beta_1 X_{it} + \delta_i + \mu_t + \varepsilon_{it} \quad (2)$$

The second model explores the socioeconomic characteristics that are associated with the amount of financial capacity (in assets or savings) as described above in equation (2). This model estimates the amount of assets and amount of savings separately. All the variables are the same as the equation (1), but the outcome variables ($FinAmt_{it}$) represent IHS-transformed and winsorized at 1 percent values of the total assets and savings amount of individual i at year t , which are also adjusted for inflation with 2017 dollars.

The final step of the analysis involves presenting predicted values of having any savings accounts based on the estimates in the equation (1) by three age groups for all individuals and for SSI recipients.

Findings

Summary statistics

Table 1 below reports descriptive statistics of the individuals in the 2014–2017 SIPP and Supplement. Most of the onset age group variables note that individuals appear to have health conditions (bothering, work-limiting, or work-preventing) later in life as adults (age 26 or over) while less than 20 percent report having their health conditions onset before age 26. However, less than 8 percent of individuals start to have Social Security disability benefits before age 26.

Approximately 21 percent report having at least one disability among the six core disability types while 13 percent have SSI benefits due to disability—a discrepancy due to SSA disability eligibility. A little over half of individuals are female whereas the majority is non-Hispanic White (74 percent). Over 80 percent have a high school degree or higher and half of individuals are currently married and working at the time of the interview. By the Official Poverty Measure, 14 percent of the individuals are living in a household in poverty. About 13 percent of the individuals report to be in households with young children under the age of 5.

The median value of total assets is 56,985 dollars while the SSI assets (total asset excluding housing and vehicle) amount to 4,192 dollars, which indicates most of the asset resources come from housing and vehicles. The median value of savings is 1,308 dollars.

Table 1: Summary Statistics (all waves, individual level, unweighted)

	n	%
Age as of last birthday		
Before age 26	71,647	33.4%
Ages 26–45	51,067	23.8%
After age 46	92,099	42.9%
Age that work-limiting condition started		
Before age 26	2,323	16.1%
Ages 26–45	4,295	29.7%
After age 46	7,831	54.2%
Age that main condition first began to bother person		
Before age 26	5,253	16.1%
Ages 26–45	8,302	25.5%
After age 46	19,047	58.4%

Age that person became unable to work at a job/business		
Before age 26	1,459	11.6%
Ages 26–45	3,831	30.6%
After age 46	7,242	57.8%
Age that person began receiving SS benefits due to disability		
Before age 26	609	7.8%
Ages 26–45	2,675	34.1%
After age 46	4,563	58.1%
Disability		
no	169,744	79.3%
yes	44,313	20.7%
Received SSI benefits for blindness/disability at least one month		
No SSI	40,616	86.9%
SSI	6,127	13.1%
Female		
male	103,278	48.1%
female	111,535	51.9%
Race/ethnicity		
Non-Hispanic White	131,810	73.4%
Non-Hispanic Black	29,780	16.6%
Non-Hispanic Asian	8,684	4.8%
Non-Hispanic Other	7,530	4.2%
Hispanic	1,746	1.0%
Education		
Less than high school	31,784	18.3%
High school or higher	141,818	81.7%
Married		
Unmarried	88,924	51.4%
Married	84,018	48.6%
Currently working		
Not working	77,532	44.7%
Working	96,070	55.3%
In poverty (OPM)		
Not in poverty	184,021	85.7%
In poverty	30,792	14.3%

Children younger than 5		
no	187,581	87.3%
yes	27,232	12.7%
Mean monthly SSI benefit amounts (for blindness/disability, \$)	519.6	(256.7)
Age as of last birthday	39.6	(23.6)
Household size	3.3	(1.8)
Median total asset values (\$)	56,985.0	(2,367,844.5)
Median total SSI asset values (\$)	4,192.0	(677,484.0)
Median total savings values (\$)	1,308.7	(36,894.1)

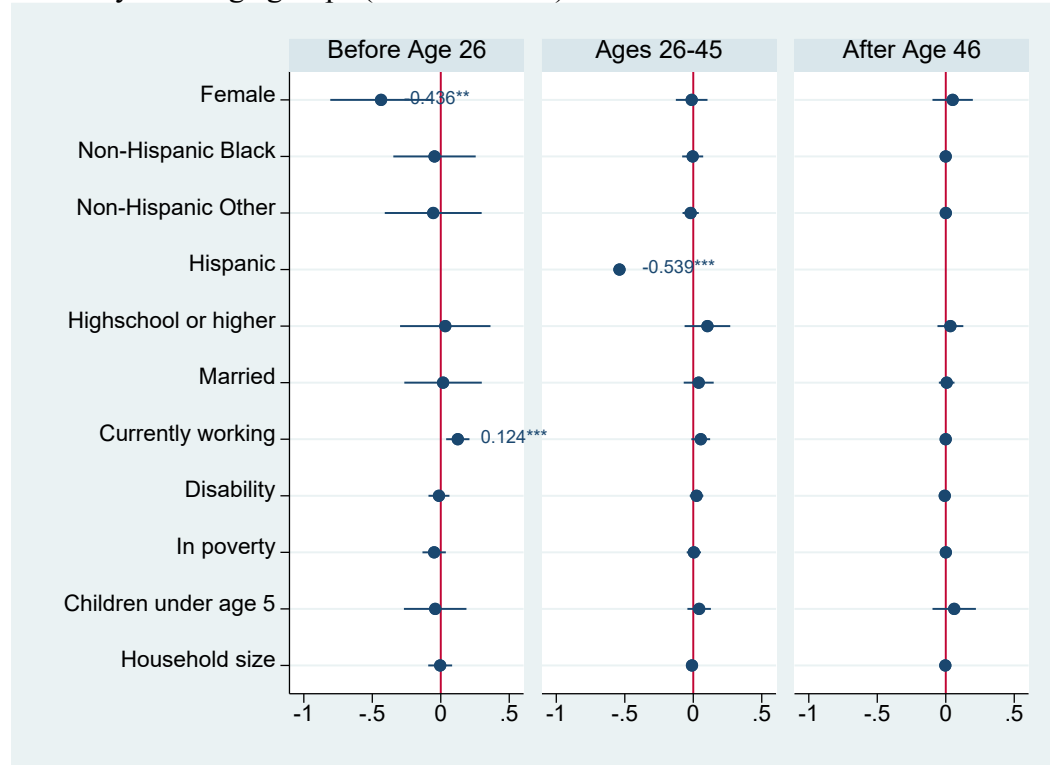
Note: Current age and household size report mean values. Standard deviations in parenthesis. Asset and savings values are inflation-adjusted at 2017 dollars using the Current Price Index (CPI) and report median values. Savings include any joint and individual savings accounts. For joint savings accounts, the joint amount question is asked for only one spouse or partner, and the amount in the response is divided by two and copied to both spouses'/partners' records. SS=Social Security. OPM=Official Poverty Measure.

Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data

Regression results

Figures 1 and 2 report coefficients of regression results of the equation (1) and depict the socioeconomic differences in age groups in relation to whether individuals have any assets separately for all individuals and SSI recipients. For people who have disability before the age of 26, having any assets is associated with being male and current work status. In the ages 26–45 group, Hispanic individuals show a negative likelihood of having any assets compared to non-Hispanic White, while other age groups do not display racial disparities. The older disability onset age group (age 46 or older) does not present significant correlates for having any assets.

