


Economic Conditions, the COVID-19 Pandemic, and Implications for Disability Insurance

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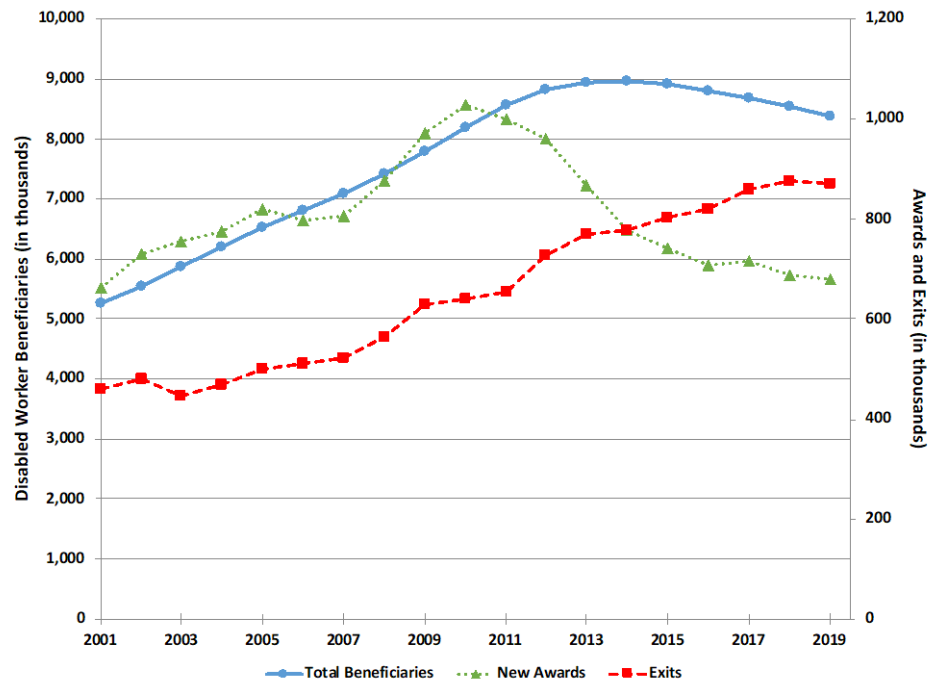
APRIL 29, 2022



Key Topics for Today

- ❑ SSDI on the eve of COVID
 - ❑ Three important facts
- ❑ Enter COVID
- ❑ What about the future? Will COVID change...
 - ❑ Job demands?
 - ❑ Employer accommodation?

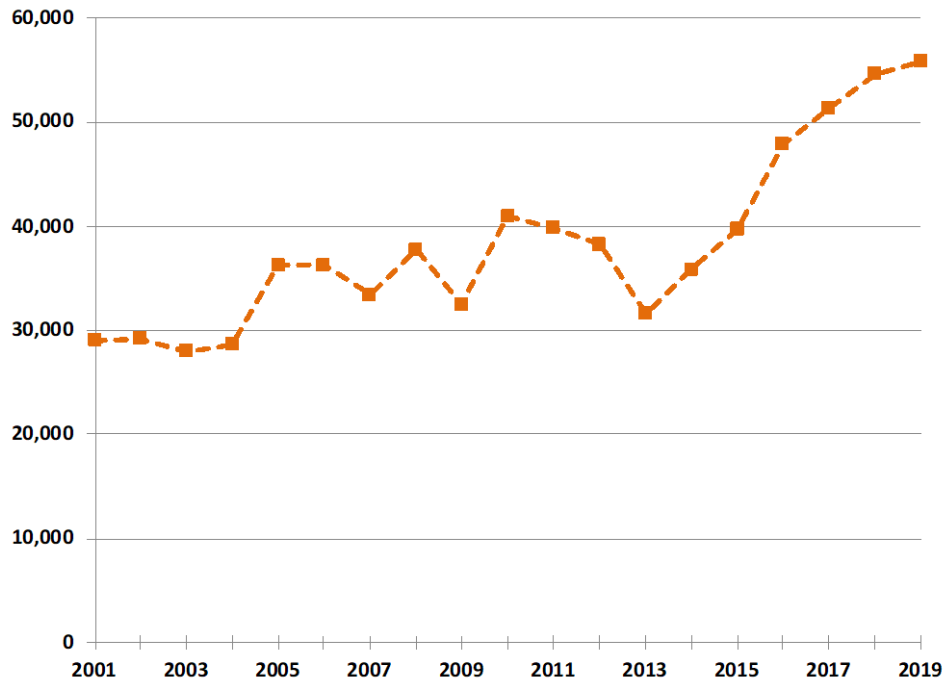
On the Eve of the Pandemic: SSDI Caseload Declining Due to Fewer Awards and More Exits



