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Center for
Studying 
DISABILITY POLICY

**Work Activity and Use of
Employment Supports
Under the Original Ticket
to Work Regulations**

**Characteristics,
Employment, and Sources
of Support Among
Working-Age SSI and DI
Beneficiaries**

Final Report

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ACRONYMS

The following acronyms are used throughout this report.

ADL	Activities of Daily Living
COBRA	Consolidated Budget Reconciliation Act
DI	Social Security Disability Insurance (under Title II of the Social Security Act)
IADL	Instrumental Activities of Daily Living
NBS	National Beneficiary Survey
SGA	Substantial Gainful Activity
SSA	Social Security Administration
SSI	Supplemental Security Income (Title XVI of the Social Security Act)

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A B S T R A C T

This report presents a profile of all working-age (age 18 to 64) SSI and DI beneficiaries. It is the second in a series of reports that make up the fifth Ticket to Work evaluation report. The report focuses on selected personal characteristics, activities, and outcomes closely associated with employment. The profile is based on data from a recent nationally representative survey of working-age SSI and DI beneficiaries. Because of important differences between SSI and DI program eligibility criteria, target populations, and treatment of earnings, we also present separate profiles for SSI-only, DI-only, and concurrent (those receiving both SSI and DI) beneficiaries.

The period of analysis is prior to SSA's implementation of new Ticket to Work program regulations in July of 2008, and so reflects experiences under the original Ticket to Work rules. The findings indicate that many SSI and DI beneficiaries were working and engaging in work-preparation activities, and many more saw themselves working in the future. In 2006, about half of all beneficiaries reported having work-related goals or expectations, had recently received employment-related services or training, and/or had recently been employed. But the jobs secured by beneficiaries did not pay well in general; nor did they offer much in the way of benefits.

Although many beneficiaries were working, and many more wanted to work, the findings also indicate that there was a high prevalence of certain characteristics, circumstances, and experiences among beneficiaries that stood between them and employment. Other barriers included the fact that few beneficiaries were aware of the work incentive provisions available in the SSI and DI programs, and most were living in households at or near the federal poverty level. As a result, they and their families relied on means-tested public programs for which eligibility could be jeopardized by earnings. Despite these barriers to employment, the large share of beneficiaries who indicated an interest in employment—either through their actions or expectations—suggests that policies designed to promote and support work might be successful if they can address the wide array of obstacles facing beneficiaries in their attempts to work and contribute to their own independence.

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I. INTRODUCTION

The Social Security Administration (SSA) administers two programs that provide income support to nearly 11 million working-age people with disabilities—the Social Security Disability Insurance (DI) program and the Supplemental Security Income (SSI) program.¹ To qualify for either program, an applicant must demonstrate that he or she is unable to work at substantial levels due to a long-term, medically determinable impairment. The passage of the Ticket to Work and Work Incentives Improvement Act of 1999 (Ticket Act) prompted numerous changes in the SSI and DI programs, intended to encourage and facilitate the return-to-work efforts of disability program participants. Over the past eight years, SSA has instituted initiatives that provide beneficiaries with information about how work affects their benefits, offer them more options for accessing employment services, allow them to return more easily to the disability rolls following unsuccessful work attempts, and facilitate the processing of earnings information by SSA staff. The Ticket Act also established the Ticket to Work program, which greatly expanded the types of organizations that SSA would pay to support beneficiaries' employment efforts.

SSA's recent focus on employment represents a major change in the culture of the disability programs, which originally were established to provide income support to individuals deemed unable to work. While the vast majority of beneficiaries do not attempt to secure a job once they are on the disability rolls, and few leave the rolls due to work in any given year (Muller 1992), SSA's increased focus on employment reflects a more general change in societal attitudes about disability—with the appropriate support and economic incentives, many people with significant disabilities are capable of working and achieving a significant degree of independence.

In this paper, we present profiles of working-age (age 18 to 64) SSI and DI beneficiaries, focusing on selected characteristics, activities, and outcomes closely associated with employment. We use data from a recent, nationally representative survey of working-age SSI and DI beneficiaries to develop a profile of all disability beneficiaries. Because of important differences in the eligibility criteria, target populations, and treatment of earnings in the two programs, we also present separate profiles for SSI-only, DI-only, and concurrent (those receiving both SSI and DI) beneficiaries. The purpose of these profiles is twofold: to provide general information about disability beneficiaries, their work activity, and employment barriers that might be useful to policymakers, researchers, advocates and others interested in improving the employment of people with disabilities; and to dispel an important misconception about the work activity and employment expectations of SSI and DI beneficiaries—that very few disability beneficiaries are willing or able to work.

¹ The SSI program also serves children with disabilities and individuals age 65 and over.

In what follows, we first provide some background on the SSI and DI programs (Section II) and describe the data and methods (Section III). We then present information about SSI and DI beneficiaries related to: sociodemographic and health characteristics (Section IV); employment-related activities and expectations (Section V); and sources of income, health insurance coverage, and knowledge and use of SSA work incentive provisions (Section VI). Section VII concludes with a summary and discussion of the findings.

II. BACKGROUND

To qualify for either the SSI or DI program, an applicant must demonstrate that he or she is unable to engage in substantial gainful activity (SGA) due to a medically determinable impairment expected to last at least 12 months or to result in death. As of 2008, SSA considers earnings above \$940 per month as SGA for most applicants. DI eligibility is also contingent on having a sufficient number of recent and lifetime quarters of Social Security-covered employment, and the level of the DI benefit is based on past earnings—individuals with higher lifetime earnings are eligible for higher DI benefits. SSI is a means-tested program; eligibility is subject to strict income and resource limits. The SSI benefit is based on the individual's monthly income and living arrangement. Individuals may qualify for both programs if their incomes (including DI benefits) and assets are low enough to meet the SSI income limits. Eligibility for either program can also provide access to public health insurance. DI beneficiaries qualify for Medicare coverage after a 24-month waiting period, and most SSI beneficiaries are eligible for Medicaid automatically.

The DI and SSI programs differ markedly in terms of how income from earnings is treated in determining the monthly cash payments and ongoing eligibility for the programs. In the DI program, individuals are permitted to work and earn at any level for up to nine months without losing eligibility for DI benefits. This nine-month period is referred to as the Trial Work Period.² As of 2008, an individual is considered to be in a Trial Work Period if monthly earnings exceed \$670 or if they are working more than 80 self-employed hours per month. If individuals earn more than the SGA level in any month after completing the Trial Work Period, they become ineligible for any DI benefits, but remain eligible for Medicare if they completed the 24-month Medicare waiting period prior to becoming ineligible for DI.

In the SSI program, earnings above \$65 per month will reduce SSI benefits by \$1 for every \$2 of earnings; thus, SSI benefits are reduced gradually as earnings rise. Provisions in the SSI program allow participants to earn above the SGA level and remain eligible for SSI (Section 1619 (a)) and to remain eligible for Medicaid even after SSI cash payments cease due to earnings (Section 1619(b)). Individuals remain eligible for Medicaid until their earnings exceed a "threshold amount", which is based on annual per capita Medicaid expenditures for SSI recipients and varies by state. The threshold can also be computed for individuals if their Medicaid expenditures exceed the state per capita amount. In 2008, state threshold amounts ranged from about \$23,000 to \$54,000.

The SSI and DI programs have a number of other provisions intended to help beneficiaries in their efforts to return to work. We summarize some of these in Exhibit 1.

² The nine months need not be consecutive and must occur within a rolling 60-month period.

