



Northern New England's Young Adults and the Social Security Disability Insurance Program

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Why are so many people in Vermont, New Hampshire, and Maine under age 35 receiving Social Security Disability Insurance payments?

The Social Security Disability Insurance (SSDI) program pays cash benefits to adults under age 66 who are judged no longer able to perform “substantial” work because of a disability but who have worked in the past. In 2015, the program paid benefits to almost 9 million disabled beneficiaries in the United States, or about 4.8 percent of the resident population.¹ The average monthly benefit amount was \$1,165.² Medicare benefits are available as well after a waiting period of 24 months on SSDI.

The northern New England states had relatively high prevalence rates—defined as the number of disabled workers on SSDI divided by the resident population in the same age group. In 2014, Maine had the sixth-highest overall prevalence rate at 7.6 percent. Vermont was 11th at 6.3 percent, and New Hampshire was 12th at 6.1 percent.³

Where northern New England stands apart from all other states is in SSDI prevalence rates for adults under age 35. Vermont, New Hampshire, and Maine had the highest rates of adults under age 35 enrolled in the SSDI program among all the states in 2014. (See “SSDI Prevalence by Age Group, 2014.”) The rates were also significantly higher than the national average for adults between ages 35 and 54 in those states.

In addition, between 2000 and 2014 the shares of people on SSDI under age 35 and ages 35 to 44 in northern New England generally rose four times as fast as the increase in the national average. (See “Increase in SSDI Prevalence, 2000–2014.”) The share of the population on SSDI among people ages 45 to 54 rose more than twice as fast as the national average.

Furthermore, increases in the number of SSDI beneficiaries by age group contrast with much smaller growth or declines in the overall populations of adults under age 45 in Vermont, Maine, and New Hampshire between 2000 and 2014. In Vermont, for example, the population ages 22 to 34 barely rose at all, but the number of disabled worker beneficiaries increased almost 90 percent. Why did this happen?

Why Is Northern New England Different?

To investigate northern New England's special circumstances, consider the situation in Vermont. Several factors contribute to Vermont's high and rising prevalence of young people on SSDI: proactive efforts by state agencies to enroll young people in the SSDI program, out-migration of able-bodied young people (likely related to job opportunities), mental illness and opioid addiction,⁴ and relatively high rates of health insurance coverage.

Two recent nationwide surveys help debunk one additional possible factor: the three northern New England states do not have a higher proportion of working-age adults with self-reported disabilities than other states. The 2013 American Community Survey shows Maine is ranked 9th, Vermont 21st, and New Hampshire 36th among all the states.⁵ According to age-adjusted data from 2013 in the Behavioral Risk Factor Surveillance System, only about 20 percent of Mainers reported any disability, placing it 31st

among the states.⁶ About 19.5 percent of people in New Hampshire reported any disability, leading to a rank of 37th; about 18 percent of Vermonters reported any disability, placing it 45th.

Proactive State Agencies

Vermont is known for its strong social-support programs. State agencies and other designated agencies in the state help to support SSDI application by people with disabilities who are unable to work. These agencies identify individuals who might need help finding a job, and, if working is too difficult, they help people work enough to qualify for the SSDI program and then assist with the onerous application process. Although New Hampshire and Maine are more conservative, both states offer substantial resources for people with disabilities.⁷

State agencies are likely aware that federally funded cash benefits from the SSDI program are usually more generous than partially state-funded Supplemental Security Insurance (SSI) cash benefits. The maximum federal monthly SSI amount in 2015 was \$733,⁸ with a state supplement in all but four states. The average SSDI monthly benefit nationwide was \$1,165. Perhaps more important, SSI beneficiaries receive Medicaid benefits partially funded by the states, whereas SSDI beneficiaries receive federally funded Medicare benefits after a 24-month waiting period. In many states, Medicare benefits are more generous than Medicaid benefits.

