Discussion of Schmidt and Sevak


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Summary and contribution

- Examines how much of geographic variation in SSI child caseloads can be explained by local factors
  - Builds on prior work on spatial variation in SSI child caseloads (Aizer et al. 2013; Schmidt 2013; Wittenburg et al. 2015)
  - Uses county-level data to examine within-state caseloads, whereas previous work has focused on cross-state variation
  - Estimates separate models by region and state
  - Includes health measures (ADHD, birth weight), local economic conditions, demographic factors, and special ed incentives

- Results show some strong county-level correlates
  - Included variables explain 30-40% of recent growth
  - Substantial heterogeneity by region
Relationship to previous literature

• Variation in disability caseloads
  – Previous studies use state-level variables to explain spatial variation in SSI child caseloads (Aizer et al. 2013; Schmidt 2013)
  – Manoli and Ramnath (2015) document geographic variation in DI claiming and entry

• Variation in program participation and mobility
  – Chetty et al. (2013) attribute differences in EITC claiming behavior to differences in program knowledge
  – Chetty et al. (2014) find substantial geographic variation in intergenerational mobility
Why does geographic variation matter?

• Equitable treatment argument
  – Variation in child SSI not explained by variation in observable health and income eligibility factors
  – Suggests either differences in unobserved individual factors or in environmental factors
  – Original motivation for SSI was standard national eligibility requirements to replace fragmented state and local programs

• Caveats
  – Estimates are correlations
    • E.g., special education rate might be driven by SSI rate, or both might be driven by third factor (Granger causality tests)
    • Need exogenous variation in explanatory variables to estimate causal effects
  – Understanding variation different question than finding optimal rate of SSI receipt
What factors explain geographic variation?

• Schmidt and Sevak (2016) consider
  – Demographic factors: education, race, English-language learners
  – Local economic conditions: poverty rate, unemployment rate, manufacturing jobs
  – Health: ADHD, low birth weight
  – Special ed incentives: school finance formula, % on special ed

• Other potential contributors to variation
  – Program information and assistance
  – Network effects
  – SSI-specific vs. general participation factors
Program information and assistance

• Chetty et al. (2013) attribute geographic variation in EITC claiming to differences in knowledge

• Deshpande and Li (2016) find field offices instrumental to disability applications and receipt
  – Closings reduce SSI child applications by 14% and allowances by 13%, effects persistent
  – Proximity to field office or ease of access may explain differences

• School and non-profit referral and assistance
  – Beyond special ed incentives, schools may have different referral cultures or different amounts of assistance
  – Until recently, Chicago Public Schools’ Children and Family Benefits Unit helped families with program applications
  – Access to non-profit organizations
Network effects

• Evidence of importance of networks in participation
  – Bertrand et al. (2000) find evidence of importance of immigrant communities in welfare participation
  – Dahl et al. (2014) estimate large peer effects in take-up of paternity benefits in Norway

• SSI child context
  – Deshpande (2016a) finds that removal of SSI child decreases applications by other family members and that family members tend to apply for disability benefits together
  – From Deshpande (2016b), 25% of 18-year-olds on SSI have a younger sibling on SSI
  – Use SSA data to study whether growth occurs within households or across households
SSI-specific vs. general participation factors

• Compare child SSI variation to other variation

• Variation in participation in other programs
  – Manoli and Ramnath (2015) on DI, Chetty et al. (2013) on EITC
  – If high correlation in local participation rates across programs, then evidence of importance of general participation factors rather than SSI-specific factors

• Variation in intergenerational mobility
  – Chetty et al. (2014) find geographic variation in intergenerational mobility
  – Same factors that play a role in intergenerational mobility might affect program participation, or program participation itself may contribute to differences in intergenerational mobility