

# DRC Annual Research Meeting

## **PROJECT ABSTRACTS: EARLY INTERVENTION AND EMPLOYMENT**

### **Firm-Level Early Intervention Incentives: Which Recent Employers of Disability Program Entrants Would Pay More?**

*David Mann and David Stapleton, Mathematica Policy Research  
Jae Song, Social Security Administration*

Reflecting historically high rates of entry into the Social Security Disability Insurance (SSDI) program and the pending exhaustion of the Disability Insurance (DI) Trust Fund, policymakers are considering “early intervention” options that would encourage continuation of work following disability onset and reduce application and entry into DI. One approach to early intervention is to create financial incentives that encourage employers to retain employees after disability onset by making employers at least partially liable for the DI benefits paid to their recent employees. This paper presents statistics on the potential employer liabilities for DI benefits of their recent employees, based on administrative data. In any given year, there is wide variation across firms in their potential benefit liability relative to wages paid, and employers with high relative benefit costs typically pay very low mean annual wages, suggesting that they employ many low-skill, part-time, or temporary workers. The authors also assess how two specific proposals that would make employers responsible for a portion of these liabilities would affect the distribution of labor costs across firms.

### **Antecedents of Voluntary and Involuntary Job Separations of Workers with Psychiatric Disabilities**

*Judith A. Cook, Jane K. Burke-Miller, and Dennis D. Grey, University of Illinois at Chicago*

Research has shown that people with psychiatric disabilities curtail work hours and sometimes leave jobs in order to protect their disability status and benefits. Less is known about other reasons that people with mental illness separate from employment. Although evidence-based practice-supported employment has proven to be effective in helping this population obtain work, more information about job separations is needed to inform return to work and stay at work models. This study presents data from the Substance Abuse and Mental Health Services Administration-funded Employment Intervention Demonstration Program. The authors present descriptive statistics and exploratory analyses regarding reasons for job separations. In particular, they examine the extent to which job separations are voluntary or involuntary, the relation of voluntary separations to disclosure of disability, and the extent to which separations occur with acute psychiatric episodes. The authors also present preliminary data on how the type of separation influences outcomes in subsequent months.

### **Outcomes of Youth and Young Adults Seeking VR Services**

*Todd Honeycutt, Allison Thompkins, Maura Bardos, and Stephanie McLeod, Mathematica Policy Research  
Steven Stern, University of Virginia*

State vocational rehabilitation (VR) agencies play a critical role in helping transition-age youth with disabilities attain their vocational goals, though knowledge is insufficient about best practices for agencies in serving such youth. The author presents new state-level statistics on the outcomes for a cohort of youth who applied for VR services from 2004 through 2006. Through a case study approach, he also examines characteristics in the transition practices of eight agencies. States had wide variation in how their agencies served transition-age youth populations. The case study analysis pointed to many similarities in how agencies served youth, along with several characteristics associated with high transition statistics, such as being a part of local or statewide transition collaborative efforts and offering multiple programs for youth related to employment. The findings underscore the range in practices and outcomes for youth found across agencies, as well as the need for better measures regarding agencies’ involvement with youth.

## **The Effect of the SSI Children’s Program on Parental Labor Supply and Long-Term Outcomes of Enrolled Children**

*Manasi Deshpande*, Ph.D. Candidate, Massachusetts Institute of Technology

Supplemental Security Income (SSI) enrollment among children under age 18 has surged in recent decades—reaching 1.3 million in 2012—with most of the growth coming from mental conditions other than intellectual disability. Despite this rapid expansion, little is known about the effect of the SSI children’s program on household earnings and income or the long-term outcomes of enrolled children. In this paper, the author uses Social Security Administration microdata and variation in continuing disability reviews to identify the effect of the SSI children’s program on household and child outcomes. She finds that the loss of the child’s SSI payment triggers a large parental earnings response and discourages other family members from applying for disability. Using the unique institutional context of the SSI children’s program, she determines that the labor supply discouragement effect is driven largely by an income effect rather than a substitution effect, which has normative implications as well as implications for disability policy. In ongoing research, the author is studying the effect of SSI on children’s outcomes, including their educational achievement and their earnings and disability receipt in adulthood.

*Note: Individual research projects are at varying stages of completion; not all findings are final.*