

Return-to-Work Outcomes Among Social Security Disability Insurance (DI) Beneficiaries

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- **The opinions and conclusions expressed are solely those of the authors and do not represent the opinions or policy of NIDRR or any agency of the federal government**

Motivation

- **Policymakers are interested in promoting employment among DI beneficiaries**
- **Targeting specific groups of DI beneficiaries is likely of interest**
 - **Recent initiatives targeted to specific groups include the Mental Health Treatment Study, Accelerated Benefits, YTD, and PROMISE**
- **Policymakers need more information on what factors are associated with return-to-work**

Research Question

- **How are beneficiary characteristics and local economic conditions associated with return-to-work outcomes?**
- **We specifically focus on**
 - **Age and impairment type**
 - **State economies and other state-level effects**
 - **Timing of award**
- **We present a long-term view of what factors influence outcomes among DI beneficiaries**
 - **Five years after DI award**
 - **Most beneficiaries who return to work do so within five years**

Data Sources

- **Administrative records from**
 - **Social Security Administration (SSA)**
 - **Rehabilitation Services Administration (RSA)**
- **Data from SSA and RSA matched at the individual level**
- **Monthly state unemployment rates from the Bureau of Labor Statistics**

Study Population and Study Period

- **New working-age DI awardees from January 1996 to December 2004**
- **Analysis sample excluded beneficiaries who died or reached age 65 within five years of award**

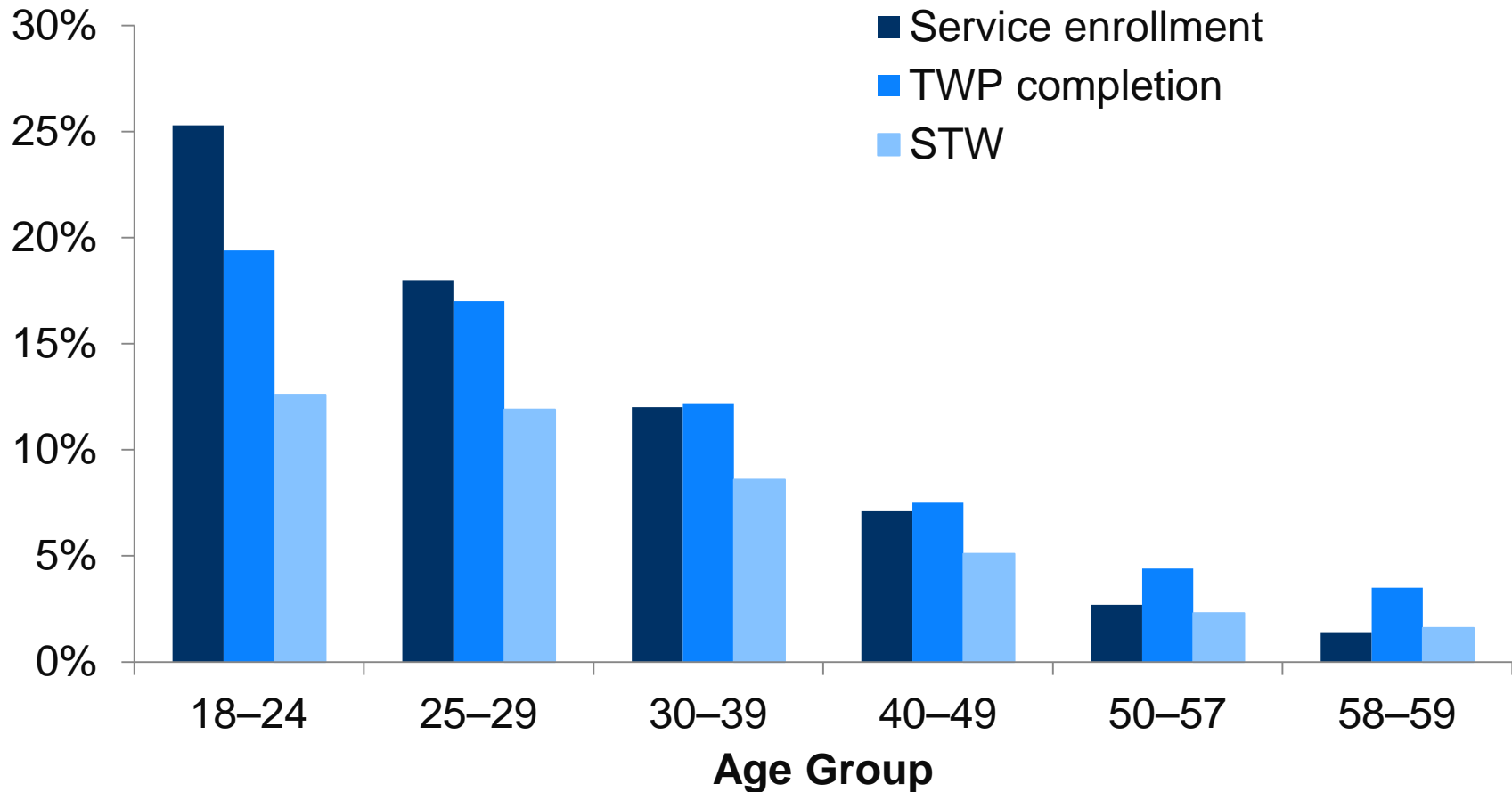
Outcomes: Return-to-Work Milestones in Five Years Following DI Award

