

**How has the recession affected employment for people with disabilities?  
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## How has the recession affected employment for people with disabilities? Executive Summary

Unemployment rates remain high for people with disabilities even in a good economy. A recent review of the literature on employment and disability shows that the overall employment rate for people with disabilities has hovered around 30 percent for over a decade.<sup>1</sup> As with the general population, the great recession worsened employment prospects for people with disabilities. This report provides detailed analysis of recent unemployment figures comparing people with disabilities to the population without disabilities. It expands on statistics on unemployment for people with disabilities in a companion report looking at unemployment for all working age adults in the U.S. from 2009 to 2011 by age, gender, education, type of occupation and industry.<sup>2</sup> The report also draws from a more detailed literature review on employment and unemployment for people with disabilities, using findings from this larger body of research to understand unemployment figures for people with disabilities.<sup>3</sup>

Analysis of Census and Bureau of Labor Statistics data comparing unemployment and labor force participation for people with disabilities to those with no disabilities from the 4<sup>th</sup> quarter of 2008 to the first quarter of 2011 revealed the following trends:

- **Both the oldest and youngest workers had the hardest time finding work, regardless of disability, but disabled workers had a much harder time and were more likely to drop out of the labor market.** Figures show significantly higher unemployment rates for people with disabilities than people without disabilities. During the last quarter of 2008, the unemployment rate for people with disabilities ranged from nearly 18 percent for people 25-34 to 8 percent for those 55-64. This indicates that young adults had difficulty entering the labor force, a problem noted for the general population in this age group throughout the recession. The 25-34 age group continued to have the most trouble finding work in the recession, with unemployment rates ranging from 20 to over 21 percent through the 1<sup>st</sup> quarter of 2011.

Lower unemployment rates for the group over 55 does not indicate less trouble finding work, however. Instead, figures on labor force participation and employment to population ratio suggests that older people with disabilities dropped out of the labor force, with only 27 percent of people 55-64 working or looking for jobs before the recession starts. The employment to population ratio shows only 25 percent of these older people with disabilities working in the last quarter of 2008, dropping to 24 percent as the recession continued in the 1<sup>st</sup> quarter of 2011. This pattern of older workers becoming discouraged echoes the experience of people without disabilities, who also dropped out of the labor market in large numbers, because older workers had the hardest time finding work as the recession continued.

Comparing labor force participation between people with disabilities to those without shows that the younger workers with disabilities were most eager to find jobs, with a labor force participation rate of nearly 50 percent in 2008. While this rate is nearly 35 points below those without disabilities, for other age groups the percentage of people with disabilities working or looking for work is half of that for people in comparable

<sup>1</sup> See Houtenville, Andrew, David Stapleton, Robert Weathers and Richard Burkhauser (2009) *Counting Working Age People with Disabilities*. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.

<sup>2</sup> See Schneider, Jo Anne (2011) *Who Are the Long Term Unemployed and What can be Done to Help Them in this Recession?* <http://www.thecyberhood.net/documents/papers/unemployment.pdf>.

<sup>3</sup> See Schneider, Jo Anne (2011) *Disability Employment Literature Review*. Report produced for the Image Center, Towson, MD, August 2011. Available at: <http://www.imagemd.org/Disability-Employment-Literature-Review.pdf>

age groups without disabilities. However, as the recession continued, people with disabilities across all age groups grew discouraged and dropped out of the labor force in higher percentages than those without disabilities. The younger age groups saw the biggest drops, with labor force participation for people with disabilities ages 25-34 dropping 6 points from 2008 to 2011 and 6.4 percent for those 35-44.

- **The same factors influenced unemployment for people with disabilities as the general population.** Comparing unemployment rates across all age groups between those with disabilities and people with no disabilities shows differences of approximately 3 percent across all age groups. This suggests that the same economic factors influenced employment for everyone regardless of disability during this recession.
- **People of color with disabilities had more difficulty finding work than Whites.** Comparisons across race both echoed patterns for people without disabilities and show that people of color with disabilities had even greater difficulty finding work than Whites. Across the board, Whites had lower unemployment rates than Blacks/African Americans, due to a combination of historically lower education levels, discrimination and a combination of lower proximity to jobs and fewer connections to good jobs.

Among the disabled population, unemployment for Whites in 2008 was 14 percent for people 25-34, dropping to nearly 8 percent at 55-64 as people with disabilities dropped out of the labor force. These percentages gradually rose as the recession continued, particularly for younger workers, with unemployment for Whites with disabilities ages 25-34 over 20 percent by 1<sup>st</sup> quarter 2011.

Compare this to Blacks/African Americans, with unemployment rates for those with disabilities age 25-34 at nearly 34 percent in 2008, a figure that remains steady until the 1<sup>st</sup> quarter of 2011. While unemployment in this age group for Blacks/African Americans drops to roughly 28 percent in 1<sup>st</sup> quarter 2011, the shift was due to a nearly 9 percent drop in labor force participation from nearly 38 percent in 2010 to 29 percent in the first quarter 2011. While older African Americans/Blacks with disabilities had less trouble finding work than those under age 45, their labor force participation rates started out much lower than Whites and continued to drop as people got older. Under age 45, Black/African American labor force participation rates were slightly less than 30 percent but less than 20 percent for those over age 45.

- **By 2011 people with and without disabilities both faced long term unemployment.** In 2008, people with disabilities experienced more difficulty finding work once unemployed, with work searches taking over 30 weeks, compared to approximately 22 weeks for people without disabilities. As the recession continued, people with disabilities persisted in having difficulty finding work. However, differences between those with disabilities and those without gradually dropped as the recession continued because length of unemployment kept rising for those without disabilities. This suggests that the same factors influenced finding work for everyone and that all workers facing unemployment continued to have difficulty finding new jobs as this recession dragged on.
- **Veterans faced difficulties finding work during this recession, with recent veterans and disabled veterans having the most trouble.** Both disabled and non-disabled veterans had higher labor force participation rates and lower unemployment than their civilian peers in 2008, but this changed as the recession continued. Unemployment rates for veterans shot up across the board, while labor force participation gradually dropped. This was particularly true for veterans with disabilities, with the unemployment rate nearly doubling at 13 percent in 2009 and rising to 17 ½ percent for all Gulf era

veterans with disabilities by 1<sup>st</sup> quarter 2011.<sup>4</sup> At the same time, labor force participation dropped from nearly 60 percent in 2009 to roughly 41 percent in 1<sup>st</sup> quarter 2011.

More recent Gulf era veterans had the hardest time, with unemployment for Gulf era 2 disabled veterans climbing to over 20 percent in 2009 and continuing to rise. Gulf era 2 include service years from September 2001 to the present. At the same time, more Gulf era 2 disabled veterans became discouraged and dropped out of the labor force, with labor force participation dropping from nearly 62 percent in 2009 to 40 percent in 1<sup>st</sup> Quarter 2011. Even recent Gulf era veterans without disabilities had more trouble finding work than the civilian population. Unemployment rates for Gulf era 2 veterans without disabilities rose from 7.2 percent in 2008 to 12.4 percent in 12.4 percent. Labor force participation for these non-disabled veterans only dropped slightly, suggesting a population still eager to find work but with few opportunities.

