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Center on Employment Policy for Persons
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Report

2006 Progress Report on the Economic Well-Being of Working-Age People with Disabilities

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June 2006

This report is being distributed by the Rehabilitation Research and Training Center on Employment Policy for Persons with Disabilities at Cornell University.

This center is funded to Cornell University by the U.S. Department of Education, National Institute on Disability and Rehabilitation Research (Grant No. H133B040013). The contents of this paper do not necessarily represent the policy of the Department of Education or any other federal agency, and you should not assume endorsement by the Federal Government (Edgar, 75.620 (b)). The views in this policy brief are not necessarily endorsed by Cornell University or the University of Illinois at Chicago.

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2006 Progress Report on the Economic Well-Being of Working-Age People with Disabilities

Introduction

This progress report on the prevalence rate, employment, poverty, and household income of working-age people with disabilities (ages 21-64) uses data from the 2007 and earlier Current Population Surveys – Annual Social and Economic Supplement (CPS-ASEC, a.k.a. Annual Demographic Survey, Income Supplement, and March CPS). The CPS is the only dataset that provides continuously-defined yearly information on the working-age population with disabilities since 1981.

Data Source

The CPS is a monthly survey of the non-institutionalized population of the United States. Information is collected on labor force characteristics (e.g., employment, earnings, and hours of work). In March of each year, the CPS basic monthly survey is supplemented with the CPS-ASEC. This supplement focuses on sources of income, government program participation, previous employment, insurance, and a variety of demographic characteristics. The CPS and the CPS-ASEC are used extensively by government agencies, researchers, policy makers, journalists, and the general public to evaluate government programs, economic well-being and behavior of individuals, families, and households.

The Census Bureau conducts the CPS on behalf of the Bureau of Labor Statistics. The CPS surveys the resident population of the United States. Citizens living abroad or people living in long-term care facilities are not surveyed. The CPS began in the early 1940s, but the work limitation variable was not introduced until 1981. In 1994, major revisions were made to the employment questions on the Basic Monthly Survey. Changes made in the CPS-ASEC were less substantial, and mainly reflected the shift to computer-assisted interviews. Approximately 150,000 individuals participate in the surveys annually, although this number has increased in recent years. For more information on the CPS-ASEC, see Burkhauser and Houtenville (2006) at http://digitalcommons.ilr.cornell.edu/edicollect/1233/, or the BLS/Census Bureau website http://www.bls.census.gov/cps/cpsmain.htm.

Definition of Disability

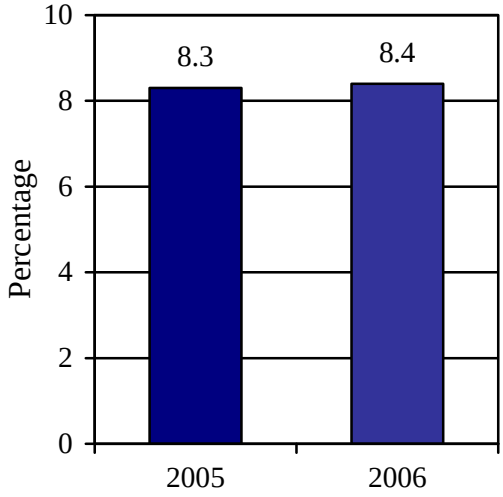
The CPS-ASEC asks the work limitation question: "[d]oes anyone in this household have a health problem or disability which prevents them from working or which limits the kind or amount of work they can do? [If so,] who is that? Anyone else?" Similar work limitation questions appear in the American Community Survey (ACS), National Health Interview Survey (NHIS), and the Survey of Income and Program Participation (SIPP). The CPS-ASEC work limitation question has been used extensively in the economics literature to capture the working-age population with disabilities and to compare its employment and economic well-being with the working-age population without disabilities. Yet its use, especially outside the economics literature, is controversial. Some researchers and policy advocates dismiss results based on the CPS as fundamentally flawed, arguing that the set of individuals with work limitations captured in these data represent neither the actual population with disabilities nor its employment trends. (See especially Hale, 2001.) Burkhauser, Daly, Houtenville, and Nargis (2002) show that while the *levels* of employment of found in the CPS data are significantly lower than those found in datasets with better measures of the working-age population with disabilities, the employment *trends* are not significantly different. For a fuller discussion of the relative strengths and weaknesses of CPS data for policy research related to the working-age population with disabilities, see Burkhauser and Houtenville (2006).