- **Service enrollment**
 - Enrollment in services from state vocational rehabilitation agency (SVRA) or employment network (EN)
- **Trial work period (TWP) completion**
- **Suspension or termination due to work (STW)**

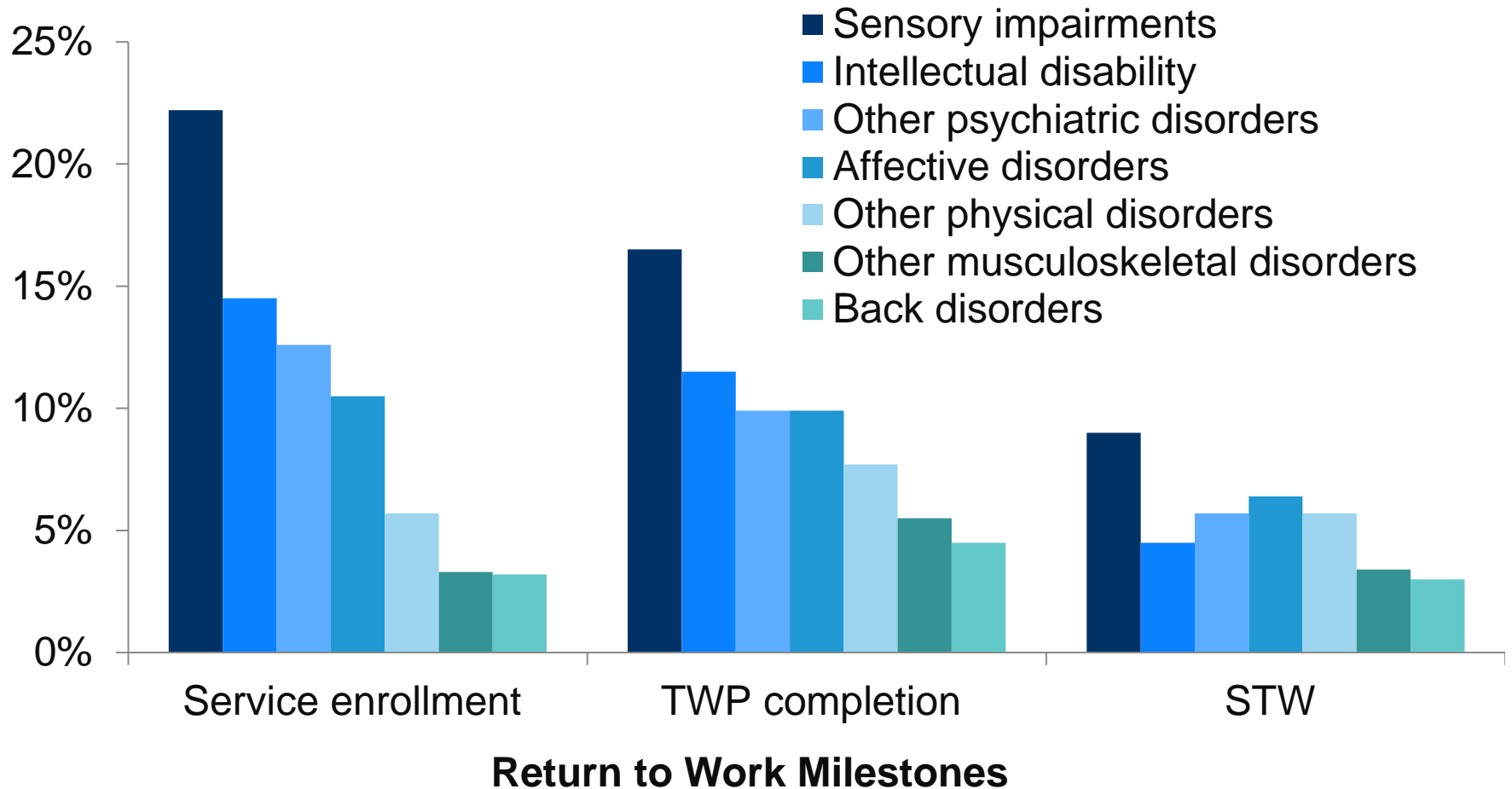
Test Your Knowledge

- Which DI award cohort had better 5-year return to work outcomes?
 - a) 1996, when the economy was expanding
 - b) 2000, at a peak of economic expansion

