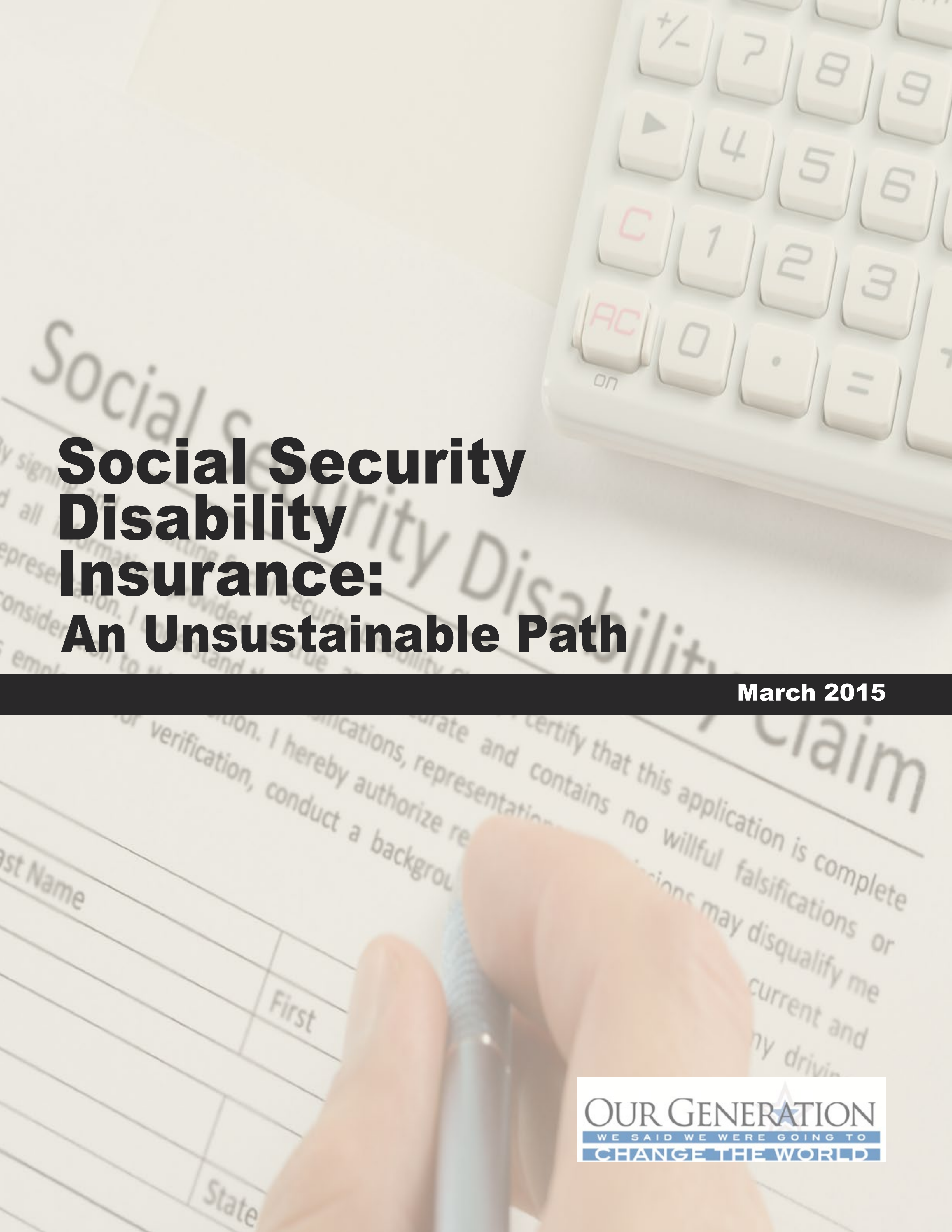

Social Security Disability Insurance:
An Unsustainable Path

March 2015

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Introduction

Social Security Disability Insurance (SSDI) offers monetary benefits to Americans who are prevented from working as a result of physical or mental disabilities. Congress approved the SSDI program in 1956, replacing state-administered programs that received federal subsidies. A long period of discussion both in the Executive Branch and in Congress preceded its adoption. Chief among the concerns discussed was the differentiation between “disability” and “inability.” In other words, lawmakers wanted determine whether a disability prevented a person from working, or if non-health-related factors, such as age or lack of still, were to blame.[1] Many doubted the ability of federal officials to effectively administer this program, and questions remained before the law was even put into action, including how to address fraud by citizens hoping to collect a monthly paycheck by exaggerating or inventing a disability.