These high unemployment rates for veterans suggest that employers were not responding to veterans' preferences during the recession. Placement programs were having little success placing the more recently disabled veterans attempting to re-enter the workforce. Given that non-disabled recent veterans were also having great difficulty finding work, these statistics suggest that employers were reluctant to hire anyone re-entering the labor market, with disability compounding already poor prospects for these workers without recent employment history in their chosen fields.

## Conclusions and Policy Suggestions

General unemployment patterns for people with and without disabilities suggest that employers shed any group of workers, and then were reluctant to hire potential employees that were perceived to be more expensive or considered less productive than their ideal workforce. This included older workers who generally use more health care benefits and have higher salaries, the disabled who are often believed to cost more due to accommodations and health costs, and people new to the workforce like younger workers and recent veterans who may require training. Employers were also unlikely to consider employees different from themselves, with women having a harder time finding work in professions like law or engineering while men with skills in social services faced higher unemployment rates and longer bouts of unemployment than their female counterparts in this field. Since veterans benefits proved little incentive to hire returning soldiers and those tracking unemployment for older workers describe rampant age discrimination, current incentives and legislative policy seems to yield little results among employers at present. This may suggest that solutions to unemployment that worked in previous recessions, like retraining or tax credits, may need to be retooled or expanded in order to work in this economy.<sup>5</sup> Findings from the literature review and this analysis suggest several policy changes:

- **Increased funding for direct job placement and internships for people with disabilities.** . Since research suggests that employers are more likely to employ people with disabilities if they have direct positive experience, expanding job placement and internship opportunities for this population may make a significant difference.<sup>6</sup> Review of the literature on employment suggests that job placement services are effective in finding employment for disabilities, yet only 10-12 percent of people in vocational

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<sup>4</sup> Gulf war veterans include veterans who served from August 1990 to the present. Gulf War era 1 includes service years from August 1990-August 2001 while Gulf War era 2 include service years from September 2001 to the present. The report focuses on veterans from the Gulf era because they are most likely to be working aged adults.

<sup>5</sup> See Schneider, Jo Anne (2011) *Who Are the Long Term Unemployed and What can be Done to Help Them in this Recession?* <http://www.thecyberhood.net/documents/papers/unemployment.pdf>

<sup>6</sup> See Luecking, Richard (2011) Connecting Employers with People who have Intellectual Disability. *Intellectual and Developmental Disabilities* 49 (4), 261-273.

rehabilitation services receive job placement. Other research suggests that internships are an important way to link people with disabilities to employers, leading to longer-term employment. Requiring a greater percentage of vocational rehabilitation and other employment services for people with disabilities to be allocated for these two services may make a difference in unemployment trends.

- **Tax incentives for hiring people with disabilities.** While tax incentives to hire people with disabilities have been proposed and do exist in some states, they should be available at the federal level and advertised to encourage employment of this population.
- **Education campaigns to encourage hiring people with disabilities.** People with disabilities have the lowest labor force participation rates of any group of potential workers, even though many would prefer to support themselves through employment. ADA accommodations and the nature of disability are perhaps the least understood issue among U.S. employers. While some education campaigns currently exist for employers, education for the general public and employers on the full range of disabilities occurs infrequently. Given that direct experience with people with disabilities proves far more effective than general education campaigns, designing general and employer awareness campaigns to increase interaction with people with disabilities would be the most effective strategy.
- **Tax supports for increased health care costs for more expensive workers.** Some research suggests that employers are cautious about hiring or keeping older and disabled workers because they think they will cost more in health benefits. While most employer costs for health insurance are already tax deductible, adding some form of tax incentive related to health costs may improve employer willingness to hire workers perceived to use more health care.
- **Tax incentives and on-the-job-training (OJT) programs to employ returning veterans.** My earlier research on people using public assistance systems found that many veterans were unable to find work and had training in the military that did not translate to civilian settings. This study indicates that recent veterans have high unemployment rates. These numbers are likely to increase as the number of combat soldiers decreases in planned troop withdrawals. Given that current veterans preferences and incentives appear not to be working, creating new tax incentives and on-the-job training programs, and effective GI bill college opportunities, appear necessary to move this population into the civilian workforce.

These policy suggestions may provide some improvement in employment, but none of the tax credits and other employer targeted mechanisms will work if business confidence does not improve. Addressing these issues is beyond the scope of this report, but impact on any initiative to increase hiring for people with disabilities.

## Introduction

Unemployment rates remain high for people with disabilities even in a good economy. A recent review of the literature on employment and disability shows that the overall employment rate for people with disabilities has hovered around 30 percent for over a decade.<sup>7</sup> As with the general population, the great recession worsened employment prospects for people with disabilities. This report provides detailed analysis of recent unemployment figures comparing people with disabilities to the population without disabilities. It expands on statistics on unemployment for people with disabilities in a companion report looking at unemployment for all working age adults in the U.S. from 2009 to 2011 by age, gender, education, type of occupation and industry.<sup>8</sup> The report also draws from a more detailed literature review on employment and unemployment for people with disabilities, using findings from this larger body of research to understand unemployment figures for people with disabilities.<sup>9</sup>

Disability researchers consistently note that employment levels for people with disabilities have dropped since implementation of the Americans with Disabilities Act of 1990 (ADA), but causes for this drop remain the subject of much debate.<sup>10</sup> This drop in the percentage employed occurred despite expectations that the ADA would expand employment opportunities for people with disabilities. Multiple studies found that people who use SSDI are less likely to seek work than people without these benefits, with some researchers speculating that people are unwilling to try working again after the long ordeal of qualifying for benefits. Other scholars report that SSDI recipients are less likely to work because they are concerned that they will lose income and health care benefits once they find jobs. Given that people on SSDI need to prove that they can not work to receive benefits, low percentages of SSDI recipients in the labor market may mean that these individuals have more severe disabilities. Government has instituted a number of initiatives to address these issues, so far with limited success.<sup>11</sup>

Scholars also report that many employers do not understand the ADA, and that day to day compliance with the ADA is uneven. Several studies comment that people with disabilities hesitate to disclose disabilities or ask for accommodations, perhaps because they fear that employers do not understand or comply with the ADA. Some report difficulties obtaining accommodations. Others report discrimination by employers or co-workers after accommodations are put in place because other workers resent the “special treatment” they think people with disabilities receive.<sup>12</sup> Problems in the workplace contribute to the overall employment rate for people with disabilities as well as high levels of unemployment. A recent comprehensive literature review of programs designed to assist people with disabilities find employment concluded:

...there is evidence that people with disabilities are experiencing less discrimination and greater accommodations on the job, but they do not appear to be experiencing increases in hiring. ...Many people with disabilities, employers and businesses still do not understand major provisions of the

<sup>7</sup> See Houtenville, Andrew, David Stapleton, Robert Weathers and Richard Burkhauser (2009) *Counting Working Age People with Disabilities*. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.

