

Obstacles and Opportunities: The U.S. Economy, State VR Programs, and SSDI Beneficiaries

**Gina Livermore, Todd Honeycutt, and Frank Martin
Mathematica Policy Research**

**Discussant: Jack Smalligan
Office of Management and Budget**

**Presented at the Center for Studying Disability Policy
Research Forum
Washington, DC
October 4, 2012**

**MATHEMATICA
Policy Research**

Center for
STUDYING 
DISABILITY POLICY

About CSDP

- **The Center for Studying Disability Policy (CSDP) was established by Mathematica in 2007 to provide the nation's leaders with the data they need to shape disability policy and programs that fully meet the needs of all Americans with disabilities**
- **In August 2012, the Social Security Administration (SSA) awarded a five-year cooperative agreement to the Center under the agency's Disability Research Consortium.**

Today's Presenters

- **Mathematica**
 - **Gina Livermore**
 - **Todd Honeycutt**
 - **Frank Martin**
- **Office of Management and Budget (OMB)**
 - **Jack Smalligan (discussant)**

Acknowledgments

- **“Employment and Economic Well-Being of People with Disabilities Before and After the Great Recession”**
Funded by NIDRR RRTC on Employment Policy and Measurement, University of New Hampshire
- **“Waiting Time for VR Services and Post-Closure Outcomes for SSDI Beneficiaries”**
Funded by the Rehabilitation Services Administration through grant #H235L100004 to the Institute for Community Inclusion, University of Massachusetts-Boston
- **“Vocational Rehabilitation on the Road to SSDI: Longitudinal Statistics from Matched Administrative Data”**
Funded by the Social Security Administration through a grant to the University of Michigan Retirement Research Center

Employment and Economic Well-Being of People with Disabilities Before and After the Great Recession

Gina Livermore
Mathematica

Study Purpose

- **Examine employment outcomes and indicators of economic well-being for working-age people (age 18 – 64) with and without disabilities from 2006 through 2010**
 - **Period spans one calendar year before to one calendar year after the December 2007 – June 2009 recession**
- **Assess how people with disabilities fared during this period relative to their nondisabled counterparts**

Why Is This Topic Interesting?

- **Recent focus on employment of people with disabilities**
 - Numerous programs/policies designed to promote the employment of people with disabilities and reduce long-term dependence on the Social Security disability programs
 - Concerns about long-term downward trend in the percent employed and rapid growth in the disability programs
- **How people with disabilities fared during the recent economic downturn has implications for future growth in the federal disability programs**

Data and Methods

- **Data**

- **Current Population Survey (CPS), March Annual Social and Economic Supplement, 2006 – 2011**
 - **Compare working-age people with and without disabilities**
- **Selected statistics from the 2006 and 2010 National Beneficiary Surveys (NBS)**
 - **Experiences of working-age Social Security disability beneficiaries**