Out-migration

Despite a large in-migration of college students, Vermont in particular has fewer young people in their 20s and 30s than does the United States as a whole. At the same time, Vermont has a greater number of older residents than does the United States as a whole. Rural states commonly experience out-migration of young people who are looking for the job opportunities and social environments that come with urban settings.

If able-bodied people in their 20s and 30s are more likely to live outside Vermont to find jobs and establish careers, the ones who stay behind may be those who are more likely to qualify for the SSDI program. Some evidence supporting that hypothesis comes from the Vermont Roots Migration Project, a comprehensive collection of about 3,700 individual perspectives on Vermont from present and former residents.⁹ Those who left the state identify factors such as jobs, ability to earn higher wages elsewhere, and desire for more culturally diverse communities. If jobs and higher wages elsewhere encourage young people to leave Vermont, the proportion of those less able to pursue such opportunities, including young people who are struggling with physical and mental impairments, may be higher than in states with less out-migration of young people.

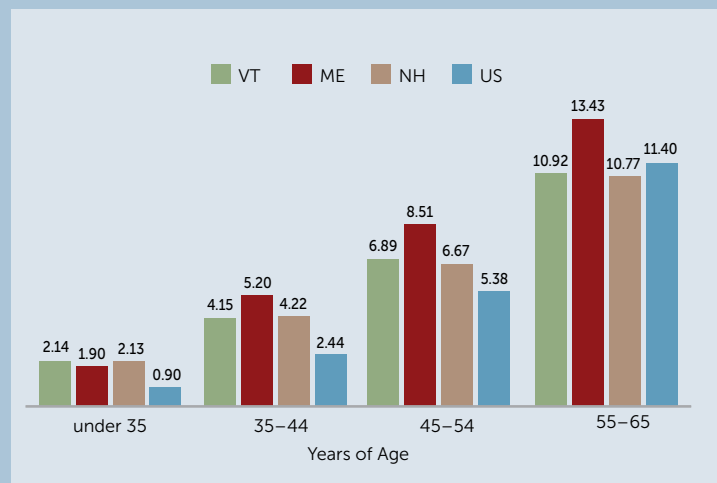
Mental Illness and Opioid Addiction

Two issues that touch many parts of the social fabric in northern New England are mental illness and drug abuse, especially opioid addiction. The two are not unconnected: mental disorders associated with substance abuse include schizophrenia and bipolar, depressive, anxiety, conduct, and personality disorders.¹⁰ According to the Vermont 2014 Mental Health National Outcome Measures, 39 out of every 1,000 people in Vermont accessed community mental health services in 2014, significantly more than the national rate

of 22 per 1,000.¹¹ Furthermore, in 2014, while 35 percent of SSDI beneficiaries in the United States as a whole qualified for benefits based on mental disorders, that share was much higher in New Hampshire (51 percent), Vermont (45 percent), and Maine (42 percent).¹² It's difficult to know if those high percentages are related to opioid addiction, long and cold winters, or some other factor, but it is a curious phenomenon.

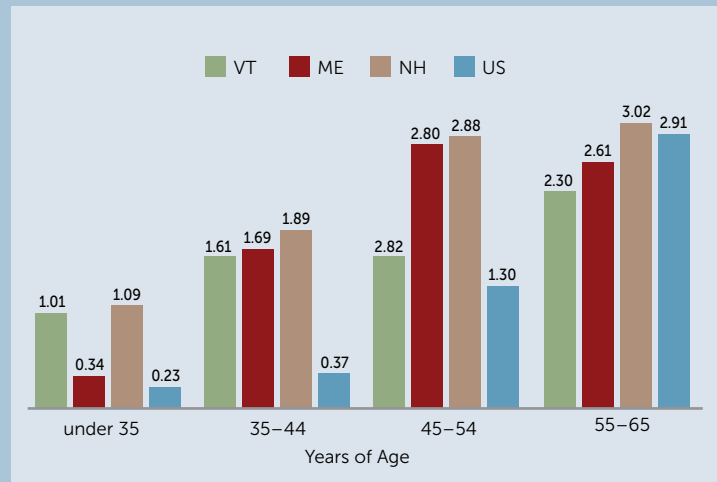
Opioid addiction is a national problem: the Centers for Disease Control and Prevention report that nationwide, use of heroin among young people increased 109 percent from 2002 to 2013.¹³ But the three northern New England states have been especially hard hit: the National Survey on Drug Use and Health for 2013–2014 noted in one snapshot from the period that those states ranked in the top fifth of all states for use of illicit drugs.¹⁴ Prescriptions for opioid pain medications can lead to opioid abuse as well.

