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Patterns of Return to Work in a Cohort of Disabled-Worker Beneficiaries

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From the beginning of the Social Security Disability Insurance (DI) program, it has always been a priority to encourage and help as many beneficiaries as possible to return to the labor force and to leave the DI rolls. It is common knowledge that such transitions have proven to be rare; empirical evidence about these events is unusual as well. This paper reviews the actual post-entitlement experience of a cohort of disabled workers, a component of the New Beneficiary Data System (NBDS), in order to examine work efforts over the period from 1983 to 1991.

The New Beneficiary Disabled-Worker Sample

The New Beneficiary Survey (NBS) was originally designed as a free-standing, cross-sectional survey of persons coming onto the Social Security Administration (SSA) rolls. It was envisioned as a sequel to the 1968 Survey of Newly Entitled Beneficiaries, whose findings had become of doubtful relevance with the passing of time and with the accumulation of significant changes in the various programs. The NBS, therefore, drew and interviewed a nationally representative sample of persons who had begun receiving one of a number of specified types of Social Security benefits at the start of the 1980s (for further details, see Maxfield 1983).

The sample represented the universe of persons who started to receive benefits for a spell of disability (not necessarily their first) during the “window period” of July 1980 to June 1981. Some 242,257 of the 281,314 who came on the rolls in those months and who were not
known to have died in March 1982 were eligible for sampling. Cases were randomly drawn, stratified only by sex, subject to a geographically constrained Primary Sampling Unit design intended to economize on field work. Target numbers were 3,450 completed interviews with disabled-worker men and 1,550 with disabled-worker women. On completion of field work at the beginning of 1983, 3,593 and 1,605 interviews had been obtained for men and women, respectively.

The NBS did not remain a static data base, however. During the following years, interview responses were periodically linked with SSA's Master Beneficiary, Summary Earnings, and Supplemental Security records, and to Medicare utilization records maintained by the Health Care Financing Administration. These made it possible to track changes in sample members' eligibility, covered earnings, and health status and essentially created a longitudinal data base. Because many important variables cannot be measured, or measured accurately, on the basis of data collected for other purposes, it was decided to conduct another round of interviews with surviving sample members (and to collect some further information from surviving spouses). Consequently, the New Beneficiary Followup (NBF) was in the field during the last months of 1991. Taken together, these three sets of data constitute a single complex data base sometimes referred to as the NBDS, the "New Beneficiary Data System" (Ycas 1992).

While some amount of labor force activity, at least at some point after coming on the disability rolls, is not uncommon, very few beneficiaries leave the rolls because their condition improves or because they find some way of offsetting or overcoming their limitations. The underlying aim of this paper is to focus on a relatively rare event, work among the disabled. The present study, therefore, concentrates on those individuals in the NBDS disabled-worker sample who survived to complete interviews in 1991 and thus provide a full set of longitudinal data for comparative purposes.

**Excluded Cases**

This is by no means all of the information relevant to the experience of the disabled over time that can eventually be extracted from this data
set, and, in fairness to the reader and to the large majority of the disabled, some of these issues should be briefly discussed. The common way to leave the rolls is to die. It would be possible to obtain some material regarding decedents, for whom NBS, administrative, and, in some cases, surviving spouse information is available. Decedents are omitted from the analysis here because the comparability problems that they raise are not likely to be offset by a significant increase in program-relevant insight. Obviously, persons who die soon after coming on the rolls do not have much impact on program costs, and they are probably comparatively poor prospects for return to work while they are in benefit status.

These issues have been examined to some degree (McCoy, Iams, and Armstrong 1994). Mortality is concentrated among persons in their first years on the program; as noted, about 15 percent of the persons who had come on the rolls during the 1980-1981 “window period” had died by the time the sample was drawn, and others died before the interviewing was complete. Not a great deal is known about these individuals because of the limited machine-readable administrative data available for them. However, it is likely, a priori, that they differ considerably from other disabled workers. Some disabling health conditions can reasonably be called “killer” diseases; for example, by the time that neoplasms or AIDS results in work disability, life expectancy has become very short. Few of these persons will be observed over time on the rolls; in terms of program financing or return to work, they have correspondingly little impact. Other disabling “nonkiller” diseases, such as acute musculoskeletal problems, may have little effect on life expectancy, and it is these types of health problems that characterize the population on the rolls.

