

# The Economic Status of People with Disabilities and their Families since the Great Recession

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# OUTLINE

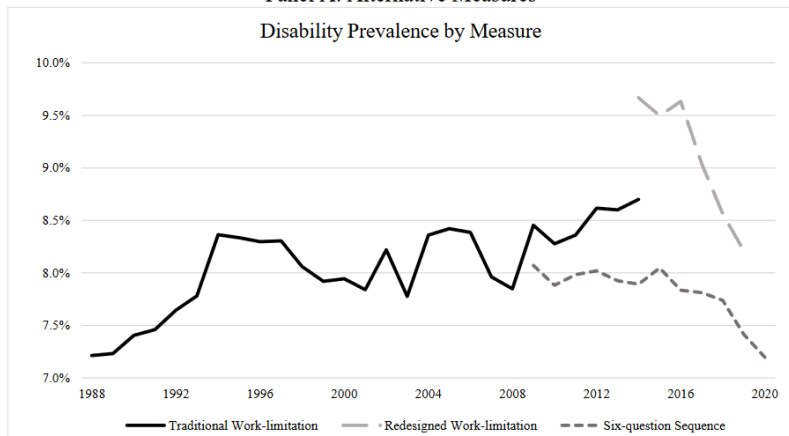
- ▶ Research question: what has happened to the economic well-being and labor market outcomes of individuals with disabilities?
- ▶ Descriptive tables and charts (and data)
- ▶ Empirical model and analysis
  - ▶ labor market participation
  - ▶ disability insurance program use
- ▶ Discussion

## PERCENT OF INDIVIDUALS WITH DISABILITIES ALSO PART OF THE WORKING CLASS

Definition of working class	Percent
From monthly CPS less than 4-year degree	84.77%
From the ASEC household income 2nd and 3rd quintile	40.57%
household income 1st - 3rd quintile	80.13%
household income 2nd quartile	25.82%
household income 1st - 2nd quartile	72.95%

# INCIDENCE

Figure 1: Disability Incidence in the CPS  
Panel A: Alternative Measures



Source: CPS ASEC 1988-2020

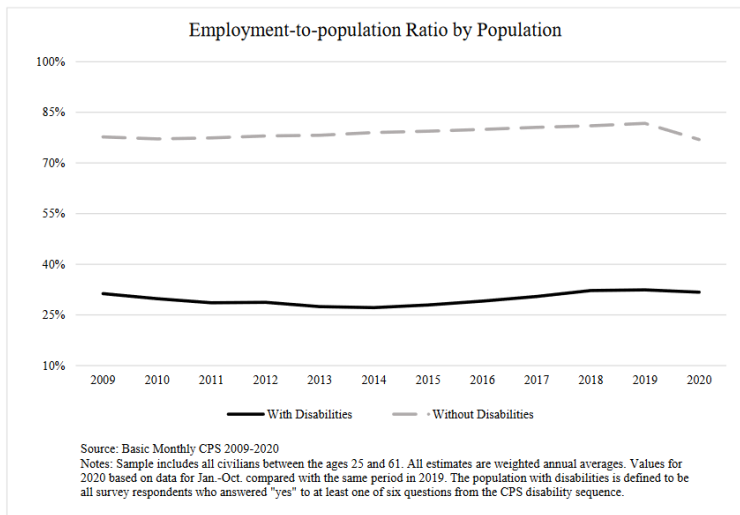
Notes: Sample includes all civilians between the ages 25 and 61. Estimates for the redesigned work-limitation measure are lagged by one survey year in accordance with the question's reference period. Respondents are considered to have a disability by the six-question sequence measure if they answered "yes" to at least one sequence question.

# ECONOMIC WELL-BEING AND LABOR MARKET OUTCOMES

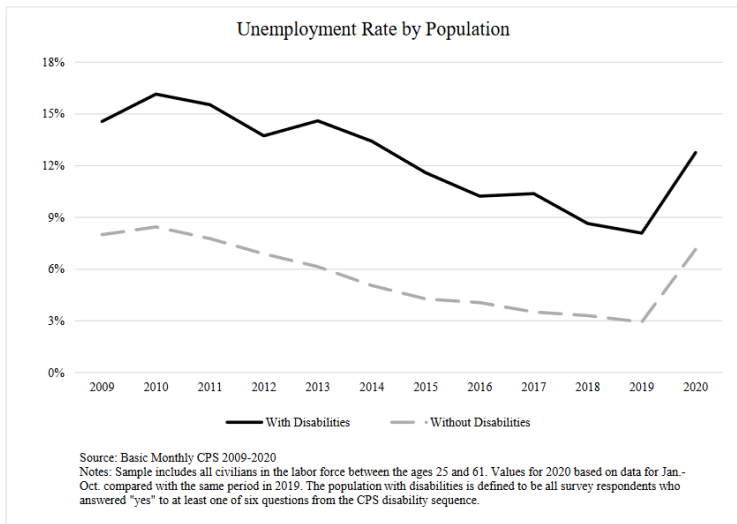
## Outcome Measures by Population, Before and After Recovery

