

Cornell University

Rehabilitation Research and Training
Center on Employment Policy for Persons
with Disabilities

Report

2008 Progress Report on the Economic Well-Being of Working-Age People with Disabilities

Melissa J. Bjelland
Richard V. Burkhauser
Cornell University
Andrew J. Houtenville
New Editions Consulting, Inc.

September 2008

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.

The Co-Principal Investigators are:

Susanne M. Bruyère— Director, Employment and Disability Institute, ILR School, Cornell University

Richard V. Burkhauser— Sarah Gibson Blanding Professor, Department of Policy Analysis and Management, College of Human Ecology, Cornell University

David C. Stapleton— Director, Center for Studying Disability Policy, Mathematica Policy Research

2008 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 2008 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.

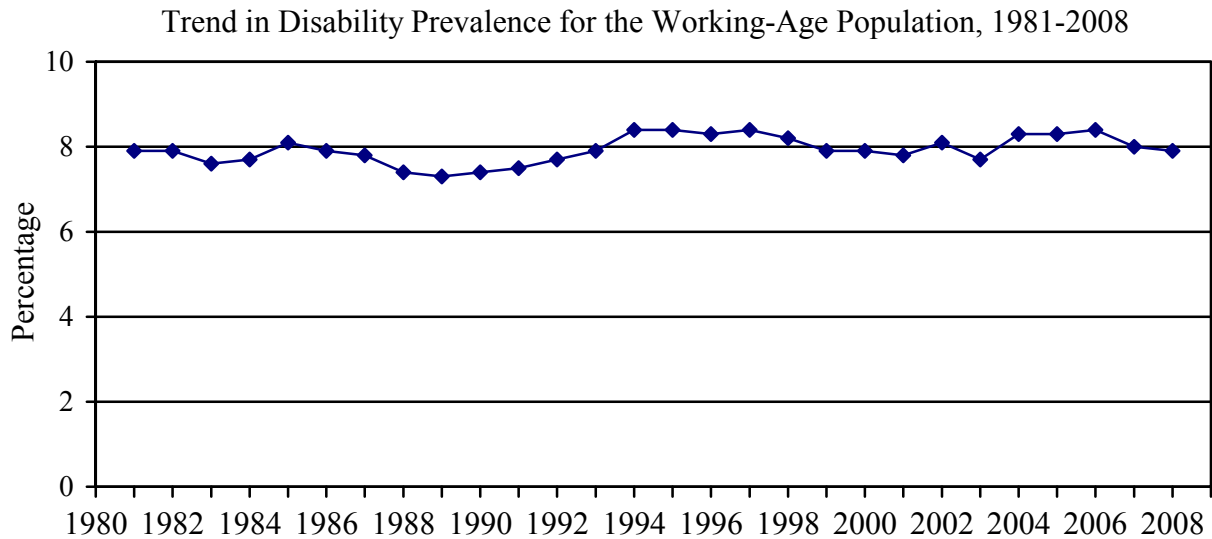
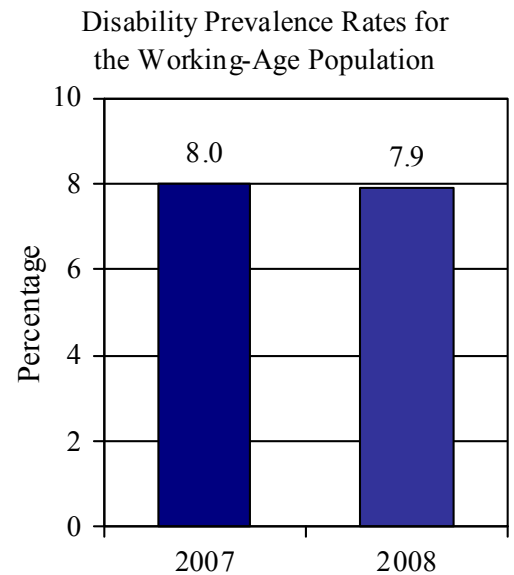
The Census Bureau conducts the CPS on behalf of the Bureau of Labor Statistics. The CPS surveys the resident population of the United States. Citizens living abroad or people living in long-term care facilities are not surveyed. The CPS began in the early 1940s, but the work limitation variable was not 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) and Houtenville, Stapleton, Weathers and Burkhauser (Forthcoming).