Originally, SSDI provided benefits only to permanently disabled workers, ages 50-65, with substantial work history.

These issues still plague the program nearly six decades after its inception.

Originally, SSDI provided benefits only to permanently disabled workers between 50 and 65 years of age with substantial work history. In 1960, the age limits were dropped. By 1967, the permanent disability requirements had been removed and the definition of disability was liberalized, allowing many more Americans to qualify for SSDI benefits.[2]

Enrollment in the program spiked in 1984 when SSDI eligibility policies were again relaxed to allow Americans who did not have “severe” disabilities to claim benefits.[3]

Today, SSDI is available to workers with a physical or mental condition that creates “impairments sufficiently severe to preclude substantial gainful employment for at least one year or is expected to cause death within one year.”[4]

SSDI is funded through the federal Old Age, Survivors and Disability Insurance tax, more commonly known as the “Social Security tax.” This year, employees will pay the 6.2 percent Social Security payroll tax on the first $118,500 of their wages, with a maximum tax of $7,347. Employers then pay another 6.2 percent Social Security tax on the first $118,500 of an employee’s wages.[5] Once collected by the federal government, 5.3 percent of the 6.2 percent tax rate applied to both employers and employees is used for Old-Age and Survivors Insurance, or what many Americans

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think of when they hear the term “Social Security.” The remaining 0.9 percent of the Social Security taxes collected fund the SSDI program.

Historically, that 0.9 percent levy on both employers and employees has been more than sufficient to finance SSDI. Because of the dramatic growth in the number of Americans receiving federal disability benefits, however, the portion of the Social Security tax set aside in the SSDI Trust Fund to underwrite the cost of the program is no longer sufficient.

> THE $151 BILLION APPROPRIATED TO ADMINISTER FEDERAL DISABILITY PAYMENTS REPRESENTS A 77% INCREASE IN THE COST OF THE PROGRAM IN THE PAST DECADE.

In FY 2015, the federal government will collect $116 billion in Social Security taxes earmarked for the SSDI Trust Fund.[6] Over the same period, the Social Security Administration expects to spend $151 billion on providing SSDI benefits to approximately 9 million disabled workers and 2 million spouses and children per month.[7] As a result, the SSDI Trust Fund faces a shortfall of $35 billion this year alone.

Such deficits are nothing new for SSDI. In each of the past six years, the program operated in the red with the amount of the shortfall growing larger each year.

The $151 billion appropriated to administer federal disability payments represents a 77 percent increase in the cost of the program in the past decade. In 2005, annual SSDI expenditures were a comparatively modest $85 billion.[8]

While the unsustainable growth of SSDI began in the mid-1980s when Congress allowed more Americans to collect disability benefits, the problem was made much worse during the Great Recession (2007-2009). The Heritage Foundation determined that the percent of Americans receiving SSDI benefits has more than doubled from 1.6 percent of the population in 1983 to more than 3.5 percent today. Inflation-adjusted spending on the disability program has more than tripled from $43 billion to $151 billion during this time.[9]

According to the Social Security Administration, the dramatic surge in the cost of the federal disability insurance scheme, leading the SSDI Trust Fund to lose an average of $25 billion a year over the past six years, will cause the SSDI program to become functionally bankrupt in late 2016.[10] Beginning in the fourth quarter of 2016, an automatic 19 percent cut to federal disability benefits will be applied to all recipients if action is not taken to reduce the SSDI Trust Fund’s massive losses and stabilize the program. That reduction amounts to a $218 cut in monthly benefits—from $1,146 to $928—for the average beneficiary.[11]

Why is the SSDI Program Failing?

Program Growth Related to More Beneficiaries, Increased Fraud

In just the last six years, the number of Americans receiving federal disability payments skyrocketed by more than 55 percent. During the same time, the population of the United States increased by just over 3 percent.