	2009	2019	Change
Disability by Six-question Sequence	7.84%	7.44%	-.39pp
Employment-to-population Ratio			
With Disabilities	31.32%	32.41%	1.09pp
Without Disabilities	77.71%	81.74%	4.03pp
Unemployment Rate			
With Disabilities	14.57%	8.09%	-6.48pp
Without Disabilities	8.00%	2.93%	-5.07pp
Equivalent Household Income			
Mean			
With Disabilities	\$31,235	\$36,877	18.07%
Without Disabilities	\$50,277	\$61,886	23.09%
Median			
With Disabilities	\$21,988	\$26,319	19.07%
Without Disabilities	\$39,592	\$47,051	18.84%
N (Basic Monthly)	813,138	673,883	
N (ASEC)	102,817	74,010	

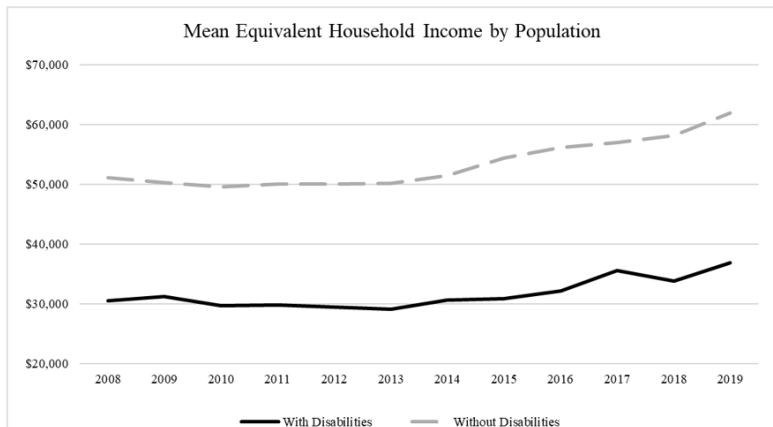
# ECONOMIC WELL-BEING AND LABOR MARKET OUTCOMES



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# ECONOMIC WELL-BEING AND LABOR MARKET OUTCOMES



Source: CPS ASEC 2009-2020

Notes: Income reported in 2019 dollars, using the PCE deflator. Equivalent income adjusts income for household size. Sample includes all civilians between the ages 25 and 61. The population with disabilities is defined to be all survey respondents who answered "yes" to at least one of six questions from the CPS disability sequence.



# MODEL

$$Y_{st} = \alpha + L_{st}\beta + X_{st}\gamma + \varphi_s + \delta_t + \epsilon_{st} \quad (1)$$

where:

$s$  is state,  $t$  is time (years)

$Y$  is the outcome (e.g. employment to population)

$L$  captures state labor market conditions (e.g. unemployment rate, LFP rate)

$X$  is a vector of age-by-gender population shares

$\varphi_s$  are state fixed effects

$\delta_t$  are year fixed effects.

# RESULTS: LABOR MARKET OUTCOMES

Panel A

Cyclical control: state unemployment rate

Emp ratio for those with/without a disability

	(4)	(5)	(6)
	Panel	FE	2019 only
Unemp rate (fraction)	-1.117*** (0.245)	0.326 (0.280)	-2.718** (1.138)
N	561	561	51

# RESULTS: LABOR MARKET OUTCOMES

Panel A

Cyclical control: state unemployment rate

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	(4)	(5)	(6)
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Unemp rate (fraction)	-1.117***	0.326	-2.718**
	(0.245)	(0.280)	(1.138)
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Panel B