McCoy, Iams, and Armstrong did not have data for the short-lived disabled, but it is obvious that this disabled group has a very different mortality profile than the simple aging pattern associated with the retired population. Despite their considerably lower average ages, disabled-worker men and women were 14 times more likely than their retired counterparts to die during their first six months on the rolls, eight times more likely to die during their second six months, and four times more likely in the third six months. Subsequently, the disabled showed a generally stable death rate. This remained higher than that of retired workers for some years, but the latter rose steadily (no doubt
reflecting the results of aging as this group proceeded into their 70s), and, by the end of the study period, retired workers were more likely to die than their disabled counterparts who had survived a similar duration on the rolls.

Another group excluded by this selection criterion comprises 2,939 disabled workers drawn from the same sample universe as the original NBS disability sample but interviewed only in the 1991 NBF. These cases were added for the specific purpose of increasing the number of observations of apparent return to work that could be studied (Hennessey and Muller 1994). They lack, of course, any of the data collected in the NBS and must be handled with care to maintain comparability. As the cases have recently been analyzed from a perspective similar to the one taken in this paper, they are not included in the numbers presented here; however, note is taken of results based on the work of Hennessey and Muller.

The Key Variables

When measuring recovery rates, it is useful to consider what the numerator and denominator ought to be. Rates are frequently discussed in terms of the percentage of the disabled who recover or otherwise leave the rolls, a seemingly commonsense definition, but one that can be rather misleading from a program perspective.

The disabled are by no means created equal. A majority are awarded benefits after the age of 50, and so the age distribution of current beneficiaries is markedly skewed when compared with the labor force at large. Discussions and tabulations of the disabled tend to be dominated by this relatively elderly numerical majority. From a simple cross-sectional perspective, this does indeed describe who is on the rolls at any given moment. However, from an over-time perspective, the point-in-time predominance of older beneficiaries severely distorts the dynamics of program financing and the experience of beneficiaries while they are on the program rolls.

Older disabled workers are not, by statutory definition, paid disability benefits for very long. If they survive until age 65 (and do not recover, as very few do), they are converted to retired-worker status.
From then on, ability to work, if any, is irrelevant to eligibility for benefits, and the "ex-disabled," like the retired, are subject to only marginal disincentives to work. Thus, mortality aside, a single worker disabled at 35 counts for three workers disabled at the more typical age of 55; a 25-year-old counts for four. This situation is rather comparable with patterns observed in the Aid to Families with Dependent Children (AFDC) program: most welfare clients will not remain in the program very long, but a core group, which remains dependent in the long run, accounts for a disproportionate share of program costs. In the case of disability, age enables us to target such a core group, the relatively small percentage of disabled workers who come onto the rolls in the earlier part of their working years. From a policy perspective, it is important to give less weight to the characteristics of the older majority and more to the particular characteristics of the younger group.

In a way, it is fortunate that these younger disabled workers are particularly important in their impact on program costs, because they would appear to be more promising prospects for return to work. For them, the financial incentives tend to be more compelling. Workers near the age of retirement appear to experience considerable difficulty in reentering the labor force, and the payoff for doing so is fairly minor. In most cases, the effort will yield only a few years of earnings and is not likely to make a major change in retirement income. Younger workers without life-threatening health problems, by contrast, face more sharply differentiated alternatives.

If they do not return to work, the younger disabled will spend the remainder of their lives, a matter of decades, receiving a fixed constant-dollar benefit. The formula used to calculate this benefit is the same fractional-replacement-of-past-earnings formula that is used to calculate retirement benefits (although it is based on fewer years and is thus somewhat more generous for workers under 30), but the early years of most persons’ careers are characterized by comparatively low, entry-level earnings. Older disabled workers, by contrast, are likely to have approached their peak earnings years, and thus their benefit amounts approximate the expected retirement benefit had they not become disabled. Consequently, the DI benefits of younger disabled workers provide a considerably lower replacement rate when measured as a function of what would have been earned but for the onset of disability. On the other hand, a successful return to substantial work offers
a prospect of many years of increased income, followed by an increased retirement benefit.