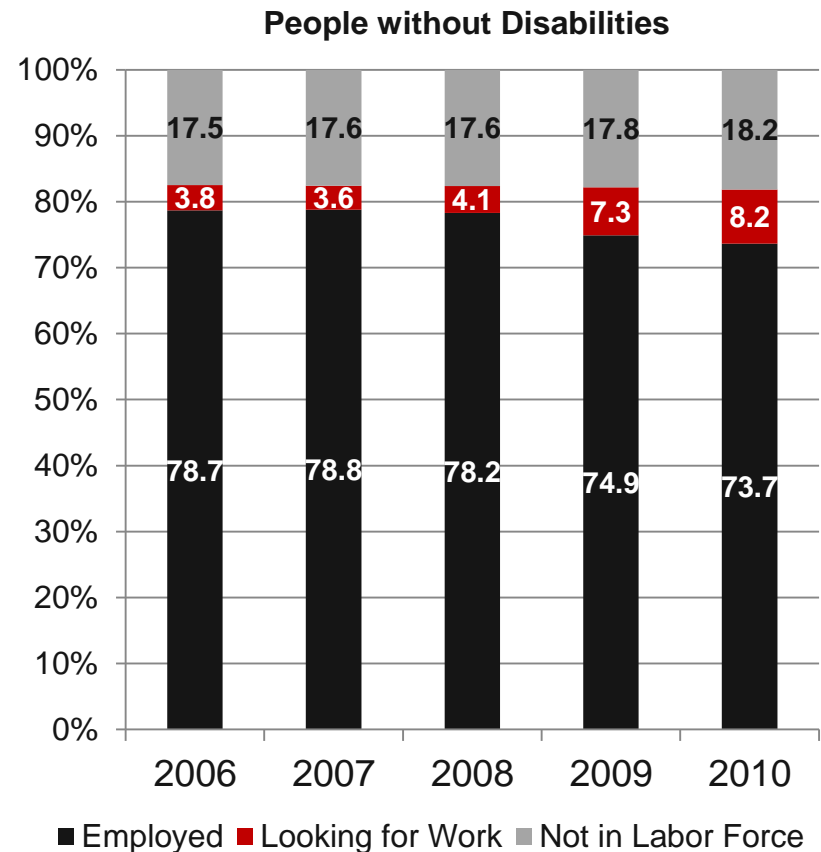
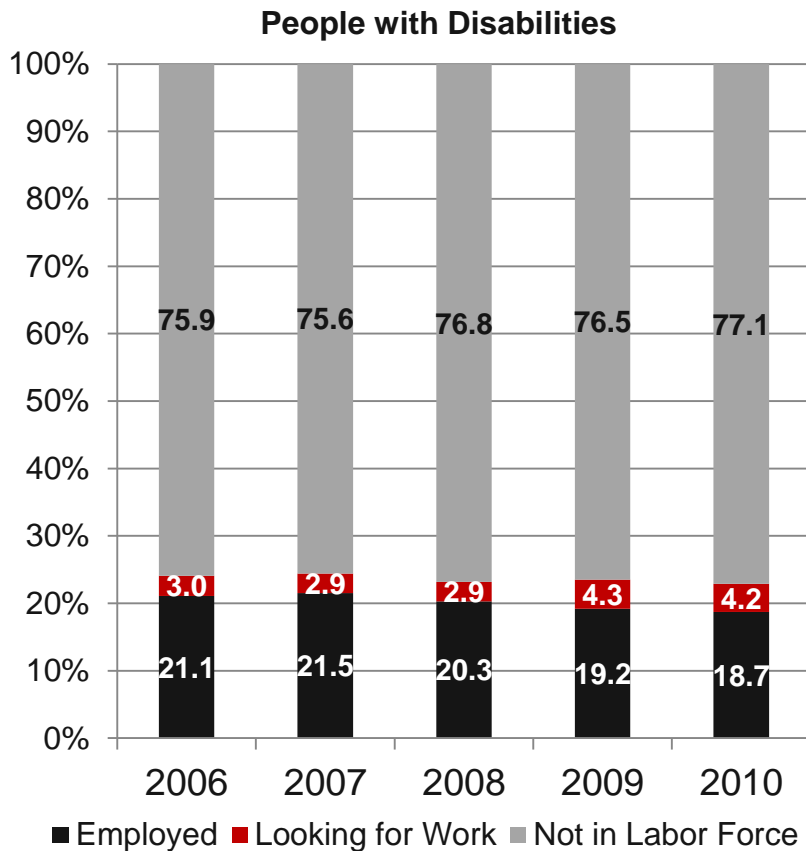
- **CPS Disability Measure**

- **Limited in amount or kind of work that can be performed because of a physical or mental health condition**
- **Received disability program income from Social Security, private disability insurance, or the Veterans Administration in the year before the survey**

Data and Methods (cont'd)