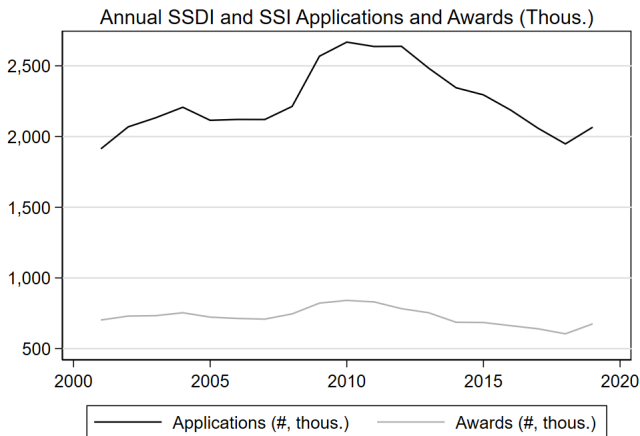
Cyclical control: state LFP rate

Emp ratio for those with/without a disability

	(4)	(5)	(6)
	Panel	FE	2019 only
LFP rate (fraction)	1.096***	1.302***	1.503***
	(0.193)	(0.414)	(0.357)
N	561	561	51

Note: Fractional regression results (average marginal effects) using state panel data (collapsed from CPS microdata), 2009-19. All columns include controls for gender\*age pop shares and year dummies (excluding 2019, columns 3 and 6). Standard errors clustered by state.

# DISABILITY PROGRAM USE (LIKELY PERMANENT LF EXITS)



Source: SSA monthly workflow data and Authors' calculations.

Note: Data include SSDI and SSI worker, widow and SSDI child claimants (no reconsiderations/appeals) from 50 states + DC sent to a state DDS office.

# RESULTS: DISABILITY PROGRAM USE

	(1) applications per 10 people	(2) applications per 10 people	(3) awards per 10 people	(4) awards per 10 people	(5) awards/ determinations	(6) awards/ determinations
unemployment rate	0.522** (0.208)	0.364*** (0.0999)	-0.0161 (0.0867)	-0.0238 (0.0673)	-0.922*** (0.324)	-0.401 (0.257)
state FE	No	Yes	No	Yes	No	Yes
N	561	561	561	561	561	561
pseudo R-sq	.011	.017	.006	.009	.003	.007
w/in R-sq		0.605		0.584		0.547

\* for p<.10, \*\* for p<.05, and \*\*\* for p<.01. Results are average marginal effects from a fractional regression model. Within-R squared subtracts out the variation driven by state fixed effects, following Papke and Wooldridge (1996). Population age 25 - 64 used as the denominator in (1) - (4). Standard errors are clustered by state. Year fixed effects and controls for gender\*age population shares included in the models, but omitted from the table. Data include all SSDI and SSI initial claims (excluding SSI child claims). Sample is 2009 - 2019. Mean of state labor force over this period used for regression weights.

note: updated relative to the version of this table in the paper on the conference website.

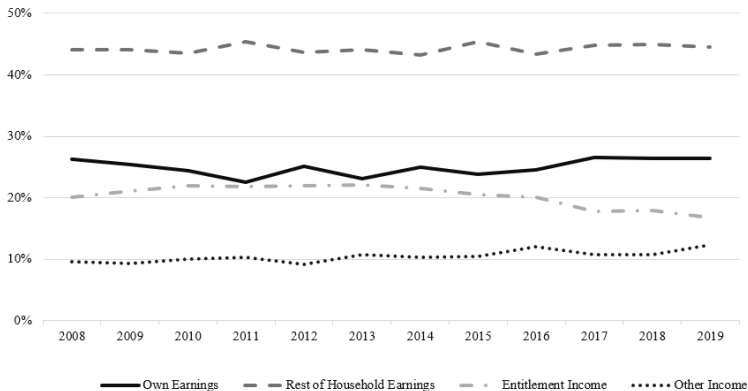
# SUMMARY

- ▶ Research question: what has happened to the economic well-being and labor market outcomes of individuals with disabilities?
- ▶ Descriptive statistics
- ▶ Empirical analysis
  - ▶ → general improvement, some differentially so
- ▶ Discussion

# EXTRA SLIDES

# ECONOMIC WELL-BEING AND LABOR MARKET OUTCOMES

## Mean Household Income Decomposition for People with Disabilities



Source: CPS ASEC 2009-2020

Notes: Income reported in 2019 dollars, using the PCE deflator. Sample includes all civilians with disabilities between the ages 25 and 61. Respondents are considered to have a disability by the six-question sequence measure if they answered "yes" to at least one sequence question. Entitlement income includes all cash benefits received through Social Security, Supplemental Security Income, the Veterans' Administration, and other public assistance programs.