Similar considerations of economic incentives suggest the importance of differentiating the disabled according to another demographic variable, marital status. Married persons are parts of economic units, and the disability of one member of a couple does not necessarily diminish the earnings capacity of the partner. Indeed, through the pressure of economic need, it may often be an incentive for the partner to increase work effort. The incentive to return to work may be correspondingly reduced among the married disabled, a factor that should significantly differentiate them from their single counterparts.

However, responses may also reflect a third crucial variable, sex. A "disability insured" worker must have sufficient work activity (technically, quarters of coverage) to demonstrate recent and substantial attachment to the labor force. This is mediated by the longstanding differences between men's and women's patterns of labor force participation. The great majority of men work, such that a broad cross section of the male population has disability insurance. For women, the situation is more problematic. Labor force participation rates vary considerably among female subgroups and, particularly, according to the age and marital status variables of interest here.

Moreover, women's earnings tend to be lower than those of men, and this holds true for most married couples on the micro level. Accordingly, financial incentives to return to work are presumably lower on average for couples in which the wife, as compared with the husband, is disabled. It is not quite so clear how single persons would be affected, but given that the forgone wages of disabled single women are probably lower, their incentive may be less. Financial pressure aside, there are also normative differences. Working is a central component of the conventional adult male identity, but has a much less central role in the lives of women. Men, accordingly, may feel a greater pressure to resume work \textit{ceteris paribus}. 
Earlier Findings Based on the NBDS

The variables that have been highlighted can be singled out by little more than a commonsense understanding of the labor market. However, while this is a preliminary effort to take advantage of the full longitudinal potential of the New Beneficiary Survey data, it is grounded in earlier studies based on the 1982 data and on administrative records that suggest the correctness of this approach.

Packard (1987) found all three of the variables to have an obvious relationship with income. The Social Security system has conventionally been said to rest on the model of a “three-legged stool.” This model (developed in 1935 to provide for retired workers, but extended unchanged in 1956 to disabled workers) assumes that Social Security benefits are not a fully adequate source of income by themselves but will normally be supplemented by two other sources, assets accumulated over the worker’s career and pensions based on long-term employment. Obviously, the longer the working career, the more appropriate this model will be, and, conversely, the shorter the working career, the more severe the impact on total income.

As expected, Packard’s results show that, in terms of both asset and pension income, the oldest disabled were markedly more similar to retirees than were the younger disabled. Thus, 53 percent of the married men and 17 percent of the unmarried men in Packard’s oldest category (60-64) reported pension income, as compared to only 17 and 5 percent, respectively, for the men in his youngest group (18-44); the pattern for women was similar, and the increase in pension income with age was uniformly monotonic.

That this reflects differences in length of service, a frequent determinant of both eligibility and amount of pensions, is confirmed by Iams (1986). Examining characteristics of the longest predisability job, he found that in his youngest disabled-worker category (18-45), the large majority of both men and women (65.9 and 79.2 percent, respectively) had worked less than 10 years on this job, as compared to a modest 7.9 and 22.5 percent, respectively, in his oldest category (60-64). The distinction is significant because the Employee Retirement Income Security Act of 1974 (ERISA) had set maximum vesting requirements, usually 10 years of service, effective in 1976, several years before this
group became eligible for disability. The younger disabled were also less likely to have been covered by a pension plan than the oldest, 55.8 percent as compared to 35.3 percent for men and 63.6 percent as compared to 50.2 percent for women. Even those younger disabled who were covered were less likely to have received a lump sum or a currently paid or future pension.