- **CPS outcomes 2006 – 2010**
 - Labor force participation
 - Employment
 - Unemployment
 - Job characteristics
 - Annual income
 - Annual poverty rate
- **NBS outcomes 2006 and 2010**
 - Employment
 - Poverty

Labor Force Status 2006 – 2010



Source: March CPS, 2006-2010

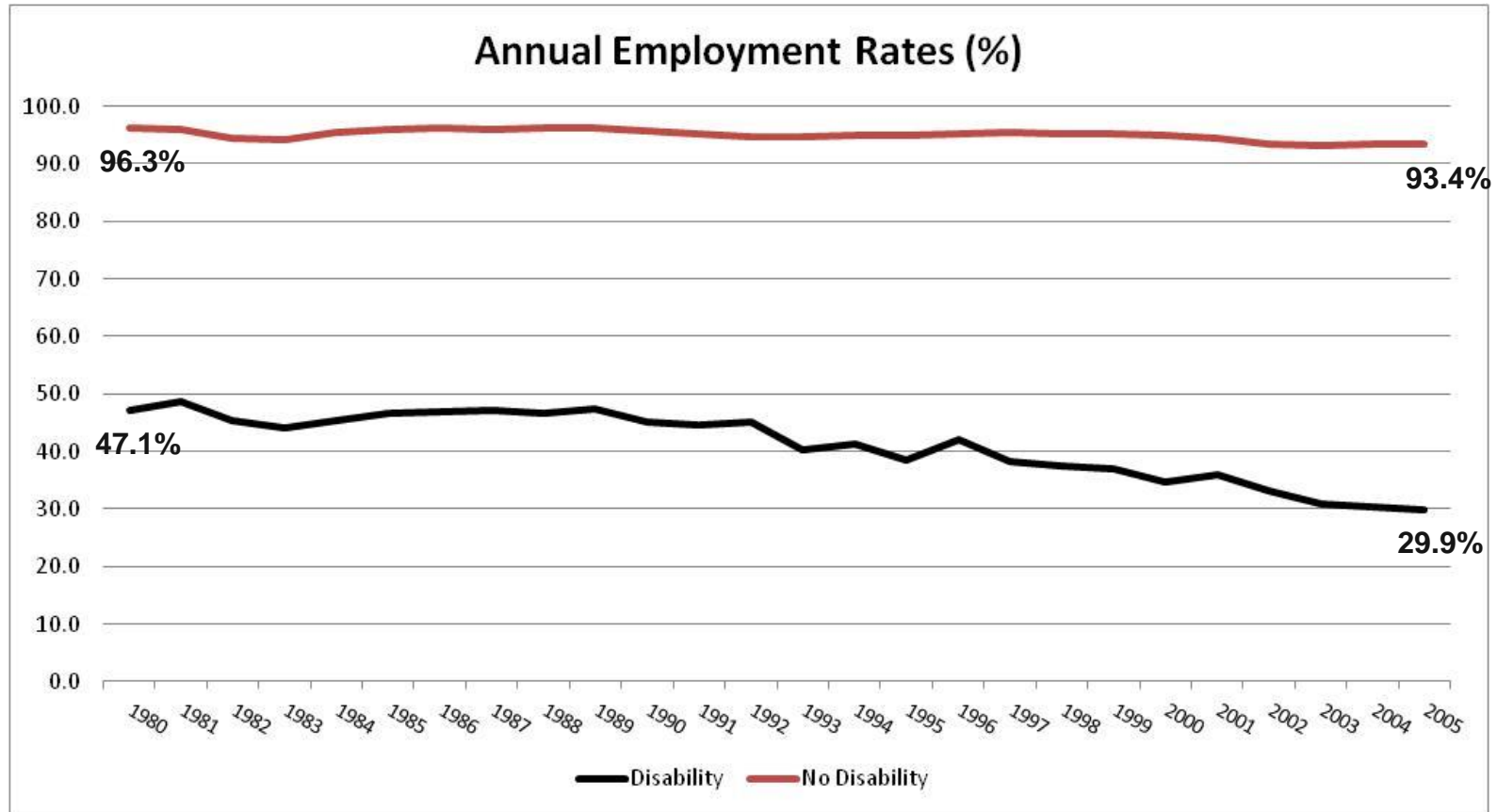
Labor Force Status 2006 and 2010

	2006	2010	Change	Percent Change
Labor force participation rate (%)				
People with disabilities	24.1	22.9	-1.2	-4.9
People without disabilities	82.5	81.8*	-0.7	-0.8
Unemployment rate (%)				
People with disabilities	12.6	18.3*	5.7	45.2
People without disabilities	4.6	10.0*	5.4	117.4
Annual employment rate (%)				
People with disabilities	29.3	25.0*	-4.3	-14.7
People without disabilities	83.9	79.9*	-4.0	-4.8

Source: March CPS, 2006 – 2011

*Indicates that the 2010 value is significantly different from the 2006 value at the 0.05 level

Long-Term Employment Trends 1980 – 2005



Source: Weathers and Wittenburg (2009) based on CPS data



Changes in Job Characteristics

Selected Job Characteristics	People with Disabilities			People without Disabilities		
	2006	2010	Percent Change	2006	2010	Percent Change
Full-time/full-year (%)	37.1	33.1	-10.9*	71.8	67.5	-6.1*
Occupation (%)						
Services	19.8	25.4	28.0*	16.3	17.7	8.7*
Sales	12.6	10.0	-21.0*	11.4	10.8	-5.2*
Blue collar	28.0	25.2	-9.9*	23.9	21.6	-9.2*
Industry (%)						
Goods-producing	20.1	15.4	-23.4*	21.9	19.2	-12.3*
Service-producing	75.1	77.2	2.8	73.4	75.8	3.2*
Public administration	4.5	7.2	61.1*	4.6	4.9	7.1*

Source: March CPS, 2007 – 2011

Note: Job characteristics are associated with job held the longest during the year

*Indicates that the 2010 value is significantly different from the 2006 value at the 0.05 level

Income and Poverty, 2006 and 2010

	2006	2010	Change	Percent Change
Average Annual Income (\$2010)				
People with disabilities	49,621	46,218	-3,403	-6.9
