

# *What Factors Explain the Drop in Disability Insurance Rolls from 2015 to 2019?*

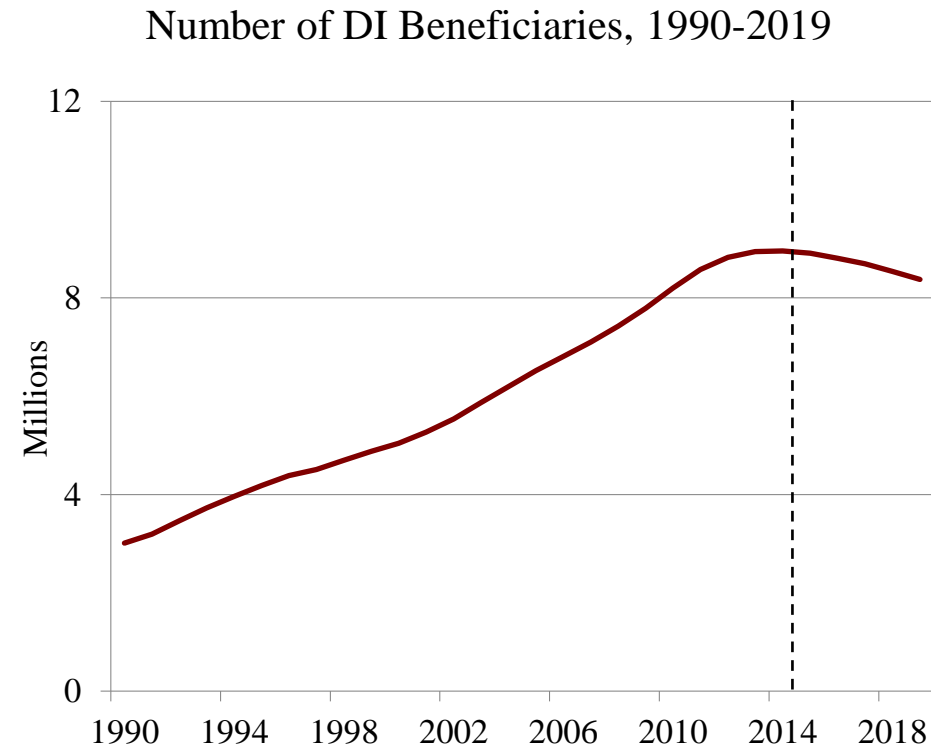
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# Disclaimer

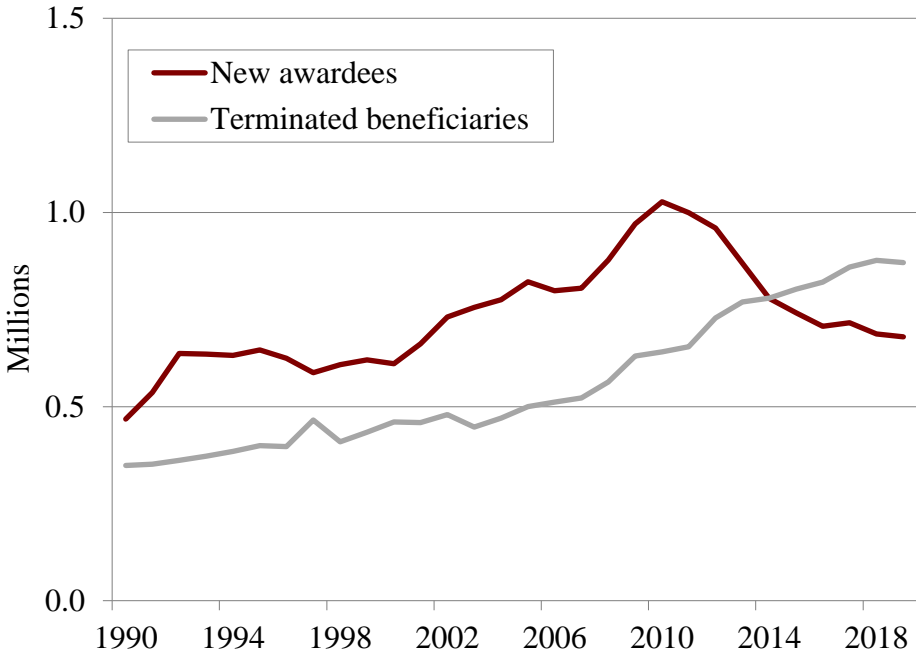
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In 2015, the number of individuals receiving DI benefits began to decline, reversing a persistent upward trend.



