Half in Ten

Why Taking Disability into Account is Essential to Reducing Income Poverty and Expanding Economic Inclusion

Shawn Fremstad

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About the Author

Shawn Fremstad is Director of Bridging the Gaps at the Center for Economic and Policy Research in Washington, DC.

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Introduction and Summary

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

The links between disability and poverty remain so strong that unless specific action is taken to tackle disability poverty, the goal of ending child poverty will simply not be met ….

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.

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. A recent prominent example, a set of nine papers on “high-priority poverty strategies for the next decade” presented by leading income-poverty experts at a Brookings Institute forum last year, includes no paper focusing on the link between disability and poverty and only a smattering of references to disability.² The words disability/disabilities were mentioned only 10

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² Papers presented at “Poverty Reduction Strategies for the Next Decade,” Brookings Institution, September 29, 2008, http://www.brookings.edu/events/2008/0929_poverty.aspx. Other recent books that aim at providing a comprehensive overview of poverty and anti-poverty policy in the United States, but have no or very limited discussion of disability include: Kevin Lang, Poverty and Discrimination (Princeton University Press 2007); John Iceland, Poverty in America: A Handbook (University of California 2003); and Rebecca Blank, It Takes a Nation: A New Agenda for Fighting Poverty (Russell Sage Foundation, 1997). I note these particular books not because they’re exceptionally deficient in their treatment of the relationship between poverty and disability, but rather because they’re among the most useful academic overviews of poverty and anti-poverty policy published in the United States during
times in the papers taken as a whole; by comparison, the words marriage/married/marriages/marital were mentioned 136 times.

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. People with disabilities account for a larger share of those experiencing income poverty than people in any single minority or ethnic group (or, in fact, all minority ethnic and racial groups combined); they also, despite the recent fixation on all matters marital in certain anti-poverty policy circles, account for a larger share of the income poor than single parents. Of course, disability is experienced by all of these groups—the point here isn’t that disparities between those with disabilities and those without are more important than racial, ethnic, or gender disparities, but rather that they deserve the same kind of attention as other important forms of disparity have received in anti-poverty research circles.

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

the last decade and a half, a fact which makes the absence from them of any significant discussion of disability particularly striking. Disability has not always been absent from poverty discourse in the United States. Robert Hunter’s classic 1904 book *Poverty*—which includes one of the first estimates of the number of Americans living in poverty, and played an important role in distinguishing poverty from pauperism—includes extensive detail on the links between disability, illness, and poverty. Nor is disability absent from poverty discourse in other wealthy nations. For example, contemporary discussions of poverty in the United Kingdom often view disability as a key factor (although not necessarily one that is adequately addressed by policy). The United Kingdom’s counterpart to our annual Census Report on poverty and income includes estimates of poverty by disability status. See, e.g., United Kingdom Department of Work and Pensions, “Households Below Average Income: An Analysis of the Income Distribution 1994/95 – 2007/08,” (2009). Similarly, Peter Townsend’s classic *Poverty in the United Kingdom* (Penguin Books, 1979) includes separate chapters on “Disabled People and the Long-Term Sick” and “Handicapped Children” and Peter Alcock’s more recent *Understanding Poverty* (Palgrave Macmillion, 1997) includes a chapter on disability.
There is a second important linkage between poverty and disability, one that is also little remarked upon in contemporary anti-poverty discourse, namely the extent to which jobs that involve providing care to people with disabilities—a field known as direct care work—are one of the largest categories of bad jobs in the United States, ones that pay very low wages, rarely provide retirement benefits, and often lack health insurance and paid sick leave and vacation.

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. A particularly important and immediate implication is the fundamental importance of health care reform, especially the provision of universal coverage, to anti-poverty efforts. Similarly, policies that would guarantee paid sick leave and paid family leave to workers as well as improvements to the Social Security Disability Income (SSDI) and Supplemental Security Income (SSI) programs should be seen as central to anti-poverty policy.

A related immediate implication concerns debates over how to overhaul the official U.S. poverty measure. The alternative most actively being considered—a measure developed by a National Academy of Sciences panel in the mid 1990s—would likely undercount poverty among people with disabilities relative to those without disabilities. This is because the NAS measure would count certain benefits that people with disabilities are more likely to receive, without taking into account some of the additional costs of having a disability. A more fundamental reworking of the current poverty measure—one that draws on important advances in poverty measurement over the last decade and a half since the NAS measure was developed—is needed. The multi-dimensional poverty measure recently adopted by the United Kingdom—one that defines poverty as a combination of low income and material hardship—provides the best starting point for this reworking.

