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**Panel IV:**

**Revelations from National Data Sources**

Friday, November 1, 8:30-10:15

**Moderator:**

Speed Davis

National Council on Disability

**The Labor Market and Persons with and without Disabilities: Analysis of the 1993 through :1995 Current Population Surveys**

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**The Labor Market and Persons with and without Disabilities**

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**Abstract**

This paper uses the 1993 through 1995 Current Population Survey to provide estimates of labor force participation rates, the frequency of transitions into and out of the labor force. the prevalence of part-time employment, the distribution of occupations and industries, the family income and personal earnings, and the returns from education among persons with and without disabilities. Persons with disabilities are found to have a multiplicity of characteristics that jeopardize their employment in addition to the disability itself. In particular, they have low levels of formal education. In addition, they experience much lower returns from whatever level of formal education they have. Public policy to improve the employment prospects of persons with disabilities must take into account the interactions among the characteristics that reduce their labor force participation. Research must discover the extent to which the lower returns

from education among persons with disabilities are the result of discrimination or an

inability to use their human capital effectively.

## Introduction

Much of the research on employment among persons with disabilities has emphasized the impact of disability compensation programs in encouraging such persons to leave work and in discouraging them from returning to the labor market. The results with respect to the impact on leaving work are ambiguous, with most of the early studies showing a large work disincentive from disability compensation programs (Parsons, 1980; Boskin and Hurd, 1984) and most of the more recent ones showing little or no effect (Bound, 1989; Yelin, 1986; Haveman and Wolfe, 1984). In contrast, the evidence with respect to return to work is much stronger, showing that the way that disability compensation programs are run reduces the probability that persons with disabilities will re-enter the labor market (Burkhauser and Wittenburg, 1996).

However, the impact of disability compensation programs is not the only factor affecting employment: indeed, it may not be as important as the basic structure of the labor market (Berkowitz, Johnson, and Murphy, 1976; Levitan and Taggart, 1977; Stern, 1989). In previous research I have shown that the employment of persons with disabilities follows more general trends in employment affecting all working age adults (Yelin and Katz, 1994a). Thus, the labor force participation rates of women with disabilities rose in the 1970s and 1980s in tandem with the increase in employment among women without disabilities, and the labor force participation rates of men with disabilities fell during this time, as did the rates among men without disabilities. The rise in employment among women in general and women with disabilities in particular and the fall in employment among men in general and men with disabilities in particular were tied to the transformation from an economy based on manufacturing to one based on services (Yelin, 1992). Men with disabilities experienced higher rates of displacement from the manufacturing sector than the remainder of men, while women with disabilities experienced at least proportional, if not greater increases in service sector employment.

Overall, the proportion of working age adults with jobs expanded quite dramatically in the U.S. during this time, a process that brought slightly higher labor force participation rates among persons with disabilities as the net result of the substantial increase in employment among women with disabilities and the sharp decline in employment among such men (Yelin and Cisternas, 1996; Trupin, Sebesta, LaPlante, and Yelin, 1996).

This focus on the effect of the overall labor market on the employment prospects of persons with disabilities has important policy implications both because it pinpoints whether such persons are likely to find any work at all and in which occupations and industries their chances are greatest. Thus, although the probability of finding work if a person with disability is out of the labor market is always small, persons with a history of employment in the best mix of occupations and industries are thirty times as likely to get a job as those with a history in the worst (Yelin and Katz, 1994b). Finding employment for persons with disabilities is always difficult, but trying to do so in a growth sector can still increase the probability of success.

This paper continues this line of inquiry on the impact of labor markets on employment among persons with disabilities by providing contemporary estimates of these phenomena, in the process again documenting how other labor market liabilities such as gender, race, and age combine with disability status to reduce labor force participation rates. The paper then demonstrates the paradoxical effect of education on employment and earnings, showing on the one hand that increasing levels of education do improve the probability of employment among persons with disabilities and, among those working, their earnings while, on the other, that at any given level of education persons with disabilities are less likely to work and, if working, have lower earnings than persons without disabilities. The paper closes with a discussion of the possible explanations for this paradoxical finding, and the potential policy implications.

## Methods

The data source for the analyses reported here is the annual March Supplement to the monthly Current Population Survey for the years 1993 through 1995. The CPS is the principal venue for the estimation of national employment statistics: the annual March

Supplement provides information on labor force participation in the entire year prior to survey and on the amount and source of income of each household member (U.S. Bureau of the Census. 1993). The CPS contains information about 57,000 households with about 113,000 individuals aged 15 and older and 33,500 children. The analyses reported here are limited to the approximately 93,000 individuals of working ages, 18 through 64. A more complete description of the analytic strategy may be found in Yelin and Katz. 1994

In the results reported below. I describe the labor force participation of persons who do and do not meet the CPS criterion of work disability: persons who report health limitations which prevent work or limit the amount or kind of work. In labor market analyses, persons who report being employed. on temporary leave or lay-off. or who are unemployed and looking for work are said to be in the labor force: all others are said to be out of the labor force.

