

2017 Social Security Trustees Report

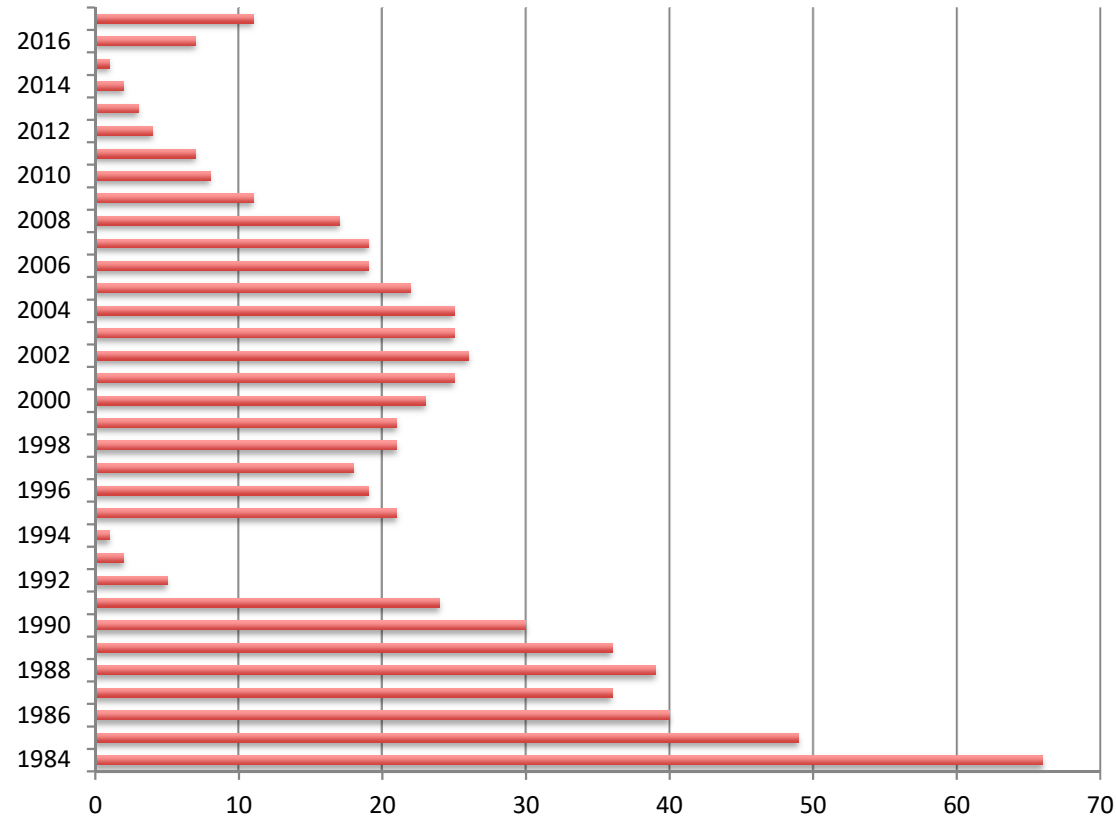
Social Security Disability Insurance Program Financial Outlook and Trends

National Academy of Social Insurance (NASI)
Dirksen Senate Office Building, Room 608
July 14, 2017