SSDI recipient numbers are not soaring because disabilities are becoming more common. The job losses precipitated by the recent economic difficulties have encouraged millions of jobless Americans who were previously employed to apply for disability as a way to generate income.[12] At the same time that more than 3 million additional Americans were added to the disability rolls, the Social Security Administration failed to address existing issues within SSDI. Now more people than ever receive federal disability benefits even though the program remains ripe for fraud and has yet to adequately address problems of improper payments. As a result, billions of dollars are spent for SSDI benefits that, due to administrative dysfunction and rampant fraud within the disability program, provide little benefit to Americans who are severely disabled and the taxpayers who fund it.

> In just the last six years, the number of Americans receiving federal disability payments skyrocketed by more than 55%.

Erroneous Payments and Fraud Costs SSDI Program Billions

The Social Security Administration often attempts to discount the pervasiveness of fraud within the SSDI program, as well as the impact of fraud to the SSDI Trust Fund. In order to downplay the irrefutable prevalence of wasted money, Administration officials often inaccurately quote a 2006 report as the "best-available evidence" that the rate of SSDI fraud is less than 1 in 1,000.[13]

The Social Security Administration's Inspector General, however, pointed out in a 2014 report to Congress that, while the number of prosecutable offenses in the sample selected during the 2006 report was relatively low, the actual rate of fraud, overpayment or improper payments topped 18 percent. The Office of the Inspector General called it "misleading" for the Social Security Administration to claim that "the overall rate of disability fraud at less than 1 percent."[14]

In reality, more than 1 out of every 18 Americans receiving SSDI benefits "were found to have been overpaid, or had their benefits stopped because they were no longer eligible, or both," or receive other improper payments.[15]

According to the Social Security Administration, three issues lead to the majority of improper disability payments: *Substantial Gainful Activity, Government Pension Offset* and *Wages/Self-Employment Income*.

To be eligible for disability benefits, a person must be unable to engage in substantial gainful activity. In other words, their ability to earn an income must be significantly limited. As a result, federal rules

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mandate that if a potential SSDI beneficiary earns more than a certain amount, that person is no longer eligible for disability payments.

For the calendar year 2015, substantial gainful activity is capped at earnings above $1,090 per month for non-blind individuals, and earnings above $1,820 per month for blind individuals.[16]

Overpayments occur "when beneficiaries fail to report earnings timely, or SSA does not timely withhold monthly benefit payments" from those who earn more than the permitted amount.[17]

More than 1 out of every 18 Americans receiving SSDI benefits "were found to have been overpaid, or had their benefits stopped because they were no longer eligible.

Similarly, SSDI benefits may be offset if the spouse of a person eligible for disability benefits receives a federal, state or local government pension based on work on which the spouse did not pay Social Security taxes. Improper payments occur when such pensions are not reported to the Social Security Administration.[18]

Finally, erroneous payments to recipients of federal disability income occur when "an individual's earnings record does not accurately reflect the worker's actual earnings," according to the Social Security Administration.[19] The Social Security Administration Office of the Inspector General insists that erroneous payments will continue to be a problem for the program as long as "there are individuals who will purposely withhold or fabricate information to collect government benefits that they are not entitled to receive."[20]

The cost of the three aforementioned common causes of improper payment and overpayment to recipients is a tremendous burden on the SSDI Trust Fund. According to the Social Security Administration Office of the Inspector General, from FY 2005 to FY 2009, substantial gainful activity "errors resulted in an average of $975 million in overpayments per year, government pension offset errors resulted in an average of $240 million in overpayments per year, and wages/self-employment income errors resulted in an average of $195 million in overpayments per year."[21]

During that period, an average of just 7.1 million Americans received SSDI payments.[22] At some points in 2014, the number of disability recipients topped 11 million.[23] Adjusted for inflation, the taxpayers will lose an estimated $2.5 billion this year on these three common types of SSDI overpayments.[24]

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Thousands Improperly Deemed "Disabled"

Erroneous SSDI payments to individuals are just one issue plaguing the program—and the taxpayers who pay into the SSDI Trust Fund. The program is also under financial assault from beneficiaries who continue to receive payments after they recover from their disabilities fully enough to return to the workforce, as well as from judges who improperly grant disability benefits to Americans who should not be eligible to receive them.