<sup>8</sup> See See Schneider, Jo Anne (2011) *Who Are the Long Term Unemployed and What can be Done to Help Them in this Recession?* <http://www.thecyberhood.net/documents/papers/unemployment.pdf>.

<sup>9</sup> See Schneider, Jo Anne (2011) *Disability Employment Literature Review*. Report produced for the Image Center, Towson, MD, August 2011. Available at: <http://www.imagemd.org/Disability-Employment-Literature-Review.pdf>

<sup>10</sup> See Stapleton, D and Burkhauser, R, editors (2003) *The Decline in Employment of People with Disabilities: A Policy Puzzle*. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.

<sup>11</sup> See Schneider, Jo Anne (2011) *Disability Employment Literature Review*, pp 1-11.

<sup>12</sup> See Schneider, Jo Anne (2011) *Disability Employment Literature Review*, pp 8-11.

ADA, particularly employment provisions, and that lack of understanding is reducing the effectiveness of the legislation.<sup>13</sup>

Much debate in the literature on employment for people with disabilities has focused on how disability is measured in national surveys, leading a working group from the U.S. Census Bureau, Bureau of Labor Statistics and others to develop a set of six questions designed to measure disability for use in ongoing surveys like the Current Population Survey (CPS) and American Community Survey (ACS).<sup>14</sup> This report uses this most current definition of disability to see how the people with disabilities have fared in the most recent recession. The definition of disability relies on the answers to following questions:

1. a. Is this person deaf or does he/she have seriously difficulty hearing?  
b. Is this person blind or does he/she have serious difficulty seeing even when wearing glasses?  
For persons over 5 years old:
2. a. Because of a physical, mental or emotional condition does this person have serious difficulty concentrating, remembering or making decisions?  
b. Does the person have serious difficulty walking or climbing stairs?  
c. Does the person have difficulty dressing or bathing?  
For persons 15 years or over:
3. Because of a physical, mental or emotional condition, does this person have difficulty doing errands alone such as visiting a doctor's office or shopping?

People are considered disabled if they answered yes to any of these questions. This report relies on employment and unemployment statistics produced by the Census Bureau and the Bureau of Labor Statistics after this new definition became the standard used in government surveys in the 4<sup>th</sup> quarter of 2008. Given that common definitions of disability were not in place before 2008, comparing unemployment rates for people with disabilities before the recession to current trends is not possible.

Instead, this report focuses on how people with disabilities have fared from the depth of the recession to the period from late 2009 when economists declared the recession had ended. The next section of this report looks at these statistics in detail. Recent statistics are followed by a summary of findings on employment for people with disabilities. The report concludes with policy suggestions based on both the literature review and statistical analysis.

**Note on Group Labels:** Throughout this report, I use Black/African American to refer to people who either emigrated from Africa or descended from African émigrés, Hispanic/Latino for people from Spanish speaking countries, Asian for people who either emigrated from Asia or descended from Asian émigrés, and Whites for populations who define themselves as White. These inclusive labels include the major terms used by these groups themselves and in national surveys like the U.S. census.

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<sup>13</sup> Livermore and Goodman 2009, *A Review of Recent Evaluation Efforts Associated with Programs and Policies Designed to Promote the Employment of Adults with Disabilities*. Ithaca: Rehabilitation Research and Training Center for Employment Policy for Persons with Disabilities at Cornell University, p 23.

<sup>14</sup> See Hale, T (2001) The lack of disability measures in today's Current Population Survey. *Monthly Labor Review*, 38-40 and Weathers, R and Wittenberg, D (2009) Employment. In A. Houtenville, D Stapelton, R Weathers and R Burkhauser, Editors, *Counting Working-Age People with Disabilities*. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 101-144 for discussion of these issues. Information on the current CPS disability questions is available at [http://www.bls.gov/cps/cpsdisability\\_faq.htm](http://www.bls.gov/cps/cpsdisability_faq.htm).



## **Employment, Unemployment and Age 2008-2011**

Tables 1 - 3 present the unemployment rate, labor force participation rates and employment to population ratios for people with and without disabilities at different ages. The tables start with the last quarter of 2008, when the new measure for disability went into use for the CPS. At this point, the economy was in the midst of the recession. The unemployment rate shows the percentage of people who are actively looking for work. It does not include discouraged workers who have dropped out of the labor market because they have failed to find jobs or those who choose not to work. The labor force participation rate includes anyone who is either working or looking for work. The employment to population ratio includes both people in the labor market and those who are not working for whatever reason. It shows the actual percentage employed, including both people looking for work and those who choose not to work. As such, the employment to population ratio provides a broader indication of the percentage of people with and without disabilities who have found jobs. This report uses all three measures to analyze unemployment for people with disabilities.

Looking first at totals for age, these figures show significantly higher unemployment rates for people with disabilities than people without disabilities. During the last quarter of 2008, the unemployment rate for people with disabilities ranged from nearly 18 percent for people 25-34 to 8 percent for those 55-64. This indicates that young adults had difficulty entering the labor force, a problem noted for the general population in this age group throughout the recession. The 25-34 age group continued to have the most trouble finding work in the recession, with unemployment rates of approximately 20 percent through the 1<sup>st</sup> quarter of 2011.

Lower unemployment rates of 10-11 percent for the group over 55 does not indicate less trouble finding work, however. Instead, figures on labor force participation and employment to population ratio suggests that older people with disabilities dropped out of the labor force, with only 27 percent of people 55-64 working or looking for jobs before the recession starts. This figure only drops slightly as the recession progresses, suggesting that older disabled workers found it easier to retire on disability than find jobs. The employment to population ratio shows only 25 percent of these older people with disabilities working in the last quarter of 2008, dropping to 24 percent as the recession continued in the 1<sup>st</sup> quarter of 2011. This pattern of older workers becoming discouraged echoes the experience of people without disabilities, who also dropped out of the labor market in large numbers, because older workers had the hardest time finding work as the recession continued.

