

# Participation Rates and Monthly Payments From Selected Social Insurance Programs: 2014

## *Household Economic Studies*

### Current Population Reports

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### INTRODUCTION

Government cash benefits to individuals are generally divided into two categories: social insurance and means-tested benefits. Social insurance programs are generally programs that are funded through payroll taxes. Eligibility is based on the occurrence of qualifying events, e.g., disability, retirement, or unemployment. In contrast, means-tested benefits are programs for which only individuals whose income falls below a designated threshold are eligible. This brief reports program participation rates and benefit amounts received by individuals for selected social insurance programs in 2014, as reported in Wave 2 of the 2014 Survey of Income and Program Participation (SIPP).<sup>1,2</sup> Specific programs discussed in this brief are:

- Social Security benefits covering retirement and disability.
- Department of Veterans Affairs benefits covering service-connected disabilities.
- Unemployment compensation.
- Workers' compensation.

Recipients often receive benefits from these programs continuously and for an extended period. Of all people aged 18 or older interviewed for the 2014

<sup>1</sup> More information on SIPP can be found at <[www.census.gov/sipp/](http://www.census.gov/sipp/)>. Information on nonresponse bias for Wave 2 of the 2014 SIPP panel can be found at <[www2.census.gov/programs-surveys/sipp/tech-documentation/source-accuracy-statements/2014/sipp-2014-source-and-accuracy-statement.pdf](http://www2.census.gov/programs-surveys/sipp/tech-documentation/source-accuracy-statements/2014/sipp-2014-source-and-accuracy-statement.pdf)>.

<sup>2</sup> Federal Black Lung benefits, Railroad Retirement Disability payments, state temporary disability and family leave, and Medicare participation are among the social insurance programs not addressed in this SIPP brief.

### WHAT IS SIPP?

The Survey of Income and Program Participation (SIPP) is a nationally representative panel survey administered by the U.S. Census Bureau that collects information on the short-term dynamics of employment, income, household composition, and eligibility and participation in government assistance programs. It is a leading source of information on specific topics related to economic well-being, family dynamics, education, wealth and assets, health insurance, child care, and food security. Each SIPP panel follows individuals for several years, providing monthly data that measure changes in household and family composition and economic circumstances over time. For more information, please visit the SIPP Web site at <[www.census.gov/sipp](http://www.census.gov/sipp)>.

reference year, 23.8 percent reported receiving income from one or more of the social insurance programs discussed in this brief.<sup>3</sup>

<sup>3</sup> The estimates in this report (which may be presented in the text, figures, and tables) are based on responses from a sample of the population and may differ from the actual values because of sampling variability and other factors. As a result, apparent differences between the estimates for two or more groups may not be statistically significant. All comparative statements have undergone statistical testing and are statistically significant at the 10 percent significance level, unless otherwise indicated. The estimates use SIPP Wave 2 replicate weights. For further information on the source of the data and accuracy of the estimates, see <[www2.census.gov/programs-surveys/sipp/tech-documentation/source-accuracy-statements/2014/sipp-2014-source-and-accuracy-statement.pdf](http://www2.census.gov/programs-surveys/sipp/tech-documentation/source-accuracy-statements/2014/sipp-2014-source-and-accuracy-statement.pdf)>.

Table 1.

# Number of Recipients of Selected Social Insurance Programs by Demographic Characteristics: 2014

Characteristics	Social Security (retirement benefits)		Social Security (disability benefits)		Department of Veterans Affairs (VA) (service-connected disability benefits)		Unemployment compensation benefits		Workers' compensation benefits	
	Number or percent	Margin of error <sup>1</sup> (±)	Number or percent	Margin of error <sup>1</sup> (±)	Number or percent	Margin of error <sup>1</sup> (±)	Number or percent	Margin of error <sup>1</sup> (±)	Number or percent	Margin of error <sup>1</sup> (±)
<b>Total (thousands) . . .</b>	<b>41,269</b>	<b>480</b>	<b>10,419</b>	<b>462</b>	<b>3,050</b>	<b>234</b>	<b>4,055</b>	<b>286</b>	<b>1,557</b>	<b>170</b>
<b>SEX</b>										
Male . . . . .	46.5	0.53	51.5	1.79	89.6	2.21	60.6	3.51	63.7	5.16
Female . . . . .	53.5	0.53	48.5	1.79	10.4	2.21	39.4	3.51	36.3	5.16
<b>AGE</b>										
18-34 years old . . . . .	X	X	6.6	1.14	16.5	3.16	28.4	3.91	16.6	4.17
35-49 years old . . . . .	X	X	20.2	1.65	20.4	3.13	35.0	3.55	31.2	6.44
50-64 years old . . . . .	12.6	0.51	54.9	1.82	27.0	3.23	32.7	3.35	44.2	5.04
65 and over . . . . .	87.0	0.54	18.1	1.47	36.2	3.47	3.6	1.35	7.9	3.38
<b>RACE/ETHNICITY</b>										
White, non-Hispanic . . . .	79.9	0.65	66.0	1.76	70.9	3.59	65.9	3.61	64.0	5.31
Black, non-Hispanic . . . .	8.7	0.31	19.0	1.40	17.1	2.98	11.7	2.67	13.5	3.81
Asian, non-Hispanic . . . .	2.9	0.38	1.6	0.54	1.5	1.04	6.3	2.12	2.5	2.16
Other, non-Hispanic . . . .	1.6	0.27	3.5	0.70	4.2	1.83	2.8	1.06	4.8	2.45
Hispanic (of any race) . . .	6.8	0.40	9.9	1.04	6.3	1.82	13.3	2.81	15.2	3.50
<b>RECIPIENT'S MONTHLY HOUSEHOLD INCOME</b>										
Less than \$2,000 . . . . .	18.2	0.89	37.0	1.81	11.5	2.26	18.0	2.33	21.3	4.72
\$2,000-\$3,499 . . . . .	22.9	1.06	23.5	1.79	12.2	2.66	13.5	2.52	17.7	4.73
\$3,500-\$5,999 . . . . .	28.8	1.10	22.0	1.84	32.4	3.96	24.2	2.96	24.3	4.61
\$6,000 or more . . . . .	30.1	1.14	17.5	1.78	43.8	4.03	44.3	3.68	36.6	6.24