Over 7 years, an estimated 24,900 cases were improperly granted disability benefits costing the SSDI Trust Fund an estimated $2 billion.

Administrative law judges play a crucial role in stewarding SSDI and reducing incidences of fraud. If a SSDI applicant is initially denied disability benefits by the Social Security Administration, the claimant may appeal his or her case to an administrative law judges. The judges are quasi-independent federal employees who render decisions on Social Security disability claims based on medical records and work history, as well as testimony from the applicant and, often times, appropriate medical or vocational experts.

While administrative law judges are a vital part to ensuring that Americans with legitimate disability claims receive the assistance they deserve (and undeserving applicants do not inappropriately burden the SSDI program), some judges fail to adequately protect the program from waste, fraud and abuse. In other instances, the Social Security Administration forces administrative law judges to adjudicate more cases than they can properly manage, and the result is equally ineffective.

These issues were exposed in a 2014 House Oversight and Government Reform Committee staff report that determined that poor decision-making by administrative law judges potentially wasted billions of taxpayer dollars.[25]

The report, which featured reviews of 48 administrative law judges by the Social Security Administration that were examined by Committee staff found "numerous deficiencies in [judges'] decision-making and several disturbing patterns. [The judges] conducted few or inadequate hearings, misused vocational experts, failed to properly assess work ability and relied too heavily on medical briefs prepared by claimants' paid representatives."[26]

Benefits were inappropriately awarded due to the Social Security Administration's singular focus "on churning out a large volume of dispositions, which led to inappropriate benefit awards."[27] In 2007, the Social Security Administration directed judges to decide up to 700 cases annually "without conducting any study to determine how long it takes [judges] to evaluate cases and issue informed decisions."[28]

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As a result, many judges were overwhelmed by the caseloads and unable to devote the time needed to properly adjudicate individual cases. Because “[i]t takes significantly less time for an [administrative law judge] to award benefits than to deny them, and decisions awarding benefits are not appealed,” judges began awarding SSDI benefits to many claimants who did not deserve them as a way to quickly dispatch with cases.[29] The number of SSDI recipients expanded dramatically as a result.

Even when administrative law judges demonstrated “gross incompetence or negligence in handling their responsibilities,” by inappropriately awarding benefits, the Social Security Administration allowed the problem to continue for months after reviews exposed the issue.[30]

A 2012 report by the Social Security Administration Office of the Inspector General revealed exactly how serious the issue of negligent judges has become for workers funding the SSDI system. “[O]ver a seven year period, an estimated 24,900 cases were improperly granted disability benefits by 44 disability judges who were examined,” according to the report. Those inappropriate benefits awarded by those 44 judges cost the SSDI Trust Fund an estimated $2 billion over the past 7 years.[31]

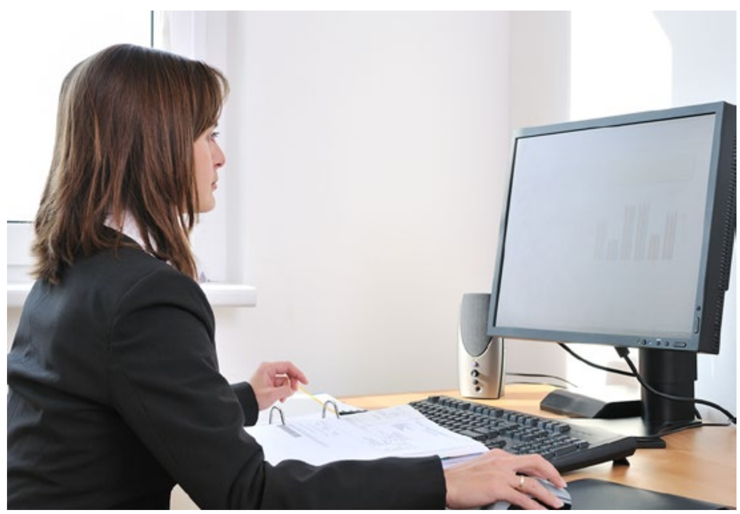
Current Methods To Prevent Waste, Fraud & Abuse

In response to the mounting issue of SSDI fraud, the Social Security Administration and the Social Security Administration Office of the Inspector General have redoubled their efforts to investigate and expose existing fraud, and prevent future abuse of the program. These strategies include traditional investigation tactics, such as improving and expanding interaction with law enforcement agencies, and embracing modern crime-fighting options, such as advanced data research and predictive analytics.

