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**SOCIAL SECURITY  
ADMINISTRATION FIELD  
OFFICES**

**Reduced Workforce Faces  
Challenges as Baby  
Boomers Retire**

Statement of Barbara D. Bovbjerg, Director  
Education, Workforce, and Income Security Issues





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

## 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.

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](mailto:bovbjerg@gao.gov).

# SOCIAL SECURITY ADMINISTRATION FIELD OFFICES

## Reduced Workforce Faces Challenges as Baby Boomers Retire

### 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) <sup>a</sup>	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
<b>Percent change, 2005 to 2007</b>	<b>-7.1 %</b>	<b>-2.5%</b>	<b>+4.9%</b>

Source: GAO analysis of SSA data.

<sup>a</sup>SSA 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.

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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the state of Social Security Administration (SSA) field office services. SSA's approximately 1,300 field offices are a vital component of SSA's operations, serving approximately 42 million customers in fiscal year 2007. Employing slightly less than half of the agency's 64,000 employees, field offices serve as SSA's primary points for face-to-face contact with the public. People visit their local field offices to apply for Social Security cards and for Social Security benefits, to request replacement benefit checks, and for a host of other services. SSA has served the public for over 70 years. Recent staffing reductions are increasingly challenging field offices' ability to meet the demand for services. My remarks today will address (1) the effect that staffing reductions may be having on field office operations and (2) the challenges SSA faces in meeting field service delivery needs in the future.

My written statement is based on our ongoing work for this committee, and we will provide you a full report later this year. To conduct our work, we interviewed SSA headquarters officials responsible for operations, budget, and strategic and human capital planning and obtained relevant documentation. We interviewed managers and staff in 21 field offices and two Social Security Card Centers to gain their perspectives on the effect of staffing reductions. We selected a wide variety of the field offices based on the size of the populations they served, their geographic location, the number of staff, and customer wait times. Table 7 lists the field offices we visited and their beneficiary populations. To gain further perspectives on the effect of field office staffing reductions, we interviewed officials in two SSA regional offices and three area offices. To assess field office waiting times, SSA provided us summary data. As we are currently in the process of completing our work, we have not yet validated SSA's waiting time data. Our work is being conducted 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.

In summary, SSA field offices largely met work demands despite operating with fewer staff and an increased demand for services, but the lower staffing levels may have contributed to 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 from their usual responsibilities

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to meet critical needs. SSA also encouraged customers to make greater use of Internet and other electronic services to conduct their business. Additionally, SSA deferred work that it deemed a relatively low priority, such as conducting reviews of beneficiaries' continuing eligibility. Deferring these reviews, however, 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 are experiencing longer waiting times and poor telephone service, according to SSA data. Between fiscal years 2002 and 2006, SSA reported that the average waiting time for field office service increased by 40 percent from about 15 minutes to 21 minutes, and in fiscal year 2007, more than 3 million customers waited for over 1 hour to be served. Further, SSA's 2007 Field Office Caller Survey found that 51 percent of customer calls to field offices went unanswered. These factors may have contributed to a 4 percent drop in SSA's overall customer satisfaction rating from fiscal year 2005 to 2007. In addition, staff reported high levels of stress and a lack of time for training.

As the oldest of the nation's approximately 80 million baby boomers are now reaching the age of retirement eligibility, increases in retirement and disability filings and a significant retirement wave of SSA's most experienced staff may pose difficult challenges for SSA to meet future service delivery needs without a clear plan for addressing them. SSA estimates that retirement and disability filings will increase the agency's work by about 1 million annual claims by 2017. Further, SSA will experience an agencywide retirement wave in the coming years, and projects that 44 percent of its staff will retire by 2016. The retiring employees will be among the agency's most experienced who account for decades of institutional knowledge. However, with an increase in its fiscal year 2008 funding, SSA is planning to hire an additional 2,350 staff in its regional and field offices this fiscal year, almost all of whom will go to 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 staff, including programs to hire and retain older workers to fill knowledge gaps. SSA is currently working to finalize its Annual Strategic Plan that is expected to describe the strategies for addressing these challenges.

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## Background

Almost all Americans have sought the services of SSA at some point in their lives, and for many, their first experience is applying for a Social

Security number (SSN).<sup>1</sup> SSA offers a range of services, which includes providing financial assistance to eligible individuals through the following three major benefit programs:

- Old-Age and Survivors Insurance (OASI) provides benefits to retired workers and their families and to survivors of deceased workers;
- Disability Insurance (DI) provides benefits to eligible workers who have qualifying disabilities, and their eligible family members; and
- Supplemental Security Income (SSI) provides income for aged, blind, or disabled individuals with limited income and resources.

In fiscal year 2007, these three benefit programs provided a combined total of approximately \$613 billion to about 54 million beneficiaries. SSA projects that the benefit payments and number of beneficiaries for the three programs will increase in fiscal years 2008 and 2009 (see tables 1 and 2).

**Table 1: Federal Benefit Outlays for OASI, DI, and SSI Programs, Fiscal Years 2007 to 2009**

<b>Program</b>	<b>Fiscal year 2007 (actual)</b>	<b>Fiscal year 2008 (estimate)</b>	<b>Fiscal year 2009 (estimate)</b>
Dollars in billions <sup>a</sup>			
OASI	\$479.7	\$502.5	\$530.6
DI	97.0	102.9	109.5
SSI	36.0	41.2	43.2
<b>Total Outlays</b>	<b>\$612.7</b>	<b>\$646.6</b>	<b>\$683.4</b>

Source: GAO analysis of SSA data.

<sup>a</sup>Totals may not add due to rounding.

<sup>1</sup>SSA's process of assigning SSNs to individuals is known as enumeration.

**Table 2: Average Number of Beneficiaries for OASI, DI, and SSI Programs in Payment Status, Fiscal Years 2007 to 2009**

<b>Program</b>	<b>Fiscal Year 2007 (Actual)</b>	<b>Fiscal Year 2008 (Estimate)</b>	<b>Fiscal Year 2009 (Estimate)</b>
(number in millions) <sup>a</sup>			
OASI	40.7	41.2	42.0
DI	8.7	9.0	9.3
SSI	7.0	7.2	7.3
Concurrent recipients <sup>b</sup>	(2.6)	(2.6)	(2.7)
<b>Total beneficiaries</b>	<b>53.8</b>	<b>54.7</b>	<b>56.0</b>

Source: GAO analysis of SSA data.

<sup>a</sup>Totals may not add due to rounding.

<sup>b</sup>Recipients receiving benefits from the OASI and SSI or DI and SSI programs.

Besides paying benefits through these three programs, SSA issues Social Security cards, maintains earnings records, and performs various other functions through a network of field office and headquarters operations using an administrative budget of over \$10 billion. SSA's field operations consist of

- field offices, which serve as the agency's primary points for face-to-face contact, perform a full range of services, including making eligibility determinations for Social Security benefits;
- Social Security Card Centers, which issue SSNs;
- Teleservice Centers, which offer national toll-free telephone service; and
- Program Service Centers, which make entitlement decisions for benefits, as well as assist in answering toll-free calls.

Table 3 shows the type of work that is performed by various SSA field components.