Figure 1. Coefficients and 95% confidence intervals of reporting any assets by work-limiting disability onset age groups (all individuals)



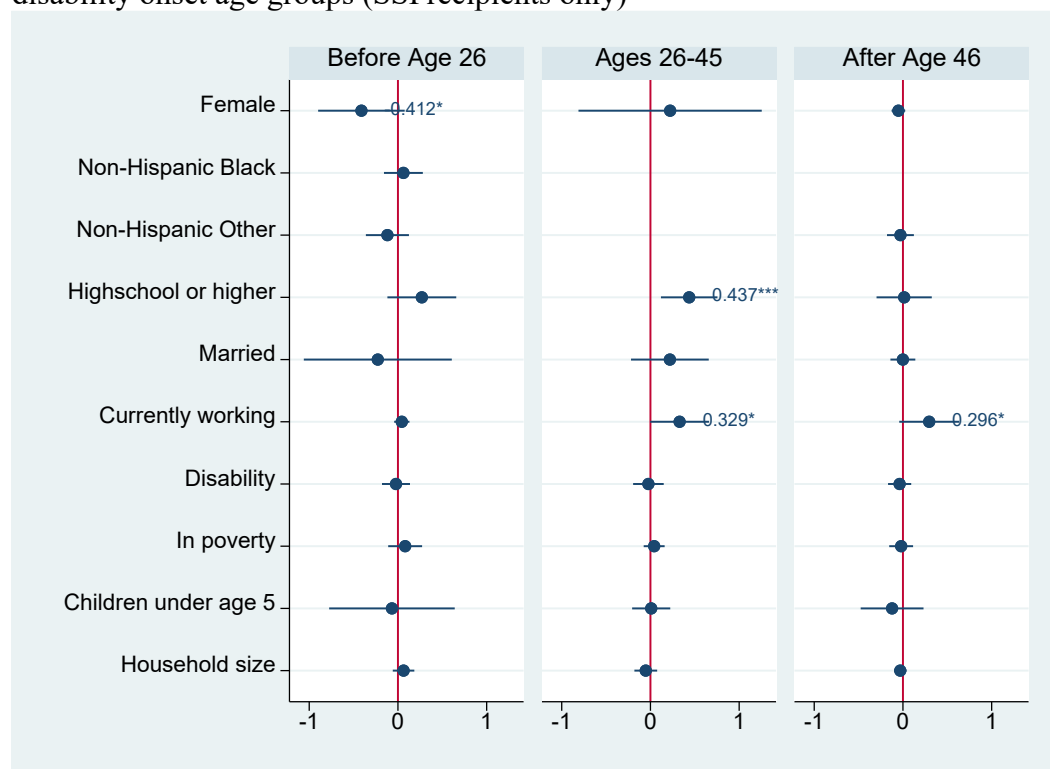
*** $p < .01$, ** $p < .05$, * $p < .1$

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data

SSI recipients in Figure 2 present different demographic patterns of having any assets. In the younger onset age group (before age 26), females are less likely to have any assets than males. On the other hand, of SSI recipients in the disability onset age groups of 26–45, people with high school degree or higher and people who are currently working tend to have any assets while only the current work status is a significant indicator of having assets in the older age group (age 46 or older).

Figure 2. Coefficients and 95% confidence intervals of reporting any assets by work-limiting disability onset age groups (SSI recipients only)



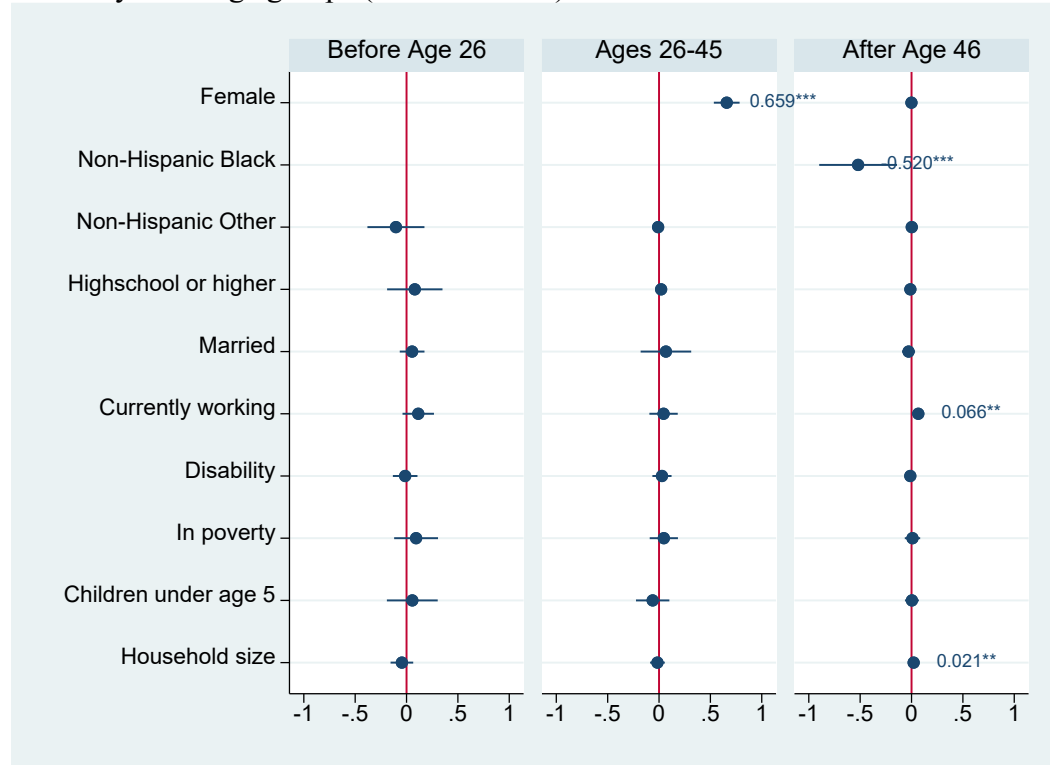
*** $p < .01$, ** $p < .05$, * $p < .1$

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data

Focusing on the likelihood of having any savings accounts, Figures 3 and 4 report sociodemographic correlates in all individuals and in SSI recipients. While no indicators are significantly associated with having savings accounts in the younger onset age group (before age 26), only females are likely to have savings accounts in the ages 26–45 group. For the older onset age group, non-Hispanic Black individuals are less likely to have any savings accounts compared to non-Hispanic Whites, while current work status and household size are positive correlates.

Figure 3. Coefficients and 95% confidence intervals of reporting any savings by work-limiting disability onset age groups (all individuals)