In 1994. the CPS made major changes in the questions used to establish labor force participation rates (Polivka and Rothgeb. 1993). The new questions were designed to distinguish those working for pay from those working on a voluntary basis and to delineate the reasons for part-time work; and weak attachment to the labor force. Accordingly, the paper reports labor force participation rates for the years 1993 through 1995 to document that the basic results are insensitive to the changes in the labor force participation measures.

The impact of disability on employment differs dramatically with changes in the definition of disability. The CPS definition screens for persons with relatively severe disabilities: the prevalence of disability among working age adults in the CPS is between 7 and 8 percent. depending on the year. The other principal Federal survey used in labor market analyses. the National Health Interview Survey (NHIS), defines disability in a more encompassing fashion: the self-report of the inability to do one's major activity or being limited in the amount or kind of that activity. In the NHIS, the prevalence of disability among working age adults is about 14 percent, or almost twice the prevalence in the CPS (Trupin, Sebesta, LaPlante, and Yelin. 1996). To document that the basic patterns of labor force participation among persons with disabilities are not dependent on the definition of disability, some results from the most recent year of the NHIS are presented below.

## Results

### Labor Force Participation Rate

Table 1 provides estimates of labor force participation rates for men and women with and without disabilities. The change in the CPS labor force questions affected the estimate of the proportion of working age adults in the labor force, increasing labor force participation rates of all but men with disabilities. but did not fundamentally alter the relative position of persons with and without disabilities. Regardless of gender, persons with disabilities report labor force participation rates approximately one-third as high as persons without disabilities. Women with disabilities experience the lowest labor force participation rates. with slightly more than a fifth and a quarter. respectively, reporting being in the labor force before and after the change in the CPS employment items in 1994

The results from the NHIS (Table 2) are broadly consistent with those from the CPS in showing that persons with disabilities have much lower labor force participation rates than those without disabilities, although with a definition of disability that encompasses those with less severe impairments than the CPS, the absolute labor force participation rate among those meeting the NHIS definition is much higher than those meeting the CPS criterion.

Race would appear to amplify the impact of disability on labor force participation (Table 3). Thus, although whites with disabilities are only 38 percent as likely to be in the labor force as whites without disabilities. non-whites with disabilities fare even more poorly relative to non-whites without disabilities. with labor force participation rates about a quarter as large. The implication is that non-whites with disabilities account for a disproportionate amount of the overall impact of disability on employment. Similarly. disability accounts for a disproportionate amount of the impact of race on labor force

participation (Table 4). In 1995, whites without disabilities were only six percent more likely to be in the labor force than non-whites. However, whites with disabilities were 64 percent more likely to be in the labor force than non-whites with disabilities.

Labor force participation rates for persons with and without disabilities alike decline with age, but the decline is more severe among persons with disabilities (Table 5). As a result, by the time persons with disabilities are in the 45-54 age range, only about a fifth are in the labor force; only about a sixth of such persons 55-64 are in the labor force. In contrast, about three-quarters of persons without disabilities in this age range continue in the labor force, as do two-thirds of those in the immediate pre-retirement years of 55-64. Thus, withdrawal from the labor force prior to the normal age of retirement is common in this society, but much more so among persons with disabilities.

### **Triple Jeopardy**

Disadvantages due to gender and race combine with disability status to reduce labor force participation rates more than any one of these characteristics alone (Table 6, last row). As shown above, when evaluating characteristics one at a time, women have lower labor force participation rates than men (Table 1), non-whites have lower rates than whites (Table 3), and persons with disabilities have lower rates than those without (Tables 1 and 3). When evaluating the impact of the characteristics in combination, white men without disabilities fared the best with labor force participation rates in excess of ninety percent; the corresponding rates for nonwhite men, white women, and non-white women without disabilities were 83.7 percent, 74.9 percent, and 72.6 percent, respectively. Among persons with disabilities, white men again fared the best, with a labor force participation rate of 33.7 percent and non-white women fared the worst, with a labor force participation rate of only 18.1 percent. In contrast to the situation among persons without disabilities, white women fared slightly better than non-white men: the two groups had labor force participation rates of 28.6 and 20.1 percent, respectively.

Persons with disabilities may, in fact, be prone to quadruple jeopardy, in so far as age also affects the labor force participation rate in combination with gender and race (Table 6, first three rows). White men without disabilities who are 45-54 had labor force participation rates in excess of 96 percent. In contrast, only about ten percent of non-whites with disabilities of both genders who are 55-64 were in the labor force.

### **Labor Market Transitions**

Table 7 provides estimates of the proportion of persons with and without disabilities who did not work at any point in the year prior to survey but who were doing so at the time of the interview for the March Supplement to the CPS. The proportion of persons with and without disabilities who entered the labor market was small in each of the three years analyzed, but in each year persons with disabilities fared much more poorly on this measure. The changes in the CPS employment measures in 1994 were designed to eliminate those with especially weak attachment to the labor market from the calculation of the labor force participation rate and the proportion entering and leaving the labor force. With these changes, the proportion estimated to enter the labor force did increase, from 1.5 to 2.0 percent among persons with disabilities and from 6.9 to 11.0 percent among those without. Nevertheless, entrance into the labor market among those not working in the entire year prior to survey remains a rare phenomenon.