Prevalence Rate

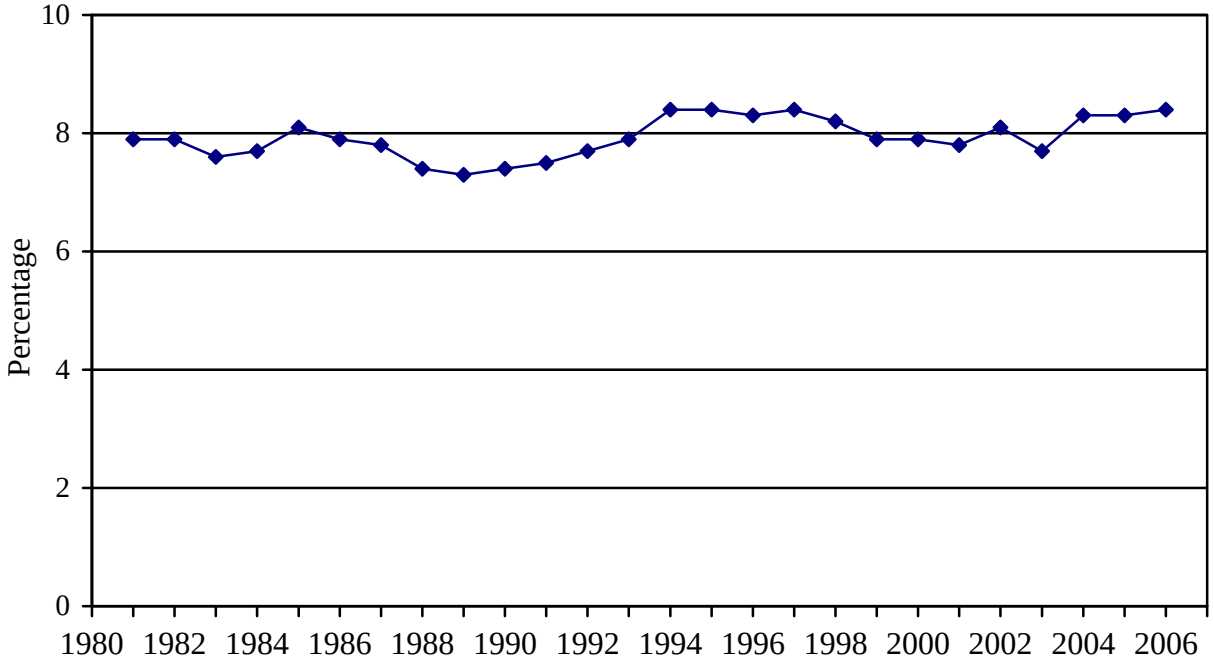
• In March 2006, the disability prevalence rate for the working-age population was 8.4 percent, up slightly from 8.3 percent in 2005.

• After rising from a low of 7.3 percent in 1989 to a peak of about 8.4 percent in 1994, prevalence rates were relatively stable through 1997 before falling through 2001. Over the past three years, rates have fluctuated, returning to about their 1994 high in 2004 and remaining level in the last three years around 8.3 or 8.4 percent.

Disability Prevalence Rates for the Working-Age Population



Trend in Disability Prevalence for the Working-Age Population, 1981-2006



Note: The values in this chart are available in Table 1 below.

Table 1: Prevalence Rate, Standard Error and Sample Size, by Disability Status and Year, 1981-2006

Year	Prevalence Rate	Standard Error	Sample Size
1981	7.9	0.11	98,196
1982	7.9	0.12	88,593
1983	7.6	0.11	89,277
1984	7.7	0.11	89,048
1985	8.1	0.11	89,656
1986	7.9	0.11	87,819
1987	7.8	0.11	86,783
1988	7.4	0.11	87,005
1989	7.3	0.12	80,683
1990	7.4	0.11	88,505
1991	7.5	0.11	88,658
1992	7.7	0.11	87,562
1993	7.9	0.11	86,835
1994	8.4	0.11	83,984
1995	8.4	0.11	83,606
1996	8.3	0.12	72,573
1997	8.4	0.12	73,606
1998	8.2	0.12	73,807
1999	7.9	0.12	74,400
2000	7.9	0.12	75,515
2001	7.8	0.08	73,029
2002	8.1	0.09	119,812
2003	7.7	0.08	119,994
2004	8.3	0.08	118,462
2005	8.3	0.08	116,889
2006	8.4	0.12	116,219

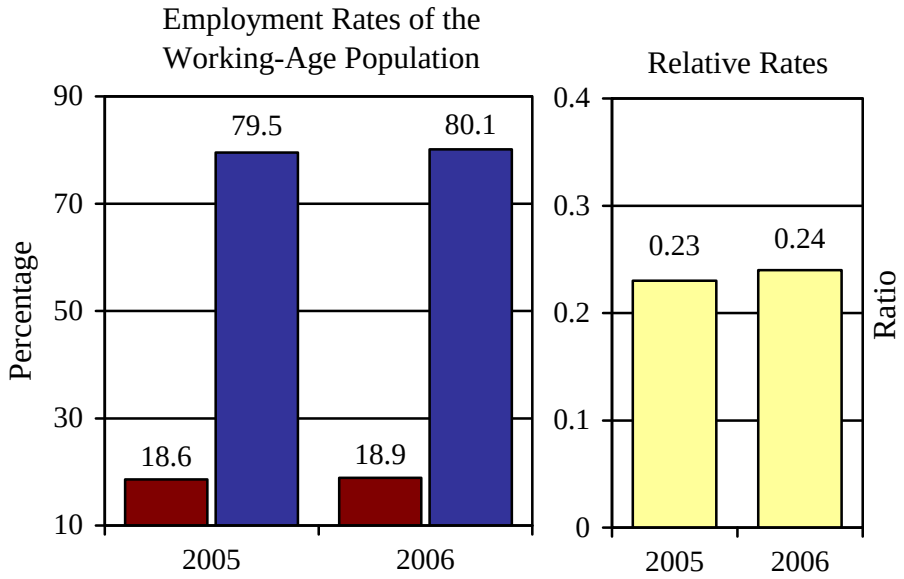
Source: 1981-2006 Annual Social and Economic Supplement to the Current Population Survey.

