

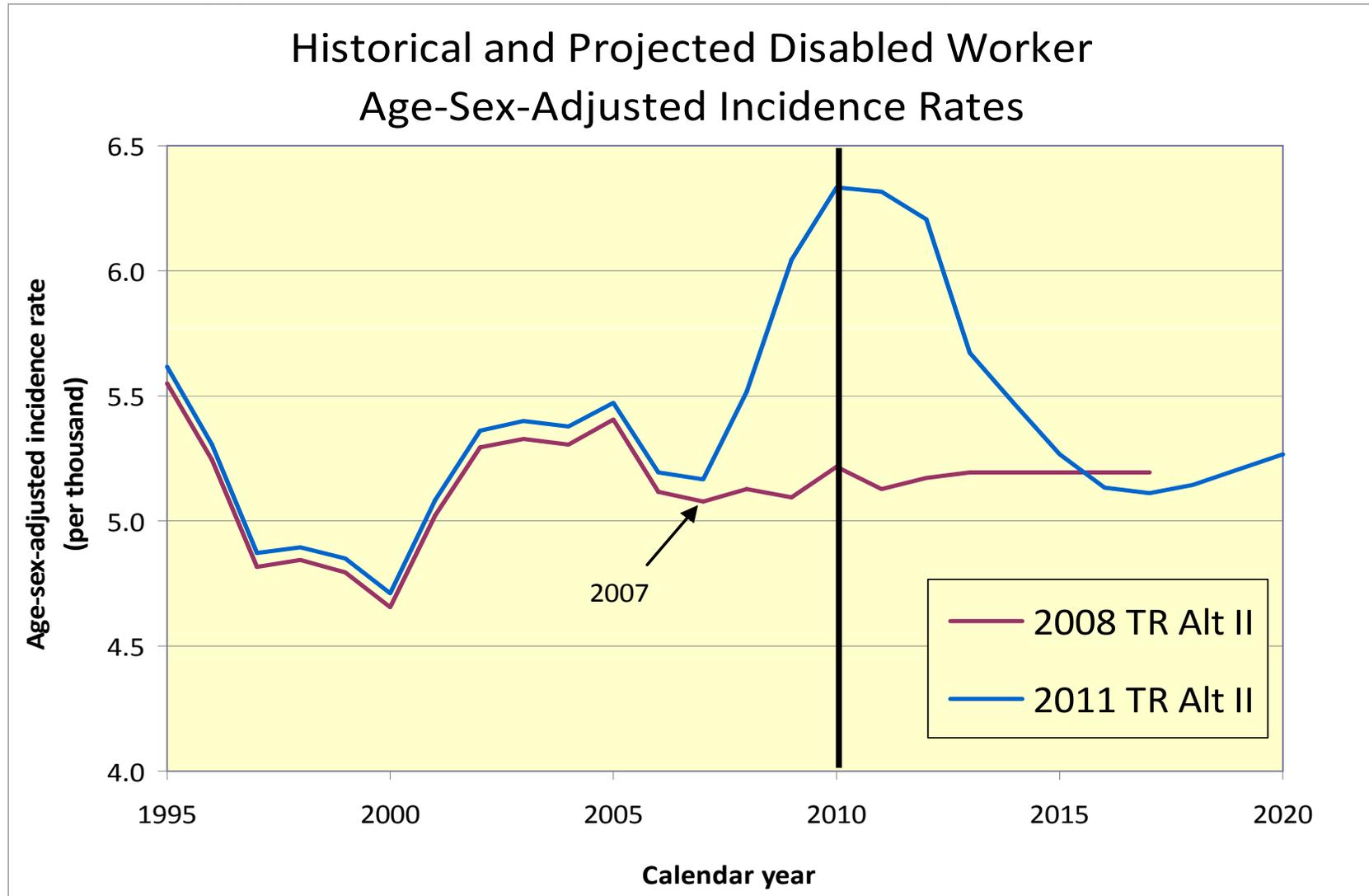
Why Are More People Claiming Social Security Disability Insurance Benefits?

**National Academy of Social Insurance Session
Room 345 Cannon House Office Building**

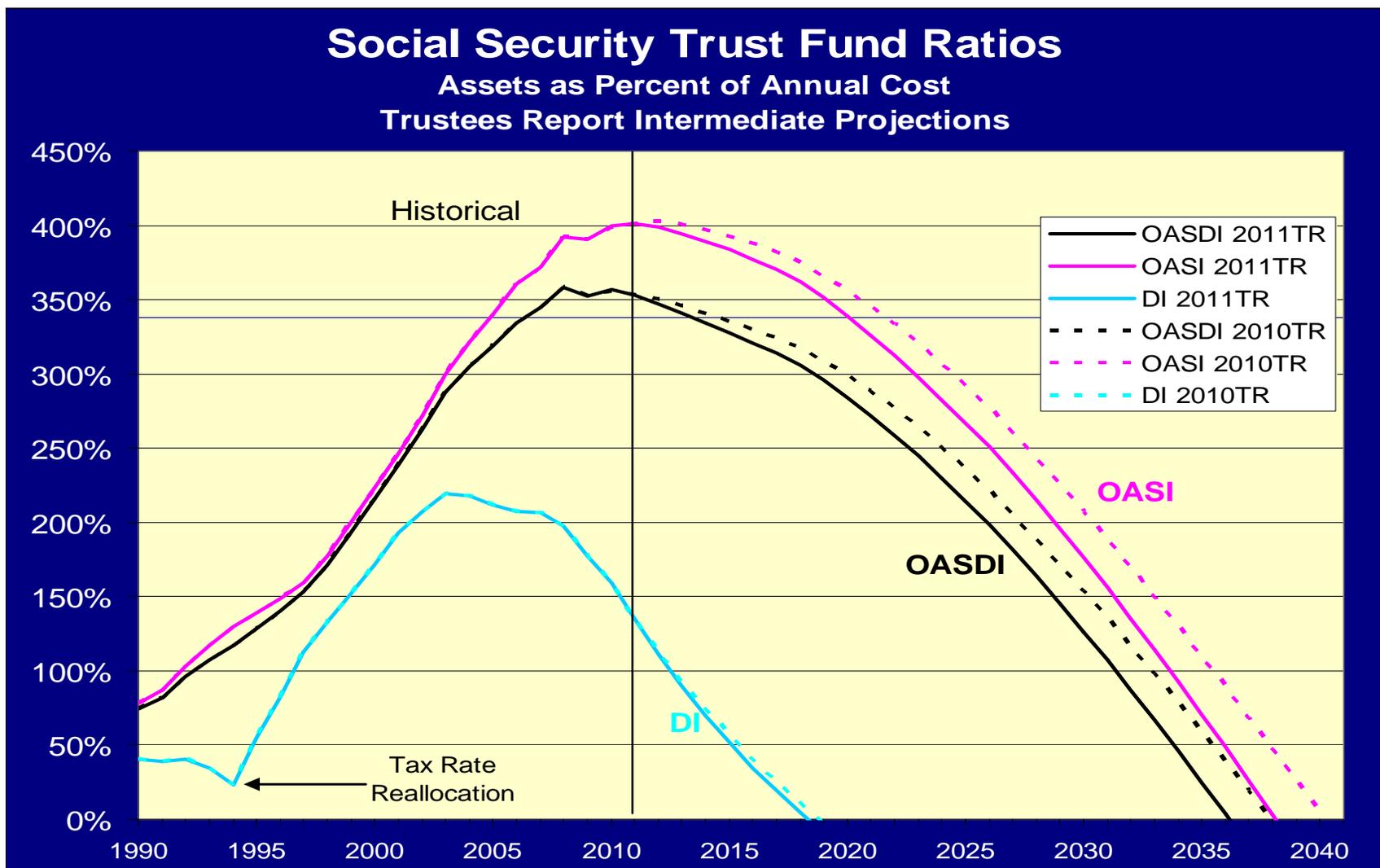
Steve Goss, Chief Actuary
Social Security Administration