Prevalence Rate

- In March 2008, the disability prevalence rate for the working-age population was 7.9 percent, down slightly from 8.0 percent in 2007.
- 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. Since then, rates have fluctuated between a range of 7.7 and 8.4 percent.



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, 1981-2008

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	0.12	116,889
2006	8.4	0.12	116,219
2007	8.0	0.11	115,477
2008	7.9	0.11	115,617

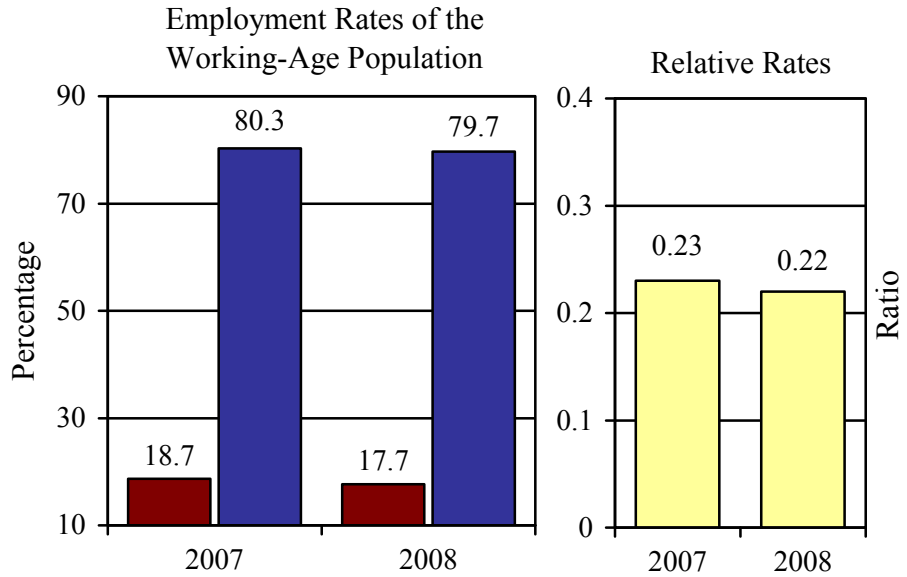
Source: 1981-2008 Annual Social and Economic Supplement to the Current Population Survey.

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?" Sample size reflects those ages 21-64 in the reference (survey) year.

Employment Rate

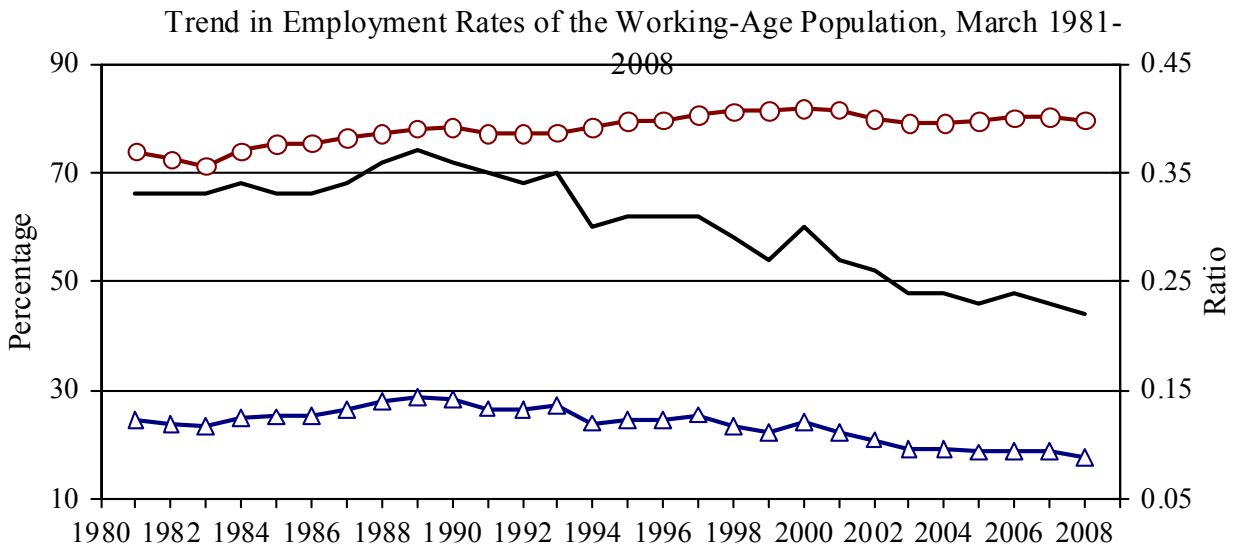
- In March 2008, the employment rate of working-age people with disabilities was 17.7 percent, down slightly from 18.7 percent in 2007, and well below the peak of 28.8 percent in 1989.