**Table 3: Type of Work Conducted by Various SSA Field Components**

Type of work	Function	Field entities involved in this work
Claims for OASI, DI, and SSI benefits	Takes applications for benefits, evaluates evidence, and makes determinations of eligibility and benefit amounts. Makes nonmedical eligibility determinations for DI and SSI, but does not determine if individuals are medically eligible for disability payments.	Field offices Teleservice Centers Program Service Centers
Program Integrity	Conducts continuing nonmedical eligibility reviews to ensure payment accuracy.	Field offices (nonmedical eligibility reviews)
SSNs	Takes applications for and issues SSNs after determining the validity of required evidence. Also, updates records of people who have been issued SSNs to keep them current and accurate.	Field offices Social Security Card Centers
Earnings records	Posts updates to workers' records. Links the earnings records to SSNs and, when no match can be found, tracks the reported earnings and attempts to resolve the discrepancy.	Field offices Program Service Centers
Employment eligibility verification (E-Verify)	Assists employers in verifying the name/SSN/citizenship/work authorization of new hires, and assists workers in resolving discrepancies between SSA and Department of Homeland Security data.	Field offices
Medicare program assistance	Takes applications and determines eligibility for the Medicare program and processes applications for replacement Medicare cards. Also, makes eligibility determinations and redeterminations for the prescription assistance subsidy offered under the Medicare Prescription Drug Program, among other Medicare work.	Field offices

Source: GAO analysis of SSA information.

Field offices, which served approximately 42 million customers in fiscal year 2007, are a vital component for delivering SSA services to the public. Field offices are located in communities across the United States, the Virgin Islands, Puerto Rico, and Guam, and deliver services through face-to-face contact, over the phone, and through the mail. Field offices range in size from large urban offices with 50 or more employees to very small offices in remote areas called resident stations. In August 2007, there were approximately 1,271 field offices and 37 resident stations. Resident stations have more limited services and are staffed by one or two individuals in their homes or in a separate office (other than an SSA field office). Field offices also offer services to the public through about 1,200 contact stations. These stations provide very limited functions and are staffed with one SSA field office employee who travels to certain locations, such as a hospital, once a month. Additionally, SSA has begun using video conferencing to take claims and provide other services to customers in remote locations in North Dakota, Wyoming, and South

Dakota. SSA is planning to expand the video network to provide additional sites and services.

While SSA field offices take applications and determine if claimants meet basic, nonmedical eligibility requirements for DI and SSI disability claims, state Disability Determination Services (DDS) that are under contract with SSA make medical eligibility determinations for these claims. SSA's Hearing Offices and Appeals Council make decisions on appeals of these determinations. Appendix II describes the functions of each of these entities in the medical disability determination process for DI and SSI claims. DDSs also conduct continuing disability reviews for DI and SSI beneficiaries to ensure that they are still medically eligible for payments.

In addition to field offices, SSA offers customers a variety of other options for conducting their business. Individuals may call SSA's toll-free helpline to file for benefits or to obtain general information. They may also use the Internet to file for benefits or visit a Social Security Card Center to request a Social Security card. Figure 1 shows the various options by which customers may conduct their business with SSA.

**Figure 1: SSA Service Delivery Options**

<b>Field offices</b>	<ul style="list-style-type: none"> <li>• Visit an SSA field office to conduct face-to-face business with a staff person. Range of services include:               <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> applying for Social Security benefits</li> <li><input checked="" type="checkbox"/> requesting change of address</li> <li><input checked="" type="checkbox"/> requesting change in direct deposit</li> <li><input checked="" type="checkbox"/> requesting Social Security card</li> </ul> </li> <li>• Call or mail in documents</li> <li>• Self-help services available for requesting change of address and benefit verification letters</li> </ul>
<b>Teleservice Centers</b>	<p>Toll-free telephone services</p> <ul style="list-style-type: none"> <li>• Apply for retirement benefits</li> <li>• Obtain answers to general questions</li> <li>• Perform other actions</li> </ul>
<b>Internet</b>	<ul style="list-style-type: none"> <li>• Apply for retirement, disability, or spousal benefits</li> <li>• Change address</li> <li>• Change direct deposit</li> <li>• Obtain Medicare replacement cards</li> <li>• Perform other actions</li> </ul>
<b>Social Security Card Centers</b>	<ul style="list-style-type: none"> <li>• Visit a card center to request Social Security cards</li> </ul>

Source: GAO analysis of SSA data.



## Field Offices Largely Met Work Demands with Fewer Staff, but Staffing Reductions May Have Contributed to Some Adverse Effects

Despite operating with fewer staff from fiscal year 2005 to 2007 and an increased demand for services, field offices largely met work demands; however, staffing reductions may have contributed to some adverse effects. SSA and its field offices used various strategies to manage work demands, such as sharing work among offices, redirecting staff to serve critical needs outside of their usual responsibilities, encouraging customer use of the internet and telephone services, and deferring certain work. Despite these efforts, many field office managers and staff stated that they cannot keep up with their work. Reduced field office staffing may have contributed to customers waiting longer to be served, and customer calls to field offices are not always being answered. These factors may have contributed to a 4 percent drop in SSA's customer satisfaction rating between fiscal years 2005 and 2007. In addition, staff are experiencing high stress levels, lacking sufficient time for training, and facing other adverse effects according to field office managers and staff.

## Increased Staff Productivity Helped Minimize Potential Impact of Staffing Decline

Despite a 7.1 percent staffing decline during fiscal years 2005 to 2007, the amount of work that field offices produced decreased by only 2.5 percent.<sup>2</sup> As a result, the average amount of work produced by field office staff increased by 4.9 percent between fiscal years 2005 and 2007 (see table 4). The field office staffing reduction comprised nearly 60 percent of SSA's overall reduction (from 65,112 to 61,594 between fiscal years 2005 and 2007).

**Table 4: Comparison of Field Office Staffing and Work Completed, Fiscal Year 2005 to 2007**

Fiscal Year	Number of field office employees	Field office work (in work units)	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
<b>Percent change, 2005 to 2007</b>	-7.1 %	-2.5%	+4.9%

Source: GAO analysis of SSA data.

<sup>2</sup>SSA 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.

SSA officials attribute the staffing reductions to inadequate appropriations and are concerned about growth in work required for other federal agencies. Table 5 shows the Commissioner's and the President's budget requests and SSA's final appropriations for fiscal years 2002 to 2008. The table also shows the recent staffing decline. The table does note that SSA received a \$500 million budget increase in 2005 to manage the implementation of the Medicare Prescription Drug program and hire associated staff. In addition, other work that SSA conducts on behalf of other federal agencies has grown. For example, new state laws requiring federal government verification of work authorization are resulting in additional work and field office visits associated with the Department of Homeland Security's E-Verify program.

**Table 5: Social Security Administration's Limitation on Administrative Budget Account for Fiscal Years 2002 to 2008**

Fiscal year	Commissioner's request	President's budget request	Final appropriation	End of year SSA staff total
Dollars in millions				
2002	\$7,982	\$7,574	\$7,570	63,611
2003	7,974	7,937	7,885	65,191
2004	8,895	8,530	8,313	64,184
2005	9,310	8,878	8,733 <sup>a</sup>	65,122 <sup>a</sup>
2006	10,106	9,403	9,109	63,054
2007	10,250	9,496	9,298	61,594
2008	10,440	9,597	9,745 <sup>b</sup>	N/A

Source: GAO analysis of SSA data.

