• 155 million workers under age 66 are insured against becoming unable to work
• 8.7 million workers now receive DI benefits
  ○ 1.7 million “dependents” – mostly children
• Many more protected from loss of insured status
  ○ And from lower retirement benefits
• Benefits replace 40% to 45% of career earnings on average
  ○ About 80% for very-low earner, about 28% for steady maximum earner
Solvency of the DI Trust Fund
Reserve depletion in 2032; 2008 recession offset “new economy”; cycles still happen
Changing Age Distribution Over Last 20 and Next 20 Years Mainly Due to Macro Aging—permanent level shifts
Increased Work by Women Raised Female Insured Rates; Male Rates a Little Lower at Younger Ages
Recent Favorable Disability Experience

- Applications and incidence are at historic low levels
- Numbers of beneficiaries have been declining since 2013
- Prevalence rates have peaked and are dropping

**What about the future?**
- Are declines temporary, or the new state?
- Possibilities:
  - Economy and jobs—*temporary*
  - Drop in hearings allowance rates—*temporary*?
  - Increased health care (ACA)
  - Field office consolidations
  - Attorney representation
  - Something more fundamental?
Applications Are Still Dropping in 2018!

Total Social Security Disabled Worker Receipts at Disability Determination Services by Calendar Year: Historical and Intermediate Assumptions for 2012 through 2018 Trustees Reports (thousands)

Note: All historical and projected series include disabled worker, disabled adult child, and disabled widow(er) receipts. DIBs represent about 94% of total title II DDS receipts.

Current estimate for CY 2018 based on data through mid-November, 2018
Disability Incidence Rate Falls to Historic Lows

DI disabled worker incidence rate rose sharply in the recession, and has declined since the peak in 2010 to extraordinarily low levels for 2016 and 2017.

DI Age-Sex-Adjusted Incidence Rates: Historical and Intermediate Assumptions for 2012 through 2018 Trustees Reports

Average 1990-2017 5.23
Ultimate Assumption 5.40


2012TR
2013TR
2014TR
2015TR
2016TR
2017TR
2018TR

OACT/SSA
Fewer Disabled Worker Beneficiaries
Fewer now and in near term based on recent applications and incidence rates

Disabled Worker Beneficiaries
In Current Payment Status at End of Year (in thousands)

2008 TR (no recession)

2017 TR

2018 TR

2027
Effect of the Economy on DI Incidence—2018 TR

Unemployment rates (%) and incidence rates (per 1,000 exposed)

- Recession
- Recession = SSI (1974)
- Recession
- 1970-74: Large benefit increases
- 1980 Amendments: PER, CDRs, Lower Family Max, EPE
- 1984 Amendments: Revised mental listing, medical improvement standard for CDRs, consideration of multiple impairments
- SSI Outreach 1990
- 1996 Amendments: DA&A, special CDR funding

Calendar year

Age-sex-adjusted disabled worker incidence rate
Civilian unemployment rate
Disabled Worker Prevalence Rates (all through age 64)

DI Disabled Worker Prevalence Rates (Under 65 and per 1,000 insured Population)  
Comparison of Gross and Age-Adjusted to the 2000 Insured Population

- Male age-adjusted rate
- Male gross rate
- Female age-adjusted rate
- Female gross rate
Ultimate Incidence Rate Assumptions and Historical Averages
Most Recent Ultimate Incidence Rate is 5.4

Average Disability Incidence Rates over Prior Periods:
Disabled Worker Awards per 1,000 Exposed

- 10-Year Average Ending in Year
- 20-Year Average Ending in Year
- 30-Year Average Ending in Year
- Ultimate in TR Year

OCACT/SSA
Appendix
187% Increase in Disabled Worker Beneficiaries
How much is due to changes in population size, NRA, age distribution, recession, more women insured and filing?

