

Examining the Impact of Inflation on the Economic Security of Disability Program Beneficiaries

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Key Findings and Policy Implications

This paper explores and documents spending patterns on disability-related goods and services and considers the potential impact of inflation on these items. It presents data from the Survey of Used and Needed Disability-related Goods and Services (SUNDiGS), newly collected as part of the Understanding America Study. The paper finds that:

- 82% of disability program beneficiaries report disability-related out-of-pocket costs with an average total reported cost of \$4,412 and a median total cost of \$384 in June of 2023.
- Nearly half (46%) of beneficiaries report that their disability-related costs make it more difficult to make ends meet, while a quarter report going into debt (25%) and cutting the amount their households spend on food (27%) because of these costs.
- 59% of beneficiaries report experiencing higher prices for the disability-related goods and services they need compared to two years ago. 43% report that the 2023 cost-of-living adjustment (COLA) was not enough to help maintain their households' standard of living compared to last year.
- Medical expenses comprise approximately 15% of all expenditures for beneficiaries compared to 7% for the average consumer as measured by the Consumer Price Index-W that is used to determine the COLA for beneficiaries.

These results suggest that disability program beneficiaries may incur substantial out-of-pocket expenses for disability-related goods and services. Several possible policy interventions could mitigate the impact of disability-specific costs on SSDI and SSI beneficiaries such as: reducing the cost share of medications; expanding access to energy, transportation, and food assistance; and adjusting the disability benefits COLA to more accurately reflect the prices experienced by disability program beneficiaries.

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