Exhibit 1. Selected SSI and DI Employment Supports

Applicable to DI	
Trial Work Period	Permits DI beneficiaries to test their ability to work for up to nine months without affecting their DI benefits.
Extended Period of Eligibility	Allows DI beneficiaries to earn any amount over a consecutive 36-month period following the completion of the Trial Work Period without jeopardizing eligibility for benefits. Benefits are reduced to zero when earnings reach the SGA level, but during this period, beneficiaries can receive DI benefits in any month in which their earnings are below the SGA level.
Continuation of Medicare Coverage	Allows DI beneficiaries who leave the rolls due to work to remain eligible for Medicare for at least 93 months after completing the Trial Work Period.
Applicable to SSI	
Earned Income Exclusion	Excludes the first \$65 of monthly earnings and one-half of the remainder when calculating the SSI payment amount.
Section 1619(a)	Provides continued Medicaid coverage and reduced SSI payments to recipients who earn more than the SGA amount but remain below the SSI break-even point (the earnings level where benefits are reduced to zero).
Section 1619(b)	Provides continued Medicaid coverage and SSI eligibility, but with no monthly payments to recipients whose income exceeds the SSI break-even point but is less than the state's 1619(b) threshold amount.
Plan for Achieving Self-Support	Allows a recipient to set aside income and/or resources for such things as education, vocational training, or starting a business, and not have the income/resources counted in the SSI income and resource eligibility tests.
Student Earned Income Exclusion	Allows a student under age 22 who attends school regularly to exclude up to \$1,550 of earned income per month (up to a maximum of \$6,240 per year) in computing the SSI benefit.
Property Essential for Self-Support	Excludes resources (such as tools, equipment, or business inventory or property) essential to self-support when determining ongoing eligibility for SSI.
Applicable to Both DI and SSI	
Ticket to Work	Allows beneficiaries to obtain employment, vocational rehabilitation, and other support services from participating providers. Providers are paid by SSA based on a beneficiary's employment outcomes.
Impairment-Related Work Expenses	Excludes from earnings the costs of certain impairment-related items or services a person needs for work when calculating benefits and ongoing eligibility.
Expedited Reinstatement	Allows individuals whose cash payments ended because of earnings to restart benefits without having to file a new application if they stop working within 5 years of benefit cessation.

Source: SSA (2008).

III. DATA AND METHODS

Three rounds of the National Beneficiary Survey (NBS) have been conducted as part of the Ticket to Work program evaluation, which was administered in each year from 2004 through 2006. A new, nationally representative sample of beneficiaries age 18 to 64 was selected for each round; 7,603 in 2004, 4,864 in 2005, and 2,508 in 2006.³ Each sample provides a wealth of information about the characteristics, service use, and employment activities of Social Security disability beneficiaries. Some of the information on work activity and service use contained in the NBS previously had not been available for this population. Further information about the NBS is presented in Thornton et al. 2006 and Stapleton et al. 2008.

Most of the statistics presented in this paper are based on the latest round (2006) of the NBS. In instances where the subgroups of interest are small (e.g., when analyzing the job characteristics of employed beneficiaries or the benefit levels of users of specific programs), we present statistics from the 2004 NBS, as it had the largest cross-sectional sample of the three NBS rounds. In one instance, we also present data from the 2005 NBS to illustrate changes over the period 2004-2006. The NBS sample sizes are shown in Exhibit 2. The categorization of beneficiaries by SSI-only, DI-only, and concurrent status is based on the sample member's status at the time of sampling as identified in SSA administrative data. Where differences by program status are noted, the differences are statistically significant at the 0.05 level. All estimates presented were derived using the survey weights, and all standard errors used to compute tests of statistical significance account appropriately for the survey's complex sampling design.

³ The surveys also include both cross-sectional and longitudinal samples of Ticket to Work participants. All statistics reported in this paper were derived from the national cross-sectional samples.

Exhibit 2. NBS Sample Sizes, by Program Participation Status

	All Beneficiaries	DI-only	Concurrent	SSI-only
2004 NBS				
Number (Unweighted)	7,603	3,247	1,485	2,871
Number (Weighted)	8,786,823	4,682,103	1,424,638	2,680,082
Percent of All (Weighted)	100	53	16	31
2005 NBS				
Number (Unweighted)	4,864	1,952	952	1,987
Number (Weighted)	9,339,633	5,060,389	1,423,019	2,856,225
Percent of All (Weighted)	100	54	15	31
2006 NBS				
Number (Unweighted)	2,508	894	555	1,059
Number (Weighted)	9,645,921	5,052,870	1,680,081	2,912,969
Percent of All (Weighted)	100	52	17	30

Note: Sample sizes shown reflect the national cross-sectional samples only.

IV. SOCIODEMOGRAPHIC AND HEALTH CHARACTERISTICS

A. SOCIODEMOGRAPHIC CHARACTERISTICS

Although disability beneficiaries in the SSI and DI programs share many sociodemographic characteristics, according to the NBS data, there are some notable differences which might affect the likelihood of employment. For the most part, beneficiaries are over age 40 (79 percent); mostly white (69 percent); and unmarried (69 percent), but relative to DI-only beneficiaries, SSI-only and concurrent beneficiaries are somewhat younger and are much more likely to be non-white and unmarried (Exhibit 3). Many beneficiaries have characteristics suggesting that they would have difficulty obtaining jobs, even disregarding their disabilities. In particular, 40 percent of beneficiaries have less than a high school level of education, compared to just 14 percent for all persons age 18 to 64 (U.S. Census Bureau 2007). A low level of education is likely to limit beneficiaries' earnings, regardless of any disability-related challenges that might pose an obstacle to a return to work. Again, DI-only beneficiaries differ markedly from SSI-only and concurrent beneficiaries, being about twice as likely to be educated beyond the high school level. Poverty rates are high among beneficiaries, regardless of their program status;⁴ however, rates among SSI-only and concurrent beneficiaries are more than twice that of DI-only beneficiaries (about 70 percent compared with 30 percent).

The differences in characteristics across the DI and SSI programs are not surprising, given the differences in the eligibility criteria for the two programs—those in the DI program must meet minimum requirements for lifetime levels of work and earnings, and so have more successful lifetime earnings histories than SSI recipients; these higher levels of education are likely an important contributing factor. DI beneficiaries also receive higher levels of benefits, on average, than those in the SSI program, and their households are more likely to have income from other sources, such as private disability insurance payments, pension payments, workers' compensation payments, and spousal earnings; all such income reduces the chance of poverty. Those participating in the SSI program must meet stringent income criteria and so are much more likely to be poor than DI beneficiaries, regardless of other characteristics. The low levels of education and limited access to spousal income sources likely contribute to the high levels of poverty observed among SSI-only and concurrent beneficiaries.

⁴ Poverty rates among those age 18 to 64 in the general U.S. population are about 11 percent (DeNavas-Walt, Proctor, and Smith 2007), compared with 50 percent among all SSI and DI beneficiaries (Exhibit 3).

Exhibit 3. Sociodemographic Characteristics of Beneficiaries

	All Beneficiaries	DI-only	Concurrent	SSI-only
Male (%)	50	51	52	47
Mean Age (Years)	49	53	46*	44*
Race (%)				
White	69	78	61 [#]	59 [#]
Black/African-American	23	16	30 [#]	31 [#]
Other race	8	6	8 [#]	10 [#]
Hispanic or Latino Ethnicity (%)	11	9	12	14*
Highest Level of Education (%)				
Did not obtain high school diploma or GED	40	30	47 [#]	52 [#]
High school diploma or GED	36	37	36 [#]	35 [#]
Education beyond high school	24	33	17 [#]	13 [#]
Marital Status (%)				
Married	31	45	14 [#]	16 [#]
Widowed/divorced/separated	34	34	34 [#]	34 [#]
Never married	35	21	53 [#]	49 [#]
Household Income % of Federal Poverty (%)				
<100	50	31	71 [#]	72 [#]
100-299	38	50	26 [#]	22 [#]
300 +	12	18	3 [#]	6 [#]

Source: 2006 National Beneficiary Survey. Sample size = 2,508.

Note: The applicable Federal Poverty Level is determined by family size and the ages of family members. In 2005 (the calendar year reference period for the household income question in the 2006 NBS), the Federal Poverty Level for a family with one individual under age 65 was \$10,160 per year.

* Statistically different from DI-only beneficiaries at the .05 level, two-tailed test.

[#] Distribution statistically different from DI-only beneficiaries at the .05 level, chi-square test.

