



Commemorating 40 Years
Of Disability Advocacy
1973-2013

Getting the Facts Straight on Disability April 1, 2013

A recent series on *Planet Money*, *This American Life*, and *All Things Considered* ("Unfit for Work: The Startling Rise of Disability in America" and "Trends With Benefits") that aired on National Public Radio (NPR) stations across the U.S. paints a misleading and inaccurate picture of the Social Security programs that serve as a vital lifeline for millions of Americans with severe disabilities. Unfortunately, the series' reporting fails to tell the whole story and perpetuates dangerous myths about the Social Security disability programs and the people they help.

This paper summarizes significant facts about the Social Security disability programs that were left out of the series, and in many cases show the coverage to be inaccurate and misleading.

Social Security Disability Programs Provide Modest but Vital Support

- About 57 million, or 1 in 5 Americans, live with disabilities, and about 38 million or 1 in 10 has a severe disability.¹
- Only those with the most significant disabilities—about 14 million children and working-age adults with disabilities, receive vital support from our nation's Social Security system.
- **Social Security Disability Insurance, or SSDI**, is funded through payroll tax contributions. It provides benefits to workers who have contributed enough via payroll taxes to be insured and who become disabled before reaching full retirement age.
- **Supplemental Security Income, or SSI**, provides support to low-income children and adults with severe disabilities, as well as low-income seniors.
- The average SSI benefit is just \$526 per month as of February, 2013 —about half the federal poverty level for a single person, and just \$17.53 per day.² The average SSDI benefit for a disabled worker is about \$1,130 as of February, 2013, just over the federal poverty line.³
- SSI and SSDI benefits keep millions of people with disabilities from deep poverty and homelessness. For most adult disability beneficiaries, SSI and SSDI make up all or most of their income.⁴ Even with benefits, a full quarter of SSDI beneficiaries live in poverty, and the majority of beneficiaries are low-income.⁵

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

- Most applicants for Social Security disability benefits are denied, and only about 40 percent are approved even after all stages of appeal.⁶
- Many applicants are terminally ill: 1 in 5 male SSDI beneficiaries and 1 in 7 female SSDI beneficiaries die within 5 years of receiving benefits.⁷
- 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.⁸

- As with adults, most children who apply are denied SSI,⁹ and only the most severely impaired qualify for benefits. Just 1.7 percent of U.S. children receive SSI—fewer than 1 in 4 U.S. children with disabilities.¹⁰
- Doing poorly in school is not a basis for SSI eligibility. Under the Social Security Act, a child must have a medically documented impairment that results in “marked and severe functional limitations” in order to qualify. Poor performance in school may be an indicator of a learning disorder or other mental impairment, but on its own is not sufficient to qualify a child for SSI.
- Doing well in school does not mean a child will lose benefits. Academic performance is just one evidentiary factor among many considered in evaluating a child’s eligibility for SSI.

SSI Enables Many Families to Care for Children with Disabilities at Home, and Encourages Education for Youth with Disabilities

- Raising a child with a disability in the U.S. is expensive. Many parents of children with significant disabilities are unable to work full-time due to caregiving responsibilities. The added expense of caring for a child with a disability can be crushing. Research on the costs of childhood disability finds that for children with severe disabilities approximating the SSI disability standard, lost parent income and out-of-pocket medical costs average \$20,000 per year.¹¹
- Together with Medicaid, the income support from SSI makes it possible for many children to remain at home with their families instead of needing to be in an institution to receive their care. SSI also plays an important role in helping families access services and supports for children with significant disabilities, including services that support children’s education.
- SSI program rules contain work and education incentives for youth with disabilities. The SSI program also encourages work by parents of children receiving benefits, and research has found that child SSI receipt does not discourage parental work.¹²

Social Security Disability Programs Reflect Broader Trends Toward “Invisible” Disabilities

- According to the World Health Organization (WHO), in rich nations like the U.S. many people are living longer—but with more disability.¹³
- The WHO also reports that today, the leading causes of disability both in the U.S. and abroad are largely invisible—mental illness and musculoskeletal disorders – a trend reflected in the Social Security disability programs.¹⁴
- Nonetheless, denial of such "invisible" disabilities remains sadly common. Misconceptions persist that individuals who "look healthy" ought not to be receiving disability benefits, and that disabilities visible to the naked eye are “unambiguous”, whereas impairments less readily observable to an onlooker are "squishy”.
- Examples of often-hidden yet significant disabilities include cancer, Traumatic Brain Injury (TBI), intellectual disability, Autism, and serious mental illness such as Post-Traumatic Stress Disorder (PTSD) and schizophrenia (among many others).

Demographics Explain Nearly All Growth in Social Security Disability Programs

- The Social Security disability programs have grown significantly since they were signed into law, as well as in recent years.
- According to Social Security's Chief Actuary Steve Goss, the growth in SSDI from 1980 to 2010 was expected and is mostly the result of two factors: baby boomers entering their high-disability

years and 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.¹⁵

- A significant third factor is that Social Security's full retirement age rose from 65 to 66. When disabled workers reach full retirement age, they begin receiving Social Security retirement benefits rather than DI. The increase in the retirement age has delayed that conversion. In December 2012, more than 450,000 people between 65 and 66 — over 5 percent of all DI beneficiaries — collected disabled-worker benefits; under the rules in place a decade ago, they would have been receiving retirement benefits instead.¹⁶
- Applications for Social Security disability benefits tend to rise during economic downturns, and the recent economic recession was no exception. However, research finds that while economic downturns significantly boost applications for benefits, they have a much smaller effect on awards.¹⁷ In fact, available data indicate that the percentage of applicants awarded benefits has actually *declined* during the recent economic recession, suggesting that individuals who did not meet Social Security's strict disability standard were screened out.¹⁸
- The increase in the number of children receiving SSI benefits in the past decade is similarly explained by larger economic factors, namely the increase in the number of poor and low-income children. From 2000 to 2011, the number of poor children skyrocketed from about 11 million to over 16 million, and more than 1 in 5 U.S. children live in poverty today. Forty-four percent of U.S. children now live in low-income households. Since SSI is a means-tested program, more poor and low-income children mean more children with disabilities are financially eligible for benefits. The share of low-income children who receive SSI benefits has remained constant at about 3 to 4 percent since 2000.¹⁹