DI Disabled Worker Beneficiaries : from 2010 to 1980, in thousands

- Age 20-64 pop increases 41%
- Age distribution increases 38%
- Incidence Rates, etc

Population Size: 187 percent above 1980
DI Cost as Percent of GDP Has Peaked, but Scheduled Income Is Too Low
Most of the Recession Effect is From Less GDP, not More DI Cost

Change in DI Benefit Cost and in GDP Between 2008 TR and 2013 TR

- Increase in DI Benefit Cost
- Reduction in GDP
- Increase in DI Benefit Cost/GDP
Disability Incidence Rate Projected to Rise to Ultimate Level by 2027

Sharp increase in the projected disability incidence rate in 2018 and 2019 due in part to the reduction of the ALJ backlog
Age-Adjusted Disability Incidence Rates: Male at all-time low; female has caught up to male
DI Incidence Rates Ages 60-64

Male DIB Award Incidence Rates
Ages 60-64

Female DIB Award Incidence Rates
Ages 60-64
DI Incidence Rates Ages 50-54

Male DIB Award Incidence Rates
Ages 50-54

Female DIB Award Incidence Rates
Ages 50-54
DI Incidence Rates Ages 45-49

**Male DIB Award Incidence Rates**
Ages 45-49

- **historical**
- **ultimate**
- **regressed value**

**Female DIB Award Incidence Rates**
Ages 45-49

- **historical**
- **ultimate**
- **regressed value**
DI Incidence Rates Ages 40-44

Male DIB Award Incidence Rates
Ages 40-44

Female DIB Award Incidence Rates
Ages 40-44
DI Incidence Rates Ages 35-39

Male DIB Award Incidence Rates
Ages 35-39

Female DIB Award Incidence Rates
Ages 35-39
DI Incidence Rates Ages 30-34

Male DIB Award Incidence Rates
Ages 30-34

Female DIB Award Incidence Rates
Ages 30-34
DI Incidence Rates Ages 25-29

Male DIB Award Incidence Rates
Ages 25-29

Female DIB Award Incidence Rates
Ages 25-29

OCACT/SSA
DI Incidence Rates Ages 20-24

Male DIB Award Incidence Rates
Ages 20-24

Female DIB Award Incidence Rates
Ages 20-24
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, **males under age 30 at entitlement**

![Graph showing entitlements by year of entitlement and diagnosis code](image-url)
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *males age 30-39 at entitlement*
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *males age 40-49 at entitlement*
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *males age 50-59 at entitlement*
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *males age 60 and over at entitlement*
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *females under age 30 at entitlement*
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *females age 30-39 at entitlement*
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, females age 40-49 at entitlement
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, *females age 50-59 at entitlement*
DIBs awarded through June 2018 by year of entitlement and primary diagnosis code, females age 60 and over at entitlement

Entitlements (Percent of annual total)

Year of entitlement

Musculoskeletal  Mental disorders  Circulatory  Neoplasms
Nervous System  Injuries  Respiratory  Nutritional/metabolic
Infectious/parasitic  Other
Age-Sex-Adjusted Death and Recovery Rates

Estimated death and recovery rates from 1975 to 2025 are shown in the graph. The blue line represents the death rate, and the pink line represents the recovery rate. The data is from the 2018 Trustees Report.
Comparison of General Population Mortality to Disabled Worker Mortality

Age-Sex-Adjusted Comparison of SSA General Population Mortality to Disabled Worker Mortality*

* For purposes of comparison, the general population death rates and the disabled worker death rates are calculated using the year 2000 exposure from the disabled worker population. Historical data and projections are from the 2018 Trustees Report.
DI Disabled Worker Death Rates (per 1,000 Beneficiaries)
Comparison of Gross and Age-Sex
Adjusted to the 2000 Disabled Worker Population

- Male age-adjusted rate
- Female age-adjusted rate
- Total age-sex adjusted rate
- Male gross rate
- Female gross rate
- Total gross rate
DI Disabled Worker Recovery Rates (per 1,000 Beneficiaries)
Comparison of Gross and Age-Sex Adjusted to the 2000 Disabled Worker Population