Unfortunately, the proportion who worked at some point in the year prior to survey and had stopped working as of the interview for the March Supplement was much larger, in excess of 42 percent among persons with disabilities and 13 percent among those without in 1995 (Table 8). Part of the reason why the proportion who stopped working is so high has to do with the nature of the CPS questionnaire. The CPS asks respondents whether they had worked at any point in the year prior to survey, whereas the questions about current employment pertain only to the two week period prior to interview. Thus, many of those who were not working immediately prior to the survey may have worked earlier in the calendar year or may work at some point in the remainder of the year. Nevertheless, very high proportions of persons with disabilities made at least one exit from the labor force which, at the very least, establishes that they have relatively weak attachment to the labor force.

Table 9 shows the proportion of persons with and without disabilities working both in the

year prior to survey and when interviewed, a measure of strong attachment to the labor force. In 1995, 57.8 percent of persons with disabilities and 86.8 percent of persons without who worked in the prior year reported being currently employed. Among persons with disabilities, this represents a relatively high proportion of a small percentage: those working in the prior year. Among the persons without disabilities, it represents a very high proportion of a large percentage.

Transitions into and out of work are commonplace in the contemporary American economy. Accordingly, to determine if a group has fair access to employment, it is necessary to measure their employment status over a longer duration of time. Table 10 indicates that most persons with and without disabilities who did not work in the year prior to survey were not currently employed when interviewed. However, in the case of persons with disabilities, this represents a large proportion of a large percentage, whereas among persons without disabilities it represents a large proportion of a relatively small percentage.

Table 11 summarizes the information about labor market transitions by showing the proportion of persons with and without disabilities by employment status in the year prior to survey and when interviewed. Among persons with disabilities, only a fifth worked in both time periods: such persons were only 36 percent as likely as those without disabilities to have such a strong attachment to the labor force. In contrast, persons with disabilities were more than four and a half times as likely as persons without disabilities to be without employment in both the year prior to survey and when interviewed. Finally, persons with disabilities were more than a third more likely to exit the labor force while being only three-quarters as likely to enter it.

### **Full and part-time Employment**

In describing the significant changes in employment that have occurred over the last two decades. Labor market analysts target three related trends: the feminization of the labor force, the growth of service sector jobs and the decline of manufacturing ones, and the growth of part-time work, particularly involuntary part-time work (Clog" and Sullivan, 1983; Blank, 1990; Osterman, 1988). Persons with disabilities are much more likely to work part-time than persons without disabilities (Table 12). Overall, more than a third of persons with disabilities work part-time for all reasons, while fewer than a fifth of persons without disabilities do. Voluntary part-time employment can certainly be a boon to persons with disabilities, providing them with the flexibility to work as much as their medical conditions allow. The proportion of persons with disabilities who work part-time voluntarily is more - m twice as large as the proportion of persons without disabilities. However, persons with disabilities are also more than twice as likely to report involuntary part-time employment. In addition, the proportion of persons with disabilities reporting involuntary part-time employment grew much faster in the last decade than the proportion of persons without disabilities so reporting (Yelin and Katz, 1994b). Thus, not only are persons with disabilities more likely to be out of the labor force at any one time, but when they do work they are more likely to reduce their hours to accommodate slack demand for labor. Part-time jobs are much less likely to confer health insurance and pension benefits. They also have lower average hourly wages. The lack of health insurance no doubt contributes to the numbers of SSI and SSDI beneficiaries now; the lack of pension benefits means that a higher proportion will have to rely on Social Security to meet their basic economic needs in the post-retirement years to come. The higher rates of part-time work among persons with disabilities therefore puts a strain on current and future Social Security budgets.

### **Characteristics of Persons In and Out of the Labor Force**

Compared to persons with disabilities who are currently employed, those who are not employed are much likelier to be non-white, to be in the older age group (those 55-64 years of age), and to report having less than a high school education (Table 13). This suggests that race, age, and educational attainment contribute to the poor labor market performance of persons with disabilities. It is noteworthy that in a time when the demand for workers with a high school education or less is slack and getting more so with every year (Levy, 1987), in excess of three-quarters of persons with disabilities who are not currently working have no more than a high school diploma. Ominously, almost 60 percent of persons with disabilities who are currently working report having this level of education, putting such individuals at risk for job loss. The educational level of

persons with disabilities, thus, jeopardizes the employment of those currently in the labor force, while making it difficult for those out of work to enter the labor market. In contrast, much larger proportions of persons without disabilities are in the younger age groups, have the social support of being currently married, and have at least some college education. The poor labor market position of persons with disabilities would appear to result from combination of the disability itself as well as other demographic characteristics. Public policy must deal with this multiplicity of labor market liabilities if the employment prospects of persons with disabilities are to improve.