April 3, 2012

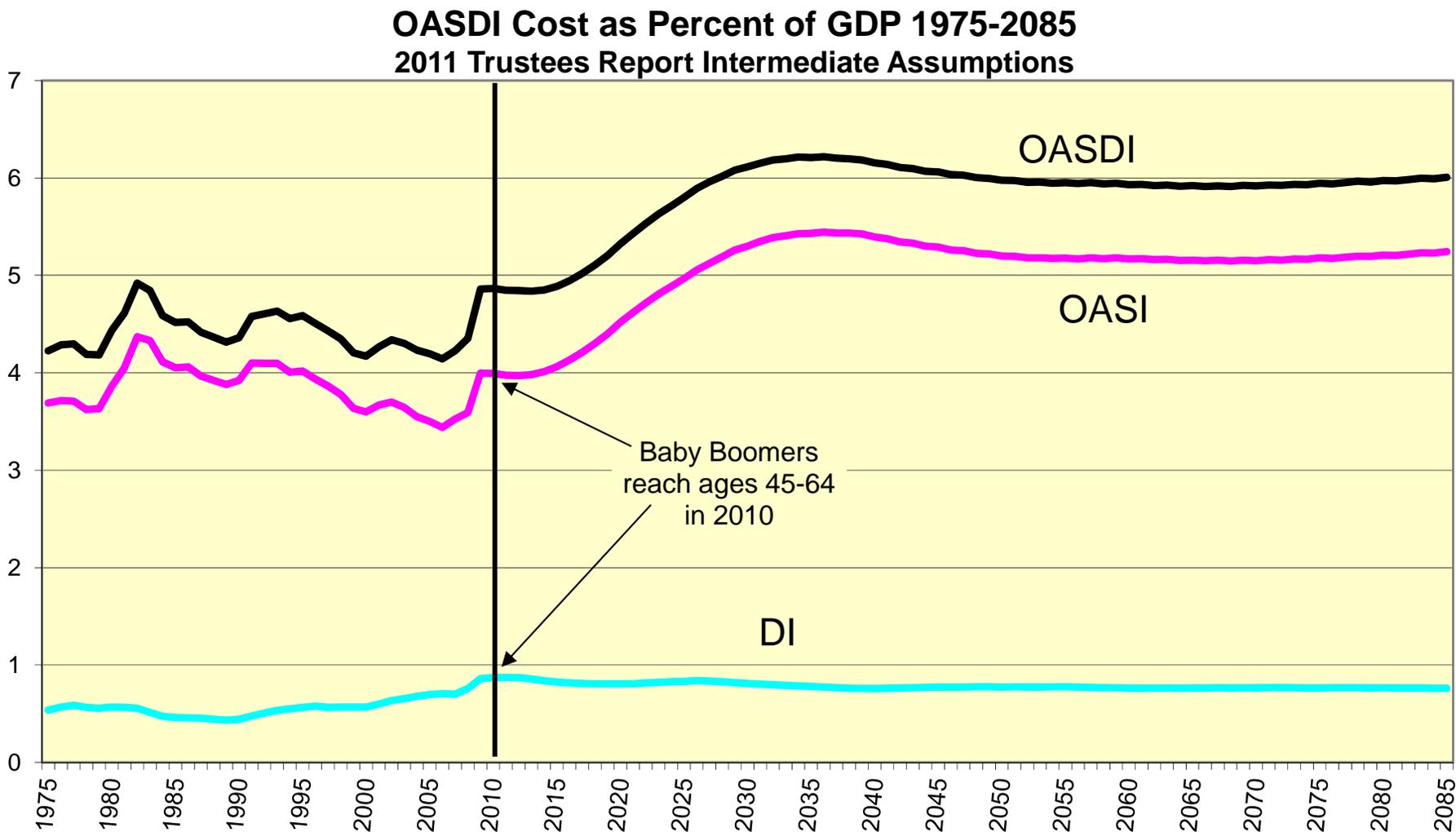
First, the Recent Recession Has Had a Big Effect on Applications and New Disability Awards



The "Solvency" Outlook: DI Trust Fund Reserves are Declining; But Still--86 Percent Payable in 2018, 83 Percent Payable by 2085

