



EMPLOYMENT AMONG ADOLESCENT CHILDREN OF SSDI RECIPIENTS

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July 2023*

Households with parental work-limiting disability (WLD) have lower income that is often below the poverty line even when transfer income is considered. Adolescents in these households face competing uses of their time between working to contribute to family financial resources, home production, and their own personal development. Parental Social Security Disability Income (SSDI) benefit receipt may further alter the decisions by providing cash assistance to the parents and children in the household, alleviating the need for the child to work. This project examines the associations between parental WLD and SSDI receipt and teenage labor supply.

Parental WLD, SSDI Receipt, and Adolescent Labor Supply

Approximately 6 percent of teenagers live with a parent with a WLD severe enough to prevent them from working for the next 6 months. These children may choose to enter the labor force or work additional weeks of the year to help contribute to the family's financial resources. Alternatively, they may need to spend less time working in order to focus more on home production such as cooking, cleaning, shopping, or caring for the parent with a disability. This time spent working or on additional housework potentially comes at the expense of time spent on educational activities. SSDI may play an important role within these households with parental disability. For those parents that qualify, SSDI provides cash benefits based on their previous earnings. Relatively little is known how the benefits affect the well-being of children. Using the 2014-2021 waves of the Survey of Income and Program Participation, I aim to provide insight into the relationship between parental WLD and SSDI receipt and adolescent labor force participation.

Teenage labor force participation is the outcome of interest due to its connection with other aspects of child well-being in both the short-run and long-run. Teenage labor force participation is potentially at odds with school performance and engagement given the time commitments necessary for both. High school employment is associated with more dropouts but less delinquency, worse academic performance, and higher intensity work leads to less college attendance. Though the effect may be minimal or even positive if the work is modest or occurs during the summer. However, work experience may be beneficial in developing important "soft skills" such as time management and handling "adult" responsibility. These skills can play an important role in later life success.

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Parental SSDI Receipt, but not WLD, Associated with Changes in Labor Supply

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Parental SSDI receipt is also correlated with a reduction in hours worked among those who worked during the past year. Specifically, parental SSDI receipt is associated with a 116-hour reduction in total hours worked over the past year and a 96-hour reduction in total hours worked during school months. A 22 percent and 26 percent reduction from baseline, respectively. There is no statistically significant associated reduction in summer hours works. Among those children with a parent with a WLD, SSDI receipt does not significantly relate to labor force participation but does reduce the total annual hours worked by 32 percent.

Changes in Labor Supply Concentrated Among Teenage Boys

Among teenage boys, a parent with a WLD is associated with a 20 percent reduction in the odds of working at all during the year or during school months specifically. For school months, parental SSDI benefits is associated with an even larger decline in labor force participation. Parental SSDI receipt for teenage boys is correlated with a 40 percent reduction in the odds to have worked during school months. Also, for boys, parental SSDI receipt is associated with a 238-hour reduction in hours worked during the entire year and 183 fewer hours worked during school months. With baseline means of 583 hours and 399 hours, these would correspond to 41 and 46 percent reductions, respectively. Girls comparatively see no change to the likelihood that they worked in the past year or a change in the number of hours worked. This suggests a gendered response to household parental disability and SSDI receipt.

Implications

- Given demographic changes in the timing of fertility later in life, the number of children with parents with a WLD and receive SSDI could increase. As such, SSDI may play a larger role in the social safety for children than currently envisioned.
- Benefits from SSDI may potentially allow children to reduce hours worked and focus more time on school and extracurricular activities.
- Gender differences important as well given that boys graduate high school at a lower rate than girls.

The research reported herein was performed pursuant to a grant from the U.S. Social Security Administration (SSA) funded as part of the Retirement and Disability Consortium. The opinions and conclusions expressed are solely those of the author(s) and do not represent the opinions or policy of SSA or any agency of the Federal Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of the contents of this report. Reference herein to any specific commercial product, process or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply endorsement, recommendation or favoring by the United States Government or any agency thereof.