- In March 2008, the employment rate of working-age people without disabilities was 79.7 percent, down slightly from 80.3 percent in 2007 and still below its peak of 81.7 percent in 2000.



- In March 2008, working-age people with disabilities were only 22 percent as likely to be employed as a working-age person without disabilities.

- Between March 2007 and March 2008, the relative employment rate of working-age people with disabilities decreased from 0.23 to 0.22, 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 1981-2008

Year	People with Disabilities			People without Disabilities		
	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	24.1	0.66	5,934	81.7	0.17	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
2007	18.7	0.58	8,649	80.3	0.17	106,828
2008	17.7	0.57	8,662	79.7	0.18	106,955

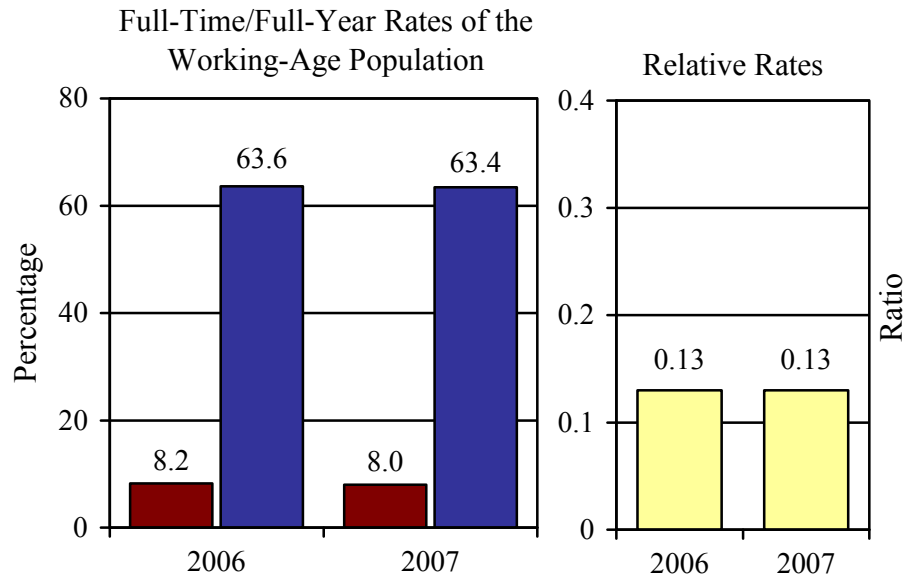
Source: 1981-2008 Annual Social and Economic Supplement to the Current Population Survey.

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?" Sample size reflects those ages 21-64 in the reference (survey) year.