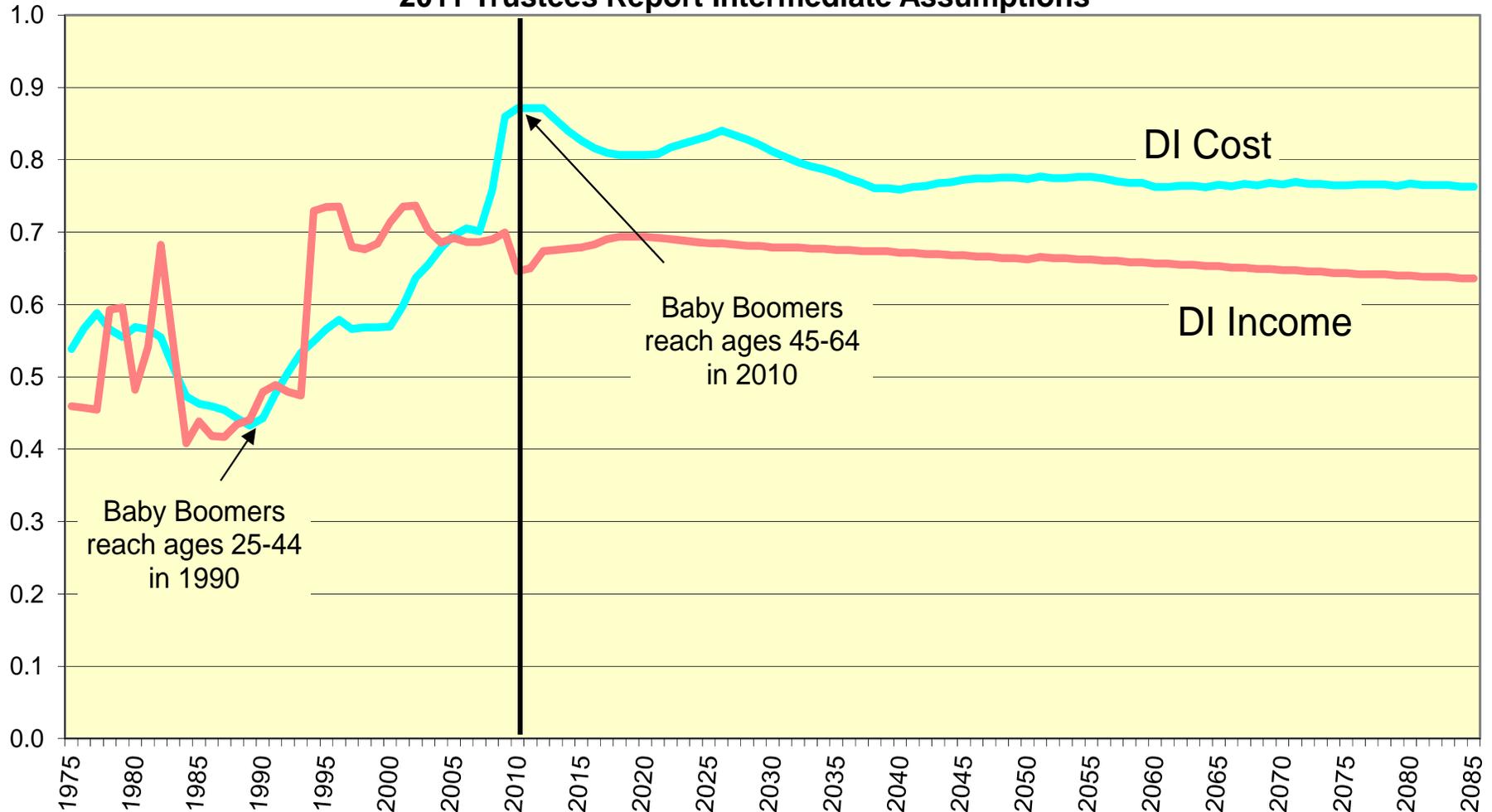


OASDI Cost Will Shift from 4.3 to 6 Percent of GDP as the Boomers Retire ***BUT, This Shift has Already Happened for DI Cost***



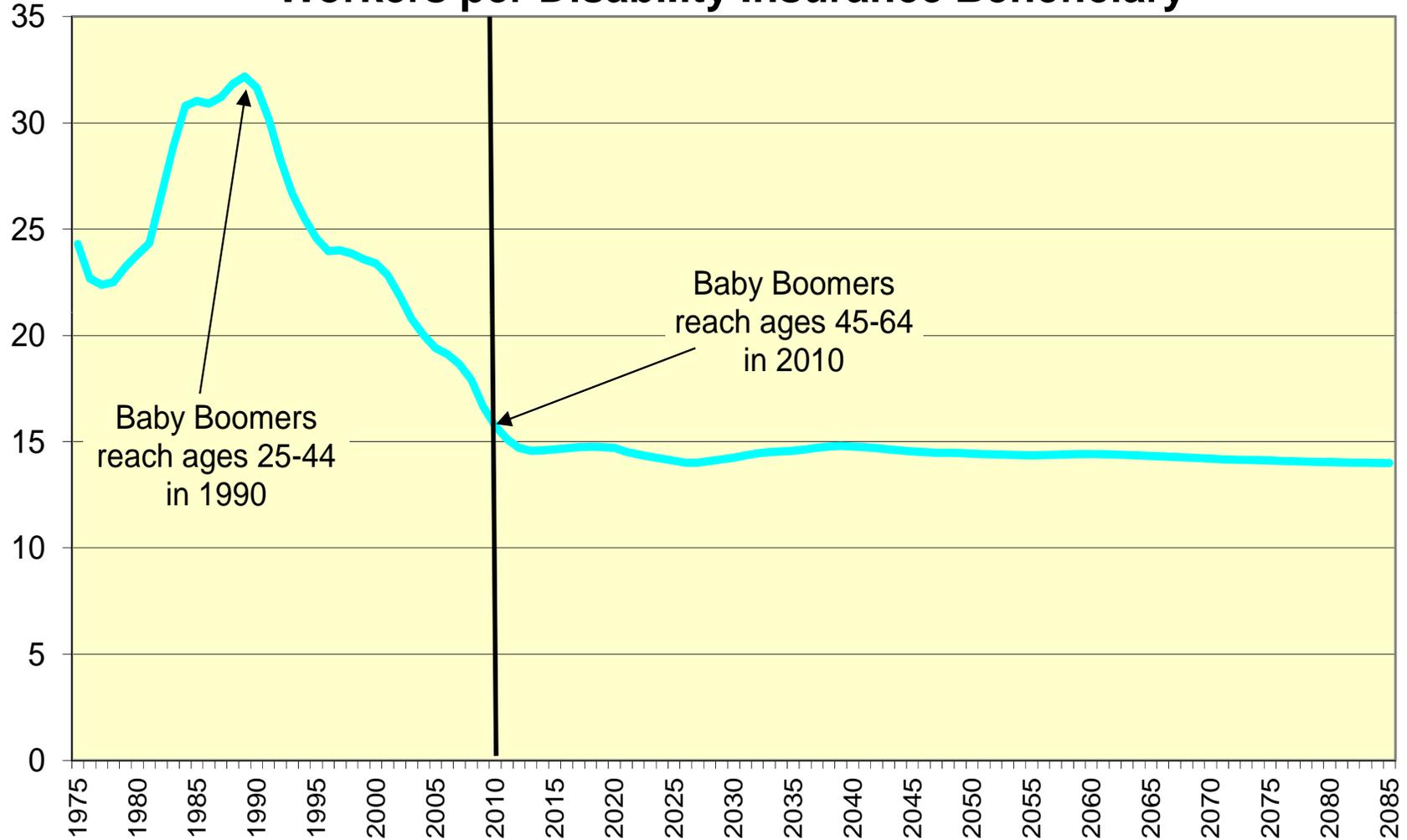
Boomers Have Already Reached Prime Disability Ages, So DI Has Reached Its Peak Cost