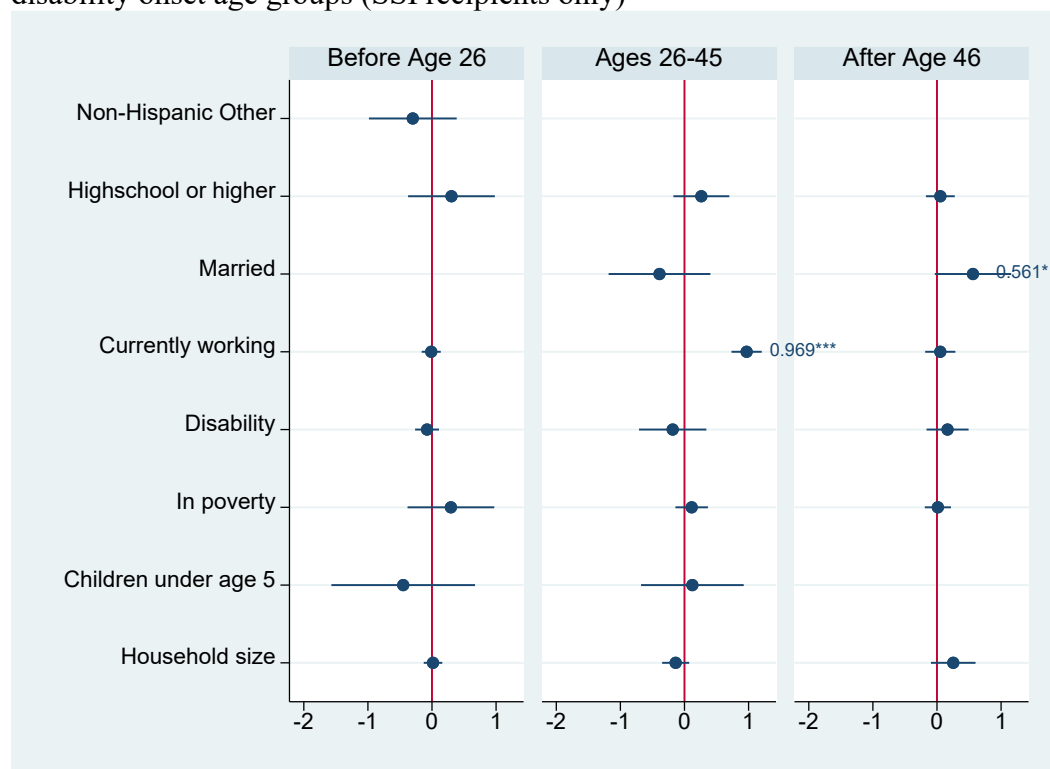
*** $p < .01$, ** $p < .05$, * $p < .1$

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data

On the other hand, SSI recipients show fewer significant correlates to having any savings accounts in Figure 4. In the onset age 26–45 group, current work status is significantly related to increase the chance of having savings accounts while marital status shows a positive association in the age 46 or older group.

Figure 4. Coefficients and 95% confidence intervals of reporting any savings by work-limiting disability onset age groups (SSI recipients only)



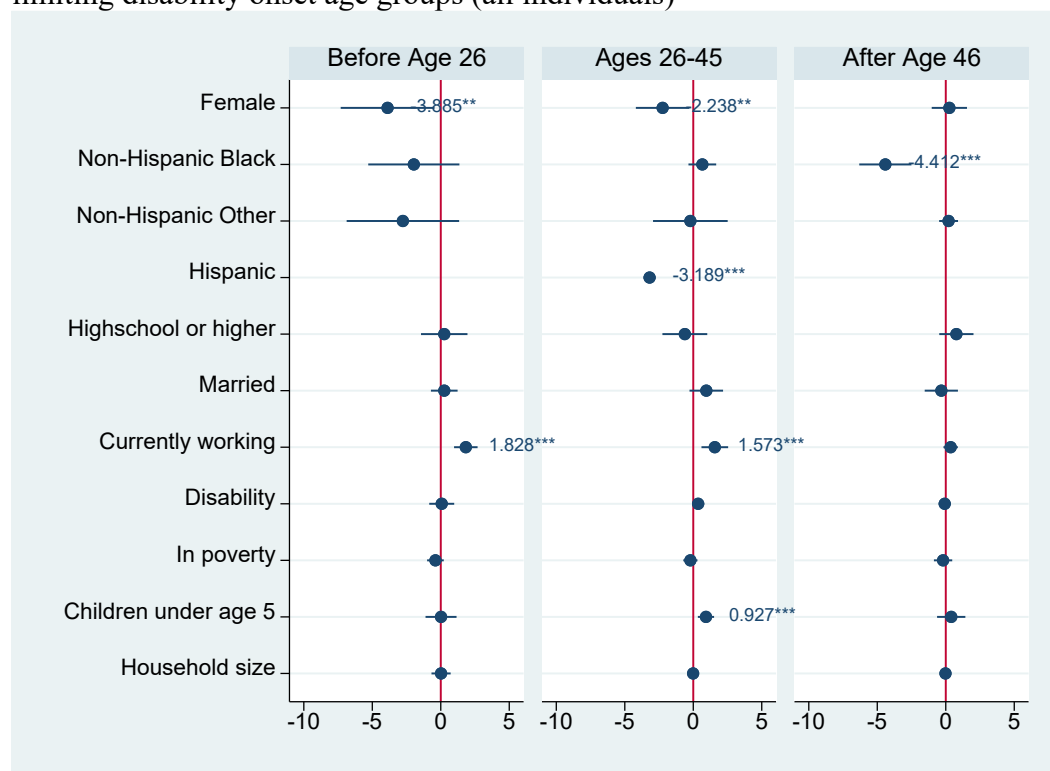
*** $p < .01$, ** $p < .05$, * $p < .1$

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data

Based on the equation (2), Figures 5 to 8 report significant socioeconomic factors that are associated with the amount of SSI assets and savings for all individuals and SSI recipients. Figures 5 and 6 report significant correlates for SSI assets, which refer to asset levels excluding the values of housing and vehicle. This corresponds to the SSA standards for assessing the levels of resources that SSI applicants/recipients can have in order to keep Social Security benefits. When the total asset amounts are regressed, the results show similar patterns (not reported). For all individuals, females are likely to have smaller SSI assets in the two younger onset age groups—before age 26 and ages 26–45. The racial disparities are pronounced differently across the age groups, where Hispanics show smaller SSI assets in the onset ages 26–45 group and non-Hispanic Blacks report smaller SSI assets in the ages 46 or older group.

Figure 5. Coefficients and 95% confidence intervals of reporting SSI assets amounts by work-limiting disability onset age groups (all individuals)



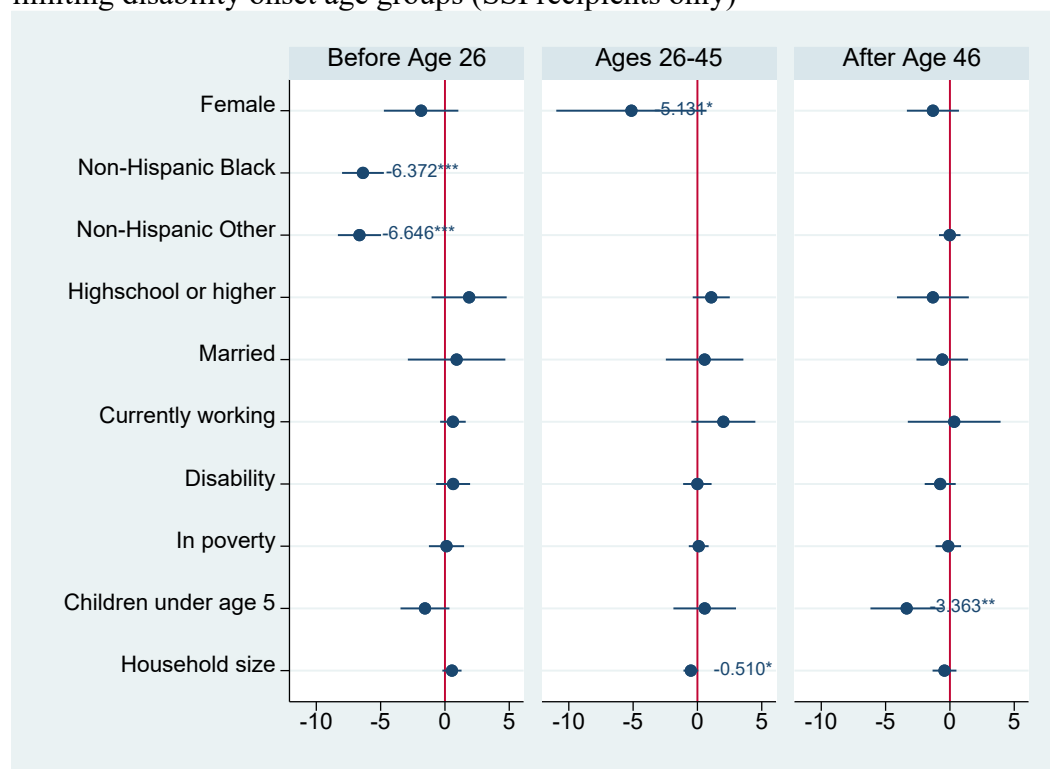
*** $p < .01$, ** $p < .05$, * $p < .1$

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data

For SSI recipients, Figure 6 illustrates how non-Hispanic Blacks and non-Hispanic others show smaller SSI assets than non-Hispanic Whites in the younger onset age group, while females tend to have smaller SSI assets in the ages 26–45 group. It is notable that having young children is associated with having smaller SSI assets only in the older onset age group, while household size tends to reduce the SSI asset levels only in the onset ages 26–45.

