



The Effect of the Americans with Disabilities Act on Social Security Disability Insurance

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Employment laws are an important way for workers to be protected from being treated unfairly due to their personal characteristics, or having a disability. The federal Americans with Disabilities Act (ADA) of 1990 prohibited discrimination on the basis of disability, provided employment protections to disabled workers, and required employers to provide reasonable accommodations so that disabled workers could perform their jobs.

Researchers have examined the ADA's employment effects. Several studies have found that it decreased disabled workers' employment rates. However, the accuracy of how disability is defined in the survey data used has been debated and, as a result, the employment effects are still not well understood.

This project examines the ADA's effects on

Social Security Disability Insurance (SSDI) applications, allowances, and beneficiaries. Understanding the impacts on SSDI is important in its own right, and it is also informative about the ADA's impacts on the labor market.

The effects are estimated in differences-in-differences specifications in which SSDI application and allowance rates in states affected by the ADA rules are compared to states unaffected because they already had state legislation in place that provided disability protections and accommodations equivalent to or higher than the ADA. SSDI administrative counts for 1980 to 1998 in the continental U.S. are combined with data from the Current Population Survey and the Intercensal Census Population Estimates to conduct analysis both at the state and county levels.

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There is evidence of an increase in SSDI applications in treated states after the ADA's introduction, although there is little direct evidence that these higher applications resulted in more SSDI allowances. The number of SSDI beneficiaries increases slightly over time, suggesting that the ADA may have affected beneficiaries through some combination of more allowances and fewer terminations.

There are two types of states affected by the ADA's introduction. One set already had disability employment protections in place equivalent to those provided by the ADA, but not workplace accommodations. Another set of states had neither ADA-equivalent employment protections nor workplace accommodations in place. These two different types of states are examined separately to better understand whether it was the protections or accommodations that were most likely affecting SSDI outcomes.

The results suggest that the increases in SSDI outcomes are concentrated in states without employment protections or accommodations prior to the ADA, as opposed to states with employment protections but no accommodations. Overall, the results suggest that the ADA may have affected key SSDI outcomes, and that it did so through the increased protections provided to disabled workers.

A key motivation behind legislating for disabled workers to have employment protections and accommodations is that it will increase their employment and earnings. The current findings suggest that the effects found in some studies on disabled workers' decreased employment may also be present in terms of their SSDI use. A planned future project will examine the ADA's effects on the Supplemental Security Income (SSI) program, which should shed further light on this issue as it protects individuals with marginal work histories. ❖

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