Full-Time/Full-Year Employment

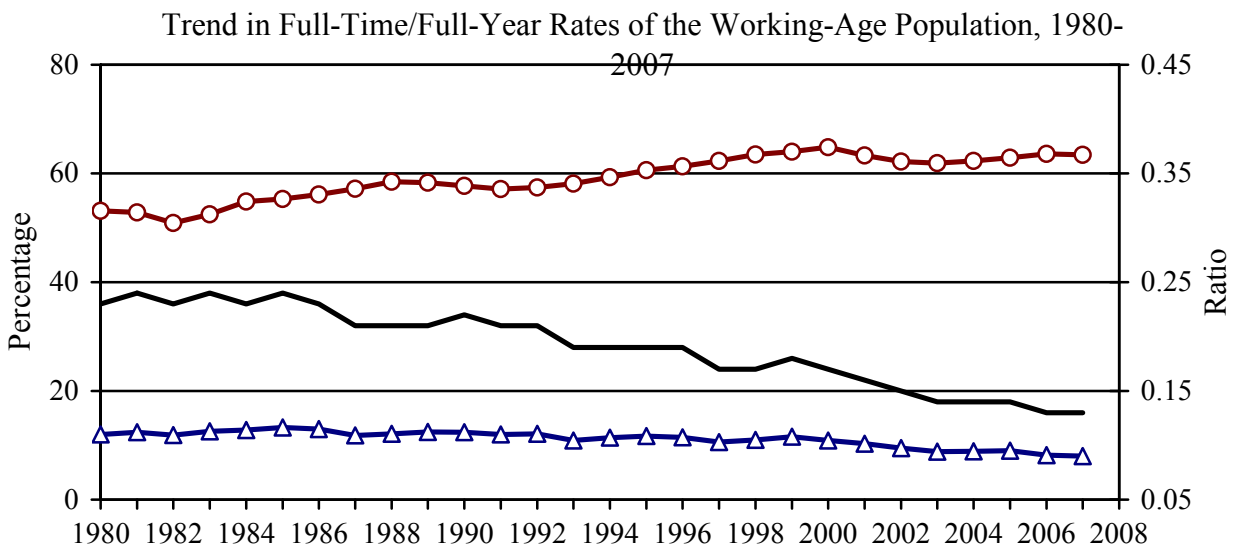
- In 2007, the full-time/full-year employment rate of working-age people with disabilities was 8.0 percent, down from 2006 when it was 9.2 percent and well below its peak of 13.3 percent in 1985.

- In 2007, the full-time/full-year employment rate of working-age people without disabilities was 63.4 percent, down slightly from 63.6 percent in 2006 and still somewhat below its peak of 64.8 percent in 2000.



- In 2007, working-age people with disabilities were 13 percent as likely to be employed as a working-age person without disabilities.

- In 2007, the relative full-time/full-year employment rate of working-age people with disabilities remained at 0.13, its value in 2006.



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, 1980-2007

Year	People with Disabilities			People without Disabilities		
	FT/FY Rate	Standard Error	Sample Size	FT/FY Rate	Standard Error	Sample Size
1980	12.0	0.47	7,951	53.1	0.22	88,544
1981	12.4	0.49	7,270	52.8	0.23	79,760
1982	11.9	0.49	7,053	50.9	0.22	80,779
1983	12.6	0.50	7,079	52.5	0.22	80,621
1984	12.8	0.49	7,259	54.8	0.22	81,224
1985	13.3	0.49	6,901	55.3	0.22	79,859
1986	13.0	0.49	6,780	56.1	0.22	79,202
1987	11.8	0.48	6,518	57.2	0.21	79,731
1988	12.1	0.53	6,074	58.5	0.23	74,016
1989	12.5	0.50	6,673	58.3	0.22	81,121
1990	12.4	0.50	6,673	57.7	0.22	81,172
1991	12.0	0.48	6,748	57.1	0.22	79,963
1992	12.1	0.47	6,873	57.4	0.21	79,191
1993	10.9	0.43	6,999	58.1	0.21	76,328
1994	11.4	0.44	6,977	59.3	0.21	76,048
1995	11.7	0.49	6,049	60.6	0.23	66,013
1996	11.5	0.48	6,227	61.3	0.23	66,731
1997	10.6	0.47	6,056	62.3	0.22	67,181
1998	11.0	0.48	5,891	63.5	0.22	67,723
1999	11.6	0.49	6,091	64.0	0.22	68,763
2000	10.9	0.35	5,811	64.8	0.16	66,581
2001	10.3	0.33	9,281	63.3	0.16	109,400
2002	9.5	0.32	9,144	62.2	0.16	109,676
2003	8.8	0.30	9,524	61.9	0.16	107,857
2004	8.9	0.41	9,400	62.3	0.22	106,483
2005	9.0	0.41	9,413	62.9	0.21	105,780
2006	8.2	0.40	8,870	63.6	0.21	105,685
2007	8.0	0.40	8,866	63.4	0.21	105,977

Source: 1981-2008 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?" Sample size reflects those ages 21-64 in the reference (not survey) year.