Figure 6. Coefficients and 95% confidence intervals of reporting SSI assets amounts by work-limiting disability onset age groups (SSI recipients only)



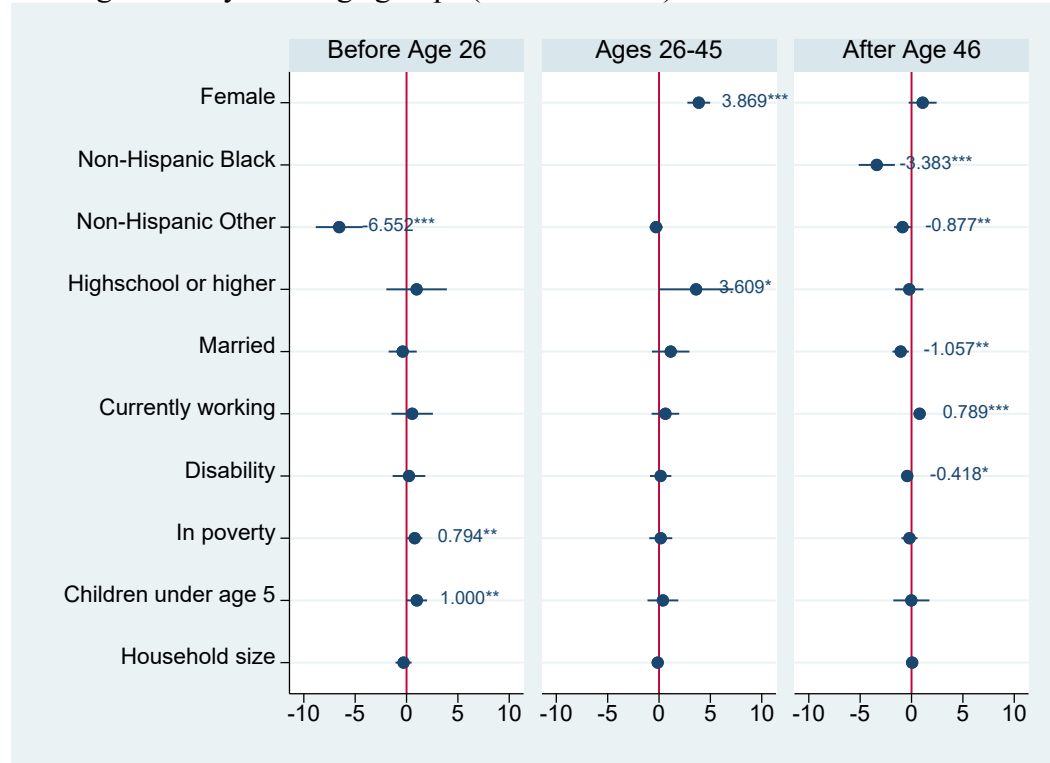
*** $p < .01$, ** $p < .05$, * $p < .1$

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data

Lastly, Figures 7 and 8 report socioeconomic characteristics for total savings amount by disability onset age groups. For all individuals, racial minority individuals tend to save less than non-Whites in younger and older onset age groups. Specifically, non-Hispanic others are likely to have smaller savings amounts in the younger onset age group, while non-Hispanic Blacks and non-Hispanic others tend to save less in the older onset age group. In the ages 26–45 group, females and individuals with a high school degree or higher are likely to save more than the counterparts. Marital and disability status are likely to decrease the level of savings only in the age 46 or older group, while current work status tends to increase the savings amount in the same group.

Figure 7. Coefficients and 95% confidence intervals of reporting total savings amounts by work-limiting disability onset age groups (all individuals)



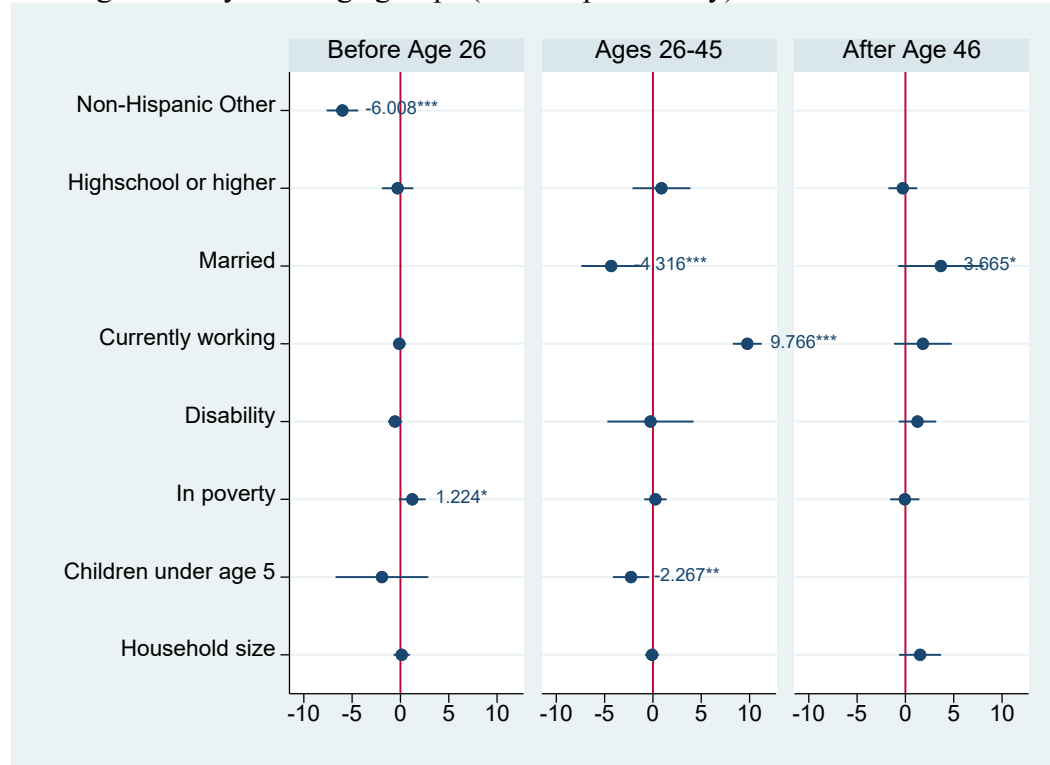
*** $p < .01$, ** $p < .05$, * $p < .1$

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data

SSI recipients in Figure 8 present different characteristics in the amount of savings. Although female and some of the race/ethnicity categories are omitted due to small sample sizes, non-Hispanic others appear to save less in younger than age 26 groups. Marriage and having young children are negatively associated with the level of savings for the ages 26–45 group, while current work status tends to increase savings in the same group. Notice that marital status in the older onset age group tends to increase savings amount. Another noticeable finding is that SSI recipients in poverty are likely to save more in the younger onset age group, although with a weak significance.

Figure 8. Coefficients and 95% confidence intervals of reporting total savings amounts by work-limiting disability onset age groups (SSI recipients only)



*** $p < .01$, ** $p < .05$, * $p < .1$

Note: The base category for race/ethnicity is non-Hispanic White.