Dr. Jason J. Fichtner
Senior Research Fellow

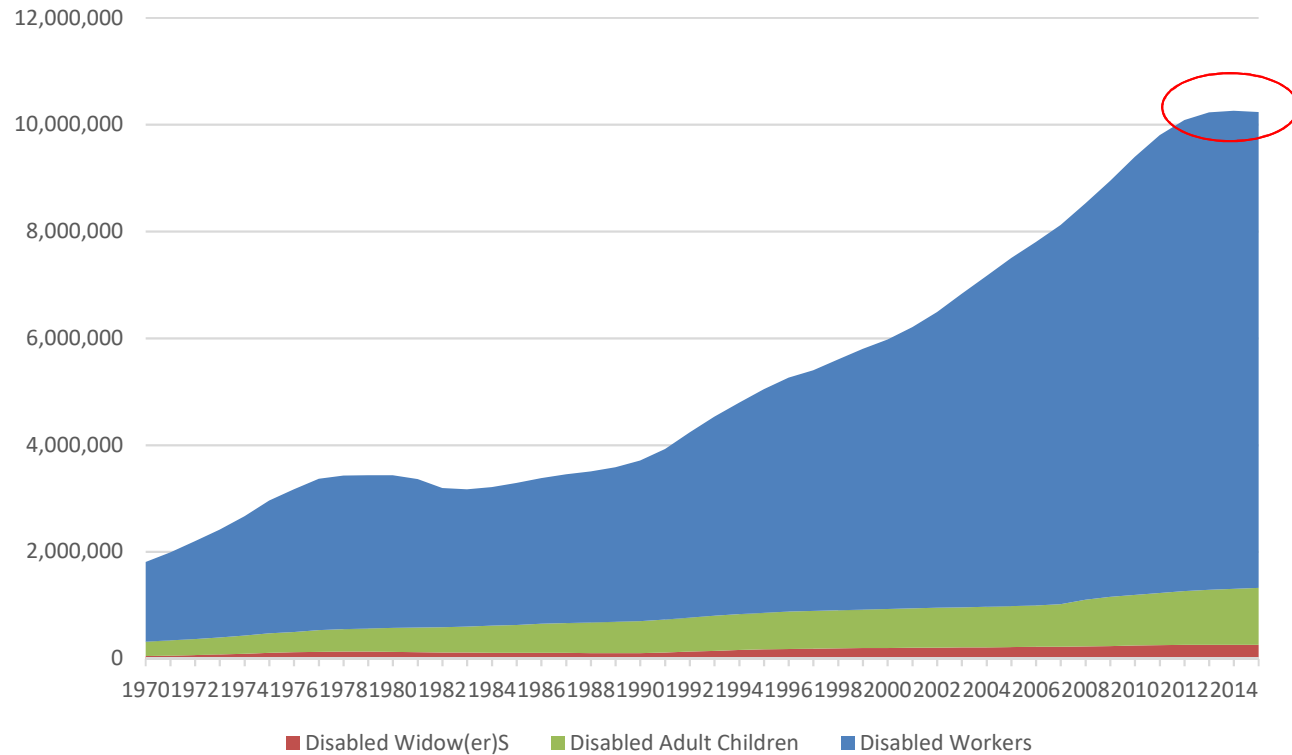


Estimated Number of Years until SSDI Trust Fund Exhaustion – 1984 through 2017



