Social Security Disability: Information on Wait Times, Bankruptcies, and Deaths among Applicants Who Appealed Benefit Denials

The Social Security Administration (SSA) manages two large disability benefit programs, Disability Insurance (DI) and Supplemental Security Income (SSI). In fiscal year 2019, these programs received more than 2.34 million applications and provided about $185 billion in benefits; as of December 2019, approximately 12.3 million adults with disabilities and their eligible dependents received benefits.¹ SSA uses a five-step process to determine if an applicant qualifies for disability benefits. An applicant who is dissatisfied with the initial determination on their disability benefits application can appeal the decision to multiple escalating levels of review. From fiscal years 2008 through 2019, SSA received approximately 9 million appeals of initial DI or SSI decisions.² We have previously reported that applicants who appeal a benefits denial can potentially wait years to receive a final decision, during which time an applicant’s health or financial situation could deteriorate.³

Given potentially long wait times for a final decision on benefits, and that those applying for disability are likely to have health and financial challenges, you asked us about worsening medical and financial conditions for DI and SSI applicants. This report examines the status of disability applicants while they awaited a final benefits decision including 1) their total wait times

¹The 12.3 million adults with disabilities described here do not include individuals who receive SSI benefits because they are 65 or over and meet the income and asset requirements.

²Some applicants filed more than one application for disability benefits during this period. In some cases, their applications were denied and so they filed more than one appeal. As such, 7.9 million distinct individuals filed the 9 million appeals.

³In this report, we use the term ‘final decision’ to refer to the last decision an applicant receives on an appeal. Because SSA’s appeal process includes several steps, an applicant who abandons an appeal at an earlier step could receive a decision earlier than one who pursues all administrative appeals. SSA uses the word “determination” to refer to the conclusion reached at the initial and reconsideration stage of review. SSA uses the word “decision” to refer to the conclusion reached by an ALJ or the Appeals Council. For ease of reference, in this report, we use the terms determination and decision interchangeably. An applicant who receives a final decision will have received some number of earlier decisions and determinations, depending on how many levels of review they pursued. For our prior report, see GAO, Social Security Disability: Better Timeliness Metrics Needed to Assess Transfers of Appeals Work, GAO-18-501 (Washington, D.C.: July 19, 2018)
across all levels of disability appeals within SSA, 2) their incidence of bankruptcy, and 3) their incidence of death. For wait times, bankruptcies, and deaths, we also examined variations across certain demographic characteristics of applicants.

To describe the characteristics and wait times of SSA disability applicants who appeal benefit denials and file for bankruptcy or die while awaiting decisions on their appeal, we obtained administrative data from SSA’s Management Information Disability (MIDIB) database for all adult disability applicants who had filed a claim for disability benefits from fiscal years 2008 through 2019 and appealed their initial denial. We used this administrative information to calculate wait times across appeals levels, rates of approvals and denials, and appeals caseloads, and examine changes in these three areas over time. To describe the incidence of bankruptcy among individuals awaiting a disability appeals decision, we matched MIDIB appeals data to bankruptcy data from the Administrative Office of the U.S. Courts (AOUSC) for fiscal years 2014 through 2019. To describe the incidence of death among individuals awaiting a disability appeals decision, we matched MIDIB appeals data to February 2020 death data from SSA’s Death Master File. For all of these analyses, we also examined variations across demographic characteristics including age, sex, and reported education level. To assess the reliability of each of our data sources, we reviewed related documentation, conducted electronic testing and interviewed relevant agency officials. We determined that the data were reliable for our purposes. To describe disability appeals procedures and provide context for our data analysis, we reviewed relevant policies, federal laws and regulations, and agency publications, and interviewed agency officials.

We conducted this performance audit from August 2019 to August 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

SSA Disability Programs

The Social Security Administration (SSA) provides assistance to people with disabilities through two large programs, Disability Insurance (DI) and Supplemental Security Income (SSI). The DI program provides monthly payments to working-age adults (and their dependents or survivors) who have worked and paid Social Security taxes in the past.