The pattern was much the same for assets. Among the oldest group, Packard found rates of receipt of asset income of 73 percent for married men and 47 percent for single men, as compared to 47 and 21 percent, respectively, for their younger counterparts. The pattern of differences was similar among disabled women. As might be expected, differences in average asset income reflect differences in average asset holdings (Ycas 1986). Ownership rates and median values were much lower for every type of asset than those reported by retired workers, and indeed, about one out of four of the disabled had no assets whatever. However, there were considerable variations within the disabled population. Older married men (the age range used here was 55-64) were the largest single subgroup in the disabled population. They were also comparatively well-off, although their median asset portfolios were worth only $3,600 when home equity was excluded. At the other extreme, younger single men (aged 18-54), the third largest subgroup, had negligible median assets regardless of how home equity was treated.

Throughout these results, the expected salience of marital status as well as of age is confirmed. Having a spouse who is (usually) able to work means that the career of the couple, the economic unit, is only partially impaired rather than brought to a halt. Thus, Packard found that 46 percent of married couples in which one spouse was disabled had earnings. This is considerably lower than the 96 percent observed for the population aged 18-64 at large, but it is far higher than the 6-7 percent observed for single disabled men and women.

Differences shown by sex have been generally as anticipated, but somewhat more complex. As expected, disabled wives were more likely to report earnings from their husbands than disabled husbands were from their spouses (Packard 1987). It is perhaps a little surprising under these circumstances that it was the disabled husbands who reported slightly larger median assets. Interpreting the differences among the groups lumped together as “single” is complicated by the
fact that the less elderly unmarried men and women (under age 55) were quite different demographically from their older counterparts (Yeas 1986). The single men were some 10 years younger, on average, than the single women, but this difference largely disappears after controlling for specific marital status. Disabled-worker men were almost twice as likely never to have married, while the women were considerably more likely to be separated and, especially, widowed. Given the small sample sizes, it has unfortunately not been feasible to examine these differences in much depth; however, the area is worth pursuing as other data sets become available.

The hypothesis that being married affects the economic incentive to return to work is also suggested by differences observed in living arrangements (Packard 1987). The NBS showed that the majority of married disabled couples lived in households containing no other persons, and the majority of single disabled did not. Moreover, if other persons were in the households of the married disabled, they were generally children. Significant minorities of single men, and, to a lesser extent, women, lived with parents, siblings, or non-relatives, while virtually none of the married disabled did so. This may in part reflect different provisions for meeting a need for care, but it is plausible that it also reflects a greater need among the characteristically lower-income disabled to share living expenses or to have them paid by others.

In addition to financial incentives, return to work is, of course, greatly influenced by health problems. Packard (1993) examined reports from the NBS interviews of the disabled sample and found the individuals to be in notably poor health overall, with some important variations. His study, unfortunately, did not take account of marital status; age was again associated with substantial differences, while sex distinctions were comparatively minor. The health variables did not, however, vary monotonically with age. His youngest group (aged under 45) comprised only about a quarter of the disabled-worker sample but stood out in many respects. Fourteen percent had recovered from their disabilities, as compared with only 2 percent of those aged 45 or above. Twenty-nine percent were able to work at least part-time or occasionally, as compared with 9 percent of the older disabled workers, and 22 percent of the younger group expected their health to improve or thought that it might, as compared with 10 percent of the older group. Perhaps most significantly, 16 percent, twice the rate of
the older group, were no longer receiving Social Security about two years after benefits had begun.

Muller (1992) took advantage of administrative data to examine work attempts after a considerably more extended period. These were explored in unusual depth. After any indications of work were found in automated files, the hard-copy claims folders were requested and examined in order to obtain more detailed information. Of the 1,495 claims folders requested, 1,150 were located. After reweighting the transcribed information to adjust for missing data (for example, folders were more often unobtainable for persons who were no longer on the rolls), work outcomes were examined. Just over 10 percent of the individuals in the sample were found to have worked, but less than 3 percent had been terminated for sustained substantial gainful activity, and, of these, almost a third had returned to the rolls. In the strict sense of returning persons with severe medical impairments to the workforce, then, the success rate was a meager 2 percent. It should be noted, however, that another 6 percent, who were not examined in this study, had been terminated due to medical recovery.

