

Measuring Worklife Expectancy: Debunking the “Try Rate” and “P Problem”

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Brookshire & Forlines (2015) discuss the concept of a “try rate” in attempting to create a “P problem” regarding the measurement of worklife expectancy. The main issue with their argument is that it completely neglects the many reasons that some individuals with disabilities are not participants in the labor force. Disabled individuals, even when participating in the labor market and seeking employment, often find themselves unemployed as a result of their efforts. Over time, they may become discouraged from participation and drop out of the labor market. Even if these individuals were participants in the labor force, they would likely be unemployed.

Reasons for Non-Participation in the Labor Market

There are many reasons individuals exit the labor force. Retirement, disability, an illness, schooling, and family reasons are a few that are tracked by the U.S. Census Bureau in the Current Population Survey (CPS). Just because these individuals have exited the labor market and are no longer participating does not mean that they did not exert a substantial effort trying previously.

Likewise, there are many possible reasons that an individual with a disability may choose not to participate in the labor market. A few that are apparent to the authors and documented in literature on the labor force participation of individuals with disabilities are:

- (i) Non-participation due to the physical and/or cognitive limitations severely impacting the ability to work (Loprest and Maag, 2001)
- (ii) Non-participation due to the pain associated with a disability (Smart, 2009)
- (iii) (Non-participation due to full-time education and re-training efforts (BLS, 2009)
- (iv) Non-participation due to discouragement from previous unsuccessful efforts (the individual may find his or her household productivity more useful than participating in the labor market) (NOD, 2000) (Castillo, 1998)
- (v) Non-participation due to simply not “trying” and potentially malingering

Brookshire fails to account for the first four reasons an individual may not be shown as a participant in the labor market. The number of individuals that fall into these four categories is most likely far greater than the fifth explanation. In fact, a small study conducted by the National Organization on Disability found that among the unemployed, more than two out of three people with disabilities would prefer to work (NOD, 2000). Only possible explanation (v) encompasses a potential “problem” in the litigation arena as Brookshire points out due to the plaintiff’s duty to mitigate damages. However, the statistical data available from the American Community Survey (ACS) and other sources of government data on individuals with disabilities do not measure the reasons for non-participation; it is mere speculation to try to account for the relative composition of these reasons for non-participation. Furthermore, it is likely that the number of individuals that falls in the possible explanation (v) is counterbalanced with a greater number of individuals that choose to participate in the labor market and seek employment even though they are in pain or suffer from some chronic ailment. There has never been a major statistical study examining the reasons for non-participation for individuals with disabilities. The value of statistical data, such as the ACS, is that it captures a wide array of possibilities that an individual may face throughout his or her life that are unexpected and unplanned.

The P Problem Fallacy

Let's assume that government data shows that there are 1,000 individuals with a disability in a population. Of those 1,000 individuals, 600 are active participants in the labor market and 400 are out of the labor market due to retirement, their disability, illness, or family issues. Everyone that is actively participating in the labor market does not find employment, and as such, let us assume that 480 participants are employed and 120 participants are unemployed. In this example, the participation rate is 60% (600/1000), the employment rate is 80% (480/600), and the employment to population ratio/joint PE rate is 48% (480/1000). Brookshire and Forlines (2015) suggest that in applying statistics in the above example to determine a worklife expectancy value pre- and post-injury for an individual identified as having a disability, any decline in the PE rate must be established as a decline only in the employment rate. This is nonsensical.

Suppose that the differential of those not participating in the labor market in the non-disabled and disabled populations is as shown in Table 1: 400 – 200 = 200. Suppose that the 200 participants with a disability that are out of the labor market re-enter the labor market. What will their employment rate be? It is ludicrous to assume that the employment rate of those individuals with disabilities who have exited the labor market will be anywhere near that of those in the labor market already. As noted above, there are significant obstacles that individuals with disabilities face and are often unable to overcome that should not be discounted as a lack of trying.