B. HEALTH CHARACTERISTICS

Most beneficiaries (75 percent) experienced disability onset during adulthood (Exhibit 4). This finding is not surprising, given that a majority of working-age beneficiaries (69 percent—see Exhibit 1) receive DI benefits, and that to qualify they must demonstrate a substantial and recent work history. Onset of disability at younger ages can negatively affect labor force participation and success. A large share of all beneficiaries (43 percent) experienced onset of their disabling condition after age 40. Disability onset later in life (after age 40) is much more common among DI-only beneficiaries than among SSI-only and concurrent beneficiaries (57 percent compared with about 30 percent), and childhood onset

is much more common among SSI-only and concurrent beneficiaries than among DI-only beneficiaries (about 40 percent compared with 12 percent).

Musculoskeletal (36 percent) and mental health (33 percent) conditions were most frequently reported as contributing to activity limitations (Exhibit 4). Relative to SSI-only beneficiaries, DI-only beneficiaries were significantly more likely to report injuries/poisoning, musculoskeletal, circulatory, and endocrine/nutrition conditions, and significantly less likely to report mental illness or mental retardation as conditions causing limitations. With two exceptions, the same differences exist between DI-only and concurrent beneficiaries. The two exceptions are mental illness and endocrine/nutrition conditions, where the reported rates for DI-only and concurrent beneficiaries do not differ significantly. The differences in conditions causing limitation across programs are reflected to some degree in the reported difficulties with specific activities: DI-only beneficiaries were more likely to report difficulties with physical activities (such as those associated with functions of the upper and lower extremities) and less likely to report difficulties with certain mental and social functions, such as concentrating and getting along with others. Beneficiaries in both the SSI and DI programs were about equally likely to report difficulties coping with stress (about 60 percent) and getting around outside of the home (47 percent), activities typically required when engaged in employment.

At interview, a large share of beneficiaries reported that they were in poor or very poor health (43 percent) and that their health was worse than in the previous year (42 percent) (Exhibit 4). It is perhaps surprising that even larger shares did not consider themselves to be in poor health, given that all have met stringent medical criteria to establish the presence of significant, disabling health conditions to qualify for the disability programs. Although only a small minority (11 percent) considered themselves to be in excellent or very good health, more considered themselves to be in good or fair health (45 percent) than in poor or very poor health. This implies that a large share of beneficiaries did not perceive their disabling health conditions as having significant negative impacts on their general health. Relative to DI-only beneficiaries, SSI-only beneficiaries reported being in better health, and both SSI-only and concurrent beneficiaries were significantly less likely to report their health being worse than in the previous year.

Exhibit 4. Health Characteristics of Beneficiaries

	All Beneficiaries	DI-only	Concurrent	SSI-only
Age (in years) at Disability Onset (%)				
<18	25	12	37 [#]	40 [#]
18-24	10	9	12 [#]	11 [#]
25-39	22	22	22 [#]	22 [#]
40-54	32	42	22 [#]	21 [#]
55-64	11	15	8 [#]	5 [#]
General Health (%)				
Excellent/Very Good	11	8	11	15 [#]
Good/Fair	46	45	49	46 [#]
Poor/Very Poor	43	46	40	39 [#]
Current Health Compared to Last Year (%)				
Better	14	11	17 [#]	16 [#]
About the same	45	44	47 [#]	46 [#]
Worse	42	45	36 [#]	38 [#]
Conditions Causing Limitation (%)				
Musculoskeletal	36	43	26*	30*
Mental illness	33	29	34	39*
Circulatory system	21	25	15*	17*
Nervous system	17	18	15	15
Endocrine/Nutrition	16	19	15	13*
Injury or poisoning	11	14	7*	9*
Respiratory system	8	7	7	11
Sensory	9	9	11	9
Mental retardation	7	3	14*	10*
Other	35	34	38	34
No conditions limit activities	6	5	7	8
Difficulty with Specific Activities (%)				
Walking 3 blocks, climbing 10 steps, standing 1 hour, or crouching	86	90	81*	81*
Grasping, reaching, or lifting 10 pounds	70	77	60*	64*
Speaking, hearing, or seeing	63	63	60	65
Coping with stress	61	60	63	61
Concentrating	58	54	63*	62*
Getting around outside of the home	47	47	47	47
Shopping for personal items	39	36	43	40
Preparing meals	37	35	41	39
Getting into or out of bed	34	36	34	33
Bathing or dressing	30	30	33	29
Getting along with others	27	23	31*	31*
Getting around inside the house	23	24	23	22
Eating	14	13	15	15

Source: 2006 National Beneficiary Survey. Sample size = 2,508.

* Statistically different from DI-only beneficiaries at the .05 level, two-tailed test.

Distribution statistically different from DI-only beneficiaries at the .05 level, chi-square test.

V. EMPLOYMENT

A. EMPLOYMENT-RELATED ACTIVITIES AND EXPECTATIONS

Many Social Security disability beneficiaries are unlikely to work. As noted previously, all have passed a rigorous determination process that found them unable to engage in SGA. As discussed in the previous section, many consider themselves to be in poor and/or declining health, and many experience difficulties in performing tasks typically associated with employment. The NBS data suggest, however, that a non-trivial share of beneficiaries are engaged in work and work-related activities and an even greater share indicates an interest in pursuing employment.

At interview in 2006, 9 percent of all beneficiaries were working and another 5 percent had been searching for a job during the previous four weeks (Exhibit 5). A somewhat larger share (13 percent) indicated that they had worked for pay for one month or longer sometime during the previous year (2005). Overall, 18 percent of beneficiaries had recently engaged in or actively sought employment. Employment rates varied with program participation status; SSI-only beneficiaries were significantly less likely to be employed than DI-only and concurrent beneficiaries (7 percent compared with 10 and 11 percent, respectively).

Some beneficiaries were engaged in training and other work preparation activities. Overall, about one-third of all beneficiaries reported using services during the previous year (2005) to improve their ability to work or to live independently (statistic not shown). About half of these individuals (13 percent of all beneficiaries) reported recent service use and training activities considered specific to employment (Exhibit 5).

Although at any given time only a small share of beneficiaries were employed or engaged in employment-related activities, a large minority (44 percent) reported having goals that included work and/or saw themselves working in the future (Exhibit 5). Far fewer saw themselves working and earning enough to leave the SSI or DI rolls in the near future, however. Overall, just 15 percent saw themselves working and earning enough to leave the rolls in the next five years.

Even if the reported expectations are overly optimistic, the findings imply that there are a large number of beneficiaries interested in employment who might benefit from services and policies designed to promote employment. Considering all of the work-related activities and expectations shown in Exhibit 5, about one-half of all beneficiaries demonstrated an interest in employment, with the shares being significantly higher among SSI-only and concurrent beneficiaries (52 and 56 percent, respectively) relative to DI-only beneficiaries (43 percent). The greater interest in employment among SSI-only and concurrent beneficiaries might reflect a variety of factors: their younger ages, better general health status, a lack of other sources of income in the absence of earnings, and work incentive provisions in the SSI program that permit a gradual, rather than sudden, loss of benefits as earnings rise.