### **Occupations and Industries**

In the 1970s and early 1980s, many labor market analysts predicted increasing proletarianization of the labor force because of the growth of service sector employment and the rapid decline in the number of jobs in manufacturing (Braverman, 1974; Wright and Singleman, 1982). Their predictions proved too pessimistic by far, mostly because they had an inaccurate view of service sector employment, focussing on the image of food service workers to the exclusion of such high-paying fields as business services and because they assumed that mechanization would lead to de-skilling of manufacturing work (Wright and Martin, 1987; Zuboff S, 1988). In the ensuing decade, the number of service sector jobs in the upper quadrant of wages has increased faster than the number in the lower quadrant, belying the notion that the growth in service sector employment is necessarily a detrimental trend (Council of Economic Advisors, 1996). Similarly, American manufacturing has been revitalized not because it has shunned high skill, high wage labor, but because it has learned to use that labor to increase productivity (Hirshhorn, 1984).

Thus, it would be too simplistic to assert that persons with disabilities are over-represented in bad jobs simply on the basis of job title. Indeed, an analysis of the representation of persons with disabilities in the various occupations and industries yields ambiguous results. With respect to occupations, persons with disabilities are under-represented among the ranks of executives, administrators, and managers as well as among professional specialty occupations, presumably good jobs, while being over-represented among such poorly remunerated ones as several services classifications and the handlers, cleaners, and laborers category (Table 14). On the other hand, compared to persons without disabilities, those with disabilities are more likely to hold jobs as operators, among the highest paying blue-collar classifications, albeit a sector that has been shedding jobs for close to two decades (Yelin, 1992).

Similarly, with respect to industries, persons with disabilities are under-represented relative to persons without disabilities among workers in the booming finance, insurance, and real estate sector, while being over-represented in another high growth sector, the business and repair services classification.

Overall, however, it would appear that persons with disabilities hold a disproportionately small share of jobs in these high growth, high wage occupations: executives, administrators, and managers and professional specialties and in the high growth, high wage industry of finance, insurance, and real estate. In contrast, such persons hold a disproportionately large number of jobs in a high wage occupation with a declining share of the labor market: operators, and in several high growth, low wage occupations: private household workers, protective services (predominantly private security guards), other service occupations (predominantly food service workers), and manual laborers.

Clearly, the age and educational level of persons with disabilities limit their ability to find work in the high growth, high wage sectors. Moreover, prior research indicates that such persons experienced a disproportionately large share of the job loss from the manufacturing sector and a disproportionately small share of the job gains in services (Yelin, 1992). Thus, persons with disabilities are gradually losing their foothold in the one high wage sector in which they held a relatively large share of the jobs, while they have failed to gain equal access to the emerging high wage sectors.

On the other hand, persons with disabilities are no more or less likely to be self-employed than those without disabilities, suggesting that increased rates of self-employment do not compensate for the jobs that have been lost (data on self-employment rates not in tables).

## Family Income and Personal Earnings

Table 15 shows the average family income and personal earnings for 1994 of persons with and without disabilities and with and without adjustment for the social, demographic and employment characteristics which could independently affect these figures. The table displays these figures for all working age persons as well as for those who are and are not in the labor force. The unadjusted figures show the actual income and earnings of persons with and without disabilities: the adjusted figures indicate what these figures would be if the two groups had the same characteristics.

Among all working age persons, unadjusted earnings of persons with disabilities are only about a quarter of those among persons without disabilities. Their lower earnings of \$16,028, in turn, account for about three-quarters of the difference of \$21,206 in total family income. However, because the labor force participation rate among persons with disabilities is only about a third of that of persons without (Table 1, above), it is not surprising that the difference in earnings is so great. Among those in the labor force, the unadjusted earnings of persons with disabilities are just under 60 percent of persons without disabilities and this earnings difference again accounts for about three-quarters of the gap in family incomes.

Adjustment for social, demographic, and medical characteristics reduces differences in the family incomes and personal earnings of persons with and without disabilities. Among all working-age persons, adjustment reduced the difference in family income by approximately forty percent, from \$21,206 to \$12,650. Adjustment also reduced the difference in personal earnings by about 20 percent, from \$16,028 to \$12,708. Among persons in the labor force, adjustment reduced differences in family income and personal earnings much less than among all working-age persons, suggesting that the characteristics of persons with and without disabilities who are in the labor force are much more similar than the characteristics of the two groups who are out of the labor force. One of the principal ways that the two groups out of the labor force differ is in educational levels: those without disabilities have much higher levels of education, suggesting that such persons would have greater flexibility to enter the labor market should they choose to do so.

Overall, the data on income indicate that after characteristics other than disability are taken into account, sizable gaps in family income and personal earnings remain. This is true even when the person with the disability is in the labor force. Thus, disability has a significant impact on income and earnings, even though the characteristics of persons with disabilities also serve to reduce their income and earnings.

