

April 4, 2013

## **An Open Letter from Former Commissioners of the Social Security Administration**

As former Commissioners of the Social Security Administration (SSA), we write to express our significant concerns regarding a series recently aired on This American Life, All Things Considered, and National Public Radio stations across the U.S. ("Unfit for Work: The Startling Rise of Disability in America"). Our nation's Social Security system serves as a vital lifeline for millions of individuals with severe disabilities. We feel compelled to share our unique insight into the Social Security system because we know firsthand the dangers of mischaracterizing the disability programs via sensational, anecdote-based media accounts, leaving vulnerable beneficiaries to pick up the pieces.

Approximately 1 in 5 of our fellow Americans live with disabilities, but only those with the most significant disabilities qualify for disability benefits under Title II and Title XVI of the Social Security Act. Title II Old Age, Survivors, and Disability Insurance (DI) benefits and Title XVI Supplemental Security Income (SSI) benefits provide critical support to millions of Americans with the most severe disabilities, as well as their dependents and survivors. Disabled beneficiaries often report multiple impairments, and many have such poor health that they are terminally ill: about 1 in 5 male DI beneficiaries and 1 in 7 female DI beneficiaries die within 5 years of receiving benefits. Despite their impairments, many beneficiaries attempt work using the work incentives under the Social Security Act, and some do work part-time. For example, research by Mathematica and SSA finds that about 17 percent of beneficiaries worked in 2007. However, their earnings are generally very low (two-thirds of those who worked in 2007 earned less than \$5,000 for the whole year), and only a small share are able to earn enough to be self-sufficient and leave the DI and SSI programs each year. Without Social Security or SSI, the alternatives for many beneficiaries are simply unthinkable.

The statutory standard for approval is very strict, and was made even more so in 1996. To implement this strict standard, Social Security Administration (SSA) regulations, policies, and procedures require extensive documentation and medical evidence at all levels of the application process. Less than one-third of initial DI and SSI applications are approved, and only about 40 percent of adult DI and SSI applicants receive benefits even after all levels of appeal. As with adults, most children who apply are denied SSI, and only the most severely impaired qualify for benefits.

Managing the eligibility process for the disability system is a challenging task, and errors will always occur in any system of this size. But the SSA makes every effort to pay benefits to the right person in the right amount at the right time. When an individual applies for one of SSA's disability programs, the agency has extensive systems in place to ensure accurate decisions, and the agency is home to many dedicated public servants who take their ongoing responsibility of the proper stewardship of the programs very seriously. Program integrity is critically important and adequate funds must be available to make continued progress in quality assurance and monitoring. In the face of annual appropriations that were far below what the President requested in Fiscal Year 2011 and Fiscal Year 2012, the agency has still continued to implement many new system improvements that protect taxpayers and live up to Americans' commitment to protect the most vulnerable in our society.

It is true that DI has grown significantly in the past 30 years. The growth that we've seen was predicted by actuaries as early as 1994 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 DI based on their own prior contributions. 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. More than 1 in 5 U.S. children live in poverty today and some 44 percent 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. Importantly, the share of low-income children who receive SSI benefits has remained constant at less than four percent.

Yet, the series aired on NPR sensationalizes this growth, as well as the DI trust fund's projected shortfall. History tells a less dramatic story. Since Social Security was enacted, Congress has "reallocated" payroll tax revenues across 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. They were right on target.

We are deeply concerned that the series "Unfit for Work" failed to tell the whole story and perpetuated dangerous myths about the Social Security disability programs and the people helped by this vital system. We fear that listeners may come away with an incorrect impression of the program—as opposed to an understanding of the program actually based on facts.

As former Commissioners of the agency, we could not sit on the sidelines and witness this one perspective on the disability programs threaten to pull the rug out from under millions of people with severe disabilities. Drastic changes to these programs would lead to drastic consequences for some of America's most vulnerable people. With the lives of so many vulnerable people at stake, it is vital that future reporting on the DI and SSI programs look at all parts of this important issue and take a balanced, careful look at how to preserve and strengthen these vital parts of our nation's Social Security system.

Sincerely,

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