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4We excluded child SSI applicants from our analysis because different program rules apply for child applicants and individuals under age 18 generally do not file for bankruptcy. We begin our analysis in fiscal year 2008 because according to SSA, MIDIB data is complete and reliable beginning that year.

5Bankruptcy is a federal court procedure to restructure or discharge debts. AOUSC is a judicial branch agency that provides management, administrative, and program support services to the federal courts. Because bankruptcy cases are filed in federal courts, AOUSC obtains information on all bankruptcy filings nationwide. We begin our analysis in fiscal year 2014 based on data availability. We obtained this data from an internal data store maintained by AOUSC’s Judiciary Data and Analysis Office that is used for statistical reporting on bankruptcy cases.

6SSA collects death data about individuals holding Social Security numbers in order to administer its programs, including not paying benefits to the deceased and establishing benefits for survivors. For SSA’s disability programs, the case adjudication process for disability appeals does not necessarily end if an applicant dies. The appeal may continue until it receives a final determination as next of kin can be entitled to retroactive disability benefits.

7SSA does not collect information on the race or ethnicity of applicants.
who are unable to work due to a long-term disability.\(^8\) The SSI program is a means-tested income assistance program that provides monthly payments to children or adults who are aged, blind, or have other disabilities and whose income and assets fall below certain levels.\(^9\)

Although DI and SSI have different purposes and target populations, both programs have the same disability criteria for adult applicants. To be eligible for either program, a working-age adult must have a medically determinable physical or mental impairment that (1) has lasted or is expected to last for at least a continuous period of 1 year or is expected to result in death, and (2) prevents them from engaging in any substantial gainful activity (SGA).\(^10\)

**Processes for Determining Disability Eligibility and Requesting an Appeal**

SSA uses a five-step process to make an initial determination of whether an applicant is disabled. Staff at state Disability Determination Services (DDS) offices make an initial determination of whether a disability applicant meets the criteria to receive benefits.\(^11\) For applicants who disagree with this initial determination, SSA has an administrative review process that consists of several steps.

- Applicants dissatisfied with their initial determinations can request a reconsideration of the disability claim within 60 days after receiving notice of the initial determination.\(^12\) The reconsideration review is conducted by DDS personnel who were not involved in the original decision.

- If the applicant is dissatisfied with the reconsideration determination, the applicant then has 60 days after receiving notice of the reconsideration determination to request a hearing before an administrative law judge (ALJ).

- An applicant who is dissatisfied with the hearing decision may request, within 60 days of receiving notice of the ALJ’s decision, that the Appeals Council—SSA’s final administrative appeal level—review the claim.

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\(^8\) DI beneficiaries who reach full retirement age (FRA) are automatically converted to Social Security retirement benefits, and therefore DI beneficiaries are below this age. FRA is currently age 66 for individuals born in 1954 and gradually increases to age 67 for individuals born in 1960 and later.

\(^9\) Individuals with low incomes and assets who also have a sufficient work history may qualify for the DI and SSI programs concurrently, with SSI payments generally offset by DI payments.

\(^10\) To be eligible for SSA disability benefits, applicants must demonstrate that they are unable to engage in substantial gainful activity (SGA), which SSA measures as monthly earnings above a threshold that is generally adjusted annually. In 2020, the monthly SGA amount is $1,260 for non-blind individuals and $2,110 for blind individuals.

\(^11\) DDS offices are federally-funded state offices. DDS offices follow federal SSA policies and procedures to determine disability status of applicants. DDS office staff gather, develop, and review an applicant’s medical and vocational evidence to make a disability determination.

\(^12\) In 1999, SSA eliminated the reconsideration step in nine states and part of California (Alabama, Alaska, Colorado, Louisiana, Michigan, Missouri, New Hampshire, New York, Pennsylvania, and in the Los Angeles area) as part of the Disability Redesign Prototype Model. In these states, applicants who wished to appeal their initial DDS determination had to appeal for review before an administrative law judge. SSA restored the reconsideration process in six of these states in fiscal year 2019 and completed restoring it in the remaining states in March 2020.
• To appeal this final agency decision, the applicant may file an action in federal district court.