Exhibit 5. Beneficiary Employment-Related Activities and Expectations

	All Beneficiaries	DI-only	Concurrent	SSI-only
Recent Employment Service Use and Training Activities (%)				
Not working because waiting to finish school/training program	3	1	6*	6*
Used employment or training services in previous year	10	9	13*	9
Used employment and/or other services in previous year, specifically for getting a job or increasing income	3	3	5	4
<i>Any service use/training activities</i>	13	10	18*	14*
Recent Work-Related Activities (%)				
Working at interview	9	10	11	7*
Worked during previous year ^a	13	13	15	11
Looked for work during past 4 weeks	5	3	9*	7*
<i>Any recent work activities</i>	17	16	22*	17
<i>Any recent work and/or service use/training activities</i>	25	23	32*	26
Work-Related Goals and Expectations (%)				
Goals include work/career advancement	34	29	42*	39*
Sees self working for pay in the next year	21	18	29*	21
Sees self working for pay in the next five years	28	23	39*	31*
Sees self working and earning enough to stop receiving disability benefits in the next five years	16	13	21*	19*
<i>Any of above goals/expectations</i>	44	38	55*	47*
Any of the Above Activities/Expectations (%)	48	43	56*	52*

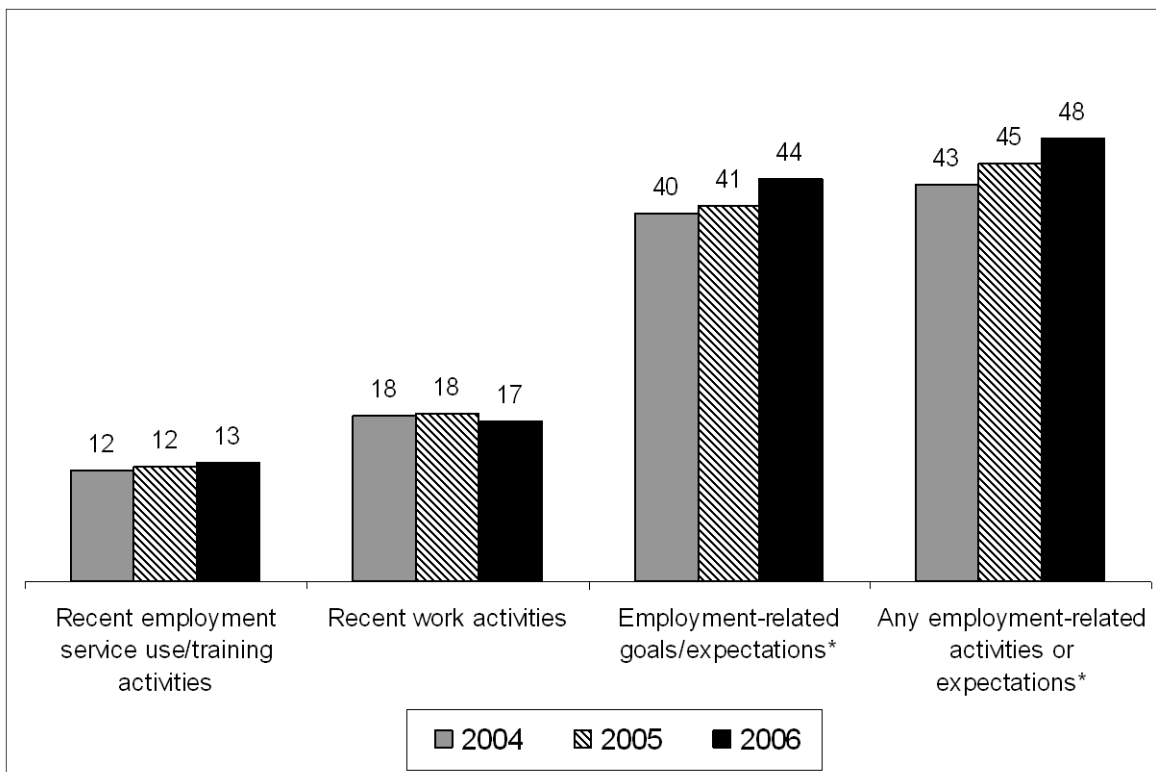
Source: 2006 National Beneficiary Survey. Sample size = 2,508.

^aIncludes five sample members (0.94 percent of those who worked during the previous year) who were not on the disability rolls for all 12 months of the previous year.

* Statistically different from DI-only beneficiaries at the .05 level, two-tailed test.

There is some evidence that interest in work among beneficiaries might have increased in recent years. Comparing beneficiary reports of work-related activities, goals, and expectations from three years of the NBS, we found a steady and statistically significant increase in the share of beneficiaries indicating an interest in employment, from 43 percent in 2004, to 48 percent in 2006 (Exhibit 6). Most of the increase was due to changes in reported goals and expectations. It could be that SSA's recent efforts to promote employment are having an impact on beneficiaries' expectations about work. Changing personal goals and expectations is an important first step in the process of personal change. For this reason, the steady upward trend in beneficiary expectations around work, regardless of the cause, is an encouraging finding.

Exhibit 6. Percentage of All Beneficiaries Participating in Employment-Related Activities and Having Work-Related Expectations by Year, 2004 – 2006



Source: 2004 – 2006 National Beneficiary Surveys. Samples sizes = 7,603 (2004), 4,864 (2005), and 2,508 (2006).

Note: See Exhibit 5 for definitions of the employment-related activity and expectation categories.

* The 2006 statistic is significantly different from the 2004 statistic at the .05 level, two-tailed test.

B. CHARACTERISTICS OF EMPLOYMENT-ORIENTED BENEFICIARIES

In previous Ticket to Work evaluation reports, we attempted to identify beneficiary characteristics that were highly correlated with having work goals or being employed, holding other characteristics constant. In one analysis of 2004 NBS data, we used a limited set of characteristics (those that would be available in SSA administrative data) to estimate the likelihood of having work goals and expectations. The analysis indicated that several characteristics are associated with having work goals and expectations, but that two show a particularly strong association: age and employment during the previous year while on the disability rolls (Thornton et al. 2007). Younger beneficiaries were much more likely to indicate having work goals and expectations, as were those who had been employed during the previous year. Time on the disability rolls was also highly correlated with having work goals and expectations. Those on the rolls for more than one year, but fewer than five years,

were most likely to report having work goals and expectations (about 10 to 15 percentage points more likely, all else being constant). None of these findings is particularly surprising, and they suggest the existence of certain subpopulations of beneficiaries among which efforts to promote employment might be most effective.⁵

In another analysis, we used the 2005 NBS data to estimate a multivariate (logit) model of the likelihood of being employed at interview, including a wide variety of sociodemographic, programmatic, and health characteristics not available in the administrative data. The findings (presented in Stapleton et al. 2008) identified several personal characteristics that, holding other characteristics constant, were associated significantly with being employed at the time of interview. As with having work goals and expectations, age stands out as a particularly important determinant of employment; younger beneficiaries were much more likely to be employed at interview than older beneficiaries. In addition, those reporting higher levels of physical and mental health were more likely to be employed at interview.⁶ Receiving any amount of non-SSA benefits and receiving more than \$500 per month in Social Security benefits were negatively associated with the likelihood of employment at interview.⁷ Several characteristics were not associated significantly with being employed at interview, including a history of high life-time earnings, length of time on the disability rolls, education level, substance abuse, and all self-reported health conditions causing a limitation—except for mental retardation, which was significant and associated positively with employment. To illustrate the large degree of variation in employment by particular individual characteristics, in Exhibit 7 we present employment rates by selected characteristics.

C. JOB CHARACTERISTICS OF EMPLOYED BENEFICIARIES

Among the 9 percent of beneficiaries who were employed when interviewed for the 2004 NBS, only a small share (21 percent) were working full time (35 or more hours per week), and most (69 percent) were earning less than \$8.00 per hour (Exhibit 8). On average, working beneficiaries were earning \$622 per month, with only about 22 percent working and earning at a level of above SGA (\$810 per month at the time). Most employed beneficiaries were not offered job-related benefits, such as health insurance, retirement benefits and paid vacation, perhaps reflecting the fact that most were employed in part-time jobs, in which such benefits are less frequently offered. Although working few hours at low wage levels and

⁵ The characteristics and post-survey employment outcomes of beneficiaries with work goals and expectations are the topic of a companion paper in this series (Livermore et al. 2009).

⁶ Physical and mental health statuses were measured by the SF-8™ (Ware et al. 2001). Those with SF-8™ physical and mental health summary scores in the lowest 25th percentile for the U.S. adult population were significantly less likely to be working at interview.

⁷ The logit models define the variables representing Social Security benefit amounts as the benefits that would be received in the absence of earnings. This is calculated based on the benefit amounts due, as well as on countable earnings information obtained from administrative data. As most beneficiaries are not employed at levels that affect benefits, the value of benefits in the absence of earnings is equal to the amount of benefits due.

receiving few job-related benefits on average, a large share (44 percent) reported a job duration of 24 months or longer and, among those who reported duration, the median duration was 26 months.