Note: SSA's Limitation on Administrative Expenses appropriation provides SSA with funding to administer the OASI, DI, and SSI programs, and to assist the agency in performing activities in support of the Medicare program. The appropriation provides a limitation on the amounts that may be expended, in total from the OASI, DI, SSI and Medicare programs, to meet the administrative expenses of the agency

<sup>a</sup>SSA's final appropriation for fiscal year 2005 includes a \$500 million appropriation for administrative start-up costs to implement the Medicare Prescription Drug, Improvement, and Modernization Act (MMA). The MMA created an outpatient prescription drug benefit that enables Medicare beneficiaries to enroll in competing private drug coverage plans, and offers a prescription assistance subsidy for certain low-income Medicare beneficiaries.

<sup>b</sup>The appropriation amount shown is the enacted amount.

Despite the staffing reductions, field offices served are serving a growing volume of visitors. Comparing the first 3 months of calendar years 2006 to 2008, visitor volume increased by almost 450,000 (about 4 percent). SSA field managers and staff told us that they also expect visitor volume to

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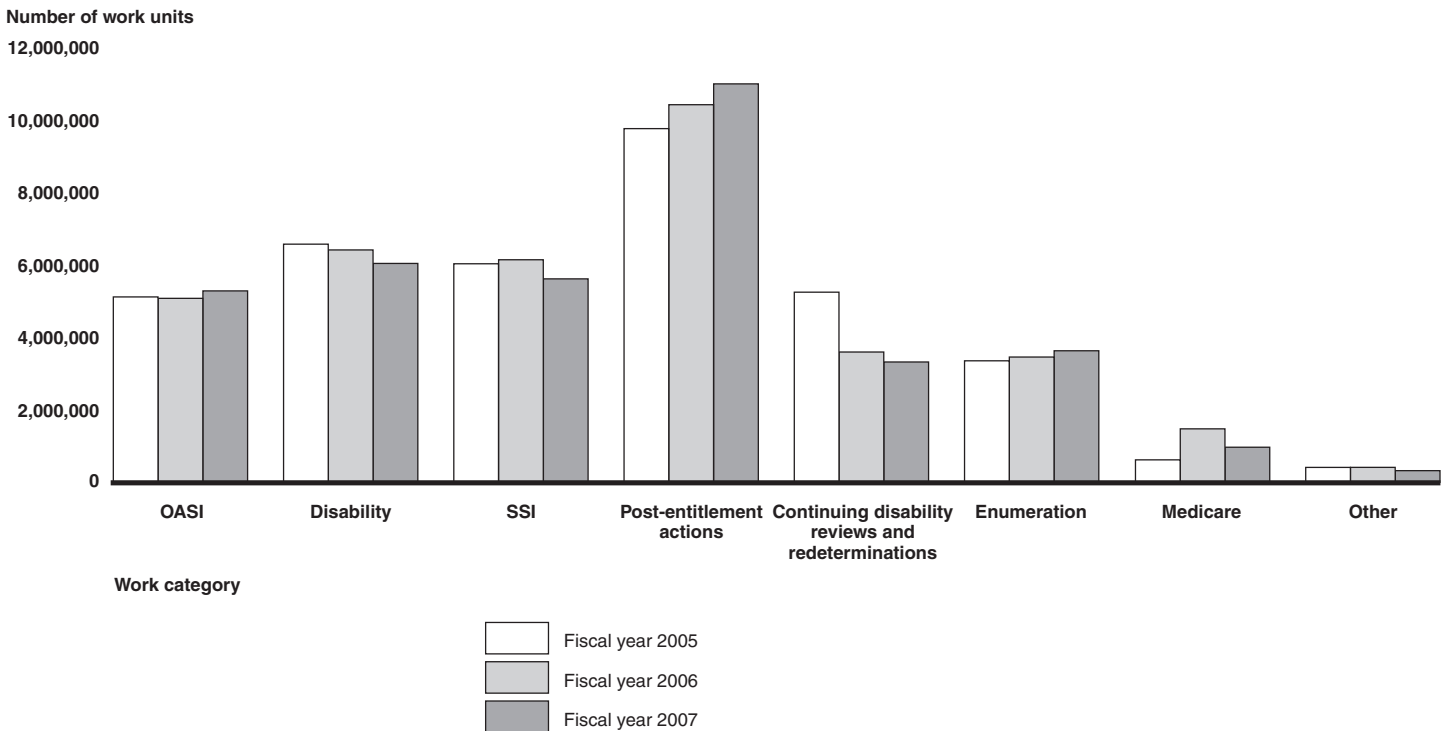
increase with the retirement of the baby boomers. As figure 2 shows, from fiscal years 2005 to 2007, SSA processed more OASI claims; post-entitlement<sup>3</sup> actions (other than for continuing eligibility reviews); enumerations; and Medicare actions. <sup>4</sup> During the same time period, SSA processed fewer DI and SSI claims (nonmedical determinations only); continuing disability reviews; and SSI redeterminations. SSA attributes the high volume of post-entitlement actions to the growth in beneficiary populations.

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<sup>3</sup>Post-entitlement actions are those occurring after customers become eligible for benefits that affect the amount or continuation of payment. Such actions include changes of address, benefit recomputations, overpayments, and reviews of DI and SSI beneficiaries' status to determine their continuing eligibility for benefits.

<sup>4</sup>There are two types of reviews: 1) continuing disability reviews, which are conducted periodically to ensure that disability and SSI recipients continue to meet SSA's definition of disability, and 2) SSI redeterminations, which verify recipients' living arrangements, income, and other nonmedical factors related to SSI eligibility.

**Figure 2: Field Office Work Units Completed by Major Work Category, Fiscal Years 2005 to 2007**



Source: GAO analysis of SSA data.

\*Other work includes resolving discrepancies in workers' earnings statements, updating information for student benefits, and replacing lost checks.

### SSA Used Various Strategies to Manage Staffing Declines

SSA is shifting work among field offices based on their workloads in an effort to increase overall efficiency. If a field office has work demands that it cannot immediately cover, that office can request that some work be transferred to another office. Offices that have a particular expertise in a certain type of work make themselves available, as they can process it more quickly. Field managers told us, however, that sometimes they are reluctant to share work because the office that receives and processes the work receives numerical credit, which helps an office justify a greater staff level for the future.

Managers are also using claims processing personnel to fill in as necessary to perform the duties typically done by lower-graded employees, and in some cases, even office managers take on the duties of their employees. Such duties include answering the telephone, providing initial services to arriving customers, processing requests for new or replacement Social

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Security cards, and conducting some administrative duties. While all field office personnel recognize the need to serve visitors, many also told us that such work is taking away from time spent processing claims and managing the office.

