

April 11, 2017

The Honorable Orrin Hatch  
Chair, U.S. Senate Committee on Finance

The Honorable Ron Wyden  
Ranking Member, U.S. Senate Committee on  
Finance

The Honorable Kevin Brady  
Chair, U.S. House Committee on Ways and Means

The Honorable Richard Neal  
Ranking Member, U.S. House Committee on  
Ways and Means

The undersigned organizations are concerned that an article titled "Disabled, or Just Desperate?" recently published in *The Washington Post* (April 2, 2017) paints a misleading and inaccurate picture of Social Security's disability programs. We applaud the goal of putting a face on programs that are often discussed only in terms of statistics and numbers. Unfortunately, Terrence McCoy's reporting fails to tell the whole story and perpetuates dangerous myths about the Social Security disability programs and the people they help.

### **Social Security Disability Programs Provide Modest but Vital Support**

About 57 million, or 1 in 5 Americans, live with disabilities. One in 10 Americans has a severe disability. Our nation's Social Security system provides vital income support to about 13 million working-age people with disabilities through two programs: Social Security Disability insurance and Supplemental Security income. Social Security Disability Insurance, or SSDI, is funded through payroll tax contributions. It is an earned benefit that provides essential income support to workers who have contributed enough via payroll taxes to be "covered" and who become disabled before reaching full retirement age. While benefits are modest, averaging just about \$1,170 per month, benefits keep millions of people with disabilities from deep poverty and homelessness. For most beneficiaries, SSDI benefits make up all or most of their personal income.<sup>i</sup> Our Social Security system, including SSDI, reflects the diversity of our nation. Currently, roughly 1 million military veterans, 4.8 million women, 2.3 million African Americans, and 1.2 million Latinos receive SSDI.

### **The Social Security Disability Standard is Strict and Most Applications Are Denied**

Missing from the *Post*'s reporting is the fact that most applicants for Social Security disability benefits are denied. Less than 40 percent of adult applicants are approved under the strict disability standard.<sup>ii</sup> Many are terminally ill: 1 in 5 male SSDI beneficiaries and nearly 1 in 6 female SSDI beneficiaries die within 5 years of receiving benefits. Despite their impairments, many report eagerness to do some work, and some do work part-time. But research indicates that the average earning potential of beneficiaries with "work capacity" is a few thousand dollars per year—hardly enough to support oneself.<sup>iii</sup>

### **Demographics Explain Nearly All Growth in Social Security Disability Insurance**

Due largely to well-known demographic trends, the number of disabled workers receiving Social Security Disability Insurance has grown since the program became law in the 1950s. Program enrollment peaked in 2014. According to Social Security's Chief Actuary, the growth in SSDI was long expected and is mostly the result of three factors: baby boomers entering their high-disability years, women entering the workforce in large numbers in the 1970s and 1980s so that more are now "insured" for SSDI based on

their own prior contributions, and population growth.<sup>iv</sup> These three factors alone explain 90 percent of the program's growth between 1980 and 2010.<sup>v</sup> Another important factor has been the Social Security retirement age rising from 65 to 67, which means disabled workers receive disability benefits for longer before converting to retirement benefits when they reach full retirement age—and more people who acquire disabilities at those ages receive disability instead of retirement benefits. About 5 percent of SSDI beneficiaries are ages 65 and 66.<sup>vi</sup>

While some jobless workers may apply for disability benefits out of “desperation”—a phenomenon the *Post* alleges is widespread throughout rural communities—they will be screened out if they do not meet Social Security's strict disability standard. A look at what happens during economic downturns bears this out. While down economies generally trigger increases in applications for disability benefits, they have a much smaller effect on awards. The most recent downturn was no exception, and Social Security's actuaries estimate that just 5 percent of the program's growth from 1980 to 2010 was due to the recession,<sup>vii</sup> likely due to workers with disabilities being disproportionately laid off from employer payrolls when times got tight. It is important to note that while applications increased during the Great Recession, the award rate—the share of applications approved for benefits—declined, indicating that applicants who did not meet the rigid disability standard were screened out. A study by Social Security's watchdog examined the 11 states with the highest unemployment rates and found that while applications for benefits increased, award rates had dropped in all of them.<sup>viii</sup> Moreover, a recent National Bureau of Economic Research study found “no indication that expiration of unemployment insurance benefits causes Social Security Disability Insurance applications.”

And what about rural America? As Kathy Ruffing at the Center on Budget and Policy Priorities has noted, geographic areas with certain characteristics are home to more disability beneficiaries. For example, communities with an industry-based economy, where work tends to be more physically demanding; those with fewer immigrants—who are far less likely than native-born citizens to receive disability benefits due to program rules; and areas with an older and less-educated workforce less likely to be able to move into other work after onset of disability or illness, have higher rates of SSDI enrollment.<sup>ix</sup> Thus, it comes as little surprise that rural areas would see higher rates of SSDI enrollment than other parts of the country.

### **The Future of the Social Security Disability Programs**

Another significant point that the *Post* leaves out entirely is that the number of disability beneficiaries is currently *in decline*. As the baby boomers age into retirement, the number of SSDI beneficiaries has already begun to level off—with the program's growth now at its lowest level in 25 years.<sup>x</sup> As of February 2017, the number of SSDI disabled worker beneficiaries decreased in 8 of the past 9 quarters and all of the past 15 months.<sup>xi</sup> The number of SSDI disabled worker applications and awards has declined each year since 2010.<sup>xii</sup>

Social Security disability benefits are nothing short of essential for the millions of disabled workers who rely on them to keep a roof over their heads, food on the table, to afford copays for needed, often life-sustaining medication, and more. Rather than rehashing myths and sensationalizing well-documented, understandable program trends, we need to strengthen Social Security's disability programs to more effectively serve their missions: increasing economic security for people with severe disabilities and enabling them to live independently with dignity and transition back to work when possible.

