



**CONSORTIUM FOR CITIZENS  
WITH DISABILITIES**

**Statement for the Record**

**Hearing on Securing the Future of the  
Social Security Disability Insurance Program**

**Subcommittee on Social Security  
House Committee on Ways and Means**

**December 2, 2011**

**Submitted on behalf of the undersigned members of the Consortium for Citizens with Disabilities Social Security Task Force:**

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The Consortium for Citizens with Disabilities (CCD) is a working coalition of national organizations working together to advocate for national public policy that ensures the self-determination, independence, empowerment, integration and inclusion of the 54 million children and adults with disabilities in all aspects of society. The CCD Social Security Task Force focuses on disability policy issues in the Title II disability programs and the Title XVI Supplemental Security Income (SSI) program.

The undersigned members of the CCD Social Security Task Force submit this Statement for the Record of the December 2, 2011, House Ways and Means Social Security Subcommittee hearing on Securing the Future of the Social Security Disability Insurance (SSDI) Program. The SSDI program<sup>1</sup> provides vital and much-needed economic security and access to health care for individuals whose impairments are so severe that they preclude substantial work. This income support program is an integral component of our nation's safety net, reflecting the core American value of assisting those in need. We appreciate Chairman Johnson's and Ranking Member Becerra's interest and attention to this critical program for people with disabilities and their families.

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<sup>1</sup> This includes all individuals with disabilities receiving benefits through the Old-Age, Survivors, and Disability programs, including disabled workers, surviving disabled spouses, and disabled adult children,.

## **SSDI Provides Vital Income Support**

SSDI is essential to people with disabilities and their families. Its basic structure is effective and should be preserved. The income support received through this program prevents millions of Americans from living lives of abject poverty and homelessness. The importance of this program to one of our nation's most vulnerable populations cannot be overstated. Ensuring that there is adequate financing to protect this program in the long-term is a high priority of the Task Force. Any effort to shore up its long-term solvency, however, must also protect and expand the effectiveness of its income support function, as well as protect access to the corresponding health coverage provided through Medicare.

## **Disability Benefits Are Modest**

Disability benefits are modest and many people with disabilities continue to live in poverty even when their disability benefits are taken into account. Before filing an application, most people with disabilities have done everything they can and exhausted their savings and other options. In our experience, they do not want to live on the benefits received through the disability programs, unless they have no other alternatives.

SSDI benefit amounts are based on the workers' previous earnings. However, SSDI benefits only replace a percentage of the workers' previous earnings and, especially for low and moderate earners, are quite modest. The average monthly benefit in August 2011 for a SSDI program beneficiary was only \$1,070 per month, an annual income of just \$12,840.<sup>2</sup> It is important to keep in mind, for comparison purposes, that a person working full-time, 40 hours per week, and earning the federal minimum wage of \$7.25/hour earns \$15,080 annually.<sup>3</sup> In fact, nearly one-third of the people receiving SSDI live in households with total household income below 100% of the federal poverty level.<sup>4</sup> People with work-limiting disabilities, despite the availability of SSDI, are 4.5 times more likely to live in chronic poverty than people without disabilities.<sup>5</sup> Forty-seven percent of those living in poverty overall are people with disabilities and 65% of people living in long-term poverty are people with disabilities.<sup>6</sup>

## **The Current Definition of Disability Is Appropriate**

The current definition of disability is appropriate and ensures that only those individuals with the most severe disabilities receive benefits. The current definition is strict, requiring an individual to prove that he or she cannot maintain substantial gainful employment in the national economy. The end result is that SSDI provides benefits only to individuals with the

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<sup>2</sup> Social Security Administration, Office of the Chief Actuary, <http://www.ssa.gov/OACT/ProgData/icp.html>, last accessed September 10, 2011. Average benefits for disabled women workers are even lower at \$935/month. *Ibid.*

<sup>3</sup> See <http://www.dol.gov/dol/topic/wages/minimumwage.htm>.

<sup>4</sup> Gina Livermore, et al., *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations: Characteristics, Employment, and Sources of Support Among Working-Age SSI and DI Beneficiaries*, Final Report, April 2009, p. 8, [http://www.ssa.gov/disabilityresearch/documents/TTW5\\_2\\_BeneChar.pdf](http://www.ssa.gov/disabilityresearch/documents/TTW5_2_BeneChar.pdf)

<sup>5</sup> Gina A. Livermore and Peiyun She, *Long-term Poverty and Disability Among Working Age Adults*, Research Brief, August 2006, <http://digitalcommons.ilr.cornell.edu/edicollect/1226/>

<sup>6</sup> Livermore and She, , August 2006, <http://digitalcommons.ilr.cornell.edu/edicollect/1226/>

most significant impairments. Many individuals receiving SSDI have made repeated attempts to work, often exacerbating their impairments, before finally turning to the program for critical income support.

The beneficiary populations receiving benefits through SSDI are very diverse. Some are terminally ill. In fact, about one in five male SSDI beneficiaries and one in seven female SSDI beneficiaries die within the first five years of receiving benefits.<sup>7</sup> Nearly 70% of SSDI beneficiaries in 2010 were age 50 or older and nearly 1 in 3 was age 60 or older.<sup>8</sup> Forty-six percent of people receiving SSDI benefits characterized their health as being poor or very poor in a recent National Beneficiary Survey.<sup>9</sup> Additionally, the health of people receiving benefits appears to worsen over time. Nearly 1 in 2 beneficiaries reported in that same survey that their health had declined over the past year.

