

## *Statistical Notes From the New Beneficiary Data System*

*The New Beneficiary Data System (NBDS), developed by the Social Security Administration (SSA) over the past decade, is an increasingly important source of information on the changing circumstances of aged and disabled beneficiaries. Based initially on a survey of new beneficiaries conducted in 1982, the data set was subsequently enhanced with information from administrative records, and, in 1991, through followup interviews with survivors from the original survey. All data, of course, meet rigorous standards for the protection of individuals' privacy and confidentiality. Beginning with this issue of the Social Security Bulletin, we will be presenting brief statistical reports from the New Beneficiary Data System, with special emphasis on the results of the New Beneficiary Followup survey; more extensive analyses will follow.*

### **1** *Introducing the New Beneficiary Data System*

*This note briefly describes the respondents and topics in the NBDS data files, with emphasis on the recent followup survey.*

#### ***The Initial Data Base: The NBS***

The New Beneficiary Survey (NBS) was conducted in late 1982 with a sample representing nearly 2 million persons who had begun receiving Social Security benefits during a 12-month period in 1980–81. Interviews were completed with three types of beneficiaries: 9,103 retired workers, 5,172 disabled workers, and 2,417 wife or widow beneficiaries. (These sample numbers are slightly lower than the numbers previously reported in some publications. During the course of analysis, several hundred respondents were found to have received Social Security benefits prior to 1980–81. These respondents are excluded here and in later stages of the NBDS.) In addition, interviews were obtained from 1,444 persons aged 65 or older who were covered by Medicare but were not receiving Social Security payments because of high earnings.

The NBS interviews covered a wide range of topics, including demographic characteristics, marital and childbearing history, employment history, current income

The 1982 NBS Sample and Outcomes in the 1991 NBF

| Mortality and interview status,<br>1991 NBF     | Total  | Beneficiary status in the 1982 NBS |                    |                     |                  |
|---|--------|------------------------------------|--------------------|---------------------|------------------|
|   |        | Aged beneficiaries                 |                    | Disabled<br>workers | Medicare<br>only |
|   |        | Retired<br>workers                 | Wives or<br>widows |                     |                  |
| Total interviewed in NBS <sup>1</sup>           | 18,136 | 9,103                              | 2,417              | 5,172               | 1,444            |
| Respondent deceased at time of NBF <sup>2</sup> | 4,279  | 1,992                              | 380                | 1,602               | 305              |
| Abbreviated surviving spouse interview          | 1,834  | 886                                | 75                 | 720                 | 153              |
| Respondent alive at time of NBF                 | 13,857 | 7,111                              | 2,037              | 3,570               | 1,139            |
| Completed interview                             | 12,128 | 6,239                              | 1,754              | 3,161               | 974              |

<sup>1</sup> Excludes a small number who were found to have received aged benefits prior to 1980-81.

<sup>2</sup> Preliminary data.

and assets, and health. Selected data were also gathered from spouses and added from administrative records. The resulting data set was released as a public use tape and analyzed in a series of 24 studies conducted by SSA. Findings from these studies were summarized in the Summer 1992 issue of the *Social Security Bulletin*. A compilation of the full reports is also available.

### ***Linking Administrative Data***

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Since the 1982 survey, selected information on the NBS respondents has been compiled periodically from Social Security, Supplemental Security Income (SSI), and Medicare records. These administrative data—which can be linked to the earlier survey data—make it possible to analyze changes in respondents' covered earnings, cash benefits, and health expenditures.

### ***The New Beneficiary Followup***

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Designed to meet a growing need for longitudinal data on the dynamics of disability and aging, followup interviews were conducted throughout 1991 with surviving respondents from the NBS.

Preliminary data reveal that 24 percent of the original respondents had died by the time of the NBF. The wife or widow beneficiaries had the highest survival rate (84.3 percent), followed by the Medicare-only and retired-worker groups (78.9 and 78.1 percent, respectively). Although disabled-worker beneficiaries were the youngest group, they had experienced the highest mortality, with only 69 percent surviving.

Among the surviving NBS respondents, 12,128 interviews were completed, representing a response rate of 87.5 percent. Response rates were remarkably similar across subsamples, ranging from 86 to 89 percent. The NBF also attempted to gather abbreviated information from the spouses of NBS respondents who had died. A total of 1,834 of these additional interviews were completed—1,495 with widows and 339 with widowers.

