

Return-to-Work Outcomes Among Social Security Disability Insurance Program Beneficiaries

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MATHEMATICA
Policy Research

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- **The opinions and conclusions expressed are solely those of the authors and do not represent the opinions or policy of NIDRR or any agency of the federal government**

Motivation

- **Social Security Disability Insurance (DI)**
 - Largest federal income support program for working-age people with disabilities
 - 9.8 million beneficiaries in 2011
- **DI trust fund expected to be exhausted in 2016**
- **There is strong interest in promoting employment among DI beneficiaries**
- **Policymakers need more information on what factors are associated with return-to-work**

Motivation (cont'd)

- **Employment rates among DI beneficiaries have remained consistently low over the years**
- **Recent findings suggest a longitudinal perspective provides a more positive picture of return-to-work efforts among DI beneficiaries**
- **In this paper, we take a longitudinal view of what factors influence return-to-work outcomes among DI beneficiaries**

Research Question

- **How are beneficiary characteristics and local economic conditions associated with achievement of return-to-work outcomes among DI beneficiaries?**
- **We specifically focus on**
 - Age and impairment type
 - State unemployment rate and other state-level effects
 - Timing of award

Data Sources

- **Administrative records from**
 - **Social Security Administration (SSA)**
 - **Rehabilitation Services Administration (RSA)**
- **Disability Analysis File 2009 from SSA**
- **RSA-911 files from RSA**
- **Monthly state unemployment rates from the Bureau of Labor Statistics**

Study Population and Study Period

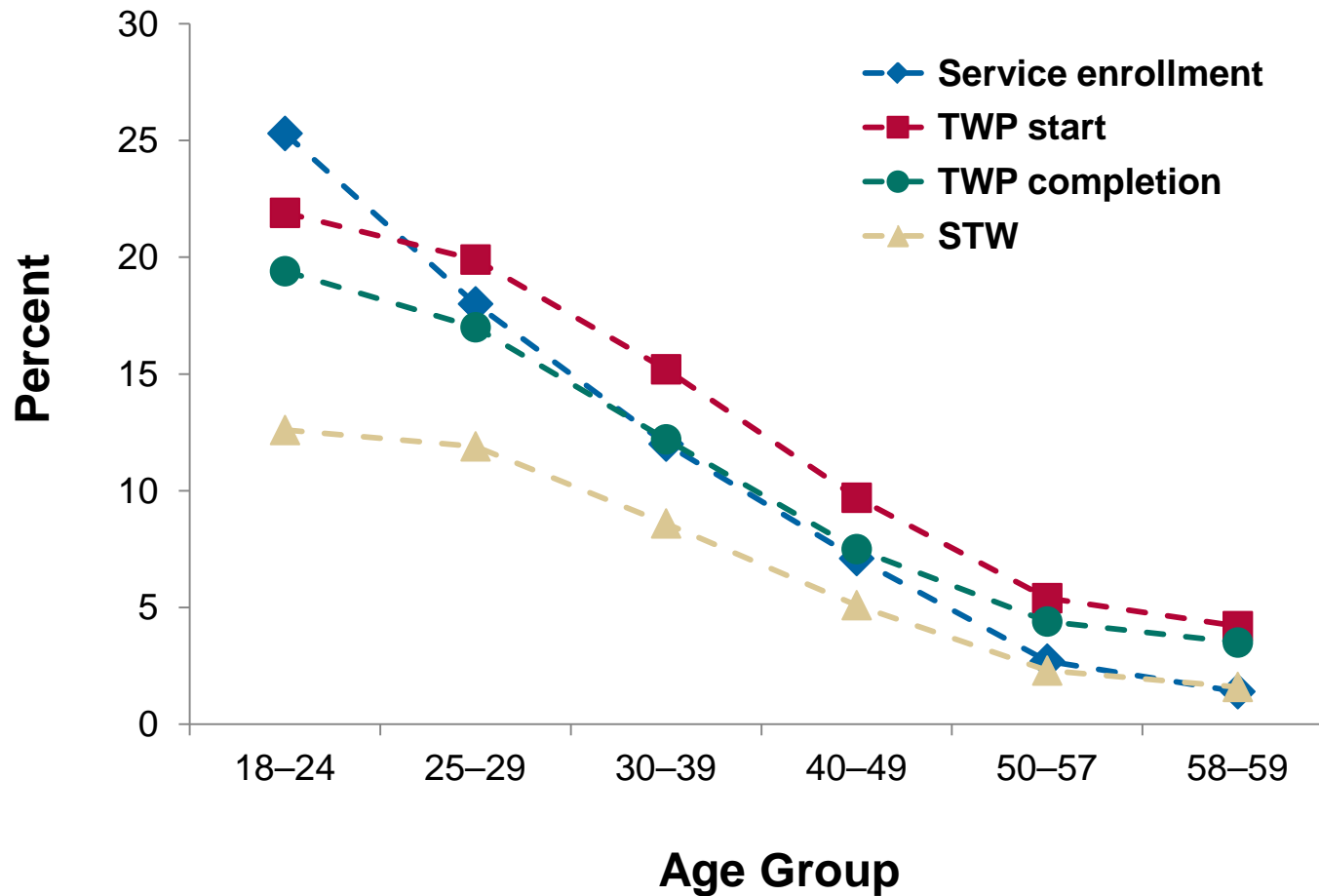
- **Working-age new DI awardees from January 1996 to December 2004**
- **Analysis sample excluded beneficiaries**
 - Younger than 18 in December 2004
 - Older than full retirement age in January 1996
 - Who died or reached age 65 within five years of award
- **10 percent sample of over 4 million beneficiaries**
- **Five year follow-up period after DI award**
 - 1996 cohort: followed up through 2001
 - 2004 cohort: followed up through 2009



