



# Security Matters

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## Economic Opportunity and Spatial Variation in Labor Force Participation, Self-Reported Disability, and Receipt of SSI/SSDI

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*Practitioner applications provided by the Center for Financial Security, UW-Madison*

### Summary

This project looked at how local economic context shapes rates of disability. Social and structural characteristics of a place – such as differing localities and counties – may play a role in shaping disability and work over time. This geographic variation in local area economic opportunity can help explain differences in labor participation, self-reported disability, and receipt of disability assistances like Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI), as well as correlations between unemployment and disability within counties.

Measuring economic opportunity between different counties is gauged by the ability of children born into lower-income families to climb up the income ladder as adults. This study looks at the link between this and receiving disability assistance within those counties over time. The findings can help understand and predict demand for disability assistance.

### Key Findings

- Counties with lower economic opportunity had higher rates of self-reported disability for both men and men. Similarly, where economic opportunity is higher, SSDI receipt is lower.
- Local area economic opportunity does not seem to impact labor force participation (the number of people working).

These outcomes can provide useful insights in predictions of demand for disability assistance, specifically SSDI, across different U.S. counties. This can help create useful forecasts when economic opportunity is impacted by serious events like an economic depression.

Furthermore, this establishes a foundation for further examining the relationship between labor demand and self-reported disability and demand for disability assistance. More research is also needed to understand how factors, such as sex or race, may interact with local economic conditions on the demand for disability assistance.

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## Practitioner Ideas

Clients may confuse the various programs available through the Social Security Administration. It can be helpful to provide basic information and resources regarding SSDI and SSI so that individuals understand their options.

- To qualify for Social Security Disability Insurance (SSDI), a person must first have worked in jobs covered by Social Security. People who are unable to work for a year or more because of a disability may be eligible for monthly benefits.
- The Supplemental Security Income (SSI) program pays benefits to disabled adults and children who have limited income and resources. SSI benefits also are payable to people 65 and older without disabilities who meet the financial limits. Because SSI is a needs-based program for people who are aged, blind, or disabled, the amount of benefits received is based partly on current income.

Financial counselors and coaches working in communities experiencing an economic downturn, whether it is due to a local factory closing or global recession, can assist clients in understanding services and resources that may be available to them.

- Connect individuals with disabilities to supportive employment resources. Every state has a vocational rehabilitation agency to help individuals with disabilities meet their employment goals. These vocational rehabilitation agencies help program participants to obtain or regain employment.
- Provide vetted information regarding SSDI, especially for individuals with limited access to the internet. The Social Security Administration provides printable checklists and publications to walk individuals through the process of determining eligibility and applying for SSDI.
- Refer to community partners, such as American Job Centers and free legal clinics, that can assist your clients with employment goals or with challenges encountered if applying for SSDI.

## Key Resources

### **Social Security Administration – Disability Benefits**

Includes basics about SSDI, printable materials, and a link to apply for benefits:

<https://www.ssa.gov/benefits/disability/>

### **EARN – Employer Assistance and Resource Network on Disability Inclusion**

Find a link to your state’s vocational rehabilitation agency: <https://askearn.org/state-vocational-rehabilitation-agencies/>

### **U.S. Department of Labor American Job Center Network**

Local Job Centers provide job search workshops, free computer access, and more:

<https://www.careeronestop.org/site/american-job-center.aspx>

