
March 23, 2026 | **By Kathleen Romig and Devin O'Connor**

Trump Administration Personnel Policies Harming Social Security Customer Service, Risk Lasting Damage

The Trump Administration deliberately caused the loss of an unprecedented number of workers from the Social Security Administration (SSA) in its first year in office, reducing staffing by roughly 7,500 employees (13 percent) from January 2025 to January 2026.¹ New data from the Office of Personnel Management (OPM) reveal more about how the resulting short-staffing of critical functions is degrading service for the largely older, bereaved, and severely disabled people who most rely on SSA and creating challenges that will be difficult to turn around without major changes. (See Figure 1.)

The loss of thousands of employees hit key customer service positions hard, including a drop of more than 3,000 staff who assist visitors to SSA field offices and callers to SSA's national 800 number. SSA leadership responded by shifting thousands of remaining workers to new roles to help fill the gap the Administration had created. But redistributing the too-few remaining workers to roles where they have little or no experience risks ameliorating one service delivery problem by exacerbating others.

SSA has also pared back the performance metrics it had previously shared publicly each month, such as how long callers to the 800 number must wait on hold or for a call back or how long applicants must wait for an in-person appointment. This loss of transparency may hide from public view critical challenges now facing the agency.

One area of SSA operations affected by both staffing losses and reduced transparency is the large and growing backlog of hearings for people appealing SSA's denial of their application for disability benefits. The number of cases pending rose by more than 73,000 from January 2025 to February 2026, threatening harm for some of the most vulnerable people SSA serves.

Having forced out thousands of experienced employees while blocking virtually all new hiring, SSA now has fewer senior career leaders and fewer early-career staff than at any point in over two decades. These losses mean the Administration's personnel policy will likely affect service to the public for a long time to come.

FIGURE 1

Staffing Losses at Social Security Administration Harm Customer Service, Risk Lasting Damage

-7,500 employees in one year—the **largest one-year decline on record**. SSA now has **fewer employees than it has had since 1967**, when it served 52 million fewer beneficiaries.

These losses have major consequences:

- ⚠️ Large gaps in customer service; over half of staff losses were in customer service and IT.
- ⚠️ Fewer senior career leaders, fewer early-career staff than in more than two decades.
- ⚠️ Growing backlog of disability appeals — 27 percent increase in past year.
- ⚠️ SSA has stopped reporting key customer service metrics, potentially hiding further problems.
- ⚠️ Staffing problems will likely cause lasting damage unless SSA rapidly changes course.

Source: OPM data on SSA staff declines from Jan. '25 to Jan. '26; SSA data on disability appeals from Feb. '25 to Feb. '26. For more information, see CBPP, "Trump Administration Personnel Policies Harming Social Security Customer Service, Risk Lasting Damage"

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SSA already faced customer service challenges when the Trump Administration took office, as years of underfunding had forced the agency to serve the growing number of beneficiaries with fewer staff.² The Administration's personnel policies have made things far worse. While SSA Commissioner Frank Bisignano has promised that SSA will partly compensate for cuts in staffing through improved efficiency, he has yet to explain how it will do so, and the reality is the agency will need to begin hiring significant numbers of new employees now to avoid even greater deterioration in service. The Administration also needs to publish detailed plans for addressing its customer service challenges to help restore confidence in the agency and hold it accountable for delivering on those promises.

Rapid Staffing Losses Hit Critical Customer Service Supports

In its first 12 months, the Administration pushed out more than 7,500 SSA workers without considering their individual performance or the roles they filled, causing SSA's largest one-year staffing reduction on record and compromising its ability to reliably serve seniors, bereaved families, and people with disabilities.³ By January 2026, SSA had fewer employees than at any time since 1967, when the agency was not yet responsible for administering Supplemental Security Income (SSI) and served 52 million fewer beneficiaries.

The Administration launched this rapid staff exodus, which led over 3,500 SSA employees to leave within the first 100 days, with a combination of incentives and invective aimed at SSA staff.⁴ But the Administration lacked a clear plan for how SSA would meet its mission after the loss of so many workers, which created large gaps in customer service – at call centers, local offices, and other critical areas – that continued throughout the year.

More than half of the losses in the Administration's first year occurred in three positions that are crucial for ensuring that applicants and beneficiaries get the service they need, including:

- **Nearly 1,800 social insurance specialists**, who help people apply for Social Security and SSI benefits and process applications.
- **Nearly 1,300 contact representatives**, who provide assistance and fulfill requests for visitors to local SSA offices or callers to SSA's 800 number.
- **More than 1,100 information technology workers**, who maintain the technology systems that allow other staff to receive and process applications and ensure that benefits are delivered.

As thousands of staff abruptly left key roles, SSA service reached a crisis point in the spring of 2025.⁵ News reports described lines snaking out the doors of local offices, website crashes, and callers waiting up to two or three hours to get help on SSA's 800 number if they got through at all.⁶ In May 2025, the last month for which SSA posted detailed customer-focused performance metrics, callers had to wait about an hour and 45 minutes on hold or for a call back, fewer than half of callers eventually got through to a representative, and most retirees and survivors waited more than 28 days for an appointment.⁷

In response, SSA's leadership focused intensively, and with some success, on shortening the time that callers to SSA's national 800 number spend waiting on hold. They reassigned 1,000 field office staff to the phone lines beginning in July 2025, boosting the number of call center agents by 25 percent, and subsequently reassigned additional staff from across the agency to aid the effort.⁸ But the progress has not been as dramatic as they have claimed, with SSA's inspector general finding that average total waits on the phone ranged from 45 minutes to two hours in 2025.⁹ (See text box, "Relying on Misleading Phone Metric Overstates Customer Service Improvements.")

Moreover, the reduction in phone answer times doesn't necessarily mean callers are ultimately getting the help they need faster.¹⁰ Many of the reassigned staff have no experience directly serving the public and may not have expertise in SSA program rules relevant to answering calls. Yet they receive only a few hours of training for their new role before interacting with callers, so they may not be prepared to address all of the difficult issues they may encounter.¹¹

Also, the reduction in phone answer times has come at the expense of other work that serves the public. Even as waits on the 800 number improved, other retirees, disabled workers, and bereaved families who need help from local offices are facing delays, with thousands fewer workers available to take appointments or follow through on requests. While SSA doesn't publish data on staffing by field office, 40 states and Washington, D.C. each saw a decline of more than 10 percent in the overall number of SSA

staff in the state between January 2025 and January 2026.¹² In fact, some offices have been so short-staffed that they have been forced to close their doors to people seeking in-person service, sometimes for hours and sometimes for weeks or even months.¹³

Relying on Misleading Phone Metric Overstates Customer Service Improvements

After removing from public view many important customer-focused performance metrics that SSA had been publishing monthly, Commissioner Frank Bisignano has frequently cited progress on one particular metric: average speed of answer (ASA), which was 11 minutes in January 2026. Focusing on ASA, however, gives an incomplete and misleading impression of what callers to SSA actually experience.

First, ASA only measures the average speed of answer for those callers *who are able to connect to an agent*, excluding the millions of callers each month who do not get through before hanging up, being disconnected, or receiving a busy signal. An Office of the Inspector General (OIG) report found there were 25 million such callers in 2025, but the time they spent waiting unsuccessfully for help is not counted in ASA.^a

Second, roughly three-fourths of callers seeking to talk to an agent use the option, introduced in 2024, to receive a call back once an agent is available rather than remaining on hold.^b But while the typical wait for a call back is over an hour, SSA records the wait as zero minutes, reducing the reported average speed of answer well below callers' actual experience.^c (SSA no longer publishes time spent waiting for a call back; it was last reported for September 2025 by the OIG.) ASA also doesn't capture what happens to people who call a local field office rather than the national 800 number; they make up roughly 4 in 10 callers to SSA overall.^d

Finally, ASA sheds no light on other documented challenges callers to SSA have faced over the past year, including struggling to get through AI bots to speak to a human and never receiving a promised call back.^e

Meanwhile, SSA has avoided publicly reporting the total average wait time callers experience, which ranged from 45 minutes to two hours in 2025, according to data stripped from an OIG report on phone service before the report's publication.^f

^a SSA Office of the Inspector General, "Social Security Administration's Telephone Metrics," December 2025, <https://oig.ssa.gov/assets/uploads/032517.pdf>.

^b SSA, "Social Security performance," <https://www.ssa.gov/ssa-performance>.

^c SSA Office of the Inspector General, *op. cit.*

^d SSA, "Agency Financial Report, Fiscal Year 2025," January 15, 2026, <https://www.ssa.gov/finance/2025/Full%20FY%202025%20AFR.pdf>.

^e Meryl Kornfield and Hannah Natanson, "Callers to Social Security wait for hours to get help. Hear their ordeals," Washington Post, October 28, 2025, <https://www.washingtonpost.com/politics/interactive/2025/social-security-wait-hold-callback/>.

^f Meryl Kornfield and Lisa Rein, "Under Trump, the government's watchdogs are losing their independence," Washington Post, March 19, 2026, <https://www.washingtonpost.com/politics/2026/03/19/inspector-general-independence-trump/>.

In addition, recent reporting and research reveal unprecedented challenges in getting needed help from SSA. The Washington Post reported in December 2025 that record backlogs at SSA are delaying service, appointments take longer to get, and new service restrictions make it harder for people to get help.¹⁴ Widows and children who have lost parents face some of the longest delays, with months-long waits to receive benefits while many struggle to pay bills, food, and rent.¹⁵ And a study based on interviews with

dozens of organizations working with disability applicants found applicants faced problems that included calls that were dropped or answered by people who couldn't provide help, difficulties accessing walk-in services or making appointments in local offices, and applications that "take longer, are denied more often, with more errors along the way."¹⁶

To help address especially severe understaffing at certain local field offices, SSA leadership is spreading incoming work across field offices to take advantage of where workers may have the most capacity. This is a worthwhile initiative if managed carefully and supported with the right systems improvements, but a source of potential errors, delays, or frustration if not well executed.¹⁷ Likewise, with hundreds fewer processing center staff, responding to claims and other requests may take longer; getting through to agents on the 800 number is less beneficial if more callers hear that their claims and other requests have been held up because the workers who would have fulfilled them are now answering phones.¹⁸

Elimination of Key Customer Service Metrics May Be Hiding Further Problems

In the summer of 2025, amid bad press on its worsening performance, SSA stopped publicly releasing regular monthly updates of many customer-focused service metrics.¹⁹ SSA restored some of those measures over time but has not restored certain key metrics. For example, SSA no longer shares how long callers wait on hold or for a call back on the 800 number, how long it takes applicants to get an appointment, or how many unfulfilled requests languish in the processing backlog.