The SSDI's first line of defense against fraud is the Baltimore-based Office of Investigations, which conducts and coordinates investigative activity related to fraud, waste, abuse and mismanagement in Social Security Administration programs and operations. This office serves as Inspector General's liaison to the Department of Justice "on all matters relating to the investigation of Social Security Administration programs and personnel."[32]

The most successful program for combating fraud and saving tax dollars is the Office of Investigations' Cooperative Disability Investigations (CDI) program. The anti-fraud initiative was established in 1997 by the Social Security Administration and its Office of the Inspector General. CDI teams generally consist of a special agent from the Office of the Inspector General serving as the team leader, and state disability examiners and Social Security Administration employees who are programmatic experts, as well as appropriate state or local law enforcement officers.[33] Those units then investigate suspicious benefit claims.

In FY 2013, CDI program efforts contributed to $337 million in projected savings to the SSDI program.[34] "Since its inception, the program has contributed to more than $2.8 billion in projected savings," according to the Office of the Inspector General.[35] CDI now consists of 26 units in 22 states and the Commonwealth of Puerto Rico, and the Social Security Administration hopes to expand the program to 32 units by the end of FY 2015.[36]



CDI has contributed to more than $2.8 billion in projected savings since it was established in 1997.

Building on the success of the CDI program, the Social Security Administration launched the Disability Fraud Pilot in July 2013 in Chicago and San Francisco.

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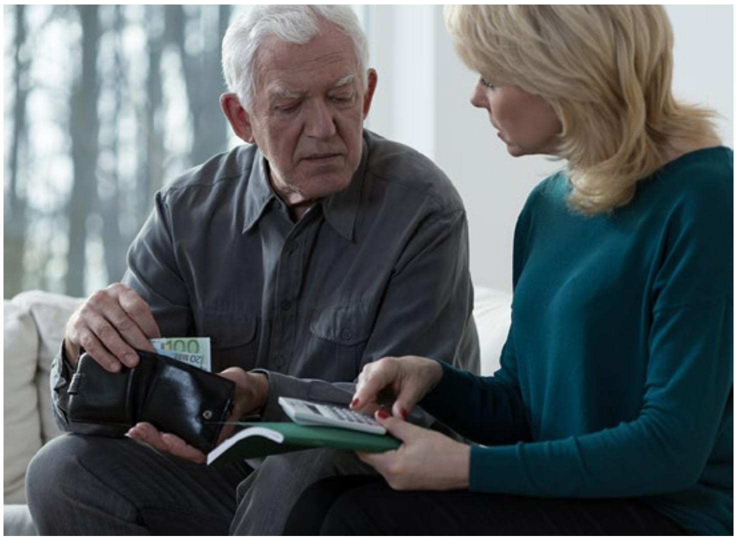
The Disability Fraud Pilot consists of five dedicated OIG special agents working in conjunction with the local CDI Units to investigate fraud allegations focusing on third-party facilitators, such as medical providers, claimant representatives and others, suspected of abusing SSDI by engaging in fraudulent practices.[37] Since its inception, the pilot program has been expanded to five locations. The Inspector General is currently evaluating the Disability Fraud Pilot to establish its effectiveness in fighting fraud and to determine whether the program should be expanded.

In 2014, the Social Security Administration began its most technologically advanced effort yet to detect disability fraud. The goal of this two-phased project is to develop predictive data analytics that can be perfected by proving known fraud. The predictive analytics developed in the first phase would then be used to uncover unknown fraud. Using existing disability claims data from New York, Puerto Rico and West Virginia, the project was over 80 percent effective at identifying fraudulent SSDI claims.[38] Heartened by the success of using predictive analytics to pick out existing examples of fraud from disability program data, the Social Security Administration is beginning to test the method to uncover unknown fraud.