According to GAO’s analysis of SSA’s Management Information Disability (MIDIB) administrative data, 49 percent of applicants who filed appeals from fiscal years 2008 through 2019 and whose appeals within SSA were concluded by the end of fiscal year 2019 were ultimately allowed benefits.13

• Benefit allowance rates were above 50 percent for appeals of disability claims filed in 2008 through 2011, with allowance rates decreasing to about 45 percent for claims filed in more recent years.

• While about 77 percent of applicants who were denied at the reconsideration level sought a hearing before an ALJ, 35 percent of those denied at the hearings level sought review by the Appeals Council.

• Only 3.1 percent of applicants whose administrative appeals within SSA were denied sought further review by filing as appeal in a federal district court.

Because disability applicants may have no or very low earnings and cannot earn more than SSA’s defined substantial gainful activity (SGA) amount without affecting their eligibility for benefits, they could experience negative financial outcomes such as bankruptcy while awaiting a decision. Additionally, as disability applicants are likely to have a serious medical condition, their health could deteriorate during a lengthy appeals process.

Most Disability Applicants Who Appealed a Denial Waited Over a Year for a Decision, and Some Waited Multiple Years

Over the period of fiscal years 2008 through 2019, most applicants who filed an appeal waited more than 1 year for a final decision on their claim, according to our analysis of SSA data.14 Median wait times from filing a disability claim to the end of the appeal were 561 days for claims filed in fiscal year 2010. Median wait times rose to 839 days for claims filed in fiscal year 2015, following an increase of disability claims subsequent to the Great Recession. Wait times have decreased in more recent years as SSA had made substantial progress in reducing the wait at the hearings level prior to the Coronavirus Disease 2019 (COVID-19) pandemic. For example, SSA reported that the average processing time for hearings decisions decreased from 605 days in fiscal year 2017 to 506 days in fiscal year 2019.

As indicated in enclosure I, individuals who were denied disability benefits and filed appeals from fiscal years 2008 through 2019 were older and had less education than the overall population of adults below full retirement age. Older applicants who filed appeals had their claims allowed at a higher rate than younger applicants.15 Men and women who filed appeals

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13Applicants who are allowed disability benefits may be eligible to receive retroactive payments, depending on the date of disability onset and the duration of the appeal, among other factors.

14Applicants’ choices to continue their appeal can affect the length of their wait for a final administrative decision. For example, an applicant who is denied at the reconsideration level and chooses not to pursue the appeal further will generally wait less time than an applicant who appeals the reconsideration-level denial to the hearings level.

15The incidence of disability increases with age. In addition, SSA is required under the Social Security Act to take age into account along with education and work experience in adjudicating disability claims. 42 U.S.C. §§ 423(d)(2)(A),
had their claims allowed at approximately the same rate, but applicants with more education saw their claims allowed at a somewhat higher rate. Wait times for a final decision did not vary meaningfully by age, sex, and education.

The increase in appeals wait times in the mid-2010s was largely driven by applicants waiting longer for a hearing before an administrative law judge (ALJ):

- Wait times at the reconsideration level varied only slightly with the fiscal year in which the applicant filed for reconsideration, with median wait times generally in the range of 110 to 120 days for a reconsideration decision by a disability examiner not involved in the initial denial in fiscal years 2008 through 2019.

- There were substantial increases in wait times at the hearings level, with the median wait time of 396 days for those who filed for hearings in fiscal year 2011 rising to 687 days by fiscal year 2016.

- There was some increase in wait times for review at the Appeals Council level, with the median wait time of 383 days increasing to 441 days by fiscal year 2015. However, this had less effect on overall wait times due to the relatively low proportion of claims that reach that level.

As wait times increased in the mid-2010s, more applicants faced years-long waits on their claims:

- Among applicants who filed claims for disability benefits in fiscal year 2010, when wait times were comparatively low, 17 percent of those who appealed benefit denials had their appeals still pending at the end of fiscal year 2012 and 6 percent had their appeals pending at the end of fiscal year 2013.

- For applicants who filed for disability benefits in fiscal year 2015, 41 percent had pending appeals at the end of fiscal year 2017 and 10 percent had pending appeals at the end of fiscal year 2018.