Source: SSA, Annual Statistical Report on the Social Security Disability Insurance Program, 2019, Tables 1, 35, and 49

Surprising Increase in SSDI Exits Due to Successful Return-to-Work

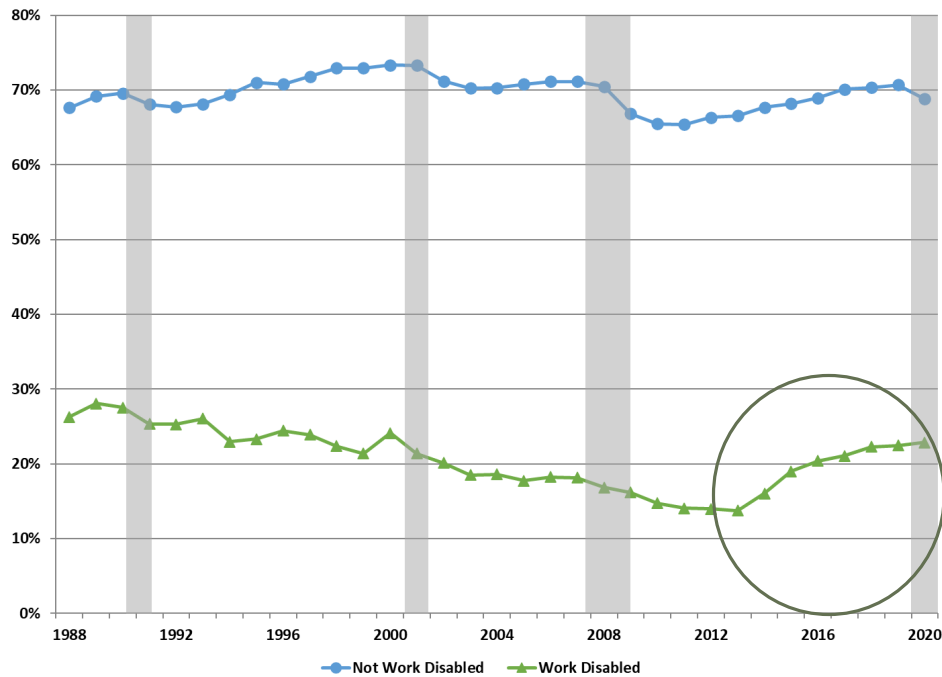
Number of SSDI Beneficiaries Who Exited Due to Successful Return-to-Work, 2001-2019



Source: SSA, Annual Statistical Report on the Social Security Disability Insurance Program, 2001-2019, Table 50

