

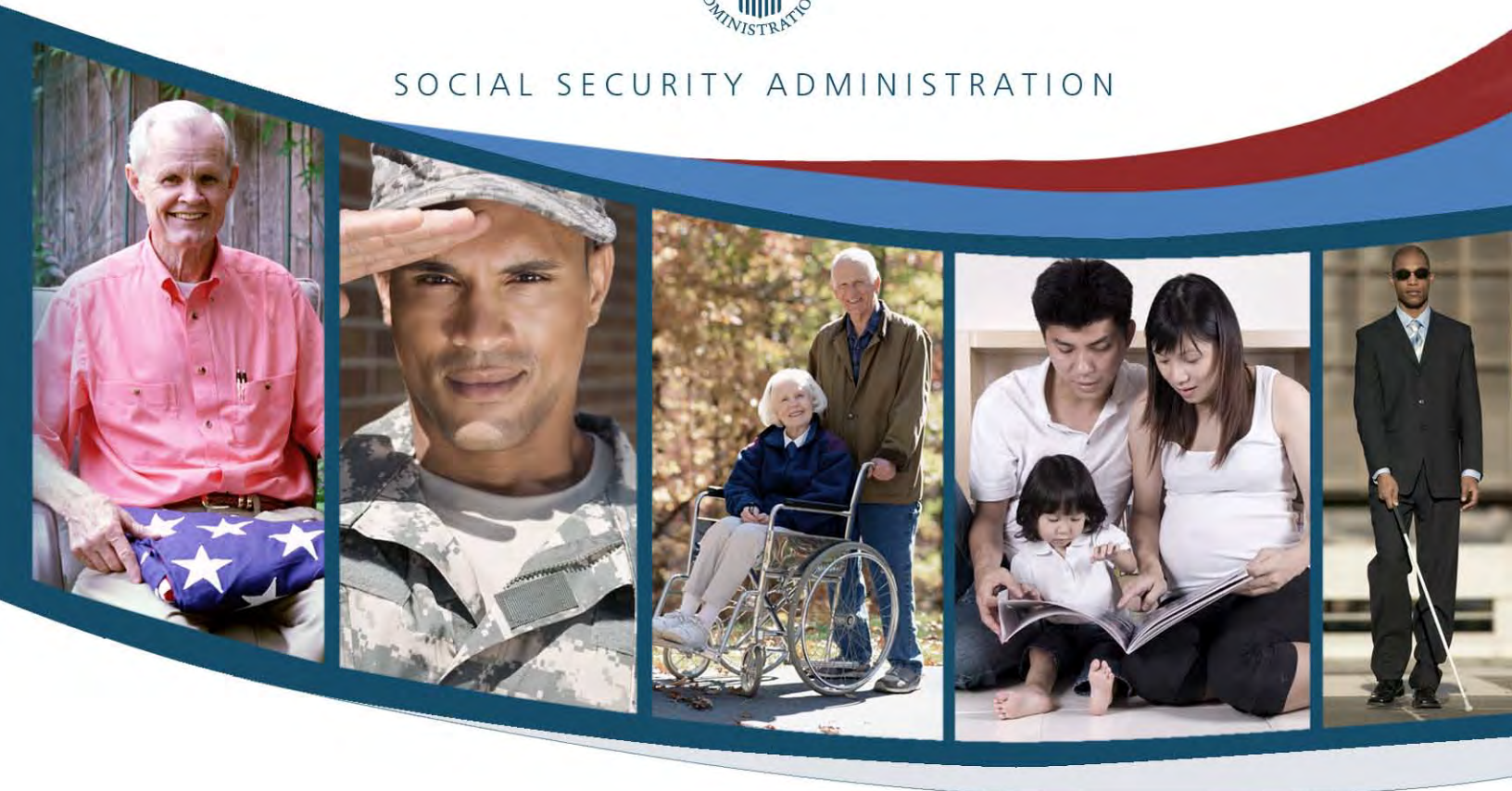
SUMMARY FISCAL YEAR 2011

SUMMARY OF PERFORMANCE AND FINANCIAL INFORMATION

FISCAL YEAR 2011



SOCIAL SECURITY ADMINISTRATION



SUMMARY OF PERFORMANCE & FINANCIAL INFORMATION FISCAL YEAR 2011

Our Mission:

Deliver Social Security services that meet the changing needs of the public

About This Summary

The goal of this *Summary of Performance and Financial Information (Summary) for Fiscal Year (FY) 2011* is to increase accountability by making our performance and financial information more transparent and accessible to Congress, the public, and other constituencies. In this Summary, we include key representative performance measures and financial data that highlight our efforts identified in the full [Performance and Accountability Report \(PAR\) for FY 2011](#) available online at www.socialsecurity.gov/finance/.