People without disabilities	91,325	85,123*	-6,202	-6.8
Annual Poverty Rate (%)				
People with disabilities	27.7	30.4*	2.7	9.7
People without disabilities	9.2	12.0*	2.8	30.4

Source: March CPS, 2006 – 2011

*Indicates that the 2010 value is significantly different from the 2006 value at the 0.05 level

Employment and Poverty of Social Security Disability Beneficiaries

	All Beneficiaries	
	2006	2010
Employed at interview (%)	9.2	7.2*
Employed at interview or during the previous year (%)	13.7	10.5*
Annual income below 100 percent of poverty (%)	50.3	48.2

Source: NBS 2006 and 2010

*Indicates that the 2010 value is significantly different from the 2006 value at the 0.05 level

Findings: Summary and Implications

- Overall, from 2006 to 2010, changes experienced by people with disabilities were similar to or less dramatic than changes experienced by people without disabilities
 - Employment declined markedly but may not necessarily be due to the recession
 - For both groups income fell similarly, but poverty increased less dramatically for people with disabilities
- Changes in the distribution of jobs was larger for people with disabilities than for people without disabilities
 - Declines in goods-producing, blue collar, and sales jobs

Findings: Summary and Implications (cont'd)

- **Recessionary effects on people with disabilities is muted when we look at the group as a whole**
 - Substantially lower labor force participation and employment rates make recessionary effects on earnings less significant
- **Recovery from the recession has been slow; still too early to see long-term impacts on employment and participation in the Social Security disability programs**
 - Sharp increase in the number of disability applications in 2009 likely due to high unemployment
 - Long-term program growth due to other factors will be exacerbated in the short-term by the recession