**Table 1.a-c: Unemployment Rate by Disability****1a. Unemployment Rates by Disability and Age**

Age (in Years)	Unemployment Rate 2008		Unemployment Rate 2009		Unemployment Rate 2010		Unemployment Rate 1 <sup>st</sup> quarter 2011	
	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled
<b>Total, 25-34</b>	17.8%	6.6%	20.1%	9.6%	21.5%	9.8%	21.1%	9.8%
<b>Total, 35-44</b>	13.3%	5.2%	16%	7.7%	15.3%	7.9%	16.5%	7.7%
<b>Total, 45-54</b>	10.4%	4.7%	13.4%	6.9%	14.2%	7.4%	15.7%	7.4%
<b>Total, 55-64</b>	8%	4.3%	10.1%	6.4%	11.1%	6.8%	10%	6.9%

**1b. Unemployment Rates by Disability, Age and Gender**

Age and Gender	Unemployment Rate 2008		Unemployment Rate 2009		Unemployment Rate 2010		Unemployment Rate 1 <sup>st</sup> quarter 2011	
	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled
<b>Men, 25-34</b>	15.8%	7.1%	19.2%	10.7%	22.4%	10.8%	19.7%	10.8%
<b>Men, 35-44</b>	12.6%	5.4%	16.5%	8.4%	14.3%	8.3%	16.9%	8.3%
<b>Men, 45-54</b>	11.8%	5.1%	14.5%	7.9%	14.9%	8.3%	15.5%	8.5%
<b>Men, 55-64</b>	7.8%	4.6%	10.2%	6.9%	11.9%	7.7%	9.5%	8.1%
<b>Women, 25-34</b>	20.8%	5.9%	21.2%	8.3%	20.6%	8.9%	23.1%	8.5%
<b>Women, 35-44</b>	14%	5%	15.4%	6.9%	16.3%	7.4%	16.2%	7%
<b>Women, 45-54</b>	9%	4.3%	12.3%	5.7%	13.5%	6.5%	15.8%	6.3%
<b>Women, 55-64</b>	8.1%	4.1%	9.9%	5.7%	10.2%	6%	10.5%	5.6%

## 1c. Unemployment Rates by Disability, Age and Race/Ethnicity

Age and Race/Ethnicity	Unemployment Rate 2008		Unemployment Rate 2009		Unemployment Rate 2010		Unemployment Rate 1 <sup>st</sup> quarter 2011	
	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled
White, 25-34	14%	5.7%	17.5%	8.6%	19.5%	8.7%	20.4%	8.4%
White, 35-44	13.5%	4.9%	14.9%	7.2%	14.1%	7.3%	14.9%	7.0%
White, 45-54	10.3%	4.2%	12.5%	6.5%	13.2%	6.9%	14.3%	6.8%
White, 55-64	7.7%	4%	10%	6.1%	10.9%	6.5%	10.1%	6.6%
Black/African American, 25-34	33.6%	12.3%	17.5%	8.6%	33.1%	17.3%	27.9%	17.8%
Black/African American, 35-44	18.4%	7.8%	14.9%	7.2%	20.2%	12.9%	29.9%	13.4%
Black/African American, 45-54	11.7%	8.3%	12.5%	6.5%	22%	11.2%	31.4%	11.3%
Black/African American, 55-64	12.6%	7%	10%	6.1%	13.4%	9.4%	7.6%	9.8%
Asian, 25-34	9.5%	4%	11.8%	6.8%	24.7%	6.8%	11.2%	8%
Asian, 35-44	3.8%	4.2%	13.2%	6.6%	5.7%	6%	15.4%	5.1%
Asian, 45-54	3.9%	3.8%	13.6%	6.2%	9.4%	6.7%	6.5%	6.2%
Asian, 55-64	11.1%	5%	5.3%	6.8%	12.8%	7.3%	7.1%	7.1%
Hispanic/Latino 25-34	22.4%	7.8%	24.4%	11.1%	23.8%	11.1%	23.2%	11.2%
Hispanic/Latino 35-44	12.6%	6.6%	22.8%	9.9%	13.4%	10.3%	11.9%	10%
Hispanic/Latino 45-54	17%	6.8%	17.7%	9.9%	16.2%	10.6%	19.4%	11.2%
Hispanic/Latino 55-64	5.4%	6.7%	8.6%	10.1%	15%	10%	17.4%	10.1%

Source CPS disability series table 1, 4th quarter 2008, annual average 2009, annual average 2010, 1<sup>st</sup> quarter 2011

In contrast to the people without disabilities, people with disabilities began leaving the labor force in greater numbers after age 45, with labor force participation rates of 35.5 percent in 2008 for people with disabilities age 45-54, dropping in 1<sup>st</sup> quarter 2011 to under 32 percent. In contrast, people without disabilities persisted in looking for jobs, with labor force participation rates of 87 percent in 2008, only dropping one point to 86 percent through first quarter 2011.

The same is true for all other younger age groups, with the labor force participation rate for people without disabilities ages 25-54 consistently above 80 percent. Comparing labor force participation between people with disabilities to those without shows that the younger workers with disabilities were more eager to find jobs, with a labor force participation rate of nearly 50 percent in 2008. While this rate is nearly 35 points below those without disabilities, for other age groups the percentage of people with disabilities working or looking for work is half of that for people in comparable age groups without disabilities.

However, as the recession continued, people with disabilities across all age groups grew discouraged and dropped out of the labor force in higher percentages than those without disabilities. The younger age groups saw the biggest drops, with labor force participation for people with disabilities ages 25-34 dropping 6 points from 2008 to 2011 and 6.4 percent for those 35-44. In contrast, already low labor force participation rates of 35 ½ percent for people with disabilities ages 45-54 dropped less than 4 percent from 2008 to 1<sup>st</sup> quarter 2011 and less than 1 percent for the same time period for people ages 55-64.

Comparing unemployment rates across all age groups between those with disabilities and people with no disabilities shows differences of approximately 3 percent across all age groups. This suggests that the same economic factors influenced employment for everyone regardless of disability during this recession. The oldest and youngest workers faced the most difficulty finding work. But in contrast to people without disabilities, people with disabilities at younger prime working ages were more likely to drop out of the labor force altogether.

**Table 2a-c: Labor Force Participation Rate by Disability**

**2a. Participation Rates by Disability and Age**

Age (In Years)	Participation Rate 2008		Participation Rate 2009		Participation Rate 2010		Participation Rate 1 <sup>st</sup> quarter 2011	
	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled
Total, 25-34	49.2%	84.6%	46.1%	84.2%	44.5%	83.6%	43.1%	83.1%
Total, 35-44	43.6%	86.6%	41.8%	86.1%	38.4%	85.8%	37.2%	85.7%
Total, 45-54	35.5%	87.3%	35.3%	86.4%	35%	86%	31.6%	86%
Total, 55-64	27.3%	72.5%	27.9%	71.7%	27.9%	71.6%	26.8%	71%

## 2b. Participation Rates by Disability, Age and Gender

Age and Gender	Participation Rate 2008		Participation Rate 2009		Participation Rate 2010		Participation Rate 1 <sup>st</sup> quarter 2011	
	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled
Men, 25-34	54.8%	92.9%	48.1%	92.1%	46%	91.4%	46.6%	91%
Men, 35-44	47.1%	95%	45.9%	94.2%	42.3%	94.1%	43.1%	93.8%
Men, 45-54	38.2%	92.9%	38.4%	92.3%	38.8%	91.9%	33.3%	91.5%
Men, 55-64	30.4%	78.4%	30.6%	77.6%	31%	77.2%	29.3%	76.6%
Women, 25-34	42.8%	76.4%	44.1%	76.3%	42.9%	75.9%	39.2%	75.1%
Women, 35-44	40.2%	78.4%	38.1%	78.1%	35%	77.6%	31.9%	77.8%
Women, 45-54	33.1%	81.8%	32.5%	80.7%	31.5%	80.5%	30%	80.6%
Women, 55-64	24.4%	67%	25.3%	66.3%	25%	66.4%	24.4%	65.8%