Participation in the labor force has a strong gravitational pull that is economic in nature. The reason is that individuals have strong economic incentives to participate in the labor market to earn a living. Average annual Social Security Disability benefits for male disabled workers in 2013 were only \$15,257 (SSA, December 2013) compared to the average, male earnings of \$72,254 with no disability, \$57,068 with a mobility disability, and \$50,314 with a cognitive dis-

ability (American Community Survey, 2015). Surely, an individual has a strong economic incentive to participate in the labor market if they are able. The fact that they are non-participants most likely suggests that their physical and/or cognitive limitations are severely impacting their ability to work, the pain associated with a disability makes participating in the labor market unfeasible, the individual is participating in full-time education and re-training efforts, or the individual finds his or her household production more valuable than the time spent seeking employment.

In addition to the obvious problem of neglecting the most probable reasons for non-participation, Brookshire and Forlines fail to precisely define what they term *voluntary* and *involuntary* participation. This is problematic because many of their conclusions depend upon a precise definition of these terms. Simply put, their article addresses a very minor issue that is a tempest in a teapot. Their conclusions are without merit due to their failure to consider the many reasons for non-participation in the labor market. When computing worklife expectancy values, the joint PE rate that considers declines in both the employment rate and the participation rate must be considered in order for an analyst to obtain a reasonable and accurate projection of an individual's years of future worklife.

Ticket to Work: General Description

One government initiative to encourage labor force participation among the disabled is the Ticket to Work (TTW) program administered by the Social Security Administration. This program was established as part of the Ticket to Work and Work Incentives Improvement Act of 1999. The main provisions that encourage labor force participation under these programs involve reducing the disincentives associated with "trying" work. TTW is a voluntary program designed to assist individuals ages 18 to 64 who are receiving disability benefits from Social Security to obtain gainful employment. Individuals receiving Social Security benefits have been deemed unable to perform

Table 1
The Fallacy of the P Problem Fallacy

	1,000 Non-Disabled	1,000 Disabled
Participating in Labor Force	800	600
Employed	720	480
Unemployed	80	120
Not Participating in Labor Force	200	400
Participation (P) Rate	80%	60%
Employment (E) Rate	90%	80%
Joint PE Rate	72%	48%

substantial gainful activity, to have severe impairment, and to be unable to perform any work in the economy (SSA). The American Community Survey (ACS) data on labor force status includes these individuals who likely identify as being disabled.

The goal of the program is to help these individuals to obtain employment, become self-sufficient, and ultimately reduce or eliminate their dependence on Social Security Disability (SSDI) and/or Supplemental Security Income (SSI) benefits. Ticket holders are encouraged to pursue employment through work incentives and allowances for continued cash and medical benefits for prescribed periods of time. The allowances provided by the program allow workers on disability benefits to attempt employment with essentially no consequences to their benefits if they are ultimately unable to maintain substantial gainful employment.

As TTW is a voluntary program, individuals who choose to be part of the program are persons with disabilities who are interested in seeking employment and participating in the labor market. However, despite their interest in working, the majority of these individuals are not successful in obtaining regular, gainful employment. One of the authors (Vega) has worked with this population for nearly a decade. The experience working with this population is discussed below.

Case Study: Employment Network in Los Angeles, CA

As of April 2015, Vega's employment network (EN) in Los Angeles had 217 assigned tickets from ticket-holders on SSDI and/or SSI. These are individuals who have sought out an EN and gone through the process of assigning their tickets. These ticket-holders have had an orientation meeting with a vocational counselor and have been provided job placement services.

Of the 217 assigned tickets, the EN informally classifies only 62 of these individuals as being active, meaning that they are consistently reviewing job leads, applying for job openings, and interviewing with employers. Six of the ticket-holders are in a school or training program in order to become more competitive for employment.

Out of all of the ticket-holders, 111 are considered by the EN to be inactive; these are individuals who began participating in the TTW program, but who over time discontinued participating for various reasons. Many of these individuals became discouraged and gave up, many had medical conditions that became worse, and many obtained employment but soon discovered that they could not maintain employment on a day-to-day basis due to pain, fatigue, or other medical issues. Some of these inactive individuals had other circum-

stances, such as family responsibilities or transportation problems and costs, that prevented them from continuing to pursue employment or that made the process not worthwhile. However, as their tickets remain assigned, they are considered by the SSA to be participating in the program.

As of April 2015, 38 of the ticket-holders were working; 24 were working part-time, while 10 were working full-time. These individuals were all at various different milestones within the TTW program.