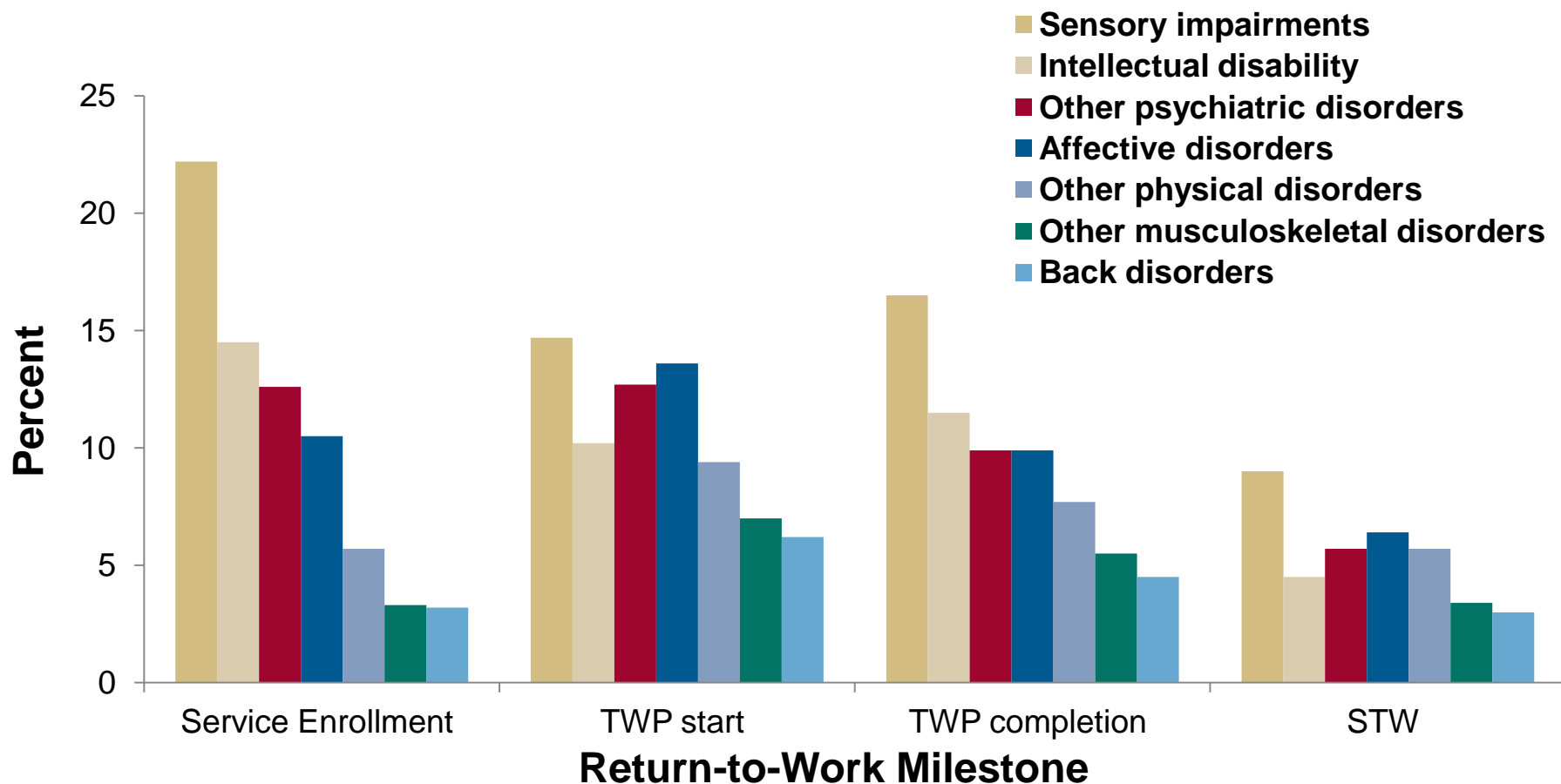
Outcomes: Return-to-Work Milestones in Five Years Following DI Award