Thus, we cannot know how well SSA's efforts to cope with its significant staffing losses are working, or how people who rely on SSA are being affected. But when Commissioner Bisignano released a set of metrics on a one-time basis in response to pressure from Congress, they contained worrying signs. As of August 2025, more than half of retirees and survivors waited over a month for an appointment to apply for benefits. Callers to the 800 number waited over an hour to reach an agent, whether they chose to wait on hold or opted for a call back – much longer than the "average speed of answer" the Commissioner often cites in public.²⁰

In addition, the Washington Post's reporting in December found continuing large backlogs and delays in people receiving needed help from SSA. Local offices had over 12 million transactions – such as claims, name changes, and address updates – that workers hadn't yet processed for waiting customers. Meanwhile, the agency's centralized processing centers had 6 million other pending transactions.²¹

Staffing Losses May Be Contributing to Growing Backlog of Disability Hearings

Staff cuts appear to be contributing to the rapid growth in the backlog of disability appeals. The number of disability hearings awaiting resolution has jumped by 24 percent just in the past year.

Between January 2025 and January 2026, SSA lost 13 percent of its administrative law judges (ALJs). The largest one-year drop on record, it led to the fewest ALJs employed by SSA in at least 20 years. SSA also lost hundreds of attorneys and paralegals in 2025, many of whom help ALJs prepare for hearings and write decisions.

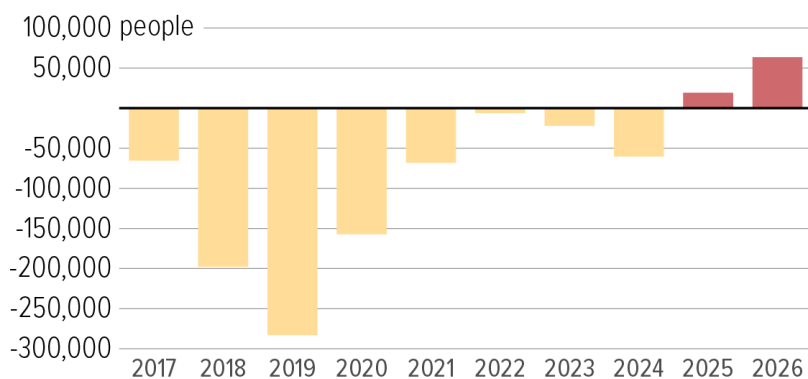
ALJs play a critical role in ensuring fair access to disability benefits, deciding on the outcomes of appeals after applicants for such benefits are initially denied by SSA. ALJs help ensure that claimants' applications are treated fairly and impartially based on the eligibility rules. More than one-third of initially denied applicants request an appeal.²²

Such appeals are even more important if applicants are concerned that they may not get a fair decision from an overstretched and understaffed SSA.²³ Even in the best of times, lengthy waits for appeals cause hardships for applicants who are unable to work because of their disability but are still awaiting a decision on their benefits.

FIGURE 2

Disability Hearing Backlog Now Rising After Years of Reduction

Change in number of people with disability hearings awaiting resolution



Note: Years are fiscal years; data for 2026 are for the fiscal year to date, Sep. '25 to Feb. '26.

Source: SSA

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The number of disability hearings awaiting resolution rose by more than 73,000 from January 2025 to February 2026, to nearly 344,000.²⁴ After years of progress in reducing record backlogs (including during the first Trump Administration), 2025 was the first fiscal year since 2016 in which the number of

people awaiting decisions on their appeals increased. (See Figure 2.) The loss of judges needed to decide these appeals will make it even more difficult for SSA to shrink the growing backlog.

Adding to these problems, SSA abruptly stopped publishing more detailed monthly hearings data for the first time in years in September 2025. Restoring transparency on appeals is vital: continued increases in the backlog would mean some of the most vulnerable people that SSA serves – people with severe, potentially work-limiting disabilities who are waiting to begin receiving financial support – are suffering as a result of SSA’s personnel policies. This is particularly ominous given the major problems that SSA had with appeals backlogs a decade ago. Backlogs ultimately reached a record high, and SSA was only able to get them under control with significant congressional oversight and dedicated funding.²⁵

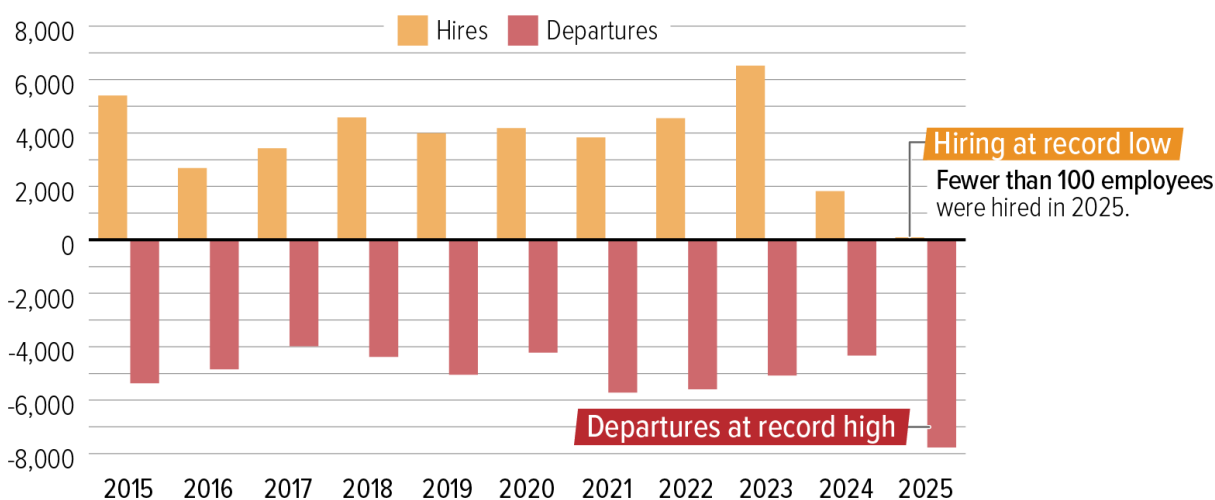
Current Problems Will Likely Have Lasting Consequences

The large, rapid, and haphazard loss of staff last year will likely hamper SSA’s performance for years to come. The Administration chased away an unprecedented level of expertise and experience from the agency, including more than a third of its nonpartisan career senior executives.²⁶ SSA lost more than twice as many senior executives in 2025 as in any other year on record.

While pushing out a historic number of workers, the Administration has also blocked SSA from replacing nearly any of them. (See Figure 3.) The agency hired fewer than 100 employees in all of 2025 – the lowest number on record and less than 2 percent of hiring in an average year.

FIGURE 3

At SSA, Unprecedented Staffing Loss and Record-Low Hiring



Source: OPM EHRI Dynamics dataset. Record highs and lows refer to the period (2005 onward) for which data are available.

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The cuts and failure to hire combined to strip the agency of its pipeline of early-career workers training to assist the public when longer-tenured workers leave. At the beginning of 2026, fewer than 850 of SSA’s

50,000 employees were in their first two years of federal service and fewer than 7,800 were in their first five years – both easily the lowest figures on record going back over 20 years. This means SSA will be particularly vulnerable as more employees continue to leave, because the Administration is failing to invest in training their replacements. It typically takes two years for a new claims representative or disability examiner to acquire the technical knowledge necessary to handle a large workload encompassing a range of complex issues.

Failing to hire will particularly hurt the parts of SSA that typically experience the highest turnover, such as call centers and local offices. However, as of March 1, 2026, SSA was publicly recruiting for only *eight* roles at the entire agency, all in information technology. Reporting suggests that SSA aims to “increase its workforce by 1,000 employees” this year, including at least 700 customer service representatives, but it is not clear whether the agency plans to merely hire 1,000 employees or to increase staffing by 1,000 even accounting for further departures.²⁷ After all, in a typical year about 5,000 workers leave SSA (but are often replaced by new hires). SSA needs to begin hiring significant numbers of new employees now to avoid even greater deterioration in service.



Early-career employees at SSA are at record lows.

Fewer than 850 of SSA’s 50,000 employees are in their first two years of federal service; fewer than 7,800 are in their first five years.

When SSA begins to hire in earnest, it will face new challenges, like the Administration’s politicization of hiring and firing government-wide. Agency heads, along with a committee of political appointees, must personally approve every job listing before posting, as well as every selection before hiring.²⁸ All applicants must answer essay questions about how they will further the President’s agenda – even if their day-to-day role is apolitical and focused on serving the public, like answering questions about SSA services, processing benefit applications, or supporting SSA’s technology needs. It also may be more difficult to recruit employees to federal service following the Administration’s mass firings and denigration of federal workers, and with so many remaining workers carrying the workload of departed colleagues.²⁹ SSA scored the lowest on employee satisfaction and engagement of any large agency in the Partnership for Public Service’s Public Service Viewpoint Survey, which was designed to replace the annual federal personnel survey that OPM cancelled in 2025.³⁰

Greater Transparency Essential to Hold SSA Accountable

When President Trump resumed office in 2025, SSA was already straining to deliver for those who rely on it. Years of constrained administrative budgets had caused SSA staffing to gradually fall by roughly 7,300 employees over the preceding decade. For reasons it never fully articulated, the Administration chose to reduce SSA’s workforce by another 7,500 employees in a single year without regard for their roles or responsibilities. Predictably, this created unprecedented disruption at SSA and raised serious concerns about the agency’s ability to reliably deliver services and benefits to the public.

