

## Social Security Disability Insurance by Age, Income and Geography

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### Key Findings and Policy Implications

This paper explores the potential use of tax data to study SSDI recipients, and then analyzes patterns of SSDI receipt by age, income and geography using these data. The project uses administrative federal income tax data from form SSA-1099, which is reported by SSA to the IRS for all individuals receiving Social Security benefits. The paper finds that:

- The administrative tax data closely match aggregate data from SSA, validating the use of administrative tax data in characterizing SSDI recipients. The aggregate population counts have less than a 1% difference. The data are also comparable across geographic locations, with aggregate population counts within 5% of each other for 48 out of the 51 states (including Washington, D.C.)
- Consistent with earlier results, the SSDI population is skewed toward older ages for both men and women. For ages younger than age 50, participation is similar for men and women. After age 50, participation is noticeable higher for men. Comparing participation across geographic locations, the paper finds that places that have high participation at younger ages tend to have high participation at older ages too.
- Individuals with lower income are much more likely to enter SSDI than higher income individuals, and their entry into the program rises markedly with age. By age 55, for example, more than 3 percent of those in the lowest income group enter SSDI each year, while less than 0.2 percent of those in the highest income group enter SSDI.

The policy importance of the findings is in understanding the differences in SSDI participation across demographic groups and geography, and the particular importance of age and income on rates of entry into the program.

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