The NBF questionnaire was designed with an emphasis on measuring changes over time. It updated the profile of economic circumstances obtained in the NBS, and added or expanded sections on health, family contacts, and post-retirement employment. The interviews also explored major changes in life circumstances that might underlie changes in economic status (for example, death of a spouse, an episode of hospitalization, or a change in residence). In addition, disabled-worker beneficiaries were asked about their efforts to return to work, experiences with rehabilitation services, and knowledge of SSA work incentive provisions.

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## **2** ***Dynamics of Disability***

*This note reports on recovery rates, conversion to retirement status, and death rates of a cohort of disabled-worker beneficiaries during the decade after they began receiving benefits in mid-1980–81.*

- ***The disabled had very high death rates.***

About 42 percent of the disabled-worker beneficiaries died in the decade after their benefits began. This includes almost 15 percent who died before the first interview in 1982.

- ***The disabled had much higher death rates than the aged.***

In the decade after benefits began, and particularly in the first 18 months, the death rate of the disabled was much higher than that of the aged. The disabled were 14 times more likely to die than the aged in the first 6 months, 8 times more likely to die in the second 6 months, and 4 times more likely to die in the third 6 months. After this, the disabled were about twice as likely to die as the aged. Near the end of the decade, the death rate of the aged increased and became similar to that of the disabled.

- ***Men and the older disabled had higher death rates.***

In the decade after benefit receipt, 44 percent of the men died, compared with 37 percent of the women. Those who would have been aged 65 or older in 1991 were

more likely to die in the decade than the younger disabled—53 percent of older men and 43 percent of older women died, compared with 34 percent and 32 percent of younger men and women, respectively.

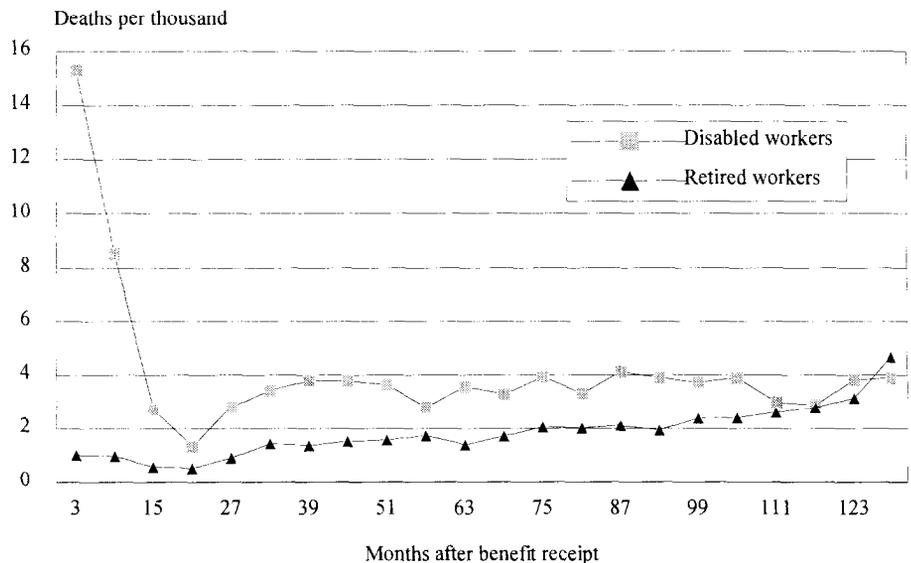
- *Almost half of the disabled had converted to retirement status.*
- *Few recovered—even temporarily—and some periods of recovery were limited.*
- *The DI Trust Fund paid an average of 6.5 years of benefits.*

Of those who were interviewed in 1982, 47 percent attained age 65 in the decade after benefits began. At age 65, disabled-worker beneficiaries are converted to the retirement program. Their benefits are then paid from the Old-Age and Survivors Insurance Trust Fund. Payments from the Disability Insurance (DI) Trust Fund cease.

Of the disabled who were interviewed in 1982, only 11 percent recovered and stopped receiving disability benefits. The young disabled, who were under age 65 in 1991 were much more likely to recover than those aged 65 or older—20 percent, compared with 2 percent. This is, in part, because the older disabled had less time before converting to retirement status and were more likely to die. The recovery group can be broken down as follows: 2 percent remained out of the DI program for a total of 1–2 years; 2 percent for 3–4 years; and the remaining 7 percent for 5 or more years.

Before leaving the DI rolls because of recovery, retirement conversion, or death, the 1980-81 disabled cohort received an average of 6.5 years of disability benefits in the decade after benefits began. Those who attained age 65 in the decade received an average of 5.4 years of disability benefits and an additional 4.5 years of retirement benefits.