Note: The population with disabilities is identified using the work limitation question: "[d]oes anyone in this household have a health problem or disability which prevents them from working or which limits the kind or amount of work they can do? [If so,] who is that? Anyone else?"

Employment Rate

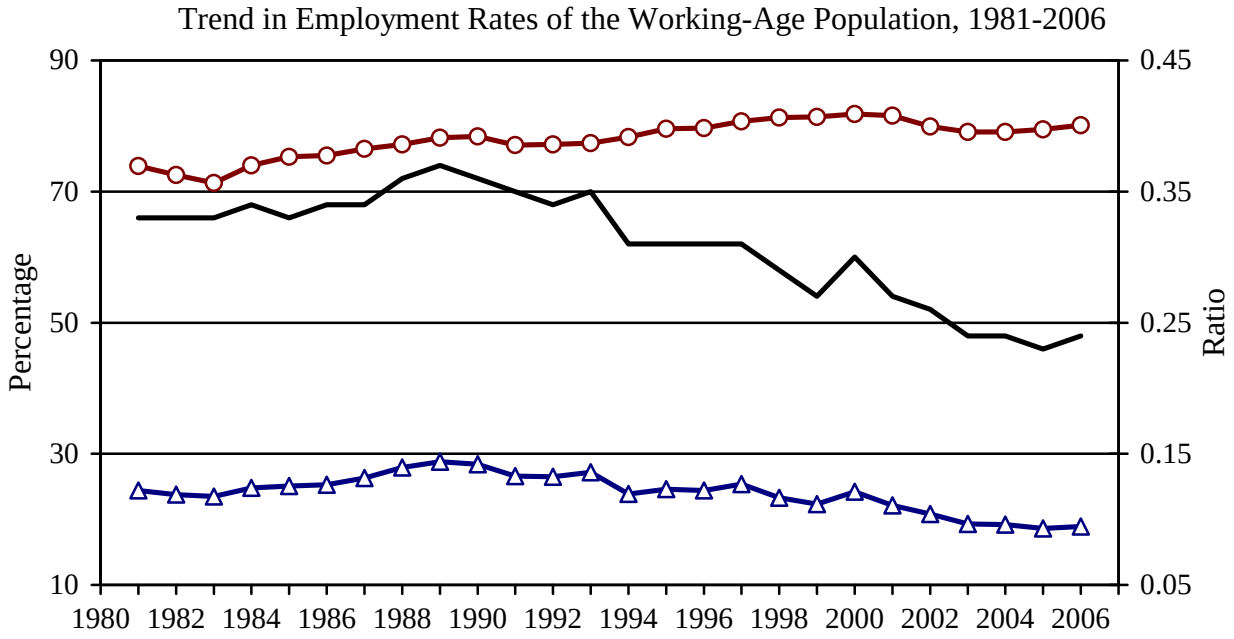
• In March 2006, the employment rate of working-age people with disabilities was 18.9 percent, up slightly from 18.6 percent in 2005, and well below its peak of 28.8 percent in 1989.

• In March 2006, the employment rate of working-age people without disabilities was 80.1 percent, up slightly from 79.5 percent in 2005 but still somewhat below its peak of 81.8 percent in 2000.



• In March 2006, working-age people with disabilities were only 24 percent as likely to be employed as a working-age person without disabilities.

• Between March 2005 and March 2006, the relative employment rate of working-age people with disabilities increased from 0.23 to 0.24. This was the first rise since 2000, but is still well below its peak of 0.37 in 1989.



Note: The values in this chart are available in Table 2 below.

Table 2: Employment Rate, Standard Error and Sample Size, by Disability Status and Year, March 1981-2006

	People with Disabilities			People without Disabilities		
Year	Employment Rate	Standard Error	Sample Size	Employment Rate	Standard Error	Sample Size
1981	24.4	0.62	7,708	73.9	0.19	90,488
1982	23.8	0.65	7,005	72.5	0.20	81,588
1983	23.5	0.65	6,835	71.3	0.20	82,442
1984	24.8	0.66	6,825	74.0	0.19	82,223
1985	25.1	0.64	6,990	75.3	0.19	82,666
1986	25.3	0.64	6,680	75.5	0.19	81,139
1987	26.3	0.65	6,526	76.5	0.18	80,257
1988	27.9	0.68	6,300	77.2	0.18	80,705
1989	28.8	0.74	5,858	78.2	0.19	74,825
1990	28.4	0.70	6,448	78.4	0.18	82,057
1991	26.6	0.68	6,463	77.1	0.18	82,195
1992	26.5	0.66	6,577	77.2	0.18	80,985
1993	27.2	0.65	6,684	77.4	0.18	80,151
1994	23.9	0.60	6,775	78.3	0.18	77,209
1995	24.6	0.61	6,755	79.6	0.17	76,851
1996	24.4	0.67	5,892	79.7	0.19	66,681
1997	25.4	0.67	6,082	80.7	0.18	67,524
1998	23.3	0.65	5,929	81.3	0.18	67,878
1999	22.3	0.65	5,772	81.4	0.18	68,628
2000	24.2	0.66	5,934	81.8	0.18	69,581
2001	22.1	0.47	5,691	81.6	0.13	67,338
2002	20.8	0.44	9,070	79.9	0.13	110,742
2003	19.3	0.44	8,971	79.1	0.13	111,023
2004	19.2	0.42	9,334	79.1	0.13	109,128
2005	18.6	0.57	9,194	79.5	0.18	107,695
2006	18.9	0.57	9,193	80.1	0.18	107,026

