



Expert: Social Security disability program ‘backdoor welfare’

By: Eric Boehm- July 17, 2013

With record numbers of people collecting benefits through a Social Security program for disabled workers, there are concerns that some might be abusing the system.

And even if not, the system might not be sustainable at current levels.

Tad DeHaven, a research associate with the Cato Institute, a libertarian think tank, examines government programs for a living, but he said he’s never seen one as ill-defined and exploited as the Social Security disability trust fund.

“It is so obviously abused and so obviously become something it was never meant to be,” he said.

Originally, disability coverage through Social Security was only for workers over age 50 and under age 64. As such, it served as a kind of pre-social security for those who could no longer work due to medical issues.

But in recent years, the number of workers receiving disability checks has shot upwards at an alarming rate.

Nationally, the number of disability beneficiaries rose by 39 percent between 2003 and 2011. In Pennsylvania, the rate climbed by 50 percent during the same period. More than 300,000 Pennsylvanians now collect a monthly social security disability check.

The recent rise in disability payments is also counterintuitive. In a day and age when medical advances mean people are living longer and healthier lives than ever before, shouldn’t there be fewer disabled workers?

DeHaven says it is because Congress has expanded eligibility to the point that Social Security disability has been turned into “a back-door welfare program” for states to use.

An individual in Pennsylvania who qualifies for social security disability payments will receive a base monthly benefit of \$720. Beneficiaries with spouses, children or other dependents can qualify for as much as \$1,300 each month.

The vast majority of those benefits are paid by the federal government – Pennsylvania only kicks in about \$20 of the \$720 monthly payment for unattached individuals – so states have little incentive to care about how many people are qualified for benefits or to root out fraud in the system.

“Traditional welfare is shared by the state and federal government, so there is some incentive for the states to stay on top of things,” DeHaven said. “What we have now is designed to be abused.”

And there is plenty of money to be made as well. About 70 percent of applicants are rejected when they apply for disability benefits, so many seek legal help in filing appeals through the state-run systems. Law firms have cashed in by trying to attract as many potential beneficiaries as possible, and websites like DisabilitySecrets.com make it easy for potential clients to find law firms.

When it comes to qualifying for benefits, it's about more than just being disabled, said W. Daniel Feehan, an attorney who works on disability claims at the Montgomery County law firm of Lowenthal and Abrams.

An individual has to show they are unable to find a job, which can be as much about their own skills and level of education as it is about their physical fitness.

"The qualifications for the program are both medical and vocational," he said.

But Feehan does not see the program as an open-ended welfare scheme like DeHaven does.

"Under the social security disability program, people are getting money they are entitled to that has been taken out of their paychecks over the years," he said. "It's disingenuous to call it a hand-out."

There are concerns about the sustainability of the program. The Congressional Budget Office estimates the Social Security disability trust fund will run dry as soon as 2016.

As more people collect benefits from the system, there are fewer workers paying into it.

According to the Bureau of Labor Statistics, in 1968 there were about 51 full-time workers for each worker collecting disability. By April 2013, there were only 13 Americans working full time for each worker on disability.