A number of factors were significantly associated with some work: among the variables that have been discussed, age was particularly salient, with almost a third of the disabled under 40 years old having worked, as compared with a scant 2.5 percent of those aged 60 or older. However, termination for substantial gainful activity was surprisingly difficult to predict. Of the variables examined, only race (whites were more likely) and the presence of mental conditions (less likely) were significantly related. It should be noted that this part of Muller’s analysis was necessarily based on very small sample sizes.

More recently, Hennessey and Muller (1994) examined the work efforts not only of the NBDS disabled-worker sample but also of the parallel “add-on” sample from the same cohort, mentioned earlier, that was included in the 1991 NBF interviews for this purpose. After certain cases were excluded (e.g., those interviewed by proxy and those who denied ever receiving benefits), their combined sample comprised 4,405 cases. Four percent had been working at the time benefits began (presumably not at the level deemed to be substantial gainful activity), and 18 percent started work after benefits began. The majority of the latter cited “financial need” as their most important reason, and more than 80 percent gave it as a reason for working. The only other factor
of considerable importance was "wanted to work," the primary motive of more than one-sixth of the sample.

An effort was made during the 1991 interviews to assess the effectiveness of the current measures intended to facilitate return to work, but the results are not encouraging. Only about 27 percent reported receiving any vocational rehabilitation services; for the most part, these took the form of physical therapy. In about three cases out of four, however, physical therapy did not help in returning to work. No more than a fifth to a tenth knew about the program features—trial work, extended eligibility, and extended Medicare—which are intended as incentives to reenter the labor force, and almost none said that they were influenced by these "incentives."

Additional Findings

This analysis is based on persons in the disabled-worker sample interviewed in both the 1982 NBS and the 1991 NBF—3,161 cases. The work status of these individuals was determined on the basis of both covered earnings in SSA's Summary Earnings Record for the years 1983-1991 and of self-reports of work activity during those same years.

As with many other issues, the results can be seen both as good news and as bad news. The good news here is that a larger-than-expected number of disabled persons surveyed had at least some tentative connection with the labor force after benefits began. Using the most generous criterion, a record of nonzero earnings in any year or any survey report of a job during the same interval, more than one out of four (27.6 percent) had worked after benefits began. In the following discussion, this group is described as experiencing some work. Less encouraging is the fact that, in the majority of these cases, the contact does indeed appear to have been marginal. Just over two out of five of this group, one-ninth of the total disabled workers, had covered earnings in excess of $3,600 (the annualized monthly substantial gainful activity threshold in force over most of the period) in more than one year. This subset is referred to as substantial workers.
Even this number is not inconsequential, but its policy relevance is a little difficult to interpret. Slightly more than two-thirds of the substantial workers "had at some point been found to be medically recovered," and more than 90 percent of those who had ever recovered had also worked substantially. Taken at face value, this would seem to be somewhat discouraging from a policy perspective. While the disabled worker's condition may sometimes be improved by medical intervention, the possibilities for this appear quite limited and perhaps costly. If only a distinct minority of health-impaired individuals return to work, then the potential for increasing the rate of return in this unhealthy population would seem to be low.

However, there is some reason to question these findings. The period under study, beginning in 1983, came immediately after vigorous efforts were undertaken to remove disabled cases from the rolls via continuing disability reviews (CDRs). This move sparked considerable criticism in many quarters, and, in response, CDRs were cut back to a relatively low level beginning in 1983. Moreover, even in later years, the pressure to allocate administrative resources in other directions has prevented any resumption of large-scale CDRs. It is highly likely that such reviews will still take place when the record shows substantial gainful activity. The implication is that recovery significantly affecting work capacity may have taken place among a certain proportion of marginal workers and nonworkers, but never been reflected in the administrative records. In other words, the pool of potential labor force returnees may be larger, perhaps much larger, than the record now shows.