#### Mortality rates of retired and disabled beneficiaries



The Social Security Administration encourages researchers to utilize the data in the New Beneficiary Data System. A public use file of the New Beneficiary Followup data—which can be linked to the public use New Beneficiary Survey and administrative files—will be available in early 1994.

For further information on the NBDS contact: Howard M. Iams, Program Analysis Staff, Office of Research and Statistics, Social Security Administration, 4301 Connecticut Ave., NW., Washington, DC 20008.  
Dr. Iams may also be reached by phone: 202-282-7092.

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## Health and Functional Status of the Disabled

*This note reports information on the health and functional status of the disabled from self-assessments at the end of the decade after they began receiving benefits in mid-1980–81, and changes in functional status. Two health measures were used: subjective health assessment and occurrence of specific health conditions. A functional status was assessed by three sets of measures. These measures include (1) the activities of daily living (ADL); (2) instrumental activities of daily living (IADL) that represent selected routine activities, and (3) a functional capacity limitation index designed to assess basic physical movement including walking, climbing, lifting, bending, and grasping.*

### The Disabled Generally Did Not Think They Were In Good Health In 1991

- Most reported their health as “fair” or “poor.”**

About 8 in 10 (79 percent) rated their health as “fair” or “poor” when asked about their health in general. Men were somewhat more likely to report their health as poor (52 percent), compared with women (45 percent). Women, however, were slightly more likely to rate their health as fair—33 percent, compared with 28 percent of the men.
- A majority reported their health as “worse” than others.**

Almost 6 in 10 (58 percent) felt that their health was worse than others their age. Given the highly restrictive SSA definition of disability, this is not a surprising finding. About 3 in 10 (31 percent) reported their health as “about the same” as that of others their age.

### Health disorders were common in 1991

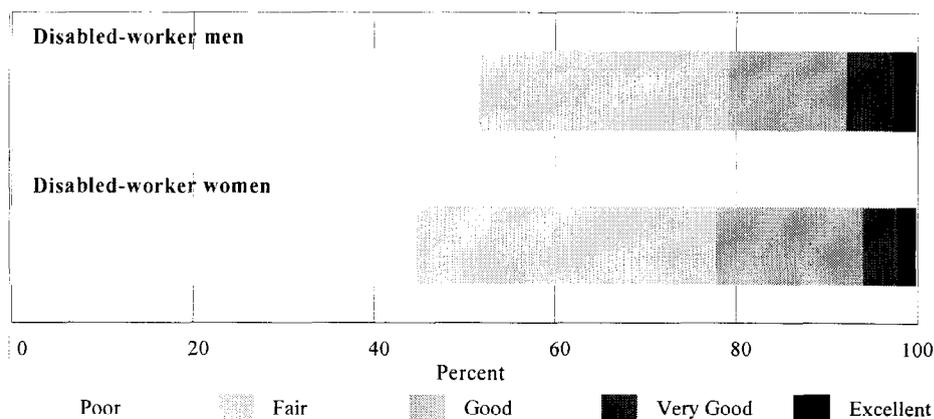
- Multiple disorders were reported by almost everyone.**

Almost all of the disabled (95 percent) reported at least two disorders, and over 8 in 10 (85 percent) reported three or more.
- Cognitive and mental functioning, musculoskeletal, and circulatory disorders were the leading problems reported.**

Most respondents reported problems with memory (70 percent), and musculoskeletal conditions (69 percent), followed by heart problems (55 percent), permanent stiffness or deformities of the extremities (46 percent), and nervousness, depression, or mental illness (45 percent). Among those reporting memory problems, 3 in 10 (32 percent) reported frequent problems remembering things.
- There were a few notable differences by sex in reported conditions.**

Women were more likely to report arthritis (78 percent) than were men (65 percent), and somewhat more likely to report nervousness or mental disorders—48 percent, compared with 43 percent; whereas men were more likely to report ever having had heart attacks or strokes—48 percent, compared with 29 percent. Women were about as likely as men to report current heart problems—54 percent, compared with 56 percent.

Self-assessed health status



## The Disabled Had Many Functional Status Limitations

- *Many disabled beneficiaries had trouble performing ADL's.*
- *More of the disabled had trouble performing IADL's than ADL's.*
- *The disabled reported substantial limitations in physical functioning capacity.*
- *The disabled had a high death rate—however, many surviving the decade reported the same functional status and some reported a better functional status.*

Difficulty in performing two or more ADL's was reported by over 4 in 10 (42 percent). The most common ADL limitations were walking (50 percent) and transferring in and out of beds or chairs (43 percent). About a fourth (24 percent) had trouble dressing. Relatively few had trouble using the toilet (16 percent), and even fewer had trouble feeding themselves (9 percent).