The data in Table 15 concern average family income and earnings. Table 16, in contrast, shows the percentage of families of persons with and without disabilities at every point along the income continuum. Clearly, persons with disabilities are over-represented among the lower income groups and much under-represented among those with higher incomes. Just under a tenth of the families of persons with disabilities reported family incomes in the fifth percentile, 2.79 times as many families as persons without disabilities. In excess of a third of the families of persons with disabilities had incomes at the 20th percentile or less, while just over a tenth reported incomes at the 80th percentile or greater. Persons with disabilities were about a third as likely as those without to report family incomes in the 95th percentile. Interestingly, relatively equal proportions of the two groups reported family incomes in the middle 60 percentiles, 55.0 percent in the case of persons with disabilities and 60.9 percent in the case of those without disabilities. Thus, persons with disabilities would appear to have a lower probability of a high income and a greater probability of a low income, and an almost probability of a middle income.

Table 17, which shows the proportion of families of persons with and without disabilities meeting various definitions of poverty, underscores the extent to which the former group is over-represented among the poor. Just under 30 percent of persons with disabilities reported family incomes below the poverty line for a family of their size, and just under 45 percent reported family incomes below 150 percent of the poverty line. Persons with disabilities were 2.88 times as likely as those without to report family incomes below the poverty line. They were 2.26 times as likely to report family incomes between 100 and 124 percent of poverty, 1.61 times as likely to report family incomes between 124 and 150 percent of poverty, but only .68 times as likely to report family incomes in

excess of 150 percent of poverty.

### **The Role of Education in Employment and Earnings**

The relatively poor showing of persons with disabilities with respect to employment and earnings has been attributed to many factors, but one of the principal ones has been their over-representation among the ranks of those with a high school education or less and their under-representation among those with some college or more (Berkowitz, Johnson, and Murphy, 1976; Levitan and Taggart, 1977). However, in addition to having low levels of education, persons with disabilities would appear to experience lesser returns from whatever level of education they have than those without. This suggests that they face discrimination -- not getting the share of jobs that is their due on the basis of their training --, that they lack access to the medical, personal assistance, and community services which would enable them to work, or that they are not as effective in using their human capital.

Table 18 indicates that increasing the level of education does improve the labor force participation rates of persons with and without disabilities alike. Among persons with disabilities, the labor force participation rate increases from 12.4 percent among those with less than a high school education to 47.5 percent among those with some graduate school or more. However, at every level of education, persons with disabilities have lower labor force participation rates than those without. The magnitude of this deficit in the return from education decreases with increasing levels of education. Persons with disabilities who have less than a high school education have only 18 percent as high a labor force participation rate as those without; among such persons with some graduate school or more, the labor force participation rate is 54 percent as large. Thus, with increasing levels of education, labor force participation among persons with disabilities increases in absolute terms and relative to persons without disabilities.

The personal earnings of both persons with and without disabilities who are in the labor force increase with increasing levels of education (Table 19). However, at each level of education, the former group receives a lower rate of return on their education. Thus, for example, persons with disabilities with less than a high school education earn \$6,313 less than such persons without disabilities. The ratio of the earnings of the two groups is in the range of 57 to 63 percent among those with a college education or less. The ratio rises to 72 percent among those with at least some graduate school, again suggesting that at high levels of education persons with disabilities are better able to bridge the gap between themselves and persons without disabilities.

### **Summary and Conclusions**

With the passage of the Americans with Disabilities Act of 1990, securing equal access to employment for persons with disabilities became a primary goal of national policy. Precipitous growth in the number of beneficiaries of disability compensation programs (Stapleton, Barnow, Coleman, et al., 1994; Chirikos, 1995) and preliminary evidence that persons with disabilities have not shared in the overall employment growth experienced by persons without disabilities (Trupin, Sebesta, LaPlante, and Yelin, 1996) give a special urgency to enforcement of the equal employment provisions of the ADA.

In the research reported here, I found that:

- 1) persons with disabilities continue to have much lower labor force participation rates than persons without disabilities and this finding is not dependent on the particular survey used or within the CPS, the definition of labor force participation used before and after 1994;
- 2) disability status combines with other labor market liabilities to reduce labor force participation even more than any one characteristic would alone;
- 3) persons with disabilities are over-represented among those exiting the labor force and among those who did not work in two consecutive time periods, while being under-represented among those entering the labor force and among those working in two consecutive time-periods;
- 4) such persons are much more likely to work part-time, whether by choice or necessity;
- 5) persons with disabilities are under-represented in high-wage, high-growth occupations and industries;
- 6) such persons earn less and are in families with lower incomes, even after taking

other characteristics into account; and,

7) labor force participation rates and earnings of persons with disabilities increase absolutely and relative to persons without disabilities with increasing levels of education.