DI Cost and Income as Percent of GDP 1975-2085
2011 Trustees Report Intermediate Assumptions

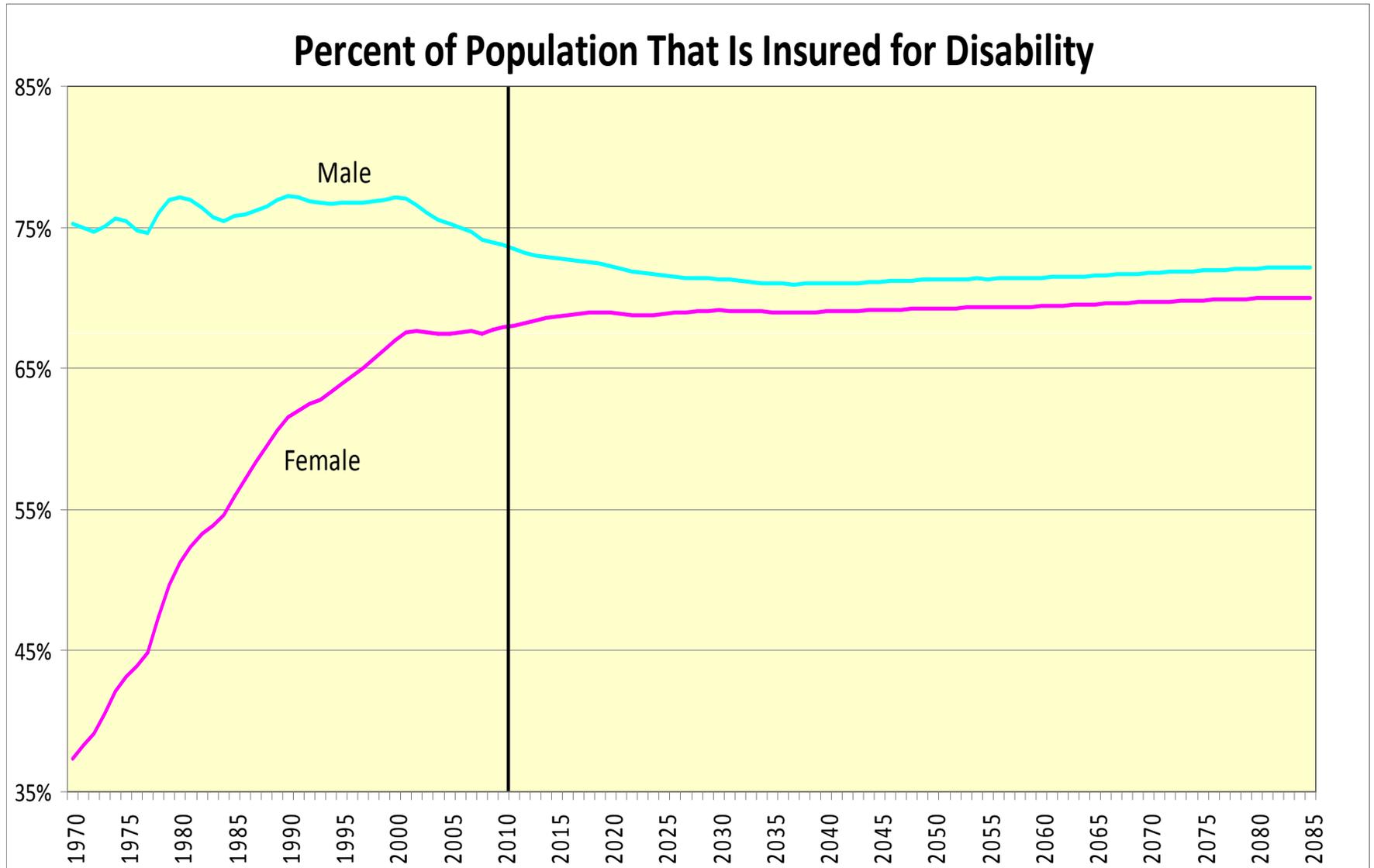


The Number of Workers per Beneficiary Stabilizes

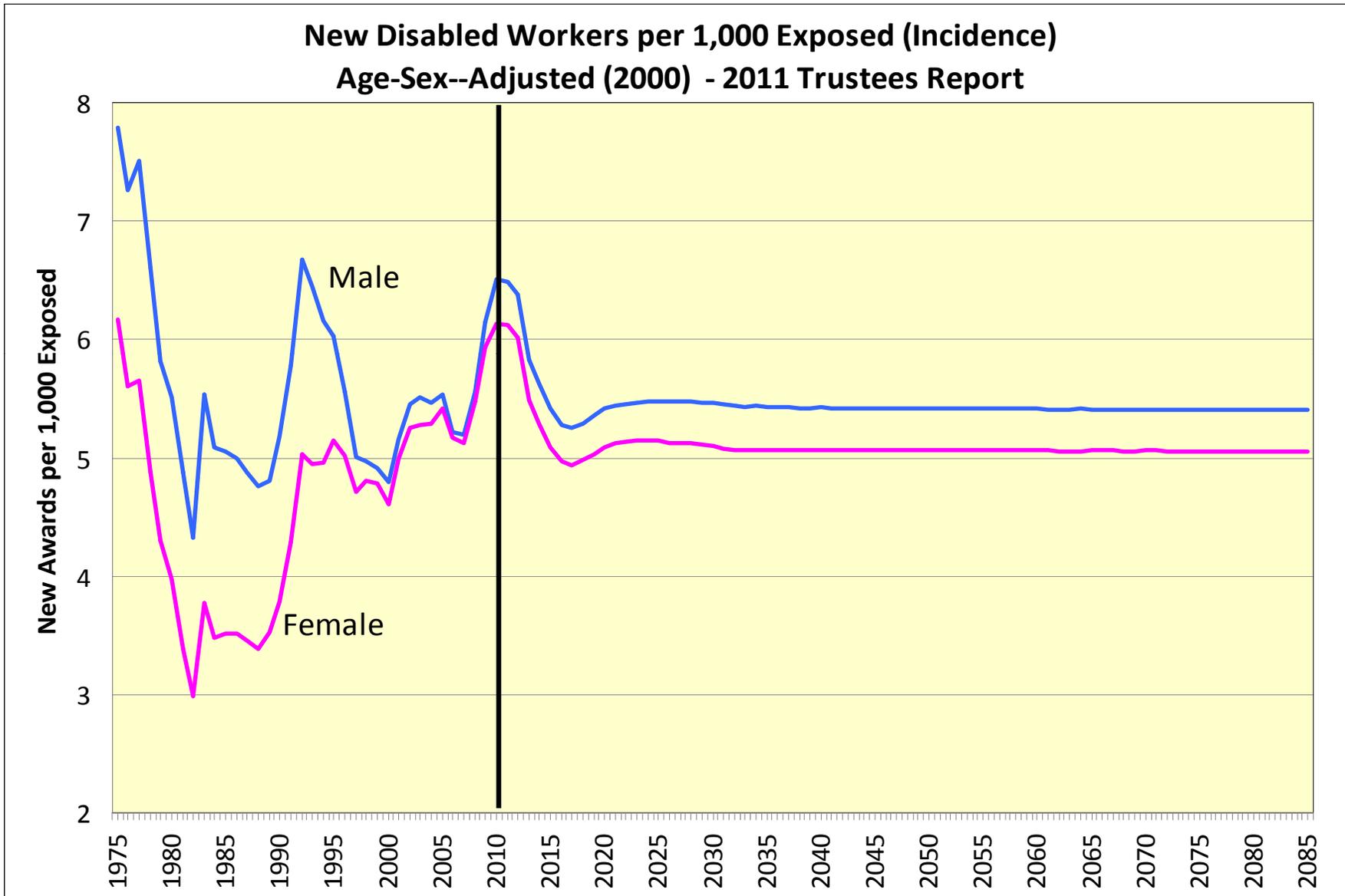
Workers per Disability Insurance Beneficiary



