VARIETIES OF LABOR POLICY COORDINATION IN RESPONSE TO THE 2007–2009 ECONOMIC RECESSION: OLD AGE SOCIAL SECURITY RETIREMENT, DISABILITY AND SUPPLEMENTAL SECURITY INCOME POLICY: THE CASES OF NEW YORK AND FLORIDA

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Abstract

Despite the United States' classification as a liberal market economy, the national and state governments have mobilized and coordinated efforts to develop policy responses to economic recessions. This study examines the extent to which the federal and state governments varied in their Supplemental Security Income outcomes and the federal government varied in their state level OASDI Social Security retirement and disability outcomes during and immediately succeeding the 2007-2009 economic recession. The states of Florida and New York employed diverse programmatic efforts to provide assistance to the poor during the Great Recession. The federal government also varied in their OASDI Social Security retirement and disability outcomes across the states, partially due to legacy payments contributed to by residents in rich states. However, the political, economic, demographic and social pressures influenced federal outcomes and in the case of state governments, influenced their ability and will to respond to an increased demand for social welfare resources for the poor. How the economic climate of the Great Recession influenced the influx of Social Security retirement applications received by older persons that were unemployed or underemployed as a result of the recessionary climate will also be examined in this policy study.

Keywords: Social Security, Supplemental Security Income, Disability Insurance, Great Recession, U.S. Welfare State, Political Economy, State Politics

Introduction

Social Security (OASDI) Retirement Program and Supplemental Security Income

Social Security Administration

In 2010, 56 million retired and disabled Americans received Social Security benefits on a monthly basis (StrengthenSocialSecurity.org 2011). From 2009 to 2011, Social Security kept 21 million people out of poverty, according to the Center on Budget and Policy Priorities, with the greatest impact being on older workers. For children under aged 18, the poverty rate without Social Security was 23.4% in 2011, and 21.9% with Social Security, with the impact of Social Security lifting 1,107,000 children out of poverty. For adults aged 18 to 64, the poverty rate without Social Security was 16.7% and 13.7% with Social Security, lifting 14,489,000 adults out of poverty. Finally, adults aged 65 and older, the poverty rate without Social Security was 21.9% and 15% with Social Security, significantly lifting 21,415,000 of the nation's elderly out of poverty (Van de Water and Sherman 2012).

OASDI Social Security is financed through employee payroll taxes and provides cash retirement benefits to workers upon retirement at a designated age. OASDI Social Security benefits may also be paid to workers that become disabled before they reach retirement or to the eligible workers' dependents, including their children, spouse or widow(er). OASDI Social Security is the largest source of retirement income for persons aged 65 and older. Other financial assets that older workers use for retirement income include "employer-sponsored retirement plans, private savings, and assets such as home equit[y]" (GAO-12-445, 6, 2012). In 2008, the sources of aggregate income for households aged 65 and older included 36.5% Social Security income, 29.7% employment earnings, 18.4% pensions and annuity income, 12.7% income from assets, 2.1% other income and 0.6% cash public assistance (GAO-12-445, 7, 2012). According to the Social Security Administration, "23 percent of married couples and 46 percent of single individuals receive 90 percent or more of their income from Social Security" (Sullivan 2012).

Additionally, 53% of married couples and 74% of unmarried individuals receive half of their income or more from the program (Sullivan 2012).

Reliance on OASDI Social Security and SSI

According to the legislative policy director of the AARP, David Certner, millions of retired Americans are relying solely on their OASDI Social Security check to pay bills month to month and retired single women are one of the most vulnerable populations, even more so than racial ethnic and minority groups. Some stay at home mothers or single men that have earned minimal income, also qualify for Supplemental Security Income (SSI), which helps to subsidize their monthly Social Security retirement check. Married couples tend to fair better because their Social Security benefits are calculated independently based on their individual earnings and if one spouse earned less than the other one or did not qualify for Social Security, they may choose to receive benefits as a spouse (SS Marriage 2013). Married couples often fair better as well by not only having two Social Security checks but because they share household resources and expenses. The largest expenses for retired persons include housing, medical bills including prescription drugs, food and transportation. Retirees with homes may tap into home equity loans, or sell their homes in order to have additional money to live off of, holding on to hope that their savings will last them the remainder of their lives, if they budget appropriately (Sullivan 2012).

State SSI supplemental benefits range from $10 to $400 for those states that offer a supplement. Some states only offer supplements to residents that live in a nursing home such as Texas and Georgia and Maine pays $10 additional to those living independently and living in a nursing home. The states that don't offer an SSI supplement include Arizona, Mississippi, North Dakota, Oregon, Tennessee and West Virginia. Effective January 1, 2013 there was a Consumer Price Index increase in the federal calculation of SSI. The maximum benefit was $710 for an individual monthly and $8,529.32 annually. For couples, the maximum benefit was $1,066 monthly and $12,792.55 annually. The monthly income is reduced by deducting "countable" income (SSI Federal Amounts 2013). The benefit approval rates vary based upon "income, living arrangements and other factors" (SSI Benefits 2013).

The Impact of the 2007 to 2009 Economic Recession on Vulnerable Populations:
OASDI Social Security and SSI Outcomes

Older Workers and the 2007 to 2009 Recession

According to Steve Goss, chief actuary for the Social Security Administration, “about 200, 000 more people filed initial claims in 2009 and 2010 than the agency had predicted before the recession” (Rich 2012). Mr. Goss also indicated that although it is difficult to project, “the trend is more likely continued in 2011 and 2012” and “the most likely reason is joblessness” (Rich 2012).

Older persons are living longer and many older workers would like to refrain from drawing Social Security in order to shore up their savings and personal IRA, 401K and 403B retirement accounts through continuing to work. Also due to the cost of medical expenses, it may be more beneficial for older workers to maintain medical coverage from their employers. However, during the 2007 to 2009 recession, many older workers along with younger workers found their jobs eliminated, downsized, or their work hours substantially reduced. Older workers, however, had a harder time finding re-employment than younger workers.

Richard W. Johnson, director of the retirement policy program at the Urban Institute stated that “37 percent of older workers who lost their jobs between 2008 and 2011 and did not return to work ended up claiming Social Security as soon as they turned 62” (Rich 2012). Older workers are finding that employers are unwilling to compensate them commiserate to their experience levels as employers are able to hire younger, less experienced workers for lower compensation. Employers are also deeming older workers as over-qualified for choice positions that they are granting to younger less experienced workers.

Significance of Research

This study examines the extent to which the federal and state governments varied in their Supplemental Security Income outcomes and the federal government varied in their state level OASDI Social Security retirement and disability outcomes during and immediately succeeding the 2007-2009 economic recession. The states of Florida and New York employed diverse programmatic efforts to provide assistance to the poor during the Great Recession. The federal government also varied in their OASDI Social Security retirement and disability outcomes across the states, partially due to legacy payments contributed to by residents in rich states. However, the political, economic, demographic and social pressures influenced federal outcomes and in the case of state governments, influenced their ability and will to respond to an increased demand for social welfare resources for the poor. How the economic climate of the Great Recession influenced the influx of Social Security retirement applications received by older persons that were unemployed or underemployed as a result of the recessionary climate will also be examined in this policy study.

While there have been many studies conducted comparatively across countries that analyze the impact of government social welfare policy interventions on society, there has been limited research across the U.S. states. This study offers a rare application of American public policy, political culture, institutions and comparative political economy theory to U.S. state action. It combines a study of political science theory with public administration, public policy, history, economic theory, and cultural psychology, leading to many potential applications outside of the political science discipline. In addition to the quantitative analyses, I assess the levels of coordination between and across the U.S. federal and state governments, the local and state business communities, non-profits, educational institutions and other actors through state-level case studies. These actors are currently investing and have historically invested in the United States' labor markets through coordinated efforts to decrease joblessness, reduce poverty levels and increase education in order to improve the economic environment of the U.S.

The comparative public policy literature assesses countries at the national level. Yet, when considering the how the U.S. states differ in their policy responses, the U.S. state politics and policy literature indicates that we must also account for the state-wide, regional and sectoral agency of culture, interest group influence and public opinion on state policy priorities as well (Jacoby and Schneider 2001; Amberg 2004). When considering comparative state level action, I hypothesized that while U.S. state responses vary, during times of economic recession, state governments can be more coordinated and collaborative in their efforts to respond to citizens' needs as evidenced through their labor market interventions. State level variations depend upon many factors including the state's historical development, culture, demographic makeup, political leadership and citizen ideologies, interest group activity, elite influence and the economic health of the state (Elazar 1966, 1980; Skocpol 1987; Nardulli 1990; Lieske 1993; Macridis 1990; Hero and Tolbert 1996; Jacoby and Schneider 2001; Amenta et al. 2001; Amberg 2004; Lieske 2010).

