

# Rapid Research Report: High Rates of Unemployment for People with Disabilities

Compiled by Erin Moser<sup>1</sup>

Edited by Jill L. Bezyak<sup>2</sup>

Submitted August 26, 2022

## Background Information

Misperceptions and stigma toward people with disabilities are factors that contribute to high unemployment rates. Fear of individuals losing their social security disability is yet another. Regardless of the reason, people with disabilities continue to struggle finding and maintaining suitable employment, and high rates of unemployment for individuals with disabilities continue to be a problem in the United States, leading to poor physical and mental health, social isolation, low self-esteem, and low life satisfaction<sup>3</sup>.

In 2021, the unemployment rate for persons with a disability was 10.1%, approximately twice as high as those without a disability<sup>4</sup>. With attention to psychiatric disabilities, more than 11 million adults in the United States are diagnosed with a serious mental illness (i.e., schizophrenia, anxiety, bipolar disorder), and 90% of this population are unemployed<sup>5</sup>. Additionally, 29% of workers with a disability were employed part-time, while 16% of individuals without disabilities were employed similarly<sup>3</sup>. In fact, in most developed countries, the unemployment rate for individuals with disabilities who are of working age is at least twice as high as individuals without disabilities<sup>6</sup>. If workers with disabilities reached the same employment rate as those without a disability, nearly 14 million more individuals would have been employed in 2021<sup>7</sup>. These statistics support the ongoing notion that individuals with disabilities continue to not be hired, contributing to significant consequences of unemployment and poverty.

The Americans with Disabilities Act (ADA) of 1990, is the most comprehensive disability rights legislation in history. Signed by President George H.W. Bush, the ADA prohibits discrimination

---

<sup>1</sup> Erin N. Moser, PhD, Associate Professor, University of Northern Colorado.

<sup>2</sup> Jill L. Bezyak, PhD, Professor and PI of the Rocky Mountain ADA Center, University of Northern Colorado.

<sup>3</sup> Chan, F., Tansey, T. N., Iwanaga, K., Bezyak, J., Wehman, P., Phillips, B. N., ... & Anderson, C. (2021). Company characteristics, disability inclusion practices, and employment of people with disabilities in the post COVID-19 job economy: A cross sectional survey study. *Journal of Occupational Rehabilitation*, 31(3), 463-473.

<sup>4</sup> <https://www.bls.gov/news.release/pdf/disabl.pdf>

<sup>5</sup> <https://www.rutgers.edu/news/poor-physical-health-barrier-job-seekers-serious-mental-illness#:~:text=Research%20%26%20Innovation-Poor%20Physical%20Health%20a%20Barrier%20for%20Job%20Seekers%20with%20Serious,to%2090%20percent%20are%20unemployed.>

<sup>6</sup> <https://www.un.org/development/desa/disabilities/resources/factsheet-on-persons-with-disabilities/disability-and-employment.html>

<sup>7</sup> <https://www.americanprogress.org/article/removing-obstacles-for-disabled-workers-would-strengthen-the-u-s-labor-market/>

in job application procedures, promotions, termination, compensation, job training, and many other employment related factors<sup>8</sup>. Despite the implementation of this law, it is not self-enforcing, and research has shown that employers are not only ill-informed about the responsibilities and requirements under the law, but they are also skeptical of hiring individuals with disabilities due to concerns (unfounded or otherwise) that these individuals will not be able to work efficiently<sup>9</sup>. Despite employers who have reported satisfaction with the performance of their employees with disabilities, including the minimal costs to hire and accommodate such workers, individuals with disabilities continue to be underrepresented and unsupported in the U.S. workforce.

## Research Question

What leads to the high rate of unemployment among individuals with disabilities?

## Employer Perception

Often, employers lack an awareness on how to hire and/or accommodate workers with disabilities. As a result, many employers feel that employing a worker who may require accommodations will increase burden to supervisors, co-workers, and human resource staff<sup>10</sup>. Employers have concerns about learning their responsibilities under legislation, evaluating costs and benefits of hiring, safety, potential legal liability, reactions of coworkers and customers, need for additional supervision, and potential unforeseen issues that may arise<sup>6,8</sup>. This lack of awareness or lack of exposure to successfully employed and accommodated workers with disabilities perpetuates this fear of the unknown and removes opportunities for individuals with disabilities to gain competitive employment. For many employers who are not familiar with the hiring process of individuals with disabilities, they rely on stereotypes of workers with disabilities that have manifested over decades. Employers erroneously believe that people with disabilities are often late or miss work, that they are poor job performers, and that there is a general discomfort working with a person with a disability<sup>6</sup>.

