

Half in Ten: Disability and Poverty*

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The relevance of disability in the understanding of deprivation in the world is often underestimated ... –Amartya Sen, *The Idea of Justice* (Allan Lane, 2009), p. 258

If there has been a direction to [the 20th] century’s struggle, it seems to have been mainly a question of expanding presumptions of inclusiveness, of assuming that more people matter and that they matter as equals in aspirations for social welfare.
–Hugh Hecl, “The Social Question” in *Poverty, Inequality and the Future of Social Policy* (Russell Sage Foundation, 1995), p. 668

Disability is both a fundamental cause and consequence of income poverty. Disability can result in job loss and reduced earnings, barriers to education and skills development, and a myriad of other challenges that can, in turn, lead to economic deprivation and hardship. Income poverty can limit access to health care and preventative services, and increase the likelihood that one lives and works in an environment that may negatively impact health. As a result, it comes as no surprise that the income-poverty rate for persons with disabilities is between two to three times the rate for persons without disabilities.

Yet, contemporary policy debate and research about income poverty in the United States is largely silent about disability. The most important

Census Bureau publications related to income poverty—the annual reports detailing income poverty, other income trends, and health insurance coverage in the United States—include estimates of income poverty by race and Hispanic origin, age, family status, nativity, work experience, and various other factors, but no information on income poverty by disability status.¹ Similarly, books and papers by leading income-poverty experts and researchers only rarely discuss disability, if at all.

As this paper will show, disability is a considerably more important factor in income poverty than such limited attention suggests. In fact, research published earlier this year finds that about half of all working age adults who experience income poverty have a disability, and that

almost two-thirds of such adults experiencing long-term income poverty have a disability.

Although some earlier research has noted linkages between poverty and disability, this new research is particularly notable because it uses more sophisticated data sources, defines disability in a way that is more consistent with the modern consensus definition, and finds higher rates of disability over the life cycle and among persons experiencing poverty than earlier research. Among the key findings:

- Almost half of working-age adults who experience income poverty for at least a 12-month period have one or more disabilities.
- Nearly two-thirds of working-age adults who experience consistent income poverty—more than 36 months of income poverty during a 48-month period—have one or more disabilities.
- Male household heads reaching their mid-50s have a 53-percent chance of having been disabled at least once and a 19-percent chance of having begun a chronic and severe disability.
- People with disabilities are much more likely to experience various forms of material hardship—including food insecurity, not getting needed medical or dental care, and not being able to pay rent, mortgage, and utility bills—than people without disabilities, even after controlling for income and other characteristics.

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- Measures of income poverty that fail to take disability into account likely underestimate the income people with disabilities need to meet basic needs.

Measuring Disability

Major nationally representative data sets that include questions about disability include the American Community Survey (ACS), Current Population Survey (CPS), Decennial Census, National Health Interview Survey (NHIS), and Survey of Income and Program Participation (SIPP).

Survey of Income and Program Participation (SIPP): Of the nationally representative data sets, the SIPP has the most extensive set of questions on disability. The SIPP is a longitudinal survey built around a core set of questions asked on a quarterly basis and designed to measure income, social insurance receipt, employment, and related factors. ... because of its longitudinal nature, it can be used to track transitions into and out of disability, and the relationships between disability and employment transitions.

Defining and Measuring Poverty As used in this paper, income poverty is generally defined using the official federal poverty definition. Like disability, poverty is a dynamic, multidimensional, and relational phenomenon. In most wealthy nations other than the United States, poverty is increasingly understood and measured in these terms.

Because poverty is currently defined and measured by most researchers and anti-poverty advocates in the United States in the more limited sense of income deprivation, this paper focuses on the connection between disability and income poverty. However, one of the implications of the research discussed in this paper is that the current one-dimensional paradigm of poverty in the United States is too narrow and needs to be expanded.

Disability: Overall Prevalence and

Dynamics Overall Prevalence of Disability In 2005, about 54.4 million people (18.7 percent) in the civilian non-institutionalized population reported some level of disability.¹³ About two-thirds of these people (almost 35 million) had a disability that seriously interfered with everyday activities, made it difficult to remain employed, or rendered the person unable to perform or in need of assistance with various functional activities.

Disability as a Dynamic Phenomenon Disability is conventionally understood as something static, experienced mostly by people with long-term impairments, but many people experience short- and medium-term periods of disability, and the severity of impairments often increases or decreases over time.

Disability and Employment Starting in January of this year, the Department of Labor has released unemployment and related labor force data for persons with disabilities on a monthly basis, just as it does for other demographic groups. In August 2009, the employment-population ratio for people with disabilities was about half of that for people with no disabilities—among men age 16 to 64, 30.6 percent of those with disabilities were employed compared to 75.9 of those with no disability; for women in the same age range, the ratios were 26.9 percent and 65.8 percent respectively.

Disability and Income Poverty

Half of All Working-Age Adults Experiencing Income Poverty Have a Disability

In research published earlier this year, Peiyun She and Gina Livermore used the 1996 to 1999 SIPP to determine how many working-age adults experiencing income poverty, on both an annual and longer-term basis, have a disability. She and Livermore find that almost half (47.4 percent) of working-age adults (ages 25-61) who experience poverty for at least a 12-month period have one or

more disabilities. About 41 percent of working-age adults experiencing poverty report a work disability; a similar share (37.6 percent) report a sensory, functional, or activity limitation. The somewhat higher rate of overall disability (reporting either a work disability and/or a sensory, functional, or activity limitation), shows that these two general categories of disability overlap considerably, but not precisely.

The rates of disability among those experiencing poverty are much higher than among the overall working age population. Just under a quarter (23 percent) of all working age adults have a disability. About 15 percent of all working age adults report a work disability and about 18.5 percent report a sensory, functional, or activity limitation.