In my analysis I found that all levels of government have engaged in coordinated efforts with market and other non-market actors as required during economic recessions, in order to expand labor market opportunities and move the country forward in a direction of economic recovery. Most of the intervention measures employed by the national and subnational governments revealed short-term policy solutions. However, there were other intervention measures employed that have long-term policy effects. In my quantitative and case study analyses I found evidence of incremental policy change yet I also found evidence of non-incremental, or punctuated responses to the 2007 to 2009 economic recession. In the competitive "race to the bottom" there were expansions of labor-oriented services and benefits, yet there were also retrenchment efforts that uncovered, of which political government leadership and citizen ideologies, or partisanship had primary influence. Demographic and socioeconomic factors also contributed to the policy decisions made by federal and state-level governments, especially during time of economic recession.

This study will begin with a brief review of comparative political economy and public policy literature; examining how the U.S. welfare state is viewed through a comparative lens. After which there will be a discussion of how the U.S. states organize programmatic spending priorities, including spending on social welfare needs. An explanation of data collection and methodology will follow, leading to an examination of the Florida and New York state-level case studies. Finally, there will be an analysis of the statistical and case study results along with concluding comments.

The U.S. States: Labor Markets in a Comparative Perspective

Varieties of Capitalism

In *Varieties of Capitalism,* Hall and Soskice (2001) take an actor-centered approach that emphasizes how multiple actors seek to advance their interests through strategic action with one another. They also offer a firm-centered approach that regards firms as critical actors in a capitalistic economy. Hall and Soskice construct a typology of industrialized nations that they term Liberal Market Economies (LMEs) and Coordinated Market Economies (CMEs). Nations that are categorized as LMEs coordinate their activities primarily via hierarchies and competitive market arrangements and they exchange goods or services in a context of competition and formal contracting. Furthermore, the equilibrium outcomes of firm behavior are usually provided by supply and demand conditions in competitive markets. Examples of LMEs include Great Britain and the United States. In contrast, CMEs depend more heavily on non-market relationships to coordinate their endeavors with their actors and to construct core competencies. CME relationships entail more extensive relational or incomplete contracting, network monitoring based on the exchange of private information inside networks, and more reliance on collaborative, as opposed to competitive relationships to build competencies of the firm. The equilibria from which firms coordinate in CMEs are more often the result of strategic interaction among firms and other actors. Examples of CMEs include Germany, Sweden and Italy.

Thelen (2001) concurs with Hall and Soskice that contemporary changes are not best understood along a continuum (deregulation culminating in convergence) but in continuing and increasing divergence from coordinated market economies (CMEs) to liberal market economies (LMEs), that is better captured through the Varieties of Capitalism approach that distinguishes different types of political-economic systems and explores the different institutional arrangements and behavioral logics that sustain them. Thelen also argues that divergences in outcomes in the types of economies at the macro level goes back to differences in micro-level strategies pursued by employers as they respond to the new terms of competition (Hall and Soskice 2001). Thelen’s conclusions were that in regards to LMEs, although there is support for the deregulation theory, that employers are moved to eliminate collective representation to restore managerial freedom, in the U.S. and Britain there are also examples of employer initiatives designed to enlist worker involvement and to encourage shop-floor peace (practices and concessions such as long-term employment guarantees and personnel policies that favor internal over external flexibility (i.e., hire and fire).

Still there are critics including Schmidt (2007) that question the binary categorization of the Varieties of Capitalism (VoC) approach. Critiques include that that the varieties of capitalism theory is overly functionalist, with "its emphasis on complementarity and positive feedback effects from coordination making the system largely static, overly path-dependent and unable to account for institutional change" (Morgan, Whitley, and Moen 2005; Schmidt 2002; Molina and Rhodes 2006). According to Schmidt, the VOC literature has difficulty accounting for the full diversity of national capitalisms and is explaining institutional change as a result at least in part from its tendency to downplay state action and from its rather static, binary division of capitalism into two overall systems of liberal market economies and coordinated market economies.

The U.S. Welfare State and American Exceptionalism

When scholars discuss the welfare state and its ability to be able alleviate economic pressures from citizens when there are labor market insecurities, the United States is often viewed as an exception to other advanced industrial societies such as Western Europeans that instituted social insurance programs earlier and with universal benefits. The U.S. has been viewed as a backwards outlier and examined not only at the national level, but at the state level for cross-comparisons (Skocpol and Amenta 1986; Quadagno 1987; Orloff 1996; Thelen 1999; Amenta et al. 2001). When U.S. expenditures are analyzed from an historical perspective cross-nationally and at the state-level, "the image of American social policy is one of stinginess and backwardness" (Amenta et al. 2001, 215). When social welfare expenditures are measured as a percentage of GDP, the U.S. has "spent less effort on social policy than major capitalist democracies in the postwar era" (Amenta et al. 2001, 215). Historically many other countries adopted social welfare benefits in the late 1800s to early 1900s. The U.S. in comparison only had worker's compensation before 1935 and after which during the New Deal Social Security and unemployment insurance in 1935. Of most advanced industrial countries have a universal health care system, and the U.S. is just now making headway in that area (Amenta et al. 2001, 215).

However, despite the piecemeal, primarily means-tested social welfare system developed by the U.S. and retrenchments in the last two decades, Amenta et al. argue that America should not be treated as exceptional and requiring separate explanations. Amenta et al. assert further that cross-national and state-level studies need to be undertaken from an historical perspective that can provide general theories applied in different settings (Amenta et al. 2001, 214). According to Amenta et al., the modern welfare state, including the American state "now devote themselves mainly to the maintenance of incomes, the treating of the ill, and the provision of services to citizens rather than the traditional pursuits of warfare and coercive control over subject populations" (Amenta et al. 2001, 213).

State Politics and Policy Priorities

Amberg (2008) theorizes that despite the U.S. liberal market economy designation, U.S. state governments along with firms, unions, workers, educators and researchers amongst other actors, do strategically act and adjust their priorities based on the diversity of their political and economic environments, sub-national historical trajectories, policy networks, institutional and ideological commitments, that all vary based on changes, opportunities and threats. Furthermore, Amberg posits that when confronting global economic competition, institutional agents at the state level don't just respond with a liberal market agenda; they consider the costs of a liberal responses as well and they don't assume that a market-based response is the sole option (Amberg 2008).

In examining what factors influence state bureaucratic policymaking initiatives on social welfare programmatic developments, specifically Medicaid programs; Schneider and Jacoby (1996) find that it is a combination of interest group pressures, structural characteristics and state environmental conditions that influence states' decisions whether to adopt optional health care services. However, they found that the direct influence of partisan and ideological factors were minimal. Schneider and Jacoby (1996) discuss the difficulty of operationalizing bureaucratic administrative actions (rather than general policy inputs such as program expenditures or coverage) as a dependent variable. They use state adoptions of health care services that extend beyond federal requirements as the dependent variable. Examples of these optional services include nursing facilities, prescribed drugs and dental services.

Two of the independent variables (legislative partnership and the party affiliation of an incumbent governor) were designed to measure the impact of elected political leaders on administrative behavior. To capture health care "community" interest group activity, Schneider and Jacoby measure the number of physicians, dentists, and the number of hospital beds per 100,000 population, and the number of nursing home beds per 1,000 population aged 65 years and older within each state (Schneider and Jacoby 1996). There were also three variables that accounted for each state's environmental factors and structural characteristics. Schneider and Jacoby found that the economic health of each state and intergovernmental forces played a prominent role in the state's social welfare policy choices. Interest group activity was also a significant effect. However, the impact of gubernatorial and legislative power was not significant. Elected officials have limited direct control in formulation, adoption and implementation of social welfare policy; and this is where the bureaucracy exerts its influences. Schneider and Jacoby posit that because their research focuses on bureaucratic initiatives in a policy area where bureaucrats have the primary control they are more responsive to interest groups and institutional constraints. This may be indicative, Schneider and Jacoby proffer, of a lack of political control over bureaucratic activities.

Data and Methods

The most appropriate statistical method for a longitudinal analysis across units (states) and over time was panel data. The Hausman test was used to determine whether fixed effects, between effects or random effects were the best model estimators. The Hausman test yielded a significant *p*-value, or the Prob>chi2 was less than .05, indicating that fixed effects is sufficiently different from random effects and therefore fixed effects is the most consistent estimator. Therefore, the statistical technique applied in Stata was xtreg fixed effects for each of the four models. This method was chosen as a control for omitted variables that may differ between cases but remain constant over time. Fixed effects allows for the changes in variables over time, within units, to be used to estimate the effects of the independent variables on the dependent variable.