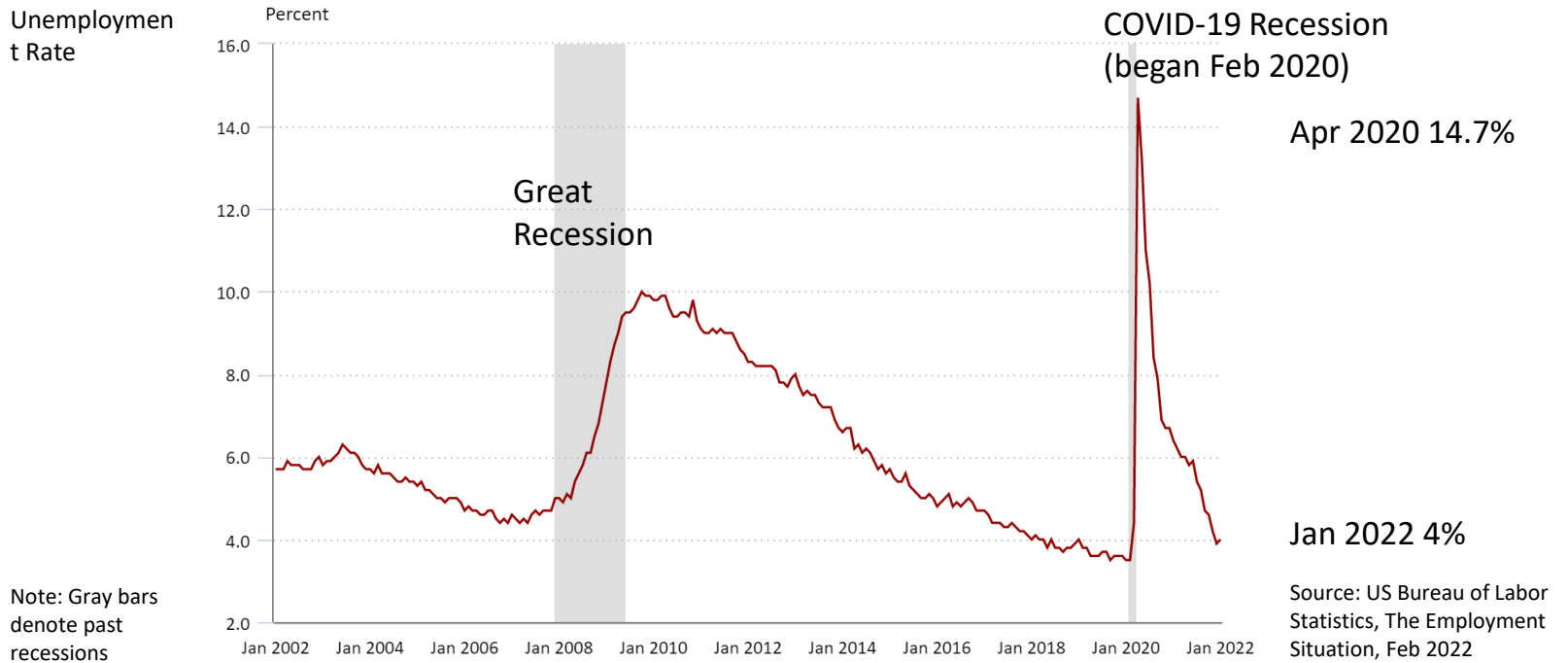
Historic Turnaround in the Employment Rate of People with Disabilities

Employment Rate of People Ages 16-64 with and without Disabilities, 1988-2020



Source: Current Population Survey: Annual Social and Economic Supplement (1988–2020), retrieved from IPUMS

Enter COVID



What Would We Expect Based on Past Recessions?

Large literature showing positive relationship between SSDI applications/awards and unemployment rate.

Compared to Great Recession, rise in unemployment greater, more compressed.

- Unemployment rate rose from 3.7% in 2019 to 14.7% in April 2020
- By January 2022, the unemployment rate was 4%