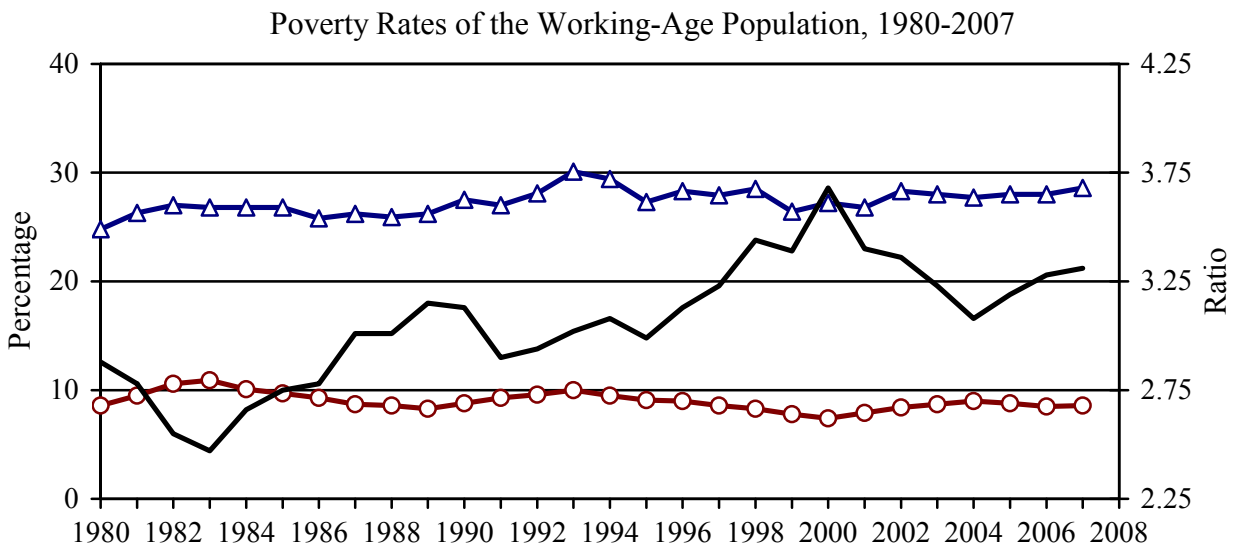
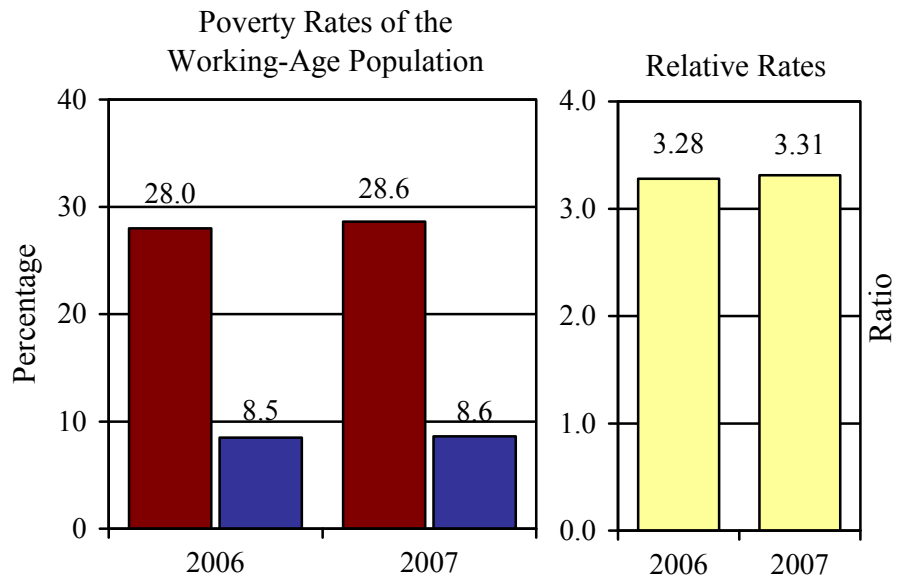
Poverty Rate

- In 2007, the poverty rate of working-age people with disabilities increased slightly to 28.6 percent, well above its low of 24.8 percent in 1980.