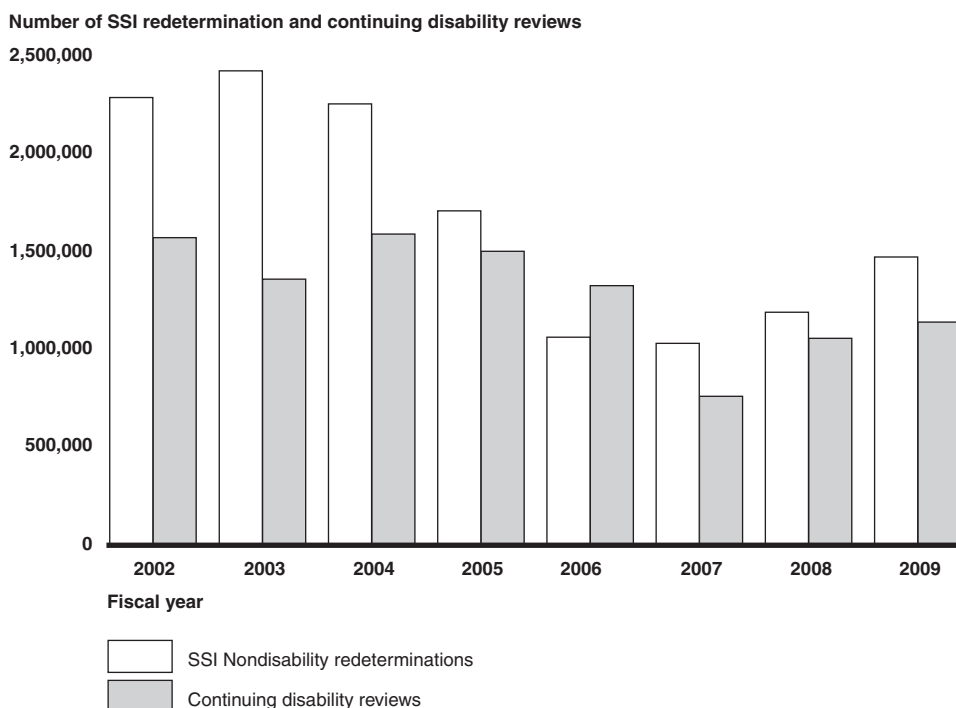
SSA is encouraging customers to use automated services to help field offices accomplish their work. However, many field staff said that real gains in the use of automated services will only likely be achieved by future generations of customers. SSA's vision for its "eService" program is that the public, businesses, and government agencies will be able to conduct all business through secure, electronic channels—thereby increasing the efficiency with which the agency can serve the public. SSA reported that in 2007 the public performed 2.9 million electronic transactions, such as applying for disability benefits or requesting a change of address. SSA's electronic services are available to the public over the Internet and by telephone, using the voice recognition capabilities of SSA's toll-free number. While field office staff and managers welcome automated tools that the public can use, some added that relatively few customers use them, and that due to erroneous or missing information in online forms, field staff can lose time having to contact the customers for clarification or more information. While they believe that automated tools should continue to be developed, many managers and staff told us that these tools are not a sufficient to compensate for reduced staffing levels.

Finally, with fewer staff available, SSA focused on field office work it considered essential to its "core workloads," such as processing new claims for Social Security benefits and issuing Social Security cards, but deferred other types of work. Field office managers and staff told us that certain post entitlement actions are typically delayed or deferred, when an office is under stress, including changes of address, changes to direct deposit information, and reviews to determine beneficiaries' continuing eligibility for DI and SSI benefits. Reviews of continuing eligibility, however, are key activities in ensuring payment accuracy. SSA estimates that continuing disability reviews yield a lifetime program savings of \$10 for every dollar invested, and SSI redeterminations yield a lifetime program savings of \$7 for every dollar invested.

In recent years, SSA has not been able to conduct as many reviews as it had planned, citing budget limitations and an increase in core work (see fig. 3). When reviews of benefits are delayed, some beneficiaries may continue to receive benefits when they no longer qualify. While delays in these reviews relieve work pressure, some field managers and staff told us that such delays cause future challenges when staff attempt to obtain

necessary documentation over multiple years, and overpayments accrue to the point that beneficiaries have difficulty repaying benefits for which they were not eligible.

**Figure 3: Number of SSI Redeterminations and Continuing Disability Reviews Completed, Fiscal Years 2002 to 2007 and Projected Fiscal Years 2008 to 2009**



Source: GAO analysis of SSA data.

Despite SSA's efforts to manage work with reduced staff, managers responding to a survey conducted in February and March 2007 by the National Council of Social Security Management Associations (NCSSMA)<sup>5</sup> stated that many of them are finding it increasingly difficult to keep up with the work. On average, the managers responding to the survey estimated that they would need a staffing increase of 16.7 percent to provide adequate public service. In the offices we visited, most of the managers also told us that they did not have an adequate number of staff.

<sup>5</sup>This organization represents SSA field office managers and Teleservice Center managers.

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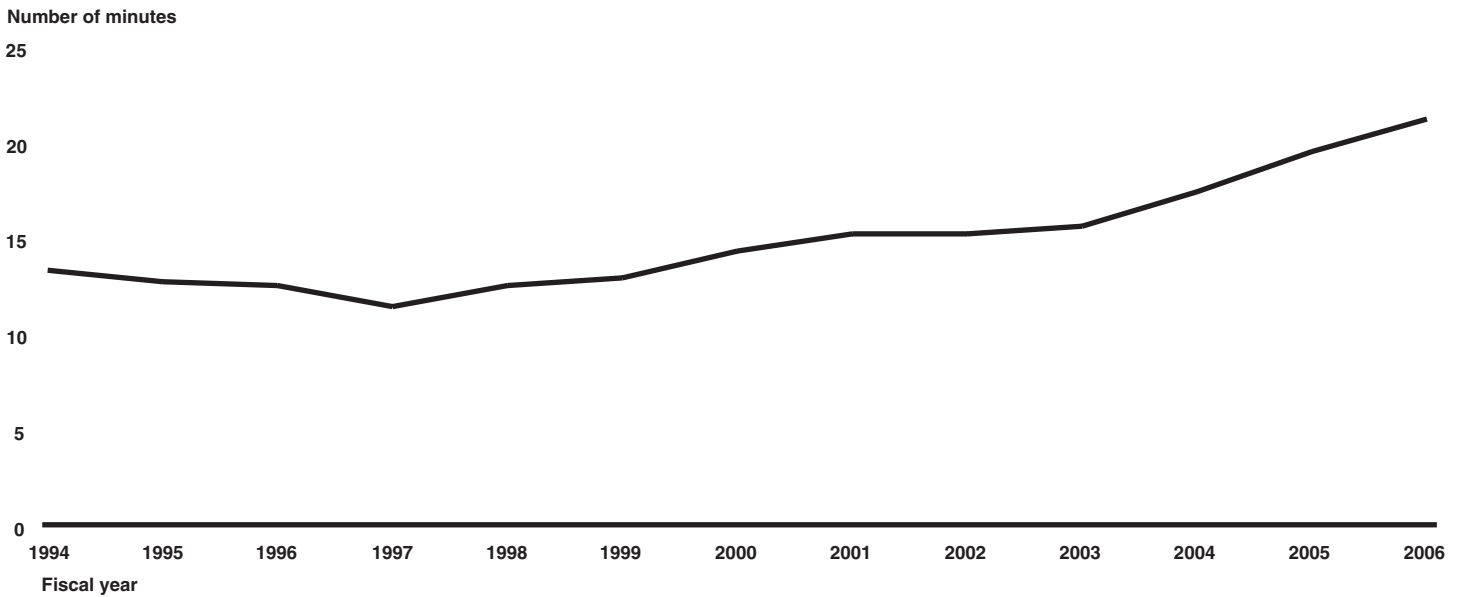
## Staffing Reductions May Have Contributed to a Buildup of Certain Work, Longer Customer Waiting Times, More Unanswered Customer Calls, and Other Adverse Effects

