The Hidden Beneficiaries of Social Security

Social Security impacts more children than previously realized

Social Security’s role in lifting millions of seniors out of poverty has been widely documented. However, it is also one of the federal government’s largest antipoverty programs for children, serving more children than Supplemental Security Income (SSI) and Temporary Assistance for Needy Families (TANF).¹ For example, according to CEPR, in 2003 Social Security supported a higher percentage of children than TANF in families with income below 200 percent of the poverty line where someone received either benefits.² As of 2014, there were 3.2 million children under age 18 directly receiving Social Security income benefits directly, as the surviving dependent of a parent or guardian who had died, the dependent of a disabled worker, or the dependent of a retiree. Many of these children come from the nation’s most economically vulnerable households. As a result, Social Security is often the only financial safeguard protecting them from the harmful effects of poverty.³

Yet, the number of children benefitting from Social Security is commonly underestimated. Using data from the U.S. Census Bureau’s Current Population Survey and the Social Security Administration’s Annual Statistical Supplement, this fact sheet details the undercount in the number of Social Security beneficiaries under age 18. Specifically, when indirect child beneficiaries (those who live in households where at least one family member receives benefits) are added to the 3.2 million direct beneficiaries, the total number of children who benefit from the program doubles to 6.4 million, which is 9 percent of all U.S. children under the age of 18.

Social Security is reaching a growing number of children, especially children of color

White children still represent the largest number of child beneficiaries of Social Security. However, there are several signs that the number of direct and indirect beneficiaries of Social Security who are children of color is on the rise:

- Indirect child beneficiaries identifying as Latino or as children in households identifying as “Other” are growing at a significantly faster pace than those who identify as African American or White.
- Indirect child beneficiaries in Latino households have grown on average, by 4.2 percent annually between 2001 and 2014.
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- Although a smaller group, families that identify as other than White, Black, or Latino have seen growth in indirect child beneficiaries of 12.7 percent annually.

**Social Security is lifting a large share of children out of poverty**

Social Security reduces poverty rates among all children in families that receive benefits by 17.3 percent. If there were no Social Security benefits for these families:

- For African American children, the poverty rate would increase by 17 percent to nearly 58 percent.
- For Latino children, the poverty rate would increase by 17 percent to nearly 45 percent.
- For White children, the poverty rate would increase by 18 percent to 39 percent.
- For children that identify their ethnicity or race as other than White, Black, or Latino, the poverty rate would increase by 13 percent to nearly 29 percent.

**Social Security contributes a significant percentage of the family income that supports children, especially for African Americans**

As household incomes have stagnated or declined over the past few decades, Social Security has become a more important part of income for children in families that receive both direct and indirect benefits, contributing an average of 39 percent of their family income in 2014.

- This is true for children in all racial and ethnic groups and particularly for African American children where benefits contribute 46 percent to family income.
- For African American families with child
beneficiaries, the share of total income provided by Social Security benefits has grown by 9.2 percentage points since 2001, the highest growth of all racial groups.

In sum, as U.S. child poverty increased during the 2000s, Social Security played a crucial role in offsetting this trend. When families needed it most, Social Security strengthened child economic security. It helped to provide critical necessities such as food, shelter, and clothing that children need to survive and thrive. This is true across all racial and ethnic groups, but it is particularly important for the most vulnerable populations and especially children of color.

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Works Cited