Federal Disability Insurance Threatens Social Security

The looming insolvency of the SSDI program is a direct threat to the Old-Age and Survivors Insurance that most Americans rely on to fortify their retirement. In order to supplement the depleted SSDI Trust Fund, Congress has the option to raid the traditional Social Security fund for needed revenues. That would be a mistake.



In January 2015, House Republicans passed a rule that effectively prevents Congress from raiding the Old-Age and Survivors Insurance Trust Fund to subsidize the disability fund without reforming the program.

Not only would such an action fail to solve the structural deficiencies plaguing SSDI, it would set the table for more such reallocations in the future. The result would be a weaker Old-Age and Survivors Insurance program.

According to 2014 calculations by the Social Security Administrations, the Old-Age and Survivors Insurance Trust Fund will become depleted in 2033. After that time, retirees will receive only about three-quarters of projected Social Security benefits.[39]

In order to stabilize the SSDI Trust Fund by raiding the Old-Age and Survivors Insurance Trust Fund would become insolvent at least two years sooner, in 2031, if not even earlier.[40]

To make matters worse, participation in the SSDI program is estimated to further increase. Growth in SSDI rolls is expected to outpace population growth over the next decade, further increasing annual SSDI Trust Fund deficits, according to research conducted by the Heritage Foundation.[41] A projected decline in labor force participation will likely further drain SSDI funds, since disability rolls increase as labor force participation falls.[42]

As a result, more money than is projected will likely be needed from the Old-Age and Survivors Insurance Trust Fund in order to bail out the SSDI Trust Fund, meaning Social Security will become bankrupt sooner than currently estimated if Congress decides to reallocate money from one trust fund to the other.

Fortunately, in January 2015, House Republicans passed a rule that would effectively prevent Congress from raiding the Old-Age and Survivors Insurance Trust Fund to subsidize the disability fund without reforming the SSDI program.[43]

In its 2014 annual report, the Trustees of the Social Security Trust Funds recommended that Congress allow a reallocation of funds to occur only if the raid is a part of larger reform. House GOP lawmakers clearly took the Trustees' recommendations to heart and have forced members in both houses of Congress to overhaul the broken disability program in a way that guarantees its financial solvency in the long-term in order to receive the bailout it needs to continue operating at the same level in the short run.

Recommendations to Improve the SSDI Program

In recent years, as disability recipient numbers have spiked and waste, fraud and abuse associated with the SSDI program have become more apparent—and more costly—Congress has taken steps to reduce improper disability payments and recover funds when improper payments are identified.

On July 22, 2012, President Barack Obama signed the Improper Payments Elimination and Recovery Act.[44] The law requires agencies to conduct annual risk assessments to determine if a program is susceptible to significant improper payments. If improper payments are found to be prevalent within an agency, the amount of those payments must be determined. The agency must then begin efforts to recover the improper payments from recipients.

But that legislation merely scratches the surface when it comes to correcting SSDI's serious structural flaws and limiting the amount of money the program loses to improper and erroneous payments, as well as to outright fraud.

Other steps are necessary to overhaul the SSDI program and shore up the SSDI Trust Fund to ensure that financial support will be available in the future to Americans whose physical and mental limitations prevent them from participating in the workforce.

Some of the steps needed to improve the SSDI program can be undertaken internally by the Social Security Administration, others require Congressional authorization. Either way, reasonable and responsible methods are available to lower costs to taxpayers and enhance service for those served by SSDI.

Expand the CDI Initiative

> The return on investment associated with the CDI program is as high as $8 saved for every $1 spent.

As mentioned previously, the most effective program at reducing waste, fraud and abuse associated within SSDI in recent years has been the Cooperative Disability Investigations program. Just 26 CDI units, operating on a cost of approximately $1.7 million a year each, managed to reduce SSDI costs an estimated $337 million in FY 2013.[45] The return on investment associated with the CDI program is as high as $8 saved for every dollar spent to operate the programs. Congress should work with the Social Security Administration to fund additional CDI units to reduce SSDI fraud in regions of the country that are not currently adequately served by the program.