SSDI Prevalence by Age Group, 2014 (percent)



Sources: Social Security Administration, Census Bureau.

Increase in SSDI Prevalence, 2000–2014 (percentage points)



Sources: Social Security Administration, Census Bureau.

High Rates of Health Insurance Coverage

Additionally, high rates of health insurance coverage in Vermont and other New England states mean that young people are more likely to see health care professionals who might refer them to the SSDI programs. In both Vermont and Massachusetts, only 3.7 percent of the population had no health insurance coverage in 2014.¹⁵

Other Factors

Other factors may contribute to the high rates of SSDI reliance in the region as well. Those who work with SSDI applicants point to intergenerational poverty as a factor. The fact that some northern New England areas lack diversity in jobs and have poor public transportation infrastructure may also play a role.

Why Should States Care?

Residents’ participation in the federal SSDI program may benefit them in some respects. State governments benefit as well when support comes from federal programs, as opposed to joint federal-state (for example, SSI or Medicaid) or state (for example, state subsidies for exchange-based health insurance) support programs. However, in the longer run, having large numbers of young people on SSDI means fewer people in the labor force and lower tax revenues, often for many years into the future, and more people who rely on income support from the government.

A preliminary estimate for Vermont, assuming that an SSDI beneficiary who worked would have paid an additional 40 percent of the median income tax payment for his or her age group, suggests the state would have received about \$3 million more in state income tax revenue in 2013 if the percentage of SSDI beneficiaries under 55 had risen only with the national average, rather than at the faster actual rate. Such losses recur year after year once a person qualifies for SSDI benefits because few people leave the program for reasons other than reaching full retirement age (66) and converting to old-age benefits, or death. In 2013 in Vermont, for example, benefits were terminated for just 7.7 percent of disabled worker beneficiaries.¹⁶ The majority of the terminations occurred when beneficiaries reached age 66 and converted to old-age benefits.

If the public understands the consequences of these relatively high rates of young people on SSDI, support may grow for investment in job-creation programs, work supports, further educational opportunities, and programs to alleviate drug abuse. Policymakers may also want to ask whether more can be done to help current SSDI recipients move beyond that reliance and return to the work force.

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Endnotes

¹ “Benefits Paid by Type of Beneficiary,” Social Security Administration, <https://www.ssa.gov/cgi-bin/currentpay.cgi>; US Census Bureau, “Annual Estimates of the Resident Population by Single Year of Age and Sex for the United States, States, and Puerto Rico Commonwealth: April 1, 2010 to July 1, 2014” (data for Vermont).

² Ibid.

³ Numbers of SSDI beneficiaries by age group come from “Annual Statistical

Report on the Social Security Disability Insurance Program, 2014” (report, Social Security Administration, Washington, DC, December 2015), Table 27, http://www.ssa.gov/policy/docs/statcomps/di_ast/2014/index.html. Population estimates come from the US Census Bureau table “Annual Estimates of the Resident Population by Single Year of Age and Sex for the United States, States, and Puerto Rico Commonwealth: April 1, 2010 to July 1, 2014,” US Census Bureau, Population Division, http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=PEP_2014_PEPSYASEX&prodType=table.