In any event, without trying to control consistently for apparent medical recovery (which would result in precariously small cell sizes in some instances), the pattern of differences is somewhat as expected when sex and, especially, age are taken into account; however, the importance of marital status emerges only when the interactions of these variables are considered. Thus, as shown in table 1, only about 11 percent of both married and single disabled workers are likely to have had substantial work, although the single group is a little more likely to have worked only marginally. With respect to sex, the difference is quite small (12 and 10 percent for men and women, respectively), but with respect to age, it is obvious. Thirty-two percent of the younger
Table 1. Age and Marital Status in 1982 of Disabled-Worker Beneficiaries by Return-to-Work Status

<table>
<thead>
<tr>
<th></th>
<th>Total (percent)</th>
<th>Substantial workers (percent)</th>
<th>Marginal Workers (percent)</th>
<th>Nonworkers (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All disabled</td>
<td>100.0</td>
<td>11.3</td>
<td>16.4</td>
<td>72.4</td>
</tr>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>100.0</td>
<td>11.9</td>
<td>16.6</td>
<td>71.5</td>
</tr>
<tr>
<td>Women</td>
<td>100.0</td>
<td>9.9</td>
<td>15.9</td>
<td>74.2</td>
</tr>
<tr>
<td><strong>Marital status</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>100.0</td>
<td>11.3</td>
<td>15.0</td>
<td>73.7</td>
</tr>
<tr>
<td>Single</td>
<td>100.0</td>
<td>11.2</td>
<td>18.4</td>
<td>70.4</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 35</td>
<td>100.0</td>
<td>31.8</td>
<td>27.6</td>
<td>40.6</td>
</tr>
<tr>
<td>35 - 50</td>
<td>100.0</td>
<td>14.0</td>
<td>17.2</td>
<td>68.9</td>
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<tr>
<td>50 or older</td>
<td>100.0</td>
<td>4.9</td>
<td>13.2</td>
<td>81.9</td>
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<tr>
<td><strong>Under age 35</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married men</td>
<td>100.0</td>
<td>49.3</td>
<td>21.9</td>
<td>28.9</td>
</tr>
<tr>
<td>Married women</td>
<td>100.0</td>
<td>32.6</td>
<td>18.3</td>
<td>49.1</td>
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<tr>
<td>Single men</td>
<td>100.0</td>
<td>21.4</td>
<td>30.5</td>
<td>48.1</td>
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<tr>
<td>Single women</td>
<td>100.0</td>
<td>28.9</td>
<td>34.9</td>
<td>36.2</td>
</tr>
<tr>
<td><strong>Age 35-49</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married men</td>
<td>100.0</td>
<td>13.7</td>
<td>16.0</td>
<td>70.3</td>
</tr>
<tr>
<td>Married women</td>
<td>100.0</td>
<td>12.2</td>
<td>13.1</td>
<td>74.6</td>
</tr>
<tr>
<td>Single men</td>
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<td>14.9</td>
<td>19.2</td>
<td>65.9</td>
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<tr>
<td>Single women</td>
<td>100.0</td>
<td>15.1</td>
<td>21.4</td>
<td>63.5</td>
</tr>
<tr>
<td><strong>Age 50 and older</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Married men</td>
<td>100.0</td>
<td>5.5</td>
<td>14.0</td>
<td>80.5</td>
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<td>Married women</td>
<td>100.0</td>
<td>4.2</td>
<td>13.5</td>
<td>82.4</td>
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<tr>
<td>Single men</td>
<td>100.0</td>
<td>4.8</td>
<td>12.2</td>
<td>83.1</td>
</tr>
<tr>
<td>Single women</td>
<td>100.0</td>
<td>4.1</td>
<td>11.8</td>
<td>84.1</td>
</tr>
</tbody>
</table>

SOURCE: New Beneficiary Data System, persons newly entitled to disabled-worker benefits in 1980-1981 who were interviewed in both 1982 and 1991

NOTE: Substantial workers had covered earnings in excess of $3,600 (the annualized substantial gainful activity threshold) in more than one year between 1983 and 1990. Nonworkers had no indication of work. Marginal workers fell in between these limits. Percentages may not sum precisely to 100 due to rounding.
disabled had worked substantially, compared to 14 percent of the middle-aged and only 5 percent of the older group.