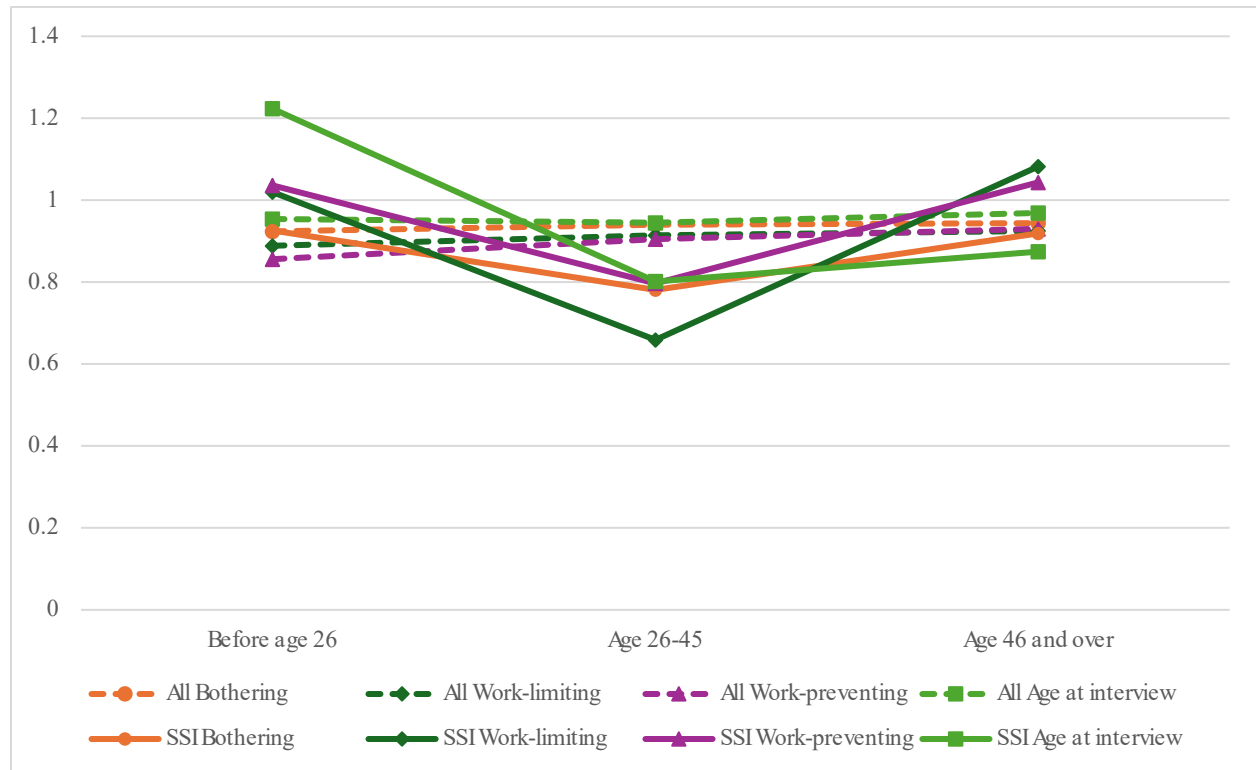
Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data

The final step of this study presents predicted values of having any savings accounts, as a proxy for ABLÉ accounts by onset age groups for all individuals and SSI recipients based on regression (1). In order to fully illustrate different patterns across the onset age groups, Figure 9 reports predicted values based on all types of disability onset ages. Note that some predicted values in the figure exceed one because regression (1) is a linear probability model. The purpose of this analysis is to show any different patterns in having savings account by onset age groups, not to make exact predictions. The dashed lines indicate predicted values for all individuals while solid lines are for SSI recipients.

It is noticeable that the predicted values of having any savings accounts are almost flat across the age groups for all individuals but present a dip in the ages 26–45 group for SSI recipients. Particularly, SSI recipients who reported work-limiting health conditions that started in

the ages of 26 and 45 may have the lowest probability of having savings accounts than other age groups. This can suggest potentially low take-up rates of ABLA accounts once the disability onset age threshold increases to 46.

Figure 9. Predicted Values of Having Any Savings Accounts (all individuals vs. SSI recipients)



Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data

Taken together, the findings indicate heterogeneous characteristics of SSI recipients in having any assets, any savings accounts, and the levels of SSI assets and savings, depending on the onset ages that individuals report for health conditions. Notable results in the onset ages 26–45 for SSI recipients are summarized as they relate to potential new users of ABLA accounts.

First, SSI recipients with high school degrees or higher and who are currently working are more likely to have any assets. For having any savings accounts, current working status matters for this onset age group. In terms of the amount of SSI assets, female and household size are negatively related, while more correlates are observed for the savings amount, including marital status and having young children as negative correlates and current working status as a positive correlate.

Discussion and Conclusion

This study explored different characteristics of asset building and savings behavior in three age groups that indicate onset of health issues. The focus was to examine relevant demographic and socioeconomic factors that are associated with assets and savings capacity in SSI recipients who report health issues that start between ages 26 and 45. This group is expected to be eligible for opening ABLE accounts in 2026 when the disability onset age threshold is raised to age 46 from the current age 26. ABLE accounts can provide an opportunity to save and therefore financial security to smooth income limitations in the long term for SSI recipients as they face asset limits in order to maintain SSA benefits.

The findings indicate that the potential new users of ABLE accounts show different characteristics than other age groups. The current working status is a significant correlate for having any savings accounts in this population, which can be an important indicator of having ABLE accounts. Although the SSI determination process involves demonstrating inability to engage in “substantial gainful activity,” many SSI beneficiaries work (Anand and Ben-Shalom 2018; Liu and Stapleton 2011; Ben-Shalom and Stapleton 2015) and have work-related goals and expectations (Livermore 2011; Social Security Administration 2018). According to SSA, 49 percent of SSI recipients in 2015 expressed work goals or expectations, which is greater than Social Security Disability Insurance beneficiaries who may have longer work histories (Social Security Administration 2018). Indeed, income-earning work activities would incentivize savings, and SSA supports labor participation in disability program participants via Ticket to Work (TTW) program. Although the participation rate of the TTW program is low around 2 percent, it helped employment outcomes of the SSA disability program participants once they decide to join the TTW program (O’Leary and Roessel 2023), and ultimately is associated with reduced poverty (Livermore and Roche 2011). One way to boost employment of SSI applicants/recipients via TTW program, and ultimately to increase participation in ABLE, can be sharing information about ABLE accounts with TTW program participants. For example, under the ABLE to work provision, which is part of the Tax Cuts and Jobs Act of 2017, eligible ABLE account owners who work can contribute above the limit of annual ABLE contribution (up to \$30,590 as of 2023) (Auchenbach 2023). Although the earnings from employment are still subject to “substantial gainful activity,”

an option to save in a tax-free account while working can be an added benefit to SSI applicants/recipients who have employment goals.

The predicted values of having any savings accounts, as a proxy for ABLE accounts, suggest that the SSI recipients who had disability between ages 26 and 45 may show low participation in ABLE accounts when they become eligible. Given that employment can increase savings capacity in SSI recipients, this prediction could be due to the limited level of employment of this population as recipients need to demonstrate inability to engage in substantial work activity in the SSI determination process. For more precise predictions on the savings capacity and ABLE accounts usage, however, future research can benefit from administrative data of ABLE accounts among SSI recipients.

Limitations of this study are discussed. Although the different onset age measures in this study appear to show qualitatively similar trends in the characteristics of asset and savings behavior, bothering, work-limiting, and work-preventing onset ages are not perfect indicators of disability onset age as it relates to the ABLE accounts age threshold. In determining the disability onset age, various factors can affect the decision including the nature of impairment, medical evidence, and other eligibility rules, which are coordinated between SSA field office and the Disability Determination Services (DDS) (Social Security Administration 2024). However, within the limit of public data, the 2014 SSA SIPP Supplement provides the best available information on the ages of disability onset.