- In 2007, the poverty rate of working-age people without disabilities was 8.6 percent, up slightly from 8.5 percent in 2006 and well above its 7.4 percent low in 2000.

- In 2007, working-age people with disabilities were 3.31 times more likely to be in poverty when compared to working-age people without disabilities.

- Between 2006 and 2007, the relative poverty rate of working-age people with disabilities increased from 3.28 to 3.31. This was the third consecutive increase in the relative poverty rate since 2004, but the relative rate is still well below its high of 3.68 in 2000.



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, 1980-2007

Year	People with Disabilities			People without Disabilities		
	Poverty Rate	Standard Error	Sample Size	Poverty Rate	Standard Error	Sample Size
1980	24.8	0.62	7,951	8.6	0.12	88,544
1981	26.3	0.66	7,270	9.5	0.13	79,760
1982	27.0	0.67	7,053	10.6	0.14	80,779
1983	26.8	0.66	7,079	10.9	0.14	80,621
1984	26.8	0.64	7,259	10.1	0.13	81,224
1985	26.8	0.64	6,901	9.7	0.13	79,859
1986	25.8	0.64	6,780	9.3	0.13	79,202
1987	26.2	0.65	6,518	8.7	0.12	79,731
1988	25.9	0.71	6,074	8.6	0.13	74,016
1989	26.2	0.67	6,673	8.3	0.12	81,121
1990	27.5	0.67	6,673	8.8	0.12	81,172
1991	27.0	0.66	6,748	9.3	0.13	79,963
1992	28.1	0.65	6,873	9.6	0.13	79,191
1993	30.1	0.64	6,999	10.0	0.13	76,328
1994	29.4	0.63	6,977	9.5	0.13	76,048
1995	27.3	0.68	6,049	9.1	0.13	66,013
1996	28.3	0.68	6,227	9.0	0.13	66,731
1997	27.9	0.69	6,056	8.6	0.13	67,181
1998	28.5	0.70	5,891	8.3	0.13	67,723
1999	26.4	0.67	6,091	7.8	0.12	68,763
2000	27.2	0.50	5,811	7.4	0.09	66,581
2001	26.8	0.48	9,281	7.9	0.09	109,400
2002	28.3	0.50	9,144	8.4	0.09	109,676
2003	28.0	0.47	9,524	8.7	0.09	107,857
2004	27.7	0.65	9,400	9.0	0.13	106,483
2005	28.0	0.65	9,413	8.8	0.13	105,780
2006	28.0	0.66	8,870	8.5	0.12	105,685
2007	28.6	0.67	8,866	8.6	0.12	105,977

Source: 1981-2008 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?" Sample size reflects those ages 21-64 in the reference (not survey) year.

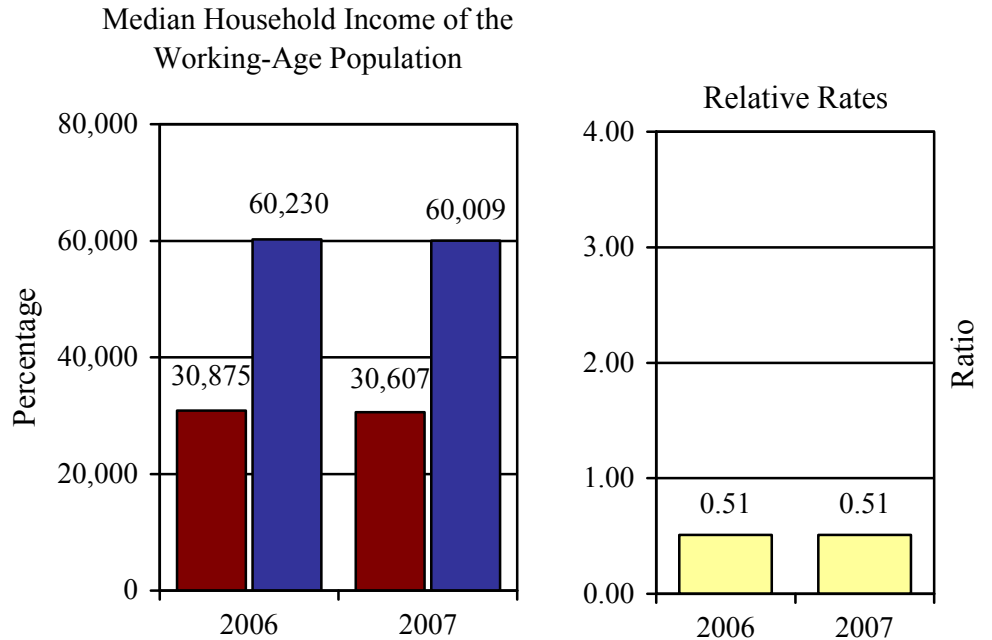
Median Household Income (Constant 2007 Dollars)