- **Service enrollment**
 - Enrollment in services from state vocational rehabilitation agency (SVRA) or employment network (EN)
- **Trial work period (TWP) start**
- **TWP completion**
- **Suspension or termination due to work (STW)**

New DI Awardees 1996–2004: Achievement of Milestones by Age



New DI Awardees 1996–2004: Achievement of Milestones by Impairment Type



Note: Because administrative data are incomplete with respect to the TWP start month the estimated percentages for TWP completion might be higher than that for TWP start.

Multivariate Analysis: Linear Probability Model

$$Y_i = \alpha_i + \beta'X_i + \gamma'State_i + \delta'Month_i + \varepsilon_i$$

- Y_i is a 0/1 variable for whether the milestone was reached within five years after DI award
- X_i is a set of beneficiary characteristics
 - Age, impairment type, sex, race/ethnicity, education level, monthly DI benefit, adjudicative level, number of dependents, SSI recipient status, Medicare eligibility, DAC and DWB status, state unemployment rate, and percentage change in state unemployment rate
- $State_i$ is a set of state dummy variables
- $Month_i$ is a set of award-month dummy variables

Likelihood of Achieving Milestones

- **Probability of achieving milestones increases with**
 - Sensory impairments
 - Being black
 - Years of education
 - DI award at initial adjudication level

- **Probability of achieving milestones decreases with**
 - Age
 - Back and other musculoskeletal disorders
 - Monthly DI benefit
 - Receipt of SSI benefits
 - Medicare eligibility at award
 - DAC status
 - Increase in state unemployment rate