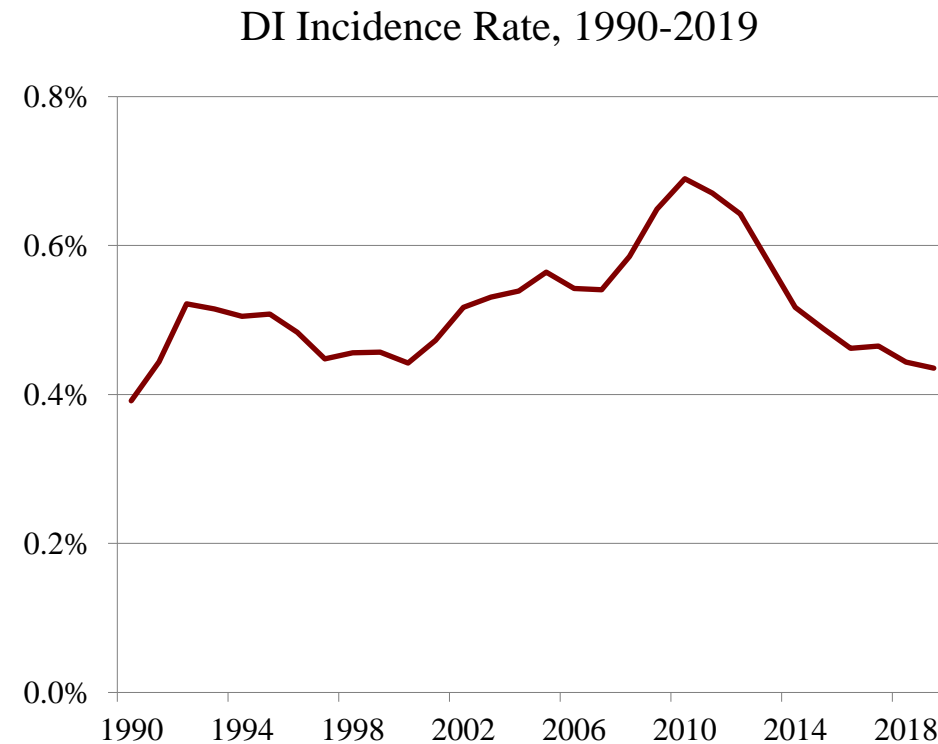
# To understand the structural forces underlying this drop, we start by comparing flows into and out of the DI program.

Number of DI Beneficiaries, 1990-2019



Source: Annual Statistical Report on the Social Security Disability Insurance Program (2021).

The decline in new awards corresponds to a drop in the incidence rate, or the likelihood that insured workers end up on DI.



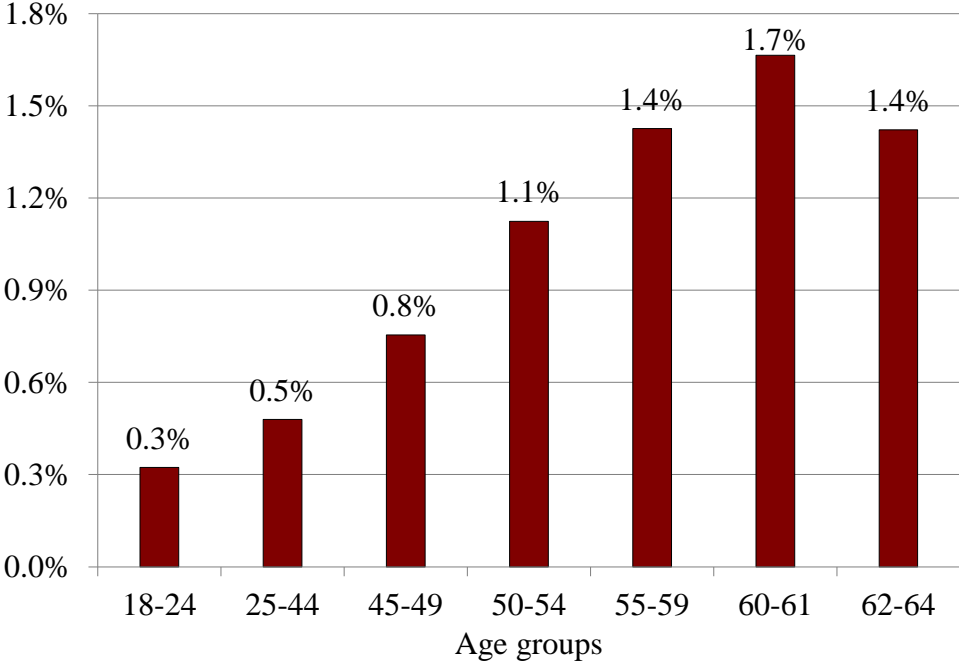
Source: Annual Statistical Report on the Social Security Disability Insurance Program (2021).