TANF Block Grant and the Social Security Disability Programs

- There is no evidence of a large-scale shift from Temporary Assistance for Needy Families (TANF)—the block grant cash assistance program that replaced Aid for Families with Dependent Children (AFDC) in 1996—to the Social Security disability programs.
- The decline in TANF enrollment from 1996 to 2011 is more than 20 times the magnitude of the increase in SSI child enrollment during that period.²⁰
- The share of SSDI disabled worker beneficiaries with dependent children has actually fallen since 1996, from nearly one-third to about 20% in 2011.²¹
- While loss of TANF might lead a person to apply for SSI or SSDI, being poor is not enough to qualify—an applicant must also meet the strict Social Security disability standard.
- While some describe the 1996 shift from AFDC to the TANF block grant as a "success," the aftermath of the shift has seen a stark increase in the number of children living in deep poverty (an increase of over 1 million children since 1996) and an equally stark increase in the number of poor families with children suffering unemployment but receiving no federal or state cash assistance at all.²²

The Future of the Social Security Disability Programs

- As the baby boomers age into retirement, growth in SSDI has already begun to level off and is projected to decline further in the coming years.²³
- The number of children receiving SSI has decreased from 2011-2013 and federal expenditures on SSI for children are projected to decline as a share of Gross Domestic Product (GDP) over the coming decade.²⁴

- The DI trust fund's projected 2016 shortfall is not a new development, or an unprecedented one. Since Social Security was enacted, Congress has "reallocated" payroll tax revenues between the OASI and DI trust funds – about equally in both directions – some 11 times to account for demographic shifts. In 1994, the last time such reallocation occurred, SSA actuaries projected that similar action would next be required in 2016.
- As it has in the past, Congress could enact a modest reallocation of the 6.2% tax rate between OASI and DI. Under one such plan, both funds would be fully solvent until 2033, and new revenue after that would cover about 75% of Social Security benefits due thereafter.²⁵ Experts at the Center on Budget and Policy Priorities and SSA's Chief Actuary have urged Congress to take action to ensure long-term solvency of both trust funds.²⁶

The Disability Benefits Reform Act (DIBRA) of 1984

- The Social Security Disability Benefits Reform Act of 1984 was passed by a unanimous, bipartisan vote in both the House of Representatives (402-0) and the Senate (99-0) in September 1984, and signed into law by President Reagan.
- The legislation did not change the statutory definition of disability. It did require SSA to issue new listings of impairments for mental disorders and develop new procedures for evaluating residual functional capacity for individuals with mental disorders whose impairments did not meet the listings.
- Before DIBRA, SSA relied upon outdated concepts of mental impairment and terminology that did not reflect current medical practice. There was no individualized, realistic evaluation of ability to work, for people with mental impairments. DIBRA led to the issuance of new mental listings that were more closely tailored to follow the edition of the APA's Diagnostic and Statistical Manual current at that time.
- DIBRA also required SSA to consider the combined effects of multiple impairments in evaluating disability, in recognition of the fact that many people suffer from multiple medical conditions, each of which is not on its own severe enough to prohibit someone from working, but which in combination are totally disabling.
- DIBRA also led to clarifications about consideration of pain in assessing disability. Specifically, for pain to contribute to a finding of disability, an individual must first establish through medical evidence, the presence of a medically determinable physical or mental impairment that could reasonably be expected to produce the pain or other symptoms alleged. Once such an impairment is established, allegations about the intensity and persistence of pain or other symptoms must be considered in addition to medical evidence in evaluating the extent to which the impairment may affect the individual's capacity for work. Allegations of pain, on their own, are not sufficient to establish disability.

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¹ U.S. Census Bureau, Current Population Reports, Americans with Disabilities: 2010 (July 2012), <http://www.census.gov/prod/2012pubs/p70-131.pdf>.

² Social Security Administration, Monthly Statistical Snapshot, February, 2013. Table 3. Supplemental Security Income recipients. http://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/index.html#table3.

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- ⁶ Id.
- ⁷ Id.
- ⁸ See, e.g., Arif Mamun et al., Employment Among Social Security Disability Program Beneficiaries, 1996-2007, Social Security Bulletin, Vol. 71, No. 3 (2011), <http://www.ssa.gov/policy/docs/ssb/v71n3/v71n3p11.pdf>.
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- ¹⁸ Social Security Advisory Board, Aspects of Disability Decisionmaking: Data and Materials (Feb. 2012), Chart B.7 at 12, http://www.ssab.gov/Publications/Disability/GPO_Chartbook_FINAL_06122012.pdf.
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- ²⁰ Shawn Fremstad and Rebecca Vallas, The Children's SSI Program: Recent Research and Trends (August 2011), Slide 20, <http://www.cepr.net/index.php/publications/reports/review-of-research-trends-childrens-ssi>.
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- ²⁴ Fremstad and Vallas, *supra* note 10.
- ²⁵ Virginia Reno and Elisa Walker, National Academy of Social Insurance, Social Security Benefits, Finances and Policy Options: A Primer (April 2012), <http://www.nasi.org/research/2012/social-security-benefits-finances-policy-options-primer>.
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