Exhibit 7. Employment Rates (Weighted Percent) by Selected Characteristics

	All Beneficiaries	DI-only	Concurrent	SSI-only
All	9	9	11	7*
Age				
18-24	16	23	18	15
25-39	16	21	17	12*
40-54	9	10	12	5*
55+	4	6	2*	1*
General Health Status				
Excellent/Very Good	24	27	31	19
Good/Fair	10	12	11	7*
Poor/Very Poor	3	4	5	2
Education Level				
More than high school	11	11	14	8
High school	9	7	14*	9
Less than high school	8	10	8	5*
Self-Reported Conditions Causing Limitation				
Mental retardation	20	29	22	13*
Sensory	10	10	19	6
Mental illness	8	10	11	5*
Musculoskeletal	5	6	5	2*
Age at Disability Onset				
18-24	10	14	11	5*
25-39	7	8	10	4*
40 +	4	5	2	1*
Difficulty with Selected Activities				
No difficulty with ADLs or IADLs ^a	14	15	18	11
Difficulty getting along with others	8	9	10	6
Difficulty concentrating	7	9	8	5*
Difficulty coping with stress	7	7	8	5*
Difficulty bathing or dressing	5	6	7	4
Difficulty getting around outside the home	4	5	5	3*

Source: 2004 National Beneficiary Survey. Sample size = 7,603.

^aActivities of daily living (ADLs) include bathing or dressing, getting around the house, getting into or out of bed, and eating. Instrumental activities of daily living (IADLs) include getting around outside of the home, shopping for personal items, and preparing meals.

* Statistically different from DI-only beneficiaries at the .05 level, two-tailed test.

Exhibit 8. Job Characteristics of Beneficiaries Working at Interview

	All Beneficiaries	DI-only	Concurrent	SSI-only
Working at interview (%)	9	9	11	7
Usual Hours per Week (%)				
1-10	25	28	22	21 [#]
11-20	31	32	32	26 [#]
21-34	23	22	27	22 [#]
35+	21	18	19	31 [#]
Average hours per week	22	22	23	24
Wages and Pay				
Hourly wage (%)				
< \$5.15	36	30	48 [#]	38
\$5.16-\$7.99	33	34	33 [#]	32
\$8.00+	31	35	19 [#]	30
Average hourly wage (\$)	7.00	7.58	5.11*	7.20
Average monthly pay (\$)	622	644	436*	729
Percent earning above SGA (>\$810/mo)	22	20	14	36*
Benefits Offered by Employer (%)^a				
Health insurance	22	21	15	32*
Dental insurance	16	15	12	23*
Sick days with pay	21	22	14	26
Paid vacation	31	31	22	38
Long-term disability benefits	10	9	9	13
Pension or retirement benefits	15	16	7*	20
Transportation allowance or discounts	18	15	24	18
Type of Employment				
Self-employed (%)	13	17	10	5*
Supported employment (%)	37	30	48*	44*
Months Employed at Job (%)				
<1 month	3	3	3	5
1-6 months	15	14	18	15
7-12 months	13	12	15	14
13-24 months	11	11	7	13
25 months+	44	43	44	45
Unknown	14	17	13	8
Median months employed at job ^b	26	27	25	23

Source: 2004 National Beneficiary Survey. Sample size = 1,155 sample members employed at interview.

Note: The job characteristics reported in the exhibit refer to the characteristics of jobs held by sample members who were employed at interview. Among those who held multiple jobs (5 percent of those employed at interview), the characteristics reported in the exhibit refer to those of the main job, as designated by the respondent.

^aThe employer benefit questions were not asked of sample members who were self-employed.

^bCalculated based on sample members for whom job duration information was available.

* Statistically different from DI-only beneficiaries at the .05 level, two-tailed test.

[#] Distribution statistically different from DI-only beneficiaries at the .05 level, chi-square test.

Job characteristics differed across working beneficiaries based on their program participation status (Exhibit 8). Employed SSI-only beneficiaries were most likely to be working full-time (31 percent), had the highest average monthly earnings (\$729), and were most likely to be working above SGA (36 percent). The higher levels of full-time employment among SSI-only beneficiaries probably contributed to their greater likelihood of being offered nearly all job-related benefits queried in the survey. The greater hours and earnings among working SSI-only beneficiaries might in part reflect differences in their characteristics (they are, on average, younger and healthier than DI beneficiaries), but also might reflect differences in the way earnings are treated in the two programs. As noted previously, SSI benefits are reduced gradually as earnings rise, and eligibility can be maintained indefinitely at earnings levels above SGA. Under DI, earnings above the SGA level will reduce benefits to zero after a relatively short period.

Employed concurrent beneficiaries had the lowest average hourly wages and monthly pay. In part, this may be because a very large share (48 percent) was working in supported employment settings, which generally pay lower wages than competitive employment settings.⁸

D. REASONS FOR LEAVING JOBS

Among the 13 percent of beneficiaries who reported in the 2004 NBS that they had worked at a job for one month or longer during the previous calendar year, a little more than one-third reported leaving one or more of those jobs (Exhibit 9). The most common reason for leaving a job was being fired or laid off, reported by nearly one-quarter (23 percent) of those who left jobs during the previous year. The onset or worsening of a disability was the next most common reason for leaving a job (20 percent), followed closely by dissatisfaction with a particular job characteristic (16 percent). No statistically significant differences by program status are apparent.

⁸ According to a national study of state vocational rehabilitation program clients, the average hourly wage of those who achieved noncompetitive employment outcomes were about half the average of clients who achieved competitive employment outcomes (Hayward and Schmidt-Davis 2003).

Exhibit 9. Share of Beneficiaries Leaving a Job during the Previous Year and Reported Reasons for Leaving Jobs

	All Beneficiaries	DI-only	Concurrent	SSI-Only
Worked in 2003 (%)	13	13	17	11
Left a Job in 2003 (%)	5	4	8	4
Main Reasons Left a Job Reported by Those Leaving Jobs in 2003 (%) ^a				
Fired or laid off	23	22	25	23
Disability onset or worsening	19	22	17	16
Disliked specific job features ^b	17	14	19	18
Job was temporary	13	13	9	18
Family/personal reasons	9	8	9	11
Moved, left for school, or took another job	6	3	12	5
Other/unknown	33	37	39	22

Source: 2004 National Beneficiary Survey. Sample size = 7,603 (692 sample members who left a job in 2003 while on the disability rolls).

Note: No statistically significant differences by program.

^aThe statistics do not sum to 100 percent because respondents were permitted to report multiple reasons for leaving one or more jobs. A particular reason was counted only once per individual in the reported statistics, even if given for multiple job terminations.

^bJob features include pay, benefits, duties, schedule, co-workers, location, advancement opportunities, and availability of accommodations.

E. REASONS FOR NOT WORKING

As all beneficiaries provided evidence of health conditions that substantially limit their ability to engage in work, it is not surprising that, among beneficiaries who were not working or looking for work when interviewed in 2006, the most frequently reported reason for not working was a physical or mental health condition that prevented work (96 percent) (Exhibit 10). Health conditions were not the only reasons reported by a substantial share of beneficiaries, however. About two-thirds of all beneficiaries reported reasons other than their health for not working. The most common reasons (each given by more than one-quarter of all beneficiaries) were: being discouraged by previous work attempts; being discouraged by others' perceptions of their ability to work; inaccessible workplaces; and the inability to find a job for which they were qualified. The reasons for not working differed somewhat across the disability programs. While DI-only, SSI-only, and concurrent beneficiaries were equally likely to report the top three reasons for not working (poor health, discouragement due to past attempts, and discouragement from others), with two exceptions, SSI-only and concurrent beneficiaries were significantly more likely than DI-only beneficiaries to report all other reasons for not working. The exceptions were lack of reliable transportation and not wanting to lose benefits; relative to DI-only beneficiaries, SSI-only and concurrent beneficiaries were significantly more likely to report the former and equally likely to report the latter.

