

# **Great Expectations but Poorer Outcomes: Declining Employment among a Growing Group of Work-Oriented Beneficiaries**

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## Introduction

Since the passage of the Ticket to Work and Self-Sufficiency Act of 1999, the Social Security Administration (SSA) has implemented a variety of supports intended to promote the employment of Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) beneficiaries. Other federal agencies also have implemented efforts to promote employment among people with disabilities during the past decade. At the same time, other factors, particularly the 2007–2009 recession, have negatively affected the employment of people with disabilities. Other demographic and labor market changes have likely affected the characteristics of individuals participating in the disability programs over time and the likelihood that they engage in work activity. This study examines changes in beneficiaries' characteristics and employment-related experiences from 2005 to 2015 using data from the National Beneficiary Survey (NBS). Understanding the changes that have occurred over time and their implications provides insights for SSA and others interested in improving the employment of people with significant disabilities.

## Data and Methods

We used data from two NBS rounds fielded in 2005 and 2015. The survey collected data from a national sample of SSI and SSDI beneficiaries age 18 to full retirement age.<sup>1</sup> The sample sizes for the 2005 and 2015 rounds are 4,864 and 4,062, respectively. The samples for each round are representative of beneficiaries on the SSI and SSDI rolls as of June of the calendar year before each survey year. The primary purpose of the survey is to provide information about the characteristics and work-related experiences of SSI and SSDI beneficiaries.

We produced descriptive statistics on personal and health characteristics separately for SSDI-only and SSI (only and concurrent SSDI) beneficiaries in 2005 and 2015. We focused on the subsets of work-oriented SSDI and SSI beneficiaries (those who reported at interview that their personal goals included work or who saw themselves working in the next five years) and produced adjusted estimates of employment-related outcomes that control for changes in disability program, time on the disability rolls, age, education, race, marital status, having children, general physical and mental health, and selected activity limitations.<sup>2</sup> We estimated all statistics using the relevant survey weights and standard errors used to compute tests of statistical significance account for the NBS sampling design.

## Summary of Findings

**Changes in personal characteristics were consistent with changes in the U.S. population, but there were few changes in health status.** The composition of beneficiaries in 2015 relative to 2005 reflected demographic changes in the U.S. population over this period. In 2015, beneficiaries were older and SSDI-only beneficiaries made up a greater share of all

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<sup>1</sup> Sample members receiving SSDI are age 18 through full retirement age, and sample members receiving only SSI are age 18 through 64. Because the full retirement age has changed over time, SSDI sample members could be as old as 65 in the 2005 NBS and as old as 66 in the 2015 NBS.

<sup>2</sup> We estimated separate regressions for each outcome by year (2005 and 2015) and program. We used the Oaxaca procedure in Stata to adjust the 2005 means to reflect the 2015 characteristics of beneficiaries and the 2005 regression parameters, and to compute statistical tests of the regression-adjusted differences.

beneficiaries. A smaller share of SSDI-only beneficiaries were married and fewer SSI and SSDI beneficiaries had children younger than 18. Beneficiaries also had higher levels of education; the share that had not completed high school fell from about one-third of beneficiaries in 2005 to one-quarter in 2015. The share of beneficiaries who self-reported a musculoskeletal condition as the reason for their activity limitations increased. Some measures suggest worsening health, including an increase in obesity and increasing reports of having difficulty getting around outside of the home. But measures of general physical and mental health did not change over the period.

**A greater share of beneficiaries had work expectations, but experience in the labor market declined for this group.** From 2005 to 2015, the share of beneficiaries with work expectations increased modestly (from 41 to 45 percent). A large increase in work expectations among SSDI-only beneficiaries (from 34 to 43 percent) drove this increase; the share of SSI recipients with work expectations did not change. A declining share of both SSDI and SSI beneficiaries had work experiences. Most work-oriented beneficiaries in 2015 had worked for pay at some point in their lives, but these rates declined by 4 and 15 percentage points, respectively, between 2005 and 2015. The share of both SSDI and SSI work-oriented beneficiaries who reported working in the prior year fell by 8 percentage points in 2015. Those with less than a high school level of education and those on the disability rolls for fewer than five years experienced the largest relative declines in annual employment (50 percent or more).