X Not applicable.

<sup>1</sup> The margin of error can be subtracted from and added to the point estimate to get the 90 percent confidence interval around the estimate.

Notes: Column totals may not sum to 100 due to rounding. For information on sampling and nonsampling error, see <[www.census.gov/programs-surveys/sipp/tech-documentation/source-accuracy-statements.html](http://www.census.gov/programs-surveys/sipp/tech-documentation/source-accuracy-statements.html)>.

Source: U.S. Census Bureau, Survey of Income and Program Participation, Wave 2, 2014 Panel.

The largest social insurance program is Social Security. About 72 percent of all social insurance recipients received Social Security retirement benefits and another 18 percent received Social Security disability benefits. The next largest source was unemployment compensation, which was received by about 7 percent of recipients. About 5 percent of all recipients received veterans' disability benefits, followed

closely by workers' compensation at about 3 percent.<sup>4, 5</sup>

<sup>4</sup> The total sums to more than 100 percent because individuals can receive benefits from more than one social insurance program during the reference year. The reported proportions are to the nearest percent.

<sup>5</sup> When we consider all adults aged 18 and older in 2014, about 16 percent received Social Security retirement benefits, about 4 percent received Social Security disability benefits, about 1.7 percent received unemployment compensation, about 1.3 percent received veterans' disability benefits, and about 0.6 percent received workers' compensation.

## BRIEF DESCRIPTION OF PROGRAMS DISCUSSED

Social Security benefits, administered by the federal government, provide retirement and disability benefits to individuals as well as family members. Insured employees pay Social Security taxes and earn credits that count toward eligibility for Social Security benefits. For most employees, their Social Security contributions are

Table 2.

### Average Monthly Amount Received From Selected Social Insurance Programs by Demographic Characteristics: 2014

Characteristics	Social Security (retirement benefits)		Social Security (disability benefits)		Department of Veterans Affairs (VA) (service-connected disability benefits)		Unemployment compensation benefits		Workers' compensation benefits	
	Monthly amount	Margin of error <sup>1</sup> (±)	Monthly amount	Margin of error <sup>1</sup> (±)	Monthly amount	Margin of error <sup>1</sup> (±)	Monthly amount	Margin of error <sup>1</sup> (±)	Monthly amount	Margin of error <sup>1</sup> (±)
<b>Total . . . . .</b>	<b>1,456</b>	<b>14</b>	<b>1,230</b>	<b>21</b>	<b>1,139</b>	<b>69</b>	<b>972</b>	<b>63</b>	<b>736</b>	<b>70</b>
<b>SEX</b>										
Male . . . . .	1,643	20	1,336	30	1,138	74	1,021	78	719	91
Female . . . . .	1,293	16	1,115	27	1,141	192	895	112	769	101
<b>AGE</b>										
18-34 years old . . . . .	X	X	951	65	945	177	831	103	651	113
35-49 years old . . . . .	X	X	1,146	45	1,215	178	907	109	787	129
50-64 years old . . . . .	1,319	32	1,276	33	1,236	133	1,149	100	760	118
65 and over . . . . .	1,469	14	1,266	51	1,107	133	1,047	304	600	139
<b>RACE/ETHNICITY</b>										
White, non-Hispanic . . . . .	1,489	14	1,278	26	1,074	78	1,004	79	717	85
Black, non-Hispanic . . . . .	1,356	34	1,126	43	1,385	200	860	130	666	143
Asian, non-Hispanic . . . . .	1,382	77	1,206	198	909	688	1,137	359	882	117
Other, non-Hispanic . . . . .	1,279	79	1,215	76	1,455	364	787	176	737	296
Hispanic (of any race) . . . . .	1,249	62	1,119	65	1,051	434	871	169	852	198
<b>RECIPIENT'S MONTHLY HOUSEHOLD INCOME</b>										
Less than \$2,000 . . . . .	1,148	23	986	28	542	112	679	78	654	103
\$2,000-\$3,499 . . . . .	1,388	22	1,289	36	940	176	955	156	683	101
\$3,500-\$5,999 . . . . .	1,524	21	1,375	40	1,128	138	1,023	117	656	103
\$6,000 or more . . . . .	1,627	24	1,454	60	1,334	116	1,106	87	867	150

X Not applicable.