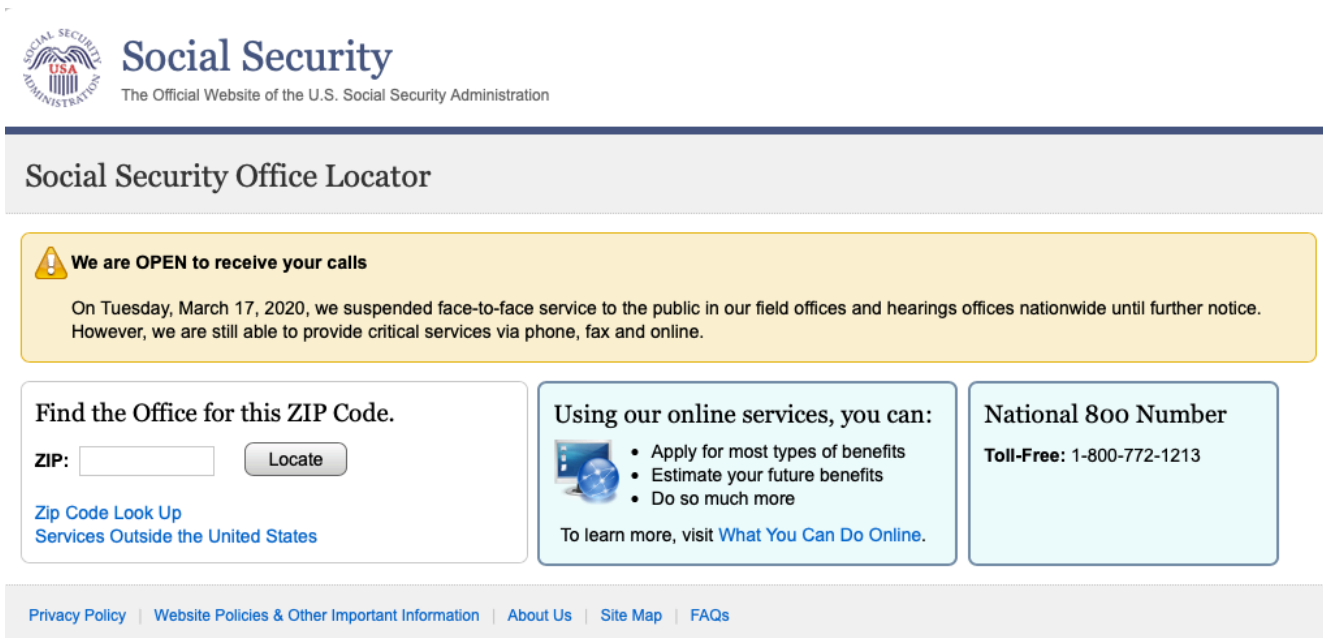
Fundamentals appear like prior recessions (e.g., employment losses concentrated in less educated).

On the other hand: unemployment insurance expansions, stimulus payments help mitigate impact of recession.


COVID also impacts mortality and morbidity

- Mortality is offsetting (people die earlier than they would have absent COVID)
- Morbidity could further increase applications (“long-haulers”)


One Important Factor: Program Access



The screenshot shows the Social Security Administration's Office Locator page. At the top left is the Social Security Administration logo, featuring an eagle with wings spread, holding a shield with 'USA' on it, and the words 'SOCIAL SECURITY ADMINISTRATION' around it. To the right of the logo is the text 'Social Security' in a large blue font, and 'The Official Website of the U.S. Social Security Administration' in a smaller blue font below it. A dark blue horizontal bar contains the text 'Social Security Office Locator' in white. Below this bar is a yellow warning box with a yellow triangle icon containing an exclamation mark. The text inside the box reads: 'We are OPEN to receive your calls' followed by 'On Tuesday, March 17, 2020, we suspended face-to-face service to the public in our field offices and hearings offices nationwide until further notice. However, we are still able to provide critical services via phone, fax and online.' Below the warning box are three light blue boxes. The first box is titled 'Find the Office for this ZIP Code.' and contains a 'ZIP:' label, an empty text input field, and a 'Locate' button. Below the input field are two links: 'Zip Code Look Up' and 'Services Outside the United States'. The second box is titled 'Using our online services, you can:' and contains an icon of a computer monitor and a globe. To the right of the icon is a bulleted list: 'Apply for most types of benefits', 'Estimate your future benefits', and 'Do so much more'. Below the list is the text 'To learn more, visit What You Can Do Online.' The third box is titled 'National 800 Number' and contains the text 'Toll-Free: 1-800-772-1213'. At the bottom of the page is a grey footer bar with the following links: 'Privacy Policy', 'Website Policies & Other Important Information', 'About Us', 'Site Map', and 'FAQs'.