To diagnose and manage problems with multicollinearity, I examined the correlation between each of the independent variables. A correlation matrix analysis was conducted for all of the models and the highest correlation was between education and income (.81). The correlation between all other independent and dependent variables was less than .8. In order to address any problems of serial autocorrelation in the error terms in the fixed effects model over time, each model was estimated with and without a lagged dependent variable. The models with the lagged dependent variable are reported in each table.[1]

Qualitative Design & Case Selection Method

Using secondary data, I conducted case studies of the states of New York and Florida in order to describe OASDI Social Securing retirement, disability and Supplemental Security Insurance policy interventions in response to the 2007–2009 economic recession, in a real-life context (Yin 2009). Conducting case studies of the U.S. states also allowed me to explain the effects of social, economic and industrial/labor policies on disenfranchised groups such as minorities, women, older workers, and the lower-educated, lower-paid and lower skilled of society at the state level.

John Stuart Mill's method of agreement pairs cases that are very similar in order to ascertain the differences in dependent variables and to be able to isolate the independent variables that can explain the differences. Mill's method of difference pairs cases that are very different yet they share similar dependent variable outcomes. This allows for the examination of the robustness of the relationships between the independent and dependent variables. The robustness of these relationships is analyzed to determine what observations hold in diverse circumstances and what explains the similarities (Mill 1996). I used Mill's method of difference when selecting state-level cases of Supplemental Security Income

[1] The coefficient on the lagged dependent variable can be biased in a model estimated with fixed effects. However, the substantive results are not sensitive to the presence of a lagged dependent variable. Therefore, the results from the less restrictive model—including the lagged dependent variable, are reported in each table.

interventions at the state-level and of how federal OASDI Social Security Policy varied at the state level in response to the 2007–2008 economic recession.

When analyzing the range of outcomes by state for the recessionary periods, I also compared the actual outcomes to the predicted outcomes for each state and year and subsequently identified the states that reported lower or higher outcomes than predicted during the recessionary periods. I compared the states identified in the predicted values analysis to the lists of independent and dependent variables "pattern" matches by model, by state (see appendix). This process narrowed the list of states down to the following delineation:

OASDI Social Security & Supplemental Security Income: State Selection (Florida and New York)

High ranges (expenditures for S.S. retirement and disability and S.S.I.):
New York, Florida, West Virginia and Wisconsin

Low ranges:
Maryland and Kansas

Interesting cases:
Arkansas, Alabama, Mississippi, South Carolina, New Hampshire and California

I selected the states of New York and Florida as "most similar cases" in order to have the opportunity to extrapolate the differences in OASDI Social Security and Supplemental Security Income administration and expenditures during the Great Recession. Both states are among the most populous states in the union. The populations of the states of New York and Florida are very diverse and both have a similar poverty rate. While the governmental leadership and citizen ideologies of the state of New York are very liberal, the state of Florida has been a swing state, trending Republican in most recent years, yet also has also swung Democratic in 1996, 2008 and 2012. Throughout the 20-year analysis from 1990 to 2010, both states yielded higher than predicted Old-Age Social Security retirement and disability expenditures as well as Supplemental Security Income expenditures. However, in choosing two very similar states, a case study analysis allows for the isolation of differences in how OASDI Social Security and Supplemental Security Income programs are administered in each state.

A notable outcomes that varied between the two states was that although the population aged 65 and older was not significant in the statistical models and New York residents had a higher level of per capita income than Floridians during the 20-year period assessed, the state of Florida still expended substantially higher Social Security retirement benefits than the state of New York, primarily due to population of older residents that the state has, who may qualify for OASDI Social Security retirement benefits. The case study analysis isolated that the age of population was an important factor. Furthermore, although the states of New York and Florida have very similar characteristics, the state of New York expended substantially more in Supplemental Security Income benefits during the period of analysis and offers a more generous individual SSI benefit than Florida. By examining "most similar" states, through case study analysis I was able to determine what variables in the statistical analysis held and were confirmed and to extrapolate the differences that the statistical analysis did not reveal.

State-level Case Studies: Florida and New York

The states of New York and Florida are similar in terms of their population size, poverty levels and diversity yet they differ in some unique ways. Florida has an older population than the state of New York that presents unique challenges for Old Age (OA) Retirement and Social Security (SS) Administration. Also, in terms of Supplemental Security Income (SSI), New Yorkers earn a higher per capita income and New York State tends to offer a more generous state supplement than the state of Florida and expends much higher SSI benefits. It will be fruitful to ascertain some of the social, political, economic and cultural differences between the two states in this examination of OA Social Security retirement and disability insurance (DI) administration and Supplemental Security Income administration for the disabled and persons aged 65 and older during the 2007 to 2009 economic recessionary period.

Although the states of Florida and New York are similar in some manners, including population size, poverty levels and diversity, they also embody distinct differences that mattered in their responses to the 2007 to 2009 recessionary period and played a role in how OA-SS retirement and DI expenditures, although administered through a federal program, varied. These differences including per capita income, union membership levels and government leadership and citizen ideologies, also impacted how SSI expenditures, administered through a federal and state funded program varied as well. Some of the key findings in the chapter are that although OA-SS retirement and DI programs are federally funded, spending on these programs in the states do vary in terms of expenditures outcomes and they vary according to consistent patterns that were not always consistent with the results of the statistical analyses or my original hypotheses. For example, within states where there is a high per capita income, the federal government disburses a greater level of OA-SS retirement and DI expenditures. This, however, may be a result of legacy payments that residents of affluent states have paid into the Social Security system prior to retiring and collecting federal retirement or disability benefits. In addition, as could be expected, in states with a larger population of residents that are aged 65 and older, the federal government expends higher levels of OA-SS retirement benefits, such as the state of Florida. However, an unexpected finding is that this effect holds even when the state of Florida has lower per capita income than the state of New York.

Finally, ideology and unionization levels matter. Although unionization is supposed to depress OASDI and SSI outcomes for the disabled and the state of New York maintains substantially higher unionization membership rates than the state of Florida, the federal government expended a similar level of OASDI benefits for the disabled in New York as the state of Florida and the federal and state governments expended substantially greater SSI benefits in New York than in the state of Florida. The support provided by unions for programs for the disadvantaged did matter in this analysis. The state of New York has more liberal governmental leadership and citizen ideologies than the state of Florida and not only did the state expend a much higher level of state-supported SSI benefits to the poor, they also offer an additional general assistance program for those residents that do not qualify for other social welfare assistance that the state of Florida does not provide. In the liberal state of New York, governmental intervention in the labor market to provide social welfare assistance to the poor and vulnerable populations are supported during times of increased joblessness, such as recessionary periods.

Florida Case Study

Florida's Population of Older Retired, Unemployed and Underemployed Workers during the 2007 to 2009 Economic Recession

Prior to the 2007 to 2009 economic recession, the unemployment rate in Florida remained low and there were a plethora of jobs available drawing migrants to the state. The rate of unemployment in Florida was 5.9% in 1990 and then it lowered to 4.3% in 1998 and rose to 6.3% in 2008, and then rose significantly to 10.5% in 2009 and 11.3% in 2010. The state of Florida exceeded the national unemployment rates for a large portion of the 2007 to 2009 recession.

As the state of Florida has the oldest residents, one in five residents of the "Sunshine State" received an Old Age Social Security retirement check in 2010 (Cauchon 2011a, 2011b; Gibson 2013). In 2010 there were 3,784,225 beneficiaries of OA-SS in Florida, with 20.1% of their residents receiving benefits, while the national rate was only at 17% of individuals in the U.S. collecting benefits (SS Florida Quickfacts 2011). A total of $49.2 billion in OA-SS benefits were paid in Florida in 2010, encompassing 6.7% of Florida's annual GDP. Sixty-nine percent of Florida's OA-SS beneficiaries were retired in 2010. However, 31% were not retirees, with 277,117 being widowers and 458,526 persons with disabilities, 161,506 spouses and 235,834 children receiving OA-SS benefits in 2010 (SS Florida Quickfacts 2011). When measuring the poverty rate from 2006 to 2009 for Florida residents aged 65 and older that have OA-SS, the rate is 10.3%. However, this poverty rate jumps to 46.4% for those older persons aged 65 and older that do not receive OA-SS. For women aged 65 and older, the difference is even more stark at 12.5% of poverty for those that receive OA-SS compared to 50.7% for older women in Florida that do not receive OA-SS. Outside of retired workers, in 2010, 13% of OA-SS beneficiaries in Florida were disabled, 7% widowers, 6% children and 4% were spouses. The average benefit in Florida was $11,393 in the year of 2010.