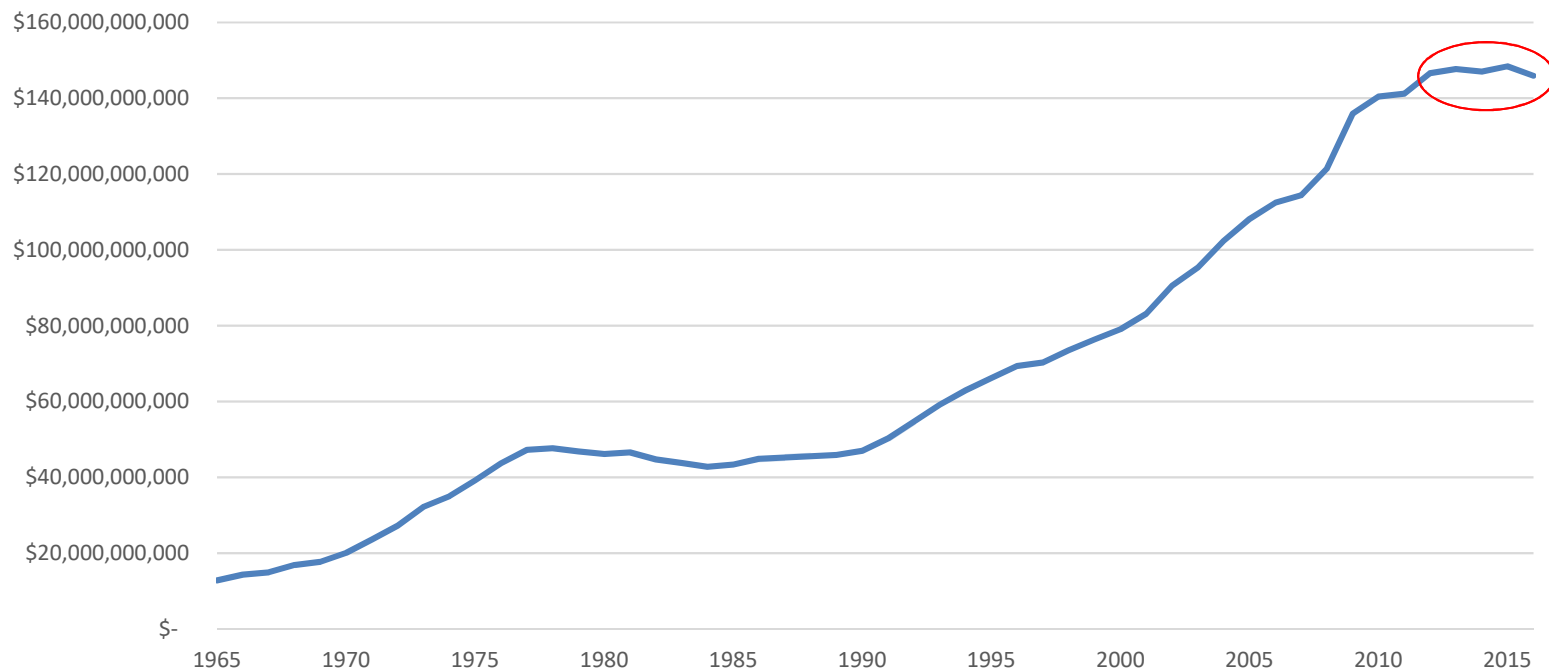
SSDI Beneficiaries

Growth in Disability, 1980 - 2015



SSDI Total Program Expenditures

SSDI Outlays, 1965 - 2016
(Real 2016 Dollars)