Given the significant staffing gaps the workforce cuts created in critical functions, SSA is under strong pressure to increase the productivity of its remaining staff quickly. But reassignments, sprints, and shortened training (along with ongoing restrictions on hiring) will not deliver the sustained and lasting improvements SSA needs. Pushing staff to rush through tasks can undermine accuracy and quality, unfairly keeping people from receiving benefits they are entitled to or creating additional headaches for SSA in the future, such as payment errors or lengthy and expensive appeals.

Laudably, SSA is looking to leverage technological improvements or workflow efficiencies to offset some of the lost capacity. But such initiatives will require careful planning and thoughtful implementation, and the Administration's choice to radically cut staff *first* and implement improvements *second* raises serious questions about its judgment and ability to execute these efforts. Public trust in SSA has also been seriously damaged over the past year by DOGE chaos and weaponization of the agency, fake fraud claims, politicization of agency communications, data leaks, and other problems.³¹

Commissioner Bisignano has frequently stated that he wants SSA to be a "digital first" agency; leaked documents show SSA aims to cut the number of people it serves in its field offices in half in 2026.³² But he has provided few specifics on how he plans to achieve that goal, and what improvements the public should expect to see and when. In fact, SSA's performance plan for 2026 listed "TBD" for many of its most important customer service goals and targets.

The Administration owes Congress and the public a concrete explanation of SSA's planned path forward and transparent measures and benchmarks to hold the agency accountable in making progress toward those goals, such as:

- **Publishing SSA's annual personnel plan**, which the agency was required to submit to OPM and the Office of Management and Budget at the end of 2025. SSA should make that document public, along with a clear and detailed plan for future staffing at SSA.
- **Publishing monthly reports on staffing at each field office and in other critical positions across the agency**. OPM has made welcome improvements in the transparency with which it reports on federal personnel across government. SSA should build on that effort by releasing its own staffing figures.

If SSA plans to make do with fewer front-line staff or reduced support for those directly assisting the public, it should make clear how it intends to do so and what tradeoffs in service are to be expected. This is especially important given that the loss of experienced personnel could have lasting consequences for the quality of SSA services.

- **Restoring the detailed monthly customer service metrics and hearings statistics SSA ceased posting last year**, and publishing clear targets and timelines for any improvements SSA says it plans to pursue.

Such steps will be critical to help SSA begin to earn back the public's trust and to provide the transparency needed to hold the Administration accountable for the direction it has taken the agency.

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- ¹ According to OPM data, SSA's headcount declined from 57,384 in January 2025 to 49,880 in January 2026. See OPM, "Federal Workforce Data," <https://data.opm.gov/>.
- ² Paul Van de Water, "SSA Budget Will Worsen Customer Service Crisis, But Investment in 2025 Could Fund Turnaround," CBPP, April 12, 2024, <https://www.cbpp.org/blog/ssa-budget-will-worsen-customer-service-crisis-but-investment-in-2025-could-fund-turnaround>.
- ³ The largest previous one-year decline was approximately 6,334 SSA employees (roughly 8 percent) between 1986 and 1987. Among full-time staff, the gap between the two periods was even greater. The number of full-time staff declined by 6,942 (12 percent) between January 2025 and January 2026, compared to 4,433 (6 percent) in 1986-87). See William Morton, "Social Security Administration (SSA) Staffing Levels: Data Brief," Congressional Research Service, September 29, 2025, https://www.congress.gov/crs_external_products/R/PDF/R48725/R48725.4.pdf.
- ⁴ SSA, "Social Security Announces Workforce and Organization Plans," February 28, 2025, <https://www.ssa.gov/news/en/press/releases/2025-02-28.html>; SSA, "Social Security Announces Options to its Workforce," February 27, 2025, <https://www.ssa.gov/news/en/press/releases/2025-02-27.html>; Alex Gangitano, "Musk dominates, disparages federal workers at first Trump Cabinet meeting," The Hill, February 26, 2025, <https://thehill.com/homenews/administration/5165273-elizabeth-musk-trump-cabinet/>; PBS News, "Trump says 'many' of fired federal workers 'didn't come to work' and are 'being weeded out,'" March 24, 2025, <https://www.pbs.org/newshour/politics/watch-trump-says-many-of-fired-federal-workers-didnt-come-to-work-and-are-being-weeded-out>; James Politi, "Russell Vought: the man on a 'divine mission' to traumatise US bureaucrats," Financial Times, February 10, 2025, <https://www.ft.com/content/2a41b1bd-dd63-4c48-933f-b3000e30e17a>.
- ⁵ Lisa Rein and Hannah Natanson, "Long waits, floods of calls, web crashes: Social Security is breaking down," Washington Post, March 25, 2025, <https://www.washingtonpost.com/politics/2025/03/25/social-security-phones-doge-cuts/>; Jack Healy et al., "'Just a Mess': Staff Cuts, Rushed Changes and Anxiety at Social Security," New York Times, April 8, 2025, <https://www.nytimes.com/2025/04/08/us/social-security-trump.html>.
- ⁶ Healy et al., *op. cit.*
- ⁷ SSA, "Social Security performance," as archived on May 23, 2025, by Internet Archive, <https://web.archive.org/web/20250523091534/https://www.ssa.gov/ssa-performance>.
- ⁸ SSA's Office of the Inspector General found that this influx of personnel, aided by the adoption of a more modern phone platform in 2024, helped get calls answered faster. Reporting suggests that SSA reassigned an additional 500 employees from field offices in December 2025; 800 from processing claims and other requests in January 2026; and additional staff who worked on digital services, disability adjudication, and other areas in February 2026. See: SSA Office of the Inspector General, "Social Security Administration's Telephone Metrics," December 2025, <https://oig.ssa.gov/assets/uploads/032517.pdf>; Natalie Alms and Eric Katz, "Social Security is directing employees who normally process benefits to answer phones instead," Government Executive, February 9, 2026, <https://www.govexec.com/workforce/2026/02/social-security-directing-employees-who-normally-process-benefits-answer-phones-instead/411253/>.
- ⁹ Meryl Kornfield and Lisa Rein, "Under Trump, the government's watchdogs are losing their independence," Washington Post, March 19, 2026, <https://www.washingtonpost.com/politics/2026/03/19/inspector-general-independence-trump/>.

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- ¹⁰ Rachel Siegel, Meryl Kornfield, and Hannah Natanson, "The Trump administration is moving staff into jobs they know nothing about," Washington Post, September 4, 2025, <https://www.washingtonpost.com/business/2025/09/04/federal-government-job-changes/>.
- ¹¹ Eric Katz, "'Suicide is only one option': Social Security staff newly assigned to phone duties raise concerns over training," Government Executive, February 13, 2026, <https://www.govexec.com/management/2026/02/suicide-only-one-option-social-security-staff-newly-assigned-phone-duties-raise-concerns-over-training/411429/>. Hastily retrained employees, thousands of whom are now answering the phones, often start out able to help with only the most basic questions they receive.
- ¹² OPM, *op. cit.* This figure mirrors findings in a recent Center for American Progress analysis: Molly Westin Williams, "The Social Security Administration Is Bleeding Staff," January 30, 2026, <https://www.americanprogress.org/article/the-social-security-administration-is-bleeding-staff/>.
- ¹³ Lisa Rein, Meryl Kornfield, and Hannah Natanson, "How Social Security has gotten worse under Trump," Washington Post, December 30, 2025, <https://www.washingtonpost.com/politics/2025/12/29/trump-social-security-cuts-customer-service/>; SSA, "Closures or Delays Affecting In-Person Service," <https://www.ssa.gov/agency/emergency>.
- ¹⁴ Rein, Kornfield, and Natanson, *op. cit.*
- ¹⁵ Chabeli Carrazana, "Widows are waiting months for the benefits meant to help them after loss," March 18, 2026, <https://19thnews.org/2026/03/widows-social-security-survivor-benefits/>.
- ¹⁶ Katie Savin, Callie Freitag, and Matthew Borus, "'In the last year, it's gotten a lot worse': A Qualitative Investigation of Barriers to Disability Benefits in 2025," Disability Rights Education & Defense Fund, March 2, 2026, <https://dredf.org/ssa-barriers-2025/>.
- ¹⁷ Jessica Hall, "Social Security is making a change that could disrupt service for millions of Americans," MarketWatch, January 24, 2026, <https://www.morningstar.com/news/marketwatch/20260124187/social-security-is-making-a-change-that-could-disrupt-service-for-millions-of-americans>.
- ¹⁸ Eric Katz and Natalie Alms, "Social Security is directing employees who normally process benefits to answer phones instead," NextGov/FCW, February 6, 2026, <https://www.nextgov.com/people/2026/02/social-security-directing-employees-who-normally-process-benefits-answer-phones-instead/411256/>.
- ¹⁹ Meryl Kornfield and Hannah Natanson, "Social Security stops reporting call wait times and other metrics," Washington Post, June 20, 2025, <https://www.washingtonpost.com/politics/2025/06/20/social-security-wait-times-cuts/>.
- ²⁰ For the data provided by Commissioner Bisignano, see <https://static.foxnews.com/foxnews.com/content/uploads/2025/09/crosscheck-of-ssa-public-metrics-for-sen-warren-091625.pdf>. See also Senator Elizabeth Warren, "Disappearing Data: Social Security Administration's Removal of Key Performance Metrics from the Agency's Website," September 5, 2025, https://www.warren.senate.gov/imo/media/doc/warren_report_letter_to_commissioner_bisignano_re_report_on_data_removal.pdf.
- ²¹ Rein, Kornfield, and Natanson, *op. cit.*
- ²² National Organization of Social Security Claimants' Representatives, "Daily Dose of Data from SSA," February 26, 2025, <https://nossr.org/article/daily-dose-of-data-from-ssa-2-25/>.
- ²³ Jack Smalligan, "The SSA Says It's Reduced the Disability Claims Backlog. Fewer New Claims and a Higher Denial Rate Could Be Driving the Reduction," Urban Institute, September 12, 2025, <https://www.urban.org/urban-wire/ssa-says-its-reduced-disability-claims-backlog-fewer-new-claims-and-higher-denial-rate>.
- ²⁴ SSA, "Social Security performance," *op. cit.* In January 2025 there were 270,949 hearings pending.