The Reliance of Vulnerable Populations on OASDI Social Security and SSI in Florida and Concluding Comments

The benefit of OASDI-SS on vulnerable populations in the state of Florida is substantial. Ninety-two percent of Floridians aged 65 and older receive OASDI-SS benefits, with 84% of slightly less older residents collecting benefits. OASDI-SS encompasses 50% of more of the income of six in ten Floridians, aged 65 and older and 37% of this population would have incomes below the poverty line without OASDI-SS (SS Florida Quickfacts 2011). Furthermore, Social Security benefits brought 625,000 women out of poverty in 2008. The elderly poverty rate would have increased from 10.3% to 46.4% if those that were eligible had not received OASDI-SS benefits. To compound the effects, the poverty rate would have increased from 12.5% to 50.7% had eligible elderly women not received OASDI-SS.

The Social Security program provided 12.9% or 488,461 of Florida residents with disability benefits in 2010 with the average annual benefit being $11,393. Social Security encompasses a major portion of the income of African-Americans in Florida that meet the qualifications for the OA retirement and/or disability programs. One in eight or 12.9% of African-Americans in the state of Florida received Social Security benefits in 2009. However, for elderly African-American couples and unmarried persons there is a heavy reliance on Social Security with 73.7% of the income sources for these demographic groups coming from Social Security and for over half of these demographic populations, 90% of their income sources coming from Social Security. In addition, to compare African-American and Caucasian American households, 32.1% of African-Americans received disability benefits in 2009 compared to half of this percentage, at 15.8% of Caucasian Americans.

There is a large Latino population in Florida and the numbers of Latino Americans receiving benefits are higher than African-Americans in Florida. One out of four or 23% of Latino households received Social Security benefits in 2010. Again for elderly and unmarried couples, Social Security encompassed the majority of their income sources, at an average of 77% of their income in 2010. Social Security provided 90% of the income for 55.1% of elderly and single unmarried Latino households in 2010. Additionally the Social Security Administration has estimated that the Latino population is the highest population served by Social Security contributions. These factors are attributed to Latinos having "lower lifetime income, longer life expectancies, higher incidence of disability and larger families" (StrengthenSocialSecurity.org 2011, 5).

Three out of ten or 28.3% of American Indians and Alaska Natives in Florida received OASDI-SS benefits. The American Indian and Alaska native population tend to have lower earnings than other demographic groups. In 2010 the median household income for American Indian and Alaska Native working age populations was around $34,000 compared to the average of $41,300 for all working age persons. Therefore, 15% of the elderly American Indian and Alaska Native married couples receive OASDI-SS and 57% of elderly unmarried persons in 2010. OASDI-SS also replaces more of the income for those with lower wages and has replaced "more pre-retirement earnings for this demographic group than the overall population" (StrenghenSocialSecurity.org 2011, 6). For Floridians of Asian-American, Native Hawaiian and Pacific Islander descent, 16.3% or one out of 7 of this population received OASDI-SS benefits in 2010. OASDI Social Security provided 67.2% of the total household income for this demographic group for persons aged 65 and older in 2010 and 90% of the income for 41.7% of Asian-American elderly households. Asian-Americans have high life expectancies as an Asian American or Pacific Islander men, aged 65 in 2010, "can expect to live until age 85, compared to age 82 for all men" and women can expect to "live until age 88, compared to age 85 for all women" (StengthenSocialSecurity.org 2011, 6). Therefore, Asian-American men and women receive a higher percentage return on their Social Security investments.

In the state of Florida, the maximum combined Supplemental Security Income (SSI) state and federal benefit for an individual in an adult family care home or assisted living facility was $752.40 a month in 2011, when considering a potential maximum state supplemental benefit of $78.40 for individuals that includes a $54 personal needs allowance. Couples are viewed as two individuals once they leave an independent living arrangement, to receive $156.80 (State Assistance FL 2011). An additional $5 is allotted for individuals in a Medicaid facility and $10 for couples in a Medicaid facility. Florida residents that are eligible for SSI also have dual eligibility for Medicaid.

New York Case Study

New York Programs for the Disabled

The state of New York offers some innovative Workforce Investment Act training programs and supported job placement programs along with other assistance for the disabled. However, persons with disabilities still struggle to obtain employment opportunities, especially during recessionary climates. The working age civilian population of aged 21 to 64 in New York State in 2010 was 11,438,600 of which 969,900 or 8.5% self-report as having one or more disabilities. This is lower than the national rate of 10.3% in 2010. The level of persons with disabilities also rises as age increases. For example in New York in 2010 there were 4.3% disabled persons from aged 25–34 in comparison to 16.2% of disabled persons in the 55–64 age group. Through calculations computed by the Cornell University, Employment and Disability Institute, there were negligible differences between the percentage of disabled men and women. However, there were distinct differences in racial groups. Of groups that reported having at least one disability, 8.4% were Caucasian Americans, 17.1% of American Indians and Native Alaskans, 10.6% of African-Americans, 3.8% of Asians and 9% of persons that identified with one or more races. Additionally out of 476,900 civilian working age veterans, 69, 400 or 14.6% had a service-related disability in 2010.

In New York there were 31.3% employed persons with disabilities in comparison to 74.4% of employed persons without disabilities in 2010. These rates were comparable to the national rate of 33.8% employed persons with disabilities and 75.3% without disabilities. Of those disabled persons that are unemployed, around 7.2% in New York were seeking work compared to 7.1% with no disability. However, there are a substantially higher percentage of persons with disabilities that are out of the workforce, meaning they are not actively seeking work. The percentage of disabled persons that are out of the workforce are 61.5% compared to 18.2% of non-disabled persons. To place these percentages into context, New Yorkers with disabilities were employed at a rate of 50% less than the non-disabled New Yorkers. Additionally, only 10% of disabled persons were likely to be employed in the previous 12 months compared to 25.4% of nondisabled persons. Both the states of New York and Florida have an employment gap between the disabled and the non-disabled of approximately 40.6% to 43.4%. For example, in 2009, the state of Florida had an unemployment rate of 11.7% yet the employment rate of persons with disabilities was only 32% (Heidkamp and Mabe 2011).

When examining the employment levels of women and men with disabilities, generally women with disabilities tend to be employed at a lesser rate. In New York State, women with disabilities were employed at a rate of 30% as compared to 32.7% of men. Racial and ethnic minorities with disabilities in New York were employed at a rate of 28.5% as compared to the higher rate of Caucasian Americans with disabilities at 32.8% yet there are variances across racial groups. In New York State the rates of employment include 43.5% of American Indians and Native Alaskans, 26.6% of African Americans. 37.5% of Asian Americans and 28.2% of Hispanic Americans.

One of the most influential factors on the employment levels of persons with disabilities in the state of New York was the economic climate during the 2007 to 2009 recession. According to the 2011 Empire State Poll, "New Yorkers with disabilities were more likely to be dissatisfied with the quality and availability of jobs in their community (71.8% compared with their non-disabled peers (58.2%)" (Sheldon and Lopez-Soto 2010, 8). Other considerations are that educational attainment rates may be lower in some categories with persons with disabilities than persons without disabilities: 16.1% of persons with disabilities that have obtained a bachelor degree or higher compared to 36.1% of persons with no disability; 26.4% of persons with disabilities with some college or an Associate degree compared to 27.9% of non-disabled persons; 32.6% of disabled persons with a high school diploma versus 24.6% of non-disabled persons and finally 24.9% of disabled persons with less than a high school diploma compared to 11.5% of non-disabled persons (Sheldon and Lopez-Soto 2010, 9). Other factors that impact the ability of disabled persons to become employed include the nature of their disability, workplace discrimination, access to workplace accommodations and transportation. In the one-stop service centers in Florida, there were reports that during the recession there was influx of disabilities involving "mental health issues, including drug addiction and the abuse of prescription drugs, such as pain, anti-depression, and anti-anxiety medications" which many one-stop service assistance applicants attributed to problems developed because of the stress of being unemployed and the challenges of the job search. The servicing of persons with disabilities was made more difficult because during the recession, some social service organizations and mental health facilities had been closed (Heidkamp and Mabe 2011).