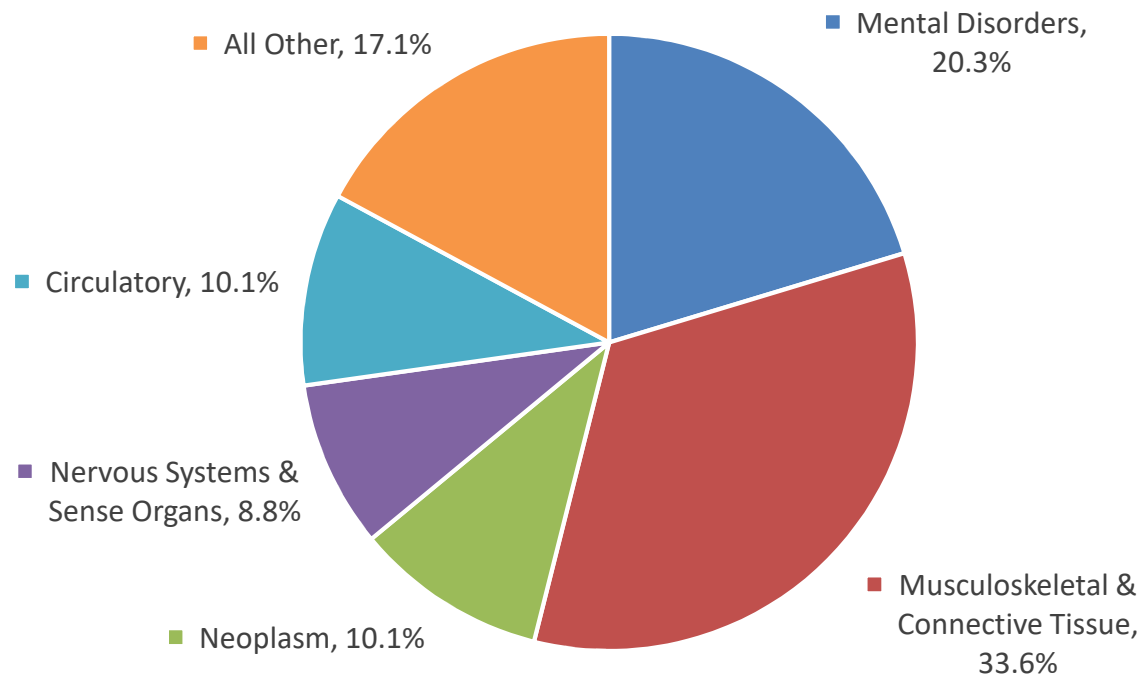


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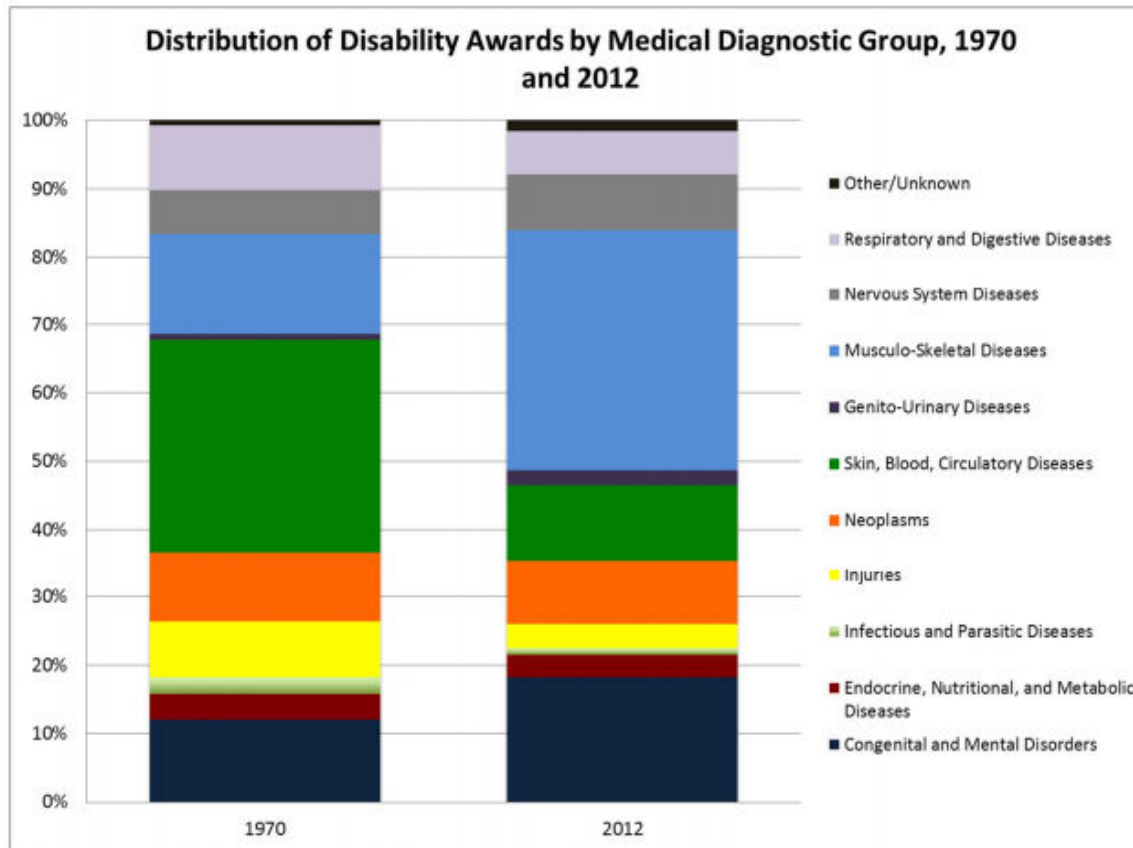
Source: Social Security Administration: <https://www.ssa.gov/oact/STATS/table4a2.html#outgo>

