

Sacramento region now leads state in federal disability benefit applications

By: Phillip Reese- July 21, 2013

More workers across California are leaving the workforce and applying for federal disability benefits – and the Sacramento region is leading the way.

About 57,000 residents in the four-county area receive monthly Social Security disability benefits, double the number from 15 years ago, new federal data show. Working-age adults in Sacramento are 40 percent more likely to be on disability than workers elsewhere in California.

Many of the same factors driving up disability rolls across the state are playing out in a more pronounced way here: an aging workforce; a rough economy; and expanded regulations regarding who is eligible.

The trend, which is also occurring nationally, encompasses the blind, deaf, physically handicapped and others with injuries and conditions traditionally associated with the Social Security disability program. But it also includes scores of aging baby boomers with myriad physical ailments, a growing number of people diagnosed with debilitating stress or mental illness, and an increasing number of people who cite chronic back pain.

These residents aren't getting rich – the average monthly disability payment is about \$1,150 – but the sharp increase in the Sacramento region and nationwide has stirred debate: Could some of the newly disabled still hold a job?

For Joseph Barry, a Sacramento resident with a disability that causes his bones to deform and easily break, it's not a simple question.

Barry, 34, breaks between two and eight bones a year stemming from a genetic condition. He often has struggled to find employment but now works part time for the state Employment Development Department.

Barry knows the difficulty of working through pain and believes in a robust safety net for the disabled, but he also has witnessed a sea change in how disability benefits are awarded.

"In the past, if you couldn't walk, you were disabled. It was kind of a black-and-white thing," said Barry, who is finishing a master's degree in disability studies from California Baptist University in Riverside.

"Now doctors are starting to take into account the social dynamic," Barry said. "We have to be real careful with how liberal we get. But we also have to be respectful and understanding."

Initiated in 1956, the federal Social Security disability insurance program provides benefits to those with an employment history who can show they are no longer able to work due to injury or illness. Workers and their employers pay into the system through payroll taxes.

To qualify for disability funding, workers must prove that their disability will last for at least one year or is expected to result in death within a year. The approval process can take years – many hire lawyers to fight their initial rejections.

The criteria used by the federal government to determine who qualifies as disabled changed significantly in 1984, making it easier for many – particularly those with mental illness diagnoses – to obtain benefits. Since then, the number of people on Social Security disability has risen at a faster pace.

About one Sacramento resident took disability for every 17 still on the job in 2012, the latest federal statistics show. Across California, the rate was one disabled resident for every 24 workers.

None of the other 10 largest counties in the state had a higher rate of disabled workers than Sacramento County. And no other county in the state saw more growth in disability rolls during the last decade than Placer County.

Big share of boomers

Researchers and disability advocates cite several factors for those high numbers.

Sacramento has a higher proportion of baby boomers than the statewide average, and the rise of the baby boomer generation is directly related to the rise in disability payments.

The reason is basic: Older workers are more likely to sustain disabling injuries or illnesses.

"There are more in that age group beginning around 2000," said Paul Leigh, professor of health economics at the UC Davis Center for Healthcare Policy and Research. "It's simply a matter of arithmetic."

Gisele Brown, a 50-year-old Sacramento resident who suffers from lupus, illustrates the trend. She said she worked through the disease for years while employed as a mental health worker in Sacramento and Placer counties, but as she aged the disease did more damage to her body. She's now on disability.

"I was just a workaholic," said Brown, who draws about \$1,200 a month in disability income. "I have had two heart surgeries and everything else that comes with lupus."

Brown also was hurt by the recession – another factor cited by researchers for rising disability numbers. When her lupus worsened, Brown said, she was already unemployed, having lost both of her jobs – and her home – during the downturn. She was back in school for retraining when the illness flared.

Frances Gracechild is executive director of Resources for Independent Living, a Sacramento-area nonprofit. She said it can be more difficult for people with disabilities to find work in an economic downturn, when competition for jobs grows more fierce.

The Sacramento region saw slightly higher unemployment during the recession than the state average. And the unemployment rate among Sacramento-area residents with a disability still in the labor force was 25 percent in 2011, roughly double the rate for those without a disability, according to the latest census data.

"We see a lot of people that if they could find a job, they would work," Gracechild said.

Many lack support system

Disability can strike anyone, Gracechild said, but a high number of those getting federal disability benefits are poor and middle-class residents who don't have the income or support system to manage their disabilities.