- In 2007, the median household income of working-age people with disabilities was \$30,607, less than \$30,875 in 2006, and below its peak of \$33,180 in 1999.

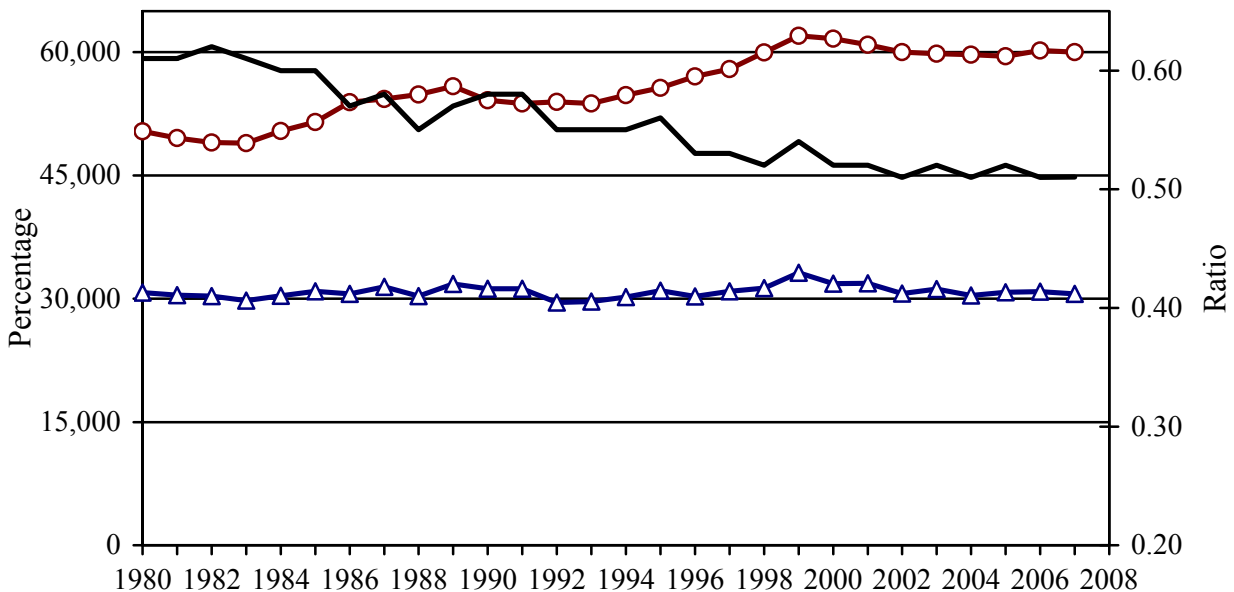
- In 2007, the median household income of working-age people without disabilities was \$60,009, down slightly from \$60,230 in 2006, and below its peak of \$61,988 in 1999.

- In 2007, the median household income of working-age people with disabilities was 51 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 between 0.51 and 0.52 since 2000, its lowest recorded values, and well below its peak of 0.62 in 1982.