⁴ Opiates are drugs derived from opium. The term “opioid,” which originally referred to synthetic, opiate-like drugs, now is used as the more encompassing term, referring to both opiates and synthetics.

⁵ Jack Gettens, Pei-Pei Lei, and Alexis D. Henry, “Using American Community Survey Disability Data to Improve the Behavioral Risk Factor Surveillance System Accuracy” (Mathematica Policy Research DRC Brief No. 2015-05, Princeton, NJ, 2015, and personal communication).

⁶ Elizabeth A. Courtney-Long, et al., “Prevalence of Disability and Disability Type Among Adults—United States, 2013,” *Morbidity and Mortality Weekly Report*, July 31, 2015, Table 1, http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6429a2.htm?s_cid=mm6429a2_w.

⁷ For example, see *New Hampshire Young Adult Resource Guide*, <http://www.dhhs.nh.gov/dcyf/documents/youngadult.pdf>, or the variety of services offered by the Maine Office of Aging & Disability Services, <http://www.maine.gov/dhhs/oads/>.

⁸ “SSI Federal Payment Amounts for 2016,” Social Security Administration, <http://www.ssa.gov/oact/cola/SSI.html>.

⁹ Cheryl Morse and Wendy Geller, “The Vermont Roots Migration Project” (Vermont Research Report Series No. 1, Burlington, VT, May 2015), http://www.uvm.edu/~crvt/reports/vt_migration_final.pdf.

¹⁰ “Opiate Abuse & Addiction Effects, Signs & Symptoms,” Mount Regis Center, <http://www.mtregis.com/opiates/effects-signs-symptoms>.

¹¹ See “Vermont 2014 Mental Health National Outcome Measures (NOMS): SAMHSA Uniform Reporting System,” <http://www.samhsa.gov/data/sites/default/files/URSTables2014/Vermont.pdf>.

¹² “Annual Statistical Report on the Social Security Disability Insurance Program, 2014, All Disabled Beneficiaries,” Table 10, Social Security Office of Retirement and Disability Policy, https://www.ssa.gov/policy/docs/statcomps/di_ast/2014/sect01b.html#table10.

¹³ “Today’s Heroin Epidemic Infographics,” Centers for Disease Control and Prevention, July 7, 2015, <http://www.cdc.gov/vitalsigns/heroin/infographic.html#graphic>.

¹⁴ See “National Survey on Drug Use and Health: Comparison of 2002–2003 and 2013–2014 Population Percentages (50 States and the District of Columbia),” <http://www.samhsa.gov/data/sites/default/files/NSDUHsaeLongTermCHG2014/NSDUHsaeLongTermCHG2014.htm>.

¹⁵ Joyce Manchester, “The 2014 Uninsured Rate in Vermont Matches That of Massachusetts at 3.7 Percent, Surveys Show” (issue brief, Vermont Legislative Joint Fiscal Office, May 2015), http://www.leg.state.vt.us/jfo/healthcare/Uninsured_Rate_in_Vermont_and_Massachusetts.pdf. Little comparative information exists for all New England states. According to one Gallup poll, Maine has an uninsured rate almost as high as the national average, but other New England states were well below the national average. (See Joe Lawlor, “Maine’s Uninsured Rate Dropped in First Year of Affordable Care Act, Poll Shows,” *Portland Press Herald*, February 24, 2015, <http://www.pressherald.com/2015/02/24/number-of-mainers-without-health-insurance-plummets-poll-finds/>.)

¹⁶ “Annual Statistical Report on the Social Security Disability Insurance Program, 2013,” Social Security Administration, Tables 50–51. Table 50 shows that for the United States as a whole in 2013, 59 percent of terminations occurred when the beneficiary turned age 66, and 33 percent of terminations occurred following the death of the beneficiary. About 2 percent of beneficiaries lost benefits because they no longer met the medical standards, and about 4 percent lost benefits because they earned too much.