Overview of the Office of Research, Statistics, and International Policy Functions

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Research and statistics have been an integral part of social security program development and administration since the program's beginning. The Office of Research, Statistics, and International Policy (ORSIP) is responsible for developing and disseminating information on the effects of programs operated by the Social Security Administration (SSA) and the interactions among these programs, other tax and transfer programs, and economic, social, and demographic forces. This mission is carried out by collecting and tabulating statistics and by conducting policy research and legislative impact analyses. ORSIP also provides technical assistance to other SSA components. In this overview, each of those functions is outlined and major initiatives to carry out the office's primary objectives for fiscal year 1986 are described.

The Office of Research, Statistics, and International Policy (ORSIP) is responsible for providing information on the effects of programs operated by the Social Security Administration (SSA) and the interactions among these programs, other tax and income-transfer programs, and economic, social, and demographic forces. This mission is carried out by collecting and maintaining statistical information, conducting research and analysis, and disseminating findings to varied audiences.

The results of these activities are used by SSA and other executive branch policymakers, as well as by Members of Congress and their staffs, to help evaluate existing and proposed policies. The Press Office and the Office of Governmental Affairs (OGA) use our information to respond to inquiries from the news media and public interest groups. And SSA program managers and field personnel use this information better to understand the economic and social effects of our program, as well as to respond to inquiries from their local communities about the beneficiary population and to estimate the size of regional and district office workloads.

This article describes the various types of work performed in ORSIP, with a particular emphasis on current activities. It also explains how our contributions are used, and by whom. It is not comprehensive, but rather is an expanded functional statement with specific projects used to illustrate and highlight current priorities.

Our major responsibilities can be categorized into four functional areas. These areas are not discrete or mutually exclusive; they are integrally related and often represent approaches to the same issue or data set from different perspectives. The four areas are:

- Program statistics.
- Policy research.
- Legislative impact analysis.
- Technical assistance to others.

Program Statistics

The development of data bases and the tabulation and dissemination of basic program statistics represents ORSIP's "nose counting" function. ORSIP produces basic data about workers covered by social security and about old-age, survivors, and disability insurance (OASDI) and supplemental security income (SSI) beneficiaries. Data from administrative records and surveys are tabulated to answer such questions as: Who are current beneficiaries? How many get which types of benefits? What are the characteristics of beneficiaries—their age, sex, geographic location, benefit amounts, primary insurance amounts, health status, and total

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income levels? How many of what types of workers are covered by the OASDI programs? What are their earnings levels?

The answers to such questions have several uses. They are intended to help program managers anticipate the size of their workload. They are designed to help legislative policymakers assess the current program. ORSIP staff respond to more than 100 calls for these basic program data each month—65 percent from SSA central office and field managers, the remainder from congressional staffs, the Office of Management and Budget (OMB), and other Federal agencies, State and local governments, and the public. The data also provide the basis for much of our own research and analysis activities.

Over the years, ORSIP has achieved a reputation for disseminating accurate data. Our current objective is to improve the timeliness and accessibility of beneficiary data. To achieve this objective, ORSIP has under way two major initiatives:

- Upgrading our basic administrative data files.
- Improving the provision of information to the field.

ORSIP depends on the administrative record system for basic information about the beneficiary population. For example, the Master Beneficiary Record (MBR) provides data about OASDI beneficiaries and the benefit amounts. But working with the entire MBR is very time-consuming. So ORSIP is creating a file based on a 1-percent sample of the MBR. This new file will reduce the delay in the availability of basic beneficiary data and permit us to respond more quickly to special requests for information. Second, REMICS, the basic SSI data file, is being revamped so that more questions from program operators and legislative policymakers can be answered and so they can be answered more quickly.

The second initiative includes making information on the geographic location of OASDI and SSI beneficiaries (State, county, and ZIP code data) available more widely and more frequently to field staff. In addition, we are preparing a fact book for distribution to the field staff, among others, providing answers to the most frequently asked questions about the national OASDI and SSI populations.