Median Household Income of the Working-Age Population, 1980-2007 (Constant 2007 Dollars)



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, 1980-2007 (Constant 2007 Dollars)

Year	Households with People with Disabilities			Households without People with Disabilities		
	Median Household Income	Standard Error	Sample Size	Median Household Income	Standard Error	Sample Size
1980	30,730	307	7,354	50,347	132	47,707
1981	30,437	308	6,645	49,567	142	42,973
1982	30,326	310	6,515	49,015	141	43,046
1983	29,775	308	6,507	48,940	143	43,095
1984	30,368	307	6,655	50,408	147	43,444
1985	30,909	323	6,337	51,480	149	42,854
1986	30,591	323	6,222	53,893	153	42,456
1987	31,456	336	6,016	54,302	155	43,041
1988	30,315	354	5,615	54,844	168	40,187
1989	31,806	357	6,146	55,840	162	43,682
1990	31,219	336	6,171	54,133	157	43,712
1991	31,222	322	6,213	53,754	157	42,943
1992	29,541	320	6,358	53,933	159	42,455
1993	29,673	289	6,429	53,742	163	40,799
1994	30,215	315	6,431	54,751	164	40,776
1995	30,997	345	5,554	55,665	179	35,645
1996	30,266	341	5,697	57,044	181	36,031
1997	30,914	361	5,589	57,963	186	36,462
1998	31,283	371	5,422	59,985	191	36,886
1999	33,180	376	5,607	61,988	197	37,010
2000	31,842	268	5,327	61,666	141	36,177
2001	31,869	260	8,480	60,918	141	59,182
2002	30,626	255	8,372	60,018	137	59,371
2003	31,165	254	8,636	59,841	142	58,095
2004	30,392	342	8,564	59,714	195	57,361
2005	30,788	332	8,588	59,514	194	56,983
2006	30,875	353	8,158	60,230	198	56,939
2007	30,607	356	8,114	60,009	197	57,360

Source: 1981-2008 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?" Sample size reflects the number of households with members ages 21-64 in the reference (not survey) year.

References

- Burkhauser, R.V., Daly, M.C., Houtenville, A.J. & Nargis, N. 2002. Self-Reported Work Limitation Data: What They Can and Cannot Tell Us. *Demography*, 39 (3): 541-55.
- Burkhauser, R. V. & Houtenville, A. J. 2006, September. *A Guide to Disability Statistics from the Current Population Survey - Annual Social and Economic Supplement (March CPS)*. Rehabilitation Research and Training Center on Disability Demographics and Statistics, Cornell University, Ithaca, NY. <http://digitalcommons.ilr.cornell.edu/edicollect/1233/>
- Hale, T. 2001. The Lack of a Disability Measure in Today's Current Population Survey. *Monthly Labor Review*, June: 38-40.
- Houtenville, A. J., Stapleton, D.C., Weathers II, R.R., & Burkhauser, R.V. (Eds.) Forthcoming. *Counting Working-Age People with Disabilities: What Current Data Tell Us and Options for Improvement*. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.

Glossary of Terms

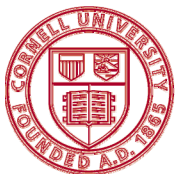
Disability. A work limitation is determined in the March CPS by the following question: "[d]oes anyone in this household have a health problem or disability which prevents them from working or which limits the kind or amount of work they can do? [If so,] who is that? Anyone else?"

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. The dollar values in years prior to 2007 have been adjusted upwards to their 2007 equivalent. To do so, we use the Consumer Price Index Research Series (CPI-U-RS) from the Bureau of Labor Statistics (for more information, see <http://www.bls.gov/cpi/cpirsdc.htm>). A dollar value in a given year is divided by the CPI-U-RS of that year and then multiplied by the CPI-U-RS of 2007. Median household income is calculated with the household as the unit of analysis, using household weights without adjusting for household size. Adjusting household income by dividing by size presents an alternative measure of economic well-being by accounting for the fact that some households have more members than others.

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 2007 was \$10,590 for a one-person family and \$21,027 for a four-person family with two children (under age 18), and \$21,100 for a four-person family with three children. The thresholds for 2007 may be found at <http://www.census.gov/hhes/www/poverty/threshld/thresh07.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.



Cornell University
ILR School
Employment and Disability Institute

For more information about the Rehabilitation
Research and Training Center on Employment
Policy for Persons with Disabilities:

Susanne M. Bruyère
Employment and Disability Institute
Cornell University
201 ILR Extension Building
Ithaca, New York 14853-3901

Tel	607.255.7727
Fax	607.255.2763
TTY	607.255.2891
Email	smb23@cornell.edu
Web	www.edi.cornell.edu