

A close-up photograph of a person's hands and legs using a handcycle. The person is wearing light-colored trousers and dark shoes. The handcycle has a large front wheel and a smaller rear wheel. The person is riding on a paved path, and a metal railing is visible on the left. The background is a blurred green landscape.

# DISABILITY, UNEMPLOYMENT, AND POVERTY

*David Hoff*

INSTITUTE FOR COMMUNITY INCLUSION, UMASS BOSTON

For too long, disability has been linked to poverty and a lack of workforce participation. Today, a growing recognition that this is a major social issue is leading to solutions.

In public policy discussions, the intersection of disability with poverty and a lack of employment often goes unrecognized. Yet the reality is that if you are a person with a disability, you are much more likely than the average citizen to be: (a) unemployed; (b) poor; and (c) highly reliant on public benefit programs. Fortunately, a growing recognition of the seriousness of the issue is leading to solutions.

## **What Is Meant by "Disability"?**

Disability is a term that covers a range of conditions, some of which are readily apparent (when someone uses a wheelchair, walks with a Seeing Eye dog, or has Down syndrome, for example). Others are often not visible (if a person has a mental illness, a learning disability, or a chronic health condition). The effects of disability can vary, too, ranging from conditions that people manage with minimal effect on their daily lives to conditions that have a major impact—including making it challenging to earn a living.



According to recent U.S. Census data, there are 851,000 individuals of working age (ages 18 to 64) in New England who are identified as having a disability—9.2 percent of the overall working-age population. People with disabilities in the region are employed at less than half the rate of individuals without disabilities (33.7 percent as compared with 77.1 percent). For those who do work, median earnings are 36 percent lower than for people without disabilities. Moreover, 27 percent of people with disabilities of working age in New England live in poverty—three times the rate of those without disabilities.<sup>1</sup>

Lack of employment among people with disabilities not only has a major impact on individuals but is costly for state and federal governments. According to a 2008 study, an estimated \$357 billion was spent by the federal government on programs to assist working-age adults who have disabilities, with states spending another \$71 billion on joint federal-state programs.<sup>2</sup>

In New England, 614,000 working-age individuals receive disability benefits from Social Security—6.6 percent of the total working-age population—and Congressional concern over the growth of benefits nationally is rising.<sup>3</sup> The last few years have seen an increased sense of urgency and a growing cultural shift in which “having a disability” does not necessarily mean “incapable of working.” A Senate subcommittee has called for increasing the number of individuals with disabilities in the workforce by 1 million by 2016. Additionally, the National Governors Association has launched the Better Bottom Line Initiative to address the issue.<sup>4</sup>

### Strategies for Workforce Participation

People with disabilities are in many ways no different from others who live in poverty—they are often socially isolated, poorly educated, with limited job skills. For example, across in New England, people with disabilities are more than twice as likely to have dropped out of high school, as compared with people who do not have disabilities.<sup>5</sup>

That is why the solutions have to start with typical antipovertry measures: education, training, job-placement assistance, and social supports. When these general efforts have been combined with strategies specific to an individual’s disability, the results have clearly demonstrated that most people with disabilities are not “unemployable” but have real capabilities.

Newer strategies include use of workplace accommodations and assistive technology. Intensive job-seeker assistance from programs with expertise on the needs of people with disabilities is also important. In addition, extensive postplacement support may be beneficial, including a job coach who works with both the individual and the employer. Numerous efforts are under way to fundamentally change systems and significantly increase the workforce participation rate.

In each New England state is a network of public agencies that assist people with disabilities: in particular, the state mental health agency, the developmental disability agency, and the public vocational rehabilitation agency. People with disabilities needing assistance from these entities have traditionally had a range of service

options, all of which were considered equally viable. In addition to job-placement assistance, there are programs allowing people with disabilities to spend their days alongside other people with disabilities (day activity centers, sheltered workshops, and the like). The majority of people with significant disabilities are still served in those traditional, nonwork programs and do not receive employment assistance.

## Twenty-seven percent of people with disabilities of working age in New England live in poverty—three times the rate of those without disabilities.

However, the last decade has seen an increased focus on employment in the general workforce over other priorities. Since 2001, as a result of changes in federal regulations, state vocational rehabilitation programs are permitted to count only placements in the general workforce (and not sheltered workshops) as successful employment outcomes.

More recently at the federal level, the Centers for Medicare and Medicaid Services have encouraged states to use Medicaid funds to focus more on supporting individuals in employment. At the state level, public agencies are prioritizing employment assistance over other service options. The approach is known as “Employment First.” There are currently more than 20 states that have an official Employment First policy for all or part of their disability service system.<sup>6</sup>

In Connecticut, Massachusetts, and Rhode Island, Employment First is focused on individuals with developmental disabilities, while Maine’s policy is cross-disability. Although New Hampshire and Vermont do not have an official Employment First policy, both have made substantial service-system changes in order to focus more on employment. These efforts are still in the implementation stage, but the long-term hope is that a shift in service-system priorities and funding will lead to significant improvements in employment outcomes for individuals with disabilities.

Another key effort occurring throughout New England is making sure that while young people with disabilities are in school, there is a stronger focus on preparing them for the workforce through typical teenage work experiences and greater access to postsecondary education.

