Measuring Economic Security Using Linked Consumer Expenditure and Administrative Data

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Focal Areas: Economic Security of SSA Beneficiaries; will study OASI, DI and SSI; will consider racial disparities

ABSTRACT

This project will examine the distributional effects of Social Security Administration Programs (OASDI and SSI) as well as other means-tested and social insurance programs using Consumer Expenditure (CE) interview survey data linked to income tax and transfer program data. These data will allow the examination of the role of these programs on income, expenditures and consumption, while accounting for consumption of past savings, the flow of services from owned houses and cars, and accounting for the pronounced under-reporting of pension and transfer income. Past research has assessed the distributional effects of these programs using income data, and often poorly measured income data. About half of recipients of private pensions and a substantial share of SSDI and SSI recipients do not report receipt in our major household surveys. This project will examine the consumption distribution of recipient households, an arguable more interesting measure of living standards for many groups such as the retired and disabled. These populations often rely on past saving rather than current income and may maintain a high standard of living if they already own key durables like a home and a car. Using administrative program receipt data one will also be able to better characterize who receives benefits and tax credits. I will focus on linked CE data for the years 2014-2016 due to data availability, examining how SSA programs and other social insurance and means-tested programs alter the the standard of living of recipients as measured by their consumption.