Adult OASDI Beneficiaries and SSI Recipients Who Need Representative Payees: Projections for 2025 and 2035

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Representative Payee Forum
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Purpose of Paper

- Examine how demographic changes may influence the need for representative payees in the future
- Focus on adults, as parent serves as a representative payee for the vast majority of children, students, and disabled adult children
- Examine the share of beneficiaries with non-family member serving as a representative payee
- Identify some of the challenges to projecting the need for representative payees

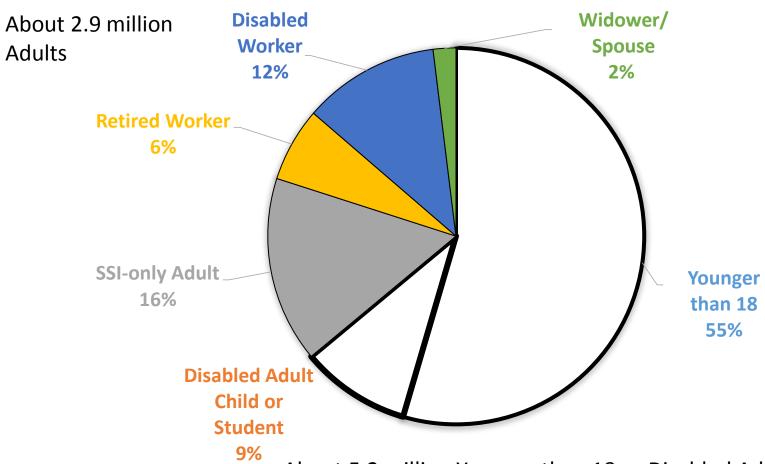
Methodology

- Disaggregate data on OASDI beneficiaries and SSI recipients in CY 2013 by age and program
- Compute the proportion with a representative payee within each disaggregated group in CY 2013
- Use Modeling Income in the Near Term (MINT) to project beneficiary population for 2025 and 2035, disaggregated by age and program
- Multiply CY 2013 proportions for each disaggregated group by the 2025 (and 2035) MINT projections, then sum disaggregated groups to obtain overall number of beneficiaries who will need a representative payee
- Perform separate projections for the subset with a non-family member serving as a representative payee, using the same approach

Sources of Projection Uncertainty

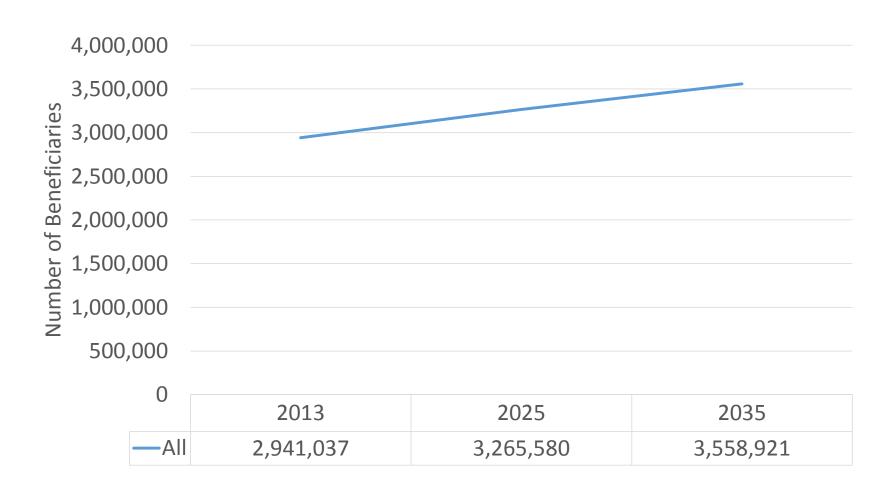
- Will the proportion of beneficiaries with a representative payee remain the same as CY 2013?
 - Improvements in mortality might be accompanied by increases in disabling health conditions and the need for representative payees
 - Reductions in the prevalence of some conditions (e.g., recent JAMA study on dementia trends) might reduce the need for rep. payees
- Are there more beneficiaries who need a representative payee than reported in the data?
 - Changes in the capacity to manage benefits might not be reported to SSA
 - OIG report suggests more beneficiaries may need a rep. payee
 - Many identified by OIG have a family member who manages finances, but...
 - Changes in family composition are likely to increase financial vulnerability
- Monitoring both of these issues is important for assessing and updating our projections, and for agency strategic planning on the rep payee program

Data on <u>All</u> 8.1 Million Beneficiaries with a Representative Payee in CY 2013

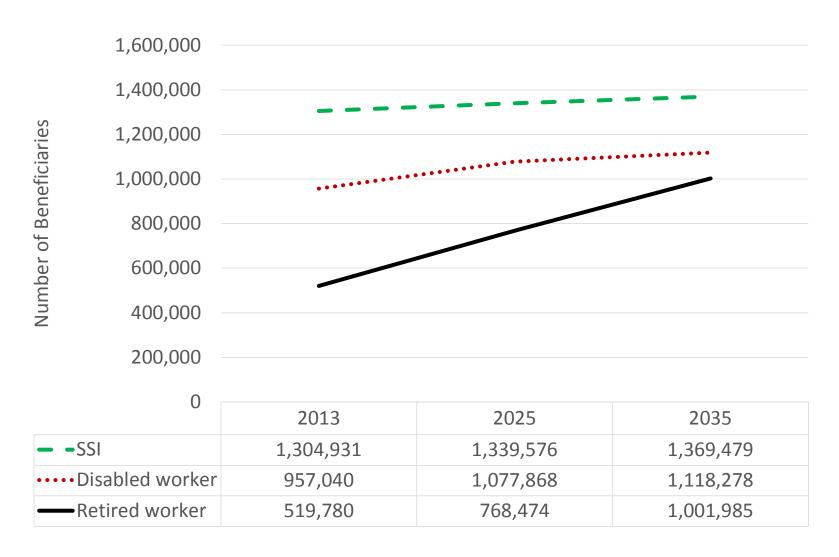


About 5.2 million Younger than 18 or Disabled Adult Child or Student, Not Included in the Study