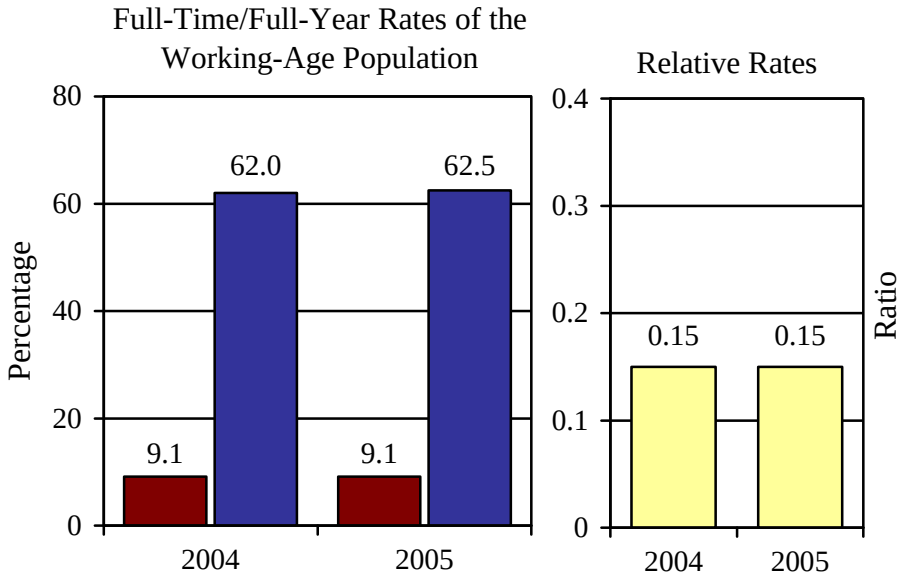
Source: 1981-2006 Annual Social and Economic Supplement to the Current Population Survey.

Note: The population with disabilities is identified using the work limitation question: "[d]oes anyone in this household have a health problem or disability which prevents them from working or which limits the kind or amount of work they can do? [If so,] who is that? Anyone else?"

Full-Time/Full-Year Employment

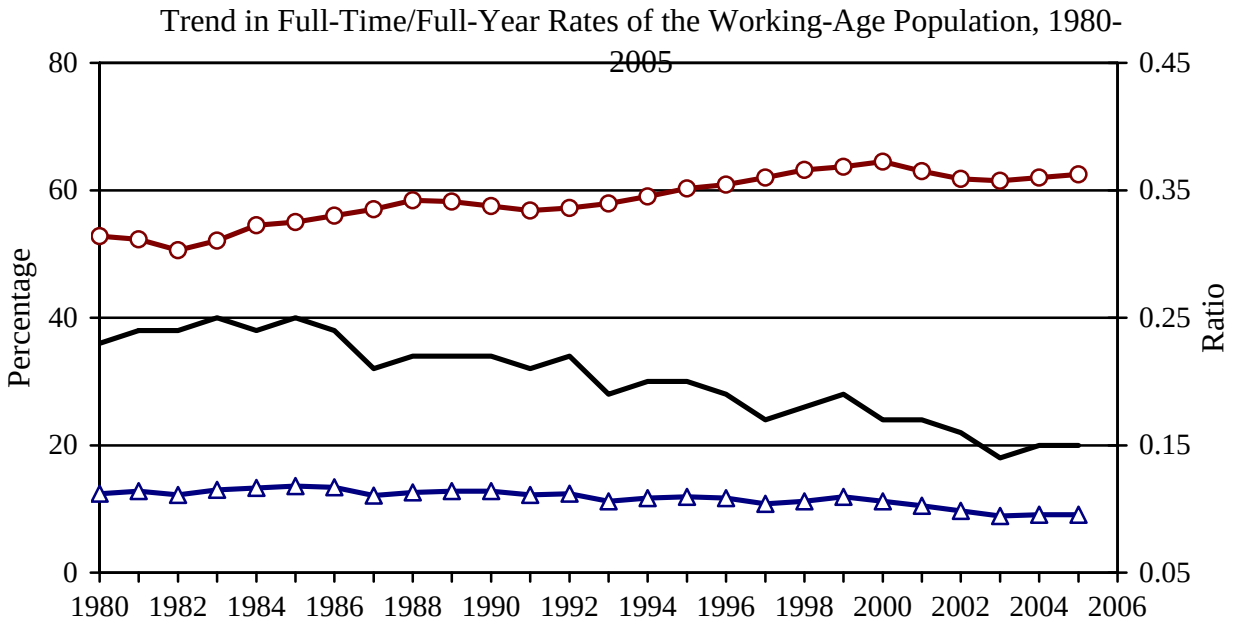
• In 2005, the full-time/full-year employment rate of working-age people with disabilities was 9.1 percent, unchanged from 2004 and well below its peak of 13.6 percent in 1985.

• In 2005, the full-time/full-year employment rate of working-age people without disabilities was 62.5 percent, up slightly from 62.0 percent in 2004 but still somewhat below its peak of 64.5 percent in 2000.