According to SSA officials, staffing imbalances resulted in a buildup of 1,000 workyears, for work that SSA was not able to complete<sup>6</sup> by the end of fiscal year 2007. SSA projects that the buildup will grow to 4,800 workyears by the end of fiscal year 2009; however, officials said that they are re-evaluating this figure in light of increases in productivity and overtime. Staff reductions may have also led to longer customer waiting times. Between fiscal years 2002 and 2006, the average waiting time to first contact for all customers increased by 40 percent from 15 to 21 minutes (see fig. 4). Nationally, 8 percent of customers—about 3 million people—waited more than 1 hour, which included 420,000 customers who waited more than 2 hours for service in fiscal year 2007 (see table 6). We also found significant variation in waiting times among field offices for customers without appointments. For example, for customers without appointments, more than 300 offices had average waiting times of less than 10 minutes, while 23 offices had average waiting times that exceeded 1 hour in fiscal year 2007. Further, customers without appointments during that period waited more than 1 hour on average at four of the offices we visited. In contrast, customers at the office in Devils Lake, North Dakota, waited on average for less than 1 minute (see table 9). We found that customers with appointments waited significantly less time than those without appointments. For example, SSA reported that 1,214 offices had waiting times of less than 10 minutes for customers with appointments, while only two had waiting times of more than 1 hour.

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<sup>6</sup>This work does not include DI and SSI disability claims backlogs at the DDS, Hearing Office, or Appeals Council levels.

**Figure 4: SSA Average National Waiting Times, Fiscal Years 1994 to 2006**



Source: GAO analysis of SSA data.

Note: Fiscal year 2006 data is from October 2005 to June 2006.

**Table 6: Fiscal Year 2007 Waiting Times**

Waiting times (in minutes)	Number of customers	Percentage of total
0-60	33,739,090	91.7%
61-120	2,616,920	7.1
More than 120	420,245	1.1

Source: GAO analysis of SSA data.

Insufficient staffing may have also been a factor in poor office phone coverage and other adverse effects on customer service. SSA's 2006 Field Office Caller Survey found that 51 percent of customer calls to 48 randomly selected field offices went unanswered. Because SSA based its results only on customers who were ultimately able to get through to the field offices, the actual percentage of calls that went unanswered may have been higher.<sup>7</sup> In addition, staff at 13 of the 21 offices we visited characterized their phone service as inadequate, while 2 of these offices did not answer their offices' phones at all. Employees we interviewed also

<sup>7</sup>The survey was based on interviews with 862 sampled callers.



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cited inadequate telephone service as a common customer complaint at 15 offices. In 2007, officials told us they initiated a pilot program called “Forward on Busy” in 25 field offices to address these deficiencies. Under the pilot, calls receiving a busy signal at field offices are automatically forwarded to a Teleservice Center. SSA plans to expand the pilot to a total of 100 field offices. In addition to poor phone service, staff at some of the offices we visited indicated that they now have less time to spend with customers. This limited time potentially could lead to mistakes and limit the ability of staff to ensure that customers fully understand their options and benefits. These factors may have contributed to a 4 percent drop in SSA’s customer satisfaction rating between fiscal years 2005 and 2007.

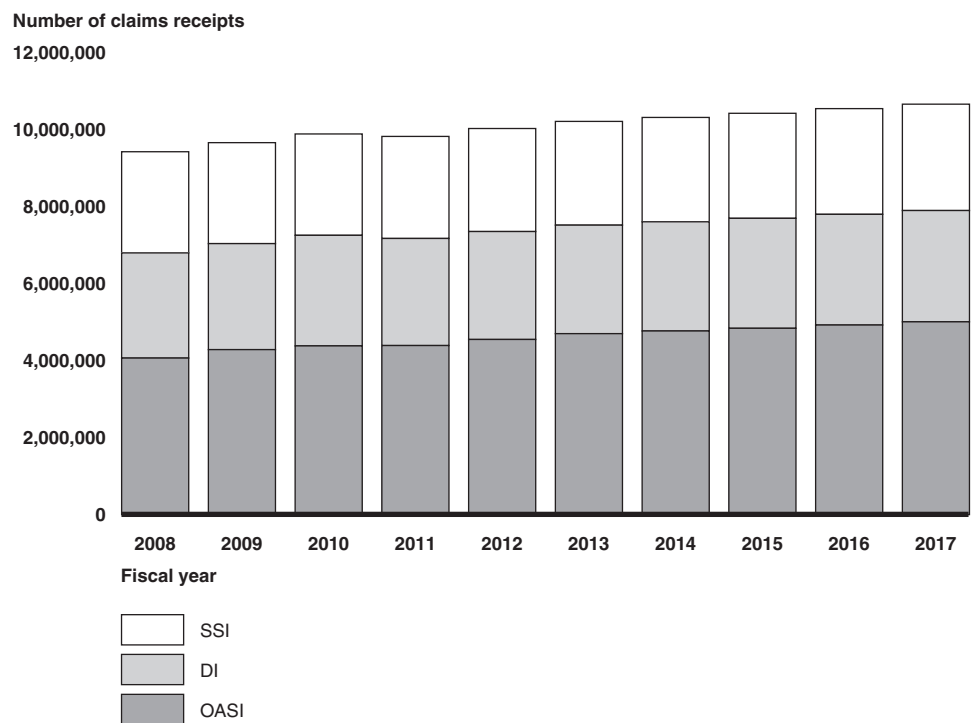
SSA has not established performance standards for customer waiting times and field office telephone service, nor does the agency measure customer service at individual field offices. Without such standards and measures, SSA has no systematic way of evaluating field office performance, or identifying offices that need improvement. While SSA provides field offices with customer comment cards, at 10 of the 21 offices we visited, officials told us they did not use them, and where the cards were available, the results were not always systematically tabulated.

Work demands and staffing reductions have increased the pressure placed on the field office staff, resulting in higher stress and lower morale, according to field office staff. We asked 153 SSA employees at the 21 offices we visited to rate the stress that they experienced in attempting to complete their work in a timely manner, and 65 percent of those surveyed reported feeling stress to a “great” or “very great” extent on a daily basis. The stress of expanding workloads and staffing constraints was felt most acutely by the office managers, 74 percent of whom described high levels of stress. At many offices, staff indicated that mounting workload pressures have led to cutbacks in the amount of time allocated for training and mentoring new staff. In addition, managers and staff told us that they often do not have time to take their breaks, including lunch. Some staff told us they feel they are letting down their colleagues and feel guilty about taking time off, regardless of whether they use credit hours or annual leave. While these responses may not be indicative of the opinions of the overall field office workforce, they do suggest that increasing demands placed on SSA staff may be diminishing their job satisfaction, potentially with long-term implications for employee retention. SSA officials acknowledged that growing workloads have seriously compromised agency morale and that they have tried to ease the stress on staff by authorizing the use of overtime.