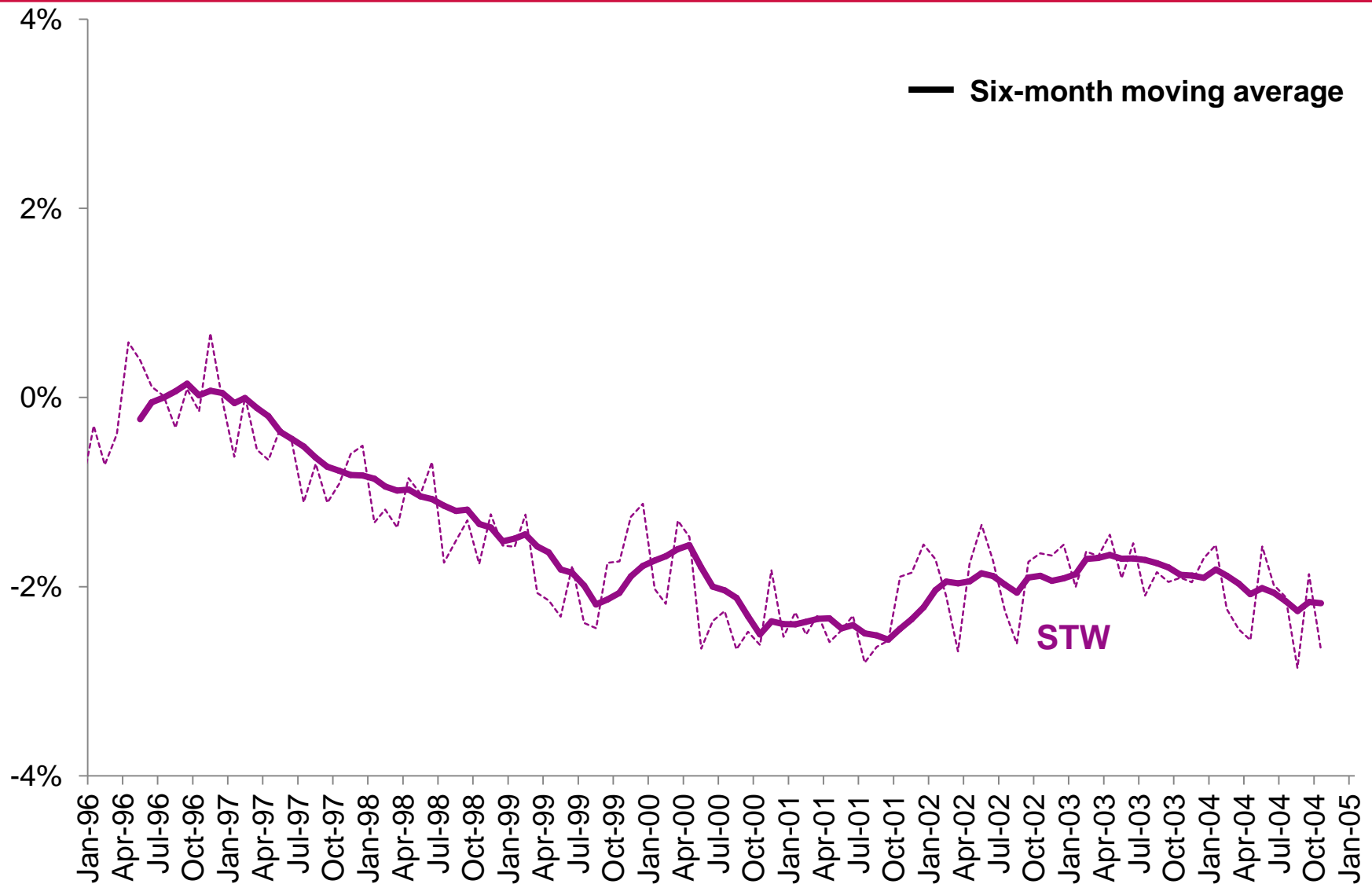
Coefficients on State Indicators

- **Coefficients on state indicators show large variation across state of residence at award and return-to-work outcomes**
- **The state coefficients for STW, TWP completion, and service enrollment roughly maintain the same rank-order**
- **There is considerably more variation in state coefficients on service enrollment compared to the other milestones**