## 2c. Participation Rates by Disability, Age and Race/Ethnicity

Age and Race/Ethnicity	Participation Rate 2008		Participation Rate 2009		Participation Rate 2010		Participation Rate 1 <sup>st</sup> quarter 2011	
	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled
White, 25-34	51.1%	85.3%	48.2%	84.9%	45.8%	84.6%	46.4%	84.1%
White, 35-44	45.7%	86.9%	44.2%	86.4%	40.7%	86.1%	39.3%	86.1%
White, 45-54	38.5%	87.9%	37.4%	87.2%	37.4%	86.7%	34.4%	86.7%
White, 55-64	30%	73.2%	29.7%	72.6%	29.5%	72.3%	28%	71.8%
Black/African American, 25-34	41.5%	84.5%	37.1%	79.1%	37.7%	82.3%	29.1%	80.5%
Black/African American, 35-44	27.4%	86.4%	49.7%	82.9%	28.7%	85.5%	28.9%	85.3%
Black/African American, 45-54	22.5%	83.8%	39.9%	85.2%	22.8%	82.1%	16.8%	81.9%
Black/African American, 55-64	13.3%	67.7%	29.8%	70.2%	19.1%	65.6%	18%	64.2%

**(2c. Continued) Participation Rates by Disability, Age and Race/Ethnicity**

Age and Race/Ethnicity	Participation Rate 2008		Participation Rate 2009		Participation Rate 2010		Participation Rate 1 <sup>st</sup> quarter 2011	
	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled
Asian, 25-34	40.5%	77.6%	36.9%	82.9%	40.9%	75.7%	44.9%	75.9%
Asian, 35-44	66.7%	83.1%	32%	85.5%	42%	82.6%	31.9%	82.4%
Asian, 45-54	40.8%	85.1%	24.8%	82.8%	38.5%	85%	44.6%	84.8%
Asian, 55-64	22.2%	70%	18.2%	65.7%	27.2%	70.2%	38.3%	70.3%
Hispanic/Latino, 25-34	47.4%	81.5%	41.6%	80.6%	40.8%	81.7%	47%	80.3%
Hispanic/Latino, 35-44	42.2%	83.5%	39.3%	83.1%	36.4%	83.2%	39.9%	81.4%
Hispanic/Latino, 45-54	25.4%	83%	31.1%	83.4%	37.3%	83.2%	24.9%	81.9%
Hispanic/Latino, 55-64	22.9%	68.5%	20.3%	69.4%	23.5%	67.6%	16.7%	69.5%

**Source CPS disability series table 1, 4th quarter 2008, annual average 2009, annual average 2010, 1<sup>st</sup> quarter 2011**

Comparing men to women shows that women with disabilities had a consistently harder time finding work than men. Unemployment rates in 2008 were nearly 21 percent for women with disabilities ages 25-34 while men with disabilities in the same age group experienced an unemployment rate of nearly 16 percent. The gap in unemployment dropped as people got older, approximately 1.5 to 2 percent gap for ages 35-54 and about even at the oldest ages.

As the recession progressed, these trends began to reverse for all but the youngest ages, where women continued to have unemployment rates 1 to 2 percent more than men. In all other groups, women with disabilities experience a slower rise in unemployment than men for all age groups above 35, but women's unemployment continued to go up while men's showed more variation.

These patterns show some similarities to unemployment for people without disabilities. Women experienced less unemployment than men across the board in the general population as jobs traditionally employing men have so far been harder hit in this recession than those traditionally hiring women. The same trends are reflected in figures for people without disabilities.

Comparing labor force participation rates for men and women show that across the board, men were more likely to seek work than women, but gaps between the percentage of men with disabilities working or

looking for work and women were smaller than for the non-disabled population. Nearly 55 percent of men with disabilities ages 25-34 participated in the labor force before the recession compared to roughly 43 percent of women. The gap becomes smaller as people get older, with only a 5 to 7 percent difference in older age groups.

As the recession continued, people with disabilities of all age groups and both genders increasingly became discouraged and dropped out of the labor force. By 1<sup>st</sup> quarter 2011, only 37 percent of men with disabilities and 30 percent of women ages 25-34 were employed, with rates steadily dropping as people age. Only 26.5 percent of men ages 55-64 and roughly 22 percent of women the same age worked by 1<sup>st</sup> quarter 2011.

**Table 3a-c.: Employment-Population Ratio by Disability**

**3a. Participation Rates by Disability and Age**

Age (In Years)	Employment-population ratio 2008		Employment-population ratio 2009		Employment-population ratio 2010		Employment-population ratio 1 <sup>st</sup> quarter 2011	
	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled
Total, 25-34	40.4%	79.1%	36.8%	76.1%	34.9%	75.4%	34%	75%
Total, 35-44	37.8%	82.1%	35.1%	79.4%	32.6%	79%	31.1%	79.1%
Total, 45-54	31.8%	83.2%	30.6%	80.5%	30%	79.6%	26.7%	79.6%
Total, 55-64	25.1%	69.4%	25.1%	67.2%	24.8%	66.7%	24.1%	66.1%

**3b. Participation Rates by Disability, Age and Gender**

Age and Gender	Employment-population ratio 2008		Employment-population ratio 2009		Employment-population ratio 2010		Employment-population ratio 1 <sup>st</sup> quarter 2011	
	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled
Men, 25-34	46.2%	86.3%	38.9%	82.2%	35.7%	81.7%	37.4%	81.2%
Men, 35-44	41.2%	89.9%	38.3%	86.3%	36.3%	86.3%	35.9%	86%
Men, 45-54	33.7%	88.2%	32.8%	85%	33.1%	84.2%	28.1%	83.8%
Men, 55-64	28.1%	74.8%	27.5%	72.2%	27.3%	71.3%	26.5%	70.4%
Women, 25-34	33.9%	71.9%	34.7%	70%	34.1%	69.2%	30.1%	68.7%
Women, 35-44	34.6%	74.5%	32.2%	72.8%	29.3%	71.8%	26.8%	72.3%
Women, 45-54	30.1%	78.3%	28.5%	76.1%	27.3%	75.3%	25.3%	75.6%
Women, 55-64	22.4%	64.3%	22.8%	62.5%	22.4%	62.4%	21.9%	62.1%