**Table 1. Beneficiaries’ work-related experiences in 2005 and 2015**

	Unadjusted 2005	Unadjusted 2015	Adjusted difference (2015–2005)
<b>SSDI-only beneficiaries (%)</b>			
Work-oriented	34.0	42.6	9.4*
<b>Work-oriented SSDI-only beneficiaries</b>			
Employment			
Ever worked for pay	98.3	94.0	-4.2*
Worked in year before interview	31.6	22.7	-8.1*
Reasons for not working among those not working or seeking work			
Discouraged by previous attempts	38.9	37.2	-1.7
Cannot find a job	37.8	48.8	11.7*
Awareness of SSA work supports			
Ticket to Work	32.5	44.5	11.2*
Extended Medicare	20.1	20.6	-0.8
Benefit specialists	13.9	28.9	15.6*
<b>SSI-only and concurrent beneficiaries (%)</b>			
Work-oriented	48.9	49.2	-1.0
<b>Work-oriented SSI-only and concurrent beneficiaries</b>			
Employment			
Ever worked for pay	87.4	73.8	-15.0*
Worked in year before interview	27.2	18.5	-8.0*
Reasons for not working among those not working or seeking work			
Discouraged by previous attempts	44.7	36.0	-6.8*
Cannot find a job	52.8	50.2	-1.7
Awareness of SSA work supports			
Ticket to Work	34.2	29.7	-5.3*
1619b Medicaid	19.8	13.5	-6.6*
Benefit specialists	9.8	16.7	6.9*

Notes: Adjusted differences control for changes in observable characteristics of beneficiaries from 2005 to 2015. \* Denotes statistical significance at the 0.05 level.

**Reasons cited for not working changed.** Poor health remained most frequently cited reason for not working (more than 90 percent), but slightly more than one-third of work-oriented beneficiaries said they were discouraged by previous work attempts. This rate was similar to the 2005 rate among SSDI beneficiaries, but was 7 percentage points lower for SSI recipients. Roughly half of work-oriented beneficiaries cited not being able to find a job. This rate was unchanged for SSI beneficiaries but 12 percentage points higher for SSDI beneficiaries in 2015.

**Awareness of some SSA work supports increased, but decreased for others.** A majority of work-oriented beneficiaries were unaware of important SSA program provisions meant to support employment. From 2005 to 2015, awareness of the Ticket to Work program increased among SSDI-only beneficiaries by 11 percentage points, but fell by 5 percentage points among SSI recipients. Awareness of SSA program provisions that allow working beneficiaries to maintain their Medicaid (Section 1619b) or Medicare coverage after their SSI or SSDI payments have ended because of earnings remained low for all beneficiaries and declined markedly (by 7 percentage points) among SSI recipients. Awareness of SSA's Work Incentive Planning and Assistance (WIPA) program increased for both SSI and SSDI-only beneficiaries.<sup>3</sup>

### **Implications of the Findings**

Although the increase in the share of work-oriented SSDI beneficiaries is good news, there was no increase in the work orientation of SSI beneficiaries, and the share of all beneficiaries with work experience actually declined. Taken together, the results suggest that work expectations have risen but that beneficiaries and the agencies that support them have failed to meet these expectations. There are a number of reasons employment experiences of beneficiaries could have declined. The declines may be due to lingering effects of the recession. The large increase in the share of work-oriented SSDI-only beneficiaries who reported an inability to find jobs supports this assumption. The decline in the share of beneficiaries who had ever held a job is especially concerning given that prior work experience is a strong predictor of future employment and this lack of experience will continue to hurt their future prospects.

The findings point to potential avenues to improve outcomes. The low rates of awareness of work supports suggest that more can be done to educate beneficiaries about them. That nearly half of work-oriented beneficiaries reported the inability to find a job as a reason for not working suggests that targeted outreach intended to connect them with services and information about work supports might help some regain employment.

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<sup>3</sup> The Ticket to Work and Self-Sufficiency Act authorized SSA to award cooperative agreements to community organizations to provide beneficiaries with information about SSA work supports and the impact of earnings on SSI and SSDI benefits. The program, originally called the Benefits Planning, Assistance, and Outreach program, was first implemented in 2000. In 2006, the program was renamed the WIPA program and structured to place a greater emphasis on encouraging beneficiaries' employment. The 2005 NBS asked about awareness of the Benefits Planning, Assistance, and Outreach program and the 2015 NBS asked about awareness of the WIPA program.