In a separate published study, She and Livermore explore the relationship between work disability and various material hardships, including food insecurity, not getting needed medical or dental care, and not being able to pay rent, mortgage, and utility bills.²¹ Among working age adults who have incomes below 200 percent of the federal poverty line and experience material hardships, about half have a work disability.

Poverty in the United States is officially defined using an income measure. Outside of the United States, however, there is increasing international consensus that measuring and understanding poverty solely in terms of income is misguided. Sen goes on to point to the particular problems of an income-only poverty measure for people with disabilities:

... Handicaps, such as age or disability or illness, reduce one's ability to earn an income. But they also make it harder to convert income into capability, since an older, or more disabled or more seriously ill person may need more income (for assistance, for prosthetics, for treatment) to

achieve the same functionings (even if that achievement were, in fact, at all possible).

Group Quarters and the Homeless

The disability prevalence data discussed in the preceding sections do not include the roughly 4 million people (1.4 percent of the population) living in institutional group quarters.³¹ Of the approximately 4 million people living in institutional group quarters in 2006, about 2 million (49.4 percent) had a disability, although there is substantial variation in disability rates by type of residence.

People experiencing homelessness also have high rates of disability. According to the U.S. Department of Housing and Urban Development's (HUD) most recent survey, about 43 percent of all sheltered homeless adults had a disability in 2008.³³ The method for identifying disability used by HUD is quite limited, so this is likely an underestimate.

Conclusion: Implications and Policy Recommendations The linkages between disability and income poverty have far-ranging implications for contemporary anti-poverty research and advocacy in the United States. As a starting point, any serious state-or national-level agenda to reduce income poverty needs to take disability

into account as both a cause and consequence of poverty. This means including the following policies as part of a comprehensive agenda to reduce income poverty and economic exclusion:

- **The Fundamental Importance of Universal Health Care:** A particularly important and immediate policy implication is the fundamental importance of health care reform, especially the provision of universal coverage, to anti-poverty efforts. Health insurance shouldn't be viewed simply as one of the various needs of people experiencing poverty, but more fundamentally as something which, when absent as a universally provided good, is one of the most significant drivers of income poverty and severe disadvantage.
- **Paid-Sick-Days and Paid-Sick-Leave Policies as Core Anti-Poverty Policies:** The United States should adopt the kinds of paid-sick-day and paid-sick-leave policies that are already in place in all other similarly wealthy nations. At least 40 percent of workers in the private sector in the United States have no paid sick days or leave. Absent such basic protections, many workers

continue to go to work when they are sick, jeopardizing their own recovery and health.

- **Modernizing Social Security for People with Disabilities:** The two main Social Security programs providing income supplements to people with disabilities, Supplemental Security Income (SSI) and Social Security Disability Income, need to be modernized. For example, in the SSI program, restrictions on assets and wage earning should be reduced, and in SSDI, the five-month waiting period for benefits should be lifted. In modernizing these programs, it is important to view "benefits" and "work" as complementary rather than competing ways to increase economic security, and to avoid the simplistic notion that income supplements inevitably operate as "work disincentives."
- **Social Benefits Delivered through the Tax System:** Social benefits delivered through the tax system, including the Earned Income Tax Credit and the Child Tax Credit, play an increasingly important role in promoting economic opportunity and security. Both benefits should be expanded and reformed in ways that help all

Workers Who Provide Care to People with Disabilities Among the Lowest Paid

Workers who provide assistance with daily activities to people with disabilities and the elderly are commonly referred to as direct care workers, and include certified nursing assistants, home health aids, personal care assistants, and related jobs. Direct care work is generally low-wage work that provides limited benefits. More than three million workers are employed in direct-care occupations, making it one of the largest low-wage occupations in the United States (the first and second largest low-wage occupations are retail sales and cashiers, employing 4.3 million and 3.5 million workers respectively).

The median wage for nursing aides (including orderlies and attendants) was \$11.46 an hour in May 2008 (\$23,850 if working full time, year round); for home health aids, it was \$9.84 an hour (\$20,460 if working full-time, year-round).* In 2007, the median annual earnings for all direct care workers was just \$17,000, less than the official poverty threshold that year for a family of three.**

* Bureau of Labor Statistics, "Occupational Employment and Wages, May 2008, 31-1012 Nursing Aides, Orderlies, and Attendants and 31-1011 Home Health Aides."

** Paraprofessional Health Institute, "Who are Direct-Care Workers?, Fact Sheet 3," January 2009.

low -wage workers and parents, including those with disabilities or who are caring for family members with disabilities.

- In addition to these policy improvements, taking disability into account as a fundamental cause and consequence of poverty requires improved measures of poverty and social inclusion as well as a more comprehensive framework for understanding poverty than is currently used in the United States.
- The Current Poverty Measures

Should Take Additional Costs of Disability Into Account and Not be Limited to Income: The current official poverty measure should be replaced with a modern measure that takes into account the extra costs associated with disability and views poverty as a multi-dimensional phenomenon rather than one limited to income.

- Exploring More Comprehensive Frameworks: Anti-poverty advocates and researchers, who in the United States have defined pov-

erty narrowly in terms of income, should consider adopting the kinds of broader frameworks and concepts for anti-poverty research and advocacy that have become commonplace in nearly all other wealthy nations, including the United Kingdom and Australia. Finally, it's important to note that the case made in this paper for paying more attention to disability in anti-poverty policy and research is not a call for narrower targeting of benefits or services. To the contrary, most of the recommended policies, such as universal health care and paid sick leave are universal in nature.

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* This is an abridged version of Shawn Fremstad's original piece. For the full article with all references see <http://www.cepr.net/documents/publications/poverty-disability-2009-09.pdf>