# Three factors have been proposed to explain the falling incidence rate:

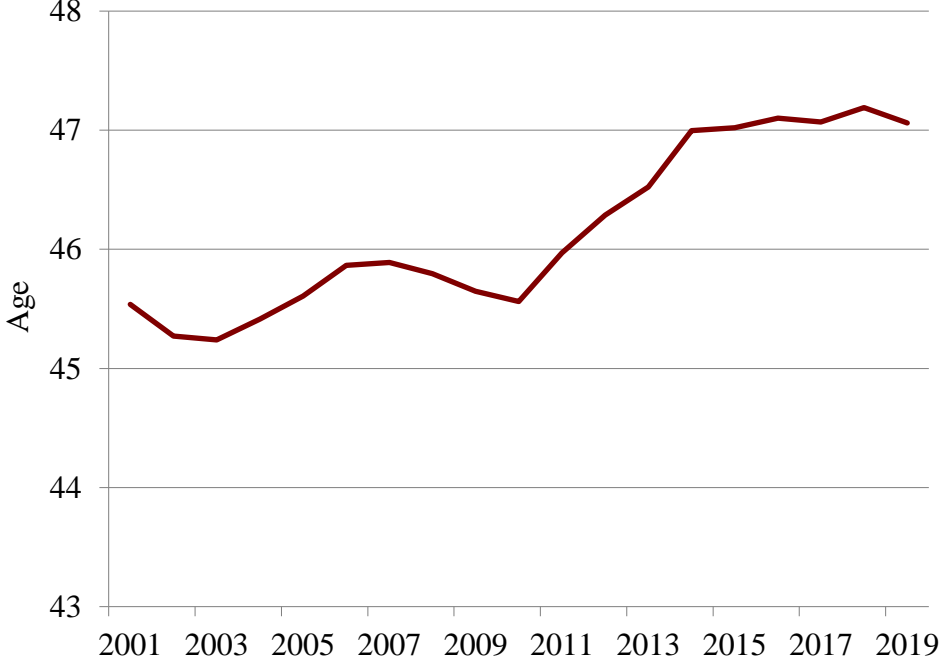
1. **Population aging** may be reducing reliance on DI as the Baby Boom generation becomes eligible for their retirement (OASI) benefits.
2. **An improving labor market** after the Great Recession may have made DI less attractive to workers with some remaining work capacity.
3. **Policy changes at the SSA** – field office closures and a comprehensive retraining of Administrative Law Judges (ALJs) – increased the difficulty of applying and reduced the share of applicants who were accepted.

# However, a preliminary look at the data rules out population aging as a probable driver.

DI Application Rate by Age Group, 2019



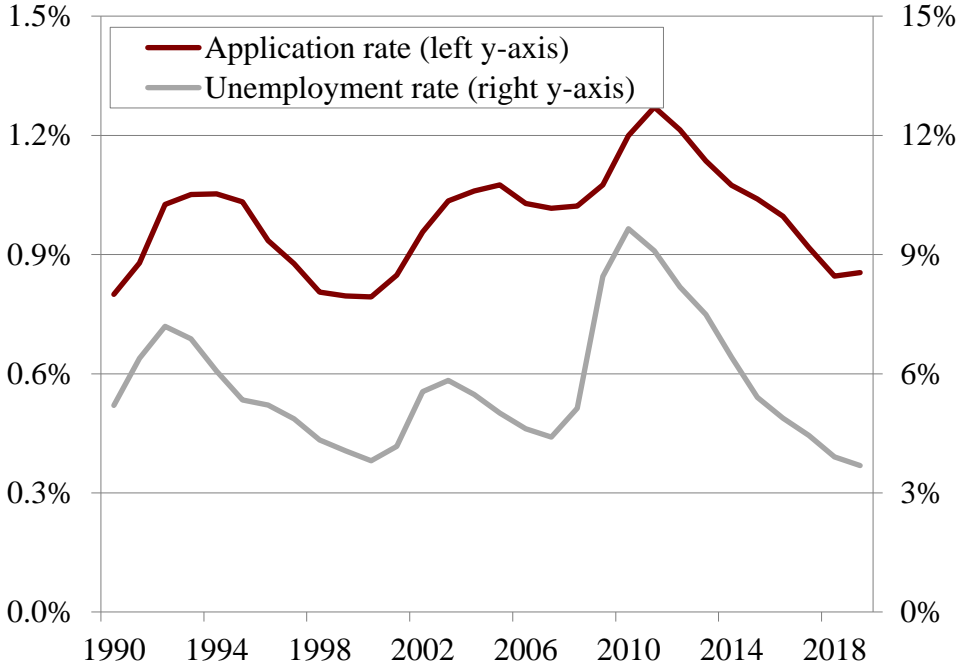
Average Age of DI Applicants, 2001-2019



Source: Authors' calculations from administrative data provided by the SSA's Office of Disability Programs (2001-2019) and the CPS (2019).