Signed:

AFL-CIO  
AFSCME  
Alliance for Retired Americans  
American Association of People with Disabilities  
American Civil Liberties Union  
American Network of Community Options and Resources  
Association of University Centers on Disabilities  
Autistic Self-Advocacy Network  
Bazelon Center for Mental Health Law  
Campaign for America's Future  
Center for American Progress  
Center for Community Change Action  
Center for Law and Social Policy  
Coalition on Human Needs  
Committee on Disability Power & Pride  
Community Legal Services, Inc.  
Community Servings  
Easterseals  
Economic Policy Institute  
Justice in Aging  
Global Policy Solutions  
Gray Panthers  
Institute for Educational Leadership  
Latinos for a Secure Retirement  
Lutheran Services in America Disability Network  
National Alliance of State & Territorial AIDS Directors (NASTAD)  
National Alliance on Mental Illness  
National Association of Disability Representatives  
National Committee to Preserve Social Security and Medicare  
National Organization for Women  
National Organization of Social Security Claimants' Representatives (NOSSCR)  
National Disability Rights Network  
National Women's Law Center  
Paralyzed Veterans of America  
People Demanding Action  
Progressive Democrats of America  
Service Employees International Union  
Social Security Works  
Strengthen Social Security Coalition  
The Advocater Group  
The Arc of the United States

cc:

The Honorable Thad Cochran  
Chair, U.S. Senate Committee on Appropriations

The Honorable Patrick Leahy  
Vice Chair, U.S. Senate Committee on  
Appropriations

The Honorable Mike Enzi  
Chair, U.S. Senate Committee on Budget

The Honorable Bernie Sanders  
Ranking Member, U.S. Senate Committee on  
Budget

The Honorable Pat Tiberi  
Chair, U.S. Senate Joint Economic Committee

The Honorable Martin Heinrich  
Ranking Member, U.S. Senate Joint Economic  
Committee

The Honorable Lamar Alexander  
Chair, U.S. Senate Committee on Health,  
Health, Education, Labor and Pensions

The Honorable Patty Murray  
Ranking Member, U.S. Senate Committee on  
Education, Labor and Pensions

The Honorable Rodney Frelinghuysen  
Chair, U.S. House Committee on Appropriations

The Honorable Nita Lowey  
Ranking Member, U.S. House Committee on  
Appropriations

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<sup>i</sup> Rebecca Vallas and Shawn Fremstad, "Social Security Disability Insurance: A Bedrock of Security for American Workers (Center for American Progress: June 2015), <https://www.americanprogress.org/issues/poverty/reports/2015/06/16/115195/social-security-disability-insurance-a-bedrock-of-security-for-american-workers/>.

<sup>ii</sup> Id.

<sup>iii</sup> See, e.g., Nicole Maestas, Does Disability Insurance Receipt Discourage Work?, Rand Corporation, 2011, [http://www.rand.org/pubs/working\\_papers/WR853.html](http://www.rand.org/pubs/working_papers/WR853.html).

<sup>iv</sup> Testimony of Stephen Goss, Chief Actuary, Social Security Administration, before the House Ways and Means Committee (Mar. 2013), [http://waysandmeans.house.gov/uploadedfiles/goss\\_testimony.pdf](http://waysandmeans.house.gov/uploadedfiles/goss_testimony.pdf).

<sup>v</sup> David Pattison and Hilary Waldron, "Growth in New Disabled Worker Entitlements, 1970-2008," *Social Security Bulletin* 73 (4) (2013): 25-48, <https://www.ssa.gov/policy/docs/ssb/v73n4/v73n4p25.pdf>.

<sup>vi</sup> Kathy Ruffing, Testimony before the Subcommittee on Social Security Committee on Ways and Means, U.S. House of Representatives, March 20, 2013, available at <http://www.cbpp.org/files/3-20-13ss-test.pdf>.

<sup>vii</sup> Stephen Goss, Chief Actuary, Social Security Administration, Testimony before the Senate Committee on Finance on "The Foreseen Trend in the Cost of Disability Insurance Benefits," (July 24, 2014), available at [https://www.ssa.gov/oact/testimony/SenateFinance\\_20140724.pdf](https://www.ssa.gov/oact/testimony/SenateFinance_20140724.pdf).

<sup>viii</sup> Office of the Inspector General, *Impact of Increases in State Unemployment Rates on the Social Security Administration's Disability Programs (U.S. Social Security Administration, 2013)*, available at <http://oig.ssa.gov/sites/default/files/audit/full/pdf/A-07-12-11209.pdf>.

<sup>ix</sup> Kathy Ruffing, Center on Budget and Policy Priorities, "Geographic Pattern of Disability Receipt Largely Reflects Demographic and Economic Factors," (January 9, 2015), <http://www.cbpp.org/research/geographic-pattern-of-disability-receipt-largely-reflects-economic-and-demographic-factors>.

<sup>x</sup> Goss, *supra* note vii.

<sup>xi</sup> Social Security Administration, Office of the Chief Actuary, Disabled worker beneficiary statistics by calendar year, quarter, and month. Accessed Mar. 31, 2017.