The findings in this study are descriptive but can suggest that a tailored outreach effort for new ABLE users may be needed in order to attract SSI recipients who work. More fundamentally, improvements in the current Ticket to Work program for SSI recipients can help more individuals participate in the workforce and save more for financial security.

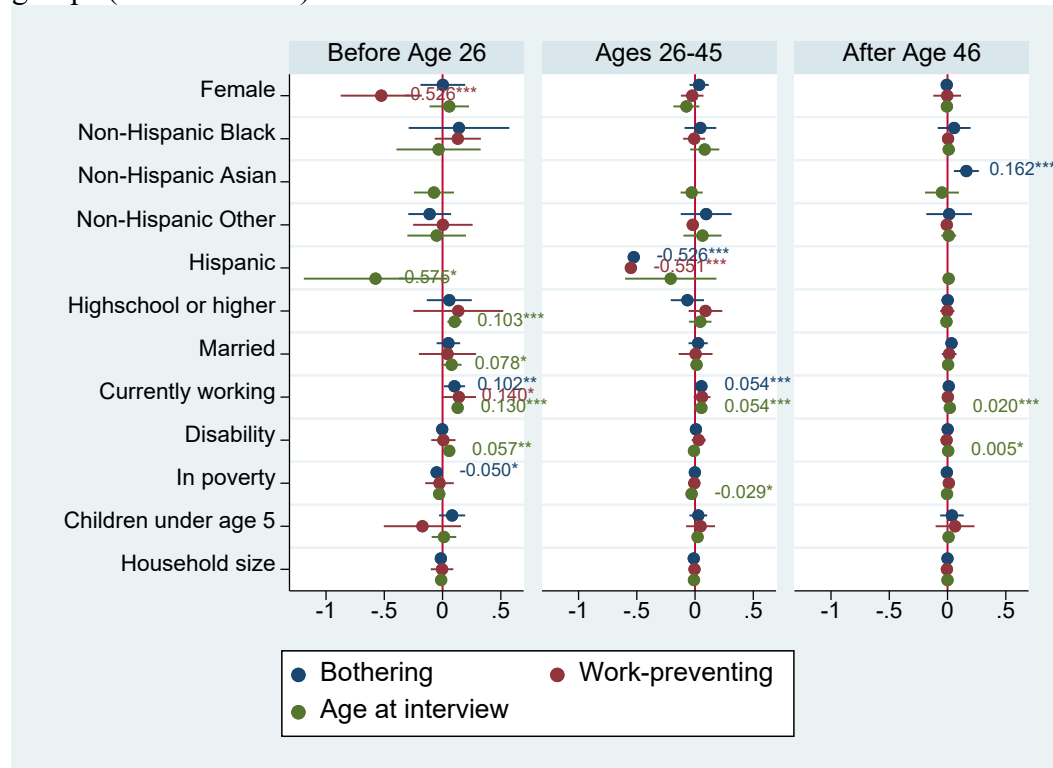
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Appendix

Appendix 1. Coefficients and 95% confidence level of reporting any assets by disability onset age groups (all individuals)

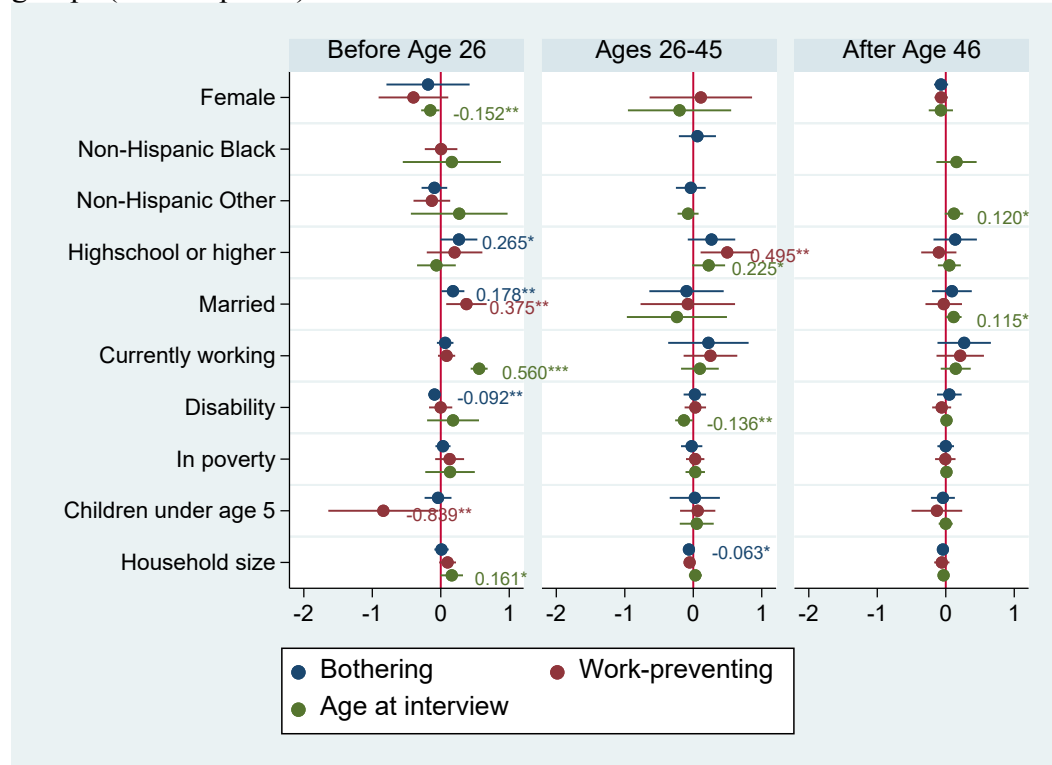


*** p<.01, ** p<.05, * p<.1

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data

Appendix 2. Coefficients and 95% confidence level of reporting any assets by disability onset age groups (SSI recipients)

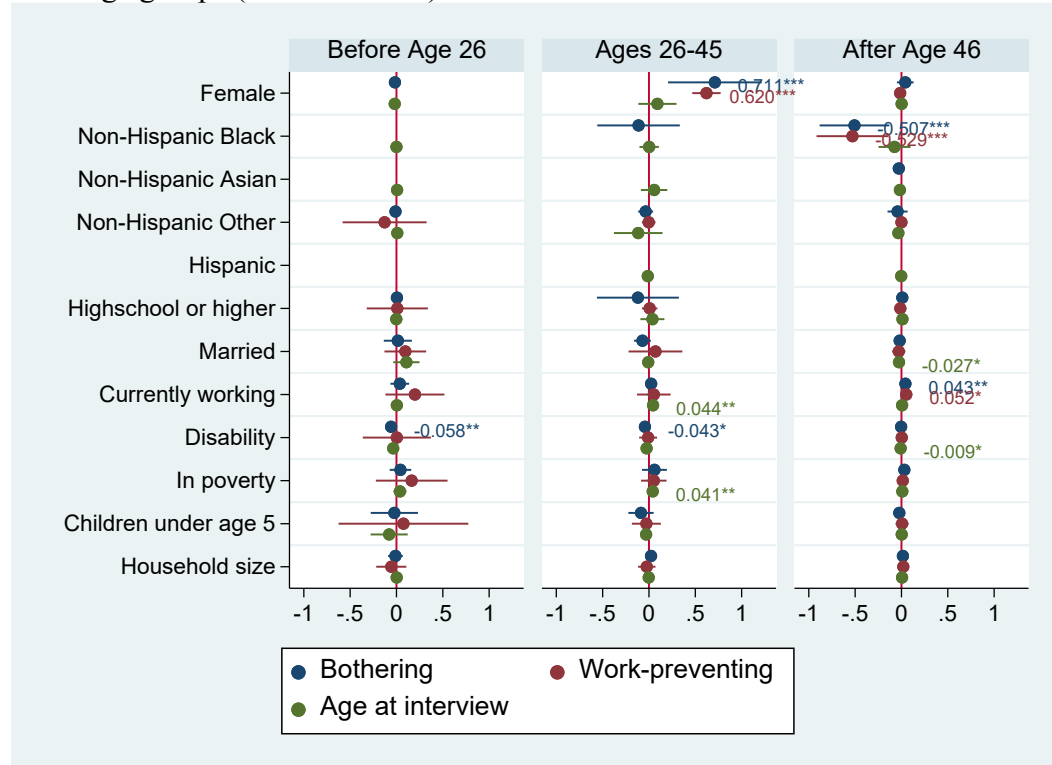


*** p<.01, ** p<.05, * p<.1

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1-4 merged with 2014 Social Security Administration Supplement Data

