

**Hearing on Securing the Future of the Social Security Disability Insurance Program
Subcommittee on Social Security
Chairman Sam Johnson
Opening Statement**

December 2, 2011

The Social Security Disability Insurance program has been the source of great debate both before and since its cash benefit program was signed into law in 1956 by then President Dwight D. Eisenhower.

Soon after Social Security was established in law in 1935, serious discussion emerged whether to expand the program to workers who became permanently and totally disabled before age 65 and to their dependents. While some urged action to establish these benefits, others were concerned about the subjectivity in determining whether a person was truly disabled.

Not surprisingly this debate came to a head in a post-World War II society. In the mid-twentieth century, still living in a world created by the American industrial revolution, if the sole breadwinner was disabled, there were few options.

The world in 1956 is a far cry from the world we live in today, where we are connected not just by highways but by bandwidth,

where the internet has redefined our idea of our local neighborhoods,

where modern medicine has extended our lifespan well beyond anything conceived by our grandparents,

and where technology has opened up opportunities that are as life-altering as the Model-T was at the beginning of the last century.

The global economy has changed too. Like Europe, we need foreigners to buy our debt in order to finance our government. Today 46 percent of our debt is held by investors outside the United States.

The debt crisis facing Europe, where bond buyers refuse to buy more debt, is forcing many in the European Union to make changes to their social benefit programs. Greece and other European nations remind us of the price America will have to pay if we delay reform.

Against this backdrop, the disability debate still rages on.

Today, the Social Security Disability Insurance program pays benefits to individuals with a disability that meets certain medical criteria, as long as they worked long enough and paid Social Security taxes.

The continuing growth of the program is striking. At a time when workers paying into the system has increased nearly 70 percent between 1970 and 2010, the number of people receiving disability benefits increased by almost 300 percent, from 2.6 million to nearly 10 million.

By 2020, the number of beneficiaries will continue to increase by 18 percent to 11.8 million. By then total benefits paid will reach \$188 billion. That's a 52 percent increase over the \$124 billion paid in benefits last year.

Experts tell us the program's growth is due to the changing workforce, including the aging of the baby boomers, changes in disability policy over the years, and the still struggling economy.

That continued growth is putting a massive strain on the Social Security Disability Insurance program. According to the 2011 Trustees' Report, without Congressional action, the Disability Insurance Trust Fund will be unable to pay full benefits beginning in 2018, just a little over six years from now. The path we are on is unsustainable, and we are putting individuals with disabilities at risk if we do not act soon.

This Subcommittee, through this hearing series, will lead a much-needed conversation about the challenges facing this important program and solutions that can meet the needs of those with disabilities and the workers who support the program through taxes on their hard-earned wages.

We begin today with an examination of the history of the disability insurance program, the income security it provides and its financing challenges. Through future hearings we will explore:

- the inner workings of the program including its vulnerabilities to fraud,
- the criteria used to determine benefit eligibility,
- how decisions are made and the appeals process,
- and the good thinking that is taking place about possible solutions.

At a time when Washington doesn't seem to be able to agree on much, I know all the members of this Subcommittee agree on the importance of coming together to ensure that this vital program stays strong for those who truly cannot work.