

Disability Statistics Abstract

Number 11

Disability and Employment

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According to 1995 data, 16.9 million working-age Americans, or 10.1 percent of the population aged 16–64, have a work disability—a limitation in the amount or kind of work they are able to perform, due to a chronic condition or impairment. Two-thirds of those (67.9 percent, or 11.4 million people) do not participate in the labor force, meaning that they are neither working nor actively seeking employment.¹ They may not have jobs for one of several reasons: the severity of their impairments may preclude them from working at all, their level of human capital (skills, education, and experience) may render them less competitive, or physical and social barriers in the environment may prevent their obtaining employment.

This abstract summarizes recent data on the relationship between disability and employment. The

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statistics come from several principal sources: the Current Population Survey (CPS), an annual survey of U.S. households conducted by the Bureau of the Census; the Census Bureau's Survey of Income and Program Participation (SIPP), an ongoing, nationally representative panel survey of the non-institutionalized, civilian population; a poll of 1,000 Americans with disabilities conducted for the National Organization on Disability (NOD) by Louis Harris and Associates; and administrative data collected by the Social Security Administration (SSA) concerning recipients of Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI), two programs that provide financial support for many people with severe disabilities.

Recent CPS data on employment, income, and educational attainment for the work disability population are summarized in Table 1. Prevalence rates for work disability among various socio-demographic groups are presented in Table 2; the rate increases markedly with age, and is substantially higher for African Americans than for other racial groups.

The Employment Gap

Apart from the 11.4 million working-age people with work disabilities who do not participate in the labor force, there are an additional 723,000 who are actively looking for work. This number amounts to a 13.4 percent unemployment rate for the 5.4 million labor force participants with work disabilities, a figure more than twice as high as the 5.6 percent unemployment rate for people without work disabilities. In all, only 27.8 percent of working-age people with work disabilities have jobs (4.7 out of 16.9 million), compared to 76.3 percent of those without disabilities.¹

This enormous employment gap cannot be fully accounted for by limitations imposed on the work-disability population because of their disabilities. Approximately half (47.8 percent) of people with

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Table 1: Employment, poverty, and educational status of persons aged 16-64, by work disability status, 1995.

	<u>No Work Disability</u>		<u>Any Work Disability</u>		<u>Severe Work Disability</u>	
	Millions	Percent	Millions	Percent	Millions	Percent
Total	150.8	100.0	16.9	100.0	10.4	100.0
Employed	115.0	76.3	4.7	27.8	0.8	7.5
Unemployed	6.8	4.5	0.7	4.4	0.2	2.2
Not in labor force	28.0	18.6	11.4	67.9	9.4	90.3
Living in poverty	15.4	10.2	5.1	30.0	4.0	38.3
Completed high school	124.3	82.4	11.2	66.7	6.0	57.4
Completed college	34.5	22.9	1.6	9.6	0.6	6.0

Source: 1995 CPS data from unpublished tabulations provided by John M. McNeil, U.S. Bureau of the Census.

work limitation have moderate disabilities that do not prevent them from working, but limit their job choice or the length of their workday or workweek.¹ Of working-age people with disabilities who have no jobs, 42 percent report that they would be able to work if suitable employment could be found.²

Neither can the low employment rate be explained by a lack of desire on the part of people with disabilities to rejoin the labor force. Among working-age people with disabilities, 79 percent say that they would like to have a job.² And while under medical review, 35 percent of SSDI beneficiaries, who generally have severe work limitations, ask for rehabilitation and other services to help them gain employment.³

The employment rate drops as the disability becomes more severe. People who have difficulty in self-care activities (getting around inside the home, getting in or out of bed or chair,

bathing, dressing, eating, and toileting) are regarded as having fairly severe disabilities; of those in this category between the ages of 21 and 64, 25.2 percent are employed. Of those needing the assistance of another person in self-care, a still more profound disability, only 18.1 percent have jobs.⁴ Another way of measuring the severity of a disability is by self-assessment; of working-age people who rate their disability as "very severe," only 8 percent are employed.²

The Income Gap

In large part because of their low employment rate, people with work disabilities are more likely to be poor than those without disabilities. Within the working-age population (16-64), 30.0 percent of people with work disabilities live below the poverty level, compared to 10.2 percent of those without work disabilities. Among people with severe disabilities that prevent them from working at all, or qualify them to receive Medicare or SSI, 35.8 percent have incomes below the

poverty level.¹

The poverty rate is even higher for certain segments of the disability population. Among single women with disabilities who have children under 6 years of age, for example, 72.9 percent are living in poverty.¹

Even for people with disabilities who have jobs, income levels may be below par, due to a combination of lower hourly wages and reduced work hours. Working people with work disabilities earn only 63.6 percent as much, on average, as those without disabilities; when the comparison is limited to those working full time, the figure increases to 85.8 percent. But even those who work full time often cannot make ends meet: 10.3 percent of full time workers with severe disabilities fall below the poverty line, a rate more than 3 times that of people without disabilities (2.9 percent).¹