 **Social Security**
The Official Website of the U.S. Social Security Administration

Social Security Office Locator

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Using our online services, you can:

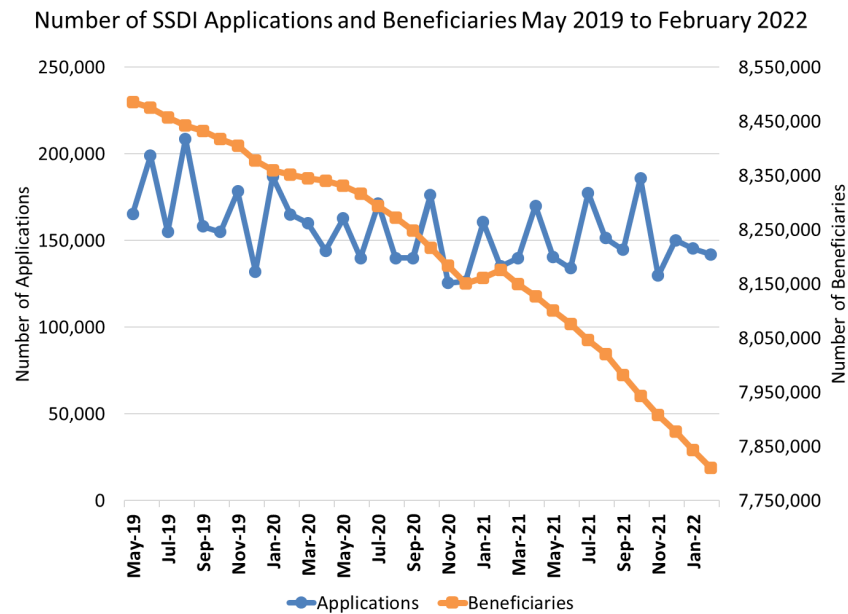
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So Far, No Discernible Increase in DI Applications



Source: <https://www.ssa.gov/oact/STATS/dibStat.html> accessed 4/1/22

Will COVID Change Job Demands?

1. Will employers become more willing to provide accommodations that benefit PWD?
 - Telework is a much-needed accommodation for some PWD
 - EEOC urged to issue guidance that telework is a reasonable accommodation if employer allowed it during pandemic (Wagstaff and Quasius, Sep. 2020, The Regulatory Review)
 - Telework only possible for certain workers in certain industries, and PWD tend to be concentrated in industries that require in-person work
 - Telework possible for 37% of workers overall (Dingel & Neiman 2020)
 - Telework possible for 34% of PWD v. 39.5% for PwithoutD (Kruse, Schur, Ameri 2020)
 - Plus, PWD more likely to lack home internet access
 - 13.5% of PWD live in houses without internet access (compared to 6% PwithoutD) (Kruse, Schur, Ameri 2020)
2. Will COVID accelerate employer automation of tasks or robotization?
 - Maybe; PWD more likely to be in routinized jobs that would be affected
3. Will jobs become more sedentary/require greater cognitive abilities?
 - Maybe; jobs already evolving in this way

Some Speculation about the Future

COVID disease directly impacting health and function

Exposure to workplace risks has increased

- Large fraction of US workforce already has chronic disease or disability, increasing risk of complications or death from COVID

Eventually, laid-off workers with chronic health problems or disabilities will start applying for SSDI in greater numbers, much like they did during Great Recession

- But will they succeed? SSDI not awarding benefits at the same rate; recession-induced applicants less likely to qualify

With automation, jobs already more cognitively demanding for low-skilled workers (without relief from physical demands); this is likely to continue

Opportunity for employers to extend COVID accommodations such as telework, but not all PWD can benefit due to technology and occupational barriers

How can we have a strong recovery for PWD, like last time?

Thank You!

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