Abstract

The decline in the employment rate for people with disabilities: Bad data, bad health, or bad policy?

Richard V. Burkhauser and David C. Stapleton

A major debate has begun over reports of an unprecedented decline in the employment of working age people with disabilities over the 1990s business cycle. Here we review the literature on what can and cannot be said with current data on this subject and conclude that this decline is not an artifact of the data. We then review the various explanations and evidence for this decline and conclude that it was caused by changes in social policy rather than increases in the severity of the underlying health conditions and impairments of this population. The implication is that significant changes in public policy are needed to more effectively integrate working age people with disabilities into employment. We identify and discuss the most promising directions for public policy in this area.