When the three factors are taken together, a more complex pattern emerges. As might be expected, younger men are the most likely to have worked substantially, or for that matter at all. Within this group, the impact of marital status is quite striking: virtually half of the married subgroup consisted of substantial workers, compared to only a little more than a fifth of this segment's single counterparts. Conversely, nearly half of the single men had no indication of work, far more than the two out of seven married. The pattern for younger women was also distinctive, but quite different. The proportion of married versus single women with substantial work was similar, a little under a third for both groups, but single women were almost twice as likely to have had some marginal contact with the labor force (35 compared to 18 percent).

Absolute levels of work activity were lower among the middle-aged disabled than in the younger group. Curiously, women showed the same pattern of differences by marital status, while, for men, marital status was almost irrelevant. Contrasts by both marital status and sex virtually disappeared in the older group, which made up nearly three-fifths of the disabled and reported very modest levels of work activity, utterly different from those of their younger counterparts.

The health information collected in 1991 is not necessarily rigorously supported by clinical or medical evidence, nor does it speak directly to changes as they affect the timing of return to work, but it does lend support to the thesis that work and health are positively related. As table 2 indicates, the majority (56 percent) of those who never worked reported their health to be "poor," compared with only a quarter of the substantial workers. Nearly a quarter of the latter rated their health as "excellent" or "very good," compared to a desultory 4 percent of the nonworkers. Marginal workers are, appropriately, in the intermediate range of these percentages.

The distribution of health status is, perhaps unsurprisingly, quite similar to the distribution of levels of work when marital status, age, and sex are taken into account. It is easy to generate an unwieldy amount of cells with unacceptably small numbers of observations if too many variables are controlled for in the process of tabulation, so table 2 does not attempt to break the subgroups out by work status. Nonetheless, it is obvious that the groups with the greatest propensity
for labor force activity are also those in which health was rated the most positively. It is notable that, after controlling for age, the other two variables are associated with only minor differences. The age-health relationship, again, is far from monotonic: those under 35 were uniformly much more positive in their self-assessment, while the middle-aged and older disabled differed very little.

Table 2. Reported Health Status in 1991 by Return-to-Work Status

<table>
<thead>
<tr>
<th>Health Status</th>
<th>Substantial workers (percent)</th>
<th>Marginal workers (percent)</th>
<th>Nonworkers (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Good-to-excellent health</td>
<td>49.8</td>
<td>26.9</td>
<td>15.5</td>
</tr>
<tr>
<td>Fair health</td>
<td>24.5</td>
<td>36.7</td>
<td>28.7</td>
</tr>
<tr>
<td>Poor health</td>
<td>25.7</td>
<td>36.4</td>
<td>55.8</td>
</tr>
<tr>
<td>Health limits the amount or kind of work</td>
<td>65.5</td>
<td>90.0</td>
<td>93.8</td>
</tr>
</tbody>
</table>

SOURCE: New Beneficiary Data System, persons newly entitled to disabled-worker benefits in 1980-1981 who were interviewed in both 1982 and 1991

Somewhat similar patterns appeared when health status was asked in terms of "other people your age," but recovery appears far from complete in this population. Even among the substantial workers, only 17 percent thought it to be better, and more than two-fifths thought it to be worse. Similarly, two-thirds of the substantial workers (and nearly all of the nonworkers) reported some work limitation in 1991.

Although substantial workers felt that they were healthier, they were not a great deal happier. It is true that nearly a third of them were "delighted" or "pleased" with their lives in general, compared with only a fifth of the nonworkers, but they were nearly as likely to have negative feelings (16 percent compared to 20 percent). As far as being satisfied with the family standard of living, there was virtually no difference, and the substantial workers worried considerably more often about their financial situations. This argues that their greater work effort, while it may be enabled by better (perceived) health, also is apparently driven to some extent by a greater sense of financial need.
Conclusion

The NBDS is a rich data base that can, given due attention, tell us considerably more about the dynamics of disability and work among the population already on the assistance rolls. This paper is, obviously, by no means the last word on what can be found in the NBDS. However, the limitations of the data base should also be recognized. It represents a cohort of persons who came onto the program at a particular point in time. These individuals experienced a number of changes in the economy and in the administrative climate that may be quite different from those in the years to come. Given the volatile nature of the disability program growth, the characteristics of this group may differ to an uncertain degree from those of more recent cohorts of entrants who will drive the program's future.