# Conversely, the business cycle is a good candidate to explain the drop.

DI Application Rate and Unemployment Rate, 1990-2019

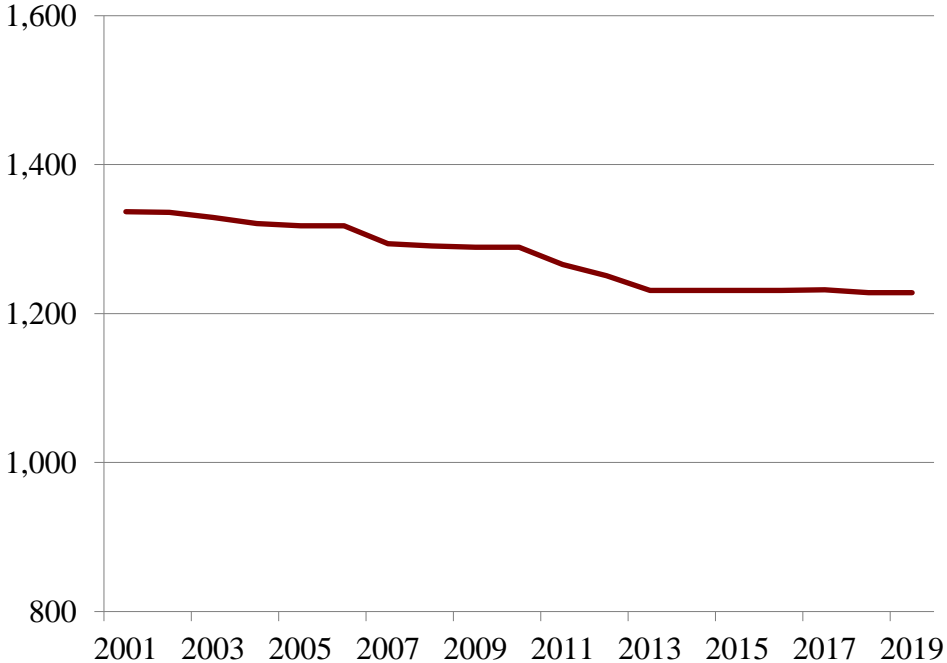


Notes: The application rate is total fiscal year determinations divided by the insured population. The unemployment rate is measured as the average during the fiscal year. Source: Authors' calculations from administrative data provided by the SSA's Office of Disability Programs and the Current Population Survey (CPS) (1990-2019).

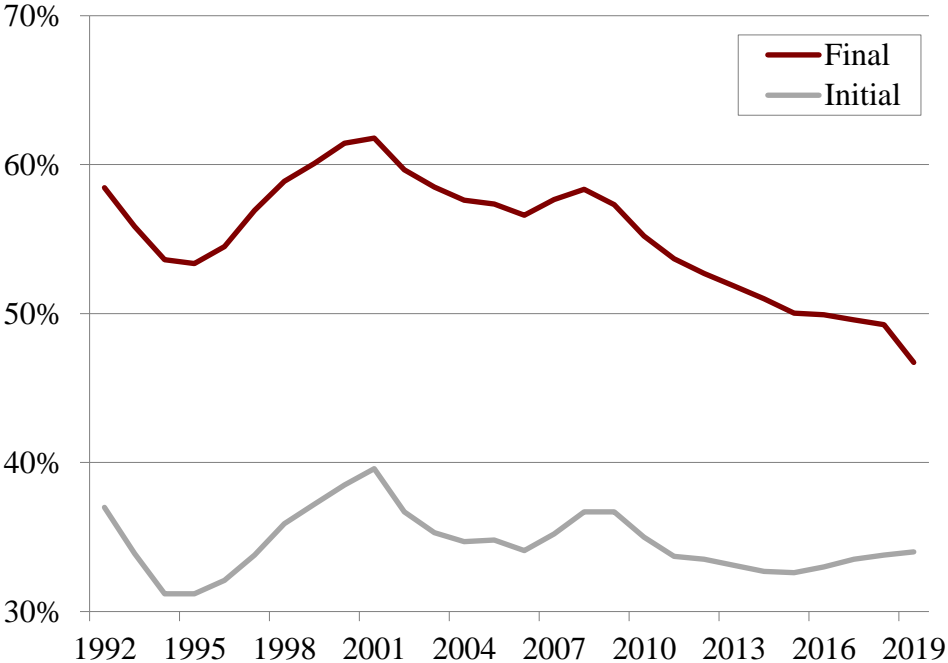


# And policy changes also clearly put downward pressure.

Number of SSA Field Offices, 2001-2019



Initial and Final Allowance Rates, 1992-2019



Source: Annual Statistical Report on the Social Security Disability Insurance Program (2002-2020).

To formalize this intuition, we estimate the impact of each factor on the incidence rate.

- For population aging, we use SSA's administrative data to calculate age-specific incidence rates in 2010.
- We then multiply these age-specific rates by the share of the insured population in each age group in subsequent years.
- This re-weighting shows what the incidence rate *would have been* had all the other factors remained at their 2010 levels.