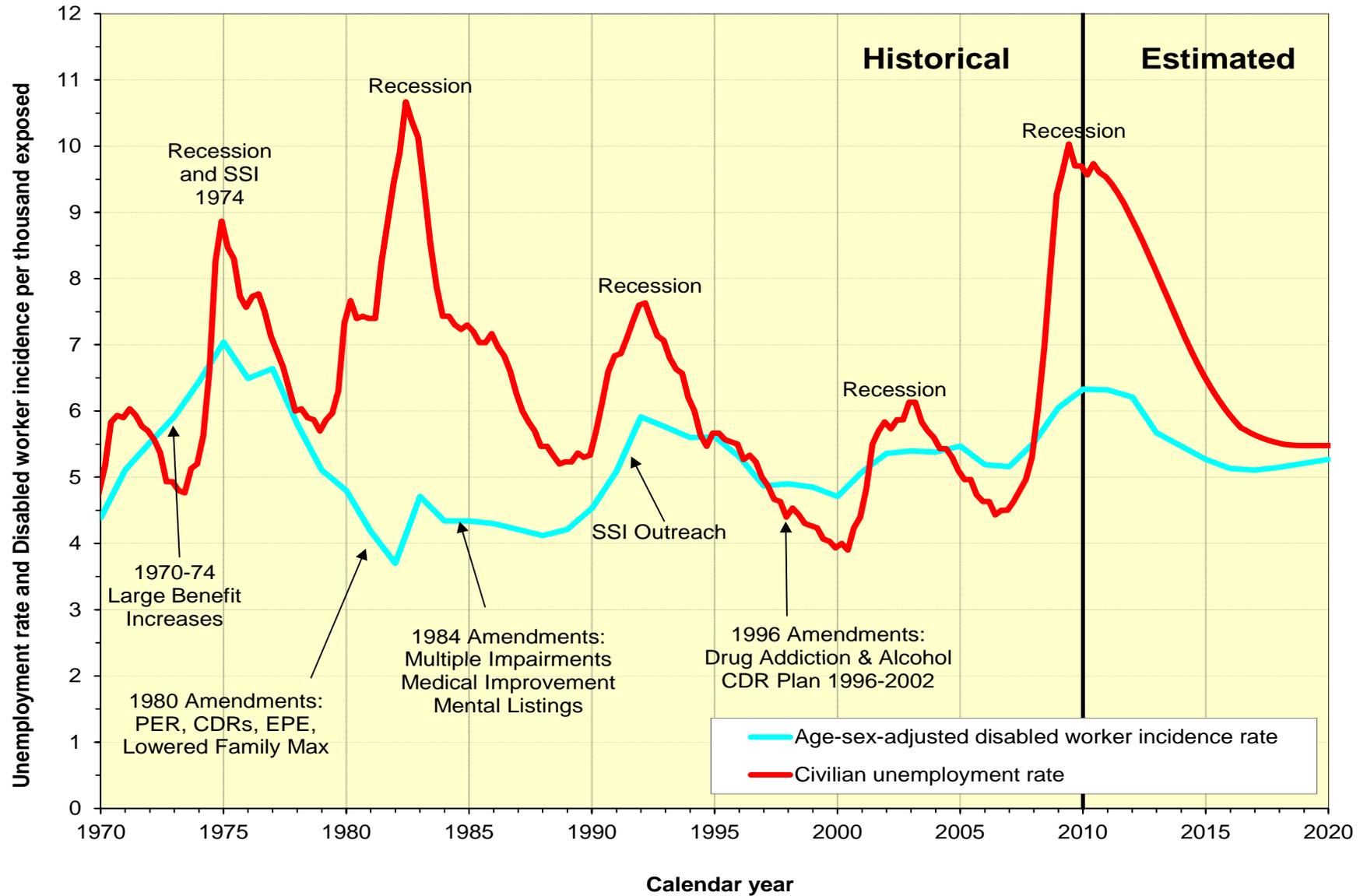
Drivers of Disability Cost #1: Being Insured



