



Written by [Brian Koenig](#) on July 5, 2012

Workers Receiving Federal Disability Surpasses Population of NYC

The number of workers receiving federal disability insurance payments has [spiked](#) by more than 26,000 over the past month, bringing the total sum up to a record 8,733,461, according to the Social Security Administration (SSA). Astonishingly, that number surpasses the entire population of New York City by more than 500,000.

Over the past two decades, the number of Americans employed and earning a paycheck has plummeted, according to [CNS News](#). In June 1992, nearly 120 million people were employed in the United States, compared to about 3.3 million workers who were receiving federal disability payments — equaling to about one person relying on such payments for every 35.5 people in the labor force. CNS News reports:



When President Barack Obama was inaugurated in January 2009, there were 142,187,000 people employed and [7,442,377](#) workers taking federal disability payments. That equaled about 1 person taking disability payments for each 19.1 people actually working.

In May of this year, there were 142,287,000 people employed, and [8,707,185](#) workers taking federal disability payments. That equaled 1 worker taking disability payments for each 16.3 people working.

Disability payments delivered to these 8.7 million workers in June averaged about \$1,111 each. Only 11 states — among them Ohio, Texas, Pennsylvania, Florida, Georgia, Illinois, California, Michigan, New York, New Jersey, and North Carolina — have populations larger than the number of federal workers currently on disability.

But the total number of Americans relying on these payments far exceeds the purported amount, as spouses and children of federal workers are also eligible for the government-provided benefits. CNS News continues:

In addition to the 8,733,461 workers taking federal disability payments in June, there were also 165,469 [spouses of disabled workers](#) getting federal disability payments and 1,899,756 children of disabled workers getting benefits. That brought the total number of beneficiaries receiving disability insurance payment in June to 10,798,686.

The SSA [explains](#) the requirement for the disability benefits as follows: “We consider you disabled under Social Security rules if: You cannot do work that you did before; we decide that you cannot adjust to other work because of your medical condition(s); and your disability has lasted or is expected to last for at least one year or to result in death.”



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Expounding how the system operates, the SSA asserts that qualifications for benefits are determined based on age and the number of “credits” a person has earned from the Social Security program:

Social Security work credits are based on your total yearly wages or self-employment income. You can earn up to four credits each year. The amount needed for a credit changes from year to year. In 2012, for example, you earn one credit for each \$1,130 of wages or self-employment income. When you’ve earned \$4,520, you’ve earned your four credits for the year.

The question, of course, is how many of these workers are legitimately disabled, or if they are somehow gaming the system simply to receive “free” government welfare. The prolonged economic slump, the *Wall Street Journal* [reported](#) late last December, “has fueled a surge in applications for Social Security disability benefits,” because many Americans seek other government welfare programs as their unemployment insurance runs out.

Testifying before Congress in December, chief actuary of the SSA Stephen Goss conceded that the poor economy has substantially inflated the overall number of applicants. “When employment is good — when employers are trying to employ lots of people — people with impairments, like everyone else, find it easier to find a job,” he acknowledged.

Two studies released last year reveal a damning correlation between when people seek disability benefits and when their unemployment payments run dry. The parallel has become so obvious that some economists have gone so far as to call the SSA’s disability system an extended unemployment program. The *Journal* continued:

Mark Duggan, a University of Pennsylvania professor who has studied the relationship between the unemployment rate and applications for benefits, compared data from this year with numbers from 2007, when the unemployment rate was much lower. He estimates that the higher unemployment rate this year accounts for 3,000 additional people applying for benefits each week.

A recent study by Boston College research economist Matthew Rutledge found that “jobless individuals are significantly less likely to apply” for disability when unemployment insurance is extended by Congress and “significantly more likely to apply when [unemployment payments are] ultimately exhausted.”

By using government data, Rutledge discovered a boost in the likelihood of someone applying for benefits in the month their unemployment payments run out. In fact, his conclusion was similar to one deduced in a paper released earlier in December by the White House, which called for an extension on unemployment insurance. The analysis observed workers in New Jersey, and came to a damning conclusion:

Their research, based on surveys of unemployed workers in New Jersey, looked at behavioral patterns of the jobless, including those without much savings to fall back on. The researchers found that 10% of jobless workers age 50 to 65 with access to less than \$5,000 were likely to file for disability benefits when their unemployment benefits expired, while 1% of such people sought benefits when they had 50 weeks of unemployed benefits left.

In conclusion, while the Social Security disability insurance program was established to offer financial assistance for people no longer capable of working due to an injury or poor health, these days, an expanding group of applicants with manageable health impairments — or no impairments at all — have added to the already financially-strapped system.



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David Autor, an economics professor and an expert in analyzing the Social Security program, asserted:
"To a very large extent, it is our big welfare program."



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