SUMMARY OF OUR PERFORMANCE

Who We Are and What We Do

Few government agencies reach as many people as we do. The programs we administer provide a financial safety net for millions of Americans. We run one of the Nation's largest entitlement programs – the Old-Age, Survivors, and Disability Insurance program. We also administer the Supplemental Security Income (SSI) program, which provides financial support to aged, blind, or disabled adults and children with limited income and resources.

Our Performance

The President emphasizes the need for Government to work better, faster, and more efficiently to address the extraordinary challenges our country faces. In support of the Government-wide initiative to build a high-performing Government, agencies established a limited number of Priority Goals with targeted outcomes achievable in two years. We identified the following Priority Goals that support our strategic goals and objectives as outlined in our [Agency Strategic Plan for Fiscal Years 2008 – 2013](#) available online at www.socialsecurity.gov/asp/plan-2008-2013.html.

How We Served America in FY 2011

- Issued 16.4 million new and replacement Social Security cards
- Performed 1.3 billion automated Social Security number verifications
- Posted 216 million earnings items to workers' records
- Completed more than 62 million transactions on our National 800 Number
- Assisted 44.9 million visitors
- Completed 4.8 million retirement, survivor, and Medicare applications
- Completed nearly 3.4 million initial disability claims
- Completed over 1.4 million continuing disability reviews
- Decided over 795,000 hearing requests
- Completed 2.4 million SSI non-disability redeterminations

We provide more information on our performance in achieving the following Priority Goals in the *Performance Summary of Goals and Results for FY 2011* section in the full FY 2011 PAR, pages 14–17:

- Priority Goal 1: Increase the Number of Online Applications for Retirement and Disability;
- Priority Goal 2: Issue More Decisions for People Who File for Disability;
- Priority Goal 3: Improve Our Customers’ Service Experience on the Telephone, in Our Field Offices, and Online; and
- Priority Goal 4: Ensure Effective Stewardship of Our Programs by Increasing Program Integrity Efforts.

In addition to our four Priority Goals, in FY 2011 we worked to achieve the 33 performance measures identified in our [Annual Performance Plan for FY 2012 and Revised Final Performance Plan for FY 2011](#), available online at www.socialsecurity.gov/performance/. We have data for 27 of our performance measures. We met or exceeded our targets for 21 measures and did not achieve our targets for 6 measures. End-of-year data for six measures are not yet available. Below, we highlight 11 performance measures, 7 of which also support our Priority Goals.

STRATEGIC GOAL 1: ELIMINATE OUR HEARINGS BACKLOG AND PREVENT ITS RECURRENCE

Strategic Objectives: Increase our capacity to hear and decide cases; and
Improve our workload management practices throughout the hearings process.

1.2b: Achieve the target to eliminate the oldest hearing requests pending

FY 2011 Target: Less than 0.50% of hearing requests pending 775 days or older	Performance: 0.09% of hearing requests pending 775 days or older	Target Met: Yes
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We began FY 2011 with 111,792 cases that would be pending 775 days or older by the end of the fiscal year. At the end of the fiscal year, we had exceeded our target with only 103 claims remaining. For additional information, please refer to our full FY 2011 PAR, page 53.

Fiscal Year	2007	2008	2009	2010	2011
Performance	108 of 63,770 aged cases (1,000 days or more) pending (.17%)	281 of 135,160 aged cases (900 days or more) pending (.21%)	228 of 166,838 aged cases (850 days or more) pending (.14%)	47 of 139,026 aged cases (825 days or more) pending (.03%)	103 of 111,792 aged cases (775 days or more) pending (.09%)

1.2c: Achieve the budgeted goal for average processing time for hearing requests

FY 2011 Target: 365 days	Performance: 360 days	Target Met: Yes
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Despite receiving over 82,000 more hearing requests than our initial projection (and over 25,000 more than our revised projection), we continued to steadily reduce the time it takes to receive a hearing decision. The monthly reduction in average processing time was even more significant, decreasing from a monthly average of 390 days in September 2010 to 345 days in September 2011. For additional information, please refer to our full FY 2011 PAR, page 53.