• In 2005, working-age people with disabilities were only 15 percent as likely to be employed as a working-age person without disabilities.

• Between 2004 and 2005, the relative the full-time/full-year employment rate of working-age people with disabilities remained steady at 0.15.



Note: The values in this chart are available in Table 3 below.

Table 3: Full-Time/Full-Year Employment Rate, Standard Error and Sample Size, by Disability Status and Year, 1980-2005

	People with Disabilities			People without Disabilities		
Year	FT/FY Rate	Standard Error	Sample Size	FT/FY Rate	Standard Error	Sample Size
1980	12.4	0.48	7,708	52.8	0.21	90,488
1981	12.8	0.51	7,005	52.3	0.22	81,588
1982	12.2	0.50	6,835	50.6	0.22	82,442
1983	13.0	0.51	6,825	52.1	0.22	82,223
1984	13.3	0.50	6,990	54.5	0.22	82,666
1985	13.6	0.51	6,680	55.0	0.22	81,139
1986	13.4	0.50	6,526	56.0	0.21	80,257
1987	12.1	0.49	6,300	57.0	0.21	80,705
1988	12.6	0.55	5,858	58.4	0.23	74,825
1989	12.8	0.52	6,448	58.2	0.22	82,057
1990	12.8	0.51	6,463	57.5	0.21	82,195
1991	12.2	0.49	6,577	56.8	0.21	80,985
1992	12.4	0.48	6,684	57.2	0.21	80,151
1993	11.2	0.45	6,775	57.9	0.21	77,209
1994	11.7	0.45	6,755	59.0	0.21	76,851
1995	11.9	0.50	5,892	60.3	0.23	66,681
1996	11.7	0.49	6,082	60.9	0.23	67,524
1997	10.8	0.48	5,929	62.0	0.22	67,878
1998	11.2	0.49	5,772	63.2	0.22	68,628
1999	11.9	0.50	5,934	63.7	0.22	69,581
2000	11.2	0.36	5,691	64.5	0.16	67,338
2001	10.5	0.34	9,070	63.0	0.16	110,742
2002	9.7	0.33	8,971	61.8	0.16	111,023
2003	8.9	0.30	9,334	61.5	0.16	109,128
2004	9.1	0.30	9,194	62.0	0.16	107,695
2005	9.1	0.30	9,193	62.5	0.15	107,026

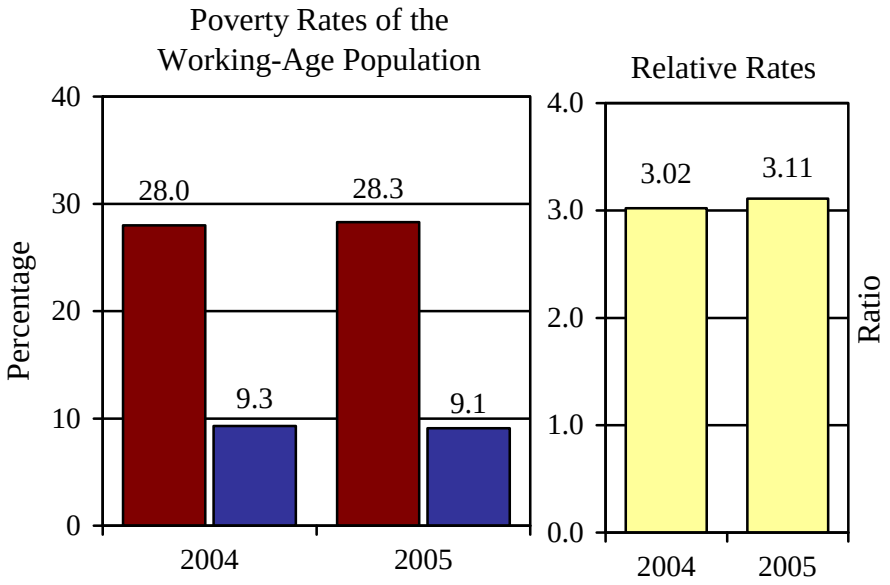
Source: 1981-2006 Annual Social and Economic Supplement to the Current Population Survey.

Note: The population with disabilities is identified using the work limitation question: "[d]oes anyone in this household have a health problem or disability which prevents them from working or which limits the kind or amount of work they can do? [If so,] who is that? Anyone else?"