Several policy issues emerge from the results. First, relatively few persons with disabilities enter the labor force in any one year (currently about two percent), suggesting that efforts to increase the labor force participation of such persons should emphasize the maintenance of employment, while not abandoning efforts to help those out of the labor force find work. With respect to disability compensation programs, this may mean investing program resources to prevent work loss from occurring by paying for job accommodations and retraining, and by using the principal of risk adjustment of disability premiums to create an incentive for employers to help persons with disabilities stay on the job. As presently organized, the Social Security Disability Insurance program makes funds available for rehabilitation only after an individual becomes entitled to benefits, which in turn occurs only after a lengthy application process. In order for this program to help persons with disabilities stay at work, individuals would have to be able to tap into these funds rapidly. This suggests that a portion of the premiums deposited in SSDI coffers be set aside for this prophylactic function and that entitlement to such assistance be given without the kind of systematic and time-consuming review of applications for permanent SSDI benefits. The funds used to help individuals stay employed would be repaid by increasing the tax on those who succeed in keeping their jobs as a result of this expenditure and decreasing disability payments to those who proceed to drop out of the labor market. In this manner, the fiscal status of the SSDI program would be held harmless.

Second, because disability combines with other labor market liabilities to determine an individual's labor force participation, segmenting programs to improve employability on the basis of gender, race, age, or disability status alone makes little sense. Indeed, only about a quarter of working age persons with disabilities -- white men under the age of 50 -- have no characteristic other than the disability that would qualify them for protection under the various Civil Rights statutes. The conjoint prevalence of characteristics that result in employment discrimination at the very least raises the question of whether such policy proposals as a targeted earned income tax credit for persons with disabilities will prove sufficient to overcome the multiple jeopardizes the majority of such persons face. Instead, it may make sense to set a higher level for the targeted credit for those with more than one characteristic that jeopardizes the probability of employment, and to have a slower phase-out of the credit which will reduce the magnitude of the implicit tax on total income as earnings begin to rise (Burkhauser and Wittenburg, 1996).

Moreover, at present individuals file complaints of discrimination with the Equal Employment Opportunity Commission on the basis of discrimination in one characteristic. The lower labor force participation rate of those with multiple characteristics compared to those with only one suggests that this enforcement mechanism may be inadequate. The EEOC may have to develop a more activist stance to investigate the nuanced situation where a series of subtle acts of discrimination on many fronts substitute for a blatant one on the basis of a single characteristic, be it disability status, gender, age, or race.

The multiplicity of factors that determine the employment prospects of persons with disabilities mean that the actions of several governmental agencies must be coordinated to have any chance of success and that far more than agencies specializing in disability issues will be involved. At the very least, Federal agencies setting and enforcing tax incentives, those involved in training and rehabilitation, those administering income support and disability compensation programs, and those providing and paying for human services will all affect whether persons with disabilities are able to maintain employment.

Third, it is necessary to determine the extent to which the lesser returns to education among persons with disabilities is the result of active discrimination on the part of employers, inadequate access to the kinds of services which would enable such persons to work, including medical care, personal assistance, and job search training, lack of experience in establishing a social network to find jobs, the inability of such persons to make effective use of their human capital due to objective physical or cognitive impairment, or simply fear of testing the waters. That the gap in returns to

education declines with higher levels of education suggests several possible explanations for the overall phenomenon of persons with disabilities faring more poorly at every level of education, from greater competition for jobs or an inability to perform physically demanding tasks among those with little education, to greater skill in networking or the capacity to do the cognitive work required in the high growth, high wage sectors among those with higher levels of education.

The employment prospects of persons with disabilities are tied to general labor market dynamics. but present special circumstances that may warrant targeted policies. Persons with disabilities fare more poorly than women, non-whites, or the aged without disabilities in labor force participation rate. extent of voluntary and involuntary part-time work, and in representation in the most promising sectors of the economy. Thus, it would appear that disadvantages accumulate, in effect allowing disability to mask or at least legitimate discrimination on the basis of other characteristics, even while ample evidence exists of poor outcomes on the basis of disability status alone. During the 1980s, the service sector expanded at a rapid pace. And persons with disabilities were able to find work in record numbers. With that expansion slowed to a trickle. improving the employment picture of persons with disabilities in the years to come will be a daunting challenge, made more so by the triple or quadruple jeopardy the majority of persons with disabilities experience.

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Home: [1996 Meeting: The Labor Market and Persons with and without Disabilities: Analysis of the 1993 through 1995 Current Population Surveys \(Panel IV\)](#) : **Labor Force Participation Tables**

**Table 1**  
**Labor Force Participation Rate, by Disability Status and Gender,**  
**U.S., 1993 - 1995**

Year	Number (Millions)	All Persons		Women		Men	
		W. Dis.	W.O. Dis.	W. Dis.	W.O. Dis.	W. Dis.	W.O. Dis.
1993	156.3	26.4%	73.9%	21.5%	64.7%	30.9%	83.5%
1994	159.2	28.6%	81.4%	26.2%	74.0%	30.9%	89.0%
1995	160.3	28.5%	81.9%	26.1%	74.5%	30.9%	89.4%