Close to one in four or 23.8% of New Yorkers with disabilities receive Supplemental Security Income (SSI) as well. However, there has been a decline in the number of working age New Yorkers from aged 18 to 64 actually working while receiving SSI. The rate of employment while receiving SSI in 2006 was 6.2%, declining to 6% in 2007, 5.9% in 2008 and 5.6% in 2009. By 2010, "of the 556, 085 SSI recipients with disabilities in New York State, 27, 435, or about 4.9 percent, worked" (Sheldon and Lopez-Soto 2010, 13). During this timeframe there was an underutilization of the Impairment Related Work Expense incentive, "which encourages SSI recipients to work by allowing specific expenses to be deducted from the earnings used to calculate one's SSI benefit" and the Blind Work Expense incentive and Plan to Achieve Self-Support, an "SSI work incentive that allows one to use income or assets to help reach work goals," only had modest increases from 2009 to 2010 (Sheldon and Lopez-Soto 2010, 13).

New York General Assistance Programs and Concluding Comments

In addition to Social Security retirement and disability programs and SSI, the state of New York offers a general assistance program to provide cash and non-cash benefits to very poor residents who do not qualify for other public assistance aide. Often times eligible beneficiaries of state-level general assistance programs are childless adults. Thirty states offer general assistance programs with varying levels of benefits and qualifications that must be met. However, the goal of general assistance programs are to help these residents meet their basic needs for shelter, rent and utilities. The state of Florida does not offer a general assistance program. Twenty states with general assistance programs only serve those residents that are employable and are unable to find work yet have exhausted or are not eligible for other public assistance. Other states only provide benefits to those residents that are unemployable. However, the general assistance program in New York offers benefits to individuals that are disabled and to those who are employable and unemployable.

In 2011, after the 2007 to 2009 economic recession, many states either eliminated their general assistance programs, restricted eligibility, reduced benefit levels or imposed time limits or caps on benefits. This reduction in benefits or elimination of programs occurred despite there being many employable workers that exhausted their unemployment benefits yet were unable to find work. Many of these employable workers are from vulnerable populations including very poor elderly and childless adults. The state of New York does impose a time limit of two years maximum for cash assistance unless the head of household is disabled. However, the state has no time limit for vouchers that the state provides beneficiaries for housing, rent and utilities. The benefits provided, however, may vary by county. The general assistance benefit is typically very low, with states and counties establishing eligibility for individuals who were at “below half of the federal poverty level in most of the states but one and below one-quarter of the federal poverty level in most of the states” (Schott and Cho 2011, 6). The median benefit for unemployable persons across the 30 states is $215 monthly and the median benefit for employable individuals across the 30 states is $381. The state of New York’s maximum monthly benefit payment is $381. However, over the past two decades states have been retracting general assistance programs. In New York state in 1989, benefit levels were at $479 monthly (when adjusted to 2011 dollars). In most of the states with general assistance programs, the beneficiaries may be eligible for Medicaid or state-sponsored health care and in some states these health care benefits are guaranteed. In New York State, most general assistance beneficiaries received Medicaid as well.

Results: Statistical Analyses and State-level Case Studies

OASDI Social Security and Supplemental Security Income Models

	Social Security Retirement	Social Security Disability	Supplemental Security Income Aged 65 & Older	Supplemental Security Income Disability
Income	.02**	.01**	-.0003**	.001**
	(.002)	(.0007)	(.00006)	(.0002)
Unemployment Rate	24.71**	5.74**	-.39**	-.25
	(2.54)	(1.06)	(.10)	(.34)
Poverty Rate	10.73**	6.68**	.50**	2.68**
	(2.72)	(1.14)	(.10)	(.36)
Education	2.23**	1.66**	-.05	-.29**
	(1.0)	(.42)	(.04)	(.13)
Senior population	.87	-.18	-.01	-.10
	(.79)	(.34)	(.03)	(.11)
Minority Population	-3.48**	1.12*	.20**	.63**
	(1.64)	(.68)	(.06)	(.22)
Union Membership	-6.14**	-7.17**	.29**	-1.74**
	(2.23)	(.94)	(.08)	(.30)
Citizen Ideology	-.68	.09	-.04**	-.12
	(.56)	(.24)	(.02)	(.08)
Govt. Ideology	.07	-.05	.01	-.06**
	(.17)	(.07)	(.006)	(.02)
Lag	.16	.28	.25	.28
	(.02)	(.02)	(.02)	(.02)
Standard Error in Parentheses				
Significant at *p* <5** Significant at *p* <.10*	Estimated in Stata; Xtreg Fixed Effects			

Florida and New York OASDI Social Security Retirement, Disability and Supplemental Security Income Outcomes Analysis

The four OASDI Social Security models assessed in the quantitative analysis include expenditures per capita for OA-SS retirement, DI, SSI for aged 65 and older and SSI for disabled persons. The expenditures were adjusted for inflation using 2011 dollars. In the state of Florida, federal SS retirement OASDI expenditures ranged from over $1,600 in 1990 to over $1,900 in 2010 per capita. In the state of New York the range of federal Social Security retirement expenditures ranged lower than Florida, which is not surprising given the higher percentage of seniors aged 65 and older residing in Florida (17.6%) versus the senior population in the state of New York (13.6%). The federal OA retirement expenditures in New York ranged from over $1,300 in 1990 to over $1,600 in 2010. For the state of Florida, the federal Social Security DI expenditures ranged from over $177 per capita to over $403 per capita from 1990 to 2010. For Social Security DI, federal expenditures in New York ranged from over $168 per capita to $415 per capita from 1990 to 2010. Therefore, the federal government expended similar amounts of disability insurance per capita in Florida and New York (see Figure 9). OASDI Social Security outcomes per capita were similar and varied in consistent ways for both states for disability insurance. However, for OA-SS retirement, the federal government's outcomes in Florida were much greater than the state of New York although the state of New York has a higher per capita income (see Figure 10).

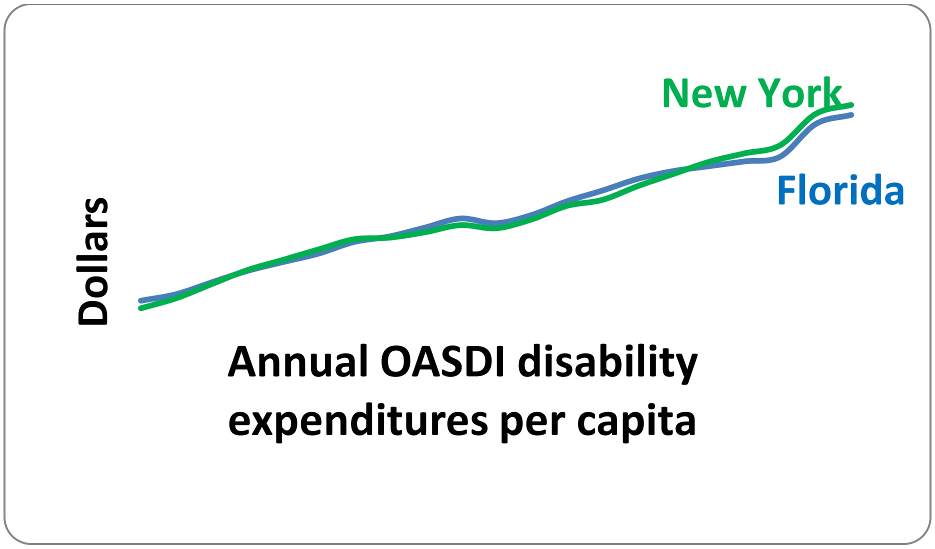

Figure 9. Annual OASDI Disability Expenditures per Capita

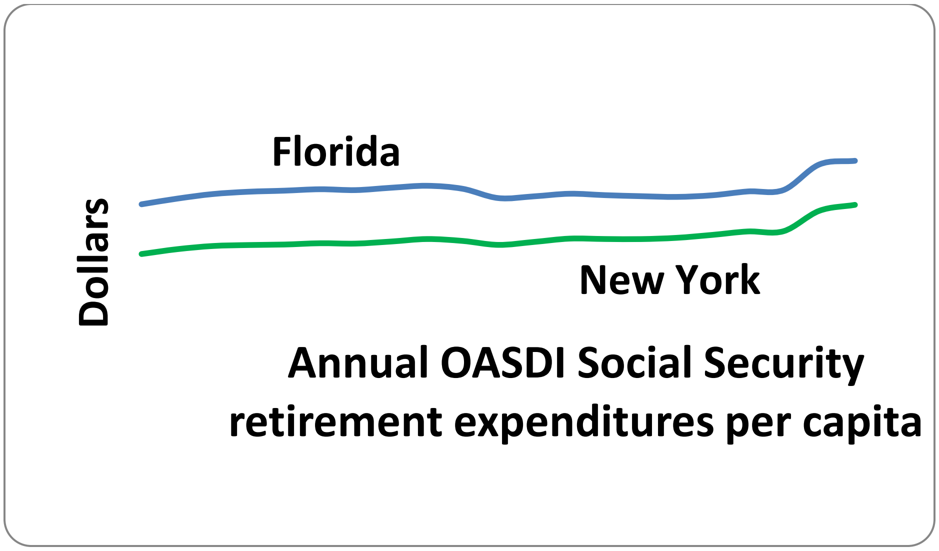

Figure 10. Annual OASDI Social Security Retirement Expenditures per Capita

Yet when examining the Supplemental Security Income outcomes, the states of Florida and New York vary substantially, especially SSI for disabled persons. For SSI for aged 65 and older, in the state of Florida, the assistance per capita ranged from over \$26 to \$29 per capita in the 1990s and then lowered to \$25 in 2000 and decreased to \$23 in 2003 and then raised again to \$26 per capita in 2009 and 2010. In the state of New York, SSI expenditures funded by the federal and state governments for aged 65 and older raised were significantly higher than the state of Florida at over \$32 per capita in 1990 rising to over \$40 towards the end of the 1990s and then lowering to over \$35 per capita towards the middle to end of the 2000s (see Figure 11). For SSI disability models, the state of Florida expended from over \$58 per capita in 1990 to over \$124 per capita in 2010. The state of New York expended almost double on SSI for disabled persons than the state of Florida, ranging from over \$114 per capita in 1990 to over \$200 per capita in 2010 (see Figure 12).