Bill Walker of the Sacramento Employment and Training Agency said his office noticed that connection when Campbell Soup Co. recently closed its factory in south Sacramento, leaving about 700 area residents without a job.

Many in the Campbell Soup workforce were blue-collar laborers approaching retirement and had trouble finding a new job.

"They are having some depression from not being able to find work," Walker said. "They have been looking at disability as an alternative."

Diagnoses of depression, anxiety and other mood disorders are key drivers in the rise in disability awards.

About 32 percent of Social Security disability recipients nationwide have been diagnosed with mental illness and stress disorders, a higher rate than any other diagnostic category. Close behind are musculoskeletal disorders, a category that includes back pain.

The trend relates to mental disability criteria changes made by Congress in the 1980s that put less weight on medical factors and more emphasis on the ability of a person with psychological problems to function. The changes also allowed judges to consider the sum effects of multiple conditions, even if any one condition doesn't cause complete disability.

The year after the changes occurred, the proportion of disability claims awarded for mental illness rose from 18 percent to 30 percent.

"In the old days, people who came to see us were in wheelchairs," Gracechild said. "Now, I have mentally ill people coming in here on psychotropic drugs."

Carroll Jones-Price, 56, is among thousands of Sacramento-area residents who have been helped by the rules change.

Jones-Price went on disability earlier this year with a diagnosis of post-traumatic stress disorder. She said she has suffered with the condition for the last decade, stemming from a physical altercation with a co-worker. A former respiratory therapist, she has lived in her car with her small dog, Spirit, for the last several months.

"I lost everything," she said. "I lost myself."

The back seat of her 1995 Ford Escort is stuffed with bedding, and the trunk with bags of her belongings. She makes extra cash by redeeming water bottles at a recycling center. She parks the car in different places every night – mostly fast-food lots – to avoid problems with police.

Jones-Price, who also has lupus, said she would prefer to be working and that living on disability benefits is a survival tactic, not a luxury.

"My work record speaks for itself," she said.

Randy John Hicks, 48, of Sacramento said he, too, would rather work than live on disability. Like Jones-Price, his benefit pays him about \$950 a month.

"Not a dime that I spend goes to something frivolous," he said. "It's all needed."

Hicks, who has been diagnosed with a variety of mood disorders, said he has lost six jobs in the last 15 years because of mental illness.

"I got fired," he said. "I couldn't work due to panic disorder, anxiety disorder, OCD (obsessive-compulsive disorder). I'm diagnosed with all those conditions. I can't focus. I can't concentrate."

Are criteria being met?

The sharp increase in disability claims has raised concerns among some researchers, who note it isn't always clear if those diagnosed with mental disorders or chronic pain meet the criteria for federal disability.

Partially as a result, different administrative law judges approve disability awards at different rates, said Jagadeesh Gokhale, a senior fellow at the Cato Institute, a Washington, D.C.-based libertarian think tank.

Judges in the Sacramento region approved awards in about 62 percent of cases heard this fiscal year, slightly higher than the U.S. average.

"Many people who could have some work capability despite their impairments are being awarded benefits," Gokhale said.

He is among a chorus of critics who say the current system is not sustainable. Program administrators told Congress earlier this year that at the current pace of growth, the Social Security Disability Trust Fund will be insolvent within three or four years.

"All is not well with the system," Gokhale said.

Mary C. Daly, associate director of research at the Federal Reserve Bank of San Francisco, cited academic studies showing that a quarter of those who apply for disability are marginal cases who may still be able to work. Many get into the system anyway.

Daly, who has written extensively on Social Security disability, said the increase in benefit recipients "is not related to health. What has changed is the program policies that have made it easier for people to obtain benefits based on nonmedical, subjective factors."

Daly proposes raising the payroll tax on employers with a history of producing disabled workers, and lowering it for those who succeed at keeping such workers on the payroll through intervention.

"We have two choices," she said, referring to the upcoming insolvency in the disability trust fund. "We can enact one-time fixes, or we can make some more fundamental reforms. I'm in the second camp."

Gracechild, the Sacramento disabilities advocate, disagrees that the disability system is the problem. She said the trend toward more claims has more to do with the fraying of the social safety net.

To stem the tide of workers taking benefits, she said, society needs to do more to support people with disabilities who are trying to keep a job and have fallen on hard times. Otherwise, she said, they will have no choice but to seek income through disability benefits.

"We've got these very, very poor folks," Gracechild said. "Poverty is very related to disability."