Source: Author's analysis of Current Population Survey, 1993 - 1995

**Table 2**  
**Labor Force Participation Rate, by Disability Status and Gender,**  
**U.S., 1994**

Year	Number (Millions)	All Persons		Women		Men	
		W. Dis.	W.O. Dis.	W. Dis.	W.O. Dis.	W. Dis.	W.O. Dis.
1994	158.6	51.8%	83.0%	45.6%	74.9%	58.8%	91.4%

Source: Author's analysis of National Health Interview Survey, 1994

**Table 3**  
**Labor Force Participation Rate, by Disability Status and Race,**  
**U.S., 1993-1995**

Year	Whites			Non - Whites		
	W. Dis.	W.O. Dis.	Ratio	W. Dis.	W.O. Dis.	Ratio
1993	28.4%	75.0%	.38	17.9%	68.0%	.26
1994	30.9%	82.2%	.38	20.6%	76.9%	.27
1995	31.2%	82.7%	.38	19.0%	77.8%	.24

Source: Author's analysis of Current Population Survey, 1993-1995

**Table 4**  
**Ratio of Labor Force Participation Rates of Whites to that of Non-Whites,**  
**by Disability Status, U.S., 1993-1995**

Year	W. Dis.	W.O. Dis.
1993	1.59	1.10
1994	1.50	1.07
1995	1.64	1.06

Source: Author's analysis of Current Population Survey, 1993-1995

**Table 5**  
**Labor Force Participation Rate, by Disability Status and Age,**  
**U.S., 1993-1995**

<b>18-44</b>			
<b>Year</b>	<b>W. Dis.</b>	<b>W.O Dis.</b>	<b>Ratio</b>
1993	28.4%	75.0%	.38
1994	30.9%	82.2%	.38
1995	31.2%	82.7%	.38

<b>45-54</b>			
<b>Year</b>	<b>W. Dis.</b>	<b>W.O. Dis.</b>	<b>Ratio</b>
1993	17.9%	68.0%	.26
1994	20.6%	76.9%	.27
1995	19.0%	77.8%	.24

<b>55-64</b>			
<b>Year</b>	<b>W. Dis.</b>	<b>W.O. Dis.</b>	<b>Ratio</b>
1993	13.2%	60.6%	.22

1993	15.7%	65.5%	.24
1994	15.8%	66.4%	.24
1995			

Source: Author's analysis of Current Population Survey, 1993 - 1995

**Table 6**  
**Labor Force Participation Rate, by Disability Status, Gender, Race, and Age, U.S., 1995**

	White Men		Non-White Men	
Age	W. Dis.	W.O. Dis.	W. Dis.	W.O. Dis.
18 - 44	44.2	91.2	25.1	82.7
45 - 54	32.2	96.3	18.9	92.1
55 - 64	19.4	77.0	9.6	76.4
<b>Total</b>	33.7	90.5	20.1	83.7

Table 6 (Con't.)

Labor Force Participation Rate, by Disability Status, Gender, Race, and Age, U.S., 1995

	White Women		Non-White Women	

Age	W. Dis.	W.O. Dis.	W. Dis.	W.O. Dis.
18 - 44	36.4	76.9	21.7	71.7
45 - 54	32.4	80.6	18.7	81.1
55 - 64	14.5	55.7	11.9	65.1
<b>Total</b>	28.6	74.9	18.1	72.6

Source: Author's analysis of Current Population Survey, 1993 - 1995

**Table 7**  
**Proportion of Persons Currently Employed Among Those Not Working in Prior Year,**  
**by Disability Status, U.S., 1993-1995**

Year	W. Dis.	W.O. Dis.
1993	1.5%	6.9%
1994	2.0%	11.0%
1995	1.9%	10.1%

Source: Author's analysis of Current Population Survey, 1993 - 1995

**Table 8**  
**Proportion of Persons Not Currently Employed Among Those Working in Prior Year,**  
**by Disability Status, U.S., 1993 - 1995**

Year	W. Dis.	W.O. Dis.

1993	45.3%	19.3%
1994	42.8%	14.1 %
1995	42.2%	13.2%

Source: Author's analysis of Current Population Survey, 1993 - 1995

**Table 9**  
**Proportion of Persons Currently Employed Among Those Working in Prior Year,**  
**by Disability Status, U.S., 1993 - 1995**

Year	W. Dis.	W.O. Dis.
1993	54.8%	80.7%
1994	57.3%	85.9%
1995	57.8%	86.8%

Source: Author's analysis of Current Population Survey, 1993 - 1995

**Table 10**  
**Proportion of Persons Not Currently Employed Among Those Not Working in**  
**Prior year,**  
**by Disability Status, U.S., 1993-1995**

Year	W. Dis.	W.O. Dis.
1993	98.5%	93.1%

1994	98.0%	89.0%
1995	98.1 %	89.9%

Source: Author's analysis of Current Population Survey, 1993-1995

**Table 11**  
**Proportion of Persons with and without Disabilities by Employment Status**  
**in Prior Year and Currently, U.S., 1995**

