

Who Will Benefit from the 2024 ABLE Age Adjustment Act?

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Introduction

- Achieving a Better Life Experience (ABLE) accounts can be an important asset-building opportunity for Supplemental Security Income (SSI) recipients.
- Given the current low take-up rate (1.1%) of ABLE accounts, it is important to understand the savings and asset capacity of SSI recipients as more people will be able to access ABLE accounts in 2026 when the eligibility criteria increase from the disability onset age 26 to age 46.

Methods

- **Data:** 2014-2017 Survey of Income and Program Participation (SIPP) merged with the 2014 SSA Supplement
- **Aim:** to explore different characteristics in asset and savings behavior of SSI recipients by three disability onset age¹ groups: before age 26 (currently eligible), ages 26-45 (newly eligible), and age 46 and older.
- **Model:** the linear probability fixed effects model
- **RQ 1:** Which individual characteristics are associated with having any assets or any savings and with the amounts of assets or savings?
- **RQ 2:** What are the likelihoods of having savings accounts in the three disability onset age groups?

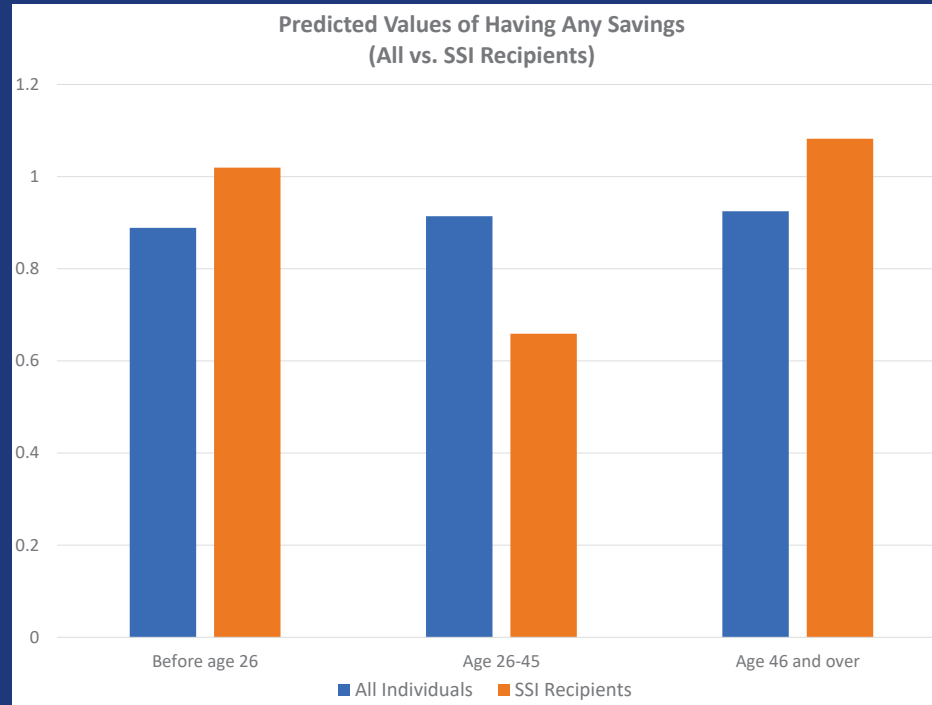
Results

- Having any assets is associated with ...
 - High school degree or higher and current work status (+)
- Having any savings accounts is associated with ...
 - Current work status (+)
- Asset amounts are associated with ...
 - Female and household size (-)
- Savings amounts are associated with ...
 - Marital status and having young children (-)
 - Current work status (+)
- Among three age groups, SSI recipients who report disabilities between the ages 26 and 45 have lower likelihoods of having savings (66-80 percent) accounts than other age groups (over 87 percent).

Discussion

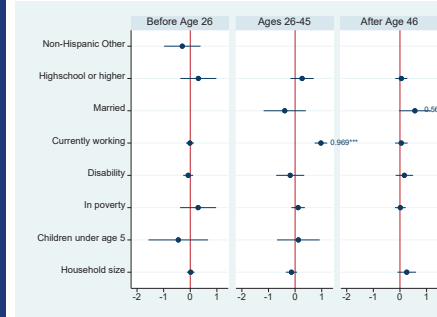
- Income-generating work activities are likely to incentivize savings for SSI recipients particularly for individuals who had disabilities between ages of 26 and 45.
- However, perhaps due to the limited level of employment in this population, these potentially new users of ABLE accounts may have low participation rates for ABLE accounts when they become eligible in 2026.
- Employment-encouraging programs such as Ticket-to-Work (TTW) may be beneficial for boosting labor participation of SSI recipients, which can ultimately help improve participation of ABLE accounts, particularly for the newly eligible ABLE account users among SSI recipients.

SSI recipients with disability onset ages between 26 and 45 years are less likely to have savings accounts than other age groups. With savings accounts as a proxy for ABLE accounts, this result can suggest potentially low take-up rates of ABLE accounts once the disability onset age threshold increases to 46.



Source: Survey of Income and Program Participation 2014 Waves 1-4 merged with 2014 Social Security Administration Supplement Data

The current work status of SSI recipients is significantly associated with having any savings accounts.



*** p<.01, ** p<.05, * p<.1
Note: Coefficients and 95% confidence intervals of reporting any savings by work-limiting onset age groups (SSI recipients only) are presented. The base category for race/ethnicity is non-Hispanic White.
Source: Survey of Income and Program Participation 2014 Waves 1-4 merged with 2014 Social Security Administration Supplement Data

¹ Definition of disability onset age in the 2014 SIPP SSA Supplement

- Work-limiting age: the age that individuals became limited in the kind or amount of work she could do at a job/business.



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