Exhibit 10. Reasons for Not Working

	All Beneficiaries	DI-only	Concurrent	SSI-only
Not Working and not Seeking Employment at Interview (%)	86	88	81	87
Reasons for Not Working (%)				
Physical or mental condition prevents work	96	97	95	95
Discouraged by previous work attempts	29	29	29	28
Others do not think he/she can work	28	28	30	26
Workplaces are not accessible	26	22	29	30*
Cannot find a for which job he/she is qualified	26	21	33*	30*
Lacks reliable transportation to/from work	18	14	19	23*
Doesn't want to lose cash/health insurance benefits	15	13	15	17
Employers will not give her/him a chance	15	11	20*	18*
Cannot find a job he/she wants	11	9	17*	12
Is caring for someone else	7	5	10*	9
Waiting to finish school/training program	4	1	7*	6*
Other reason	18	15	20	21*
Reasons for Not Working Including Those Other Than for Health (%) ^a	66	63	74*	69

Source: 2006 National Beneficiary Survey. Sample size = 2,508 (1,988 respondents not working and not seeking employment at interview).

^aIncludes individuals who reported a reason for not working other than or in addition to having a physical or mental condition preventing work.

* Statistically different from DI-only beneficiaries at the .05 level, two-tailed test.

Those who reported not wanting to lose cash or health insurance benefits as a reason for not working were asked a follow-up question to ascertain the types of benefits they were concerned about losing. SSA disability benefits were by far the benefits respondents were most concerned about losing, followed by the two major public health insurance benefits (Exhibit 11). Other types of benefits were reported by 10 percent or less of non-working beneficiaries concerned about losing benefits due to work. Although reported by only a small share, SSI-only beneficiaries were significantly more likely to report fear of losing other state disability benefits and food stamps. SSI-only beneficiaries also were significantly less likely to report that they contacted someone to obtain information about their benefits.

Exhibit 11. Benefits Concerned about Losing if Working

	All Beneficiaries	DI-only	Concurrent	SSI-only
Not working because doesn't want to lose benefits (%)	15	13	15	17
Benefits concerned about losing among those not wanting to lose benefits (%)				
SSA disability	72	74	69	71
Medicare/Medicaid	53	47	68*	52
Other state disability benefits	5	1	5	10*
Food stamps	4	2	6	6*
Private disability, workers' compensation, and/or veterans	3	6	0*	1*
Other government programs	3	3	2	3
Other benefits	11	13	6	12
Contacted someone about benefits (%)	36	43	38	28*

Source: 2006 National Beneficiary Survey. Sample size = 2,508.

* Statistically different from DI-only beneficiaries at the .05 level, two-tailed test.

The subgroup of 2006 NBS respondents who reported reasons for not working other than their health as well as those who were actively seeking employment were asked to report the lowest wage or salary at which they would be willing to accept a job that met their needs and abilities. The distribution of this hourly “reservation wage” is shown in Exhibit 12. Overall, about one-third of beneficiaries were willing to work for less than \$10.00 per hour, one-third for \$10.00 or more per hour, and about one-third were unable or unwilling to give an answer to the question. In general, SSI-only and concurrent beneficiaries were more willing to accept hourly wages of less than \$10.00 than were DI-only beneficiaries.⁹ The reported reservation wages of beneficiaries were, on average, low relative to the average hourly earnings of the general working population. In 2006, the average hourly earnings of all private sector nonsupervisory nonfarm workers were a little under \$17 (U.S. Bureau of Labor Statistics 2008). In contrast, the average hourly reservation wage among 2006 NBS sample members responding to the question was \$11. When we look at the averages by work-seeking status, we find that beneficiaries who were actively seeking employment reported somewhat lower hourly reservations wages than beneficiaries not seeking employment, by about two dollars on average.

The rather large share of beneficiaries unable or unwilling to report a reservation wage did not vary much by program status. The high rate of non-response to the reservation wage question probably reflected the fact that many beneficiaries were absent from the labor

⁹ A study by Mitra (2007) examined the 1991 reservation wages of DI beneficiaries who had been on the DI rolls for approximately ten years; however, important differences in the study samples, the manner in which the reservation wage questions were asked, and the methods used do not permit comparisons between the findings from the 2006 NBS and Mitra's findings.

market for an extended period of time and had no intention of returning. A large majority of those who were unable or unwilling to provide a response to the reservation wage questions did not report having work goals, or did not see themselves as working in the future (70 percent).

Exhibit 12. Hourly Reservation Wages among Nonworking Beneficiaries Seeking Employment or Reporting Reasons Other Than Their Health for Not Working

	All Beneficiaries	DI-only	Concurrent	SSI-only
Percent Asked Reservation Wage Questions ^a	49	49	51	49
Hourly Reservation Wage (%)				
< \$5.15	3	2	5 [#]	4 [#]
\$5.16-\$7.99	17	11	17	26
\$8.00-\$9.99	13	11	16	13
\$10.00-\$14.99	21	24	18	18
\$15.00+	13	17	8	7
Don't know	34	35	36	32
Average Hourly Reservation Wage (\$)				
All	10.98	12.41	9.51*	9.45*
Not seeking employment	11.22	12.61	9.74*	9.65*
Seeking employment	9.10	10.41	8.11*	8.13*

Source: 2006 National Beneficiary Survey. Sample size = 1,187 non-proxy respondents who were not working at interview and either were seeking employment or reported reasons other than their health for not working.

Note: The hourly reservation wage is the lowest hourly wage for which the respondent would be willing to work.

^aThe reservation wage questions were asked only of non-proxy respondents who were not working at interview and who were either seeking work or indicated a reason other than their health for not working.

* Statistically different from DI-only beneficiaries at the .05 level, two-tailed test.

[#] Statistically different from DI-only at the .05 level, chi-square test.

We asked the small share of beneficiaries who were actively seeking employment at the time they were interviewed, but who had not received any recent job offers, about the reasons they were unable to find a job. The most common reasons were the inability to find a job for which they were qualified (63 percent) and their perceptions that employers would not give them a chance (53 percent) (Exhibit 13). Other common reasons reported by 30 percent or more of those seeking employment related to fear of losing benefits (46 percent), lack of reliable transportation (34 percent), and dissatisfaction with particular job features such as an inflexible schedule (34 percent), no offer of health insurance (32 percent), and inadequate pay (29 percent).

Exhibit 13. Reasons for Not Being Able to Find a Job

	All Beneficiaries
Seeking employment and receiving no recent job offers (%)	5
Reasons for not being able to find a job among job seekers receiving no job offers (%)	
Cannot find a for which job he/she is qualified	63
Employers will not give her/him a chance	53
Would have lost benefits	46
No flexible schedule	34
Lacks reliable transportation to/from work	34
Job does not offer health insurance benefits	32
Job did not pay enough	29
No special equipment/devices needed to work	16
No personal assistance needed to work	14
No help caring for others	11
Other reason	24

Source: 2006 National Beneficiary Survey. Sample size = 2,508 (165 respondents seeking employment at interview but receiving no job offers).

VI. SOURCES OF INCOME AND OTHER ASSISTANCE

A. INCOME

Beneficiaries receive cash and near-cash assistance (e.g., food stamps as well as energy and housing assistance) from a variety of sources (Exhibit 14). The availability of other sources of income can affect work activity if eligibility for that income is affected by earnings.

Clearly, the benefits received from the Social Security disability programs are an important source of support for beneficiaries. Nearly all beneficiaries in the sample received cash payments in the month before interview, and the average DI and SSI benefits among those receiving them were higher than the average amount received from all other sources combined. For the majority of beneficiaries (56 percent), SSA benefits were the only source of personal income.