Fiscal Year	2006	2007	2008	2009	2010	2011
Performance	483	512	514	491	426	360

STRATEGIC GOAL 2: IMPROVE THE SPEED AND QUALITY OF OUR DISABILITY PROCESS

Strategic Objectives: Fast-track cases that obviously meet our disability standards;
 Make it easier and faster to file for disability benefits online; and
 Regularly update our disability policies and procedures.

2.1a: Achieve the target percentage of initial disability cases identified as a Quick Disability Determination or a Compassionate Allowance

(Supports Priority Goal 2)

FY 2011 Target: 5.0% (September only)	Performance: 5.9% (September only)	Target Met: Yes
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Quick Disability Determinations (QDD) and Compassionate Allowances are two of our most successful initiatives designed to improve the speed and accuracy of our disability process for the most severely disabled applicants. In FY 2011, we updated the QDD predictive model, which allowed us to increase the number of individuals served through the QDD process. We added 12 new conditions to our list of qualifying medical conditions for the Compassionate Allowance process, which brought the total to 100 conditions. We also streamlined the application process for Compassionate Allowances to reduce the burden on claimants. With these improvements, we identified over 150,000 disability cases for fast-track processing. For additional information, please refer to our full FY 2011 PAR, page 56.

Month	September 2009	September 2010	September 2011
Performance	3.8%	4.6%	5.9%

2.1c: Minimize average processing time for initial disability claims to provide timely decisions

FY 2011 Target: 118 days	Performance: 109 days	Target Met: Yes
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Even with a record number of initial disability claims, we decreased the time it takes to receive an initial disability decision by 2 days – from 111 days in FY 2010 to 109 days in FY 2011. For additional information, please refer to our full FY 2011 PAR, page 58.

Fiscal Year	2008	2009	2010	2011
Performance	106	101	111	109

2.2a: Achieve the target percentage of initial disability claims filed online

(Supports Priority Goal 1)

FY 2011 Target: 34%	Performance: 33%	Target Met: No, but performance improved
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In April 2011, we launched our "Boldly Go" national publicity campaign, featuring Patty Duke and George Takei promoting our suite of online services. With the help of our marketing efforts, disability claims filed online increased by over 22 percent in FY 2011, but were just shy of our goal. For additional information, please refer to our full FY 2011 PAR, page 61.

Fiscal Year	2009	2010	2011
Performance	21%	27%	33%

2.2b: Achieve the target number of initial disability claims pending

FY 2011 Target: 845,000	Performance: 759,023	Target Met: Yes
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In FY 2011, our initial disability claims pending was nearly 86,000 claims less than our target. This achievement is impressive considering we received a record number of disability claims and experienced continued State furloughs of Disability Determination Services (DDS) employees. For additional information, please refer to our full FY 2011 PAR, page 62.

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011
Performance	581,929	624,658	560,529	555,071	555,317	556,670	779,854	842,192	759,023

STRATEGIC GOAL 3: IMPROVE OUR RETIREE AND OTHER CORE SERVICES

Strategic Objectives: Dramatically increase baby boomers' use of our online retirement services;
Provide individuals with accurate, clear, and up-to-date information;
Improve our telephone service;
Improve service for individuals who visit our field offices; and
Process our Social Security number workload more effectively and efficiently.

3.1b: Achieve the target percentage of retirement claims filed online

(Supports Priority Goal 1)

FY 2011 Target: 44%	Performance: 41%	Target Met: No, but performance improved
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Our online retirement claims increased almost 11 percent over last year. Although our marketing efforts helped us increase the percentage of online retirement claims, we were short our FY 2011 goal of 44 percent. For additional information, please refer to our full FY 2011 PAR, page 67.

Fiscal Year	2009	2010	2011
Performance	32%	37%	41%

3.3a: Achieve the target speed in answering National 800 Number calls

(Supports Priority Goal 3)

FY 2011 Target: 267 seconds	Performance: 180 seconds	Target Met: Yes
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Our telephone agents answered calls over 32 percent faster than our target. As we continue to improve our telephone services, fewer people need to call us multiple times to get through. With fewer calls and more efficient call management techniques, we have been able to improve the speed of answering calls even as we lost nearly 350 telephone agents. For additional information, please refer to our full FY 2011 PAR, page 68.