Finally, anti-poverty advocates and researchers, who in the United States have defined poverty 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. The most important of these frameworks are social inclusion and the capabilities approach.

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**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.**


** Paraprofessional Health Institute, “Who are Direct-Care Workers?, Fact Sheet 3,” January 2009.
Defining and Measuring Disability and Poverty

Defining Disability

Disability is a complex and evolving concept. For most of the 20th century, disability was viewed solely in individual and medical terms as a problem intrinsic to the person with the disability. Over the last half century, disability has come to be understood in dynamic social terms as a process that involves the interaction between people with health conditions and the environments in which they live and work.

The most broadly accepted framework for understanding disability today, the International Classification of Functioning, Disability and Health (ICF), views disability in these terms.\(^3\) The ICF was developed using a global consensus-building process and released in 2001. In its most recent report on disability, the Institute of Medicine—one of the National Academies created by the federal government to be an adviser on scientific matters—endorsed the ICF framework.

The ICF “describes human functioning and disability as the product of dynamic interaction between various health conditions and environmental and personal contextual factors.”\(^4\) According to the ICF, environmental and personal factors interact with a health condition and determine the level and extent of one’s functioning. A disability, according to this framework, is an umbrella term for impairments, activity limitations, or participation restrictions, which are defined as follows:\(^5\)

- **Impairments**: Problems in body function (the physiological, including psychological, functions of body systems) or body structure (the anatomical parts of the body such as organs, limbs, and their components). Impairments represent a deviation from certain generally accepted population standards in the biomedical status of the body and its functions. They can be temporary or permanent; progressive, regressive, or status; intermittent or continuous.
- **Activity Limitations**: Difficulties an individual may have in executing a task or action.
- **Participation Restrictions**: Problems that an individual may experience in involvement in life situations.

Both activity limitations and participation restrictions are “assessed against a generally accepted population standard … that of an individual without a similar health condition ….”\(^6\)

Figure 1 is a simplified representation of the ICF conceptual model. As it shows, impairments, activity limitations, and participation restrictions overlap to a considerable degree, but are not co-extensive. Any one can exist in the absence of either or both of the others. As the ICF is careful to note, an activity limitation or participation restriction can result from a health condition, even when there is no impairment: “For example, an individual who is HIV-positive without any symptoms or disease, or someone with a genetic predisposition to a certain disease, may exhibit no impairments

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4 Future of Disability, p. 37.
5 ICF, pg. 3.
6 ICF, p. 21.
or may have a sufficient capacity to work, yet may not do so because of the denial of access to services, discrimination or stigma.”

FIGURE 1
Simplified ICF Conceptual Model

The ICF disability framework is similar to how disability is defined by U.S. civil rights laws. Most notably, the Americans with Disabilities Act (ADA) of 1990 defines “disability” as “a physical or mental impairment that substantially limits one or more of the major life activities of such individual” or “being regarded as having such an impairment.”

By contrast, definitions of disability created for specific social-insurance programs, typically ones that pre-date the ADA and much of the evolution in the concept of disability, tend to be much more limited. The definition of disability used in the SSDI and SSI programs, for example, was largely established in the 1950s and limits disability to impairments which can be expected to last for at least a year and leave someone incapable of doing her or his previous work, or any other work in the national economy that they would otherwise be qualified for based on their age, work experience, and education.

7 ICF, p. 21.
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). In a review of these data sets, Robert Weathers classifies the disability questions they include into six categories that flow from these concepts: sensory impairment (difficulty seeing or hearing), physical impairment, mental impairment, activity of daily living (ADL) limitation, instrumental activity of daily living (IADL) limitation, and work limitation. ADLs and IADLs are closely related and similar to the activity limitation and participation restrictions used in the ICF. As used in national data sets, ADLs include getting around inside the home, getting in or out of bed, bathing, and dressing; IADLs include going outside the home, keeping track of money and bills, preparing meals and using the telephone.

The ACS, NHIS, and SIPP include questions about disability that fall into each of these six categories, with the SIPP having the most comprehensive set of questions. The Decennial Census includes questions that fall into four of the six (IADL and work limitation questions are not asked). Before June 2008, the CPS only asked a work limitation question, but since then it has adopted a set of disability questions very similar to those used in the ACS. While none of the sets of disability questions used in each of these major surveys match up perfectly with the ICF framework, those in the ACS and SIPP come closest.