This paper has attempted to focus on the more striking or clearly defined differences among subgroups that are least likely to be susceptible to such changes, but generalizations should always be made with caution. It is for this reason that a methodologically simple tabular approach has been taken to these data. The temptation to resort to standard, more sophisticated multivariate techniques is natural, but probably one to be resisted until the data are better understood. Despite the relatively large overall size of the disabled-worker component of the sample, the subgroups of particular interest are often quite small, many observations are left- or right-censored, there is substantial multicollinearity among key variables, and distributions are frequently truncated and far from normal. The painstaking, almost case-by-case approach taken by Hennessy and Muller is probably the key to minimizing these problems and to maximizing the degree of understanding that can be derived from the NBDS.

However, the outlines of some basic conclusions are already clear. The older majority of disabled workers are very different from the comparatively small younger group in many key respects relevant to return to work. The older group offers minimal prospects for return to work on any scale and ensures that observed recovery rates for the total disabled population will never be high. While incentives can be offered and recovery is a realistic possibility for a limited number of cases, disability policy would do well to treat older disabled workers in general
as another class of retirees. Older workers already are awarded benefits on a less restrictive basis, as the disability definition is relaxed at ages 50 and 55, so this point is tacitly accepted in current law. Perhaps it ought to be revised and extended further in the context of equitably raising the retirement age.

The small subgroup of younger disabled workers is quite different, although none of the research presented here can tell us exactly how different. It is notable that various studies of the same sample have found it convenient to define "younger" using age ceilings ranging from the mid-30s to the mid-50s according to sample size and analytic convenience. However, no effort has yet been made to estimate precisely which age breaks best discriminate between different patterns of relevant variables. Still, the age 35 cutoff employed here indicates that, below this age, return to work, to at least some extent, is quite common already. It is likely that development and refinement of a "work-prone profile," of which age would be a major component, could be of considerable use both in identifying and notifying disability beneficiaries who might be helped by available services or respond to targeted incentives. For that matter, such a profile might also be used more proactively for identifying beneficiaries not much interested in employment who might be urged more vigorously to make work attempts.

The potential of the NBDS to support such studies has not yet been fully exploited. It may be, of course, that the experience of this cohort is a less-than-perfect guide to the new cohorts of individuals coming onto the benefit rolls. In this context, however, it is encouraging (if any silver lining can be found in the cloud of unexplained program growth) that increases in disability awards reflect more and more grants to comparatively young beneficiaries. Perhaps the improved understanding of return to work that we are now deriving will be all the more useful as we address emerging challenges in program administration and policy formulation.

NOTES

NOTE. The views expressed here are those of the author and do not necessarily reflect those of the Social Security Administration.

1 In the case of Social Security Disability Insurance, as opposed to Supplemental Security Income (SSI), the disabled are converted to retired-worker status at age 65. This has some minor
effect on how they are treated by the program, but, in practice, very few individuals in conversion cases return to work or otherwise leave the rolls at more advanced ages.

2 The numbers reported here differ, and in general indicate more return to work, from those reported earlier by Muller. This reflects both differences in the definition of what constitutes “work” and a longer time period under review, which gave the disabled additional opportunity to return to the labor force.

3 More specifically, they had been coded “no longer disabled” in the Ledger Account File records that were pulled for each year in December. Thus, a few cases in which an individual’s recovery lasted less than a year may have been excluded (although such a brief recovery would seem to be of little policy relevance). On the other hand, the timing of recorded work and periods of recorded recovery were not disentangled, and, in some instances, work may have taken place during periods of medical disability in these “recovered” cases.
References


