

Contract No.: 0600-03-60130
MPR Reference No.: 8977-809

MATHEMATICA
Policy Research, Inc.

Center for
Studying 
DISABILITY POLICY

**Work Activity and Use of
Employment Supports
Under the Original Ticket
to Work Regulations**

**Highlights of the Fifth
Ticket to Work Evaluation
Report**

Final Report

December 2010

*Gina Livermore
David Stapleton*

Submitted to:
Social Security Administration
Office of Retirement and Disability
Policy
500 E Street SW, 9th Floor
Washington, DC 20254

Submitted by:
Mathematica Policy Research
600 Maryland Ave., SW, Suite 550
Washington, DC 20024-2512
Telephone: (202) 484-9220

Project Officer: Paul O'Leary

Project Director: Gina Livermore

Page is intentionally left blank to allow for double side copying

CONTENTS

Chapter	Page
ACRONYMS	vii
I INTRODUCTION	1
II KEY FINDINGS	5
A. SSI AND DI BENEFICIARIES EXPERIENCE SIGNIFICANT EMPLOYMENT CHALLENGES, BUT THE FEW WHO WERE WORKING APPEARED TO HAVE RELATIVE STRONG TIES TO THEIR JOBS.....	5
B. DESPITE THE CHALLENGES AND LIMITED SUCCESS IMPLIED BY CROSS-SECTIONAL DATA, EMPLOYMENT EXPECTATIONS REMAINED RELATIVELY HIGH AMONG BENEFICIARIES, AS DID EMPLOYMENT AMONG THOSE WITH WORK GOALS. FURTHERMORE, MORE THAN A QUARTER OF BENEFICIARIES WORKED AT SOME TIME WHILE RECEIVING BENEFITS	7
C. YOUNGER BENEFICIARIES AND THOSE WHO ENTERED THE ROLLS RECENTLY WERE THE MOST LIKELY TO PURSUE EMPLOYMENT. OTHER CHARACTERISTICS WERE ALSO CORRELATED WITH EMPLOYMENT-RELATED EXPECTATIONS AND ACTIVITIES	8
D. A SUBSTANTIAL SHARE OF THOSE WHO BECAME EMPLOYED LEFT THE DISABILITY ROLLS AS A RESULT OF EARNINGS, BUT MANY DID NOT.....	10
E. MANY OF THOSE WHO SUCCESSFULLY LEFT THE DISABILITY ROLLS FOR WORK WERE ABLE TO REMAIN OFF THE ROLLS FOR A SUBSTANTIAL PERIOD OF TIME. FOR THOSE WHO RETURNED TO THE ROLLS, WE HAVE ONLY LIMITED INFORMATION ABOUT THE REASONS FOR THEIR RETURN	12

Chapter	Page
II	(CONTINUED)
F.	BENEFICIARIES WHO BECAME EMPLOYED BUT REMAINED ON THE ROLLS DID SO FOR NUMEROUS REASONS, PARTICULARLY A DESIRE TO MAINTAIN CASH BENEFITS..... 12
G.	BETTER AWARENESS OF SSA WORK SUPPORTS MIGHT HAVE ADDRESSED CONCERNS ABOUT INCENTIVES FOR SOME BENEFICIARIES, BUT FINDINGS FROM OUR ANALYSES WERE MIXED..... 13
H.	SSA HAS BEEN ATTEMPTING TO IMPROVE THE RESOURCES AVAILABLE TO BENEFICIARIES TO INCREASE THEIR KNOWLEDGE OF SSA WORK SUPPORTS AND USE THEM MORE EFFECTIVELY, BUT SOME EVIDENCE SUGGESTS THOSE RESOURCES MAY NOT BE ADEQUATE TO MEET BENEFICIARY DEMAND 15
I.	TTW HAS SERVED A SMALL AND SELECT GROUP OF BENEFICIARIES THAT HAS ACHIEVED POSITIVE EMPLOYMENT OUTCOMES, BUT THE PROGRAM APPEARS TO HAVE HAD A LIMITED IMPACT 16
J.	TTW WAS NOT ECONOMICALLY VIABLE FOR PROVIDERS UNDER THE ORIGINAL REGULATIONS UNLESS THEY HAD SUBSTANTIAL COMPLEMENTARY REVENUES FROM OTHER SOURCES 18
K.	THE NEW REGULATIONS SEEM LIKELY TO REINVIGORATE THE MARKET, DRAWING MORE PARTICIPANTS AND PROVIDERS, BUT MIGHT NOT LEAD TO HIGHER EARNINGS OR PROGRAM SAVINGS 19
L.	THE FINDINGS DEMONSTRATE THE IMPORTANCE OF CONSIDERING THE BROADER SOCIAL OBJECTIVES OF TTW, BEYOND PROGRAM SAVINGS..... 19
III	CONCLUSIONS..... 21
	REFERENCES 23