**About One Percent of Applicants Pursuing Disability Appeals from Fiscal Years 2014 through 2019 Filed for Bankruptcy while Awaiting a Decision**

From fiscal years 2014 through 2019, about 48,000 individuals filed for bankruptcy while awaiting a final decision about their disability appeals.\(^{16}\) This represents about 1.3 percent of the approximately 3.64 million disability applicants who filed appeals during those years.\(^{17}\) Of the applicants who filed for bankruptcy while awaiting a final disability decision, 44.6 percent were

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\(^{13}\)82c(a)(3)(B). As a result, in some cases an applicant in their 50s or 60s would be approved for benefits while an otherwise similar applicant below age 50 would not. Appendix 2 to Subpart P of 20 C.F.R. Part 404.

\(^{16}\)AOUSC provided GAO with bankruptcy filing data for fiscal years 2014 through 2019. Bankruptcies among individuals who were awaiting decisions about disability appeals may be unrelated to the applicant's claimed disability. GAO did not attempt to determine whether a pending disability appeal was a factor contributing to an individual's decision to file for bankruptcy.

\(^{17}\)This percentage may underestimate the true percentage who ultimately file for bankruptcy because some of these applicants had pending appeals at the end of fiscal year 2019 and could file for bankruptcy before receiving a final decision.
ultimately approved for disability benefits and 50.7 percent were denied. During the same timeframe, about 45,000 applicants filed for bankruptcy prior to filing a claim for disability benefits, and another 90,000 applicants filed for bankruptcy after receiving a final disability decision. From fiscal years 2014 through 2019, applicants who filed for bankruptcy while awaiting a disability appeals decision were disproportionately female, older, and had more than a high school education as compared to the total population of disability applicants that filed appeals (see enclosure. I).

About One Percent of Applicants, or More Than 100,000 People, Died while Awaiting a Final Disability Determination from Fiscal Years 2008 through 2019

Of the approximately 9 million disability applicants who filed an appeal from fiscal years 2008 through 2019, 109,725 died prior to receiving a final disability decision. This represents about 1.2 percent of the total number of disability applicants who filed an appeal over that time period. According to analysis from SSA’s Office of the Chief Actuary (OACT), death rates for applicants appealing their disability benefits decision are higher than that of the general population, but lower than individuals approved for disability benefits during an initial determination. It is expected that the death rate for individuals applying for disability benefits would be greater than the general population as applicants are reporting that they have severe physical or mental impairments.

In recent years, the annual death rate of applicants awaiting a disability appeals decision has increased (see fig. 1). Specifically, from fiscal years 2011 through 2018, the annual death rate

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18The remaining appeals cases were still pending at the end of fiscal year 2019.

19The number of applicants who filed appeals and died prior to receiving a final disability decision includes applicants with pending appeals cases. After an applicant’s death, the family can continue to pursue the appeal to seek retroactive benefits. As such, some deceased applicants still have active appeals cases. Additionally, some individuals who had pending cases at the end of fiscal year 2019 may die before receiving a final decision and thus we cannot know the ultimate proportion of applicants from fiscal years 2008 through 2019 who may die before receiving a decision. Deaths of individuals who were awaiting decisions about disability appeals may be unrelated to the applicant’s claimed disability; we do not have information on cause of death for these individuals.

20OACT’s 2018 report analyzed death rates for disability appeals applicants awaiting an ALJ determination compared to death rates for the general population that were age-sex-adjusted to the age-sex distribution of claimants pending an ALJ determination. OACT reports that the death rate among individuals awaiting an ALJ hearing decision is about 2.5 times greater than the death rate for the general population age 18 and older. Additionally, OACT reports that in 2017 the annual death rate for applicants awaiting an ALJ hearing was 0.919 percent which is about one-fourth as high as the death rate, at 3.56 percent, for those approved for disability benefits within 2 years of their initial entitlement. OACT notes that two factors help explain higher death rates among applicants approved for benefits earlier in the adjudicative process: First, only about half of appeals at the ALJ level will be found to be disabled, suggesting that the population appealing to the hearing level are less impaired than the greater population of individuals applying for disability benefits. Second, applicants with the most severe impairments, particularly terminal conditions, are more likely to be deemed disabled at the initial determination level. S. Goss, J. Walsh, and B. Kestenbaum. Probability of Death While Pending an Administrative Law Judge Determination. Social Security Administration Actuarial Note No. 159 (Baltimore, Md: May 2018).