Non-SSA sources of support were reported more or less frequently by certain groups of beneficiaries in ways that generally might be expected. DI-only beneficiaries were significantly more likely than concurrent and SSI-only recipients to report receiving income from pensions (14 percent compared with one percent or less) and private disability insurance (8 percent compared with 1 percent); this finding reflects the fact that DI-only beneficiaries are more likely to have worked for employers offering such benefits. SSI-only and concurrent beneficiaries were significantly more likely than DI-only beneficiaries to report receiving food stamps and public cash assistance, reflecting the fact that both SSI and these other programs are means-tested programs available only to those with a very low income.

Other non-SSA sources of income were not nearly as prevalent as those noted above. No more than six percent of beneficiaries in any of the three program subgroups received income from Workers' Compensation, the Department of Veterans Affairs, Unemployment Insurance, or other sources. Although infrequently reported, the average benefit amounts from these programs among those who received them are fairly large, in many instances even larger than the average SSA benefit.

Exhibit 14. Regular Sources and Amounts of Personal Income during the Month before Interview

	All Beneficiaries	DI-only	Concurrent	SSI-only
Social Security Benefits				
Percent with SSA benefits	97	99	99*	93*
Average among those with SSA benefits (\$)	820	1,000	663*	575*
Non-SSA Sources of Assistance				
All Non-SSA Sources				
Percent with any non-SSA income	46	46	47	45
Average among those with non-SSA income (\$)	587	897	223*	246*
Food Stamps				
Percent with income from this source	21	10	33*	35*
Average among those with this source (\$)	89	77	83	99*
Pensions				
Percent with income from this source	8	14	<1*	<1*
Average among those with this source (\$)	863	869	376*	115*
Private Disability Insurance				
Percent with income from this source	5	8	1*	1*
Average among those with this source (\$)	759	786	509*	451*
Public Cash Assistance/Welfare				
Percent with income from this source	4	1	7*	7*
Average among those with this source (\$)	249	341	266	216*
Veterans Benefits				
Percent with income from this source	3	6	1*	<1*
Average among those with this source (\$)	1,316	1,409	370*	568*
Workers' Compensation				
Percent with income from this source	2	3	<1*	<1*
Average among those with this source (\$)	1,012	1,051	378*	205*
Unemployment Insurance				
Percent with income from this source	<1	<1	<1	<1
Average among those with this source (\$)	510	469	233	652
Other source of income/assistance				
Percent with income from this source	4	5	3*	3*
Average among those with this source (\$)	888	1,060	289*	732
Own Earnings				
Percent with income from this source	7	7	9	5*
Average among those with this source (\$)	627	707	412*	632

Source: 2004 National Beneficiary Survey. Sample size = 7,603.

* Statistically different from DI-only beneficiaries at the .05 level, two-tailed test.

B. HEALTH INSURANCE

Health insurance coverage is extremely important to many beneficiaries with disabilities who face substantial out-of-pocket costs, or risk not being able to afford needed care, in the absence of such coverage. Because of the importance of health insurance, access to insurance coverage is likely to figure prominently in the employment decisions of people with disabilities. Although there are provisions in the SSI and DI programs that allow beneficiaries who go to work to keep their Medicare or Medicaid coverage, fear of losing public health insurance is cited frequently as a barrier to work by people with disabilities, as is inadequate employer-sponsored coverage (President's Committee 1994; Hanes 2000; MacDonald-Wilson et al. 2003; Porter 2004).

As expected, most beneficiaries reported being covered by public health insurance through Medicare and/or Medicaid (Exhibit 15). As noted previously, most SSI recipients are automatically eligible for Medicaid based on their SSI eligibility status and do not pay a premium for that coverage.¹⁰ DI beneficiaries become eligible for Medicare after a 24-month waiting period. Medicare Part A (hospital insurance) is free to nearly all DI beneficiaries¹¹ but, in 2008, Part B (supplemental medical insurance) requires a premium payment of about \$96 per month for most beneficiaries.¹² Part D (drug coverage) also requires a premium payment, which varies depending on the drug plan chosen (from about \$15 to \$100 per month).

Health insurance coverage via other sources is less common, particularly among SSI-only and concurrent beneficiaries. Just under one-quarter of all beneficiaries reported having private coverage, with about half obtaining that coverage through a spouse's employment. Private insurance coverage was significantly more common among DI-only beneficiaries, with 39 percent reporting private coverage, compared with just seven percent or less among SSI-only and concurrent beneficiaries. In contrast, about 70 percent of the general population is covered by some form of private insurance (DeNavas-Walt et al. 2007).

¹⁰ In a few states that opted to continue to use the Medicaid eligibility standards in place when SSI was enacted in 1972 (known as 209b states), small numbers of SSI recipients are not Medicaid-eligible because the state applies a more restrictive definition of disability or lower resource and income standards than those used in the federal SSI program.

¹¹ Some former DI beneficiaries who lose premium-free Part A due to work can keep their Part A coverage by paying a premium.

¹² Beginning in 2008, individuals at higher adjusted gross income levels (greater than \$82,000 for an individual, or \$164,000 for a married couple) pay higher monthly Part B premiums. These premiums range from about \$122 to \$238 per month, based on income.

Exhibit 15. Sources of Health Insurance Coverage at Interview

	All Beneficiaries	DI-only	Concurrent	SSI-only
All Beneficiaries				
Medicaid and/or Medicare (%)	90	87	96*	90*
Private Insurance (%)	23	39	4*	7*
Through own employment	7	12	1*	1*
Through spouse	12	20	2*	4*
Other/unknown source of private insurance	5	8	1*	1*
Other Insurance (%)	6	9	2*	2*
No Insurance at Interview (%)	3	3	2	5*
Insurance Status Unknown (%)	1	1	1	1
Employed Beneficiaries				
Medicaid and/or Medicare (%)	84	85	96*	73*
Private Insurance (%)	31	40	8*	31
Through own employment	11	14	<1*	16
Through spouse	14	16	7*	14
Other/unknown source of private insurance	6	10	1*	2*
Other Insurance (%)	4	5	5	3
No Insurance at Interview (%)	5	4	2	8*
Insurance Status Unknown (%)	<1	1	0	0
Offered Health Insurance Through Current Main Employer (%) ^a	22	21	15	32*

Source: 2004 National Beneficiary Survey. Sample size = 7,603.

^aIncludes only beneficiaries who were working at interview, but who were not self-employed.

* Statistically different from DI-only beneficiaries at the .05 level, two-tailed test.

Private coverage through one's own employment may be obtained if the beneficiary is working at a job that offers insurance, or if the beneficiary has access to continuation coverage after leaving employment. Continuation coverage may be available via COBRA,¹³ or if the employer offers health benefits to early retirees.¹⁴ Private coverage through one's own employment is relatively rare among beneficiaries, primarily because only a small share

¹³ The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) gives workers who cease to be employed the right to choose to continue their employer-sponsored health insurance benefits for limited periods of time under certain circumstances, including the onset of a disability. Qualified individuals may be required to pay the entire premium (both the employee and employer contribution) for coverage. Generally, the employer must offer COBRA continuation coverage for 18 months, but an individual with an SSA-determined disability can continue coverage for an additional 11 months. Plans are permitted to charge up to 150 percent of the premium cost for the extended period of coverage granted due to disability.

¹⁴ In 2006, about one-third of all large firms (200 or more employees) offered retiree health benefits, with most of these firms (94 percent) offering the benefits to early retirees. About 77 percent of those offering retiree health benefits continued to offer retiree benefits to Medicare-eligible retirees (Claxton et al. 2006).

of beneficiaries is working. Overall, 7 percent of beneficiaries reported having private coverage through their own employer (Exhibit 15). Even among those who are employed, only a minority (22 percent) was offered insurance by their employers, and those who were offered insurance may not have chosen to purchase it because they had other options (coverage through Medicare, Medicaid, or a spouse). Among all beneficiaries, DI-only beneficiaries were significantly more likely to have private coverage through their own employer (12 percent) relative to SSI-only and concurrent beneficiaries (1 percent). Among employed beneficiaries however, SSI-only and DI-only beneficiaries were equally likely to have private insurance through their own employer (about 15 percent), with SSI-only beneficiaries being significantly more likely than DI-only beneficiaries to be offered insurance by their employer (32 percent compared with 21 percent), perhaps in part because employed SSI-only beneficiaries are more likely to be working full-time (shown previously in Exhibit 8). Among employed beneficiaries, concurrent beneficiaries were least likely to be offered coverage through their employer and were also least likely to have it.