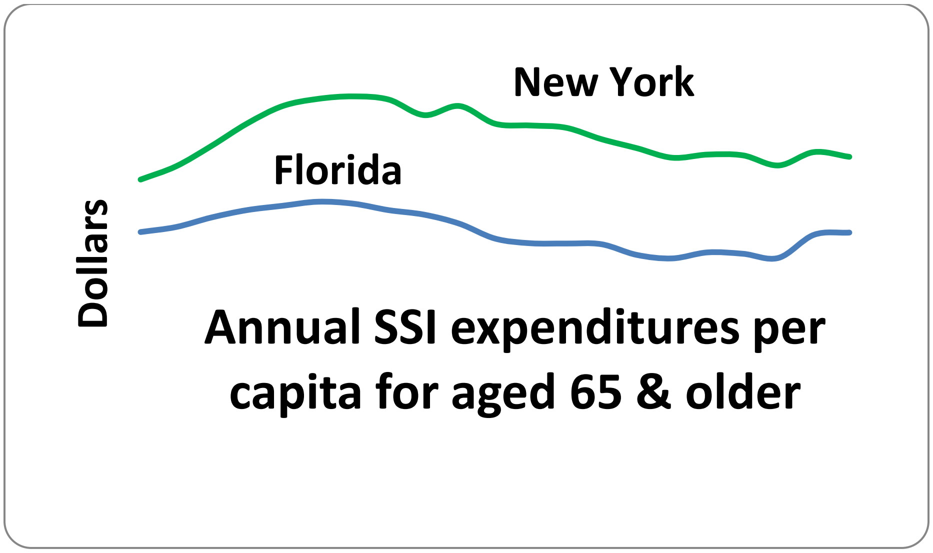

Figure 11. Annual SSI Expenditures per Capita for Aged 65 and Older

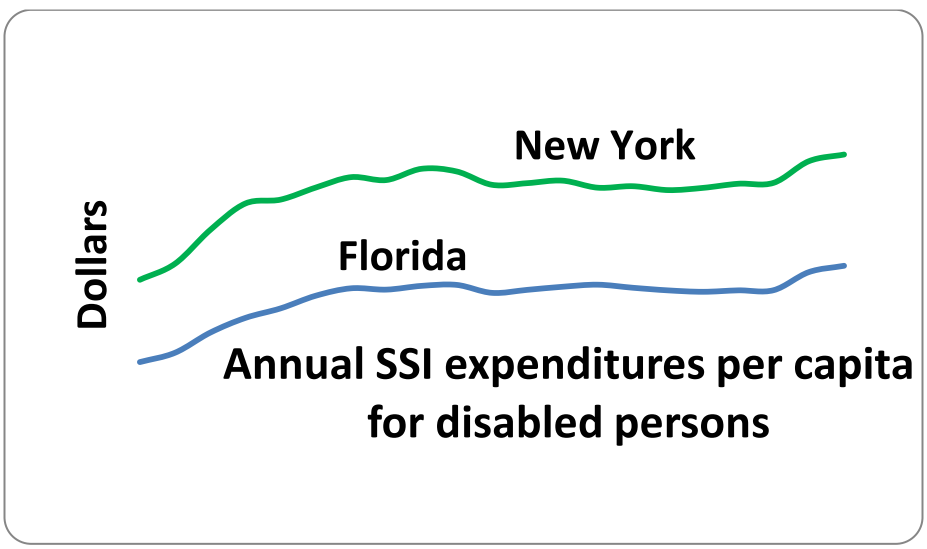

Figure 12. Annual SSI Expenditures per Capita for Disabled Persons

According to the quantitative results, as personal income per capita increases, Social Security OA retirement expenditures, OA-DI and SSI for persons with disabilities increase as well. However, for SSI for retired persons, the greater the personal income, the lower the expenditures are. Therefore, the federal government pays out more in Social Security in states with richer residents. This may be a legacy issue, however, with SS retirement and disability because the level of individual SS retirement and disability benefits is dependent in part upon how much the individual has paid into the federal SS system and their age at retirement. However, some beneficiaries are disabled before they have had an opportunity to contribute much if anything into the OASDI-SS system. Minors that are disabled receive OASDI-SS disability based upon their parent's earnings.

The personal income per capita from 1990 to 2010 in New York ranged from just over $30,000 in the 1990s to just over $50,000 in 2010 when adjusted for inflation. In comparison, the personal income per capita in Florida ranged from over $32,000 to over $42,000 in 2006 to 2007 then reducing to just over $39,000 in 2009 and 2010 after being adjusted for inflation. The residents of New York average a higher personal income per capita than the residents of Florida. However, the cost of living is also lower in the state of Florida in comparison to New York especially when considering rental costs. Although the personal income per capita is higher in the state of New York, the federal government expended less OA-SS retirement per capita in New York than the state of Florida and had similar levels of payouts for SS disability. Therefore, this finding was inconsistent with the quantitative findings; however, this may be attributed to the significant number of persons aged 65 and older in Florida compared to the state of New York.

Supplemental Security Income, however, is not funded by individual contributions; it is funded by general tax revenues and corporate taxes. Not all states contribute to SSI and therefore richer states, or perhaps those states with greater residents' needs, tend to offer a state benefit in addition to the federal benefit and tend to pay out more in benefits. Both the states of Florida and New York provide a state SSI supplement. According to the quantitative analysis, states with a higher per capita income such as the state of New York should expend more in federal and state SSI benefits for disabled persons yet less SSI for those persons that are aged 65 and older. This is an interesting finding and possibly income is not as important of a factor when persons are aged 65 and older because they are already retired and have saved retirement income in the form of personal investments and federal governmental Social Security. However, in the cases of New York and Florida, the state of New York that has a higher personal income per capita expended more in federal and state funded SSI for disabled persons and SSI for persons aged 65 and older than the state of Florida. However, each respective state's citizen and governmental leadership ideologies also plays a role in terms of public support for social welfare funding. In liberal states there is support for labor market intervention through social welfare outcomes. Not only liberal, but richer states may offer a broader safety net for the poor and the disabled.

According to the statistical results, the greater the level of poverty, the more Social Security and Supplemental Security Income expenditures are disbursed. The state of Florida and the state of New York have very similar poverty rates of over 14% and they trend very slightly above the national average. It is interesting that states with higher per capita income pay out more in federal and state benefits. However, this may be due in part to more affluent residents paying more into the federal Social Security system. Yet, for Supplemental Security Income this may simply mean that states that have more affluent citizens also have a greater tax base from which to offer a state-level SSI supplement. However, for states that have a higher poverty rate, the federal government pays out significant levels of OASDI-SS and the federal and state governments pay out significant levels of SSI. This dichotomy may be attributed the fact that in states where there is greater poverty, there is a greater need for means-tested social welfare assistance as provided with SSI. Again in the case of New York and Florida, the federal government expended less per capita of OA-SS in the state of New York than in the state of Florida in OA-SS retirement and had similar levels of payouts for SS disability. With these states that are similar in terms of size and poverty levels, the difference at least for OA-SS retirement is that the state of Florida has a higher percentage of older persons that may qualify for OA Social Security retirement, in some cases. Additionally with Social Security, government administrative agencies have provided evidence that during the 2007 to 2009 recessionary period, applications for OA-SS retirement increased, as a result of increased and persistent joblessness, that is greater for older workers and disabled workers. The state of Florida did have an increased level of joblessness than New York State as evidenced by the increase in the unemployment rate during the 1990 to 2010 recessionary period. In terms of Supplemental Security Income, the state of New York paid out substantially more than the state of Florida for both SSI for aged

65 and older and for the disabled. These findings are consistent with the fact that the state of New York has more liberal citizen and government leadership ideologies and is more expansive in aiding its poor than the state of Florida. Yet this is an important finding given the similarities in the poverty rate within both states across time.