ORSIP also will continue to disseminate its data in several other publications. These reflect a tradeoff between timeliness and level of detail. The most recent data are in the **Monthly Benefit Statistics** (MBS) series, which has just a 2-month time lag. The MBS includes data on very broad categories of beneficiaries. Our most detailed data are in the **Annual Statistical Supplement** to the **Social Security Bulletin,** which has more than 200 tables on all aspects of the OASDI program as well as data on a variety of related income-security programs. Because of the detail in this publication, the time lag for the data is 10 months to 2 years. In fiscal year 1986, ORSIP will work with the Office of Retirement and Survivors Insurance (ORSI) to produce the next edition of **Income of the Population 55 and Over,** a publication used to respond to hundreds of inquiries about the extent to which the total aged population relies on various sources of income, including not only social security benefits, but also private pensions, earnings, assets, and public assistance.

ORSIP will continue to publish in the **Bulletin** initial findings from the New Beneficiary Survey. Reports from this abundance of demographic, health, and socioeconomic information include data on income and assets, second pension income, health status, and job history for a sample of disabled and retired workers, their spouses, and widows and divorced wives who recently began receiving cash benefits. These data permit assessment of such issues as:

- The extent to which second pensions are available to beneficiaries with higher benefits.
- The extent to which those with lower benefits have other sources of income in retirement.
- The extent to which ill-health is reported as a reason for the decision to retire.

Finally, ORSIP will continue its publication of data about public (Federal, State, and local) expenditures for health, education, and welfare programs. This series, with estimates published back to 1950, is used to track long-term trends in the respective roles of various levels of government and, until recently, the private sector as well, in providing income security and related health and education services in the United States. Data on private (individual, private charity, and industry) expenditures for these purposes were part of this series until the data sources deteriorated, but improved information sources now will permit inclusion of private expenditures once again, so that a more complete picture of national expenditures for social welfare can be provided in upcoming publications.

Policy Research

Policy research looks at relationships among variables—for example, the effect of health status, age, and education on the ability to work. Researchers often develop hypotheses, or assumptions, about how one variable relates to another. These assumptions typically are expressed as equations. The equations are then applied to data from surveys and administrative records to see whether the assumptions are true.

ORSIP's research typically looks at human behavior as it relates to income-security issues. How does the existence of social security affect individuals' decisions to save more or less? Why does one person with a given health condition continue to work while another with the same condition decides to apply for disability insurance benefits? Human behavior is complex, as is collecting and processing information to look at human behavior. Further, research frequently entails false starts. So research typically is a fairly lengthy process.

The effect of research on the policy process is diffuse. Research seldom directly changes the outcome of a policy debate, but it does contribute to the knowledge the players bring to the process of policy development. Research on expenditures of the aged has helped provide evidence against the need for a special Consumer Price Index for the aged. Research on the extent to which social security changes work effort has influenced the debate over whether or not the delayed retirement credit should be increased or the earnings test reduced or eliminated.

ORSIP does three types of research:

- Development of simulation models.
- Research on theoretical relationships.
- The design and execution of surveys and interpretation of survey findings.

For the near term, the primary objective for ORSIP's research activities is to improve the capabilities of two computer simulation models (used primarily for legislative impact analysis, but also for more broad-ranging research). These models incorporate mathematical representations of the effect of one kind of variable (such as an extra year of work) on another (such as a person's primary insurance amount (PIA)).

The first model is STATS, which permits an assessment of the effects of both tax and OASDI and SSI legislation on beneficiaries now and in the immediate future. It is being used to estimate the effects of different cost-of-living adjustment (COLA) reduction plans. The second is MICROSIM, which is used to predict the effects on different types of beneficiaries of policy changes, such as earnings sharing, that would be fully effective in the distant future. ORSIP researchers will be working to improve the theoretical assumptions underlying both models and to develop more rigorous methods for assessing the reliability of their results.

Research on theoretical relationships will be done both in-house and through extramural activities. For example, the fiscal year 1985 and 1986 grant and contract budgets include resources to fund research examining why fringe benefits are increasing as a fraction of total compensation. Understanding why this has occurred may help SSA predict whether the trend will continue and thus will continue to decrease the relative size of taxable wages. ORSIP-sponsored grant and contract research will study how increasing the retirement age could affect private pensions. In addition, work in-house will continue on how economic well-being should be measured; this study focuses on how to take account of wealth, noncash income, and personal taxes in comparing the economic status of the aged and nonaged.

