Knowledge and Nudges, Year 2: An Intervention to Improve the Outcomes of SSI Youth

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Supplemental Security Income (SSI) provides cash welfare to the families of 1.4 million low-income children with disabilities. SSI youth face unique challenges in the transition to adulthood and have poor labor market outcomes (Davies et al. 2009; Deshpande 2016). Each year, 50,000 children turn 18 and undergo an age 18 redetermination to determine if they qualify for the program based on adult medical criteria. Evidence indicates that families underestimate the likelihood of removal at age 18 and, as a result, may underinvest in their child's human capital because they expect the child's SSI benefits to continue in adulthood.

In Year 1, funded in the FY18 DRC budget, we proposed an intervention to improve the outcomes of SSI children by providing personalized information to families about the likelihood that a child will be removed from SSI at age 18, as well as resources to help SSI youth with the transition. Given delays in the SSA process, we are requesting to extend this project to Year 2. We have partnered with the NORC to implement a randomized controlled trial of "knowledge"—personalized information about the likelihood and consequences of age 18 removal—and "nudges," which will guide families to make key investments in their children's human capital.

Relevance to Social Security: This project advances SSA's interests in improving the outcomes of SSI youth and recent GAO (2017) recommendations that SSA work with VR agencies to deliver services to SSI youth. It will provide evidence to SSA on the effectiveness of providing personalized information about the age 18 process and providing "nudges" to encourage the take-up of support services, particularly vocational rehabilitation. In addition to the SSI program area, the project aligns with SSA's focal area on "induced entry" since it measures the effect of information and resources on future SSI receipt and labor force participation. The baseline survey will provide insight into recipient perceptions of the SSI program and how these affect their long-term plans, consistent with the "survey issues" focal area.