Poverty Rate

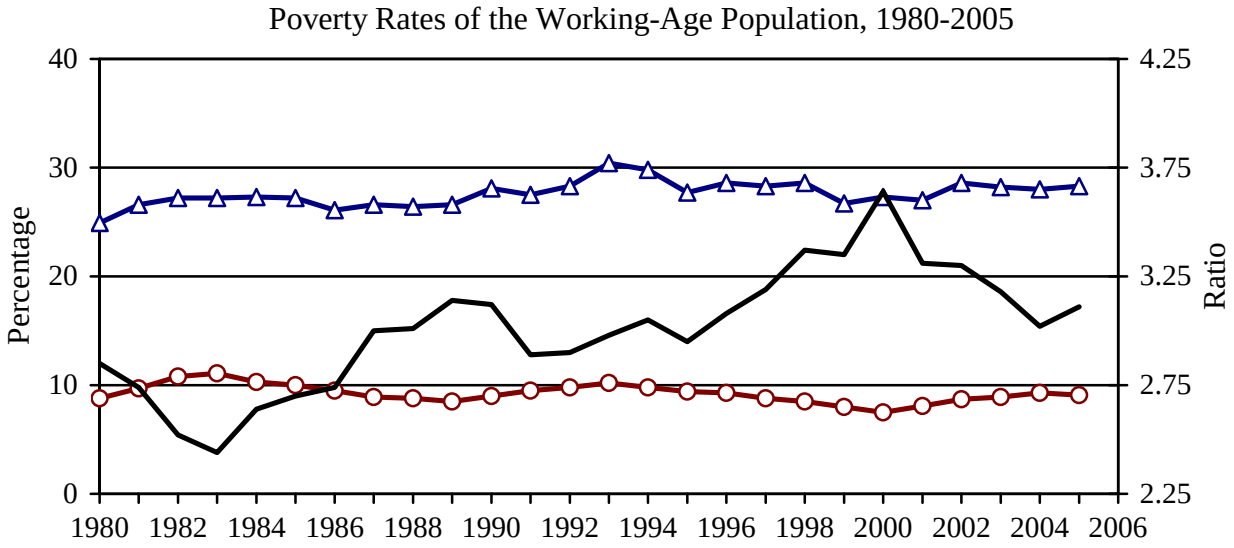
• In 2005, the poverty rate of working-age people with disabilities was 28.3 percent, down slightly from 28.0 percent in 2004 and still well above its low of 24.9 percent in 1980.

• In 2005, the poverty rate of working-age people without disabilities was 9.1 percent, down slightly from 9.3 percent in 2004 and still well above its 7.5 percent low in 2000.



• In 2005, working-age people with disabilities were 3.11 times more likely to be in poverty when compared to working-age people without disabilities.

• Between 2004 and 2005, the relative poverty rate of working-age people with disabilities increased from 3.02 to 3.11. This was the first rise since 2000, but the relative poverty rate is still well below its high of 3.64 in 2000 and well above its 2.45 low in 1983.



Note: The values in this chart are available in Table 4 below.

Table 4: Poverty Rate, Standard Error and Sample Size, by Disability Status and Year, 1980-2005

	People with Disabilities			People without Disabilities		
Year	Poverty Rate	Standard Error	Sample Size	Poverty Rate	Standard Error	Sample Size
1980	24.9	0.63	7,708	8.8	0.12	90,488
1981	26.6	0.67	7,005	9.7	0.13	81,588
1982	27.2	0.69	6,835	10.8	0.14	82,442
1983	27.2	0.68	6,825	11.1	0.14	82,223
1984	27.3	0.66	6,990	10.3	0.13	82,666
1985	27.2	0.66	6,680	10.0	0.13	81,139
1986	26.1	0.65	6,526	9.5	0.13	80,257
1987	26.6	0.67	6,300	8.9	0.12	80,705
1988	26.4	0.72	5,858	8.8	0.13	74,825
1989	26.6	0.68	6,448	8.5	0.12	82,057
1990	28.1	0.69	6,463	9.0	0.12	82,195
1991	27.5	0.67	6,577	9.5	0.13	80,985
1992	28.3	0.66	6,684	9.8	0.13	80,151
1993	30.4	0.65	6,775	10.2	0.13	77,209
1994	29.8	0.65	6,755	9.8	0.13	76,851
1995	27.7	0.69	5,892	9.4	0.14	66,681
1996	28.6	0.69	6,082	9.3	0.13	67,524
1997	28.3	0.70	5,929	8.8	0.13	67,878
1998	28.6	0.70	5,772	8.5	0.13	68,628
1999	26.7	0.69	5,934	8.0	0.12	69,581
2000	27.3	0.50	5,691	7.5	0.09	67,338
2001	27.0	0.49	9,070	8.1	0.09	110,742
2002	28.6	0.50	8,971	8.7	0.09	111,023
2003	28.2	0.48	9,334	8.9	0.09	109,128
2004	28.0	0.48	9,194	9.3	0.09	107,695
2005	28.3	0.66	9,193	9.1	0.13	107,026

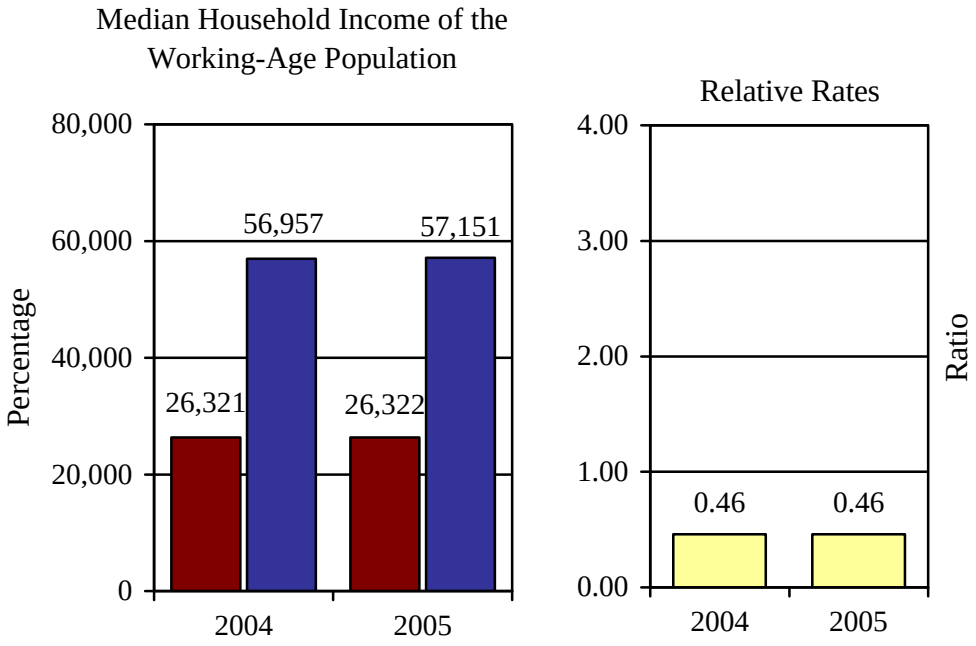
Source: 1981-2006 Annual Social and Economic Supplement to the Current Population Survey.