**3c. Participation Rates by Disability, Age and Race/Ethnicity**

Age and Race/Ethnicity	Employment-population ratio 2008		Employment-population ratio 2009		Employment-population ratio 2010		Employment-population ratio 1 <sup>st</sup> quarter 2011	
	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled
White, 25-34	43.9%	80.4%	39.8%	77.6%	36.9%	77.2%	46.4%	84.1%
White, 35-44	39.6%	82.7%	37.6%	80.2%	34.9%	79.9%	39.3%	86.1%
White, 45-54	34.5%	84.2%	32.7%	81.5%	32.5%	80.7%	34.4%	86.7%
White, 55-64	27.7%	70.3%	26.7%	68.1%	26.3%	67.6%	28%	71.8%
Black/African American, 25-34	27.6%	74.1%	24.2%	69.5%	25.2%	68.1%	29.1%	80.5%
Black/African American, 35-44	22.3%	79.7%	25.3%	75.8%	22.9%	74.5%	28.9%	85.3%
Black/African American, 45-54	19.8%	76.8%	20.3%	74.5%	17.8%	72.9%	16.8%	81.9%
Black/African American, 55-64	11.6%	63%	16.1%	60.3%	16.5%	59.4%	18%	64.2%
Asian, 25-34	36.6%	74.6%	32.8%	73.7%	30.8%	70.6%	39.9%	69.9%
Asian, 35-44	64.2%	79.6%	43.1%	77.5%	39.6%	77.6%	27%	78.2%
Asian, 45-54	39.1%	81.8%	34.5%	79.9%	34.8%	79.2%	41.7%	79.5%
Asian, 55-64	19.8%	66.6%	28.2%	65.5%	23.7%	65.1%	35.6%	65.3%
Hispanic/Latino, 25-34	36.8%	75.1%	31.5%	71.7%	31.1%	72.6%	36%	71.4%
Hispanic/Latino, 35-44	36.9%	78.1%	30.4%	74.9%	31.5%	74.6%	35.1%	73.3%
Hispanic/Latino, 45-54	21.1%	77.4%	25.6%	75.2%	31.2%	74.4%	20.1%	72.8%
Hispanic/Latino, 55-64	21.6%	63.9%	18.5%	62.4%	20%	60.9%	13.8%	62.5%

Source CPS disability series table 1, 4th quarter 2008, annual average 2009, annual average 2010, 1<sup>st</sup> quarter 2011



Comparisons across race both echoed patterns for people without disabilities and show that people of color with disabilities had even greater difficulty finding work than Whites. Across the board, Whites had lower unemployment rates than Blacks or African Americans, due to a combination of historically lower education levels, discrimination and a combination of lower proximity to jobs and fewer connections to good jobs. Figures for Asians and Hispanics/Latinos must be viewed with extreme caution due to small sample sizes. Among the disabled population, unemployment for Whites in 2008 was 14 percent for people 25-34, dropping to nearly 8 percent at 55-64 as people with disabilities dropped out of the labor force. These percentages gradually rose as the recession continued, particularly for younger workers, with unemployment for Whites with disabilities ages 25-34 over 20 percent by 1<sup>st</sup> quarter 2011.

Compare this to Blacks/African Americans, with unemployment rates for those with disabilities age 25-34 at nearly 34 percent in 2008, a figure that remains steady until the 1<sup>st</sup> quarter of 2011. While unemployment in this age group for Blacks/African Americans drops to roughly 28 percent in 1<sup>st</sup> quarter 2011, the shift was due to a nearly 9 percent drop in labor force participation from nearly 38 percent in 2010 to 29 percent in the first quarter 2011. While older African Americans/Blacks with disabilities had less trouble finding work than those under age 45, their labor force participation rates started out much lower than Whites and continued to drop as people got older. The gap in labor force participation between Whites and Blacks/African Americans ranged from 10 percent for ages 25-34 to 17 percent for ages 55-64. By 1<sup>st</sup> quarter 2011, the gap between Whites and Black/African Americans was 17 percent for ages 25-34 and 10 percent ages 55-64. Under age 45, Black/African American labor force participation rates were slightly less than 30 percent but under 20 percent over age 45.

Why the differences across races? While further research would be needed to explain these trends, it is likely that the other factors that lead to disparities between Whites and others are compounded for Blacks/African Americans with disabilities by lower access to programs that assist with job placement, particularly for older people. Looking closely both at program access and types of disability might clarify these differences.

## Duration of Unemployment

**Table 4: Duration of Unemployment and Disability**

Year	4 <sup>th</sup> Quarter 2008		Annual Average 2009		Annual Average 2010		1 <sup>st</sup> Quarter 2011	
	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled	Disabled	Not disabled
<b>Total</b>	<b>30.5%</b>	<b>22.2%</b>	<b>36.3%</b>	<b>31.2%</b>	<b>46.7%</b>	<b>43.1%</b>	<b>45.4%</b>	<b>42.6%</b>
<b>Men</b>	<b>28.1%</b>	<b>21.9%</b>	<b>36.2%</b>	<b>31.5%</b>	<b>49.4%</b>	<b>44.3%</b>	<b>45.6%</b>	<b>42.4%</b>
<b>Women</b>	<b>33.5%</b>	<b>22.5%</b>	<b>36.4%</b>	<b>30.8%</b>	<b>43.4%</b>	<b>41.3%</b>	<b>45.2%</b>	<b>43%</b>

Source CPS disability series table 13a, 4th quarter 2008, annual average 2009, annual average 2010, 1<sup>st</sup> quarter 2011

Table 4 shows the duration of unemployment for people with and without disabilities during the recession and recovery. In 2008, people with disabilities experienced more difficulty finding work once unemployed, with work searches taking over 30 weeks, compared to approximately 22 weeks for people without disabilities. As the recession continued, people with disabilities persisted in having difficulty finding work. However, differences between those with disabilities and those without gradually dropped as the recession

continued because length of unemployment kept rising for those without disabilities. This suggests that the same factors influenced finding work for everyone and that all workers facing unemployment continued to have difficulty finding new jobs as this recession dragged on.

### Disabled Veterans

This final table compares unemployment rates for veterans and non-veterans with and without disabilities. Veterans status confers several benefits, including priority status for employment and services to assist veterans with disabilities re-enter the workforce. On the other hand, veterans with disabilities acquire their disabilities as part of their service experience and may need time to recover not needed by people with longer term disabilities. Unlike the previous tables, this table includes people over age 18, with younger adults who may seek education instead of employment and older retired people included in labor force participation and unemployment rates. As such, participation rates are lower for the total population, total population of disabled people and total figures for all veterans than in the previous tables that only included prime working age adults. For this reason, the veterans figures focus on people who served in the military during the gulf war era (1990-present), adults most likely to be in their prime working ages.