Appendix 3. Coefficients and 95% confidence level of reporting any savings accounts by disability onset age groups (all individuals)

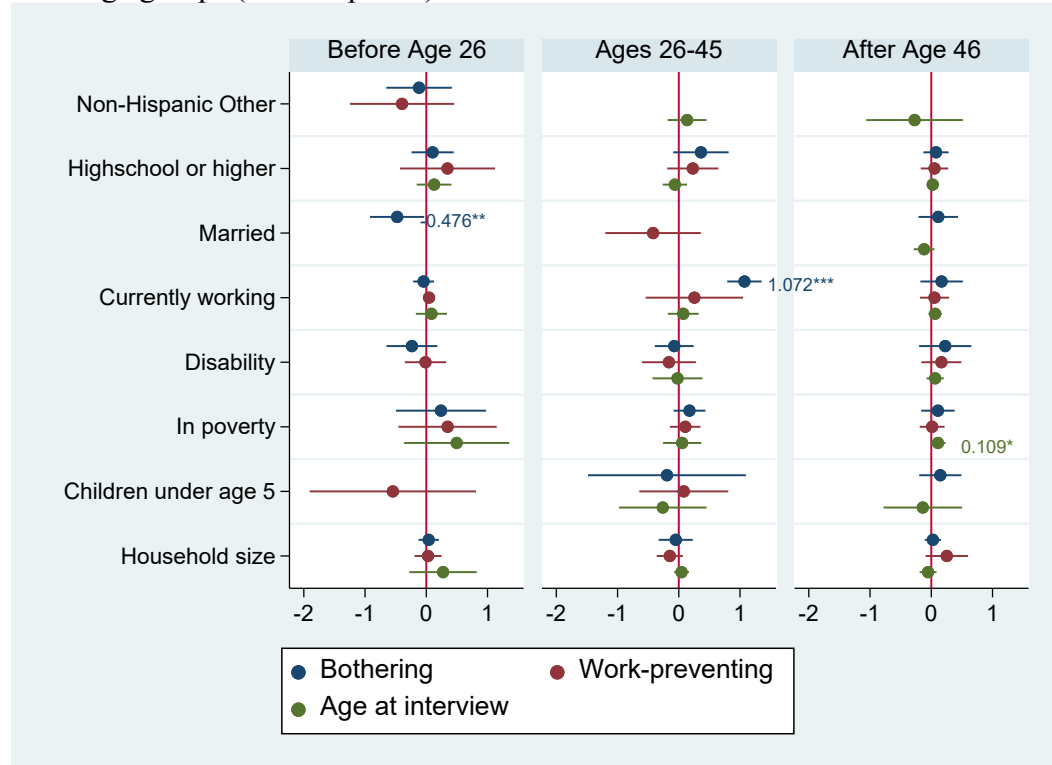


*** p<.01, ** p<.05, * p<.1

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data

Appendix 4. Coefficients and 95% confidence level of reporting any savings accounts by disability onset age groups (SSI recipients)

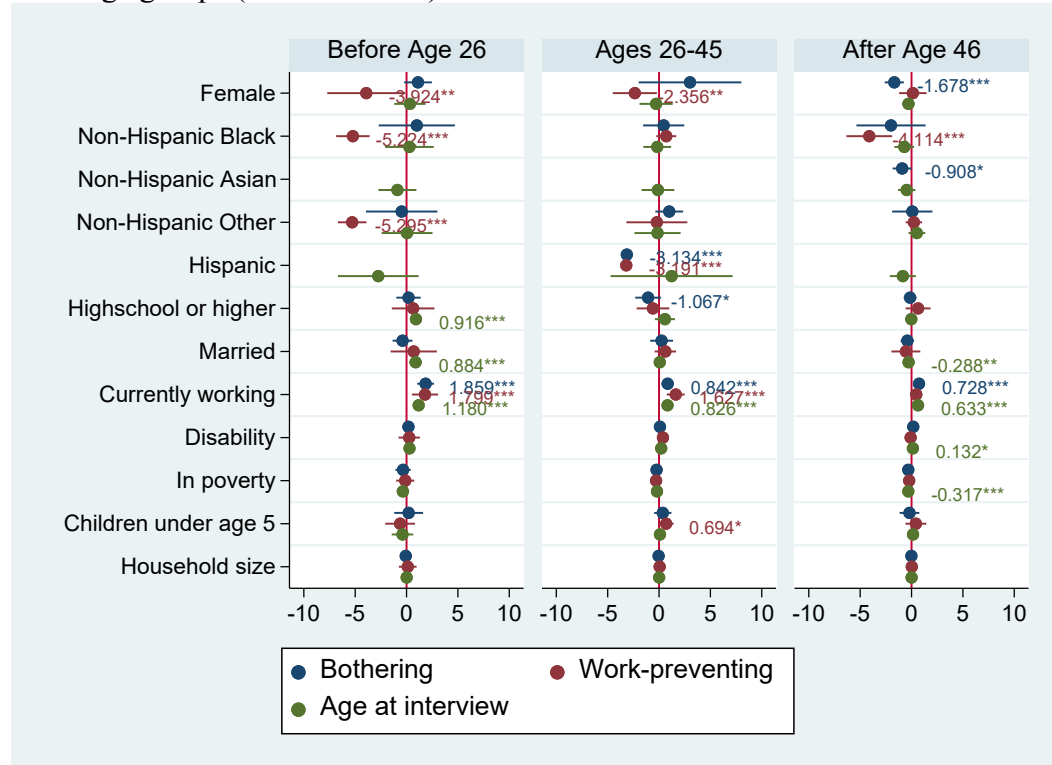


*** p<.01, ** p<.05, * p<.1

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data

Appendix 5. Coefficients and 95% confidence level of reporting SSI asset amounts by disability onset age groups (all individuals)