Each state’s public workforce-development agency plays a significant role. In 2011, approximately 24,000 New England residents identified as having a disability used job-search assistance

systems provided by such agencies.<sup>7</sup> Other initiatives are under way to enhance the ability of the public workforce system to serve individuals with disabilities through state networks like One-Stop Career Centers and American Job Centers.<sup>8</sup> The efforts include capacity-building grants allotted to Maine, Massachusetts, and Rhode Island under the U.S. Department of Labor's Disability Employment Initiative.<sup>9</sup> Also, there are efforts to increase within the workforce-development system the utilization of the Social Security Administration's Ticket to Work program, which can help Social Security disability beneficiaries find employment and reduce their reliance on cash benefits.<sup>10</sup>

## Allaying Concerns

Among the major barriers to employment of people with disabilities is their own perception that going to work will result in the loss of critical public benefits. To address that, each of the six New England states has established a Medicaid Buy-In program that allows individuals with disabilities to purchase Medicaid coverage on a sliding scale if they lose their free Medicaid coverage due to earnings from employment. In addition, with the support of the Social Security Administration, a benefits-counseling network has been established throughout the region to help individuals with disabilities address concerns they may have regarding their public benefits and encourage them to pursue employment.

The role of business is another critical component. Disability is increasingly part of employers' workforce-diversity efforts, and the receptivity of businesses to hiring individuals with significant disabilities is growing. Employment in the public sector has increased thanks to such efforts, including a major initiative by the federal government and the governments of Massachusetts, Vermont, and New Hampshire. At the same time, businesses report that they need assistance with recruitment and accommodation of employees with disabilities.<sup>11</sup> With that in mind, the National Governors Association's Better Bottom Line initiative engages in dialogue with employers to increase their receptivity to employing individuals with disabilities.<sup>12</sup>

The issue of lack of employment for people with disabilities is at a potential tipping point. Accomplishing greater workforce participation will require a combination of general solutions focused on moving individuals out of chronic unemployment and poverty with strategies specific to their particular needs. It will require state governments to keep rethinking how they are using their available resources in tandem with efforts by the federal government.

Both in New England and across the country, we are moving away from a view that the vast majority of people with disabilities are unemployable. We are beginning to recognize that these individuals can be full participants in the workforce alongside those without disabilities. Most critical: people with disabilities are starting to see themselves as capable of being full participants in the economic mainstream.

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**David Hoff** is a program director of the Institute for Community Inclusion at UMass Boston. Contact him at [david.hoff@umb.edu](mailto:david.hoff@umb.edu).

## Endnotes

- <sup>1</sup> Andrew J. Houtenville and Tony Ruiz, *Annual Disability Statistics Compendium: 2012* (Durham, New Hampshire: University of New Hampshire Institute on Disability, 2012).
- <sup>2</sup> D. Stapleton and G. Livermore, "Cost Cuts and Consequences: Charting a New Course for Working-Age People with Disabilities" (Issue Brief #11-03, Center for Studying Disability Policy, Washington, DC, September 2011).
- <sup>3</sup> *Annual Statistical Report on the Social Security Disability Insurance Program 2011* (Washington, DC: Social Security Administration, 2012), 160–161; and "Policy Options for the Social Security Disability Insurance Program" (report, Congress of the United States, Washington, DC, July 2012).
- <sup>4</sup> *Unfinished Business: Making Employment of People with Disabilities a National Priority* (Washington, DC: U.S. Senate Committee on Health, Education, Labor, & Pensions, July 2012); *Chair's Initiative 2012–2013—A Better Bottom Line: Employing People with Disabilities* (Washington, DC: National Governors Association, 2012), <http://ci.nga.org/cms/home/1213/index>.
- <sup>5</sup> W. Erickson, C. Lee, and S. von Schrader, *Disability Statistics from the 2011 American Community Survey* (Ithaca, New York: Cornell University Employment and Disability Institute, 2013), [www.disabilitystatistics.org](http://www.disabilitystatistics.org).
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- <sup>7</sup> *Wagner-Peyser Act Employment Services State by State PY 2011 Performance* (Washington, DC: U.S. Department of Labor Employment & Training Administration, 2011), [www.doleta.gov/performance/results/wagner-peyser\\_act.cfm](http://www.doleta.gov/performance/results/wagner-peyser_act.cfm).
- <sup>8</sup> Kerri Fradette, "Connect-Ability: Creating Systemic Change for the Disabled," *Communities & Banking* 21, no. 3 (summer 2010); [http://www.bostonfed.org/commdev/c&b/2010/summer/Fradette\\_Connect-Ability\\_disability\\_aid.pdf](http://www.bostonfed.org/commdev/c&b/2010/summer/Fradette_Connect-Ability_disability_aid.pdf).
- <sup>9</sup> See [www.doleta.gov/disability/grants.cfm](http://www.doleta.gov/disability/grants.cfm).
- <sup>10</sup> See [www.ssa.gov/work](http://www.ssa.gov/work).
- <sup>11</sup> *Best Practices for the Employment of People with Disabilities in State Government* (Washington, DC: Equal Employment Opportunity Commission, October 2005); *Strategic Plan to Make Massachusetts a Model Employer for People with Disabilities* (Boston: Commonwealth of Massachusetts, June 2009); and Kessler Foundation/NOD Survey of Employment of Americans with Disabilities (Rochester, New York: Harris Interactive, 2010).
- <sup>12</sup> See [www.opm.gov/policy-data-oversight/disability-employment](http://www.opm.gov/policy-data-oversight/disability-employment).

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