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- ²⁵ SSA Office of the Inspector General, "The Social Security Administration's Efforts to Eliminate the Hearings Backlog," September 2015, <https://oig-files.ssa.gov/audits/full/A-12-15-15005.pdf>.
- ²⁶ SSA collectively lost over 96,000 years of past federal service from its workforce.
- ²⁷ Emily Davies and Meryl Kornfield, "After slashing federal jobs, Trump administration ramps up hiring," Washington Post, March 9, 2026, <https://www.washingtonpost.com/politics/2026/03/09/trump-hiring-federal-workers/>.
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- ²⁹ Ana Altchek, "Federal jobs aren't so hot anymore for recent grads," Business Insider, April 26, 2025, <https://www.businessinsider.com/interest-in-government-jobs-not-what-it-was-last-year-2025-4>.
- ³⁰ Partnership for Public Service, "Federal Public Service in Peril: A Report Card on the Trump Administration's Management of Our Government," March 19, 2026, <https://bestplacetowork.org/>.
- ³¹ Devin O'Connor, "Social Security Stability Remains at Risk," CBPP, March 31, 2025, <https://www.cbpp.org/blog/social-security-stability-remains-at-risk>; Josephine Cureton and Kathleen Romig, "Contrary to Administration's Misleading Claims, New Senior Deduction Doesn't Help Low- and Middle-Income Seniors, Does Deplete Social Security Trust Funds," CBPP, July 28, 2025, <https://www.cbpp.org/blog/contrary-to-administrations-misleading-claims-new-senior-deduction-doesnt-help-low-and-middle>.
- ³² Natalie Alms, "Social Security wants about 15 million fewer visits in its field offices," NextGov/FCW, December 1, 2025, <https://www.nextgov.com/digital-government/2025/12/social-security-wants-about-15-million-fewer-visits-its-field-offices/409850/>.

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The Case for Updating SSI Asset Limits

Raising or Eliminating Limits Would Reduce Administrative Burdens Without Dramatically Increasing Enrollment

By Kathleen Romig, Luis Nuñez, and Arloc Sherman¹

The Supplemental Security Income (SSI) program for low-income elderly and disabled people has the strictest savings limits of any federal program. Eligibility is limited to people who have only \$2,000 (or \$3,000 for couples). This is not enough for beneficiaries to weather an emergency, let alone provide stability or save for the future. Administering the resource limit, often referred to as an asset test, is burdensome for both Social Security Administration (SSA) staff and for claimants. Policymakers should increase or even eliminate SSI's resource limit amid growing bipartisan support to do so.

The resource limit is the leading cause of erroneous payments in the SSI program and leads to churn because beneficiaries who go even slightly over the outdated limit are suspended and then terminated. Beneficiaries who exceed the limit typically rack up thousands of dollars in overpayments that are extremely difficult to repay from their meager benefits. Additionally, SSA employees must administer these complex and inefficient rules amid a customer service crisis they are in due to underfunding. Because the value of the limit is not indexed to inflation — and hasn't been updated in decades — its value erodes each year due to inflation. It is now only one-sixth of its 1972 value.

A higher limit would encourage — rather than penalize — saving and allow people to retain savings to use when they really need those resources. Research shows that having a financial cushion leads to greater economic security. A higher limit would also reduce administrative burdens, payment errors, and churn. And easing or eliminating the asset test would mean that more very low-income seniors and people with disabilities could get the income support they need to afford the basics and not be forced to first deplete modest savings. Policymakers have recognized the case for allowing greater savings and have increased or eliminated resource limits in other economic security programs, including the Supplemental Nutrition Assistance Program (SNAP) and Medicaid.

¹ We are grateful to AARP for funding this research. The views expressed are solely those of the authors and should not be attributed to AARP. We thank Joel Eskovitz and Jim Palmieri for helpful comments on an earlier version of this report.

In this brief we analyze several ways to increase SSI's resource limits, including raising them to \$10,000 per beneficiary (as proposed in S. 2767 by Sens. Sherrod Brown (D-OH) and Bill Cassidy (R-LA) and H.R. 5408 by Reps. Brian Higgins (D-NY) and Brian Fitzpatrick (R-IL)), raising them to \$100,000 per beneficiary (consistent with the limits in ABLE accounts, which don't count against SSI's resource limits), and eliminating resource limits (as other economic security programs have done). We also examine excluding retirement savings from SSI's resource limits (as proposed in the SSI Restoration Act), in combination with each of these options.

We find that increasing SSI's resource limits to \$10,000 per beneficiary would increase SSI participation by up to 3 percent. Increasing limits to \$100,000 per beneficiary — a fiftyfold increase — would increase participation by about 5 percent, while eliminating limits would increase participation by about 6 percent. Excluding retirement accounts would only slightly increase participation. Even radical changes in SSI's resource rules would not dramatically increase program participation, because few people who meet SSI's other criteria have substantial savings. SSI beneficiaries must have very low incomes to qualify, and that means they have little margin for savings. In addition, they either have a disability that substantially limits their earnings, or they are over age 65.

SSI Provides Subsistence Benefits to Elderly and Disabled People Most in Need

Created in 1972, SSI provides monthly cash assistance to people who are disabled or elderly and have little income and few assets. Similar to the Old-Age, Survivors, and Disability Insurance program, commonly known as Social Security, SSI is administered by SSA. In May 2023, 7.5 million people collected SSI benefits. Most SSI beneficiaries — 85 percent — are eligible due to a severe disability (including blindness).²

Eligibility criteria for SSI are strict. All applicants must meet SSI's stringent financial criteria, and applicants for disability benefits must also meet the same rigorous medical criteria used for Social Security Disability Insurance (SSDI). About 60 percent of applications for SSI benefits were denied in 2018-2020, after all levels of appeal.³ Those who qualify are subject to regular financial redeterminations to ensure continued compliance with SSI's strict income and asset rules, and regular continuing disability reviews to ensure continued medical eligibility.

The basic federal SSI benefit is about three-fourths of the poverty line for a single person. Thus, while SSI alone is not enough to lift someone living independently above the poverty line, it reduces hardship and lessens the need for support from family members. But roughly half of all beneficiaries had incomes below the federal poverty line even with their SSI benefits in 2016.⁴ In addition to providing modest cash benefits, SSI is an important pathway to health coverage, as beneficiaries in most states are automatically eligible for Medicaid. In addition to medical care, Medicaid provides

² Social Security Administration (SSA), "SSI Monthly Statistics, May 2023," June 2023, https://www.ssa.gov/policy/docs/statcomps/ssi_monthly/index.html.

³ CBPP, "Policy Basics: Supplemental Security Income," updated February 21, 2023, <https://www.cbpp.org/research/social-security/supplemental-security-income>.

⁴ Matt Messel and Brad Trenkamp, "Characteristics of Noninstitutionalized DI, SSI, and OASI Program Participants, 2016 Update," April 2022, <https://www.ssa.gov/policy/docs/rsnotes/rsn2022-01.html>.

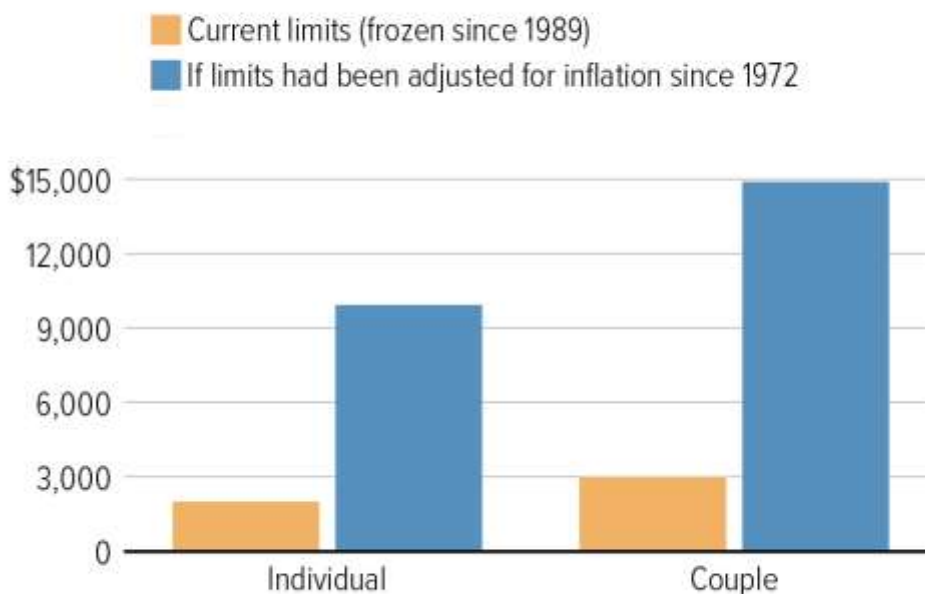
essential long-term services and supports, allowing more elderly and disabled people to live in their homes and communities instead of in institutions.

SSI's Resource Limits Have Stagnated at Low Levels for Decades

SSI has extraordinarily low resource limits. Applicants who exceed the limits are ineligible for any benefits from the program. Current beneficiaries who exceed the limits are suspended and then terminated from program participation if their savings remain above the limits, and they must repay any benefits paid while they are over the limit. SSI beneficiaries are limited to only \$2,000 in assets of any kind. For married couples or two-parent families with SSI beneficiary children, the limit is \$3,000, which creates a marriage penalty because the couple limit is 25 percent less than the limit for two individuals. (See Figure 1.) Countable resources include cash, bank accounts, retirement savings, stocks, mutual funds, savings bonds, life insurance, household goods, burial funds, and more, as well as the resources of parents, spouses, and immigration sponsors, in many cases. Primary residences and vehicles do not count against the resource limits.