Fiscal Year	2005	2006	2007	2008	2009	2010	2011
Performance	296	278	250	326	245	203	180

3.4a: Percent of individuals who do business with SSA rating the overall services as “excellent,” “very good,” or “good”

(Supports Priority Goal 3)

FY 2011 Target: 83.5%	Performance: 81.4%	Target Met: No, but performance improved
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Although we did not meet our FY 2011 target, we improved by over 3-percentage points from our rating in FY 2010. We attribute the increase to improved satisfaction of people who called our National 800 Number and visited our offices. For additional information, please refer to our full FY 2011 PAR, page 70.

Fiscal Year	2005	2006	2007	2008	2009	2010*	2011
Performance	85%	82%	81%	81%	81%	78.2%	81.4%

*Beginning in FY 2010, we rounded to one-tenth percent instead of a whole number for performance data for this measure.

STRATEGIC GOAL 4: PRESERVE THE PUBLIC’S TRUST IN OUR PROGRAMS

- Strategic Objectives:** Curb improper payments;
 Ensure privacy and security of personal information;
 Maintain accurate earnings records;
 Simplify and streamline how we do our work;
 Protect our programs from waste, fraud, and abuse; and
 Use “green” solutions to improve our environment.

4.1a: Complete the budgeted number of Supplemental Security Income non-disability redeterminations

(Supports Priority Goal 4)

FY 2011 Target: 2,422,000	Performance: 2,456,830	Target Met: Yes
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Redeterminations are periodic reviews of the non-medical factors of SSI recipients’ eligibility for monthly payments, which historically save \$7 in program savings over 10 years for every \$1 we spend, including savings accrued to Medicaid. Despite severe budget cuts, we exceeded our target. These actions help improve SSI payment accuracy. For additional information, please refer to our full FY 2011 PAR, page 72.

Fiscal Year	2007	2008	2009	2010	2011
Performance	1,038,948	1,220,664	1,730,575	2,465,878	2,456,830

4.1b: Increase the budgeted number of continuing disability reviews

(Supports Priority Goal 4)

FY 2011 Target: 1,357,000	Performance: 1,408,897	Target Met: Yes
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We perform continuing disability reviews (CDR) to determine if disabled beneficiaries still meet the medical requirements for continued eligibility. Historically, every \$1 spent on CDRs produces at least \$10 in lifetime program savings. For additional information, please refer to our full FY 2011 PAR, page 73.

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011
Performance	1,371,255	1,604,680	1,515,477	1,337,638	764,852	1,091,303	1,101,983	956,182	1,408,897

OUR MANAGEMENT AND PERFORMANCE CHALLENGES

In FY 2011, the Office of the Inspector General identified eight top management and performance challenges facing us. Below is a brief summary of how we addressed these challenges in FY 2011. The full [Inspector General's Statement on SSA's Major Management and Performance Challenges](#) report is available online at [www.socialsecurity.gov/finance/2011/OIG 2011 PAR Mgmt Challenges.pdf](http://www.socialsecurity.gov/finance/2011/OIG%2011%20PAR%20Mgmt%20Challenges.pdf).

