Employment and Work Expectations of Social Security Disability Beneficiaries

Gina Livermore

Disability Policy Research Forum on
The Employment and Work Aspirations of People with Disabilities

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Purpose of the Presentation

- Describe work activity, expectations, and barriers of beneficiaries of Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI)
  - How many are working and what are their characteristics?
  - How many want to work?
  - What are some of their barriers to employment?
Why Is This Interesting?

- SSA and others invest heavily to promote work among SSI/SSDI participants and others with disabilities
  - Ticket to Work (TTW), Medicaid Buy-in, SSA and CMS demonstrations, DOL grants

- Initiatives respond to long-term trends
  - Declining employment among people with disabilities
  - Growth in the SSI and SSDI rolls
  - Changing demographic patterns
  - Advances in technology and medicine
  - Changing societal views of disability
Why Is This Interesting? (cont'd)

- At the same time, the intent of SSA disability programs is at odds with work activity:
  - Must prove inability to work at substantial levels due to a long-term medical condition
  - No significant early intervention or temporary support
  - A last resort—early/permanent retirement from labor force
  - Few ever leave the rolls due to work

- Can the recent state and federal efforts be fruitful?
About the Data

- Findings from a larger effort to evaluate TTW
  - TTW expands the means by which SSI/SSDI beneficiaries can obtain employment-related services
- Data from the 2004 National Beneficiary Survey
  - Phone/in-person interviews with a nationally representative sample of 7,600 SSI and SSDI beneficiaries ages 18 to 64
- Findings reported in two evaluation reports at [www.mathematica-mpr.com](http://www.mathematica-mpr.com)
### Share of Working-Age SSI and SSDI Beneficiaries Who Are Employed

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>SSDI only</th>
<th>Concurrent (SSI/SSDI)</th>
<th>SSI only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working at interview</td>
<td>9%</td>
<td>9%</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>Worked during previous year</td>
<td>13%</td>
<td>13%</td>
<td>17%</td>
<td>11%</td>
</tr>
<tr>
<td>Looked for work during past month</td>
<td>6%</td>
<td>4%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Any of the above</td>
<td>18%</td>
<td>16%</td>
<td>23%</td>
<td>17%</td>
</tr>
</tbody>
</table>
Characteristics of the 9 Percent Who Are Working

- More likely to:
  - Be under age 40
  - Have experienced onset of disability during childhood
  - Have low levels of SSA benefits (<$500/month)
  - Be in better physical and mental health
  - Be educated beyond high school

- Less likely to:
  - Be SSI-only recipients
  - Require assistance with activities of daily living
## Selected Characteristics of Working and All SSI/SSDI Beneficiaries

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>All Beneficiaries</th>
<th>Working Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under age 40</td>
<td>22%</td>
<td>41%</td>
</tr>
<tr>
<td>Excellent/very good health</td>
<td>10%</td>
<td>28%</td>
</tr>
<tr>
<td>Poor/very poor health</td>
<td>43%</td>
<td>17%</td>
</tr>
<tr>
<td>Onset of disability in childhood</td>
<td>22%</td>
<td>44%</td>
</tr>
<tr>
<td>No difficulty with activities/instrumental activities of daily living</td>
<td>28%</td>
<td>45%</td>
</tr>
<tr>
<td>Characteristic</td>
<td>Value</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Average Hours per Week</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Working Full Time</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Average Hourly Wage</td>
<td>$7</td>
<td></td>
</tr>
<tr>
<td>Average Monthly Earnings</td>
<td>$622</td>
<td></td>
</tr>
<tr>
<td>Earning above substantial gainful activity (SGA) level</td>
<td>22%</td>
<td></td>
</tr>
</tbody>
</table>

- **Median Job Duration**: ≈ 2 years
Working SSI-Only Beneficiaries Were More Likely to:

- Be working full-time (31 percent)
- Have higher average monthly earnings ($729)
- Be working above SGA (36 percent)
Share of Beneficiaries Who Say They Want to Work

- 40 percent see themselves working in the next five years or say their goals include work/career advancement
  - Less common among SSDI-only beneficiaries (35 percent) than others (45 percent)

- 15 percent see themselves working and earning enough to stop receiving disability benefits within the next five years
# Reasons Beneficiaries Give for Not Working

<table>
<thead>
<tr>
<th>Reasons for Not Working</th>
<th>All Beneficiaries</th>
<th>TTW Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health prevents work</td>
<td>96%</td>
<td>76%</td>
</tr>
<tr>
<td>Discouraged by previous attempts</td>
<td>30%</td>
<td>50%</td>
</tr>
<tr>
<td>Inaccessible workplaces</td>
<td>28%</td>
<td>35%</td>
</tr>
<tr>
<td>Can’t find a job he/she is qualified to do</td>
<td>28%</td>
<td>54%</td>
</tr>
<tr>
<td>Employers won’t give him/her a chance</td>
<td>18%</td>
<td>42%</td>
</tr>
<tr>
<td>Lacks reliable transportation</td>
<td>18%</td>
<td>30%</td>
</tr>
<tr>
<td>Can’t find a job he/she wants</td>
<td>13%</td>
<td>37%</td>
</tr>
<tr>
<td>Doesn’t want to lose benefits</td>
<td>11%</td>
<td>19%</td>
</tr>
</tbody>
</table>
Other Challenges to Employment Faced by Working-Age Beneficiaries

- 42 percent do not have a high school diploma
- 49 percent live in households with income below the federal poverty level
- 53 percent have been on the disability rolls for 10 or more years
Efforts to Promote Employment Among Beneficiaries Are Not Futile

- 40 percent of beneficiaries (about 4 million individuals) want to work

- 18 percent have engaged in recent work or are actively seeking employment
  - Large differences in work activity exist, depending on beneficiary characteristics
Efforts to Promote Employment Among Beneficiaries Will Be Challenging

- Recent efforts have met with limited success
  - Maintaining the status quo may be much more costly

- Policies must address both financial disincentives and a myriad of employment barriers

- Programs must offer options/supports before individuals get on the disability rolls
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