21Due to population aging, the average age of disability applicants who filed appeals in more recent years could be higher than in previous years, which could contribute to an increase in the death rate. We did not evaluate the potential effects of population aging as we did not compute death rates adjusted for changes in the age-sex distribution of disability applicants seeking appeals.
for these applicants increased from 0.52 percent to 0.72 percent. This represents an increase in annual deaths from 8,073 deaths in fiscal year 2011 to 11,181 deaths in fiscal year 2018.

**Figure 1: Annual Death Rate of Social Security Disability Applicants Awaiting Appeals Decisions, Fiscal Years 2011-2019**

Notes: These percentages represent the annual death rate for applicants who had pending disability appeals at any level within the SSA appeals process in a given fiscal year, calculated by dividing the number of deaths during the fiscal year by the average of the number of pending claims at the start and end of the fiscal year plus one half of the deaths that occurred during the fiscal year. These rates are not adjusted for changes over time in the age-sex distribution of disability applicants who filed appeals. This figure excludes deaths among applicants who filed a disability claim from fiscal year 2008 through 2010 and appealed a benefit denial. The data only include disability applicants who filed an initial disability claim in fiscal years 2008 through 2019. We do not have information about deaths of disability applicants who filed claims in fiscal year 2007 or previous years, even if they died in fiscal year 2008 or later. As a result, our analysis undercounts deaths in the first few years of the data but does correctly reflect annual death rates by the end of fiscal year 2019 for those who first filed claims beginning in fiscal year 2008.

For some applicants, a long wait time may have increased the potential risk of declining health or death prior to receiving a final benefits decision. The number of appeals filed increased following the Great Recession, resulting in a larger appeals backlog and extended wait times for decisions. Therefore, the number of disability applicants at increased risk of deteriorating health and death prior to receiving a final decision was likely greater in subsequent years.\(^{23}\)

\(^{22}\)This analysis excludes deaths among applicants who died during fiscal years 2008 through 2010. The data only includes disability applicants who filed an initial disability claim in fiscal years 2008 through 2019. We do not have information about the deaths of disability applicants who filed claims in fiscal year 2007 or previous years, even if they died in fiscal year 2008 or later. As a result, our analysis undercounts deaths in the first few years of the data but does correctly reflect annual death rates during the appeals process by the end of fiscal year 2019 for those who first filed disability claims beginning in fiscal year 2008.

\(^{23}\)SSA does not collect data on cause of death; therefore, we could not determine whether or not an applicant's death was related to their claimed disability or to some other cause.
Applicants who filed their initial disability claim during years of peak wait times and appealed a benefit denial died at a higher rate while awaiting a final decision than applicants who filed their initial claim and appealed a benefit denial in years with shorter wait times.

- Of applicants who filed their disability claim in fiscal year 2011, for whom the median wait time for a final decision was 572 days, approximately 1.04 percent died before receiving a final disability decision.

- Of applicants who filed their claim in fiscal year 2015, for whom median wait times peaked at 839 days, approximately 1.57 percent died before receiving a decision.\(^{24}\)

Among applicants who filed an appeal and died awaiting a final benefits decision, the majority died while awaiting decisions at the hearings and Appeals Council review levels. Specifically, of the 109,725 applicants who died while awaiting a final decision from fiscal years 2008 through 2019, 82.5 percent died while awaiting a hearing before an ALJ or Appeals Council review.

In fiscal years 2008 through 2019, disability applicants awaiting a final decision about their appeal who were male died at higher rates than applicants who were female and those who were older died at higher rates than younger applicants. While females made up the majority of disability applicants who filed appeals (52 percent of the 9 million applicants), 61.6 percent of deaths among those awaiting a final decision were male. Death rates were largely similar across reported education levels (see enclosure 1).