Note: The population with disabilities is identified using the work limitation question: "[d]oes anyone in this household have a health problem or disability which prevents them from working or which limits the kind or amount of work they can do? [If so,] who is that? Anyone else?"

Median Household Income (Constant 2001 Dollars)

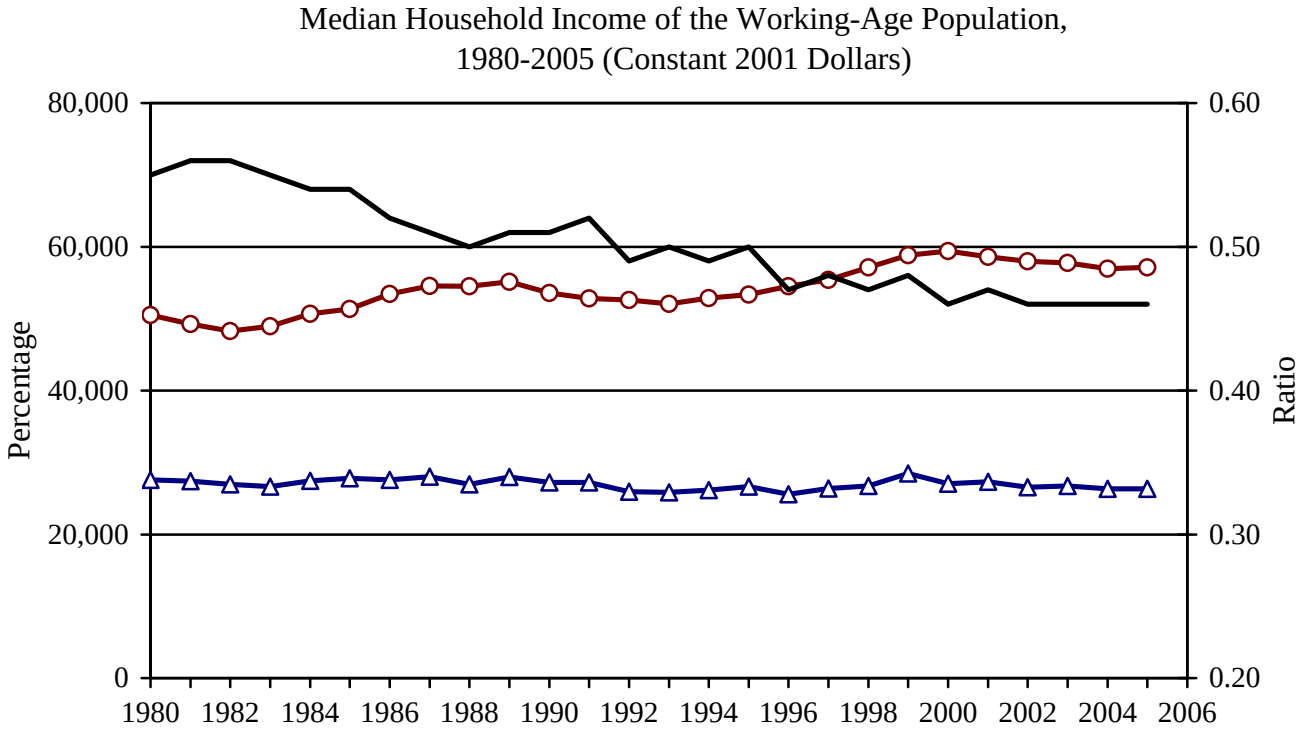
• In 2005, the median household income of working-age people with disabilities was $26,322, nearly identical to that in 2004, $26,321, but still below its peak of $28,477 in 1989.

• In 2005, the median household income of working-age people without disabilities was $57,151, up slightly from $56,957 in 2004 but still below its peak of $59,381 in 2000.



• In 2005, the median household income of working-age people with disabilities was 46 percent of the median household income of working-age people without disabilities.

• The relative median household income of working-age people with disabilities has remained at 0.46 since 2002, its lowest recorded value, and well below its peak of 0.56 in 1981 and 1982.



Note: The values in this chart are available in Table 5 below.