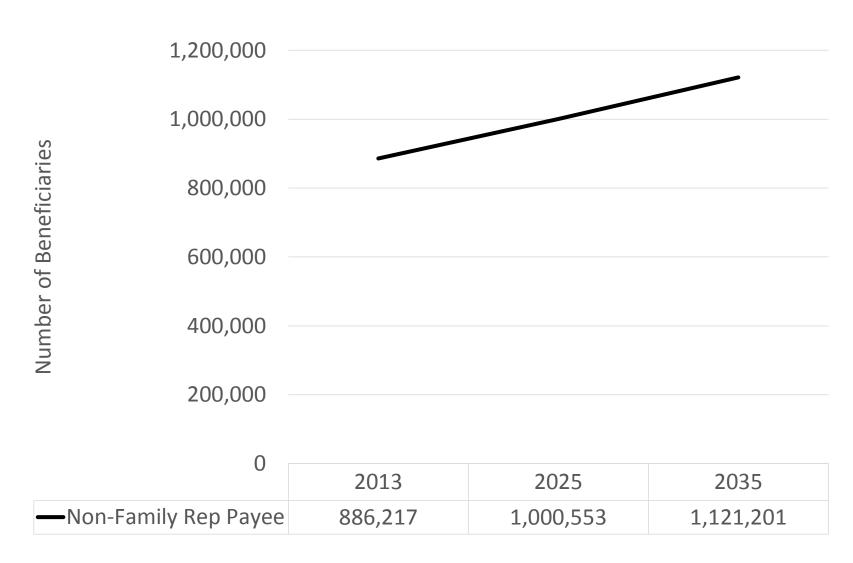
Projected Growth in the Need for Representative Payees



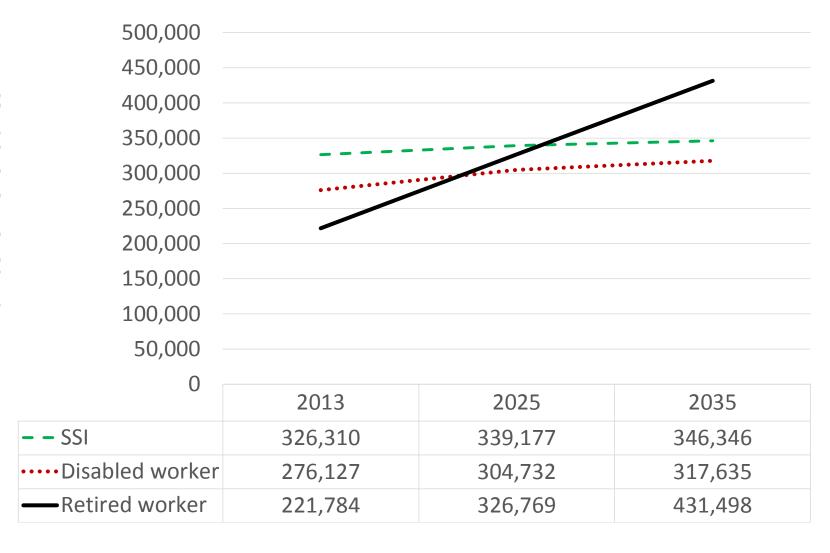
Projected Growth In Beneficiaries with a Representative Payee, By Program



Projected Growth in Beneficiaries with a <u>Non-Family Member</u> Representative Payee



Projected Growth In Beneficiaries with a <u>Non-Family Member</u> Representative Payee, By Program



Conclusions

- The number of adults who need a rep payee may increase from:
 - 2.94 million in 2013,
 - to 3.27 million by 2025, and
 - to 3.56 million by 2035.
- The increase is driven by growth in the retired-worker beneficiary pop. from 2013 to 2025, and 85-or-older age group from 2025 to 2035
- Growth in the number of adults with a non-family member representative payee is somewhat more dramatic, only 57.3 percent of retired-worker beneficiaries had a family member serve as rep payee, compared to 71.1 percent of disabled-workers.
- The change in the size and composition of the beneficiary population may pose significant challenges, planning for these changes critical
- Projections are subject to uncertainty, updating and improving the projections as new data become available will be important for strategic planning purposes

More Information

Our Paper: "Adult OASDI Beneficiaries and SSI Recipients Who Need Representative Payees: Projections for 2025 and 2035" Social Security Bulletin, 2015, 75(2):1-17.

https://www.ssa.gov/policy/docs/ssb/v75n2/v75n2p1.pdf

JAMA Paper: "A Comparison of the Prevalence of Dementia in the United States in 2000 and 2012" JAMA Internal Medicine, 2017, 177(1):51-58.

http://jamanetwork.com/journals/jamainternalmedicine/article-abstract/2587084