Monitor Administrative Law Judges

Administrative law judges are often the last line of defense in preventing undeserving disability program applicants from receiving public funds. All too often, as several recent reports by the Social Security Administration Office of the Inspector General indicate, these judges fail to serve as

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much-needed taxpayer watchdogs and instead provide a fast track for unworthy claimants to receive monthly SSDI payments. In order to determine when administrative law judges are being too lenient or too harsh in determining whether individuals receive disability benefits, Congress and the Social Security Administration should establish a process to identify potential outlier judges. Further, a computer matching system is needed to recognize any bias judges show certain professional claimant representatives, doctors or medical facilities.[46]

Promptly End Payments

Each year, the SSDI Trust Fund loses tens of millions of dollars because the Social Security Administration continues disability payments to beneficiaries after the individual's condition has improved and is no longer eligible for benefits. The Social Security Administration should end this expensive culture of improper payments by installing an automated system to automatically remove enrollees from the SSDI program upon determination that a medical improvement occurred making them capable of returning to work.

Improve Electronic Records

Records related to disability claims are often maintained on handwritten, scanned forms. When these documents are uploaded to SSDI databases, they are not searchable. It is time to end this anachronistic record-keeping practice, as it creates an obstacle to unearthing fraudulent behavior by claimants, expose improper conduct by physicians and tracking unusual decisions by administrative law judges. A comprehensive data profiling system, including standardized online forms, would make data easier to collect and search, and reduce the possibility of waste, fraud and abuse of the SSDI program.

IT IS TIME TO END THIS ANACHRONISTIC RECORD-KEEPING PRACTICE, AS IT CREATES AN OBSTACLE TO UNEARTHING FRAUDULENT BEHAVIOR BY CLAIMANTS, PHYSICIANS AND ADMINISTRATIVE LAW JUDGES.

Empower the Inspector General

The Social Security Administration Office of the Inspector General, the watchdog in charge of preventing and exposing waste, fraud and abuse within the SSDI program is limited in its ability to identify and prevent improper SSDI payments. The Computer Matching and Privacy Protection Act of 1988 prevents the Inspector General from using programs to compare federal records against other federal and non-federal records in an attempt to detect improper payments and identify weaknesses that make the SSDI program vulnerable to fraud. In 2010, the Department of Health and Human Services and its Office of Inspector General received an exemption for data matches designed to identify fraud, waste and abuse.[47] Congress should offer the Social Security Administration Office of the Inspector General a similar exemption in order to curb corruption and protect tax dollars.

Review Social Media Activity

In the process of determining the eligibility of an applicant for disability benefits, the Social Security Administration should review all publicly available social media information related to the applicant. The Social Security Administration Office of the Inspector General has uncovered many examples

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of SSDI fraud by observing disability recipients performing physical activities that would be impossible for someone who met the SSDI's disability threshold.[48] Reviewing social media for suspicious behavior in the initial application stages would prevent unworthy applicants from obtaining SSDI assistance.

Eliminate the Backlog of Continuing Disability Reviews

Continuing disability reviews are periodic evaluations of individuals receiving disability benefits to determine whether the individual continues to be disabled and unable to work. If, during that review, the Social Security Administration finds the SSDI recipient's medical condition has improved and is no longer disabled according to federal guidelines, the benefits are terminated. In FY 2013, 428,658 medical continuing disability reviews were completed. About 27 percent of the reviews resulted in cessation of benefits, saving the SSDI Trust Fund millions of dollars.[49]

The Social Security Administration, however, is losing out on much of the critical cost-saving associated with continuing disability reviews because of a massive backlog in performing the reviews. The backlog for disability reviews is more than 1.3 million cases.[50] If 27 percent of those cases review ultimate result in an elimination of benefits, the backlog costs the SSDI Trust Fund more than $4.8 billion a year.[51] Only about a quarter of that amount would be needed to clear up the logjam – an investment that Congress would be wise to make.[52]

Mandate Annual Reapplication for Benefits

Currently, it is the Social Security Administration's responsibility, through continuing disability reviews, to determine if a SSDI recipient is truly disabled and should, therefore, continue to receive benefits. A simple solution to eliminate the backlog of continuing disability reviews and reduce the number of Americans inappropriately receiving disability benefits is to require SSDI recipients whose condition is expected to improve to reapply annually.