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. Various “topical modules” ask questions not included in the core. SIPP’s core includes one question about work limitations. Several of the topical modules include more detailed sets of questions about disability. The SIPP disability questions most commonly used by researchers are included in the “Functional Limitations and Disability” module and include: 1) six questions on sensory disability; 2) thirteen questions on physical disability; 3) one question on mental disability; 4) two questions on limitations on activities of daily living; and 5) two questions on instrumental activities of daily living.

A primary strength of the SIPP is that it can be used, as David Wittenburg and Sandi Nelson explain, to “construct a variety of disability measures,” including ones consistent with the ADA and ICF definitions. In addition, 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.

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Decennial Census: The Census 2000 long form had six questions on disability. The first two asked whether each individual had any of the following conditions: 1) blindness, deafness, or a severe vision or hearing impairment; 2) a condition that substantially limits one or more physical activities such as walking, climbing stairs, reaching, lifting, or carrying. The next four asked whether because of a physical, mental, or emotional condition lasting six months or more, whether each individual had any difficulty doing any of the following activities; 1) learning, remembering, or concentrating; 2) dressing, bathing, or getting around inside the home; 3) going outside the home alone to shop or visit a doctor’s office (asked only for persons 16 years or older); and 4) working at a job or business (asked only for persons 16 years or older).

American Community Survey: The 2001 to 2007 versions of the ACS include the same six disability questions as Census 2000. Starting with the 2008 survey, a modified, but very similar set of questions, are used:

- Is this person deaf or does he or she have serious difficulty hearing?
- Is this person blind or does he or she have serious difficulty seeing even when wearing glasses?
- Because of a physical, mental, or emotional condition, does this person have serious difficulty concentrating, remembering, or making decisions?
- Does this person have serious difficulty walking or climbing stairs?
- Does this person have difficulty dressing or bathing?
- Because of a physical, mental, or emotional condition, does this person have difficulty doing errands, such as visiting a doctor’s office or shopping?

Two notable strengths of the ACS are that it includes persons living in group quarters (starting in 2006)—including prisons, jails, juvenile facilities, nursing homes, and group homes—many of whom have disabilities, and has a sample size large enough to produce reliable estimates at a state and, in many cases, sub-state level.

Current Population Survey: The Current Population Survey is a monthly survey and the nation’s primary source of employment and related labor market data. Until very recently, the CPS only asked about work limitations (Do you have a health problem or disability which prevents you from working or which limits the kind or amount of work you can do?), and only once a year as part of the March survey. As Weathers notes, “most researchers agree that there are substantial limitations to using this question [alone] to measure the size and characteristics of the population of persons with a disability” although it can be useful for certain other related purposes. Since the March CPS is a primary source of annual poverty data, the limited nature of the disability data may help explain why disability has received such limited attention from income-poverty researchers. However, since June 2008, the CPS has included a more comprehensive set of disability questions modeled on those now included in the ACS.

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Defining and Measuring Poverty

As used in this paper, income poverty is generally defined using the official federal poverty definition. In 2008, the poverty threshold for three people was $17,165. The official poverty definition is based on pre-tax income and does not include in-kind benefits such as supplemental nutrition assistance (food stamps) and housing assistance. Some of the research cited in this paper, however, uses a broader definition of income poverty that incorporates some of these benefits.

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. The United Kingdom, for example, recently adopted a “tiered measure” of child poverty for use in measuring progress toward its goal of ending child poverty by 2020. One of the three tiers of the measure defines poverty as a combination of low income (under 70 percent of median income, or somewhat more than half of the current U.S. poverty threshold) and the presence of various material hardships.

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. 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.

Most adults with disabilities were not born with them. Not surprisingly, the risk of disability, as well as its severity, increases with age. About 10 percent of people age 15 to 24 have experienced a period of disability, compared to 30 percent of adults age 55 to 64 and more than half (55.9 percent) of elderly persons age 75 to 79 have a disability.

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.

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Using data from the 2001 SIPP panel, Wittenburg and Nelson found that about 24 percent of working-age adults (ages 25-61) reporting a work limitation when interviewed between June 2002 and September 2002 (wave 5 of the 2001 SIPP) no longer reported the limitation a year later (during wave 8). Of those who did not report a work limitation when interviewed between June 2002 and September 2002, some 3.2 percent reported a limitation a year later. Because the population of those with no limitation is so much larger than those with a limitation, however, the 3.2 percent is a substantial amount, almost 3.6 million people, and somewhat larger than the 24 percent of people who moved from a limited to a non-limited status.