Table 5: Median Household Income, Standard Error and Sample Size, by Disability Status and Year, 1980-2005 (Constant 2001 Dollars)

	People with Disabilities			People without Disabilities		
Year	Median Household Income	Standard Error	Sample Size	Median Household Income	Standard Error	Sample Size
1980	27,567	263	7,708	50,509	89	90,488
1981	27,403	264	7,005	49,242	95	81,588
1982	26,979	262	6,835	48,266	96	82,442
1983	26,671	267	6,825	48,933	98	82,223
1984	27,442	263	6,990	50,663	100	82,666
1985	27,813	276	6,680	51,350	101	81,139
1986	27,576	276	6,526	53,450	105	80,257
1987	28,025	288	6,300	54,568	106	80,705
1988	26,976	310	5,858	54,491	115	74,825
1989	27,975	302	6,448	55,135	110	82,057
1990	27,238	282	6,463	53,572	106	82,195
1991	27,218	267	6,577	52,804	105	80,985
1992	25,953	271	6,684	52,600	104	80,151
1993	25,834	243	6,775	52,064	108	77,209
1994	26,157	260	6,755	52,878	108	76,851
1995	26,665	276	5,892	53,343	116	66,681
1996	25,589	276	6,082	54,510	119	67,524
1997	26,371	289	5,929	55,390	122	67,878
1998	26,745	298	5,772	57,149	125	68,628
1999	28,477	314	5,934	58,839	128	69,581
2000	27,062	217	5,691	59,391	94	67,338
2001	27,306	209	9,070	58,602	92	110,742
2002	26,545	207	8,971	57,978	90	111,023
2003	26,722	204	9,334	57,748	93	109,128
2004	26,321	198	9,194	56,957	91	107,695
2005	26,322	191	9,193	57,151	91	107,026

Source: 1981-2006 Annual Social and Economic Supplement to the Current Population Survey.

Note: The population with disabilities is identified using the work limitation question: "[d]oes anyone in this household have a health problem or disability which prevents them from working or which limits the kind or amount of work they can do? [If so,] who is that? Anyone else?"

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Glossary of Terms

Disability. A work limitation is determined in the March CPS by the following question: "[d]oes anyone in this household have a health problem or disability which prevents them from working or which limits the kind or amount of work they can do? [If so,] who is that? Anyone else?"

Employment Rate. The employment rate is estimated in the month of March, which is when the CPS Annual Social and Economic Supplement and its work limitation question are asked. Also known as the employment-to-population ratio, the employment rate is the percentage of the population that is employed. Persons who are employed are persons 16 years and over in the civilian non-institutional population who, during the full week prior to their survey, (a) did any work at all (at least 1 hour) as paid employees, worked in their own business, profession, or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of the family, and (b) all those who were not working but who had jobs or businesses from which they were temporarily absent because of vacation, illness, bad weather, childcare problems, maternity or paternity leave, labor-management dispute, job training, or other family or personal reasons, whether or not they were paid for the time off or were seeking other jobs. Each employed person is counted only once, even if he or she holds more than one job. Excluded are persons whose only activity consisted of work around their own house (painting, repairing, or own home housework) or volunteer work for religious, charitable, and other organizations. The total population (the numerator of the employment rate) consists of persons who are employed, persons who are unemployed, and persons not in the labor force. Note: the employment rate is not 100 minus the unemployment rate.

Full-Time/Full-Year Employment. At least 50 weeks during the previous calendar year and at least 35 hours per week. Determined by condition that weeks worked is greater than or equal to 50 and usual hours per week is greater than or equal to 35 hours.

Household Income. Household income is the sum of personal incomes of all household members. Income values are based on a large set of questions. The CPS Annual Social and Economic Supplement in March asks questions on the amount of income received in the preceding calendar year from each of the following sources: earnings (from the labor market, farming and self-employment), unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, disability benefits, pension or retirement income, interest, dividends, rents, royalties, estates and trusts, educational assistance, alimony, child support, financial assistance from outside of the household, and other income. Personal income is the sum of income from these components. No corrections were made to account for topcoding of household income, as topcoding has slight effect on median calculations. However, income is adjusted for inflation. These dollar values are adjusted for inflation. The dollar values in years prior to 2001 have been adjusted upwards to their 2001 equivalent. The dollar values after 2001 have been adjusted downwards to their 2001 equivalent. To do so, we use the Consumer Price Index-All Urban Consumers (CPI-U) from the Bureau of Labor Statistics (see ftp.bls.gov/pub/special.requests/cpi/cpiai.txt). A dollar value in a given year is divided by the CPI-U of that year and then multiplied by the CPI-U of 2001.

Poverty Rate. The poverty rate is the percentage of persons living in families in which the family (pre-tax) income is below the poverty line. The poverty line is determined by the federal government as specified in OMB Statistical Policy Directive 14. It approximates the dollar value necessary to purchase essential goods and services for people or families. It is important to note that the poverty line does not provide a complete description of what people and families need to live, rather it is an estimate based upon a set of assumptions. For example, the poverty measure assumes that the needs of the population with disabilities are the same as those without disabilities. The poverty line depends on the size and composition of the family with regard to the number of children, adults and persons age 65 or over. For example, the poverty line (or threshold) in 2002 was $9,183 for a one-person family and $18,244 for a four-person family with two children (under age 18), and $18,307 for a four-person family with three children. The thresholds for 2002 may be found at www.census.gov/hhes/poverty/threshld/thresh02.html. More detail about the calculation of the poverty line may be found at www.census.gov/population/www/cps/cpsdef.html, or www.aspe.hhs.gov/poverty/poverty.shtml.

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