Previous research in this area suggests these types of negative attitudes of employers and co-workers represent some of the most significant barriers to employment for people with disabilities. Negative attitudes toward workers with disabilities is multifaceted, with both workplace prejudice and the rejection of workplace initiatives intended to increase diversity influencing hiring authorities<sup>11</sup>. Workplace prejudice is exemplified by unreasonable and unrealistic beliefs that workers, such as individuals with disabilities, belong to a particular social group that is less capable, less motivated, or more problematic than their non-disabled coworkers<sup>11</sup>. These beliefs are based, in part, by stereotypes employers have developed about

---

<sup>8</sup> <https://www.dol.gov/agencies/odep/ada30/timeline>

<sup>9</sup> Lee, B. A. (1996). Legal requirements and employer responses to accommodating employees with disabilities. *Human Resource Management Review*, 6(4), 231-251.

<sup>10</sup> Kaye, H. S., Jans, L. H., & Jones, E. C. (2011). Why don't employers hire and retain workers with disabilities? *Journal of Occupational Rehabilitation*, 21(4), 526-536.

<sup>11</sup> Anglim, J., Sojo, V., Ashford, L. J., Newman, A., & Marty, A. (2019). Predicting employee attitudes to workplace diversity from personality, values, and cognitive ability. *Journal of Research in Personality*, 83, 103865.

workers with disabilities and how poorly their attributes align with behaviors and requirements for particular roles in the workplace<sup>11</sup>. Despite legislation, more work needs to be done to educate employers and decrease the perpetual stigma that continues in hiring processes.

Another common barrier regarding the hiring process of individuals with disabilities is that employers have concerns over potential expenses of providing accommodations for a person with a disability. Many employers fear exorbitant costs for accommodations, when, in fact, most workplace accommodation costs are low or cost nothing. For example, the Job Accommodation Network (JAN), a service of the U.S. Department of Labor's Office of Disability Employment Policy (ODEP), has shown that workplace accommodations are not only low cost, but also positively impact the workplace in several ways<sup>12</sup>. The JAN survey has been ongoing since 2004, with over 3,300 employers completing the survey<sup>12</sup>. Survey results have consistently shown that employers find the benefits of providing workplace accommodations far outweigh the accompanying costs<sup>12</sup>. Many employers reported results of providing such accommodations included, but were not limited to, retaining valuable employees, improvement in productivity and workplace morale, reduction of workers' compensation and training costs, and an increase in company diversity<sup>12</sup>. Employers who participated in the survey reported a high percentage (56%) of accommodations cost the company nothing, whereas the remaining accommodations cost less than \$500<sup>12</sup>.

Additional research has found that employers who have hired individuals with disabilities in the past have typically done so if the employee is "easier" and less costly to accommodate<sup>12</sup>. Employers also have a propensity for hiring and retaining workers with physical disabilities compared to other types of disabilities such as psychiatric illnesses<sup>12</sup>. Employers have also expressed concerns about resentment toward workers with disabilities, even though resentment may come from the same prejudice and stereotypes that the ADA was designed to combat<sup>12</sup>.

## **Social Security Disability**

There are two primary federal programs that offer benefits and entitlements to individuals with disabilities who are unable to work. Supplemental Security Income (SSI) is an income assistance program for individuals with disabilities who have little or no income and are unable to work to sustain themselves<sup>13</sup>. SSI provides monthly payments to adults and children with a disability who have income and resources below specific financial limits. These payments assist with meeting basic needs such as food, clothing, and shelter. Social Security Disability Insurance (SSDI) is a federal program that pays benefits to individuals if they are "insured"<sup>13</sup>. To be insured, individuals must work long enough and recently enough to pay Social Security taxes on their earnings<sup>13</sup>. While both programs were developed and are meant to aid individuals in need, there are also disincentives that have unintentionally contributed to the persistent problem of under and unemployment for individuals with disabilities.