Survey research will include:

- Work associated with a new survey of the SSI population.
- Studies using data from surveys that have been completed.
- Planning for a new survey of the aged, or of a subset of the aged.

The SSI survey is designed to collect information that can be used as a basis for program and legislative policy issues relating to the SSI population, as well as to improve our capacity to make SSI cost estimates. A pretest of the questionnaire is being done this fall and the actual survey will be conducted in June 1986. Persons interviewed will include a sample of aged SSI recipients and a comparison group of aged persons who are not receiving SSI.

Studies making use of existing survey data will focus in part on the decision to stop working, either because of ill health or other factors. Specific topics will be suggested by the retirement age study (described below). Three in-house survey data bases will be used: the New Beneficiary Survey, the Retirement History Survey (which traced a group of persons from the time they were of preretirement age until several years after they retired), and the Framingham Heart Study (a 34-year data series that collected health data on residents of a Massachusetts town). In addition, ORSIP will be conducting research on the status of beneficiaries using data from surveys conducted by the Bureau of the Census and the Bureau of Labor Statistics, among others.

ORSIP also has just begun to discuss issues that might form the basis of a new survey of the aged. Surveys take several years of development before a questionnaire can be administered. Data preparation after the survey is administered also is time-consuming. Thus, it is time now to start planning for any survey that will be used for analysis in the 1990's.

Legislative Impact Analysis

This type of work is closely related to each of the two preceding functions and builds on both. It complements the activities of the Office of the Actuary (OACT) and the Office of Legislative and Regulatory Policy (OLRP) by assessing the "people effects" of provisions in current law and of proposed changes in the law. We measure the extent to which the current program provides for the economic security of the aged and disabled and we estimate the numbers and types of persons who would be affected by changes in the law. Our work can be used to compare the differential effects of various means of achieving a given policy goal. By its nature, legislative impact analysis tends to be narrower in focus than research.

Typical of the questions legislative impact analysis can answer are: Are the economic problems of divorced older women as severe as supporters of earnings sharing contend? How many persons would be affected by various COLA reduction plans and what are their socioeconomic characteristics? What would be the effect on civil service annuitants of different government pension offset provisions? What would be the effect on disability insurance beneficiaries of different benefit caps? What are the attributes of persons who would receive higher benefits if the earnings test were eliminated? The primary audience for the results of this kind of analysis are SSA policy analysts and policymakers, Members of Congress and their staffs, and the OMB.

For fiscal year 1986, ORSIP's goal is completion of four longer-term priority projects in this functional area. Of course we will continue to provide quick responses to specific ad hoc requests. The longer-term priority projects are the congressionally mandated retirement age study, two SSI demonstrations that encourage self-sufficiency, and a followup to the earnings sharing report to Congress.

When Congress raised the age at which unreduced benefits are payable, it mandated a study on the implications of this change. The major assumption was that as average life expectancy rises, the age at which health problems occur will rise equally. The retirement age study will evaluate how likely it is that this assumption holds. It will also estimate the number of persons in those groups of workers who are most likely to be adversely affected by the increase in the retirement age (that is, those with health problems and/or those in physically demanding jobs).

The report to Congress, due in January 1986, will summarize current knowledge about the health of older workers and the relationships between health and the retirement decision; it will also suggest priority areas for future research. ORSIP shares responsibility for this project with OLRP. We anticipate that ORSIP will continue to conduct research on the retirement decision after the mandated report is completed.

The two demonstration projects are testing methods of encouraging disabled SSI recipients to work. The first studies various treatment methods being used in dealing with SSI recipients who are medically determined to be drug addicts and alcoholics (DA and A). The project is assessing whether mandatory treatment and the use of representative payees are effective in promoting recovery. A contractor is conducting the demonstration in San Francisco, Oakland, Sacramento, Seattle, Philadelphia, Baltimore, and New York City over a 3-year period that began in the spring of 1983. The final report will be done in the spring of 1986.

The second demonstration will test the effectiveness of transitional employment training services in assisting mentally retarded SSI recipients to obtain and keep permanent, competitive jobs in the private sector. A contractor is responsible for designing the types of training to be tested and evaluating the training. Grants have been awarded to eight providers of training services to test which types are most effective in achieving the objective. SSI recipients currently are being invited to participate in the training. The final report on the demonstration is expected in the summer of 1987.