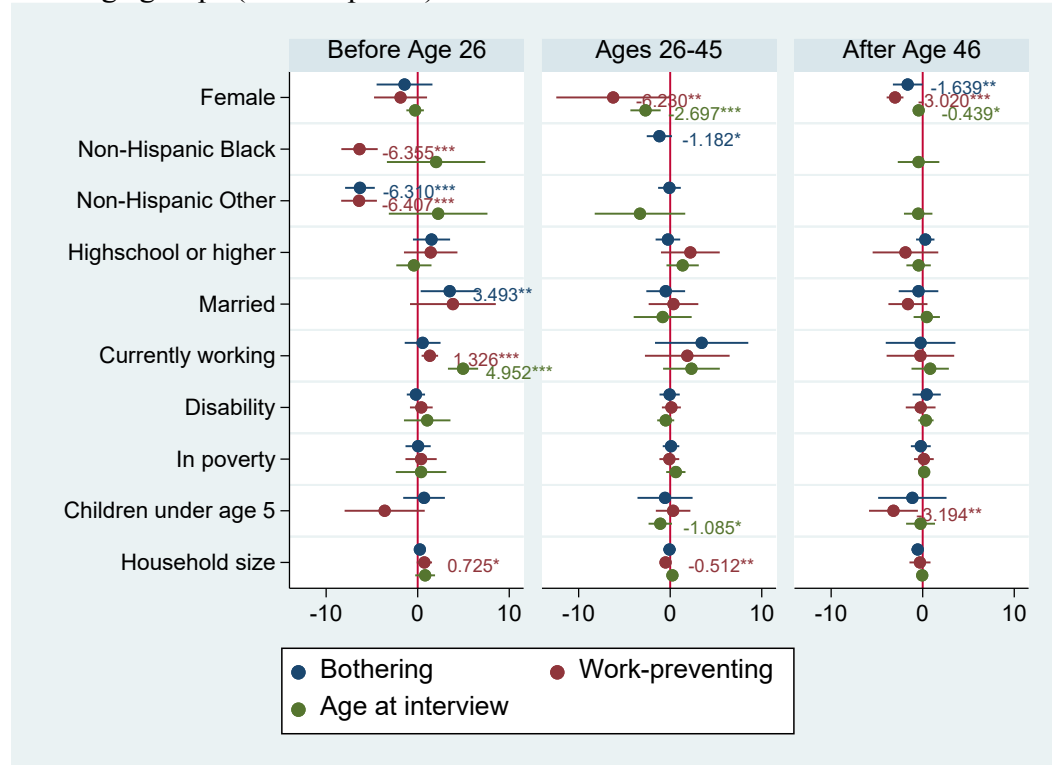


*** p<.01, ** p<.05, * p<.1

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1-4 merged with 2014 Social Security Administration Supplement Data

Appendix 6. Coefficients and 95% confidence level of reporting SSI asset amounts by disability onset age groups (SSI recipients)

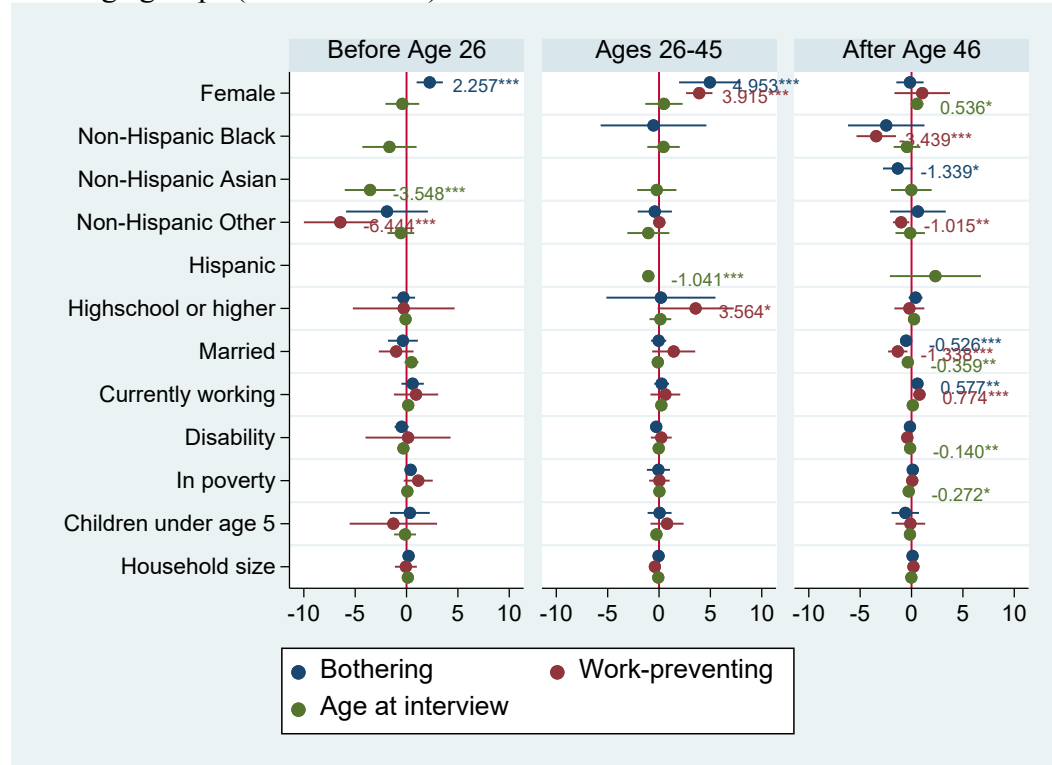


*** p<.01, ** p<.05, * p<.1

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1-4 merged with 2014 Social Security Administration Supplement Data

Appendix 7. Coefficients and 95% confidence level of reporting savings amounts by disability onset age groups (all individuals)

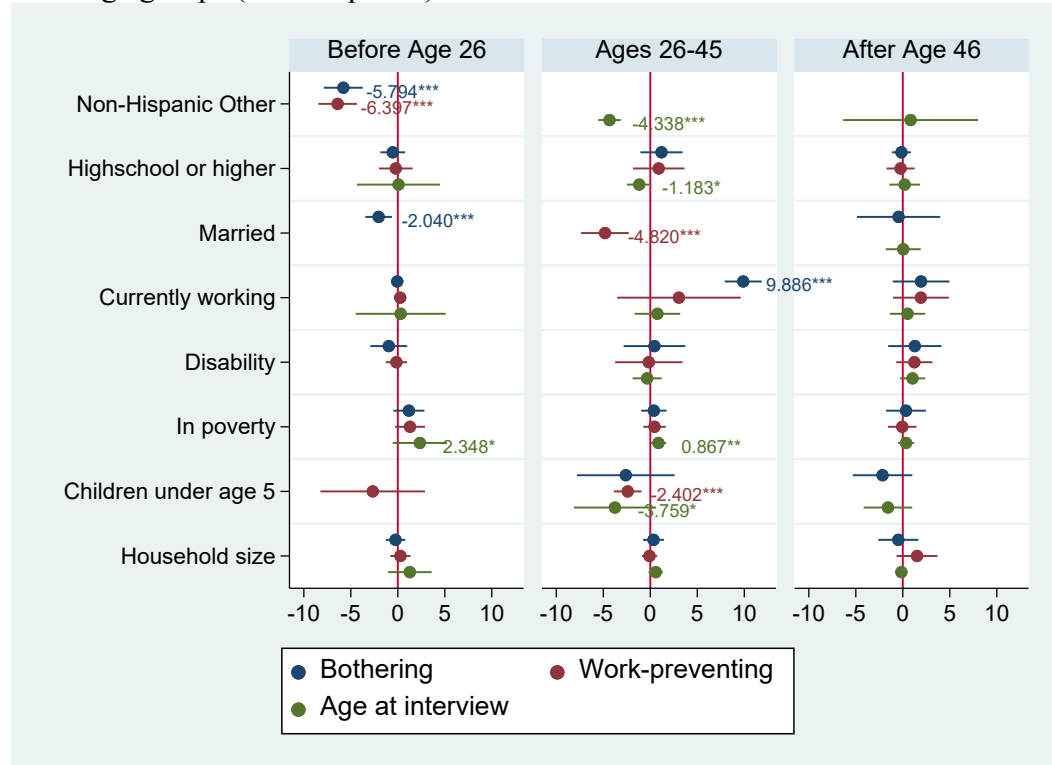


*** p<.01, ** p<.05, * p<.1

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data

Appendix 8. Coefficients and 95% confidence level of reporting savings amounts by disability onset age groups (SSI recipients)



*** p<.01, ** p<.05, * p<.1

Note: The base category for race/ethnicity is non-Hispanic White.

Source: Survey of Income and Program Participation 2014 Waves 1–4 merged with 2014 Social Security Administration Supplement Data