# We use regression analysis to find the impact of the business cycle.

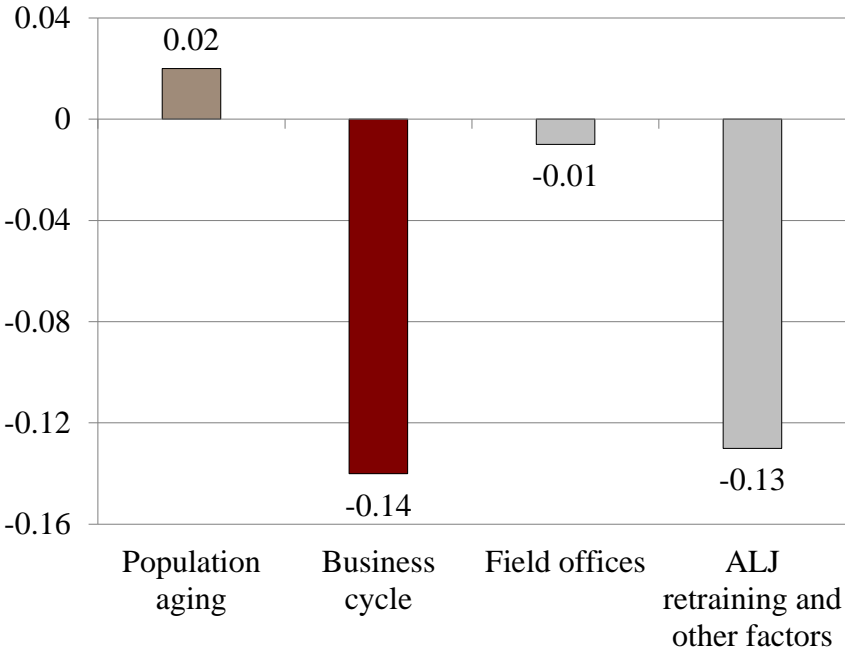
- Specifically, we combine administrative data on DI applications with insured population counts and unemployment rates from the *Current Population Survey*, by state and year, from 1990-2019.
- We use regression analysis to estimate how a one-percentage-point change in the unemployment rate affects the DI application rate.
- The coefficient from this regression is then multiplied by the total decline in unemployment to yield a drop in applications.
- Lastly, the estimated drop in applications is multiplied by an assumed allowance rate to show how falling unemployment affected the DI incidence rate from 2010 to 2019.

# Policy changes at the SSA are analyzed in two stages.

1. For field office closures, we rely on previous research by Deshpande and Li (2019) who show how each closure impacted DI awards in the local area.
  - We simply aggregate across all the closures, adjusting for the share of the population residing in affected areas.
2. However, we lack clear evidence on the impact of ALJ retraining. Hence, we attribute any remaining difference between the observed incidence rate and the counterfactual rate (accounting for the other factors) to this policy.

# As expected, the business cycle and policy changes emerge as key factors driving down the incidence rate.

Impact of Various Factors on the DI Incidence Rate, 2010-2019



Source: Authors' estimates from data provided by SSA's Office of Disability Programs; the CPS (1990-2019); and Deshpande and Li (2019).

# Conclusion

- The drop in DI rolls, between 2015 and 2019, was driven by beneficiaries aging into the OASI program and a steep decline in the incidence rate.
- The falling incidence rate was driven by a strong economy and fewer benefit approvals by the ALJs, although other factors not considered may also be playing a role.
- Looking forward, the trajectory of the program will depend on the impacts of COVID, as well as the structural forces studied here.
- But, with the finances of DI now on stronger footing, policymakers could consider whether the program is well-balanced between encouraging labor force participation and protecting vulnerable people.



# Mixed-methods study on work-disabled adults who do not apply for Social Security disability benefits

Lila Rabinovich, Doerte U. Junghaenel, Tabasa Ozawa



# Disclaimer

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# Work -disabled adults who do not apply for Social Security disability benefits



- More than 20 million adults report work disability but only around 11 million currently receive disability benefits through SSDI or SSI (SSA, 2022; Theis et al., 2018);
- SSDI and SSI applications have gone down since 2010;
- Prior studies suggest that various factors may have played a role: 1) a strong economy following the Great Recession; 2) a decline in manufacturing; 3) retraining of ALJ; (4) SSA office closures; (5) easier access to healthcare in wake of ACA;
- Only part of the decline in applications is understood;
- We conducted a mixed-methods study to examine how adults with self-reported work disabilities make decisions about claiming Social Security disability benefits;

# Approach | Quantitative component



- Participants recruited from the Understanding America Study (UAS), a nationally-representative internet panel who participated in UAS survey 322 (n = 8188).
- Criteria for selection of eligible respondents included:
  - Reported one or more chronic health conditions (HRS);
  - Reported work limitations because of health condition (HRS);
  - Low current income (below ~\$1400);
  - Age  $\leq 64$  years



# Results: Demographic characteristics

- UAS respondents in the never applied category are:
  - Younger
  - Have more education
  - Have a greater household income
  - Married
  - White (race).
- When controlling for respondent age and education, the result for ethnicity become non-significant;
- Respondent location (urban vs rural) and gender non-significant.



# Results: Cognitive abilities and disability perceptions

- UAS respondents in the never-applied category have:
  - better quantitative and
  - verbal reasoning skills
  - lower probability of cognitive impairment;
- After controlling for age and education, the results for verbal reasoning skills and the probability of cognitive impairment become non-significant;
- UAS respondents in the never-applied category have a lower perception of stigma surrounding disability (“There is a stigma attached to receiving disability benefits.”).