Difficulty in performing two or more IADL's was reported by almost 6 in 10 (57 percent). The most common IADL limitations were working around the house (51 percent), shopping for groceries (45 percent), doing laundry (42 percent), and shopping for personal items (40 percent). Problems in managing money, one of the more complex IADL's, was reported by fewer than 3 in 10 (27 percent).

Persons rated with severe functional limitations were generally unable to walk, and were unable to or had difficulty reaching and/or grasping. Those with moderate limitations were able to walk but had difficulty or inability in reaching or grasping. Over half (55 percent) were "severely limited" in physical functioning capacity. About a fourth (24 percent) were "moderately limited." Women were more likely to report severe physical functioning limitations than men (62 percent, compared with 51 percent).

Between the time of coming on the benefit rolls and the followup interview a decade later, 42 percent of the disabled cohort had died. Respondents reported functional limitations in 1982 and 1991 that were used to create a physical functional status index. Among survivors, 24 percent had physical functioning status based on reports in 1991 that was better than that in 1982, 18 percent had worse physical functioning, and 57 percent had the same physical functioning status. Among those who were severely limited initially, 32 percent had less limitation. Among those who initially had a minor limitation, 43 percent had more limitation.

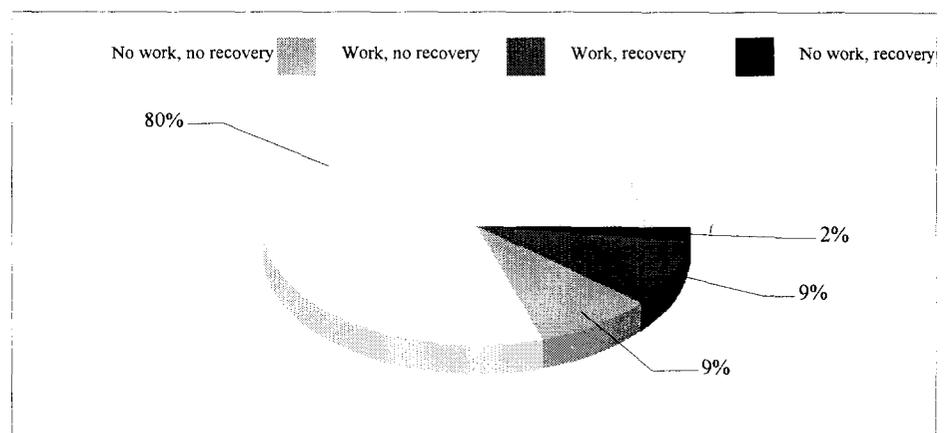
## **4** *Work Attempts of the Disabled*

- *Almost a fifth of the disabled-worker beneficiaries worked after benefit receipt.*

*This note reports on the work efforts of the disabled during the decade after they began receiving benefits in mid-1980-81.*

Paid work is important because it increases available income and contributes to independence. The DI program encourages work by allowing limited earnings and trial attempts at full-time work without losing Social Security or Medicare eligibility. In the first decade after starting benefits, 18 percent reported working at some point.

### Work and recovery status of disabled-worker beneficiaries



- *Many had recovered and left the disability benefit rolls.*
- *Work was often limited.*
- *The older disabled were less likely to work, to recover, or to have substantial employment.*
- *Financial need and personal preference were the most frequent reasons for returning to work.*

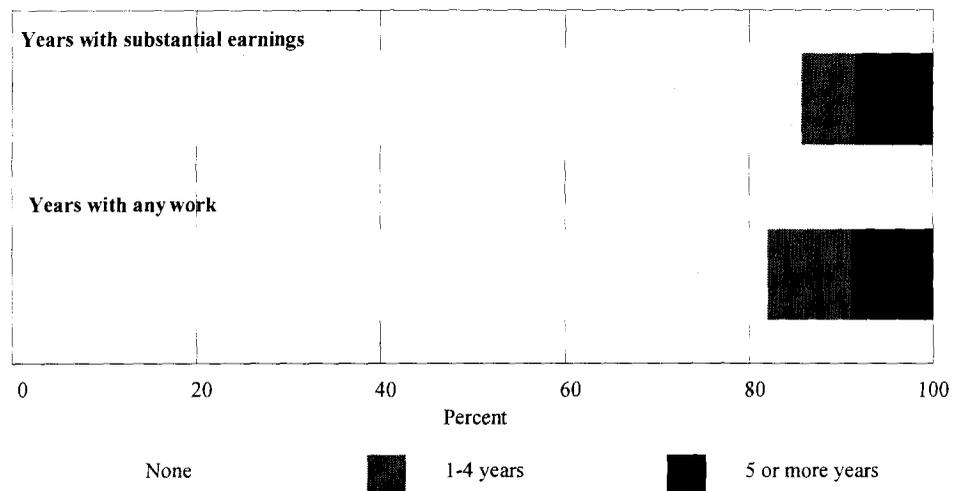
Of the 18 percent who had worked, half had recovered and their disability benefits ceased, at least temporarily.

