



Workers on Social Security Disability Rises, Perhaps Leading to Smaller Labor Pool

By: Carole Fleck

June 21, 2012

There are fewer people in the workforce today than 12 years ago, but a new report claims it's not just the [recession's halting impact on job creation](#) and an increase in [boomers retiring](#) that's shrinking the rank and file.

The number of workers on Social Security disability has almost tripled since 1980, according to the [National Center for Policy Analysis](#).

In 2000, the number of people in the labor force peaked at more than 67 percent of the working age population. Last May, it stood at 63.8 percent.

The center says that many [chronically unemployed workers](#) have given up searching for a job and no longer count themselves as part of the labor force. But it also says that the rise in disability claims is often not considered when experts try to explain the decline in the number of workers, despite the growth in population.

The center points to these statistics:

- About 2.8 million workers were receiving disability in 1980, along with about 1.8 million of their dependents.
- Since the beginning of 2009, more than 5 million people have applied for Social Security disability. About 1.5 million of them have started receiving benefits.
- By 2010, a total of 8.2 million workers and 2.1 million dependents were receiving benefits, not including adult disabled children.
- Put another way, about 3 percent of the working age population (ages 18 to 65) received disability payments in 1980. In 2010, more than 5 percent of the working age population got the payments.

The report also found a relationship between higher unemployment and a rise in disability claims. An Organization for Economic Cooperation and Development study of U.S. data spanning 22 years

found that a 1 percentage point increase in the jobless rate increased the disability claims application rate more than 10 percent and awards rate by 7 percent.

So what are the diagnoses that are causing an increase in disability benefits today? The [report](#) says mental disorders, including depression and anxiety, have more than tripled from 10 percent of disability awards 30 years ago to 33 percent, largely due to the wider latitude given in the diagnosis of such disorders. Back and neck problems were the largest category among older recipients.

The age breakdown of all disability recipients in part reflects the aging of the population. In 2010, 30 percent were under age 50 and 70 percent were older than 50.

Social Security Disability initially was designed for workers older than age 50 who became physically incapable of performing their job duties or any other work compatible with their skills but had not yet reached retirement age. Since the mid-1950s, the program has expanded and now covers workers of all ages, disabled spouses of deceased workers and disabled adult children who were never able to work.

In order to qualify for disability, workers must have enough [Social Security](#) disability credits based on their time in the workforce.