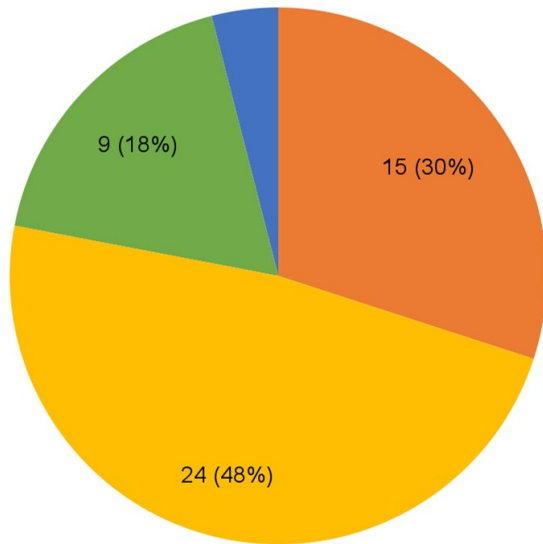
# Qualitative sample selection

- 50 semi-structured interviews recruited from UAS panel;
- Criteria for selection included:
  - Reported work disability (UAS 322);
  - Ages 25-65;
  - Reported never applying for Social Security disability (UAS 322);
  - Low current income (below ~\$1400).
- Disclaimers:
  - Errors with participants' benefit status;
  - Lack of knowledge of own eligibility for SSI/SSDI;
  - Cannot replicate the disability determination process to identify individuals who would be awarded benefits if they claimed.



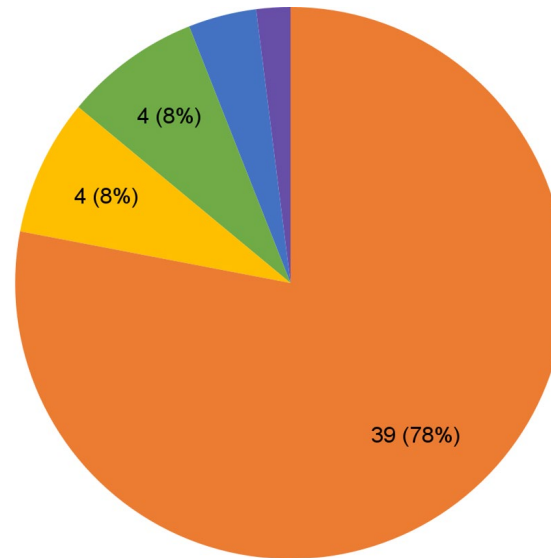
# Qualitative sample

## Education



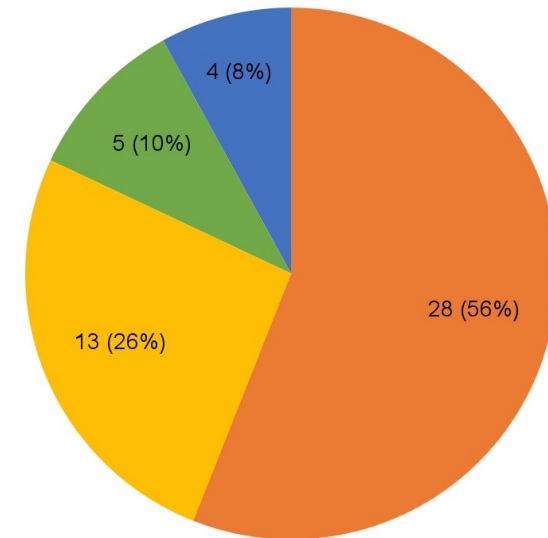
- High school or less
- Associates / Professional degree or Some college
- Bachelors
- Masters

## Disability application status



- Never applied
- Applied-decision pending
- Currently applying
- Currently receiving
- Applied-denied

## Race



- White
- Hispanic
- Black
- Other

# Diagnosis, treatment, and medical care



## Delayed disability diagnosis

“My liver is malfunctioning... If they can figure out what's wrong... then maybe we can reverse the process. But it's been a year and they still can't figure out what the heck is going on with my dang body.” (Female, 36-50, never applied)

## Acute healthcare needs

“I think we may have thought about it, but then we didn't do anything. There was so much going on... I spent so much time at the hospital and I had a lot of problems where I kept being hospitalized for different things. I just don't think it was at the top of my thinking to be honest.” (Female, 50-65, never applied).

## Lack of healthcare provider

“I don't know [why I haven't applied for disability], maybe because I don't have those doctors' notes. I haven't had a primary doctor in a long time.” (Female, 36-50, never applied).