FIGURE 1

Supplemental Security Income's Asset Limits Are Outdated



Source: CBPP calculations of Social Security Administration, Bureau of Labor Statistics, and Congressional Budget Office data.

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SSI's resource limits have changed little since the program's establishment, even though the value of the limits has eroded dramatically. When policymakers created the program in 1972, they set resource limits of \$1,500 for individuals and \$2,250 for couples. Policymakers then gradually raised these resource thresholds between 1985 and 1989 to \$2,000 for individuals and \$3,000 for couples — the only resource increase since SSI was enacted over 50 years ago. Still, it only partially accounted for the effects of inflation up to that point. Had resource limits been indexed to inflation

since 1972, when the law first passed, they would be \$9,929 for an individual and \$14,893 for a couple in 2023 — about five times as high as they are today.⁵

Most SSI beneficiaries are well under the resource limit. More than two-thirds of SSI beneficiaries have no savings at all, and about 92 percent have less than \$500 in savings, according to our analysis. Few people with incomes low enough to qualify for SSI have many resources, because they have little margin for saving, research shows.⁶

Federal Treatment of Savings Has Evolved Since 1972

After SSI was enacted, federal policy began to encourage workers to accumulate savings to fund their retirements — even as it continued to penalize SSI beneficiaries if they managed to save anything at all, either for emergencies or for retirement. Individual retirement accounts (IRAs) were created in 1974 and 401(k)s in 1978 — after SSI and its resource limits were established. Today, far fewer workers are offered traditional workplace pensions, which don't count against SSI's resource limits, and far more are offered workplace retirement savings accounts, which do count against the resource limits.

The number of workers participating in “defined contribution” retirement accounts has risen nearly eightfold since the mid-1970s. As of 2020, there were seven times more defined contribution plans than traditional “defined benefit” plans, while the number of workers participating in defined benefit plans has dwindled. (See Figure 2.)⁷ The recently enacted Securing a Strong Retirement Act of 2022 (known as SECURE 2.0) will automatically enroll more workers, including working SSI beneficiaries, into workplace retirement savings accounts.⁸

⁵ CBPP calculations of SSA, Bureau of Labor Statistics, and Congressional Budget Office data.

⁶ Paul S. Davies *et al.*, “Modeling SSI Financial Eligibility and Simulating the Effect of Policy Options,” *Social Security Bulletin*, Vol. 64, No. 2, September 2002, <https://www.ssa.gov/policy/docs/ssb/v64n2/v64n2p16.pdf>.

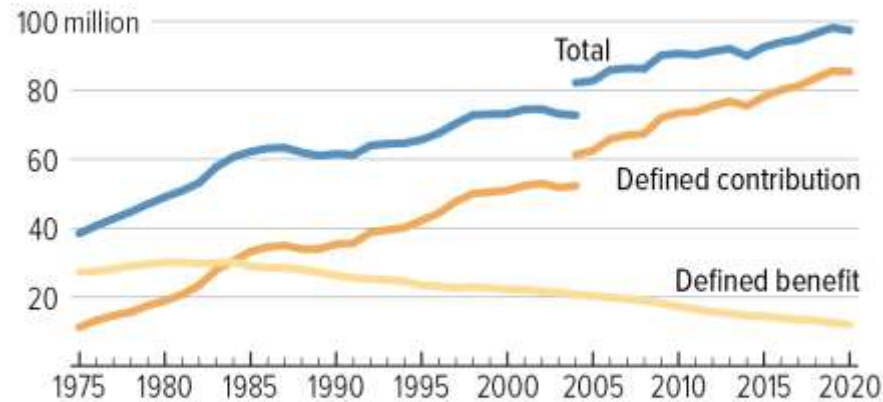
⁷ Employee Benefits Security Administration, United States Department of Labor, “Private Pension Plan Bulletin Historical Tables and Graphs, 1975-2020,” October 2022, <https://www.dol.gov/sites/dolgov/files/EBSA/researchers/statistics/retirement-bulletins/private-pension-plan-bulletin-historical-tables-and-graphs.pdf>.

⁸ Securing a Strong Retirement Act of 2022, H.R. 2954, <https://www.congress.gov/bill/117th-congress/house-bill/2954>.

FIGURE 2

Defined Contribution Retirement Plans Have Grown Nearly Eightfold Since Mid-1970s

Number of active participants in retirement plans



Note: In 2005, the IRS discontinued Form 5500 Schedule T, which required the Department of Labor to change its methodology. As a result, 2004 is illustrated with two values, indicating the results of the prior and new methods. Active participants may have both types of coverage if they are active participants in more than one retirement plan.

Source: Employee Benefits Security Administration, "Private Pension Plan Bulletin Historical Tables and Graphs 1975-2020," Department of Labor, October 2022.

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The Achieving a Better Life Experience (ABLE) Act of 2014 allows states to create tax-advantaged savings programs for eligible people with disabilities; these accounts do not count toward SSI's resource limits and other economic security programs. SSI beneficiaries are allowed to hold up to \$100,000 in ABLE accounts, essentially raising the resource limit by fiftyfold for participating beneficiaries. People who became disabled by age 26 are eligible for ABLE accounts. They account for about 44 percent of SSI beneficiaries, as many have developmental or congenital disabilities.⁹ The accounts can be used by parents or other family members to provide for disabled relatives' futures without jeopardizing their future eligibility for means-tested benefits. Funds from ABLE accounts may be used by beneficiaries to pay for a very broad set of "qualified disability expenses," including housing, transportation, health, and basic living expenses.¹⁰ The ABLE Age Adjustment Act was adopted as part of the SECURE 2.0 retirement savings package. It will expand eligibility for ABLE accounts to include people disabled by age 46, which would include a majority of SSI beneficiaries.

Though eligibility for ABLE accounts among SSI beneficiaries is broad — currently including nearly half of participants, and soon to include the substantial majority — participation is very limited. To date, only about 130,000 ABLE accounts have been set up, including for people who are

⁹ William R. Morton and Kirsten J. Colello, "Achieving a Better Life Experience (ABLE) Programs," IF10363, Congressional Research Service, March 17, 2017, <https://crsreports.congress.gov/product/pdf/IF/IF10363>.

¹⁰ SSA Program Operations Manual System (POMS), SI 01130.740, Achieving a Better Life Experience (ABLE) Accounts, <https://secure.ssa.gov/poms.nsf/lnx/0501130740>.

not SSI beneficiaries.¹¹ That accounts for significantly less than 1 percent of SSI beneficiaries who are eligible under the current rules. A forthcoming study by the University of Chicago’s Inclusive Economy Lab sheds light on ABLE account usage and knowledge. Less than half of respondents heard about ABLE accounts, and among those who had, a majority misunderstood or underestimated their connection with SSI and its financial advantages.¹² Wealthier households were much more likely to know about ABLE accounts and to open them. This lack of awareness and understanding, as well as the additional administrative burden of opening a specialized account, limits the utility of ABLE accounts. By contrast, beneficiaries would not have to do anything to avoid penalties if SSI had higher resource limits.

Raising SSI’s Resource Limits Would Reduce Churn and Payment Errors

Administering the program’s extremely low resource limits creates significant challenges for applicants, beneficiaries, and SSA, which is underfunded and overworked. Applicants must answer dozens of questions about their resources and provide detailed documentation, which SSA employees review and process. Federal law requires SSA to verify applicants’ cash, bank accounts, stocks, mutual funds, savings bonds, property, life insurance, vehicles, household goods, burial funds, and more.¹³ Because the resources of spouses, parents, and immigration sponsors can also be “deemed” to the beneficiary, SSA staff must examine those as well. The time spent producing and reviewing documents often delays the start of much-needed benefits; some applicants give up because they can’t produce paperwork that shows how little they own.

The requirement to prove their continued compliance contributes to “churn” in program participation. SSA must redetermine each beneficiary’s financial eligibility every one to six years and each time their circumstances change.¹⁴ In addition, exceeding the resource limit is the leading cause of overpayments in SSI, which leads to future payments being cut or clawed back.¹⁵ When a beneficiary goes over SSI’s resource test — even by a small amount — their entire benefit is not payable for that month. Typically, SSA lags in detecting and addressing overpayments, so beneficiaries are usually overpaid for months, racking up thousands of dollars that must be repaid. Most SSI beneficiaries have little to no other income, making it extremely difficult to repay these debts.

As a result of these strict resource rules, each year an average of 70,000 beneficiaries have their benefits suspended. Beneficiaries lose their entire benefit during suspensions, during which they must spend down their resources to reestablish eligibility, which can force beneficiaries to spend resources more quickly than is wise to ensure continued income assistance and the Medicaid benefits

¹¹ National Association of State Treasurers, ABLE (Achieving a Better Life Experience), <https://nast.org/able/>.

¹² Guglielmo Briscese, Michael Levere, and Harold Pollack, “Improving Financial Security for People with Disabilities through ABLE Accounts,” presentation at Household Finance Research Seminar, February 16, 2023.

¹³ SSA, Application for Supplemental Security Income (SSI), <https://www.ssa.gov/legislation/Attachment%20for%20SSA%20Testimony%207%2025%20Human%20Resources%20Sub%20Hearing.pdf>.

¹⁴ SSA, “Understanding Supplemental Security Income Redeterminations — 2023 Edition,” <https://www.ssa.gov/ssi/text-redets-ussi.htm>.

¹⁵ SSA, Agency Financial Report for Fiscal Year 2022, Other Reporting Requirements, <https://www.ssa.gov/finance/2022/Other%20Reporting%20Requirements-.pdf>.

that come with it. After 12 months of suspension, they are terminated. On average, 40,000 beneficiaries have their benefits terminated each year for exceeding the resource limit, after which they must start the application process again.¹⁶ In some cases, beneficiaries exceed the limit only temporarily — for example, by accruing interest in an emergency savings account that was previously below the limit. In other cases, they remain below the limit but can't produce the necessary documentation to prove it.