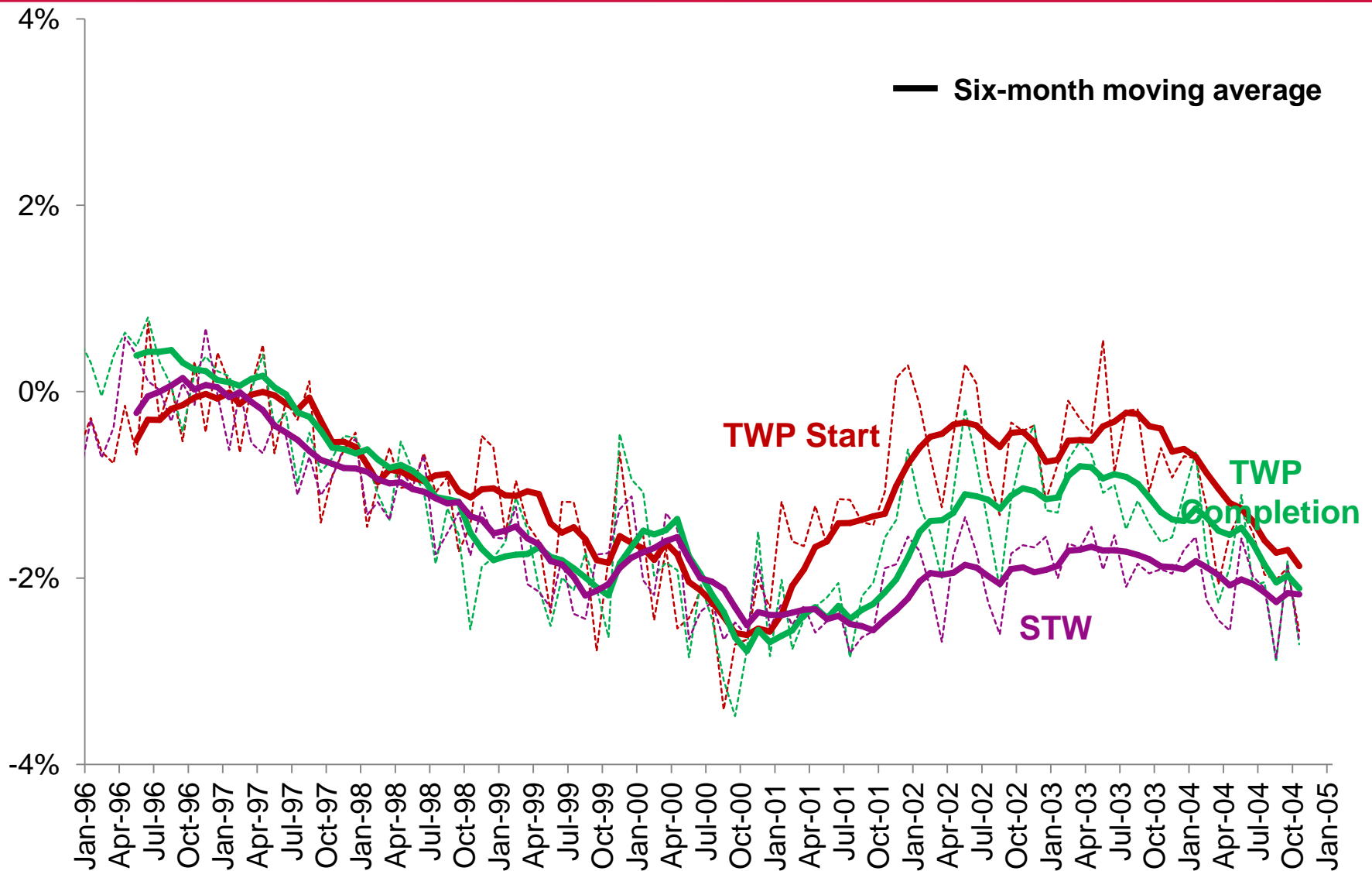
Coefficients on Award Month Indicators

- **Award-month coefficients capture unobserved factors affecting behavior among beneficiaries who enter DI at different points in time**
 - Changes in policy over time
 - Changes in the composition of new awardees in terms of unobserved characteristics
- **Recall we account for several beneficiary characteristics, state level economic conditions, and other fixed state conditions**