1. **Implement the American Recovery and Reinvestment Act Effectively and Efficiently.** We, in coordination with the General Services Administration (GSA), developed a Program of Requirements for a new data center. GSA selected a site, solicited for a design/builder, and purchased the site in August 2011.
2. **Reduce the Hearings Backlog and Prevent its Recurrence.** We continued to adhere to our plan to eliminate the backlog. In FY 2011, we hired 143 new administrative law judges and adjudicated over 53,000 cases using the senior attorney adjudication program. We also opened or expanded eight hearing offices. Additionally, we held almost 130,000 video hearings nationwide, an increase of more than 9,000 video hearings compared to FY 2010.
3. **Improve the Timeliness and Quality of the Disability Process.** Our centralized State units, the Extended Service Teams located in Arkansas, Mississippi, Oklahoma, and Virginia, provide nationwide assistance to the most-stressed State DDSs. We expanded our electronic Case Analysis Tool to make DDS decisions more consistent, and we enhanced our fast-track processes to speed decisions for the most-severely disabled applicants.
4. **Reduce Improper Payments and Increase Overpayment Recoveries.** We intensified our efforts to address improper payments through a variety of cost-effective methods to prevent and collect overpayments. These tools include Access to Financial Institutions, SSI Telephone Wage Reporting System, administrative wage garnishment, and completion of over 2.4 million SSI redeterminations in FY 2011.
5. **Improve Customer Service.** We continued to clarify our correspondence, expand the use of online and automated services, improve telephone and field office services, and improve the representative payee program.
6. **Invest in Information Technology Infrastructure to Support Current and Future Workloads.** We began converting our outdated database management system to an industry-standard, modern database management system. We are also developing a single case processing system to replace the 54 different existing systems that support the DDSs, and we expanded our suite of electronic services to help reduce the amount of work in our field offices.
7. **Strengthen the Integrity and Protection of the Social Security Number.** We improved procedures used to assign these important numbers. We have nine Social Security Card Centers that focus exclusively on assigning Social Security numbers and issuing cards. We also continue to support E-Verify, a Department of Homeland Security program that allows employers to verify electronically whether newly hired employees are authorized to work in the United States under immigration law.
8. **Improve Transparency and Accountability.** We are expanding opportunities for public dialogue and participation. For example, we established a dedicated Open Government web portal to share information, report progress, and encourage public input on our initiatives. In addition, we published over 30 high-value datasets and visualizations on our website and established a social media presence on YouTube, Facebook, and Twitter. For the 18th consecutive year, we received an unqualified opinion on our financial statements, which demonstrates our unyielding dedication to sound financial management practices.

SUMMARY OF OUR FINANCIAL INFORMATION

We received an unqualified audit opinion on our FY 2011 financial statements from our auditors. Our financial statements combine the results from all of the programs we administer, which include the Old-Age and Survivors Insurance (OASI), Disability Insurance (DI), and the SSI programs. OASI and DI have separate trust funds, which are financed by payroll taxes, interest on investments, and income taxes on benefits. General revenues from the U.S. Treasury finance SSI. The following table presents key amounts from our basic financial statements for FY 2009 through FY 2011. Our financial statements, notes, and additional information appear on pages 99 through 150 of our full [FY 2011 Performance and Accountability Report](#) located on our website at www.socialsecurity.gov/finance/.

Table of Key Measures ¹ (Dollars in Billions)			
	2011	2010	2009
Net Position (end of fiscal year)			
Total Assets	\$2,702.3	\$2,635.5	\$2,553.6
Less Total Liabilities	\$96.6	\$95.9	\$94.8
Net Position (assets net of liabilities)	\$2,605.7	\$2,539.6	\$2,458.8
Change in Net Position (end of fiscal year)			
Net Costs	\$782.7	\$752.3	\$731.6
Total Financing Sources²	\$848.9	\$833.0	\$863.0
Change in Net Position	\$66.1	\$80.8	\$131.3
Statement of Social Insurance Old-Age, Survivors, and Disability Insurance (calendar year basis)			
Present value of future net cashflows for current and future participants over the next 75 years (open group measure), current year valuation	-\$9,157	-\$7,947	-\$7,677
Present value of future net cashflows for current and future participants over the next 75 years (open group measure), prior year valuation	-\$7,947	-\$7,677	-\$6,555
Change in present value	-\$1,211	-\$270	-\$1,123

1. Totals do not necessarily equal the sum of rounded components.

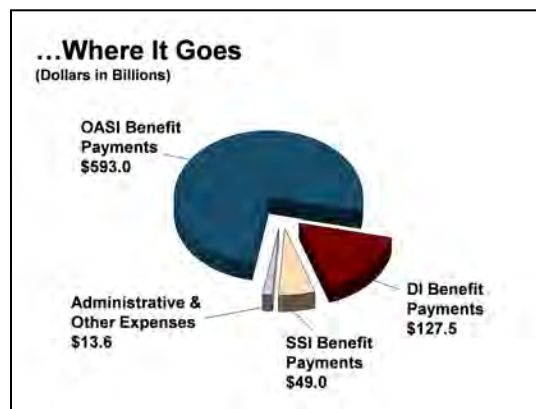
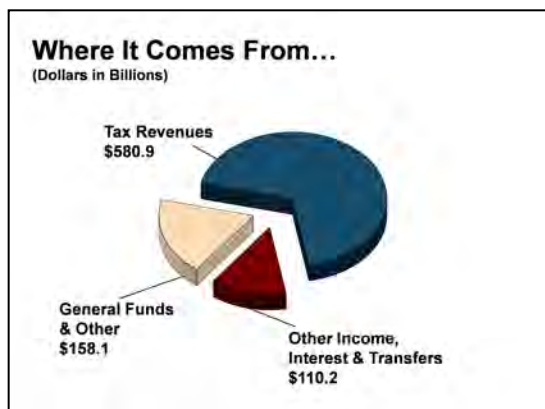
2. Total Financing Sources includes both the Total Financing Sources and Total Budgetary Financing Sources lines from the Statement of Changes in Net Position.