## Growth in Work Demands and an Employee Retirement Wave May Pose Serious Challenges for Service Delivery in the Future without a Clear Plan

Retirement and disability filings by the nation's approximately 80 million baby boomers are projected to significantly increase SSA's workload, providing additional stress on the field office workforce. SSA estimates a 13 percent rise in claims filed among its three major claims types over the next 10 years, rising from 9.4 million in fiscal year 2008 to 10.7 million in fiscal year 2017 (see fig. 5).

**Figure 5: Projected Growth in Field Office ASI, DI, and SSI Claims, Fiscal Years 2008 to 2017**

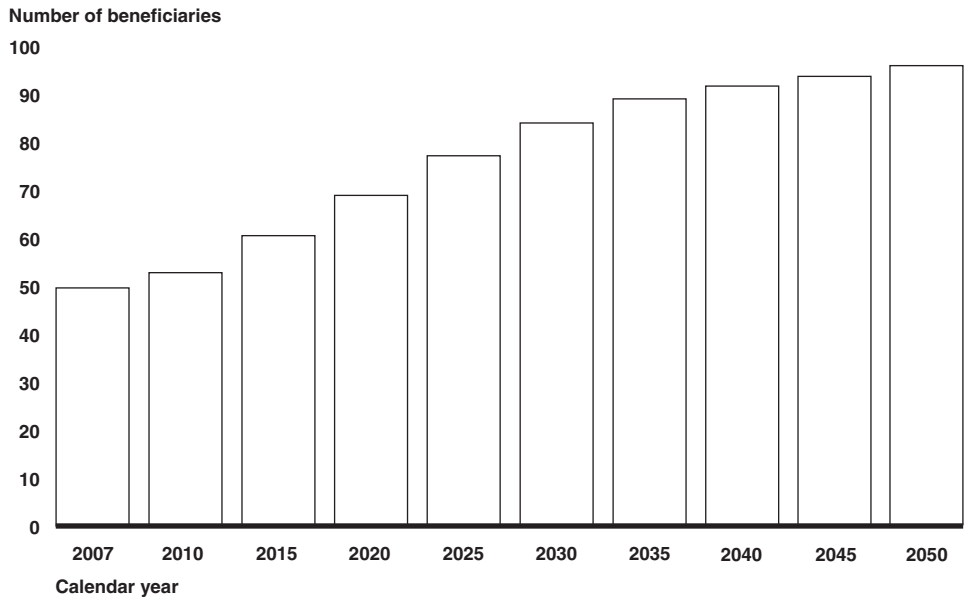


Source: GAO analysis of SSA data.

A growth of 22 percent in the number of beneficiaries, from about 49.6 million in calendar year 2007 to about 60.5 million in calendar year 2015, is also projected.<sup>8</sup> By 2050, there will be an estimated total of 95.6 million OASI and DI beneficiaries (see fig. 6).

<sup>8</sup>The Board of Trustees' 2008 Report provided data on the number of actual OASI and DI beneficiaries through 2007 and then made projections for 5-year spans in the future (e.g., 2010, 2015, etc.). No similar data are available for the SSI program.

**Figure 6: Actual and Projected Number of OASI and DI Beneficiaries, Calendar Years 2007 to 2050**



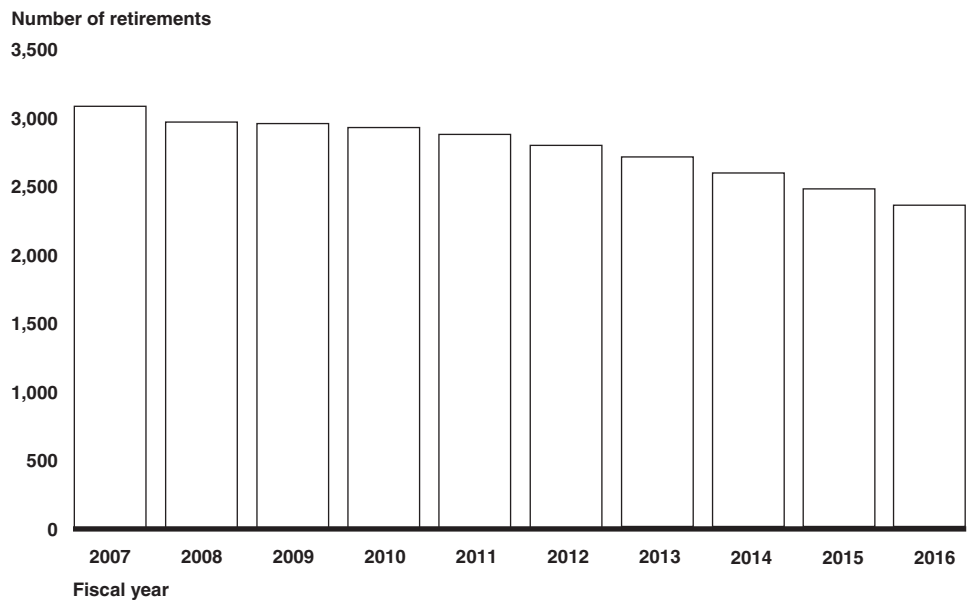
Source: SSA, 2008 Annual Report of the OASI Trustees.

SSA's ability to meet its growing workload challenges will be more difficult with the anticipated retirements of many of the agency's most experienced field office workers. Today, 25 percent of all SSA employees are eligible to retire, and that figure will grow to 39 percent in the next 5 years. Based on the agency's projections, 44 percent of today's SSA workforce will retire by 2016. The peak of these retirements began in 2007 and is expected continue into 2009, before starting to decline gradually (see fig. 7). SSA's projections suggest that the ranks of SSA's supervisors will be most affected, with 71 percent eligible to retire in the next 10 years. These will be the agency's most experienced staff, which will mean a loss of decades of institutional knowledge. For 2008 in particular, SSA estimates that it will lose about 2,000 staff to full or early-out retirements. Field office managers and staff at many of the locations we visited stated that it typically takes 2 to 3 years for new employees to become fully proficient. Therefore, staff hired now may not reach full proficiency before the peak of the retirement wave. Also, new hires would benefit from being mentored by veteran employees before the latter retire. As a result of the approximately \$150 million that SSA was appropriated above its request in the President's budget for fiscal year 2008, SSA will hire an additional 3,900 staff for operations. This will include 2,350 new hires for regional and field office operations, almost all of whom will go to field offices. SSA

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officials stated that the increase in staffing will put the agency back at its fiscal year 2005 staffing level.

**Figure 7: Actual and Projected Retirements of SSA Staff, Fiscal Years 2007 to 2016**



Source: GAO analysis of SSA data.

SSA has used a variety of strategies to maintain adequate staffing. SSA offers recruitment, relocation, and retention bonuses to individuals with needed skills and considers employees' private sector experience when computing annual leave. SSA also offers workplace flexibilities to assist workers in balancing work and family. Additionally, SSA uses dual compensation (salary offset) waivers from the Office of Personnel Management (OPM) to respond to emergency conditions<sup>9</sup> and to hire for certain hard-to-fill positions. For example, SSA was granted a waiver to re-employ federal annuitants who retired under an early-out authority to provide relief in areas affected by Hurricanes Katrina and Rita. Further, SSA has developed recruiting efforts that reach out to a broader pool of candidates. For example, SSA began recruiting retired military and disabled veterans in 2002 because of its commitment to helping veterans.