C. SSA EMPLOYMENT SUPPORTS

The employment support provisions of the DI and SSI programs can also be viewed as a source of support or assistance for beneficiaries attempting to return to work. The various provisions serve to promote employment by providing information about the effect of work on benefits, providing the means to obtain vocational rehabilitation or other employment supports, allowing beneficiaries to maintain cash and health insurance benefits while working, and allowing beneficiaries to return to the rolls quickly when their work attempts are unsuccessful.

Awareness of the DI and SSI work incentives was generally low, however (Exhibit 16). With two exceptions, 20 percent of beneficiaries or less had heard of each of several work incentives applicable to them. The two exceptions were the DI Trial Work Period and the Ticket to Work program (37 percent and 25 percent of beneficiaries to whom the programs are applicable, respectively). The relatively high rates of Ticket to Work awareness might reflect the fact that beneficiaries have received information about this program (in the form of the Ticket and related materials being mailed to them) relatively recently, and that SSA has sustained efforts to market the Ticket to Work program to beneficiaries. When we examined Ticket to Work awareness by the years since Tickets were mailed to beneficiaries, we found that it declined sharply during the year after the mailing, and then continued to decline less dramatically thereafter (Exhibit 17).

The reported use rates for all SSA work incentives were also extremely low. With one exception, reported use rates were two percent or less (Exhibit 16). Again, the Trial Work Period represents the exception, with 8 percent of DI beneficiaries reporting having used the provision. It is likely that the low reported use rates also reflect a lack of awareness of the work incentive provisions, even among those who have used them. The rates for some are much lower than expected, given the share of beneficiaries who work. The reported use of the earned income exclusion applicable to SSI payments appears particularly low and likely reflects a lack of awareness. This provision would be applied to most working SSI-only and concurrent beneficiaries after just \$65 of monthly earnings. Although 7 percent of SSI-only and 11 percent of concurrent beneficiaries were working at interview (shown previously in

Exhibit 5), only 2 percent of all SSI-only and concurrent beneficiaries reported ever using this provision.

Exhibit 16. Awareness and Use of SSA Employment Supports

	All to Whom Provision is Applicable	DI-only	Concurrent	SSI-only
Heard of Provision (%)				
Trial Work Period	37	42	22*	NA
Ticket to Work	25	25	29	23
Continued Medicare Coverage	20	23	11*	NA
1619(b) Continued Medicaid Coverage	16	NA	16	16
Expedited Reinstatement	15	19	12*	9*
Earned Income Exclusion	12	NA	9	14
Plan for Achieving Self-Support	11	NA	11	11
Impairment Related Work Expenses	10	13	6*	6*
Student Earned Income Exclusion ^a	9	NA	4	10
Property Essential for Self-Support	4	NA	5	4
Used Provision (%) ^b				
Trial Work Period	8	10	4*	NA
1619(b) Continued Medicaid Coverage	2	NA	2	2
Earned Income Exclusion	2	NA	2	2
Student Earned Income Exclusion ^a	2	NA	3	1
Ticket to Work ^c	1	1	2	1
Expedited Reinstatement	1	1	1	1
Plan for Achieving Self-Support	1	NA	2	1
Continued Medicare Coverage	1	1	1	NA
Property Essential for Self-Support	<1	NA	1	<1
Impairment-Related Work Expenses	<1	<1	<1	<1

Source: 2006 National Beneficiary Survey. Sample size = 2,508.

^aAwareness and use rates calculated as a percentage of SSI recipients age 25 and under who began receiving benefits before age 22.

^bRespondent report of ever using the provision, with the exception of Ticket to Work.

^cTicket to Work use rate is the participation rate, based on administrative data as of December 2005.

* Statistically different from DI-only beneficiaries at the .05 level, two-tailed test.

Exhibit 17. Awareness of the Ticket to Work Program by Time since Ticket Mailing

	Aware of Ticket to Work (%)
All Beneficiaries	25
Time Since Most Recent Ticket Mailing ^a	
Ticket mailed fewer than 12 months before interview	40
Ticket mailed 12-24 months before interview	29
Ticket mailed 25-36 months before interview	25
Ticket mailed 37 or more months before interview	23*

Source: 2006 National Beneficiary Survey linked to the 2006 Ticket Research File. Sample size = 2,508.

^aThe Ticket mail date was missing for 1.8 percent of the sample (136 respondents).

*Statistically different from those whose Tickets were mailed fewer than 12 months before interview at the .05 level, two-tailed test.

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VII. SUMMARY AND DISCUSSION

The NBS data indicate that many Social Security disability beneficiaries work and engage in work preparation activities, and many more see themselves as working in the future. In 2006, about half of all beneficiaries reported having work-related goals or expectations, had recently received employment-related services or training, and/or had recently engaged in paid work. Even if their expectations regarding employment seem somewhat optimistic, they do not appear to be overly so, given the number engaged in recent work and training activities. Their wage expectations also seem modest, as the reservation wages they report are generally lower than the national average wage.

Those beneficiaries who are working generally are not earning a lot and have jobs that offer few benefits. This is probably because the majority is working only part-time and a very large share is working in low-wage, supported employment settings. Although more than one-half have held their jobs for two years or longer, job terminations appear to be quite frequent. Of the beneficiaries who were working during the year before interview, more than one third had left a job that year. The two most common reasons for leaving a job were being fired or laid off and quitting because of poor health.

Although many beneficiaries are working and many more want to work, the NBS data clearly indicate a high prevalence of characteristics, circumstances, and past experiences among SSI and DI beneficiaries that are inauspicious for employment. A large share of beneficiaries is age 55 and older. Even larger shares report having poor or deteriorating health, and experience difficulty performing activities essential to most forms of employment, such as getting around outside of the home, concentrating, and coping with stress. In addition to the activity limitations and poor health associated with their disabling health conditions, more than half of all beneficiaries have been on the rolls for 10 years or longer, and so may have lost any attachment to the labor force they might have had; most have low levels of education that may limit their employment opportunities; and substantial numbers have experienced work-related obstacles, such as a lack of reliable transportation, inaccessible workplaces, and discouragement from work, either by others or through their own experiences.

Financial incentives in the disability programs and other programs providing support can also pose barriers to employment. Social Security benefits are an extremely important source of income, with most beneficiaries reporting no other source of personal income. Many thus may be unwilling to jeopardize their benefits by receiving earnings above SGA, even if capable of earning above that level. Compounding the issue is that few beneficiaries are aware of the work incentive provisions available in the SSI and DI programs. Further, most are living in households at or near the federal poverty level, so they and their families also rely on means-tested public programs for which eligibility could be jeopardized by

earnings. Others have very significant income sources, such as workers' compensation and private disability benefits, that also could be jeopardized by work activity.

The large share of beneficiaries indicating an interest in employment, either through their actions or expectations, suggests that policies designed to promote and support work might be successful. In this group of individuals with very significant disabilities, there is the desire among many (about 5 million) to contribute to their own support through employment. It would seem that there is great potential to benefit both the government and program participants by structuring these programs in ways that provide greater economic incentives for employment.

The findings also indicate that only changing the economic incentives inherent in the disability programs will be insufficient to bring about a successful return to work for many beneficiaries. Supports that address the low levels of education, reliance on other public programs, and varied employment-related obstacles faced by many beneficiaries are also necessary. The Ticket to Work program has the potential to address some of these issues. It remains to be seen whether its new regulations will encourage more providers and beneficiaries to use the program.¹⁵

¹⁵ Provider and beneficiary participation in Ticket to Work has been low (Stapleton et al. 2008). New regulations implemented in July 2008 will change the provider reimbursement mechanisms to give providers greater incentives to serve beneficiaries in ways that lead to successful employment outcomes.

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