Share of New DI Awardees (1996–2004) Achieving Milestones Declines with Age



Share of New DI Awardees (1996–2004) Achieving Milestones Varied by Impairment



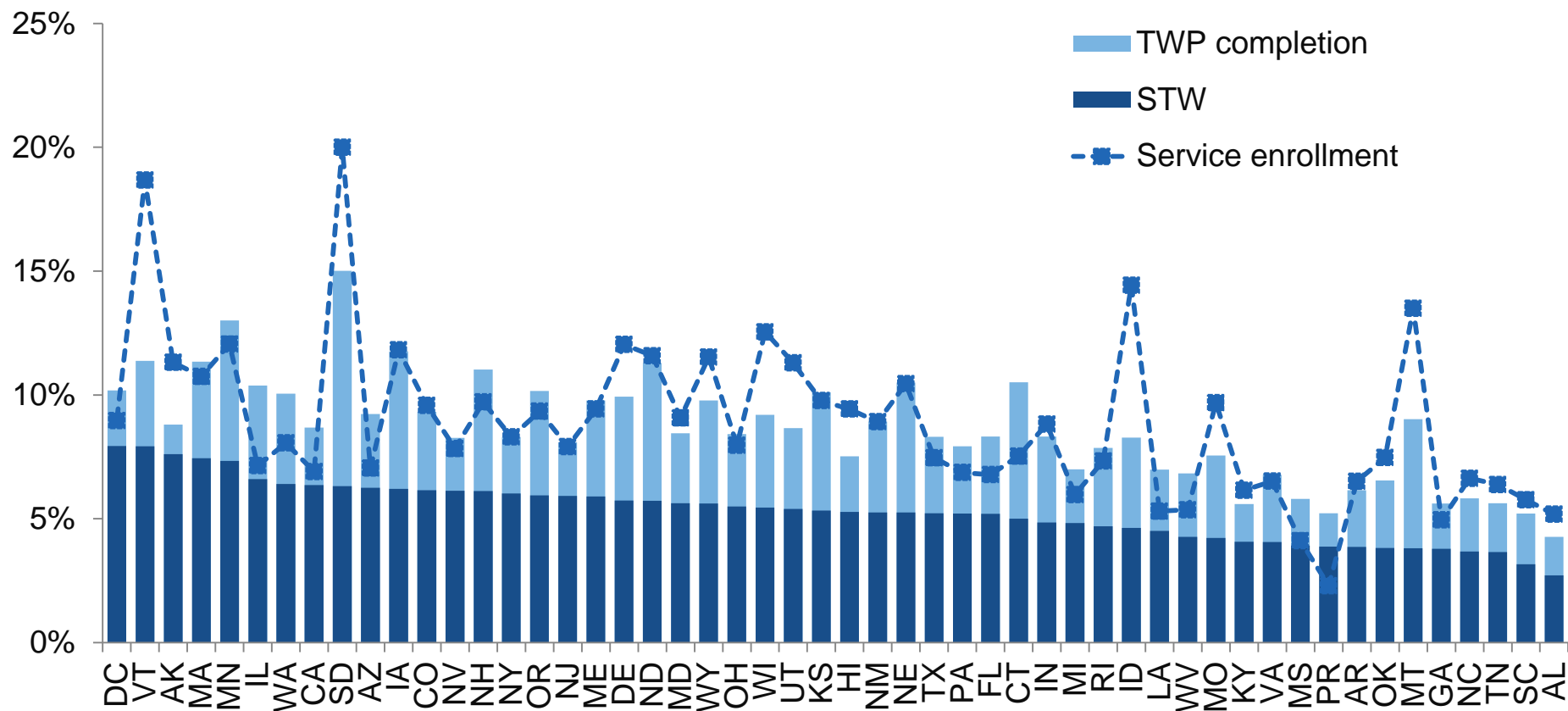
Multivariate Analysis

- Differences in outcomes across impairment groups might be driven by differences in age distribution of beneficiaries across impairment groups, and vice versa
- To account for this, we conduct multivariate analyses
- We control for individual characteristics, programmatic features (including DI award month), and state effects

Likelihood of Achieving Milestones

- **Likelihood of achieving milestones increases with**
 - **Sensory impairments**
 - **Being black**
 - **Years of education**
 - **DI award at initial adjudication level**
- **Likelihood of achieving milestones decreases with**
 - **Age**
 - **Back and other musculoskeletal disorders**
 - **Monthly DI benefit**
 - **Receipt of SSI benefits**
 - **Medicare eligibility at award**
 - **Disabled adult child status**
 - **Increase in state unemployment rate**