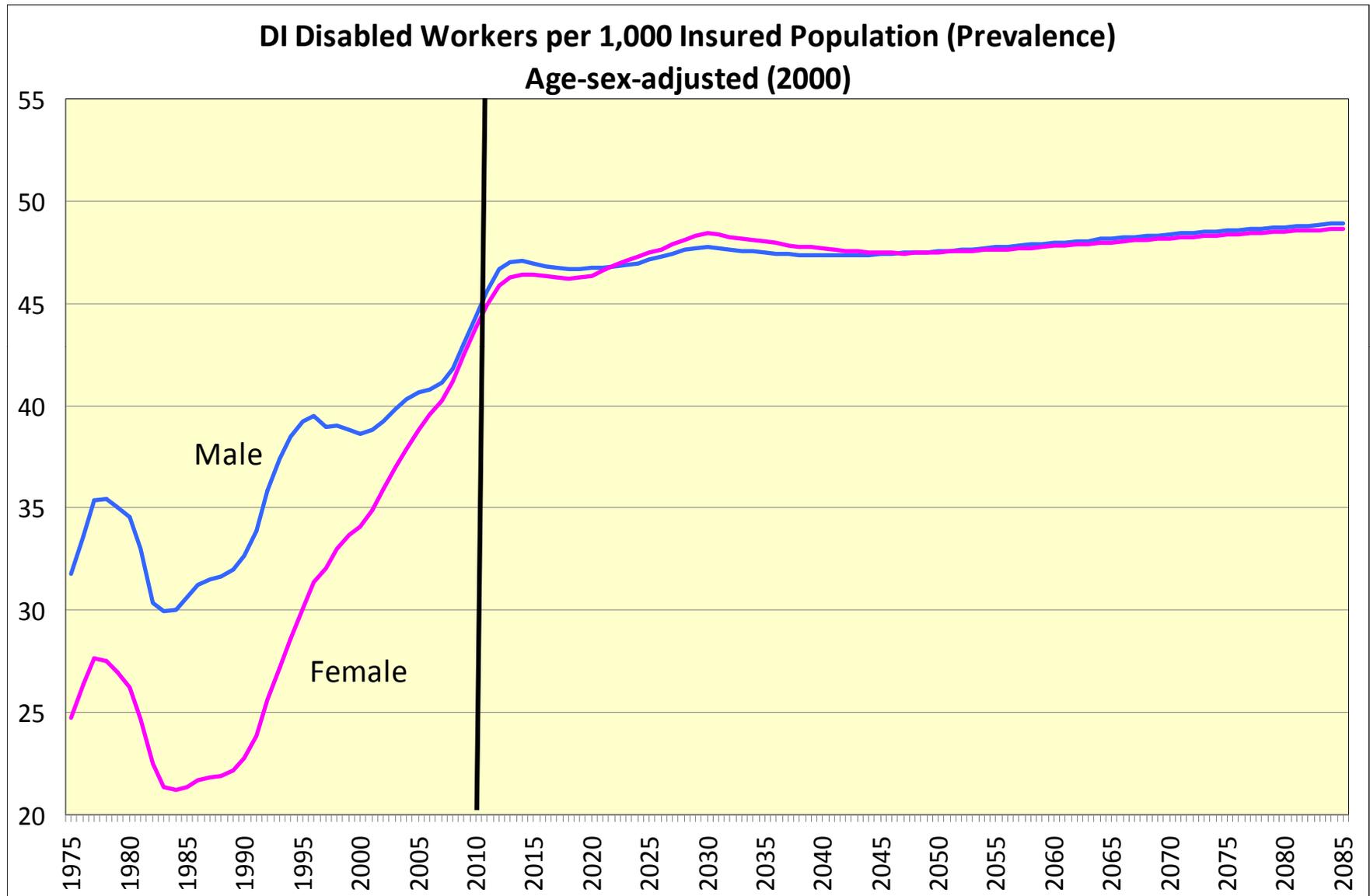
Drivers of Disability Cost #2: Becoming Disabled