This would naturally eliminate some enrollees from the program who have become healthy enough to return to work. It would also reduce the number of people who continue to receive benefits simply because the Social Security Administration has not recently performed a continuing disability review. The option has a secondary benefit for taxpayers: it would likely cost less than ramping up the continuing disability review program enough to catch up on backlogged reviews.

Reward Work

The current structure of the SSDI encourages enrollees to remain in the program even if they are able to work. Jagadeesh Gokhale of the Cato Institute recommends that Congress adopt a policy to encourage disability recipients to work. Rather than losing benefits as a result of working, Dr. Gokhale proposes "a 'benefit offset' that would reduce an enrollee's SSDI benefits if he or she enters the workforce but would provide an additional subsidy — from a non-SSDI source — based on his earnings."[53] The subsidy would then increase as his earnings increase, in order to encourage, rather than discourage, additional work.

Potential Savings to Taxpayers if Program Oversight Improves

Despite improvements to oversight of SSDI, and promising efforts to reduce fraud and limit improper payments made by the federal disability program, the program continues to fail taxpayers and its beneficiaries with its high levels of waste, fraud and abuse.

Further steps to curb unwarranted and erroneous spending has the potential to save taxpayers billions, while ensuring the long-term financial health of the SSDI Trust Fund.

Returning the SSDI program to secure financial footing requires that it operate fully on the Social Security tax revenues earmarked to fund federal disability benefits. The SSDI program currently spends over 20 percent more than it collects in revenues.[54] An annual deficit of $35 billion certainly presents a tall task to Social Security Administration officials and federal lawmakers working to shore up the debt-riddled program.

However, if policymakers succeed in returning the SSDI Trust Fund to solvency, it will protect benefits for Americans truly unable to work because of disabilities, ensure that no additional money is taken from the imperiled Social Security Old-Age, and Survivors Insurance and potentially even reduce the burden of Social Security payroll taxes on American workers and businesses.

Improper payments made by the Social Security Administration because of failures to identify issues with Substantial Gainful Activity, Government Pension Offset and Wages/Self-Employment Income cost an estimated $2.5 billion per year based on previous estimates, adjusted for growth in enrollment and inflation.[55]

A small sample of negligent administrative law judges by the Social Security Administration Office of the Inspector General determined that decisions by those judges improperly cost United States taxpayers $286 million per year.[56] Additionally, reducing the average percentage of cases in which administrative law judges granted benefits by just 10 percent would reduce the annual burden to the SSDI Trust Fund by an additional $489 million a year, based on an average monthly SSDI benefit payment of $1,146.[57]

In total, replacing incompetent and negligent administrative law judges and offering remaining judges training to help them better identify applicants who are not deserving of SSDI benefits will save the insolvent SSDI Trust Fund $775 million each year.

Eliminating benefits for SSDI recipients whose condition has improved enough to return to the labor force, but remain on the program due to the backlog of continuing disability reviews, would save an additional $4.8 billion a year.

Finally, the growth of SSDI rolls as a result of the recent economic downturn and the greater acceptance rate into the program must both be corrected. In 2000, for example, 1 in 47 people received SSDI payments.[58] By 2014, that figure increased to an astonishing 1 in 29 Americans. The number of SSDI recipients has grown 18 times faster than the increase in the population of the United States over the past six year. Certainly, the portion of disabled Americans has not increased 18-fold over that time.

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It should be the Social Security Administration's goal to determine the actual portion of Americans suffering from mental and physical disabilities that prevent them from working, and then winnow the SSDI rolls accordingly.

A recent study indicated that over 25 percent of current SSDI beneficiaries actually have work capacity.[59] Taking steps to remove just half of the population of SSDI recipients capable of working from the program would reduce the cost to the SSDI trust fund by $18.9 billion per year.[60]

Assuming steps are taken to perform these cost-savings measures to prevent overlap and ensure that new populations are removed from the SSDI program with each phase, the total savings of these recommendations is approximately $25 billion a year.

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