**Agency Comments**

We provided a draft of this report to SSA and AOUSC for review and comment. AOUSC did not have any comments. SSA provided written comments, which are reproduced in full in enclosure III. SSA also provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Commissioner of Social Security, and the Director of the Administrative Office of the U.S. Courts. In addition, the report is available at no charge on the GAO website at [http://www.gao.gov](http://www.gao.gov).

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\(^{24}\)Death rates based on the year an applicant filed a disability claim are higher than the annual death rates because most applicants who appeal wait more than 1 year for a final decision. These cumulative death rates may understate the ultimate death rate to the extent that a small number of these applicants still had pending appeals at the end of fiscal year 2019.
If you or your staff members have any questions about this report, please contact me at (202)512-7215 or curdae@gao.gov. Contact points for our offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report include Mark Glickman (Assistant Director), Christopher Zbrozek (Analyst-in-Charge), Emilie Weiss, Sam Portnow, and Muhammad Safavi. Also contributing to this report were Melinda Cordero, Ranya Elias, Alex Galuten, Emei Li, Joel Marus, Sheila R. McCoy, Kathleen McQueeney, Kevin Metcalfe, Mimi Nguyen, Stacy Ouellette, Frank Todisco, and Walter Vance.

Elizabeth Curda
Director, Education, Workforce, and Income Security Issues

Enclosures – 3
Enclosure I: Demographic Characteristics of Disability Applicants Who Filed for Bankruptcy or Died while Awaiting Final Decisions on their Appeals

This enclosure provides additional information on the demographics of those who appealed Social Security Administration (SSA) disability decisions compared to the general population as well as the demographics of disability applicants who filed for bankruptcy or died while awaiting a final decision on their appeals.

### Table 1: Demographic Characteristics of Disability Applicants Who Filed for Bankruptcy, Fiscal Years 2014-2019, or Died while Awaiting Final Decisions on Disability Appeals, Fiscal Years 2008-2019

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Category</th>
<th>Percent of U.S. population ages 18-64 in 2019</th>
<th>Percent of disability appeals population</th>
<th>Percent distribution of applicants who filed for bankruptcy while waiting for a final decision</th>
<th>Percent distribution of applicants who died while waiting for a final decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Less than high school diploma</td>
<td>10.2</td>
<td>26.2</td>
<td>13.0</td>
<td>25.3</td>
</tr>
<tr>
<td></td>
<td>High school diploma or GED</td>
<td>27.5</td>
<td>47.5</td>
<td>47.0</td>
<td>48.2</td>
</tr>
<tr>
<td></td>
<td>Some college or associate degree</td>
<td>28.4</td>
<td>18.8</td>
<td>26.9</td>
<td>18.5</td>
</tr>
<tr>
<td></td>
<td>Bachelor degree or higher</td>
<td>33.9</td>
<td>7.5</td>
<td>13.1</td>
<td>7.2</td>
</tr>
<tr>
<td>Sex</td>
<td>Male</td>
<td>49.2</td>
<td>47.8</td>
<td>40.4</td>
<td>61.6</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>50.8</td>
<td>52.2</td>
<td>59.6</td>
<td>38.4</td>
</tr>
<tr>
<td>Age</td>
<td>29 and under</td>
<td>26.5</td>
<td>12.4</td>
<td>2.0</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>30-39</td>
<td>21.9</td>
<td>18.3</td>
<td>13.6</td>
<td>12.3</td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>20.2</td>
<td>31.7</td>
<td>30.1</td>
<td>29.7</td>
</tr>
<tr>
<td></td>
<td>50-59</td>
<td>21.0</td>
<td>31.7</td>
<td>41.3</td>
<td>42.4</td>
</tr>
<tr>
<td></td>
<td>60 or older</td>
<td>10.4</td>
<td>5.8</td>
<td>12.9</td>
<td>11.9</td>
</tr>
</tbody>
</table>