Drivers of Disability Cost #3: Economic Conditions and Policy Changes

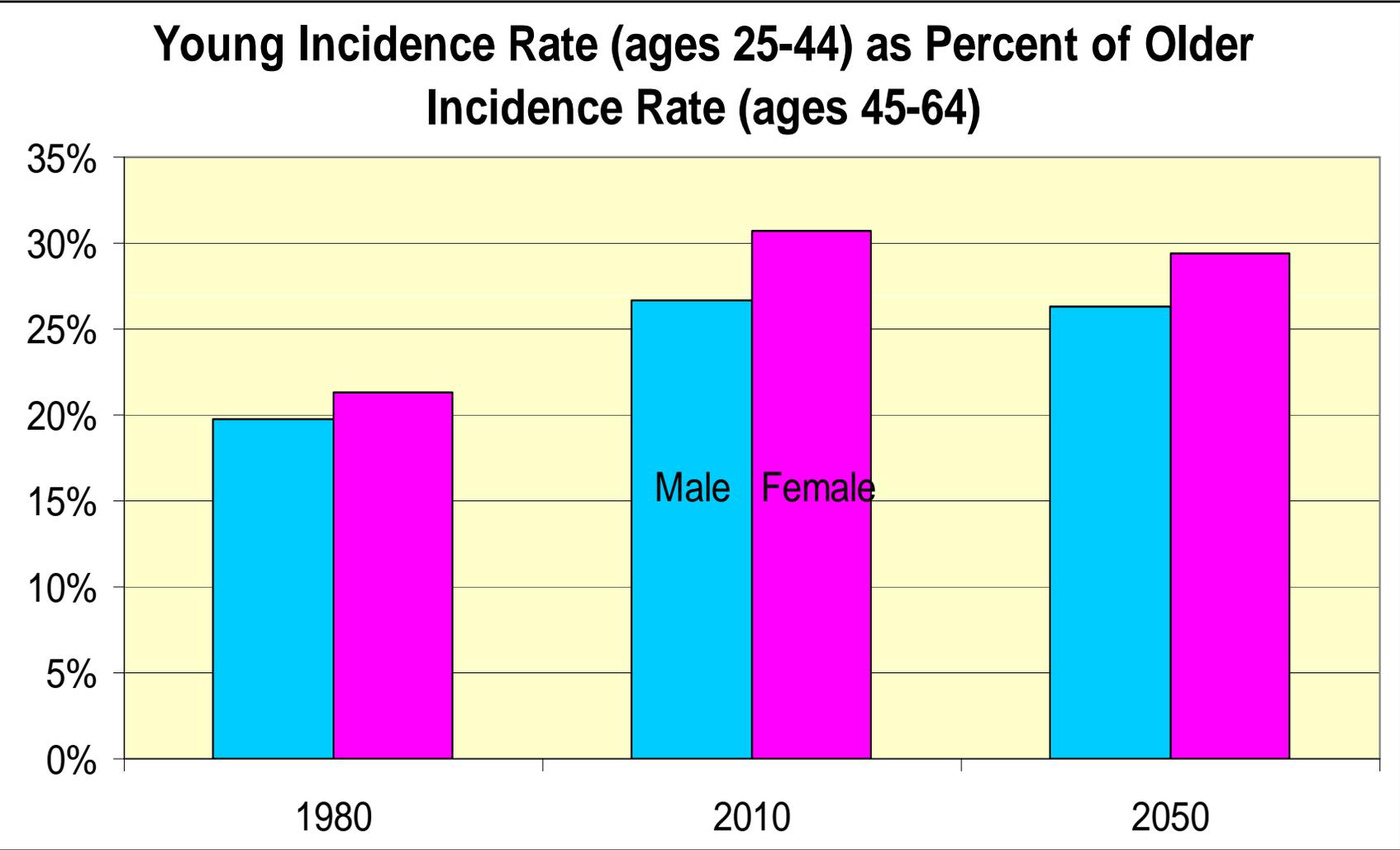


Effect of These Drivers: Disability Prevalence Has Been Rising

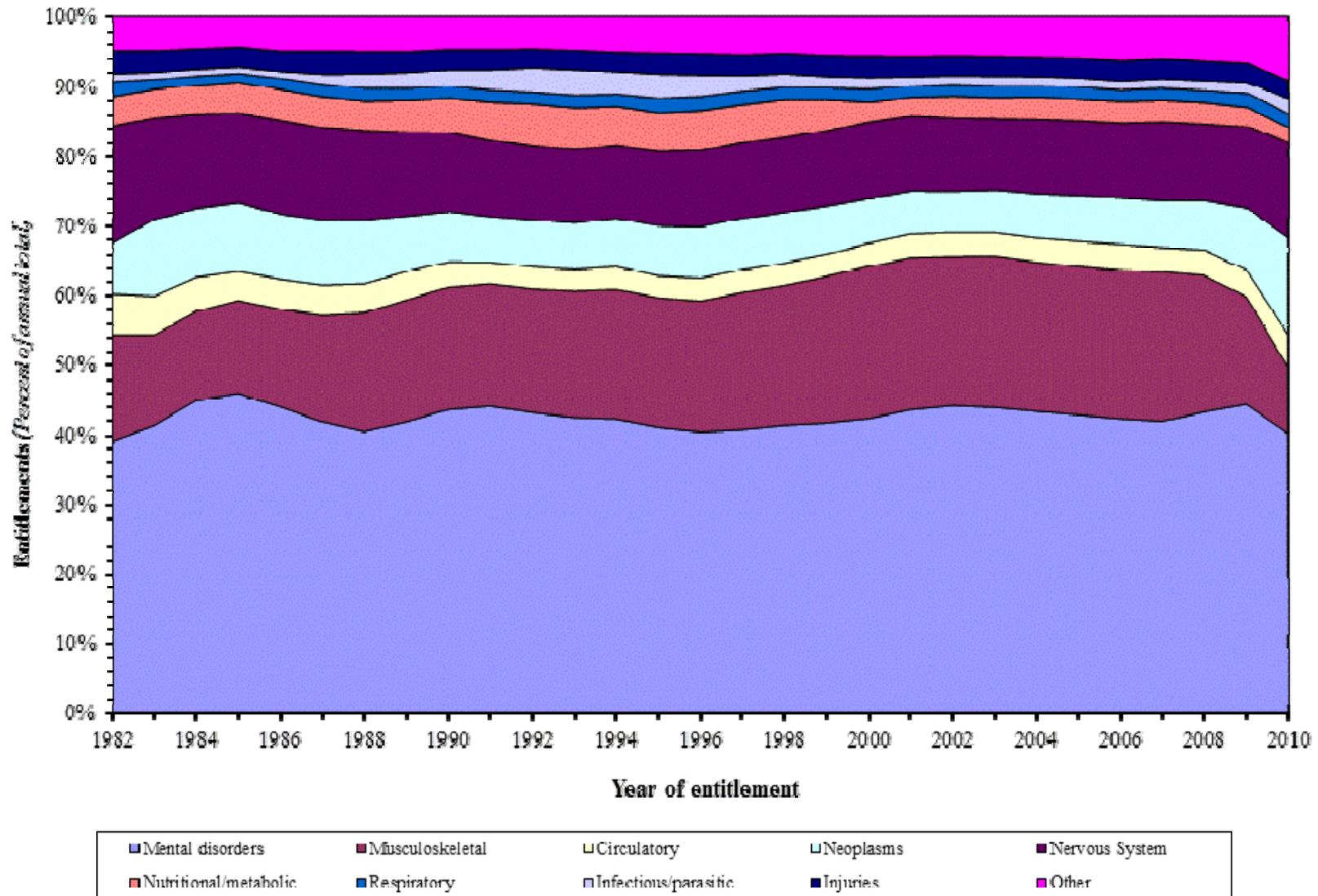


Drivers of Disability Cost #4: Age Becoming Disabled

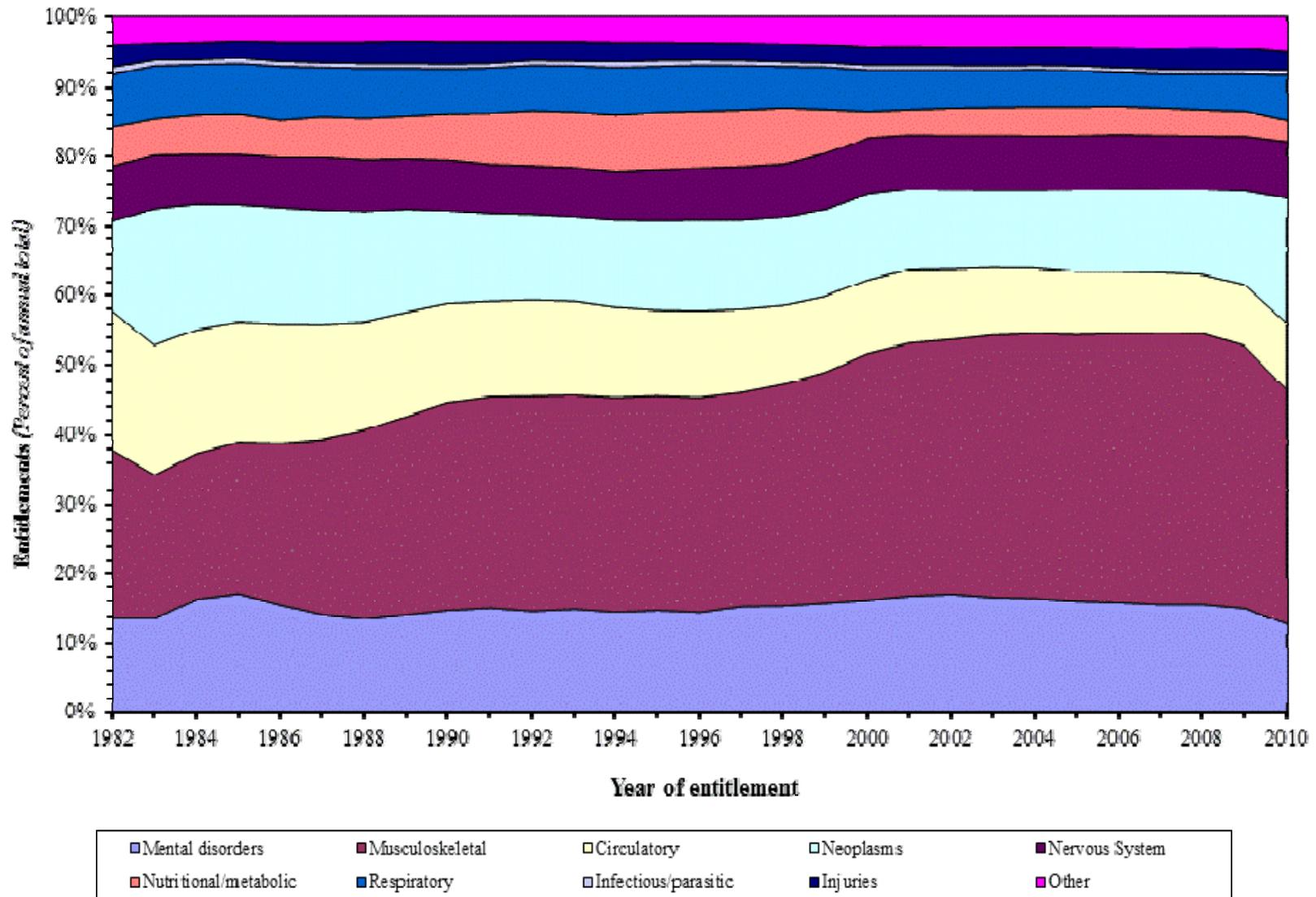
Shift to young ages; increases prevalence for men too



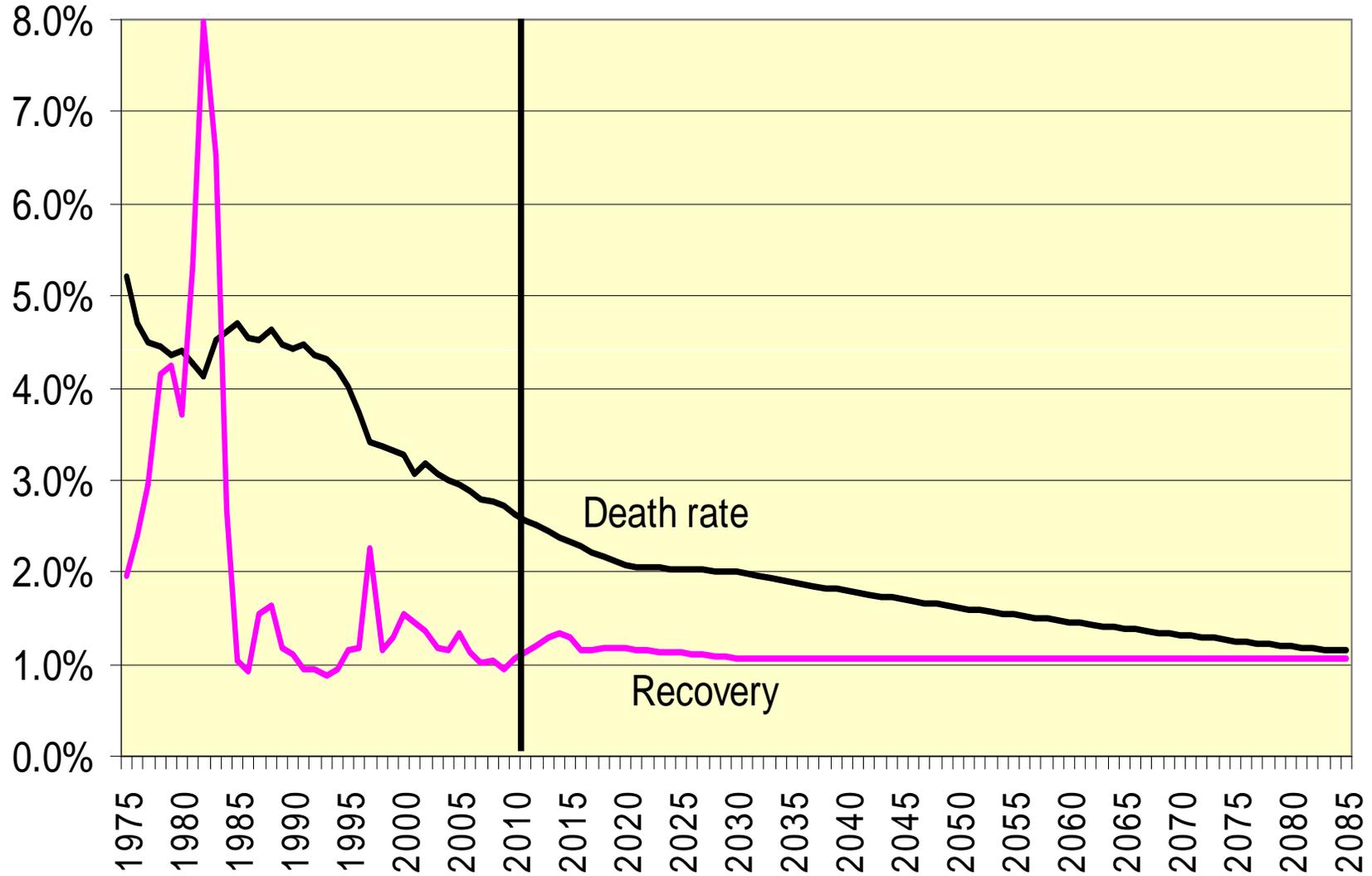
Stable distribution of female disabled worker awards by primary diagnosis code at ages 30-39 (male similar)



Increased musculoskeletal primary diagnosis among female disabled worker awards age 50-59 (male similar)



Disabled Worker Death and Recovery Rates: 2011TR



Bottom Line-- *DI Has Reached Its Peak Cost* *We Expect Stable or Even Declining Cost in the Future*

DI Cost and Income as Percent of GDP 1975-2085
2011 Trustees Report Intermediate Assumptions

