

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

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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**
 - **Examine 2012 data to assess post-recession recovery in later years**
- **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 economic downturn and recovery 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 – 2013**
 - **Compare working-age (age 18-64) people with and without disabilities**

- **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)

- **Outcomes 2006 – 2012, with a focus on the 2006 to 2010 period**
 - **Employment**
 - Labor force participation
 - Employment
 - Unemployment
 - Job characteristics
 - **Annual income**
 - **Annual poverty rate**
- **For selected outcomes we use regression models to hold personal characteristics constant to assess the difference between people with and without disabilities**

Labor Force Status 2006, 2010, and 2012

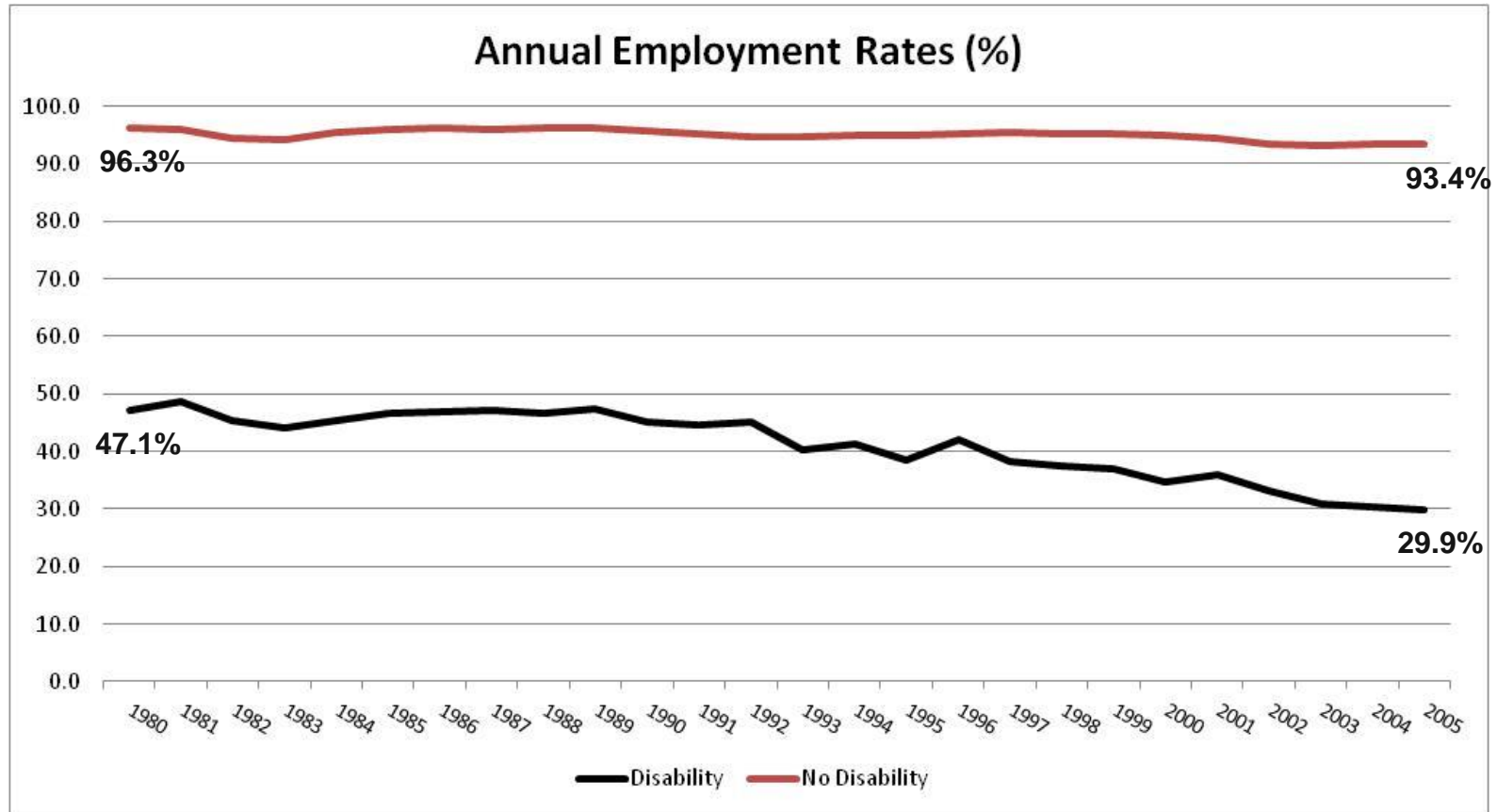
	2006	2010	Percent Change 2006-2010	2012
Labor force participation rate (%)				
People with disabilities	24.1	22.9 ^b	-5.0	21.1
People without disabilities	82.5	81.8 ^a	-0.8	81.0
Unemployment rate (%)				
People with disabilities	12.6	18.3 ^{a,b}	45.2	20.0
People without disabilities	4.6	10.0 ^a	117.4	8.2
Annual employment rate (%)				
People with disabilities	29.3	25.0 ^{a,b}	-14.7	24.5
People without disabilities	83.9	79.9 ^a	-4.8	80.5

Source: March CPS, 2006, 2010, and 2012

^a 2010 value is significantly different from the 2006 value at the 0.05 level.

^b 2010 value for people with disabilities is significantly different from the 2010 value for people without disabilities 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	Workers with Disabilities			Workers without Disabilities		
	2006	2010	Percent Change	2006	2010	Percent Change
Full-time/full-year (%)	37.1	33.1 ^{a,b}	-10.9	71.8	67.5 ^a	-6.1
Occupation (%)						
Services	19.8	25.4 ^{a,b}	28.0	16.3	17.7 ^a	8.7
Sales	12.6	10.0 ^{a,b}	-21.0	11.4	10.8 ^a	-5.2
Blue collar	28.0	25.2 ^{a,b}	-9.9	23.9	21.6 ^a	-9.2
Industry (%)						
Goods-producing	20.1	15.4 ^{a,b}	-23.4	21.9	19.2 ^a	-12.3*
Service-producing	75.1	77.2 ^{a,b}	2.8	73.4	75.8 ^a	3.2
Public administration	4.5	7.2 ^{a,b}	61.1	4.6	4.9 ^a	7.1

Source: March CPS, 2007 and 2011

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

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Income and Poverty 2006, 2010, and 2012

	2006	2010	Percent Change	2012
Average Annual Household Income (\$2012)				
People with disabilities	53,377	51,173 ^{a,b}	-6.9	48,577
People without disabilities	97,005	90,659 ^a	-6.5	90,841
Annual Poverty Rate (%)				
People with disabilities	27.7	30.4 ^{a,b}	10.0	30.3
People without disabilities	9.2	12.0 ^a	29.4	12.0

Source: March CPS, 2007, 2011, and 2013

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Holding Characteristics Constant at Levels of People without Disabilities

	2006	2010	Change	Percent Change
Annual Employment				
People with disabilities	52.8	46.6 ^{a,b}	-6.2	-11.7
People without disabilities	86.5	82.1 ^a	-4.4	-5.1
Average Annual Household Income (\$2010)				
People with disabilities	70,672	64,861 ^{a,b}	-5,811	-8.2
People without disabilities	86,926	82,310 ^a	-4,616	-5.3
Annual Poverty Rate (%)				
People with disabilities	14.9	17.2 ^{a,b}	2.3	15.5
People without disabilities	6.4	8.6 ^a	2.3	35.6

Source: March CPS, 2007 and 2011

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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 workers with disabilities than for workers 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; long-term impacts on employment and participation in the Social Security disability programs are likely**
 - **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**

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