Administering SSI's complicated rules consumes a large portion of SSA's budget and staff time, during a time when both are highly constrained. Administration of SSI absorbs 35 percent of SSA's administrative outlays.¹⁷ In contrast, 19 percent of SSA's spending goes toward administering SSDI benefits, even though nearly 1.4 million more people receive those benefits than receive SSI.¹⁸ At the same time, Social Security's operating budget has been starved, even as demands on the agency increase. Between 2010 and 2023, the agency's workload expanded dramatically, with the number of Social Security beneficiaries increasing by 12 million, or 22 percent.¹⁹ However, the agency's customer service budget shrank 17 percent after taking inflation into account, and its staff by 16 percent — to the lowest level in 25 years.²⁰

If resource limits were updated, fewer beneficiaries would exceed them, reducing administrative burdens on both SSI beneficiaries and SSA staff. If limits were increased, SSA would continue using the same burdensome processes to determine a beneficiary's resources. But significantly fewer beneficiaries would be subject to overpayments, suspensions, and terminations for exceeding the limits. Eliminating the resource limit would get rid of these burdens entirely, significantly simplifying administration.

Raising SSI's Resource Limits Would Improve Income Security

SSI has the steepest savings penalty of any federal program, despite a large and growing body of evidence on the importance of savings. People with little to no savings are more likely to have subprime credit scores, struggle to pay bills, and have lower financial well-being.²¹ They spend their

¹⁶ SSI Annual Statistical Report, 2021, Tables 76 and 77, https://www.ssa.gov/policy/docs/statcomps/ssi_asr/2021/sect11.html.

¹⁷ SSA, "Justification of Estimates for Appropriations Committees Fiscal Year 2024," March 2023, <https://www.ssa.gov/budget/assets/materials/2024/FY24-JEAC.pdf>.

¹⁸ *Ibid.*

¹⁹ CBPP calculations of SSA, Bureau of Labor Statistics, and Congressional Budget Office data; SSA, "Number of beneficiaries receiving benefits on December 31, 1970-2022," <https://www.ssa.gov/oact/STATS/OASDIbenies.html>.

²⁰ SSA, "Annual Statistical Supplement, 2022," Table 2.F3, December 2022, <https://www.ssa.gov/policy/docs/statcomps/supplement/2022/2f1-2f3.html#table2.f3>; Kathleen Romig, "Long Overdue Boost to SSA Funding Would Begin to Improve Service," CBPP, March 30, 2023, <https://www.cbpp.org/blog/long-overdue-boost-to-ssa-funding-would-begin-to-improve-service>.

²¹ Caroline Ratcliffe *et al.*, "Emergency Savings and Financial Security Insights from the Making Ends Meet Survey and Consumer Credit Panel," CFPB Office of Research Data Point No. 2022-01, March 2022, https://files.consumerfinance.gov/f/documents/cfpb_mem_emergency-savings-financial-security_report_2022-3.pdf.

money on current debts, such as unpaid bills. Having savings significantly reduces material hardship for low-income families.²²

Living with a disability — as at least 85 percent of SSI beneficiaries do — also imposes additional costs. Households with a disabled member need about \$18,000 more per year, on average, just to have the same standard of living as a similar household without a member with a disability, research shows.²³ Many of the additional costs of living with a disability are expensive and require savings to purchase, such as customized wheelchairs, home and automobile modifications, and other medical equipment not covered by Medicaid.

A higher asset limit would ensure that if an SSI applicant or current beneficiary has modest savings, they can qualify for SSI's income assistance and they can keep those assets in hand to use when they need to, such as for expenses related to their health conditions, for repairs to cars or homes, or for family needs.

Raising SSI's resource limits would also provide stability for beneficiaries who rely on other public benefits to meet their health care and housing needs. Going over the resource limit not only causes beneficiaries to lose SSI benefits, but also in many cases Medicaid, SNAP, and other benefits where eligibility is tied to receipt of SSI.

Policymakers Have Proposed Increases to SSI's Resource Limits

The Supplemental Security Income Restoration Act of 2021, first introduced by Rep. Raúl Grijalva (D-AZ) (H.R. 3824) and Sen. Brown (S. 2065), would comprehensively update the SSI program. The bill would increase SSI's resource limit for individuals to \$10,000, restoring it to approximately the same amount as if it had been indexed to inflation since 1972; it would also increase the couple limit to \$20,000, thus eliminating the marriage penalty. The bill would also automatically increase the limits each year with inflation and exclude retirement accounts from the resource test. It also included other provisions to raise benefits and to allow beneficiaries to keep more of their earnings and Social Security benefits, among other things.

The bipartisan SSI Savings Penalty Elimination Act (S. 2767), introduced by Sens. Brown and Cassidy, as well as Reps. Fitzpatrick and Higgins, includes only the Supplemental Security Income Restoration Act provisions to raise the resource limits to \$10,000 and \$20,000 and index them to inflation.²⁴ Raising the program's resource limits as proposed by the SSI Savings Penalty Elimination Act would restore the program to policymakers' original intentions 50 years ago, by adjusting the individual threshold for the inflation that has occurred since 1972 and keeping its value intact in future years. It would also eliminate the marriage penalty.

²² Signe-Mary McKernan *et al.*, "Building Savings, Ownership, and Financial Well-Being," Urban Institute, April 9, 2020, <https://www.urban.org/research/publication/building-savings-ownership-and-financial-well-being>.

²³ Zachary Morris *et al.*, "The Extra Costs Associated with Living with a Disability in the United States," October 14, 2020, <https://www.nationaldisabilityinstitute.org/wp-content/uploads/2020/10/extra-costs-working-paper.pdf>.

²⁴ SSI Savings Penalty Elimination Act, S. 2767, <https://www.congress.gov/bill/118th-congress/senate-bill/2767> and H.R. 5408, <https://www.congress.gov/bill/118th-congress/house-bill/5408?q=%7B%22search%22%3A%22ssi+savings+penalty+elimination+act%22%7D&s=2&r=1>.

The Supplemental Security Income Restoration Act also proposed to change the treatment of retirement savings accounts, which did not yet exist when SSI was established. Despite a dramatic shift in retirement income in the last 50 years — away from traditional pensions and toward individual accounts such as 401(k)s and IRAs — SSI's resource test still penalizes low-income older and disabled people who hold retirement savings. Other programs, including SNAP, exclude retirement savings accounts from resource limits. Policymakers could similarly exempt retirement savings from the SSI resource test.

Additional Options to Improve SSI's Savings Policy

Beyond the measures that policymakers have already introduced, there are a wide range of additional options to reduce or eliminate SSI's penalties on savings. To better align with the intentions — if not the effect — of ABLE accounts, policymakers could also adopt a more generous \$100,000 resource test. This would address the fact that only a small fraction of SSI beneficiaries eligible for ABLE accounts have managed to set them up. It would also afford the advantages of those accounts to beneficiaries who don't have the knowledge or resources to open them by automatically allowing them to save more without losing eligibility.

Finally, policymakers could repeal SSI's resource limits altogether. The Affordable Care Act prohibited states from applying resource limits to most Medicaid beneficiaries, including children, parents, pregnant people, and adults who became eligible for Medicaid under the law's Medicaid expansion. In other economic security programs, federal policymakers have given states significant discretion to ease or eliminate resource limits, and nearly every state has used it. For example, most states now have no resource limits for their SNAP and Low-Income Home Energy Assistance Program (LIHEAP) benefits.²⁵

Higher Resource Limits Would Improve Access to SSI Benefits

If SSI's resource limits were increased, more people would qualify for and maintain their benefits. Some applicants who would be rejected under current rules for having too much in savings would become eligible. Some current beneficiaries who would otherwise be suspended or terminated for having excess assets would be able to continue receiving benefits. Using Census Bureau data for 2014, we estimate that about 3 percent (224,000) more people would participate in SSI if the resource test were increased to \$10,000 (and \$20,000 for couples), as shown in Table 1 and Figure 3 below. If, in addition, SSI's asset test excluded retirement accounts, about 39,000 more people (263,000 total) would participate.

Raising SSI's resource test well above \$10,000 — or eliminating it altogether — wouldn't dramatically affect participation, the estimates suggest. Even if the resource test were raised to \$100,000 per beneficiary — 50 times the current limit for individuals — about 5 percent (380,000) more people would qualify for benefits. Raising the limit to \$100,000 and excluding retirement accounts would expand participation by another 23,000 people (403,000 total). And eliminating the asset test altogether would expand participation by 6 percent (462,000 total).

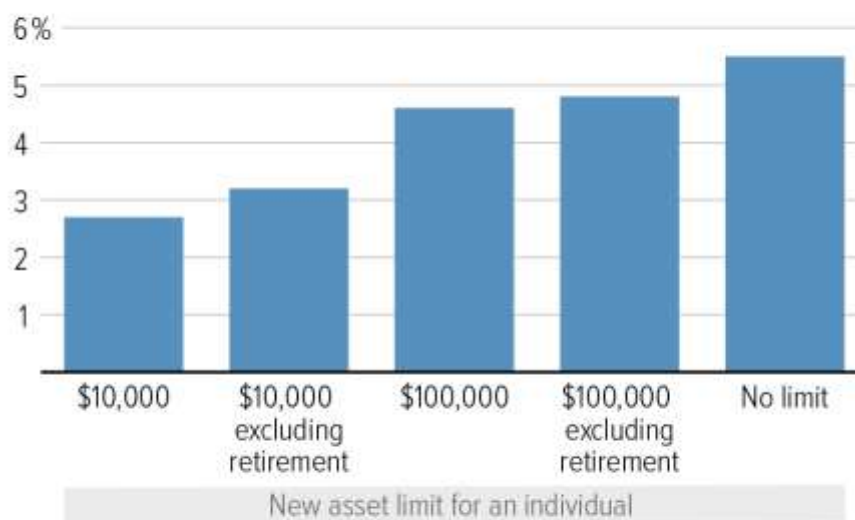
²⁵ Prosperity Now Scorecard, Financial Assets and Income, Asset Limits in Public Benefit Programs, <https://scorecard.prosperitynow.org/data-by-issue#finance/policy/savings-penalties-in-public-benefit-programs>.