Using data from the British Household Panel Survey and examining a seven-year period, the years 1991-1997, Tania Burchardt finds that about one in four working-age adults (which she defines as age 16-64) experienced a disability (specifically a limitation in an activity of daily living), but only 10 percent of them were disabled during the entire period. She also finds that women are more likely to experience disability than men, particularly disabilities related to mental health.

In a new working paper that uses longitudinal data from 1968 to 2005, Bruce D. Meyer and Wallace K.C. Mok find that male household heads had a 53-percent chance of having been disabled by age 56, and about 19 percent had begun a period of chronic and severe disability. Among the male household heads who had been disabled by age 56, about half were currently disabled; the other half had experienced periods of disability but were not currently disabled. These estimates of lifetime disability risk would likely be higher if Meyer and Mok used a current ICF-based definition of disability. The PSID, reflecting its creation in the 1960s, uses a narrower definition of disability that focuses on work limitations. As a result, it produces estimates of disability prevalence that are lower than surveys like the SIPP and ACS that use more contemporary definitions of disability.

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.

The low employment-population ratio for people with disabilities is due both to the considerably lower rate of labor force participation among people with disabilities and a higher rate of unemployment for those people with disabilities in the labor force. In August, 22.2 percent of persons age 16 and over with disabilities were in the labor force compared to 71.2 percent of those with no disability; the unemployment rate for people with disabilities was 16.9 percent compared to 9.3 percent persons with no disability.

14 Wittenberg and Nelson, Table 8.
Disability and Income Poverty and Other Forms of Material Deprivation

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. They measure disability using both the work disability measure from the core SIPP and questions about functional, sensory, and activity limitations from the topical module on Functional Limitations and Disabilities. Although earlier studies have looked at poverty rates by disability status, their research is particularly notable because it includes measures of both shorter-term (at least 12 months) and longer-term, consistent (at least 36 months in a 48-month period) poverty, as well as a full range of disability measures from the SIPP, including disability severity and duration measures.

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.

She and Livermore measure the severity of disability by using SIPP questions about the extent to which a work disability limited or prevented work and whether a person with a sensory, functional or activity limitation required assistance doing an activity or function. Among those in poverty in 2007 with a work disability, just over half had a severe disability that prevented them from working the entire year. Similarly, among those in poverty with a sensory, functional, or activity limitation, the people with more severe limitations (ones that necessitated assistance with at least one activity or function) also accounted for about half.

Annual income poverty is an important measure, but we know that many people, particularly lower-income people, experience considerable ups and downs in income over multi-year periods.  

18 Peiyun She and Gina A. Livermore, “Long-Term Poverty and Disability Among Working-Age Adults,” Journal of Disability Policy Studies 2009; 19; 244.
19 For example, a recent study from the Urban Institute found that about one-third of all low-income families with children experienced income drops of at least 25 percent from one four-month period to the next in 2004. Gregory Acs, Pamela Loprest, and Austin Nichols, “Risk and Recovery: Documenting the Changing Risks to Family Incomes,” The Urban Institute, May 2009. Acs and his colleagues also examine whether volatility is due to large spikes in income prior to the drop, and finds that this is generally not the case. Among families in the first quintile, about half experienced stable or declining income before the drop. Just over one-third had experienced a spike in income. The same researchers also found that low-incomes were substantially more likely to experience income drops of this magnitude or greater than middle-income families. Using a somewhat different measure of income volatility—the
Moreover, a majority of Americans experience income poverty for at least one year during their adult lives.\textsuperscript{20} Thus, an annual income measure will include both those who experience poverty for relatively shorter periods (although a year is still a long time to live below the poverty line), and those who live below it for longer periods of time. There is good reason to believe that disability is a factor that contributes to income poverty of the longer-term sort.

Because the SIPP is a longitudinal survey, one that in 1996 tracked people for 48 months, She and Livermore are able to develop separate estimates of disability prevalence among people experiencing longer-term poverty. They find that nearly two-thirds (65 percent) of working-age adults who experience longer-term poverty—specifically more than 36 months of poverty during a 48-month period—have one or more disabilities.

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.\textsuperscript{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.

Meyer and Mok also examine the long-term impact of disability on poverty and other measures related to well being for male household heads. Using a poverty measure that takes taxes, food stamps, and subsidized housing assistance into account, they find that about 17 percent of people with chronic and severe disability live in poverty during the year of the disability’s onset, and that increases to 23 percent in the subsequent year. For those categorized as having a temporary disability (people who, in the ten years after onset of a work limitation, report having a limitation on one or two subsequent occasions), poverty rates increased in first six years after onset, and decline after that.

