

**Social Security:
The Most Important Anti-Poverty Program for
Children**

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The importance of Social Security as an anti-poverty program for the nation's elderly is widely recognized. In the absence of Social Security, close to half of the elderly population would be living below the poverty line. However, Social Security is also the country's most important anti-poverty program for the nation's children.

Due to the fact that it is a universal program, and that it provides survivors and disability insurance, in addition to retirement benefits, more low-income children live in families that receive a Social Security check than in families that receive a check from the Temporary Assistance to Needy Families (TANF) program. Table 1 shows the percentage of children living in low-income families that received either a Social Security check or TANF check in the years from 2001-2003.

Table 1

Percent of Low Income Children Benefiting from Social Security and TANF

	Percent of children living with someone on TANF		
	Below poverty line	Below 150% of poverty line	Below 200% of poverty line
2001	17.5%	12.4%	9.7%
2002	15.8	11	8.5
2003	15.5	11.3	8.6

	Percent of children living with someone on Social Security		
	Below poverty line	Below 150% of poverty line	Below 200% of poverty line
2001	11.3%	11.5%	11.2%
2002	12.2	12.3	11.7
2003	12.2	12.1	11.9

Source: CEPR analysis of SIPP 2001 panel.

The table shows that a larger percentage of children living below the poverty line live in families that receive a TANF check than a Social Security check. In 2003, the last year for which full year data is available, 15.5 percent of children living in families with income below the poverty line, lived with a family member receiving a TANF check. By comparison, 12.2 percent of children living in poverty lived with a family member receiving a Social Security check in 2003.

However, if 150 percent of the poverty level is used as the cutoff to define low income families (\$28,736 in 2004 for a family of four), then more poor children live in a family with someone receiving a Social Security check than a TANF check. In 2003, 12.1 percent of children in families with incomes less than 150 percent of the poverty line lived with a family member receiving a Social Security check. By comparison, 11.3 percent of these children lived in a family where someone receives a TANF check. The

gap becomes even larger if the cutoff is raised to 200 percent of the poverty line (\$38,314 in 2004 for a family of four). Of the children in families with incomes below the 200 percent cutoff, 11.9 percent lived with a family member who received a Social Security check, while just 8.6 percent lived with a family member who received a TANF check.

The data indicate that, except in the case of the very poorest children (those living in families with incomes below the poverty line), Social Security is a more important source of income support than TANF. Social Security becomes relatively more important at slightly higher levels of income, because a much smaller percentage of low-income families are eligible for TANF once their income exceeds the poverty level.

Table 2
Percent of Family Income from Social Security and TANF
(for families receiving benefits)

Among children living with someone on TANF			
	Below poverty line	Below 150% of poverty line	Below 200% of poverty line
2001	59.2%	51.6%	48.0%
2002	59.5	52.9	49.8
2003	57.0	50.0	47.0
Among children living with someone on Social Security			
	Below poverty line	Below 150% of poverty line	Below 200% of poverty line
2001	57.5%	49.1%	43.6%
2002	54.6	47.5	42.8
2003	55.6	47.4	42.2

Source: CEPR analysis of SIPP 2001 panel.

For those households that receive either TANF or Social Security, these benefits make up a large share of total household income, as shown in Table 2. Among poor families who received TANF in 2003, more than half of total household income – 57.0 percent – came from TANF payments. The situation is similar among households receiving Social Security. Among these households, in 2003, 55.6 percent of total household income came from Social Security. Even among higher income households, these benefits account for a large share of household income. In 2003, among families up to 200 percent of poverty, TANF households received nearly half (47.0 percent) of their total household income from TANF, while Social Security families received 42.2 percent of total household income from Social Security.

While most of the children who benefit from Social Security either live with a disabled worker or receive survivors' benefits due to the fact that a working parent died at an early

age, many children also benefit due to the fact that a grandparent receiving Social Security retirement benefits lives with the family. In many families, and especially low-income families, retired workers live with their children and grandchildren. In these cases, a Social Security check for the grandparent may directly contribute to the well-being of the grandchildren, since it helps to support the household. In such cases, Social Security clearly is not pitting generations against each other.

In the debate over restructuring Social Security it is important that policy makers appreciate all aspects of the program. This includes the disability and survivors benefits, in addition to the retirement benefits. These aspects of the program must be explicitly considered in any changes that are made. It is not sufficient to simply assert that these parts of the program will be left intact, if the changes to the retirement program make the disability and survivors' programs unviable, either economically or politically.

While Social Security is central to the well-being of most of the nation's retirees, it is also an extremely important program for the nation's children and especially its poor children. Congress must recognize this fact as it debates the future of the program.