<sup>1</sup> The margin of error can be subtracted from and added to the point estimate to get the 90 percent confidence interval around the estimate.

Note: For information on sampling and nonsampling error, see <[www.census.gov/programs-surveys/sipp/tech-documentation/source-accuracy-statements.html](http://www.census.gov/programs-surveys/sipp/tech-documentation/source-accuracy-statements.html)>.

Source: U.S. Census Bureau, Survey of Income and Program Participation, Wave 2, 2014 Panel.

matched by their employers. Most workers need 10 years of work to qualify for benefits.

Veterans' disability compensation benefits are provided through the Department of Veterans Affairs to veterans, their spouses, and dependent children. Veterans' benefits include disability benefits paid to veterans disabled during active duty. Benefits vary by type of disability, severity of the disability, and the number of eligible dependents.

Unemployment compensation is administered by the states to

provide benefits to people who have lost their jobs and are looking for work. Employers are required to pay a certain amount to the state unemployment agencies each month, based on each worker's wage rate and hours worked.

Workers' compensation is administered by the states to provide wage and medical benefits to an employee injured during the course of employment. Workers' compensation insurance is required by almost every state. However, coverage, rules, and regulations vary by state.

### DATA ON MONTHLY PARTICIPATION AND BENEFIT AMOUNTS

Data on monthly participation and benefit recipient amounts for the 2014 calendar year were collected in Wave 2 of the 2014 SIPP. Participation rates reflect receipt for one or more months during the reference year, and the monthly receipt amount reflects the average monthly benefit received. SIPP is particularly well suited as a source of national estimates of social insurance program use because it collects data about several benefits programs in the

same interview, as well as detailed demographic data. This allows for a more in-depth analysis of the characteristics of program participants than administrative sources can provide. In addition, since monthly data are collected over a 4-year period, the SIPP allows researchers to better understand the interplay between family structure, work experience, and program participation over time.

Participation rates and amounts for individual recipients are reported for selected demographic characteristics (sex, age, race and ethnicity, and household income).

## TABLE HIGHLIGHTS

### Sex

- Average monthly Social Security retirement payments received by men were \$350 more than the average monthly amount received by women (\$1,643 compared to \$1,293).
- About 9 in 10 of veterans' benefits recipients (89.6 percent) were men.
- Nearly two-thirds of workers' compensation recipients (63.7 percent) were men.

### Age

- Over half of Social Security disability recipients (54.9 percent) were between 50 and 64 years old.
- The vast majority of unemployment compensation recipients (96.4 percent) were below the age of 65.
- Over two-fifths of workers' compensation recipients (44.2 percent) were between the ages of 50 and 64.

### Race/Ethnicity

- About four-fifths of Social Security retirement recipients (79.9 percent) were White, non-Hispanic.
- A majority of veterans (70.9 percent) that receive monthly service-connected disability benefits are White, non-Hispanic.
- Of workers' compensation recipients, 15.2 percent identified as Hispanic.

### Household Monthly Income

- For all households that received Social Security retirement benefits and had a total monthly income of less than \$2,000, their average monthly Social Security retirement payment was \$1,148, representing more than half of their monthly income.
- More than a third of Social Security disability benefits recipients (36.7 percent) lived in households with a total monthly income of less than \$2,000.
- More than two-fifths of veterans' benefits recipients (43.8 percent) lived in households with a total monthly income greater than \$6,000.

Social Security retirement is the largest social insurance program. It covers more Americans than the other four programs combined, and has the largest average monthly payment of \$1,456.

Almost two-fifths (37.0 percent) of Social Security disability recipients live in households with a monthly household income of less than \$2,000. The population receiving veterans' disability

compensation is more economically secure, as over two-fifths (43.9 percent) have monthly household incomes greater than \$6,000. Receipt of unemployment compensation and workers' compensation is concentrated in the traditional working-age population, with 96.4 percent of unemployment compensation recipients and 92.1 percent of workers' compensation recipients between the ages of 18 and 64.

## CONTACT INFORMATION

E-mail Mahdi S. Sundukchi of the U.S. Census Bureau's Demographic Statistical Methods Division at <mahdi.s.sundukchi@census.gov> for further information on the source of the data and accuracy of the estimates, including confidence intervals.

For information on the content of the report, e-mail John J. Hisnanick, Chief, Program Participation and Income Transfer Branch at <john.j.hisnanick@census.gov> or call 301-763-2295.

## USER COMMENTS

The Census Bureau welcomes the comments and advice of users of its data and reports. If you have any suggestions or comments, please e-mail <www.ask.census.gov>.

## SUGGESTED CITATION

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