As the level of union membership increased, the level of OA Social Security retirement and disability and Supplemental Security Income disability expenditures decreased according to the statistical results. However, as the percentage of union membership increases, the expenditures increase as well for SSI for aged 65 and older. This is an interesting finding as would be presumed that in states with a large union presence that wages would be higher and therefore, state budgets would benefit from this. Yet increased union membership depresses expenditures on OASDI-SS and SSI, except in the case of SSI for aged 65 and older. This may be because this age group is typically out of the workforce and more dependent on both OASDI-SS and SSI income sources. There are vast differences in the union membership rates between the states of Florida and New York. The state of New York has among the highest union membership rates in the country ranging from 29% in the 1990s to 24% to 25% in the 2000s. The union membership rate in Florida ranged from over 8% in the early 1990s to 6.4% in 2008 and then reduced to 5.8% in 2009 and 5.6% in 2010. The union membership rate therefore is much lower in Florida than in New York. Consistent with the quantitative findings, the state of New York has a higher union membership rate and expended fewer resources in OA-SS, yet they expended similar levels of resources for SS-DI and much more for SSI disability. Therefore, the level of union membership did not depress the state of New York's spending on Social Security disability and SSI disability to the levels that the quantitative analyses suggest. Yet, inconsistent with the literature and the quantitative analyses, the state of New York expended more than Florida in SSI for aged 65 and older.

The greater the percentage of unemployment within a state, the more generous federal OASDI-SS and retirement and disability payments are. This finding may be reflected when unemployment is high and workers are displaced long-term and find themselves applying for OA-SS retirement earlier than they planned or applying for disability. However, the greater the unemployment rate, the lower the SSI benefits for aged 65 and older. This may be because the more unemployment states have, the more resources the federal and state governments are pouring into unemployed and underemployed programs such as Unemployment Insurance and not into SSI benefits for the poor aged 65 and older that are typically out of the workforce. Retired persons that are outside of the workforce are typically relying on other revenue streams such as private retirement funds as well as Social Security. The unemployment rates in New York ranged from 5.2% to 8.6% from 2000 to 2010.

The unemployment in Florida ranged from 5.9% in 1990 to 4.8% in 1997 and 4.3% in 1998 to 6.3% in 2008, 10.5% in 2009 and 11.3% in 2010. Therefore, unemployment ranged relatively higher in Florida than in New York during the 2007 to 2009 recession and we should then expect higher levels of federal Social Security retirement and disability payments than the state of New York. This was the case with federal Social Security retirement payments. However, SS disability claims again were relatively similar to the state of New York. The federal government expended lower payments in Florida than the state of New York, however, in SSI for aged 65 and older, which was consistent with quantitative findings as well.

As the minority population increased in the statistical analysis, the OASDI-SS retirement expenditures decreased. This result may be because diverse groups have not paid into the OASDI-SS Retirement system at the same rate as non-minority groups. However, as the minority population increased the SS disability and SSI disability and SSI for aged 65 and older increased as well. Both the states of New York and Florida are diverse especially as it relates to African-Americans, Hispanic and Latino Americans and Asian Americans in New York and African-Americans and Latino-Americans in Florida. As both states are similar in this regard, it is interesting to note that the federal government paid out similar SS disability expenditures yet the state of New York and the federal government paid out more in both SSI disability and SSI for aged 65 and older.

According to the statistical analysis, the more liberal the government leadership ideology, the lower the SS disability and SSI for aged 65 and older. This finding is profound as the perception is that more liberal states tend to be more expansive with their social welfare benefits. For the state of New York the citizen ideology ranges very liberal averaging from over 60 to over 70 from 1990 to 2010 (with 100 being most liberal). The citizen ideology of the state of Florida ranged between 40 and 50 during the 1990 to 2010 data range in the statistical analysis. There the citizen ideology has ranged from moderate to conservative for the state of Florida. The governmental leadership ideology in Florida ranged from over 50, over 60 and over 70 in the 1990s to single digits in the 2000s and 14 in 2007. The governmental leadership in Florida ranged from more liberal to extremely conservative during the 1990 to 2010 timeframe, although they maintained Republican governmental leadership throughout. In New York, the governmental leadership while still considered liberal was still more conservative than their citizen ideology ranging from over 70 and over 80 in the 1990s to between 35 and 50 in the 2000s, although the state has maintained Democratic gubernatorial leadership throughout the time period. In terms of the expenditures paid out, although the state of New York generally holds more liberal governmental leadership and citizen ideologies than the state of Florida, the federal government did not pay out lower OASDI-SS disability relatively than the state of Florida and the state of New York and the federal government actually expended significantly more resources per capita in SSI for aged 65 and older than in the state of Florida.

Conclusions

Overall, labor market structures have distinct variations across the U.S. states. Therefore, it is important not only to assess the market structure of the United States as a whole, yet to assess the factors that allow for diversity in the U.S. including the political and social culture, the primary industries within the state, the political ideologies of governmental leadership and the citizens of the state, the demographic characteristics of the people in the state and indicators of economic health at the state level (Grant and Wallace 1994; Jacoby and Schneider 2001; Amberg 2008).

The states of Florida and New York are similar in terms of population size, levels of poverty and diversity. The state of New York has relatively greater income per capita than Florida; yet, the cost of living difference between the states of Florida and New York are considerable. However, the state of

Florida has maintained higher levels of unemployment than the state of New York at intervals during the twenty year timeframe assessed, especially during the 2007 to 2009 economic recession. The state of New York is relatively more liberal in terms of its governmental leadership and citizen ideologies and this liberal base provides support for expanded social welfare programs that benefit vulnerable populations. The state of New York also has a much larger unionized workforce than the state of Florida and based on the statistical analysis and my hypothesis this high level of union membership should depress social welfare expenditures; however, this was not the case with the state of New York's SSI program expenditures. While there are similarities between the two states, it is important to examine how each state varied in terms of how federal and state dollars were allocated for OASDI Social Security retirement and disability and SSI for disabled persons and for persons aged 65 and older, during the 2007 to 2009 economic recession.

One of the overall statistical findings was that states where residents earn higher per capita income are projected to expend more in OASDI-SS and SSI benefits. However, states that have the highest poverty rate, or where residents are the poorest are also supposed to disburse significant levels of OASDI-SS and SSI benefits as well. This begs to question, where do poor states receive the resources to expend higher levels of Supplemental Security Income, which is a state-funded supplement? Or perhaps because the level of expenditures includes both state and federal funds, it is due to an increase in applications from citizens that the federal government responds to by expanding its financial support to poor states that have increased levels of need.

Social Security retirement and disability benefits as well as SSI for aged 65 and older and for disabled persons helps reduce poverty in the overall population, yet this especially true for minority groups. The benefit of federally funded OASDI Social Security on vulnerable populations in the state of Florida is substantial. The state of Florida had amongst the highest percentages of foreclosures from 2007 to 2009 and also had a higher unemployment rate during the 2007 to 2009 recession than the state of New York–ranging from 6.3% in 2008 to 10.5% in 2009 and 11.3% in 2010 which was higher than the national unemployment rate in 2009 and 2010. However, Social Security benefits were credited with bringing 1,070,000 Floridians aged 65 and older out of poverty in 2008. Furthermore, Social Security benefits brought 625,000 women out of poverty in 2008.

The impact of OASDI-SS benefits on the minority population is telling as one in eight or 12.9% of African-Americans in the state of Florida received OASDI-SS benefits in 2009. One out of four or 23% of Latino households received OASDI-SS benefits in 2010. Three out of ten or 28.3% of American Indians and Alaska Natives in Florida received OASDI Social Security benefits. Finally for Floridians of Asian-American, Native Hawaiian and Pacific Islander descent, 16.3% or one out of 7 of this population received OASDI Social Security benefits in 2010. Both the States of New York and Florida are diverse especially as it relates to African-Americans, Hispanic and Latino Americans and Asian Americans in New York and African-Americans and Latino-Americans in Florida. As both states are similar in this regard, it is notable that the federal government expended similar amounts of OASDI-SS disability, yet the state of New York and the federal government paid out significantly more than Florida in both SSI disability and SSI for aged 65 and older, in deference to the findings in the statistical analyses. This finding is substantial and per my original hypothesis, the state of New York's strong liberal governmental leadership and citizen support are a conduit for support for expansion of programs for the poor. In addition, the state of New York has a highly unionized labor force, a base that has been historically supportive of programs for the disadvantaged.