In 1999, the Ticket to Work and Work Incentives Improvement Act became law. At the time, less than one-half of one percent of SSDI and SSI recipients stopped receiving benefits and

---

<sup>12</sup> <https://askjan.org/topics/costs.cfm>

<sup>13</sup> <https://www.ssa.gov/benefits/ssi/>

returned to work<sup>14</sup>. The financial disincentives to work and earn income instead of receiving benefits coupled with the lack of adequate training and placement services were, and continue to be, significant barriers to employment for people with disabilities. The Ticket to Work Program was implemented to help overcome these significant barriers to employment. Services offered through this program include benefits planning, assistance, and outreach; expedited reinstatement (to address the fear of losing benefits); demonstration projects (designed to test the impact of various changes to the law on the ability of recipients to work and earn more); state partnership initiative (to help states develop innovative statewide programs that provide support to increase job opportunities and earnings), to name a few<sup>14</sup>.

Although the Ticket to Work Program was created to assist individuals with returning to work, there continues to be disincentives that make this transition difficult. One disincentive for individuals with disabilities who are receiving social security benefits (SSI or SSDI) is that to return to work, federal regulations mandate an administrative review of their disability status (i.e., continuing disability review)<sup>15</sup>. This review discourages many people from seeking employment. Secondly, once individuals do begin to work, their cash payments decrease as their earnings increase. SSDI beneficiaries can earn up to Social Security Administration's (SSA) substantial gainful activity (SGA) level each month with no loss of their benefits. In 2022, the monthly SGA amount is \$1,350 and \$2,260 for individuals who are blind<sup>16</sup>. There is an incentive in place to help support individuals receiving SSDI who want to return to work. Individuals earning under SGA will continue to receive their benefits; however, once earnings exceed that amount (i.e., \$1,350 in 2022) for nine nonconsecutive months (plus a three-month grace period), all SSDI case benefits cease, which is called the "earnings cliff"<sup>17</sup>. Although this incentive is meant to help support return to work, the fear and stress that arises when an individual begins to lose their benefits overshadows the incentive to work<sup>18</sup>. This fear is partly due to the lengthy approval process for SSDI, making it understandable that SSDI recipients are hesitant to return to work and lose their benefits. In most cases, if an individual returns to work but is later unable to continue working (due to the same disability), they won't need to "re-qualify" for disability benefits. They are simply placed back on SSDI, or whatever disability programs they qualify for. While this is an incentive that can be extremely beneficial for people who would like to return to work, it is often overlooked or even unknown to SSDI recipients. Although this incentive is in place to support return to work, it continues to overshadow the complexity of the process of applying for social security and the fear of losing those benefits.

## Conclusion

While many incentives for individuals with disabilities to return to work have been put into place over the last few decades, there continues to be a significant gap in the number of people without disabilities who are unemployed versus individuals with disabilities. Stigma regarding workers with disabilities continues to hinder employers from hiring an individual, despite their

---

<sup>14</sup> <https://www.ssa.gov/policy/docs/ssb/v66n3/v66n3p29.html>

<sup>15</sup> Cook, J. A. (2006). Employment barriers for persons with psychiatric disabilities: Update of a report for the President's Commission. *Psychiatric Services*, 57(10), 1391-1405.

<sup>16</sup> <https://www.ssa.gov/oact/cola/sgadet.html>

<sup>17</sup> <https://choosework.ssa.gov/library/fact-sheet-trial-work-period-twp>

<sup>18</sup> <https://www.disability-benefits-help.org/faq/go-back-work-when-receiving-ssd>

qualifications. These negative attitudes contribute to the lack of hiring of individuals with disabilities, despite an absence of research that supports these beliefs. Additionally, these beliefs are fueled by lack of information and education regarding individuals with disabilities and their positive contributions to the workplace. The lack of understanding or education regarding appropriate accommodations and concern for increased cost or undue hardship to their organization continues to be a significant barrier to hiring as well. Additionally, individuals receiving SSDI fear their loss of benefits when returning to work, which disincentivizes their return. Although these barriers continue to be addressed, further education and awareness can contribute greatly to assisting not only the individuals seeking employment but also the employers that are hiring.