Note: Bankruptcies and deaths among individuals who were awaiting decisions about disability appeals may be unrelated to the applicant’s claimed disability. We did not have information about applicants' financial resources or cause of death and did not attempt to determine whether these outcomes were related to pending disability appeals. We use the term 'final decision' to refer to the last decision an applicant receives on an appeal. Because SSA’s appeal process includes several steps, an applicant who abandons an appeal at an earlier step could receive a decision earlier than one who pursues all administrative appeals. Figures for the general population are from the 2019 Current Population Survey (CPS). The results are not materially different using CPS figures across fiscal years 2009 through 2019 to account for increases in educational attainment or population aging over time. For example, the corresponding figures from the 2008 Current Population Survey show that 28 percent of adults ages 18-64 had a bachelor’s degree or higher in that year, while 42 percent had a high school education or less.
Enclosure II: Number of Disability Applicants Who Filed for Bankruptcy or Died while Awaiting Final Decisions on their Appeals

This enclosure provides additional details on the annual numbers of bankruptcy filings and deaths among Social Security Administration disability applicants who were waiting for final decisions about their appeals.

Table 2: Number of Disability Applicants Who Filed for Bankruptcy, Fiscal Years 2014-2019, or Died while Awaiting Final Decisions on Disability Appeals, Fiscal Years 2011-2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Bankruptcies</th>
<th>Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>---</td>
<td>8,077</td>
</tr>
<tr>
<td>2012</td>
<td>---</td>
<td>9,067</td>
</tr>
<tr>
<td>2013</td>
<td>---</td>
<td>9,721</td>
</tr>
<tr>
<td>2014</td>
<td>5,689</td>
<td>10,014</td>
</tr>
<tr>
<td>2015</td>
<td>9,199</td>
<td>11,207</td>
</tr>
<tr>
<td>2016</td>
<td>9,323</td>
<td>12,209</td>
</tr>
<tr>
<td>2017</td>
<td>8,674</td>
<td>12,267</td>
</tr>
<tr>
<td>2018</td>
<td>8,218</td>
<td>11,354</td>
</tr>
<tr>
<td>2019</td>
<td>7,241</td>
<td>9,607</td>
</tr>
</tbody>
</table>

Source: GAO analysis of Social Security Administration and Administrative Office for the U.S. Courts data. | GAO-20-641R

Note: Bankruptcies and deaths among individuals who were awaiting decisions about disability appeals may be unrelated to the applicant’s claimed disability. We did not have information about applicants’ financial resources or cause of death and did not attempt to determine whether these outcomes were related to pending disability appeals. AOUSC provided GAO with bankruptcy data for fiscal years 2014 through 2019. We use the term ‘final decision’ to refer to the last decision an applicant receives on an appeal. Because SSA’s appeal process includes several steps, an applicant who abandons an appeal at an earlier step could receive a decision earlier than one who pursues all administrative appeals. Table excludes deaths among disability applicants from fiscal years 2008 to 2010. The data only includes disability applicants who filed a disability claim in fiscal years 2008 to 2019. We do not have information about deaths of disability applicants who filed claims in fiscal year 2007 or previous years, even if they died in fiscal year 2008 or later. As a result, our analysis undercounts deaths in the first few years of our data.
Enclosure III: Comments from the Social Security Administration

August 5, 2020

Ms. Elizabeth Curda
Director, Education, Workforce, and Income Security Issues
United States Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Curda,

Thank you for the opportunity to review the draft report, “SOCIAL SECURITY DISABILITY: Information on Wait Times, Bankruptcies, and Deaths Among Applicants Who Appealed Benefit Denials” (GAO-20-41R).

Commissioner Saul’s highest priority is to improve customer service. We have made significant progress improving the hearings process by prioritizing the cases of those individuals who have waited the longest for a hearing decision. Despite the uncertainties about how the COVID-19 pandemic may affect our progress, we will continuously seek opportunities to improve the service we provide to the public.

If you have any questions, please contact me at (410) 965-9704. Your staff may contact Trae Sommer, Director of the Audit Liaison Staff, at (410) 965-9102.

Sincerely,

Stephanie Hall
Chief of Staff

SOCIAL SECURITY ADMINISTRATION BALTIMORE, MD 21235-0001
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