One reason for reduced wages may be a lack of the skills and education that would enable people with disabilities to obtain better-

paying jobs. Although 82.4 percent of working-age people without disabilities have graduated from high school, only 66.7 percent of those with work disabilities have done so, and 57.4 percent of those with severe disabilities. The disparity in college graduation rates is even more striking: 22.9 percent for people without disabilities, 9.6 percent for people with work disabilities, and only 6.0 percent for those with severe work disabilities.¹ It should be noted, however, that working-age people with severe work disabilities are older, on average, than those without disabilities, and older adults in general tend to have lower educational attainment than younger adults.

Recent trends in earnings for people with disabilities are not encouraging. During the 1980s,

income levels for full time workers with work disabilities lagged far behind those of people without disabilities. During a period when men without disabilities increased their income by 45.3 percent, on average, men with work disabilities gained only 29.0 percent. For women, those without disabilities increased their earnings by 57.2 percent while those with disabilities gained 49.5 percent.⁵

Public Policy

Many people with severe work disabilities rely on Social Security as a primary source of income. In 1993, 6.7 million working-age people were receiving either SSDI or SSI checks. This number of beneficiaries has increased 50 percent since 1982.⁶ The largest increase has been among young adults, with 43 percent more

people under age 30 receiving SSDI benefits in 1993 than in 1989.³

The increased use of public disability programs has already strained budgets, and future prospects are still more worrisome. Given the tendency of people who receive Social Security benefits to remain on the rolls permanently—each year, fewer than 1/2 of 1 percent of working-age social security recipients leave the rolls to take a job³—the likelihood is that outlays for these programs will continue to increase dramatically, barring changes in public policy. Especially problematic is the greater proportion of younger adults receiving benefits, since this group will likely require assistance for many years.

Greater emphasis on vocational rehabilitation, along with education and skills training, might help to

Table 2: Prevalence of work disability among persons aged 16-64, by gender, age, race, and ethnicity, and by severity of work disability, 1995.

	Total Millions	Any Work Disability		Severe Work Disability	
		Number (millions)	Percent of total	Number (millions)	Percent of total
All persons aged 16-64	167.7	16.9	10.1	10.4	6.2
Males	82.8	8.5	10.2	5.1	6.2
Females	84.9	8.4	9.9	5.3	6.2
Ages 16-24	32.5	1.4	4.2	0.8	2.6
Ages 25-34	41.4	2.7	6.4	1.5	3.7
Ages 35-44	42.3	4.0	9.4	2.4	5.7
Ages 45-54	30.7	4.1	13.3	2.5	8.1
Ages 55-64	20.8	4.8	22.9	3.1	15.1
Whites	139.1	13.0	9.4	7.5	5.4
Blacks	20.8	3.2	15.4	2.5	11.8
Other races	7.8	0.7	8.5	0.4	5.6
Hispanic origin	17.1	1.6	9.6	1.2	7.1

Source: 1995 CPS data from unpublished tabulations provided by John M. McNeil, U.S. Bureau of the Census.

reduce the long-term costs of these benefit programs. Although only 10 percent of new Social Security recipients are currently referred for vocational rehabilitation services, SSA estimates that for every dollar it spends on such services, it saves five dollars in reduced future benefits.³ Success rates of vocational rehabilitation programs in placing people in full-time competitive work range from 43 percent for people with mental retardation to 63 percent for those with hearing impairments.⁷

Notes

¹1995 CPS data from unpublished tabulations provided by John M. McNeil, U.S. Bureau of the Census.

²1994 NOD/Harris data from: Louis Harris & Associates (1994). National Organization on Disability/Harris Survey of Americans with Disabilities. New York: Louis Harris & Associates.

³1993 SSA data from: Social Security Administration (1994). Developing a World-Class Employment Strategy for People with Disabilities. A Briefing for Commissioner Chater and Principal Deputy Commissioner Thompson. Baltimore, MD: Social Security Administration.

⁴1991-92 SIPP data from: McNeil, J. (1993). Americans With Disabilities: 1991-1992, U.S. Bureau of the Census, Current Population Reports, Series P70, #33. Washington, DC: U.S. Government Printing Office.

⁵1980-87 CPS data summarized in: LaPlante, M., S. Miller, & K. Miller (1992). People With Work Disability in the U.S., Disability Statistics Abstract # 4. Washington, DC: NIDRR.

⁶Social Security Administration (1994). Annual Statistical Supplement, 1994. Social Security Bulletin.

⁷Kraus, L. E., & Stoddard, S. (1991). Chartbook on Work Disability in the United States. An InfoUse Report. Washington, D.C.: National Institute on Disability and Rehabilitation Research.

Credits

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