SSDI Awards by Diagnostic Group

Awards to All Disabled Beneficiaries, 2015



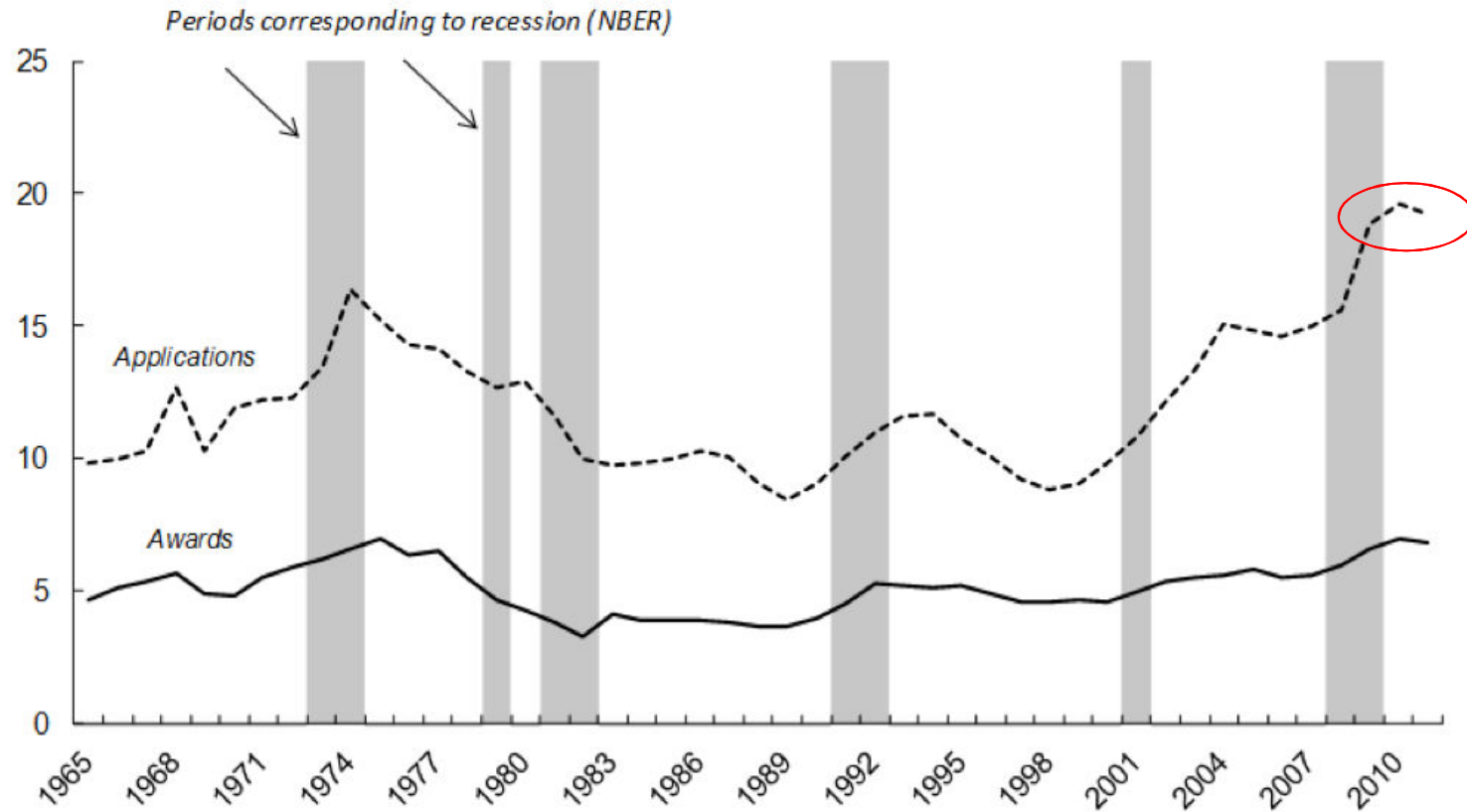
SSDI Awards by Diagnostic Group



Source: Based on SSA data.

Growth in SSDI Correlates with Recessions

(Applications and Awards per 1,000 Insured Workers)



Growth in SSDI Correlates with Recessions

Year	Applications	Awards	Acceptance Rate
2002	1,682,454	750,464	44.61%
2003	1,895,521	777,905	41.04%
2004	2,137,531	797,226	37.30%
2005	2,122,109	832,201	39.22%
2006	2,134,088	812,596	38.08%
2007	2,190,196	823,106	37.58%
2008	2,320,396	895,011	38.57%
2009	2,816,244	985,940	35.01%
2010	2,935,798	1,052,551	35.85%
2011	2,878,920	1,025,003	35.60%
2012	2,824,024	979,973	34.70%
2013	2,653,939	884,894	33.34%
2014	2,536,174	810,973	31.98%
2015	2,427,443	775,739	31.96%
2016	2,321,583	744,268	32.06%



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Fichtner/Seligman Reform proposals – in a Nutshell



Create Temporary Disability Awards



Allow Partial Disability Awards



Engage employers

*use of pilots
to test effectiveness*



These reforms would:

- recognize that disability is not an all-or-nothing condition
- support return to work
- help maintain labor force attachment.



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Pilot Projects to Test Reform Ideas

Individuals: launch pilots offering partial disability payments

target both new & existing SSDI beneficiaries who attempt work.

➤ FEATURES:

➤ voluntary participation for demonstrations

➤ guarantee 50 percent of monthly benefit given earnings are below a threshold, then phase out

eg: threshold might be \$3,500 / month, phase out might be 1:2

➤ benefit counseling provided

health and/or career orientations, as demonstration modules

Pilot Projects to Test Reform Ideas

Employers: Some ideas here we like, ex: Liebman (2015) pilot

general idea--incentivize employers to take more responsibility for employee coverage

➤ FEATURES:

➤ voluntary participation for demonstrations

➤ tax credit against cost of premiums for private disability insurance coverage

*tax credit is up-to a set amount, covers a two year policy
(we expect that private policy would be experience rated)*

➤ SSDI enrolment exclusion over coverage period

integrated hand off to public policy which pools long term coverage risks



Bridging the gap between academic ideas and real-world problems

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