From the period of September 2005 to April 2015, the EN had a total of 334 ticket-holders assign their tickets to this network; this means that 117 ticket-holders were unassigned or their tickets were terminated in that ten year period. Of those individuals, 24 left the EN because they had reached all milestones and successfully returned to work. The remaining ticket-holders gave up on seeking employment, had a deterioration of their medical condition, or became ineligible for employment due to various reasons, such as aging out of the program. Clearly, if only 24 out of 334 ticket participants have successfully obtained lasting, gainful employment through their efforts in the TTW program, lack of trying does not explain the low joint PE rates for this particular population of individuals with disabilities.

Twenty-four ticket holders out of 334 equates to an employment rate of 7% for this EN, while the overall joint PE rate for social security beneficiaries has been around .5% for years (Berkowitz, 2003; Newcomb, Payne, and Waid 2003). The 7% statistic does not include those participants who held employment above SGA level for some period of time (at least one month), but who subsequently lost their jobs. At various times during the decade, those earning above SGA levels at some point (at least one month above SGA) has trended around 48% for this employment network. The fact that nearly half of participants in this EN have obtained employment at some time and earned above SGA demonstrates that they are engaged and seeking work; nevertheless, the number of ticket holders who are actually able to sustain employment is low, primarily due to negative factors associated with their disabilities, as noted above.

One of the goals of the founding of the TTW program was to double the .5% joint PE rate to 1%; considerable savings within Social Security programs could be achieved at that level. Therefore, this EN's 7% success rate is an excellent result in this context.

Research by Mathematica on Ticket to Work

Research from Mathematica Policy Research, Inc. depicts similarly outcomes for individuals with disabilities who are part of the TTW program. Mathematica

found that the percentage of individuals in the TTW program who were nonpayment status due to suspension or termination for work (NSTW) for at least one month ranged from 3.01% to 5.41% from the years of 2005 to 2010.

Individuals on SSDI can reach NSTW after completing a Trial Work Period (TWP). A TWP is triggered to begin when a SSDI benefit recipient earns a designated amount in a month; this amount is \$780 in 2015. The TWP is completed when the SSDI benefit recipient earns greater than that designated amount for nine months within a rolling 60-month period. This initiates a grace period of three months, after which the SSA makes a determination of substantial gainful employment (SGA) status. In 2015, SGA is defined as earnings of \$1,090 a month from non-blind individuals and \$1,820 for blind individuals. In simpler terms, to have a NSTW month, SSDI benefit recipients must maintain employment for a period of twelve months in which they earn more than \$780 a month, after which, following a determination by the SSA, their cash benefits are completely offset if they earn over SGA.

For SSI beneficiaries, cash benefits are suspended for individuals whose countable income (income after adjustments for work incentives) is greater than their cash benefit rate.

Based on this data, TTW participants have little success in seeking employment and have a low employment rate. These individuals with disabilities who are participating in the program are most often unsuccessful in obtaining employment and, as a result, are likely to become discouraged and consequently inactive in the program. Brookshire & Forlines's suggestion that the difference in joint-employment rates between those with and without disabilities is simply due to a difference in participation rate seems to be untrue.

Conclusion

When computing worklife expectancy values, the joint PE rate that considers declines in both the employment rate and the participation rate must be consid-

ered in order for an analyst to obtain a reasonable and accurate projection of an individual's years of future worklife. Brookshire & Forlines fail to demonstrate that the "P problem" is a true issue due to their failure to consider the many reasons for non-participation and the strong economic incentives to try to work. Data from the TTW program further substantiates the fallacy in the "P problem" since it demonstrates that when these individuals participate in the labor market due to their strong economic incentive to participate, they often find themselves unemployed as a result of their efforts. The case study described above highlights the fact that although participation for ticket holders can be considered to be 100% since it is a voluntary program, success rates are low and attrition rates high. In the case of this particular EN, around 7% of disabled workers successfully returned to substantial and gainful employment, while a much greater percentage became discouraged as they are unable to compete in the labor market.

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Table 2
Ticket to Work Participants with 1 or more Months of NSTW

Year:	2005	2006	2007	2008	2009	2010
Total TTW Participants	193,291	255,149	318,636	394,624	474,264	559,875
Participants with 1 or more month of NSTW	9,984	13,798	16,980	18,774	17,580	16,880
Percentage of participants with 1 or more month of NSTW	5.17%	5.41%	5.33%	4.76%	3.71%	3.01%

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