



Highlights of [GAO-08-737T](#), a testimony before the Committee on Finance, U.S. Senate

SOCIAL SECURITY ADMINISTRATION FIELD OFFICES

Reduced Workforce Faces Challenges as Baby Boomers Retire

Why GAO Did This Study

Millions of people rely on the services of Social Security Administration (SSA) field offices. In fiscal year 2007, SSA's approximately 1,300 field offices provided service to about 42 million customers. People use these offices to apply for Social Security cards, apply for retirement and disability benefits, establish direct deposit, and a host of other services. While customers may conduct their business using SSA's online, telephone, or other service options, many prefer the personalized contact provided in field offices.

Over the last several years, staffing reductions have challenged field offices' ability to manage work, while continuing to deliver quality customer service. To assess how field offices are managing these challenges, GAO was asked to determine (1) the effect that reduced staffing levels may be having on field office operations and (2) the challenges that SSA faces in meeting future service delivery needs.

This statement is drawn from GAO's ongoing study on field offices for the committee, which is expected to be issued later this year. To conduct this work, GAO interviewed SSA officials in headquarters, and other components, and analyzed various data on SSA's workloads and other data. In commenting on a draft of this testimony, SSA said that GAO understated the connection between staffing stresses from increased work demands and the agency's funding shortfalls.

What GAO Found

SSA field offices largely met work demands between fiscal years 2005 and 2007 despite operating with fewer staff and an increased demand for services, but staffing reductions may have had some adverse effects. Field offices were able to minimize the impact of staffing reductions on work because staff productivity increased by 4.9 percent. SSA and its field offices used various strategies to manage its work with fewer staff. Field offices shared work among offices and redirected staff to meet critical needs. SSA also encouraged customers to make greater use of Internet and other electronic services. Additionally, SSA deferred work that it deemed a relatively low priority, such as conducting reviews of beneficiaries' continuing eligibility. Deferring these reviews, means that beneficiaries who no longer qualify for benefits may still receive payments—which may decrease SSA's chances of recovering the erroneous payments. Despite SSA efforts to manage the staffing reductions, customers experienced longer waiting times and more unanswered calls to field offices, according to SSA data. Also, staff reported experiencing high stress levels and insufficient time for training.

Comparison of Field Office Staffing and Work Completed, Fiscal Year 2005-2007

Fiscal year	Number of field office employees	Field office work (in work units) ^a	Work units completed per Employee
2005	28,790	37.1 million	1,289
2006	27,383	37.0 million	1,350
2007	26,743	36.2 million	1,352
Percent change, 2005 to 2007	-7.1 %	-2.5%	+4.9%

Source: GAO analysis of SSA data.

^aSSA measures the amount of work produced by multiplying the volume of actions completed by the amount of time required to complete each type of action. The result is what SSA terms "work units." Because some types of actions take longer than others to complete, SSA views work units as a more precise measure than a simple count of the number of actions completed.

Growth in claims from the nation's baby boomers and a retirement wave of its most experienced staff may pose serious challenges for SSA if the agency does not have a clear plan. The first wave of approximately 80 million baby boomers is reaching the age of retirement eligibility, and SSA estimates that retirement and disability filings will increase the agency's work by approximately 1 million annual claims by 2017. To further compound this challenge, SSA projects that 44 percent of its workforce will retire by 2016. Because retirements will occur among the agency's most experienced staff, this will have a serious impact on field offices' institutional knowledge. SSA is planning on hiring an additional 2,350 new employees this fiscal year for regional and field office operations, almost all of whom will go to the field offices. Agency officials stated, however, that it typically takes 2 to 3 years for staff to gain the experience they need to function independently. SSA is using various strategies to recruit new employees to fill knowledge gaps. SSA is finalizing its Annual Strategic Plan which will describe the agency's strategies for addressing these issues.

To view the full product, including the scope and methodology, click on [GAO-08-737T](#). For more information, contact Barbara Bovbjerg at 202-512-7215 or bovbjerg@gao.gov.