	<b>Worked in Prior Year, Currently Working</b>	<b>Worked in Prior Year, Not Currently Working</b>
With Disabilities	20.5%	15.0%
Without Disabilities	73.3%	11.2%
Ratio	.36	1.34

**Table 11 (Con't.)**  
**Proportion of Persons with and without Disabilities by Employment Status**  
**in Prior Year and Currently, U.S., 1995**

	<b>Not Working in Prior Year, Currently Working</b>	<b>Not Working in Prior Year, Not Currently Working</b>
With Disabilities	1.2%	63.3%
Without Disabilities	1.6%	14.0%
Ratio	.75	4.52

Source: Author's analysis of Current Population Survey 1993 - 1995

**Table 12**  
**Proportion of Persons with and without Disabilities Working Full-time, Part-time for Economic Reasons, and Part-time for Non-Economic Reasons, U.S., 1993-1995**

Year	Full-Time		Involuntary Part-Time		Voluntary Part-Time		Part-Time Total	
	W. Dis.	W.O. Dis.	W. Dis.	W.O. Dis.	W. Dis.	W.O. Dis.	W. Dis.	W.O. Dis.
1993	65.9%	82.8%	9.7%	5.3%	24.5%	12.0%	34.2%	17.3%
1994	60.6%	82.3%	7.5%	4.2%	32.0%	13.5%	39.5%	17.7%
1995	63.1 %	83.0%	6.2%	3.8%	30.6%	13.2%	36.8%	17.0%

SOURCE: Author's analysis of Current Population Survey, 1993-1995

**Table 13**  
**Characteristics of Persons with Disabilities, by Employment Status, U.S., 1995**

Characteristic	With Disabilities		Without Disabilities	
	Currently Employed	Not Currently Employed	Currently Employed	Not Currently Employed
% Female	45.8%	51.7%	46.2%	71.45 <sup>a</sup>
% Non-White	14.9%	20.0%	15.6%	25.3%
% Hispanic	9.9%	10.2%	13.7%	13.6%

Age				
18-44	57.5%	40.2%	70.7%	66.4%
45-54	26.2%	25.1%	20.0%	12.3%
55-64	16.3%	34.7%	9.3%	21.3%
Marital Status				
Married	49.8%	46.9%	59.9%	59.5 %
Widowed, Separated, Divorced	24.5 %	28.3%	14.1 %	10.9%
Never Married	25.8 %	24.8 %	26.1 %	29.7 %
Education				
< High School	19.0%	40.7%	12.3%	24.6%
High School Grad	38.7%	37.1%	34.6%	34.6%
Some College	26.3%	15.7%	26.0%	26.6%

College Grad	10.5%	4.4%	18.3%	10.7%
Some Grad School	5.5 %	2.1%	8.8 %	3.6 %

Source: Author's analysis of Current Population Survey, 1995

**Table 14**  
**Distribution of Occupations and Industries of Persons with and without Disabilities, U.S., 1995**

Occupation	With Disabilities	Without Disabilities	Ratio
Excc., Adms., Managers	8.0%	13.2%	.61
Prof'essional Specialty	8.7	14.3	.61
Techs. and Support	3.0	3.3	.91
Sales	11.9	11.9	1.00
Adm. Support, Clericals, etc.	13.9	14.8	.94
Priv. Household Ocs.	1.2	0.6	2.0
Protective Svc.	2.3	1.7	1.35
Service Ocs.	16.8	11.3	1.49
Farming, Fishing, Forestry Ocs.	3.0	2.6	1.15

Precision Prod., Crafts, Repair	10.8	11.0	.98
Operators (machine)	8.7	6.5	1.34
Transp. and Material Moving	5.3	4.1	1.29
Handlers, Cleaners, Laborers	6.3	4.1	1.54
Armed Forces	0.3	0.7	.43

Source: Author's analysis of Current Population Survey, 1995

**Table 14 (Con't.)**  
**Distribution of Occupations and Industries of Persons with and without**  
**Disabilities, U.S.,**  
**1995**

Industry	With Disabilities	Without Disabilities	Ratio
Agric., Fishing, Forestry	2.9%	2.7g	1.07
Mining	0.6	0.5	1.20
Construction	6.0	6.3	.95
Manufacturing of Durables	7.0	9.4	.75
Manufacturing of Non- Durables	7.1	7.2	.99

Transp., Communic., Utilities	6.4	6.8	.94
Wholesale Trade	3.8	3.9	.97
Retail Trade	17.9	16.7	1.07
Finance, Insurance, Real Estate	3.9	6.3	.62
Business and Repair Services	9.9	5.9	1.68
Personal Services	4.9	3.4	1.44
Entertainment Services	1.7	1.7	1.00
Professional Services	22.7	23.8	.95
Public Administration	5.3	5.5	.96

Source: Author's analysis of Current Population Survey, 1995