The report on options for implementing earnings sharing was sent to the Congress earlier this year. ORSIP provided information on the current status of aged women and on the effects of various earnings sharing plans on various types of future beneficiaries. At the request of OLRP, we will assess an additional earnings sharing plan—prepared by a group of advocates—in anticipation of congressional hearings on the report.

In addition, as noted, we will continue to respond to specific one-time requests for impact analyses using information from the New Beneficiary Survey, our simulation models, administrative records, and surveys conducted by the Department of Labor and the Bureau of the Census.

Further, we will continue to publish in the **Social Security Bulletin** the results of recurring analyses of coverage provisions, the cost-of-living adjustment, dual entitlement provisions, and the earnings test. We also are updating **Social Security Programs in the United States**, a nontechnical description of the programs operated by SSA and of other public programs providing income security or health insurance. In years past, this publication was frequently requested by field offices, high school and college teachers, and public policy analysts because it provided clear and concise information on a broad set of programs.

Technical Assistance to Others

Perhaps ORSIP's most important resource is the methodological and substantive expertise of its staff. We share this resource with others in several ways.

First, ORSIP is responsible for 10-year projections of OASDI payroll tax revenues, covered employment, and average covered wages. These projections are used by the Office of Management, Budget, and Personnel (OMBP) in agency budgets, by OACT in the trustees reports, and by other government organizations such as the Congressional Budget Office (CBO) for its budget projections. We make estimates of taxable wages and self-employment income that are used by the Department of the Treasury in making the initial appropriations to the trust funds. These initial appropriations are later adjusted on the basis of actual reported taxable earnings.

Second, each year ORSIP produces for the Treasury Department estimates of multi-employer refund wages and single-employer excess wages. The estimates are used to compute the amount of funds to be transferred between the trust funds and the general fund. For OMBP, we produce estimates of approximately 30 workloads related to the establishment and maintenance of detailed earnings records. These estimates are used in predicting estimates of SSA's administrative expenses and of manpower and space requirements in field offices and certain operating components.

Third, ORSIP helps develop the economic assumptions used in the trustees' reports. Our economists also are called upon to advise other SSA staff and other executive and congressional branch staffs on the economic consequences of tax and income transfer policies. We keep abreast of a broad range of studies related to income-security programs and are ready to share our information through briefings, summaries of particular studies, or advice or comments on specific projects or problems.

Fourth, experts in confidentiality and privacy issues counsel organizations outside SSA in the potential use of our data files for their own research purposes.

Finally, our small staff of statistical consultants assist the rest of the agency in designing, conducting, and interpreting special studies. For example, during the past year, we have provided statistical and/or analytic support on the following:

- At the request of the Office of Assessment, we have designed a valid national sample of SSI cases to determine how often recipients erroneously report the amounts in their bank accounts. We will also analyze the results of this study.
- We are working with the Field Liaison and Support Staff to determine why selected regions have different average unit times for similar workloads and why offices with similar characteristics have different rates of productivity.
- For the Office of Systems Operations, we are developing an ongoing quality control system to measure all phases of work involved in the Annual Wage Reporting process. This system will also provide measures of the cost effectiveness for the Scanner and Key to Disk entry systems in the Data Operation Centers.
- Until recently, SSA was not credited for the amounts of uncashed checks. Recent legislation required the Treasury Department to compensate and pay interest to SSA for all uncashed checks since the beginning of the program. An ORSIP study will indicate for the Office of Financial Resources the amount that is owed to the trust funds.
- We are helping the Litigation Management Staff and the Litigation Management Project Task Force determine the characteristics of cases that need to be especially well-documented because they are likely to reach the court level and produce baseline processing times for actions required when litigation cases are awarded benefits by the courts.

As can be concluded from the above discussion, ORSIP is in a position to offer a substantial contribution to SSA's overall mission. Our work in providing program statistics, policy research, legislative impact analysis, and technical assistance responds to the demand for information about the characteristics and consequences of our programs and is designed to make the conduct of the policy development and program management processes more informed. Our agenda is an evolving one, and suggestions for revisions or additions are welcome at all times.