Among all the male household heads in their sample, they find not only that earnings drop substantially during the year of a disability’s onset—by $6,400 relative to five years previously—but also in the year prior to the disability’s onset (by about $4,000). In the longer-term (six to 10 years after onset), earnings fall by about $10,000 annually. The largest declines are for those experiencing a chronic and severe disability; this group experiences an average decline of nearly $30,000, or about 68 percent, by the tenth year after the onset of the disability.

Food and housing consumption also decline in a sustained way. Among all the household heads with disabilities, food and housing consumption are 9 percent lower on average in the tenth year after onset. The decline is particularly large—22 percent for food and housing—for those with chronic and severe disabilities.


About Four Out of Every Ten Families Experiencing Poverty Have One or More Disabled Members

Data from the Decennial Census conducted in 2000 shows that about 2.67 million of the 6.62 million families experiencing income poverty in the United States—4 out of every 10—included one or more members with a disability.\(^{22}\) (A family is defined in Census 2000 as householder living with one or more individuals related to her or him by birth, marriage, or adoption). The poverty rate for families that included a member with a disability was substantially higher (12.8 percent) than it was for families without members with a disability (7.7 percent).

Families raising a child with a disability have even higher income poverty rates: 17 percent compared to 11.4 percent for families with an adult with a disability. Of the 2.67 million below-poverty families with a member with a disability, a child is the member with a disability in about 1 in 5.

People with Disabilities in the United States are More Likely to Experience Income Poverty Rates than People with Disabilities in Other Wealthy Nations

Similar relationships between employment, unemployment, and disability are seen in other advanced economies. In the European Union, for example, about 30 percent of men with disabilities and 27 percent of women with disabilities were employed in 2002.\(^{23}\) However, a number of EU nations—including all of Nordic nations—and Canada have higher levels of employment among people with disabilities than the United States.\(^{24}\)

The U.S. is a notable outlier when it comes to poverty rates for people with disabilities. The U.S. has a higher income poverty rate for people with disabilities (using a standardized measure set at 60 percent of median adjusted disposable income and adjusted for price differences) than any other nation in Western Europe as well as Australia and Canada.\(^{25}\) A handful of nations—again mostly Nordic—have eliminated the disparity in poverty rates between people with disabilities and those with no disabilities.

“Real Poverty” and 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. As Amartya Sen notes:

…”The identification of poverty with low income is well established, but there is, by now, quite a substantial literature on its inadequacies. … Different people can have quite different opportunities for converting income … into characteristics and good living and into the kind of freedom valued in human life. Thus, the relationship between resources and poverty is

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\(^{25}\) OECD at Figure A2.6.
both variable and deeply contingent on the characteristics of the respective people and the environment in which they live—both natural and social.\textsuperscript{26}

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). Thus real poverty (in terms of capability deprivation) can easily be much more intense than we can deduce from income data.\textsuperscript{27}

A 2005 review of research on the costs of disability conducted by the UK government supports this notion, finding that:

... all studies conducted to date have concluded that there are extra costs incurred by disability. Most studies conclude that disabled people’s needs are not fully met through services, and the cost of private provision to meet needs is not fully covered by extra costs benefits.\textsuperscript{28}

As an example, one of the studies cited in the review finds “that the extra costs of disability are substantial, especially for disabled people living alone, and that these costs rise with severity of disability” and that “unadjusted incomes significantly understate the problem of low income amongst disabled people, and thereby in the population as a whole.”\textsuperscript{29}

In a study published after the UK government’s 2005 review, She and Livermore find that among working-age adults living below the poverty line those reporting work disabilities experience higher rates of material hardship than those not reporting any disabilities.\textsuperscript{30} This increased risk of hardship persists after controlling for income and other characteristics. In a logistic regression model that controls for income, age, various other demographic characteristics, and receipt of certain public benefits, She and Livermore find that people with work disabilities are 40 percent to 200 percent more likely to experience various material hardships than people without such disabilities. They estimate that among persons living below the current poverty line, person with a disability would require income of roughly two to three times the poverty line to have the same lower risk of experiencing most material hardships as a person without a disability.