The state of Florida has an additional kind of diversity in that it has a higher than average older population. There were 17.6% persons aged 65 and older living in Florida in 2011 compared to 13.3% in the U.S. and compared to 13.7% in the state of New York. This older population directly contributed to the state of Florida's expenditure outcomes departing from the directions of the statistical analyses. For example, although the personal income per capita is higher in the state of New York and based on the results of the statistical analysis, the federal government should have expended more in OASDI benefits in the state of New York, not less per capita than the state of Florida in OASDI retirement. The federal government had similar levels of payouts for SS-DI in both states. The federal government expended more OA-SS retirement in the state of Florida because of the sheer number of older Floridians eligible for retirement. Some of these same retirees are also eligible for SS disability and therefore instead of New York outpacing the state of Florida in spending, the federal levels of disbursement were virtually even. In addition, considering the increased levels of unemployment in the state of Florida, the Social Administration has revealed that the levels of Social Security retirement applications increased during the 2007 to 2009 recessionary period (Rich 2012). The state of Florida, however, offered a lower maximum SSI benefit at $78.40 for individuals compared to $87 for the state of New York in 2011. The maximum monthly benefit for individuals is $752.40 for Floridians versus $797 for New Yorkers. However, in Florida, couples are processed as individuals so couples have the opportunity to earn more than the maximum in the state of New York of $1,170 a week.

Although union membership is much higher in the state of New York than in the state of Florida, the quantitative results project that as the level of union membership increases the levels of expenditures on OASDI Social Security and Supplemental Security Income for the disabled should decrease. However, while the levels of federal spending in New York were lower in OASDI Social Security retirement, the federal government expended similar levels of OASDI Social Security disability in New York as Florida and much more than Florida for SSI disability. The state of New York is also committed to vocational training for the disabled that would assist SS-DI recipients in working while they receive SS-DI and would decrease the amount of funding the state has to expense to persons with disabilities. There is also the possibility that the state can eliminate some of the SS-DI expenses for persons with disabilities that are completely rehabilitated and fully employed. Several of these programs are facilitated by governmental agencies including state administered one-stop service centers and are financed through public programs. Unlike the state of Florida, the state of New York also offers a general assistance program to those residents that do not otherwise qualify for public assistance. Many other states do not offer such programming.

Finally, the quantitative analyses project that more liberal governments would pay out less in SS-DI and in SSI for aged 65 and older. However, although the state of New York generally holds more liberal governmental leadership and citizen ideologies than the state of Florida, the federal SS disability payments were similar to the state of Florida and in New York state, the state and federal governments actually expended significantly more dollars per capita in SSI for aged 65 and older than in New York than the state of Florida. Therefore, the state of New York with its liberal leaning government leadership and citizen base, actually paid extensively more OA-SS, DI and SSI benefits than predicted.

The states of Florida and New York were chosen as case studies because while they have similar characteristics in some regards, they vary in terms of the how each state responded and the federal government responded in each state to the 2007 to 2009 economic crisis. The federal government had an increase is Old-Age Social Security retirement expenditures due to an influx of new OA retirement applicants during the 2007 to 2009 recession. This effect was compounded in Florida, because with Florida's older population, they have a greater number of eligible applicants, than the state of New York. The state of New York, however, had the administrative control to expand its expenditures, benefit levels and budget for the state-level supplement provided to SSI beneficiaries. The state of New York was more generous in its benefit level for individuals than the state of Florida and also expended much more SSI for the disabled and for aged 65 and older.

Although the per capita income was higher in the state of New York, the federal government still expended more in OA-SS in the state of Florida as they Florida has an older population that exceeds the national average and New York's older population. Although the state of New York has a highly unionized environment it did not affect its levels of OASDI-SS and SSI expenditures and although Florida has a much lower percentage of unionization. Both the states of Florida and New York are uniquely diverse and although existing literature and the statistical analysis projects that in most cases as the minority percentage increases, OASDI-SS and SSI expenditures should decrease, the state of New York and the federal government expended much more than the state of Florida in SSI benefits and the federal government expended much more in the state of Florida than the state of New York in OA-SS retirement benefits. Also in the liberal state of New York, the SS-DI outcomes went against projections from the statistical analyses that less should be expended in SS-DI benefits in the diverse state and in fact the federal government paid out similar SS disability expenditures in New York as in Florida. The states of Florida and New York both present fruitful cases for analysis as some of the state and federal government responses to the 2007 to 2009 economic recession were consistent with my hypotheses and others were not. The state-level population and demographic makeup, governmental leadership and citizen political culture, budgeting capacities and priorities for governmental programming all played significant roles in how both states and the federal government responded.

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Appendix A

Case Study Selection Method

I used Mill's method of agreement and difference as one method of case selection for the state-level responses to the 2007–2008 economic recession (Mill, 1996). In the process of case selection, there were four OASDI Social Security and Supplemental Security Income models assessed: state-level annual Social Security retirement payments, state-level annual Social Security disability payments, state-level annual Supplemental Security Income payments for disabled persons and state-level annual Supplemental Security payments for persons aged 65 and older. I first examined the four statistical models to determine the magnitude of the effect of each statistically significant independent variable on the dependent variable in each model. I identified the independent variables that had the greatest significance for each model. Using the years of the recessionary periods of 1990-01, 2000–01 and 2008–2010, I examined the raw data for the independent variables that held the greatest significance in each respective model to compare the range of data for the states including the minimum, mean and maximum—for example in a model where poverty is a significant factor, I examined the states with low poverty, medium and high poverty. Also based on the direction of the outcomes variables, I again analyzed the data (e.g., poverty, unemployment rate, income, education, race and age) to determine what states had high and low outcome variables based on the direction of the effect of the independent variables on the dependent variables in the model.

I also examined the low versus high values of the independent variable data depending on what independent variables were most significant in the respective models. When examining the raw data, I additionally identified states that were outliers during the recessionary years examined. I noted the states with these variable outliers based on years identified (e.g., states with high poverty, low poverty, high income, low income, large Hispanic populations, medium Hispanic populations and low Hispanic populations). In order to narrow down the number of states identified, I examined all of the variables identified across all of the models to determine what states held the same combination of significant variables (including the direction for the outcome variables).

When analyzing the range of outcomes by state for the recessionary periods, I also compared the actual outcomes to the predicted outcomes for each state and year and subsequently identified the states that reported lower or higher outcomes than predicted during the recessionary periods. Finally I compared the states identified in the predicted values analysis to the lists of independent and dependent variables "pattern" matches by model, by state. This process narrowed the list of states down further. The states were finally narrowed down to the following delineation:

OASDI Social Security & Supplemental Security Income: State Selection (Florida and New York)

High ranges (expenditures for S.S. retirement and disability and S.S.I.):
New York, Florida, West Virginia and Wisconsin

Low ranges:
Maryland and Kansas

Interesting cases:
Arkansas, Alabama, Mississippi, South Carolina, New Hampshire and California

I selected the states of New York and Florida as "most similar cases" in order to have the opportunity to extrapolate the differences in OASDI Social Security and Supplemental Security Income administration and expenditures during the Great Recession. Both states are among the most populous states in the union. The populations of the states of New York and Florida are very diverse and both have a similar poverty rate. While the governmental leadership and citizen ideologies of the state of New York is very liberal, the state of Florida has been a swing state, trending Republican in most recent years, yet also has also swung Democratic in 1996, 2008 and 2012. Throughout the 20-year analysis from 1990 to 2010, both states yielded higher than predicted Old-Age Social Security retirement and disability expenditures as well as Supplemental Security Income expenditures. However, in choosing two very similar states, a case study analysis allowed for the isolation of differences in how OASDI Social Security and Supplemental Security Income programs are administered in each state. Some interesting differences are that although the population aged 65 and older was not significant in the statistical models and New York residents had a higher level of per capita income than Floridians during the 20-year period assessed, the state of Florida still expended substantially higher Social Security retirement benefits than the state of

New York, primarily due to population of older residents that the state has, who may qualify for OASDI Social Security retirement benefits. The case study analysis isolated that the age of population was an important factor. Furthermore, although the states of New York and Florida have very similar characteristics, the state of New York expended substantially more in Supplemental Security Income benefits during the period of analysis and offers a more generous individual SSI benefit than Florida. By examining “most similar” states, through case study analysis I was able to determine what variables in the statistical analysis held and were confirmed, and extrapolate the differences that the statistical analysis did not reveal.