# Expectation of denial

## **I don't think I qualify for benefits**

“I guess in my mind I thought that I don't qualify or I don't meet all the criteria for the disability.” (Female, 50-65, never applied)

## **I know others who had a difficult time applying/receiving benefits**

“My mother applied a while back for disability, and it was a struggle for her, and she's got more problems than I have, so I knew if it was a struggle for her, then I probably would have an even harder struggle, so I haven't applied.” (Female, 36-50, never applied)

## **I believe the SSA denies everyone**

“They're not really even looking at it. They're just rubber-stamping denial on it and telling you to do it all again.” (Male, 50-65, never applied)



# Onerous process



## Time and effort

“I feel like it'd be a hassle. 'Cause I would guess they would need a lot of paperwork and I would probably have to make appointments and I would have to go to the different buildings, and then do all of that for them to be like, "Nope." I'd rather just not even try.” (Female, 25-35, never applied).

## Emotional burden

“I don't feel like I should have to explain everything. You know? I don't feel like I should have to explain the fact that at one point in time I was very productive [...] it's a long and emotional process and I don't feel like I'm up to that. ” (Female, 50-65, never applied).

# Negative self -concept



“It kind of became a reality in the last couple of years that I am disabled. To be able to really say that and try to understand it, and live with it has been a real struggle in of itself... I probably should have applied a long time ago...” (Female, 51-65, never applied).

“For me to apply for disability is pretty much admitting that I’m weak and I can’t do it on my own, and I don’t want that... I tell myself that I’ve put into that system for so long... Financially, it would lift so much off of me. [But] pride is a big part of it for me. (Female, 51-65, never applied).

# Information -seeking barriers



## Information-seeking behaviors

“ I guess I didn't really have anybody kind of tell me about it. I didn't even know I could apply for it.” (Female, 18-35, never applied).

## Accessibility of information

“I wouldn't even know where to start, where to go. 'Cause there's so many websites online that could be like, "Yes," and then another one could be like, "No,"... I wouldn't even know what's true or not.” (Female, 25-35, never applied)

# Financial reasons



## **Insufficient benefit amount to survive**

“After speaking with a lawyer... There were two different options and - it’s not enough money. And it’s like, ‘Wow. I couldn’t live off that.’ So, I just got to figure it out.” (Female, 36-50, never applied).

## **Interactions with other benefits**

“I know that you can't get multiple [benefits] at the same time – Section Eight, food stamps, and disability – because you start getting checks for one, then they'll count it as income, and you get cut off of something else. So, I'm not trying to be greedy.” (Female, 51-65, never applied).

## **Financially comfortable**

My husband's retired and really, we're fine. So, you know, it was like, "Well, if I don't need it." I would have liked it but I'm okay. (Female, 50-65, never applied).



# Implications

- Greater personal and cognitive resources may lessen people's need or desire to apply for benefits;
- Qualitatively, decisions to apply or not for benefits are complex and multi-factorial;
- We observe factors affecting decision beyond what prior research highlights;
- Include personal and structural barriers;
  - High transaction costs involved in disability application *coupled* with perception of low approval rates may be deterring eligible participants;
  - Healthcare-related barriers;
  - Stigma versus self-concept.

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# Racial and Ethnic Differences in Job Characteristics and Disability Retirement

Amanda Sonnega & Dawn Carr

With Qize Chen, Rebekah Carpenter, and Katy Cao



# Acknowledgement

This research was supported by a grant from the U.S. Social Security Administration (SSA) as part of the Retirement and Disability Research Consortium (RDRC). The findings and conclusions are solely those of the authors and do not represent the views of SSA, any agency of the federal government, or the Michigan Retirement and Disability Research Center.

# Background

- In the context of a large literature on the impact of work on later life outcomes
- Growing interest in the “exposome”
  - Lifetime exposures that put people at risk of health problems later in life
  - We’re interested in “bad” jobs as part of the exposome
- New life history data in the HRS provide a more complete accounting of the occupational history
- With linkage to O\*NET, we can now more fully characterize the lifetime occupational exposome
- Build on Nicholas, Done, & Baum (2021)

# Hypotheses

- Our main hypothesis is that Black and Hispanic workers in “bad” jobs will be more likely to retire early due to disability relative to non-Hispanic Whites
- To test this, we evaluate whether:
  - Black and Hispanic workers are more likely to retire early due to disability
  - Black and Hispanic workers more likely to hold “bad” jobs during their work lives
  - Bad jobs are associated with early retirement due to disability
- Then we look to see if some of the association between race and ethnicity and disability retirement is accounted for by exposure to bad jobs

# Data

- Life History Mail Survey (LHMS)
- HRS core interview
- RAND HRS Longitudinal File
- We link LHMS data on lifetime occupational history data (coded using Census 2010) to the “work context” measures from the new O\*NET-Census 2010 occupation dataset
  - Work supported by MRDRC (UM22-Q1)  
<https://claudepeppercenter.fsu.edu/onet/>
  - **We choose 2 to illustrate for this presentation**
- A plug: we linked these data to HRS (2004-2016), now available as HRS restricted data product

# Sample

- 2017 LHMS respondents
- Those with start and end dates for at least one job
- Reached at least the age of 65<sup>a1</sup> by 2017

## Slide 6

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**a1** we say 62 in the paper  
JRS, 7/31/2023

# LHMS Job History

**Q41**

In the table below, please fill out the information for all the places you have **worked for one year or more after you finished full-time education**. If you worked at more than ten places, fill out the information for the first ten places you worked. If you are still working for an employer, write the current year in the END YEAR column. If you changed jobs (or job title) but stayed with the same employer, please list the first and last title you held with that employer in the same line.