## **Program Growth**

We understand the concern regarding the status of the Disability Insurance Trust Fund and the stress that recent program growth has placed on its finances. Major demographic and economic factors outside the structure of the disability program are in large part responsible for the increase in participation seen in recent years. The same economic factors have also contributed to fewer disability beneficiaries returning to the workforce.

A significant part of the increase in applications and participation in the disability programs is attributable to the aging of the United States population, as the baby boomers have entered their “high disability” years. People are twice as likely to be disabled at age 50 as they are at age 40 and twice as likely as to be disabled at age 60 as they are at age 50.<sup>10</sup>

In addition, the influx of women into the workforce since the 1970s has meant that more women have paid into the SSDI program and are eligible for benefits when they become disabled. In 1990, men were receiving disability benefits at a percentage twice as high as women.<sup>11</sup> In 2009, when many more women workers had worked long enough to be covered by SSDI on the basis of their own earnings, 47% of the disabled workers receiving benefits were women.<sup>12</sup> This change in the nature of the workforce, and the corresponding increase in the total number of people eligible to apply for benefits after the onset or worsening of a disability, has significantly contributed to the increase in participation rates in the SSDI program.

Finally, the recession has made it more difficult for workers with disabilities to become employed or keep their jobs when an illness or injury causes them to become disabled. People with disabilities are often the “last hired and first fired” in times of economic

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<sup>7</sup> Gina Livermore, David Stapleton, and Henry Claypool, *Health Insurance and Health Care Access Before and After SSDI Entry*, page X, The Commonwealth Fund, May 2009.

<sup>8</sup> Social Security Administration, *2010 Annual Statistical Supplement to the Social Security Bulletin*, February 2011, Table 5.D4, <http://www.socialsecurity.gov/policy/docs/statcomps/supplement/>

<sup>9</sup> Livermore et al., *IBID* 4, p. 10, [http://www.ssa.gov/disabilityresearch/documents/TTW5\\_2\\_BeneChar.pdf](http://www.ssa.gov/disabilityresearch/documents/TTW5_2_BeneChar.pdf)

<sup>10</sup> Kathy Ruffing, Center on Budget and Policy Priorities, *What the 2011 Trustees' Report Shows About Social Security*, May 24, 2011, 8, <http://www.cbpp.org/cms/?fa=view&id=3500>

<sup>11</sup> Kathy Ruffing, , 8, <http://www.cbpp.org/cms/?fa=view&id=3500>

<sup>12</sup> Social Security Administration, *IBID* 8, Table 5.D4, <http://www.socialsecurity.gov/policy/docs/statcomps/supplement/>

downturn. It is no surprise then that applications for SSDI increase during recessions.<sup>13</sup> Employers are often less likely to accommodate a worker with a disability when there is an abundant supply of labor and the employer can choose between an otherwise equally qualified person with a disability and a large number of their non-disabled peers.<sup>14</sup> This certainly appears to be the case in the current downturn with the unemployment rate hovering right around 9% overall and nearly double for people with disabilities with attachment to the workforce (at 16.1%).<sup>15</sup>

Despite the recent growth in the SSDI program, it is expected to level off in the near future according to the testimony at the December 2 hearing by Stephen C. Goss, the Social Security Administration Chief Actuary. His written statement and oral testimony states that the factors causing the growth of the SSDI program have stabilized or are expected to do so in the near future. As stated by the Chief Actuary in his written testimony, “We project that the number of DI beneficiaries will continue to increase in the future, but only at about the rate of increase in workers.”

### **Adequate Administrative Funding Is Necessary to Ensure Program Integrity**

SSA must have sufficient funding to ensure that the service needs of the public are met, including the needs of people applying for and receiving Social Security disability benefits. The delivery of services must be strengthened, not weakened, during times of economic crisis. Adequate administrative funding is needed so that SSA can continue making strides to reduce the disability claims backlog, as well as to prevent deterioration of other critical services primarily caused by the underfunding of SSA for many years. Finally, sufficient funding is necessary to ensure that SSA can effectively perform its program integrity functions, such as continuing disability reviews and efforts to prevent and recover overpayments.

We look forward to continuing to work with the Members of the Social Security Subcommittee to explore ways to secure the future of the SSDI program for the long-term and to protect the vital income support function the program provides for some of the most vulnerable Americans.

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<sup>13</sup> National Academy of Social Insurance, *Balancing Security and Opportunity: The Challenge of Disability Income Policy (Report of the Disability Policy Panel)*, 1996, 16; see also Social Security Administration, Office of the Chief Actuary, <http://www.ssa.gov/oact/STATS/table6c7.html>, last accessed September 11, 2011 (showing that applications increase during times of economic downturn).

<sup>14</sup> See Van Doorn Ooms, *A View From Business*, in *Disability: Challenges for Social Insurance, Health Care Financing & Labor Market Policy*, National Academy of Social Insurance, 1997, 176; see also NASI *Balancing Security and Opportunity*, 63.

<sup>15</sup> United States Department of Labor, Bureau of Labor Statistics, <http://www.bls.gov/news.release/empst.t06.htm>, accessed September 11, 2011.

**Submitted on behalf of the undersigned members of the Consortium for Citizens with Disabilities Social Security Task Force:**

American Association of People with Disabilities  
Bazelon Center for Mental Health Law  
Community Legal Services  
Easter Seals  
Health & Disability Advocates  
National Association of Councils on Developmental Disabilities  
National Association of Disability Representatives  
National Alliance on Mental Illness  
National Disability Rights Network  
National Multiple Sclerosis Society  
National Organization of Social Security Claimants' Representatives  
Paralyzed Veterans of America  
The Arc of the United States  
United Spinal Association