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<sup>9</sup>This authority allows agencies to waive the dual compensation reduction (salary offset) otherwise required for re-employed federal civilian annuitants. OPM authorizes agencies to use this authority to respond to emergencies resulting from a war or natural disaster or to hire for hard-to-fill positions.

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SSA currently lacks a plan to address the mounting service delivery challenges that it faces, though officials told us that they are currently working to finalize the agency's Annual Strategic Plan, which is expected to address these issues. We recommended, as early as 1993<sup>10</sup> and most recently in 2000,<sup>11</sup> that the agency develop a plan to meet its responsibilities in the context of resource constraints and other challenges. At that time, we suggested that the plan take into account changing customer needs and expectations; the views of oversight bodies and interest groups; and other future challenges, such as growing workloads. We also specified that the plan should spell out, for the future, who will be providing what type of services and where these services will be made available. In the absence of this kind of overarching strategy, SSA may be unable to effectively marshal its key resources to meet the challenges described above.

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## Conclusions

Recent staffing declines may have been a factor in reducing field offices' ability to complete all of their work while providing quality customer service. In managing staffing reductions, customers are waiting longer to be served, their calls to field offices frequently go unanswered, certain stewardship activities are being deferred, and staff are stressed. Projected increases in claims for benefits from the nation's approximately 80 million baby boomers and a large retirement wave among SSA's most experienced staff will place additional pressure on field offices, and SSA may find it increasingly difficult to manage without a clear plan for addressing these challenges. SSA is currently working to finalize its Fiscal Year 2008 Annual Strategic Plan. Strategic planning for service delivery and staffing before SSA's workload grows beyond available resources is essential. In a time of budgetary constraints, thinking creatively about service delivery and how best to operate efficiently and effectively will be important aspects of SSA's planning effort. The time for SSA to prepare itself for the future is running out and without a clear direction SSA will not be prepared to meet its service delivery challenges.

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<sup>10</sup>GAO, *Social Security: Sustained Efforts Needed to Improve Management and Prepare for the Future* [GAO/HRD-94-22](#) (Washington, D.C.: Oct. 27, 1993).

<sup>11</sup>GAO, *SSA Customer Service: Broad Service Delivery Plan Needed to Address Future Challenges* [GAO/T-HEHS/AIMD-00-75](#) (Washington, D.C.: Feb. 10, 2000).

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Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions you or other members of the committee may have at this time.

For further information regarding this testimony, please contact Barbara D. Bovbjerg at (202) 512-7215 or [bovbjergb@gao.gov](mailto:bovbjergb@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals making key contributions to this testimony include Blake Ainsworth (Assistant Director), Mary A. Crenshaw, Paul Wright, Matthew Lee, and Charlie Willson.

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## Agency Comments and Our Evaluation

We provided SSA with a draft of our testimony for their comment. In their response, SSA said that the testimony understated the connection between the stress that field offices are under from increased work demands and the agency's funding shortfalls. SSA stated that its current business model is non-sustainable and that past underfunding has forced the agency to shift resources from less visible—though vital—areas to process the most critical workloads. SSA also said that it is using its current strategic plan and operational plan to meet its many challenges. In order for its plans to succeed, SSA stated that it must be properly and timely funded on a sustained basis.

In response, we acknowledge the service delivery challenges that SSA faces, and believe that we have fairly characterized field office staffing declines as a significant factor in meeting work demands and the resulting adverse effects. Ensuring that SSA has the resources to meet future service deliver challenges is essential. However, we continue to believe that SSA must employ a more strategic and creative approach to meet these challenges.

# Appendix I: Data on SSA Field Offices GAO Visited

**Table 7: List of Social Security Administration Field Offices GAO Visited and Their Beneficiary Populations, as of September 30, 2006**

<b>Field office</b>	<b>Old-Age and Survivors Insurance and Disability Insurance beneficiary population</b>	<b>Supplemental Security Income beneficiary population</b>
New York Washington Heights, Brooklyn, N.Y.	6,584	14,075
Brooklyn Avenue X, N.Y.	9,697	21,911
Anacostia, Washington, D.C.	4,209	7,690
Fairfax, Va.	3,871	2,225
Culpeper, Va.	2,659	1,222
Wheaton, Md.	4,664	3,491
Casa Grande, Ariz.	4,852	2,902
Mesa, Ariz.	16,383	6,438
Inglewood, Calif.	7,987	12,475
Los Angeles Downtown, Calif.	4,226	12,286
Orlando, Fla.	20,892	17,325
Leesburg, Fla.	12,584	5,255
Alice, Tx.	3,018	3,350
San Antonio Northwest, Tex.	15,481	13,429
McAllen, Tx.	13,066	19,873
Devils Lake, N. Dak.	687	450
Grand Forks, N. Dak.	4,318	1,999
Freeport, Ill.	2,090	969
Bloomington, Ill.	5,876	1,875
Cayey, P.R.	10,074	1
Arecibo, P.R.	22,469	4

Source: GAO analysis of SSA data.

\*Devils Lake is a resident station under the Minot, North Dakota Field Office.

**Table 8: Staffing Levels during Fiscal Years 2005 to 2007 for the Field Offices**

<b>Field Office</b>	<b>Number of staff fiscal year 2005</b>	<b>Number of staff fiscal year 2006</b>	<b>Number of staff fiscal year 2007</b>	<b>Numerical change (2007 compared to 2005)</b>
New York Washington Heights, Brooklyn, N.Y.	36	31	34	-2
Brooklyn Avenue X, N.Y.	56	53	46	-10
Anacostia, Washington, D.C.	22	22	22	0
Fairfax, Va.	24	21	21	-3
Culpeper, Va.	9	9	10	1
Wheaton, Md.	27	23	25	-2
Casa Grande, Ariz.	11	11	11	0
Mesa, Ariz.	69	54	49	-20
Inglewood, Calif.	42	39	37	-5
Los Angeles Downtown, Calif.	61	59	60	-1
Orlando, Fla.	77	69	67	-10
Leesburg, Fla.	35	33	30	-5
Alice, Texas	14	12	12	-2
San Antonio NW, Tx.	55	53	53	-2
McAllen, Texas	71	70	68	-3
Devils Lake, N. Dak.	2	2	2	0
Grand Forks, N.Dak.	15	12	13	-2
Freeport, Ill.	6	7	6	0
Bloomington, Ill.	24	22	21	-3
Cayey, P.R.	8	6	10	2
Arecibo, P.R.	19	19	18	-1

Source: GAO analysis of SSA data.



**Table 9: Visitor Volume, Staff and Waiting Time Data during Fiscal Year 2007 for Offices GAO Visited**

Field office	Number of visitors	Number of staff	Waiting times with an appointment, in minutes <sup>a</sup>	Waiting times without an appointment, in minutes
New York Washington Heights, Brooklyn, N.Y.	55,404	34	61.4	54.6
Brooklyn Avenue X, N.Y.	35,369	46	17.1	16.2
Anacostia, Washington, D.C.	41,315	22	13.1	39.2
Fairfax, Va.	42,581	21	0	41.6
Culpeper, Va.	15,003	10	0	10.8
Wheaton, Md.	39,741	25	12.8	62.1
Casa Grande, Ariz.	23,135	11	0.1	18.7
Mesa, Ariz.	67,125	49	5.7	65.3
Inglewood, Calif.	53,440	37	1.2	53.1
Los Angeles Downtown, Calif.	69,019	59	0.2	20.4
Orlando, Fla.	89,319	67	4.3	51.9
Leesburg, Fla.	30,060	30	0.1	29.4
Alice, Tx.	16,424	12	0	16.3
San Antonio NW, Tx.	64,459	53	0	48.7
McAllen, Tx.	93,682	68	0	43.7
Devils Lake, N. Dak.	4,587	2	0	0.2
Grand Forks, N. Dak.	12,089	13	5.0	9.8
Freeport, Ill.	10,490	6	0.1	8.5
Bloomington, Ill.	41,421	21	6.6	28.6
Cayey, P.R.	2,650	10	14.6	128.5
Arecibo, P.R.	28,404	18	0	72.8

Source: GAO analysis of SSA data.