Of the 18 percent with any work, over half worked exclusively part-time hours or part year. Half worked for only 1–4 years. And for many of the disabled, their earnings were very low—less than \$3,600 in 1980–89 and \$6,000 in 1990 or 1991 (the levels defining substantial gainful activity for disability determination purposes). About equal proportions always worked at or below this level, had earnings above this level in only 1–4 years, and had earnings above this level in 5 or more years.

The older disabled who reached age 65 in the decade were much less likely to report working than the younger disabled—9 percent, compared with 26 percent. They also were less likely to recover—2 percent, compared with 20 percent. And they had more limited work. Only 2 percent of the older disabled ever worked full year, full time, compared with 14 percent of younger disabled. Only 3 percent of the older disabled worked 5 or more years, compared with 15 percent of the younger disabled workers. And only 1 percent of the older disabled had at least 5 years with covered earnings above the substantial gainful activity level, compared with 10 percent of the younger disabled.

Of those returning to work after their disability, 79 percent of men and 74 percent of women reported working because they needed money. About three-fifths gave financial need, and almost a fifth gave personal preference as the main reason for returning to work.

**Work experience in the decade after benefit receipt**



**5 Marital Status of the Disabled**

*This note reports information on the marital status of the disabled at the end of the decade after they began receiving benefits in mid-1980–81, and on changes in marital status and the expenses of becoming widowed.*

- *The majority of disabled men were married and the majority of women were not married.*

In 1991, 69 percent of men were married, compared with 40 percent of women. Women were much more likely to be widowed than were men—26 percent, compared with 6 percent—and they also were more likely to be divorced—19 percent, compared with 11 percent. About 10 percent were never married, and only a small proportion were separated (4 percent of the men, and 5 percent of the women).

- *The older disabled were more likely to be widowed; the younger disabled were more likely to be divorced or never married.*

Women aged 65 or older were twice as likely to be widowed as those under age 65 (36 percent, compared with 17 percent). Older men were almost four times more likely to be widowed than younger men (11 percent, compared with 3 percent). Younger women were somewhat more likely to be divorced (21 percent, compared with 17 percent), and younger men were twice as likely to be divorced (14 percent, compared with 7 percent). Younger disabled were also twice as likely to be never married (14 percent of younger women, compared with 7 percent of older women; 16 percent of younger men, compared with 4 percent of older men).

- *Few changed their marital status.*

Over the decade, 81 percent of men and 76 percent of women did not change their marital status.

- *Women were more likely to become widowed than men.*

In the decade after benefit receipt, 12 percent of women became widowed, compared with only 5 percent of men.

- *Most of the disabled who became widowed had out-of-pocket expenses connected with their spouse's death.*

About 85 percent of those who had been widowed since 1982 were willing to answer questions about the expenses connected with the death of their spouse. A substantial majority (75 percent) reported that they personally paid expenses associated with the death of their spouse. By far, the most common expense was for funerals, markers, or burial plots.

- *A minority of the disabled had large out-of-pocket medical expenses connected with their spouse's death.*

The two most prevalent out-of-pocket medical expenses of \$1,000 or more were hospital bills and doctor's bills (24 percent of men, 15 percent of women). Few personally paid large expenses in nursing home bills, hospice bills, medical care at home, or other medical bills from personal assets.

- *The majority paid death expenses using readily available assets.*

Savings, checking, or credit union accounts were used to pay for such expenses by 60 percent of men and 52 percent of women. Almost half used their spouse's life insurance proceeds to pay death expenses. Only 10 percent borrowed from a relative, 7-10 percent received gifts, and few had to sell or borrow against property to pay expenses.

- *Few lost health insurance because of their spouse's death.*

Only 8 percent of women and 2 percent of men lost their health insurance coverage because of the death of their spouse.

**Marital status of disabled-worker beneficiaries**