**Table 5: Unemployment and Labor Force Participation Rates Veteran/Nonveteran Age 18 and Over**

Year	4 <sup>th</sup> Quarter 2008		Annual Average 2009		Annual Average 2010		1 <sup>st</sup> Quarter 2011	
	Participation Rate	Unemployment Rate	Participation Rate	Unemployment Rate	Participation Rate	Unemployment Rate	Participation Rate	Unemployment Rate
<b>Total 18 and over</b>	67.5%	6.3%	67%	9%	66.4%	9.4%	65.7%	9.3%
<b>Disabled total</b>	23.2%	11.1%	22.5%	14.2%	21.9%	18.7%	20.6%	14.8%
<b>Disabled Veterans</b>	20.7%	7.6%	19.6%	11%	19.5%	13.9%	17.1%	11.9%
<b>Disabled Veterans Gulf War total<sup>15</sup></b>	56.5%	7.7%	59.7%	13.3%	50.6%	20.1%	40.9%	17.5%
<b>Disabled Veterans Gulf War era 1</b>	54.3%	4.2%	58.3%	8.1%	48.8%	16.9%	41.3%	14.3%
<b>Disabled Veterans Gulf War era 2</b>	60.7%	13.9%	61.6%	20.5%	53%	24.2%	40.4%	21.6%

<sup>15</sup> Gulf war veterans include veterans who served from August 1990 to the present. Gulf War era 1 includes service years from August 1990-August 2001 while Gulf War era 2 include service years from September 2001 to the present.

**(Continued) Unemployment and Labor Force Participation Rates Veteran/Nonveteran**

<b>Non disabled Veterans Gulf War total</b>	<b>89.9%</b>	<b>6%</b>	<b>88.1%</b>	<b>8.4%</b>	<b>87.5%</b>	<b>8.7%</b>	<b>86.5%</b>	<b>9.8%</b>
<b>Non disabled Veterans Gulf War era 1</b>	<b>91.2%</b>	<b>5.4%</b>	<b>90%</b>	<b>7.6%</b>	<b>89.6%</b>	<b>7.3%</b>	<b>88.4%</b>	<b>7.7%</b>
<b>Non disabled Veterans Gulf War era 2</b>	<b>87.8%</b>	<b>7.2%</b>	<b>85.3%</b>	<b>9.6%</b>	<b>84.6%</b>	<b>10.9%</b>	<b>84.1%</b>	<b>12.4%</b>
<b>Non disabled Non- Veterans</b>	<b>74.4%</b>	<b>6.2%</b>	<b>73.8%</b>	<b>8.9%</b>	<b>73.1%</b>	<b>9.2%</b>	<b>72.6%</b>	<b>9.1%</b>

**Source CPS disability series table 16, 4th quarter 2008, annual average 2009, annual average 2010, 1<sup>st</sup> quarter 2011**

Analysis of this table shows that both disabled and non-disabled veterans had higher labor force participation rates than their civilian peers. This is true even when comparing labor force participation rates on this table for Gulf era veterans to the general population on table 2. In 2008, the unemployment rate for Gulf era veterans with disabilities was only 2 percent above that of non-disabled veterans. Gulf era veterans with disabilities from the first gulf war period (1990-2001) had unemployment rates of only 4.2 percent, less than the general unemployment rate, but only 54 percent chose to work. Since veterans disabled in the first Gulf War had adjusted to their disabilities over an approximately 10 year time period, these relatively high employment rates suggest that those who looked for work had a good chance of finding it.

More recent gulf war veterans, both with and without disabilities, had higher unemployment rates than the civilian population, however. With an unemployment rate of nearly 14 percent in 2008, Gulf War era 2 disabled veterans had more trouble finding work than civilian people with disabilities. However, with a labor force participation rate of over 60 percent, disabled Gulf War era 2 were more eager to find work than their civilian counterparts with disabilities.

All of this changed as the recession continued. Unemployment rates for veterans shot up across the board, while labor force participation gradually dropped. This was particularly true for veterans with disabilities, with the unemployment rate nearly doubling at 13 percent in 2009 and rising to 17 ½ percent for all Gulf era veterans with disabilities by 1<sup>st</sup> quarter 2011. At the same time, labor force participation dropped from nearly 60 percent in 2009 to roughly 41 percent in 1<sup>st</sup> quarter 2011.

More recent Gulf era veterans had the hardest time, with unemployment for Gulf era 2 disabled veterans climbing to over 20 percent in 2009 and continuing to rise. At the same time, more Gulf era 2 disabled veterans became discouraged and dropped out of the labor force, with labor force participation dropping from nearly 62 percent in 2009 to 40 percent in 1<sup>st</sup> Quarter 2011. Even recent Gulf era veterans without disabilities had more trouble finding work than the civilian population. Unemployment rates for Gulf era 2 veterans without disabilities rise from 7.2 percent in 2008 to 12.4 percent in the first quarter of 2011. Labor

force participation for these non-disabled veterans only dropped 4 percent, suggesting a population still eager to find work but with few opportunities.

These high unemployment rates for veterans suggest that employers were not responding to veterans preferences during the recession. Placement programs were having little success placing the more recently disabled veterans attempting to re-enter the workforce. Given that non-disabled recent veterans were also having great difficulty finding work, these statistics suggest that employers were reluctant to hire anyone re-entering the labor market, with disability compounding already poor prospects for these workers without recent employment history in their chosen fields.

Taken together, these tables on disability suggest that while people with disabilities had even fewer opportunities with the recession, they did not experience disproportionate problems to others of the same age without disabilities. While unemployment is higher for people with disabilities both before and during the recession, their unemployment rate went up roughly the same number of points when compared to people of similar age without disabilities. The exception appears to be veterans with disabilities, who experienced a steep climb in unemployment rates as the recession began that continued through first quarter 2011. This suggests that people with limited recent work experience due to disability had a harder time finding work in an even tougher job market.

### Summary of Findings from the Literature on Disability and Employment

These statistics suggest a difficult labor market for people with disabilities due to several factors, including the large number of unemployed workers overall, and a tendency for employers not to hire workers who they perceived would take more work to train or cost them more in terms of benefits or accommodations. Challenges people with disabilities face in the recession are compounded by the problems they find locating work even in a good economy. A recent review of the literature on employment for people with disabilities revealed several themes that impact on employment outcomes:<sup>16</sup>

- **Employment levels vary significantly depending on type of disability.** For the working age population (25-61) in 2005, employment rates for any annual work ranged from 57 percent for sensory impairments, 41 percent for physical impairments, 37 percent for mental impairments, 27 percent for work limitations and 24 percent for people that had difficulty with activities of daily living. For those working full time, those with sensory impairments had the highest employment rates (34 percent), compared to physical impairments (20 percent), mental impairments (15 percent), ADL (9 percent), IADL (8 percent) and work limitations (8 percent).<sup>17</sup>
- **Education and age influence employment.** These studies uniformly show that people with more education are more likely to be employed, particularly in full time jobs. Employment rates steadily increased with more education, ranging from 33 percent for people with disabilities without a high school diploma to 57 percent for those with more than high school. Education mattered even more for those working full time, with only 13 percent of those with less than high school working full time compared to 30 percent of those with more than high school education.<sup>18</sup> Younger people are more likely to seek employment, while people disabled when they are older more often drop out of the labor market. As

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<sup>16</sup> See Schneider, Jo Anne (2011) *Disability Employment Literature Review*. Report produced for the Image Center, Towson, MD, August 2011. Available at: <http://www.imagemd.org/Disability-Employment-Literature-Review.pdf>

<sup>17</sup> See Weathers and Wittenberg 2009, op cit., 120.