<sup>a</sup>Waiting times are measured from the time that customers sign into the Visitor Intake Process until the time of customers' first contact with an SSA staff person.

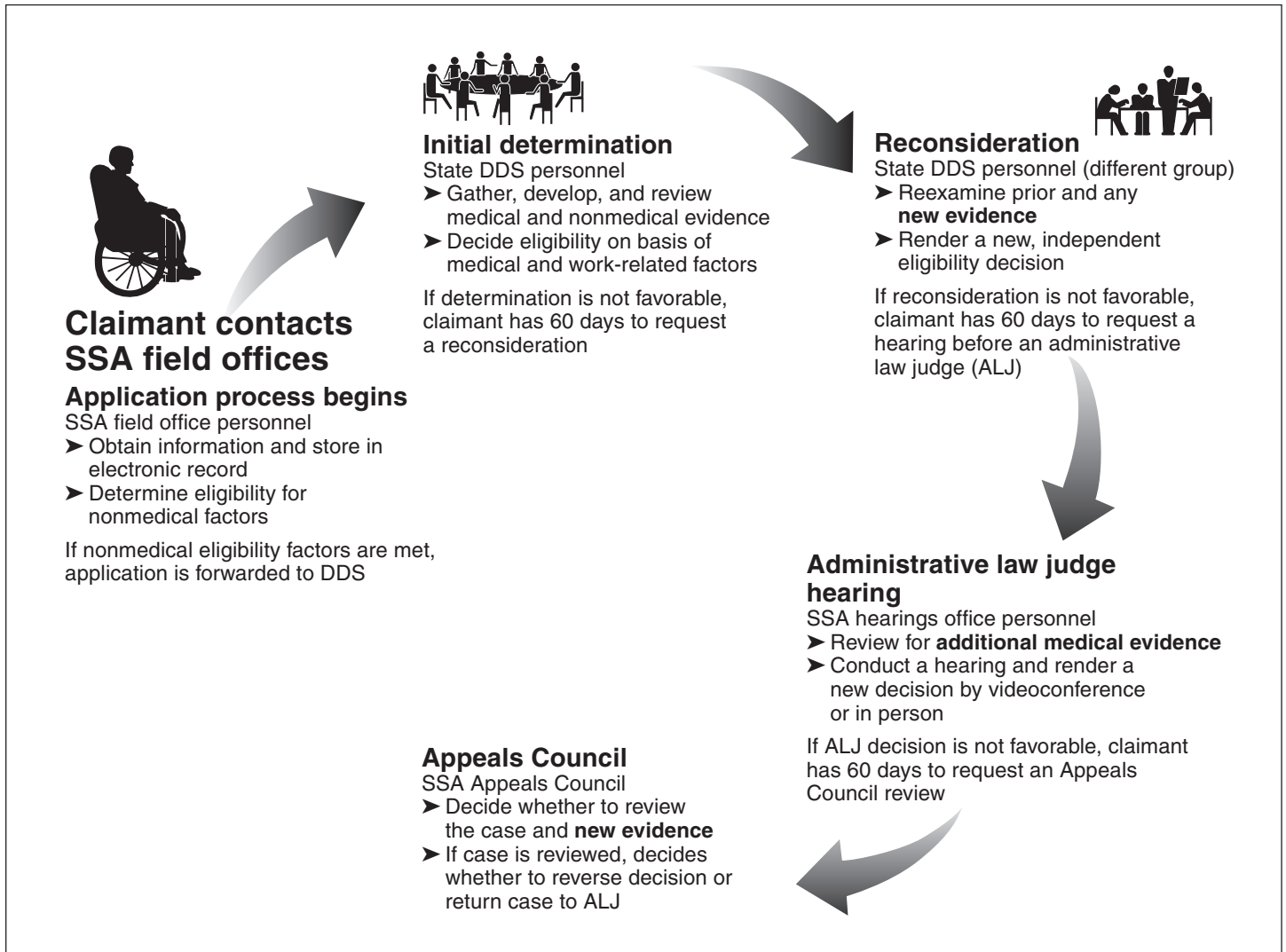
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# Appendix II: Processing Medical Disability Determinations for Disability and Supplemental Security Income Insurance Claims

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Field offices rely on state Disability Determination Services (DDS) and various Social Security Administration (SSA) entities to make medical disability determinations for claims filed under the Disability (DI) and Supplemental Security Income (SSI) insurance programs. Field offices begin the application process for these claims and determine if claimants meet basic requirements for the applications based on nonmedical factors of the programs. For example, for DI claims, field offices determine if workers or their dependents qualify for benefits based on the worker's years of work. For SSI claims, field offices determine if claimants meet income requirements. If basic requirements are met, field offices forward the application to the state DDS to make initial determinations of disability based on medical and work-related factors. For claimants found to be eligible, field offices initiate action to begin payments. If claimants are not satisfied with the determination, they may request reconsideration with a different group within DDS. If claimants are not satisfied with the second determination by DDS, they may request further reconsideration with SSA's hearing office and then SSA's Appeals Council. Figure 8 provides a visual depiction of this process. Over the years, backlogs of varying degrees have occurred at the DDS, Hearing Office, and Appeals Council levels, leaving claimants waiting for years to have their claims decided. In recent years, SSA has taken actions to decrease these backlogs.

**Figure 8: SSA's Disability Determination Process**



Source: GAO analysis of SSA data.

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# Related GAO Products

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*Social Security Disability: Better Planning, Management, and Evaluation Could Help Address Backlogs* ([GAO-08-40](#), Dec. 7, 2007).

*Social Security Administration: Additional Actions Needed in Ongoing Efforts to Improve 800-Number Service* ([GAO-05-735](#), Aug. 8, 2005).

*SSA Customer Service: Broad Service Delivery Plan Needed to Address Future Challenges* ([GAO/T-HEHS/AIMD-00-75](#), Feb. 10, 2000).

*SSA's Management Challenges: Strong Leadership Needed to Turn Plans Into Timely, Meaningful Action* ([GAO/T-HEHS-98-113](#), Mar. 12, 1998).

*Social Security Administration: Significant Challenges Await New Commissioner* ([GAO/HEHS-97-53](#), Feb. 20, 1997).

*Social Security Administration: Effective Leadership Needed to Meet Daunting Challenges* ([GAO/HEHS-96-196](#), Sept. 12, 1996).

*Social Security: Sustained Effort Needed to Improve Management and Prepare for the Future* ([GAO/HRD-94-22](#), Oct. 27, 1993).

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