A related limitation of the U.S. income poverty line is that it is so low that it does not include the majority of people in the United States who struggle to “make ends meet.” The current federal poverty line is below 30 percent of median income. By contrast, the typical response to questions asked in public opinion surveys about the amount needed to “get along” at a basic level is around 50

\begin{thebibliography}{9}
\bibitem{26}Sen at p. 254.
\bibitem{27}Sen at p. 254.
\bibitem{30}She and Livermore (2007).
\end{thebibliography}
to 60 percent of the median income for a family of four ($37,000 to $44,000 in 2006). Moreover, most people in the United States who experience material hardships like food insecurity and problems paying rent or mortgages live below this “get along” level but above the federal poverty line. Thus, simply looking at officially defined income poverty may paint a more limited picture of material disadvantage in the United States than is warranted. For this reason, 200 percent of the federal poverty line is often used by researchers and others as a more reasonable indicator of low-income status.

In general, material hardship rates increase with income. The fact that most people who experience hardships live between 100 and 200 percent of the poverty line is due not to a higher rate of hardship, but rather because about twice as many people live between 100 and 200 percent of the poverty line as live below it. However, She and Livermore find that people with disabilities living between 100 and 200 percent of poverty experience material hardships at a rate that is roughly similar to, and, in some cases higher than, working-age adults with no disabilities whose incomes are below the poverty line.

### Disability Among People Living in 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. While the SIPP does not survey this population, both the Decennial Census and the ACS (since 2006) do. Group quarters are categorized as either institutional (including jails, prisons, halfway houses, nursing homes, juvenile facilities, psychiatric hospitals, residential schools, and drug/alcohol abuse treatment facilities) or non-institutional (including group homes for people with mental illness or retardation, college dormitories, military quarters, job corps and vocational training facilities, emergency and transitional shelters, and shelters for battered women).

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. About one-third of those in institutions live in nursing facilities and nearly all of them have a disability. Among people living in adult correctional facilities—about 40 percent of the institutionalized population—about 3 in 10 (28.8 percent) have a disability.

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. The method for identifying disability used by HUD is quite limited, so this is likely an underestimate.

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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.  

  34 For recommendations on health care reform from a disability-rights perspective, see http://www.c-c-d.org/task_forces/health/CCD-Health-Reform-Principles42209.pdf.

- **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. Research has shown that taking adequate time to rest and recuperate when sick encourages a faster recovery and helps prevent minor health conditions from progressing into more serious illnesses. Without paid sick days and leave, working adults are placed at risk economically, experiencing wage and job loss when they take time off to care for their own health or to provide care for family members. As just one example, in a study of nurses, paid sick days were the only benefit significantly associated with an increased likelihood of returning to work after developing heart disease or having a heart attack. Nurses with paid sick days were 2.6 times more likely to be able to return to work after a heart attack or angina.


- **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.” The wealthy nations with the highest rates of
employment among people with disabilities and the lowest rates of poverty tend to be ones that provide generous disability benefits. Similarly, recent research conducted on SSI benefits for children finds that receipt of benefits increases household income and reduces poverty without any reduction in parents’ earnings.  

- **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 low-wage workers and parents, including those with disabilities or who are caring for family members with disabilities. Of particular importance, the very modest EITC for workers without children should be increased by a substantial amount. In addition, the Child Tax Credit should be extended to all low-income parents. Consideration should be given to providing supplements to both the EITC and Child Tax Credit for workers with disabilities and people caring for family members with disabilities. The United Kingdom’s Working Tax Credit, which is similar to the Earned Income Tax Credit, includes such an additional benefit for people 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. The new poverty measure adopted by the United Kingdom provides the best starting point for updating the poverty measure.

- **Exploring More Comprehensive Frameworks:** Anti-poverty advocates and researchers, who in the United States have defined poverty 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. The most important of these frameworks are social inclusion and the capabilities approach. Both frameworks, which are related in important ways, are more consistent with how disability rights advocates and researchers in the United States

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understand disability, and how progressive anti-poverty advocates and researchers understand poverty. Moreover, these sorts of new frameworks and ways of understanding social and economic disadvantage may be useful in overcoming the “apparent limits [the poverty framework has] in rallying the public will required to mount policies that can lift families out of poverty.”42 Along these lines, anti-poverty researchers and others should view means-tested programs like Temporary Assistance, Food Stamps, the Earned Income Tax Credit, and housing assistance as integral elements of broader systems of social protection—in essence, as social insurance that “cover[s] common risks to income security across the life cycle of individuals”—rather than “welfare.”43

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. Even those that would provide specific benefits to people with disabilities or people caring for people with disabilities are best thought of as examples of what Theda Skocpol has called “targeting within universalism,” that is, providing extra benefits and special services to specific groups within universal policy frameworks.44

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