<sup>18</sup> Weathers and Wittenberg 2009, op. cit., 121-122.

education increasingly improves for people with disabilities, employment levels overall may change. However, continued reports that people with disabilities are employed below their skill levels suggest problems with the systems to move people into the workforce and continued discrimination.

- **Employment for people with disabilities tends to cluster in management, professional and technical, service sector, and sales and office occupations.** Within these categories, people with disabilities are over-represented in cleaning, food service and office support functions. A number of factors appear to contribute to these trends. Expectations of employers and job developers influence job placements. Widening the employment possibilities for people with disabilities may involve a combination of changing employer and the general public's expectations of people with disabilities, changes in job placement systems, and broadening education and skills training for people with disabilities.
- **Research on business is limited, but suggests that a number of workplace factors influence employment outcomes.** Studies of all aspects of employment for people with disabilities report that a positive workplace culture, supportive supervisors, and lack of resistance from co-workers are important factors for successful careers.
- **Disability employment systems need to focus on employer needs in addition to job readiness.** Multiple studies noted that vocational rehabilitation and agency employees focused on job development emphasize soft skills while employers look for ability to perform needed tasks and enhance their bottom line. Studies also note differences in language between employers and agency workers that need to be overcome. The review suggests that a shift in focus is needed for disability workforce development system toward meeting employer needs and possibly more use of customized job development.
- **Disclosing disability is difficult and may influence hiring and retention trends.** A number of studies report that people with disabilities are unclear about how and when to disclose disabilities as well as significant problems with employers and co-workers understanding of ADA and appropriate accommodations.
- **Job placement is an essential component of employment development strategies.** Multiple studies show that people with disabilities that receive job placement services are most likely to find jobs. Research also reports that under 20 percent of people with disabilities enrolled in the voc rehab system receive this service. General research on employment suggests that a number of strategies that involve friends, family, educational institutions and agencies assisting job seekers through contacts to employers similar to job development remain key to finding work.
- **Self-efficacy and self-determination play an important role in successful careers.** Several studies identify self-efficacy – understanding personal strengths and weaknesses, interpreting disability in a positive manner, confidence in skills and abilities, and an ongoing ability to plan, organize, develop strategies and work toward goals – as an important personal attribute among people with disabilities with successful careers. Self-determination is a closely related concept. Those with strong self-efficacy tended to seek work and have more successful careers.

Taken together, the literature review suggests that the employment system for people with disabilities is most successful when people with disabilities receive appropriate education and training, job placement and other supports necessary to help them find work. Individual psychological attributes like self-efficacy also make a

difference in the ability of people with disabilities to find work. The literature review also suggests that employer willingness to hire people with disabilities and workplace culture make a difference in the ability of people with disabilities to find jobs. But a mismatch exists between the approaches in the vocational rehabilitation and employment system for people with disabilities and the needs of employers. Improving employment outcomes will necessarily involve creating a better understanding and goals match among people with disabilities, the systems designed to help them find work, and employers. All of these factors influenced unemployment for people with disabilities in the great recession. Solutions to high unemployment must also take these factors into account.

## Conclusions and Policy Suggestions

General unemployment patterns for people with and without disabilities suggest that employers shed any group of workers, and then were reluctant to hire potential employees, that were perceived to be more expensive or considered less productive than their ideal workforce. This included older workers who generally use more health care benefits and have higher salaries, the disabled who are often believed to cost more due to accommodations and health costs, and people new to the workforce like younger workers and recent veterans who may require training. Employers were also unlikely to consider employees different from themselves, with women having a harder time finding work in professions like law or engineering while men with skills in social services faced higher unemployment rates and longer bouts of unemployment than their female counterparts in this field. Since veterans benefits proved little incentive to hire returning soldiers and those tracking unemployment for older workers describe rampant age discrimination, current incentives and legislative policy seems to yield little results among employers at present. This may suggest that solutions to unemployment that worked in previous recessions, like retraining or tax credits may need to be retooled or expanded in order to work in this economy.<sup>19</sup> Findings from the literature review and this analysis suggest several policy changes:

- **Increased funding for direct job placement and internships for people with disabilities.** Since research suggests that employers are more likely to employ people with disabilities if they have direct positive experience, expanding job placement and internship opportunities for this population may make a significant difference.<sup>20</sup> Review of the literature on employment suggests that job placement services are effective in finding employment for disabilities, yet only 10-12 percent of people in vocational rehabilitation services receive job placement. Other research suggests that internships are an important way to link people with disabilities to employers, leading to longer term employment. Requiring a greater percentage of vocational rehabilitation and other employment services for people with disabilities to be allocated for these two services may make a difference in unemployment trends.
- **Tax incentives for hiring people with disabilities.** While tax incentives to hire people with disabilities have been proposed and do exist in some states, they should be available at the federal level and advertised to encourage employment of this population.
- **Education campaigns to encourage hiring people with disabilities.** People with disabilities have the lowest labor force participation rates of any group of potential workers, even though many would prefer to support themselves through employment. ADA accommodations and the nature of disability are

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<sup>19</sup> See Schneider, Jo Anne (2011) *Who Are the Long Term Unemployed and What can be Done to Help Them in this Recession?* <http://www.thecyberhood.net/documents/papers/unemployment.pdf>

<sup>20</sup> See Luecking, Richard (2011) Connecting Employers with People who have Intellectual Disability. *Intellectual and Developmental Disabilities* 49 (4), 261-273.

perhaps the least understood issue among U.S. employers. While some education campaigns currently exist for employers, education for the general public and employers on the full range of disabilities occurs infrequently. Given that direct experience with people with disabilities proves far more effective than general education campaigns, designing general and employer awareness campaigns to increase interaction with people with disabilities would be the most effective strategy.

- **Tax supports for increased health care costs for more expensive workers.** Some research suggests that employers are cautious about hiring or keeping older and disabled workers because they think they will cost more in health benefits. While most employer costs for health insurance are already deductible, adding some form of tax incentive related to health costs may improve employer willingness to hire workers perceived to use more health care.
- **Tax incentives and on-the-job-training (OJT) programs to employ returning veterans.** My earlier research on people using public assistance systems found that many veterans were unable to find work and had training in the military that did not translate to civilian settings. This study indicates that recent veterans have high unemployment rates. These numbers are likely to increase as the number of combat soldiers decreases in planned troop withdrawals. Given that current veteran's preferences and incentives appear not to be working, creating new tax incentives and on-the-job training programs, and effective GI bill college opportunities, appear necessary to move this population into the civilian workforce.

These policy suggestions may provide some improvement in employment, but none of the tax credits and other employer targeted mechanisms will work if business confidence does not improve. Addressing these issues is beyond the scope of this report, but impact on any initiative to increase hiring.