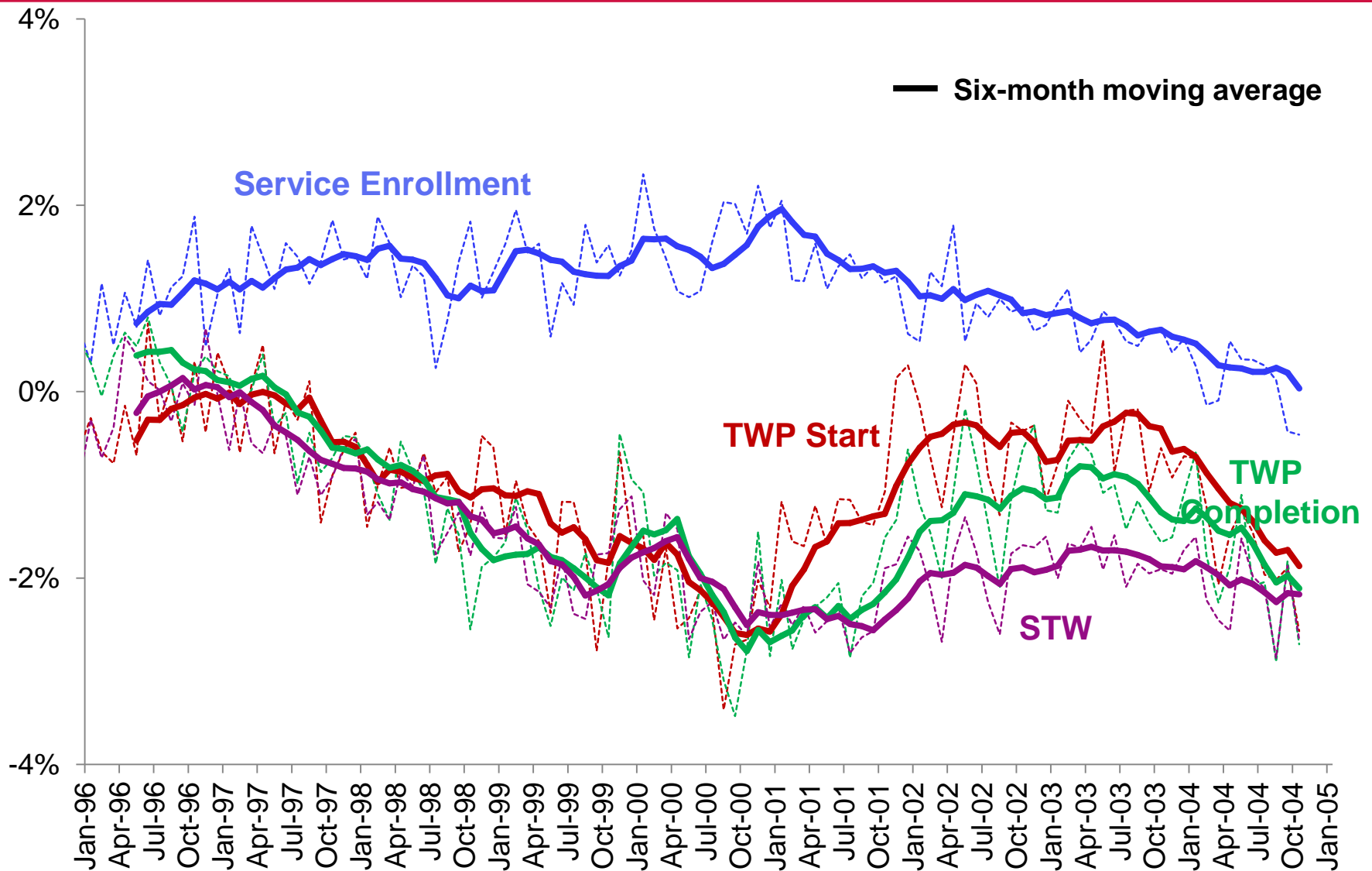
Coefficients on Award Month Indicators (cont'd)



Coefficients on Award Month Indicators (cont'd)



Coefficients on Award Month Indicators (cont'd)



Conclusion

- **Younger beneficiaries substantially more likely to achieve return-to-work milestones**
- **Beneficiaries with sensory impairments have highest likelihood of achieving all milestones; those with back and other musculoskeletal disorders show the lowest two likelihoods**
- **Differences across age and impairment persist after accounting for other characteristics**
- **Large variation in the relationship between state of residence and return-to-work outcomes**
- **Timing of award may be capturing unobserved beneficiary characteristics**

Policy Issues

- **Should SSA direct efforts to help beneficiaries return to work toward recent awardees under age 40?**
- **Should return-to-work initiatives be tailored according to impairment type?**
- **Should efforts to slow entry via early intervention focus on those most likely to achieve the return-to-work milestones under current law?**
- **How does availability of other benefits and services affect return-to-work efforts of DI beneficiaries?**
- **What factors explain variation across states and time?**

For More Information

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