Assets: Of our FY 2011 total assets identified in the Table of Key Measures above, \$2,687.2 billion relates to earmarked funds for the OASI and DI programs, and approximately 98.2 percent are investments. Our investments increased \$68.2 billion during FY 2011, largely due to tax revenues of \$580.9 billion and interest on those investments of \$115.2 billion.

Liabilities: Liabilities grew in FY 2011 by \$0.7 billion, primarily because of the growth in benefits due and payable. The majority of our liabilities (85.1 percent) consist of benefits that have accrued as of the end of the fiscal year but have not been paid.

Net Position: Our net position grew \$66.1 billion in FY 2011 to \$2,605.7 billion, which is attributable to financing sources in excess of our net cost. At this time, tax revenues, interest earned, and transfers related to Payroll Tax Holiday legislation continue to exceed benefit payments made to OASI and DI beneficiaries, keeping our programs solvent.

The following charts summarize the activity on our Statement of Net Cost and Statement of Changes in Net Position by showing the sources and uses of funds for FY 2011.



Net Cost: Our net cost of operations increased \$30.4 billion during FY 2011 to \$782.7 billion, primarily due to the first wave of baby boomers attaining retirement age. In FY 2011, our total benefit payments increased by \$29.9 billion, a 4.0 percent increase.

FY 2011 Operating Expenses by Strategic Goal: The table below displays the distribution of our FY 2011 operating expenses allocated to our four strategic goals.

Operating Expenses by Strategic Goal (Dollars in Millions)	
Eliminate Our Hearings Backlog and Prevent Its Recurrence	\$2,427
Improve the Speed and Quality of Our Disability Process	\$4,299
Improve Our Retiree and Other Core Services	\$3,667
Preserve the Public's Trust in Our Programs	\$2,104

Social Insurance Information: The present value of future net cashflows (noninterest income less cost) for all current and future participants over the next 75 years (open group measure) changed from -\$7.9 trillion, as of January 1, 2010, to -\$9.2 trillion, as of January 1, 2011. The present value, as of January 1, 2011, decreased (became more negative) by \$0.4 trillion, due to advancing the valuation date by one year and including the additional year, 2085. Changes in demographic data, assumptions, and methods further decreased the present value of future net cashflows by \$0.7 trillion, and changes in economic data, assumptions, and methods decreased the present value by \$0.1 trillion. However, changes in programmatic data, assumptions, and methods increased the present value of future cashflows by about \$0.1 trillion. There was no significant cashflow effect from legislative changes.

OASI and DI Trust Fund Solvency: The OASI and DI trust funds are deemed adequately financed for the short term (next 10 years) when actuarial estimates of the combined OASI and DI trust fund assets for the beginning of each calendar year are at least as large as program obligations for the year. Estimates in the 2011 Trustees Report indicate that the combined OASI and DI trust funds are adequately financed over the next 10 years. Financing of the DI trust fund is inadequate, and, without remedial action, the fund is expected to be exhausted in 2018. Our financing is not projected to be sustainable over the long term with the tax rates and benefit levels scheduled in current law. Program cost will exceed noninterest income in all years of the 75-year projection period. In 2036, the combined OASI and DI trust funds will be exhausted according to the projections by our Chief Actuary. For more information, please see the [2011 Trustees Report](http://www.socialsecurity.gov/OACT/TR/2011/index.html) at www.socialsecurity.gov/OACT/TR/2011/index.html and our full [FY 2011 Performance and Accountability Report](http://www.socialsecurity.gov/finance/) at www.socialsecurity.gov/finance/.

For more information:

Office of Public Inquiries
Windsor Park Building
6401 Security Blvd.
Baltimore, Maryland 21235-6401

Contact us via e-mail:

OPI.Net.Post@ssa.gov



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