Even large changes in SSI's resource rules would not dramatically increase program eligibility, because few people who meet SSI's other criteria have substantial savings. The large majority have a disability that substantially limits their earnings. For the same reasons, few SSI beneficiaries have managed to accumulate substantial retirement savings, so excluding retirement accounts from the asset test would make very little difference in program eligibility.

FIGURE 3

Even Radical Changes to SSI's Asset Limit Do Not Dramatically Change Projected Participation

Percent change in SSI beneficiaries at higher asset limits



Note: SSI = Supplemental Security Income. Under current law, SSI eligibility is limited to those who have only \$2,000 in assets, or \$3,000 for married couples. "Excluding retirement" refers to the exclusion of retirement account balances in determining asset eligibility. For each proposal, the new asset limit for married couples would be twice the limit for individuals.

Source: CBPP analysis of Survey of Income and Program Participation data for 2014

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TABLE 1

Estimated Number of New Beneficiaries at Higher SSI Asset Thresholds

	\$10,000	\$10,000 excluding retirement	\$100,000	\$100,000 excluding retirement	No limit
Age group					
Total, all ages	224,000 (3%)	263,000 (3%)	380,000 (5%)	403,000 (5%)	462,000 (6%)
Children, under 18	23,000 (2%)	23,000 (2%)	47,000 (4%)	47,000 (4%)	49,000 (4%)
Adults, aged 18-64	154,000 (3%)	176,000 (4%)	248,000 (5%)	257,000 (5%)	298,000 (6%)
Elderly, aged 65 and over	n/a	n/a	86,000 (4%)	99,000 (5%)	115,000 (5%)
Race/Ethnicity					
White	153,000 (4%)	188,000 (5%)	247,000 (6%)	269,000 (7%)	316,000 (8%)
Black	30,000 (2%)	30,000 (2%)	39,000 (2%)	39,000 (2%)	39,000 (2%)
Asian	n/a	n/a	30,000 (9%)	30,000 (9%)	36,000 (10%)
Latino	28,000 (2%)	32,000 (2%)	41,000 (3%)	41,000 (3%)	41,000 (3%)

Note: Percent change from current law is indicated in parentheses. “Excluding retirement” refers to the exclusion of retirement account balances in determining asset eligibility. For each proposal, the new asset limit for married couples would be twice the limit for individuals. Figures are rounded to the nearest 1,000. N/a indicates reliable data are not available due to small sample size. Figures may not sum to totals due to lack of reliable data and/or rounding. Latino may be of any race, and other races/ethnicities refer to those groups alone and not Latino. Latino includes all people of Hispanic, Latino, or Spanish origin regardless of race. See the methodology appendix for more details.

Source: Center on Budget and Policy Priorities analysis of Survey of Income and Program Participation (SIPP) data for 2014

The impact of raising SSI’s resource limits varies by age and race. Higher asset limits would expand participation for elderly beneficiaries more than for younger beneficiaries, likely because older adults will have had more time to accumulate savings than younger beneficiaries. In addition, some older beneficiaries qualified based on age alone — not disability — so having a disability did not limit their ability to work and save, though given their current income, it is likely that they worked in low-paid jobs during their working-age years.

The impact of raising SSI resource limits also reflects the well-documented racial wealth gap. White and Asian American beneficiaries are more likely to become eligible for SSI under higher asset limits because they have higher savings, on average. Black and Latino people are less likely to have savings than white people — and, when they do, their value is substantially less. They are also less likely to be offered workplace retirement plans and likelier to work in low-paid jobs with little margin for savings.²⁶ That said, all SSI beneficiaries, regardless of race, must have very low incomes and assets to qualify.

²⁶ Alicia H. Munnell and Christopher Sullivan, “401(k) Plans and Race,” IB#9-24, Center for Retirement Research at Boston College, November 2009, <https://crr.bc.edu/briefs/401k-plans-and-race/>.

Changing SSI's Resource Limits Would Have Modest Impact on Projected Program Costs

Raising or even eliminating SSI's resource limits would not dramatically increase program participation or costs. SSA's actuaries have estimated that increasing the resource limits to \$10,000 for individuals and \$20,000 for couples would increase SSI costs by about \$8 billion over ten years, or about 1 percent of program costs over that period.²⁷ They estimate that excluding retirement accounts from the resource test would have a "negligible" impact on SSI costs. Increased SSI participation would also increase Medicaid costs, because in most states SSI beneficiaries are automatically eligible for Medicaid.

Our participation estimates are based on a different model than the actuaries' cost estimates, so they are not directly comparable. We would expect the percentage increase in participation and costs to be roughly proportional. However, it is likely that costs would not increase as much as participation. That is because people with assets of more than \$2,000 generally have higher incomes and are more likely to be married than the average SSI beneficiary, because those factors allow more opportunity to save. The new beneficiaries in our simulation have somewhat higher average non-SSI income compared to current beneficiaries, which means their SSI benefits would be lower. SSI benefits are substantially reduced based on other sources of income — by \$1 for every \$2 of earnings, after the first \$65 per month, and dollar-for-dollar after the first \$20 of any other form of income, including Social Security benefits. A disproportionate share of the new beneficiaries in our simulation are married to other beneficiaries, which — because of SSI's marriage penalty — results in a 25 percent lower benefit.

Few elderly or disabled people who meet SSI's very low income criteria have much in savings, so even dramatically changing SSI's resource rules doesn't result in large participation or cost increases. Even fewer SSI beneficiaries have savings set aside specifically for retirement, so excluding retirement accounts from SSI's resource rules would not be costly. However, it could be particularly helpful for working beneficiaries — a growing number of whom will be automatically enrolled in workplace retirement savings plans after the implementation of the SECURE 2.0 retirement savings legislation.

For a relatively small change in program costs, raising — or eliminating — SSI's resource limits could improve both beneficiaries' well-being and the program's efficiency. It would also ease administrative burdens, simplify program administration, and increase access for beneficiaries who are above the limits — or who are below the limits but have difficulty furnishing the paperwork to prove it.

Eliminating resource limits would markedly simplify applications and processing, reducing paperwork requirements and associated regulations. It would also reduce churn — a major problem for the more than 100,000 SSI beneficiaries who exceed the program's low resource limits each year — which often triggers thousands of dollars of overpayments that are exceedingly difficult for beneficiaries to repay on their very low incomes. It would reduce the penalties for saving, especially

²⁷ SSA, Office of the Chief Actuary, "Estimated Change in Federal SSI Program Cost from Enacting S. 2065, the 'Supplemental Security Income Restoration Act of 2021,' introduced on June 16, 2021, by Senators Brown, Warren, Sanders, and others," July 16, 2021, https://www.ssa.gov/OACT/solvency/SSIRestorationAct_20210716.pdf.

for working beneficiaries. Finally, beneficiaries would no longer exceed the resource limits, thus reducing the number of errors.

Appendix: Methodology and Technical Note

Estimates in this brief are from Center on Budget and Policy Priorities analysis of data for 2014 from the Census Bureau's Survey of Income and Program Participation (SIPP). The analysis is limited to individuals with countable income low enough to qualify for SSI. Spouses' and parents' income is deemed as indicated under program rules.

Participation in SSI requires applying to the program and meeting income, asset, age, and disability tests. To be eligible based on disability, SSI requires participants to demonstrate that they have a severe medical impairment that is expected to last at least 12 months or result in death, and (for adults) be unable to engage in any substantial gainful activity. The same disability test is used by Social Security Disability Insurance (SSDI); people who do not meet SSI's asset test may nonetheless be eligible for SSDI if they have a prior work history.

For people who meet SSI's income test, our analysis uses SIPP data (and "probit" regression equations) to predict the combined likelihood of applying for SSI and/or SSDI and meeting the disability test. The resulting estimated population of would-be participants is then divided into those who meet SSI's strict asset test under current law (i.e., simulated current participants) and those who would participate in SSI if their level of assets were allowed.

Predictors in this model include countable income and countable assets (both expressed using natural logarithms) and a variety of disability questions available on SIPP (such as "Does ... have a physical, mental or other health condition that limits the kind or amount of work they can do?" and "Does ... have a serious physical or mental condition or a developmental delay that limits ordinary activity?"), as well as race, education level, age, citizenship, health, and marriage status. All steps of the analysis are carried out separately for three age groups (under age 18, ages 18 through 64, and ages 65 and older) and omit people who are not income-eligible or for whom key income, asset, and program participation data on the survey file were not supplied by the household but were imputed by the Census Bureau. (Many SSI participants with imputed data in SIPP appear to have ineligible asset levels, a result that may to a large degree reflect inaccurate imputations.) The specific predictors differ by age group as some disability questions are asked to specific age ranges, and because predictors are dropped if they are not significantly predictive of participation for that age group at the 95 percent confidence level ($p < 0.05$).

For example, for the largest age group, those aged 18 to 64, this analysis uses the following equation to predict the likelihood of SSI participation for those who are income-eligible and who responded to all key survey questions (that is, data were not imputed):

Likelihood of SSI and/or SSDI participation =

$$\begin{aligned} & \mathbf{0.18 \times (natural\ logarithm\ of\ SSI\ countable\ income)} \\ & - \mathbf{0.04 \times (natural\ logarithm\ of\ SSI\ countable\ assets)} \\ & + \mathbf{0.02 \times (age)} \\ & + \mathbf{0.79 \times (reported\ being\ prevented\ from\ work)} \\ & + \mathbf{0.28 \times (reported\ having\ difficulty\ doing\ errands\ alone)} \\ & - \mathbf{0.19 \times (reported\ having\ serious\ difficulty\ walking\ or\ climbing\ stairs)} \end{aligned}$$

- + **0.37 x** (reported having at least one of six core disability measures: hearing, seeing, cognitive, ambulatory, self-care, and/or independent living)
- + **0.62 x** (reported having a physical, mental, or other health condition that limits the kind or amount of work they can do)
- + **0.53 x** (reported receiving income due to a disability or health condition at any time during the reference period)
- **0.32 x** (educational level categorized into less than a high school diploma, high school diploma to associate degree, and bachelor's degree or more)
- **0.37 x** (married)
- **0.94 x** (not a U.S. citizen)

The prediction is converted into a probability of participating in SSI and/or SSDI for those considered income eligible, and that probability is applied to each individual's monthly survey weights. The resulting population of simulated current and would-be SSI participants (identified by survey weights multiplied by the probability of participating in SSI and/or SSDI) is divided into those with countable positive assets below \$2,000 (\$3,000 if married), others below \$10,000 (\$20,000 if married), others below \$100,000 (\$200,000 if married), and those with \$100,000 (\$200,000) or more. Those with assets below \$2,000 (\$3,000) are simulated to be current SSI participants. A final weighting adjustment (which mainly serves to counteract the effect of dropping imputed data, and which consists of a single adjustment factor for each age group, applied to all simulated participants or potential SSI participants) brings the number of simulated current participants in each age group to actual SSI totals for 2014 from administrative records. The final weighting adjustment — multiplying by 1.51 — brings the simulated participants aged 18 to 64 under current law from 3.25 million to 4.91 million.