TABLE COLUMNS SPAN ACROSS BOTH PAGES. ►

◀ TABLE COLUMNS SPAN ACROSS BOTH PAGES.

#	Type of employer or business	Job Title	Start Year	End Year
1			<input type="text"/>	<input type="text"/>
2			<input type="text"/>	<input type="text"/>
3			<input type="text"/>	<input type="text"/>

Did you work full-time or part-time?	What did you do after leaving this job? [Check all that apply]		
<input type="checkbox"/> Full-time <input type="checkbox"/> Part-time	<input type="checkbox"/> Started next job <input type="checkbox"/> Unemployed	<input type="checkbox"/> Worked short-term job(s) <input type="checkbox"/> Medical leave/disability	<input type="checkbox"/> Cared for/started a family <input type="checkbox"/> Other _____
<input type="checkbox"/> Full-time <input type="checkbox"/> Part-time	<input type="checkbox"/> Started next job <input type="checkbox"/> Unemployed	<input type="checkbox"/> Worked short-term job(s) <input type="checkbox"/> Medical leave/disability	<input type="checkbox"/> Cared for/started a family <input type="checkbox"/> Other _____
<input type="checkbox"/> Full-time <input type="checkbox"/> Part-time	<input type="checkbox"/> Started next job <input type="checkbox"/> Unemployed	<input type="checkbox"/> Worked short-term job(s) <input type="checkbox"/> Medical leave/disability	<input type="checkbox"/> Cared for/started a family <input type="checkbox"/> Other _____
<input type="checkbox"/> Full-time <input type="checkbox"/> Part-time	<input type="checkbox"/> Started next job <input type="checkbox"/> Unemployed	<input type="checkbox"/> Worked short-term job(s) <input type="checkbox"/> Medical leave/disability	<input type="checkbox"/> Cared for/started a family <input type="checkbox"/> Other _____

# Examples of O\*NET Measures

Frequency of Conflict Situations

Cramped Work Space, Awkward Positions

Deal With Unpleasant or Angry People

Exposed to Hazardous Conditions

Contact With Others (reversed)

Exposed to Hazardous Equipment

Indoors, Not Environmentally Controlled

Making decisions and solving problems (reversed)

Outdoors, Exposed to Weather

Ability to think creatively (reversed)

Sounds, Noise Levels Are Distracting/Uncomfortable

Spend Time Kneeling, Crouching, Stooping, Crawling

Very Hot or Cold Temperatures

Spend Time Bending or Twisting the Body

Extremely Bright or Inadequate Lighting

Spend Time Making Repetitive Motions

Exposed to Contaminants

Deal With Physically Aggressive People



# Work Context Measures from O\*NET

## **Work Context Element**

Exposed to Contaminants

## **Categories**

- 1= Never
- 2=Once a year or more but not every month
- 3=Once a month or more but not every week
- 4=Once a week or more but not every day
- 5=Every day

Spend Time Bending or Twisting

- 1= Never
- 2=Less than half the time
- 3=About half the time
- 4=More than half the time
- 5=Continually or almost continually

# Disability Retirement Measures

We tested three variations that were all coded as a dummy variable for whether an individual retired before the age of 62 due to disability

- Measure 1 is based on “what you did after leaving” from LHMS as medical leave/disability
- Measure 2 is based on report of a having a “health problem that limits your ability to work” from the core
- Measure 3 is based on the measure of “how important health is as a reason for retirement” from the core—we used “very important”

# Regression Model

- Simple regressions for first three questions
- For the key question we run probit models with dependent variable
- Independent variable: lifetime exposure to job characteristics, black dummy, Hispanic dummy
- Control variables: education and HRS cohort
- We run for each outcome measure and each of 40 work activity and context measures

# Regression results

- Black workers more likely than non-Hispanic white workers to retire early due to disability across all three disability retirement measures
- Black and Hispanic workers tended to have greater lifetime exposure to bad jobs relative to whites
- Many work context measures associated with disability retirement

# Regression results

- About half of the work measures reduced the association between race and disability retirement
- Primarily in the psychosocial realm rather than physical exposures
  - Jobs lower in
    - making decisions and solving problems
    - thinking creatively
    - involving contact with others
    - freedom to make decisions
    - higher in frequency of conflict

# Next Steps

- We run models that include workers with no negative work exposure
- Want to try models conditional on some level of exposure
- Possibly create an exposure index
- Explore the role of education

Questions?

Thank you!