Large Variation Exists in Return-to-Work Outcomes by State of Residence

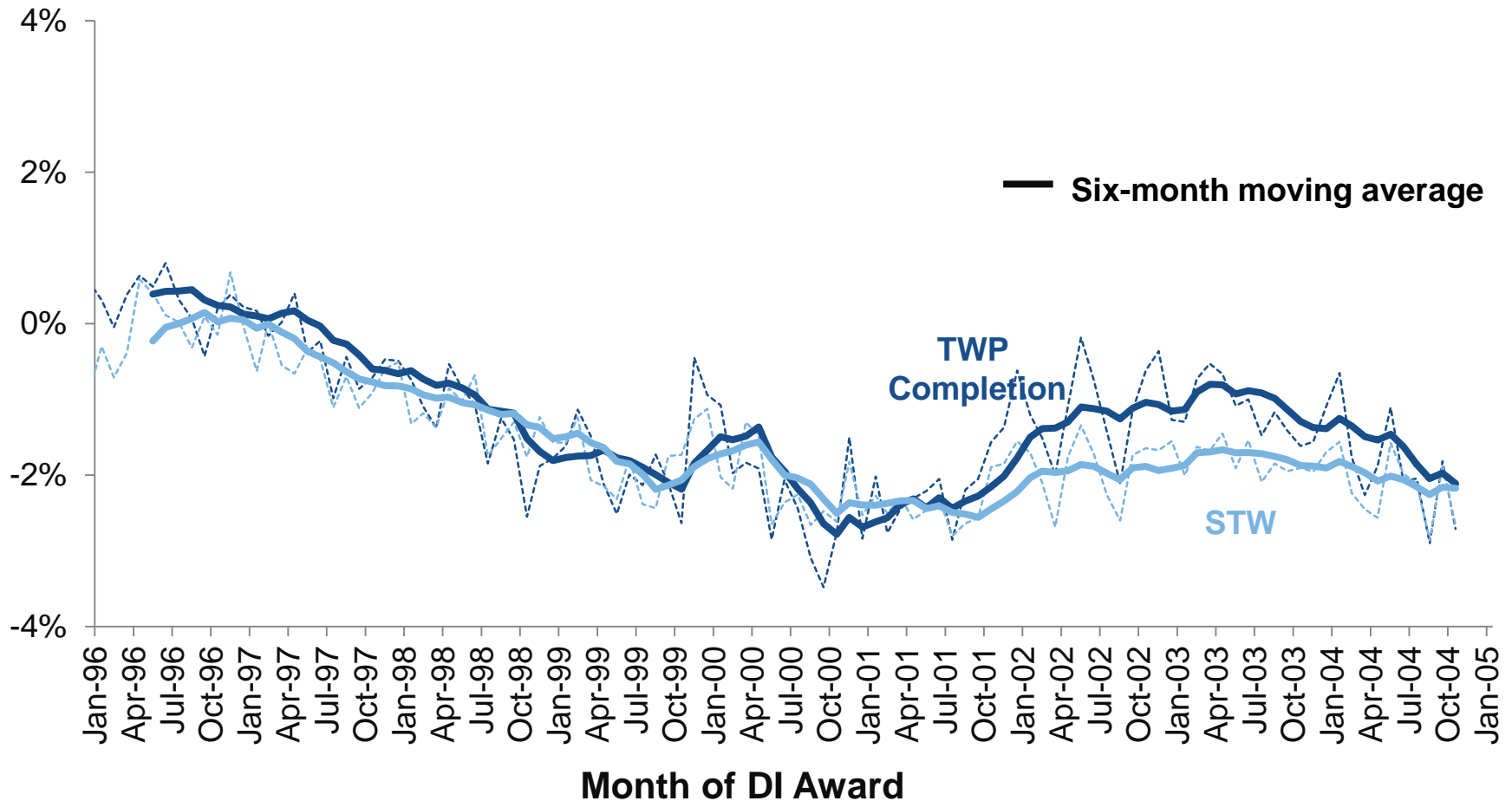


Note: States are ordered from largest to smallest effects in STW regression

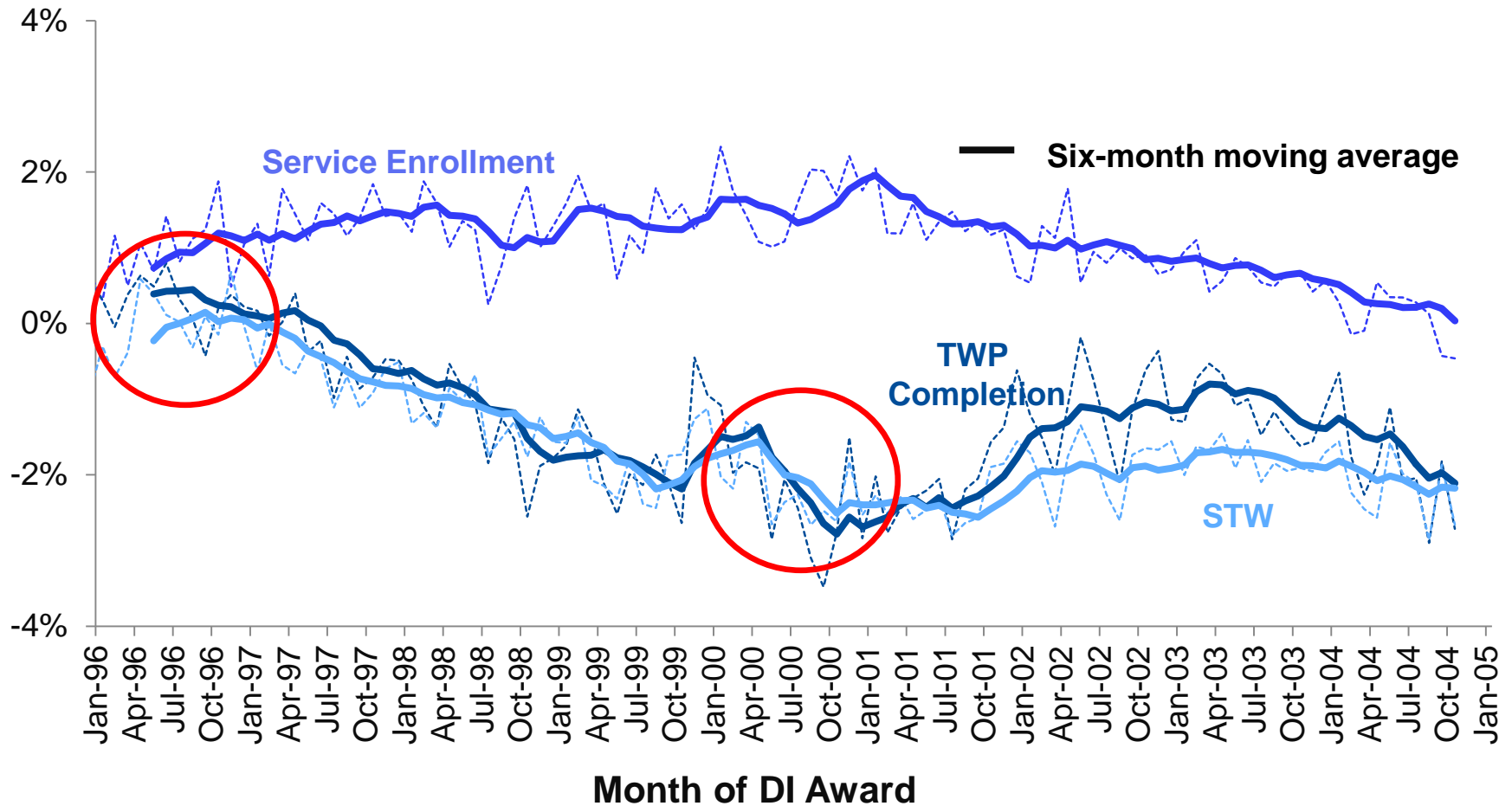
DI Award Month and Return-to-Work Outcomes

- **Award month captures unobserved factors affecting behavior among beneficiaries who enter DI at different points in time**
 - **Changes in policy over time**
 - **Changes in the composition of new awardees in terms of unobserved characteristics**
- **Recall that we account for beneficiary characteristics, state economy, and other fixed state conditions**

Economic-Expansion-Period Awardees Seem Progressively Less Likely to Achieve Milestones



Award-month influenced service enrollment differently than other milestones



Conclusions

- **Younger beneficiaries substantially more likely to achieve return-to-work milestones**
- **Beneficiaries with sensory impairments have highest likelihood of achieving all milestones; those with back and other musculoskeletal disorders show the lowest two likelihoods**
- **Differences across age and impairment persist after accounting for other characteristics**
- **Large variation in the relationship between state of residence and return-to-work outcomes**
- **Timing of award may be capturing unobserved beneficiary characteristics**

Policy Issues

- **Should SSA direct efforts to help beneficiaries return to work toward recent awardees under age 40?**
- **Should return-to-work initiatives be tailored according to impairment type?**
- **Should efforts to slow entry via early intervention focus on those most likely to achieve the return-to-work milestones under current law?**
- **What factors explain variation across states and time?**

For More Information

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