Note that inaccuracies in reported income, assets, and SSI and SSDI program participation, and other imperfections in the modeling, may affect the size and composition of the simulated eligibility group. A 2020 analysis from the Census Bureau on the dataset used for this analysis suggests that bias may under- or over-estimate participation in government programs, earnings, and income among other variables.²⁸ The inclusion of logged assets in the predictive model means that we are implicitly assuming that people with higher assets are less likely to apply and participate, an assumption that fits our data on current SSI and SSDI participants well but is somewhat speculative with regard to future SSI participants.

Six questions are used in the Census Bureau's major surveys to measure disability. The Survey on Income and Program Participation (SIPP) and Current Population Survey also ask additional disability questions. These survey questions cannot fully capture the medical-vocational criteria used to determine SSI disability eligibility. For example, they do not ask about the specific diagnosis, expected length of the disability, its severity, or the respondent's ability to perform substantial gainful activity. As a result, our estimates of who meets SSI's disability criteria are necessarily less precise than those of who meets its financial criteria.

²⁸ Anthony G. Tersine, Jr., Memorandum to Carolyn M. Pickering, Survey Director, Associate Director for Demographic Programs, August 17, 2020, https://www2.census.gov/programs-surveys/sipp/tech-documentation/complete-documents/2014/2014_SIPP_Wave_2_Nonresponse_Bias_Report.pdf.

Some studies use different data. For example, an Institute of Medicine study uses SSA administrative data and the National Survey of Children's Health, which asks about specific diagnoses.²⁹ However, these data are not available to non-governmental researchers. Though using these data has advantages, it also has significant limitations in estimating who meets SSI and SSDI's strict disability definition.

SIPP is a leading source of data on income and wealth, which allowed us to closely replicate SSI's disregards when determining financial eligibility. Our definitions of "countable income" and "countable assets" take into consideration SSI's disregards, such as the value of the home serving as the principal place of residence, SSI's earned and unearned income exclusions, and many others.

²⁹ Thomas F. Boat and Joel T. Wu, "Mental Disorders and Disabilities Among Low-Income Children," National Academies Press, October 28, 2015, <https://www.ncbi.nlm.nih.gov/books/NBK332882/>.



Off the Charts
POLICY INSIGHT
BEYOND THE NUMBERS

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Outdated SSI Asset Limits Pose Real Problem for Children With Disabilities Hoping to Benefit From Trump Accounts

By Kathleen Romig and Devin O'Connor

Starting this month, families can open Trump Accounts for their children. Those welcoming new babies between 2025 and 2028 will qualify for a \$1,000 federal contribution to seed the account. But for some families caring for disabled children – who will need savings the most as they come of age – the accounts could create big problems. That's because once account holders reach adulthood, the money saved in their Trump Accounts will likely run afoul of the extraordinarily strict asset limits in the Supplemental Security Income (SSI^[1]) program for low-income disabled people. If those savings exceed the cap – just \$2,000 – it will lead not only to the loss of needed monthly income support from SSI, but could also jeopardize their eligibility for health care and community-based services through Medicaid.

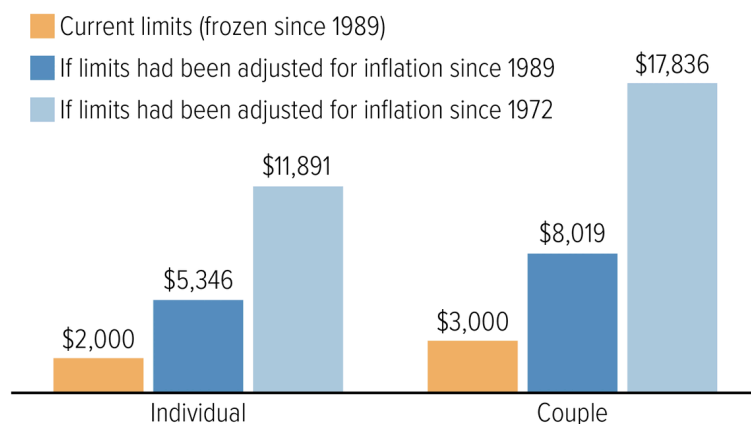
The real problem here is that the asset limits in SSI are far out of date and too low, both for young adults and others. Congress should raise SSI asset limits to prevent families from worrying that their efforts to save for their children's futures will cost them essential support from SSI and Medicaid as a result. There is strong bipartisan support for this approach, notably the SSI Savings Penalty Elimination Act, which would raise the limit for a single beneficiary to \$10,000 and index it to inflation.

“Congress should raise SSI asset limits to prevent families from worrying that their efforts to save for their children's futures will cost them essential support from SSI and Medicaid as a result. 🦋^[2]”

SSI's asset limits have been frozen at \$2,000 (or \$3,000 for couples), with no adjustment for inflation, for nearly 40 years. There is a good chance that many disabled children with Trump Accounts will be at risk of exceeding this extremely low threshold when they reach adulthood. Babies born between 2025 and 2028 are eligible for a \$1,000 contribution from the federal government – to which children's families and others

can add. Even if there are no further contributions, an initial \$1,000 contribution would exceed the \$2,000 SSI asset limit level if it grows as little as 4 percent each year for 18 years (well below the historical average annual return for the default fund, an S&P 500 index).

Strict, Outdated SSI Asset Limits Penalize Saving



Note: Inflation-adjusted to 2026 dollars. SSI asset limits were first set when the program was created in 1972 and last updated in 1989.

Source: CBPP calculations from Social Security Administration, Bureau of Labor Statistics, and Congressional Budget Office

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As CBPP has described before^[3], the tight SSI asset limit – the most restrictive of any federal program – does not allow for beneficiaries to have savings that can help them weather an emergency, let alone provide stability or save for the future. Policymakers have recognized the case for allowing greater savings and have increased or eliminated resource limits in other economic security programs, including the Supplemental Nutrition Assistance Program (SNAP) and Medicaid.

Trump Account balances don't count towards the asset limit for children receiving SSI while they're still minors. But the entire value of their Trump Accounts will count against the limit starting on their 18th birthday – unless their parents are savvy enough to take advantage of a *one-time* opportunity to transfer^[4] Trump Account balances into a special savings vehicle for people with disabilities (known as ABLE accounts) at age 17. But it's unlikely that many families will take advantage. To date, only about 246,000 ABLE accounts^[5] have been set up, including for people who are not SSI beneficiaries. That's significantly less than 5 percent of SSI beneficiaries who are eligible under the current rules.

The conflict between SSI asset limits and Trump Accounts will have significant consequences not just for disabled children in low-income families receiving SSI now, but also for disabled children in middle-income families who may become eligible when they turn 18.

About half^[6] of disabled children receiving SSI continue to receive benefits into adulthood. If their assets exceed \$2,000 – including not only Trump Accounts, but also any other savings or checking accounts, college funds, and more – their benefits will be suspended and then terminated. And if the Social Security Administration doesn't suspend their benefits promptly – as is often the case – these young adults will likely rack up thousands of dollars in overpayments that will be extremely difficult to repay from their meager

benefits. But it will be too late to transfer Trump Account balances into little-known ABLE accounts to avoid these negative consequences, since that one-time opportunity will have already expired.

Families whose children with severe disabilities are not currently eligible for SSI benefits because of their families' incomes and savings will be in a similar position. By the time those children reach young adulthood and apply for SSI benefits after turning 18, their Trump Account balances will likely be too high for them to qualify – and it will be too late to take advantage of the opportunity to transfer Trump Account balances into an ABLE account, either.

There are many other good reasons to increase outdated asset limits, which we have described^[7] previously. A higher limit would encourage – rather than penalize – saving and allow people to retain savings to use when they really need those resources. It would also help relieve families of disabled kids of the need to jump through hoops to transfer Trump Account savings to a different account – which most are unlikely to do. In addition to raising SSI asset limits, Congress should consider allowing families who do wish to transfer Trump Account balances to ABLE accounts to do so at any age.

^[1] /research/social-security/ssi-a-lifeline-for-children-with-disabilities

^[2] <https://bsky.app/intent/compose?text=Congress%20should%20raise%20SSI%20asset%20limits%20to%20prevent%20families%20from%20worrying%20that%20their%20efforts%20to%20save%20for%20their%20children%E2%80%99s%20futures%20will%20cost%20them%20essential%20support%20from%20SSI%20and%20Medicaid%20as%20a%20result.%20https%3A%2F%2Fwww.cbpp.org%2Fblog%2Foutdated-ssi-asset-limits-pose-real-problem-for-children-with-disabilities-hoping-to-benefit&text=>

^[3] /research/social-security/the-case-for-updating-ssi-asset-limits

^[4] <https://www.congress.gov/crs-product/R48910>

^[5] <https://nast.org/national-able-data/>

^[6] /research/social-security/low-income-disabled-youth-face-significant-challenges-upon-coming-of-age

^[7] /research/social-security/the-case-for-updating-ssi-asset-limits