T A B L E S

Table	Page
1 POINT-IN-TIME (AT INTERVIEW/INTAKE) AND LONGITUDINAL (FOUR-YEAR) EMPLOYMENT STATISTICS FOR SELECTED BENEFICIARY SUBGROUPS	9
2 MONTHS OFF THE DISABILITY ROLLS (CASH BENEFITS) DUE TO EARNINGS DURING A FOUR-YEAR PERIOD, BY SELECTED BENEFICIARY SUBGROUPS	12

Page is intentionally left blank to allow for double side copying

ACRONYMS

BPAO	Benefits Planning Assistance and Outreach Program
DI	Social Security Disability Insurance (under Title II of the Social Security Act)
EN	Employment Network
I&R	Information and Referral
IRS	Internal Revenue Service
NBS	National Beneficiary Survey
SGA	Substantial Gainful Activity
SSA	Social Security Administration
SSI	Supplemental Security Income (Title XVI of the Social Security Act)
SSN	Social Security Number
SVRA	State Vocational Rehabilitation Agency
TANF	Temporary Assistance for Needy Families
TTW	Ticket to Work
WIPA	Work Incentives Planning and Assistance

Page is intentionally left blank to allow for double side copying

I. INTRODUCTION

The passage of the Ticket to Work and Work Incentives Improvement Act of 1999 (Ticket Act) prompted numerous changes in the Supplemental Security Income (SSI) and Social Security Disability Insurance (DI) programs intended to encourage and facilitate the employment efforts of disability program participants. Among the changes was the implementation of the Ticket to Work (TTW) program, which was designed to increase access to and quality of employment services for disability beneficiaries. Under TTW, the Social Security Administration (SSA) provides beneficiaries with a Ticket they can use to obtain vocational rehabilitation, employment, or other support services from participating providers called Employment Networks (ENs). These providers receive payments from SSA if the beneficiaries they serve achieve successful employment outcomes.

Congress passed the Ticket Act in part because it wanted to give people with severe disabilities a better chance to participate fully in society, particularly through employment. It was hoped that TTW would be self-financing, but that was not the only reason to establish a program that would provide supports to beneficiaries who want to work. Congress also recognized that it had inadequate information with which to design an effective program. At the time the law was passed, little research had been conducted on the employment-related activities of beneficiaries, and no pilot test of the TTW concept was conducted prior to the full-scale implementation of the program. The Ticket Act did, however, give the Commissioner of Social Security the authority to monitor and revise the program to make it more successful. The TTW evaluation is one means by which SSA has been monitoring the program and developing information needed to improve it. In response to information about the early experiences of the program, both from the evaluation and other sources, SSA substantially revised the TTW program and implemented the changes in July 2008.¹

This summary presents the key findings from a collection of nine studies conducted in 2009–2010 that focused on the employment efforts of working-age (age 18 to full retirement age) SSI and DI beneficiaries and the SSA work incentives and supports, that is, program features designed to encourage and facilitate beneficiary employment. Three of these reports specifically concern TTW participants and program issues, while the other 6 are studies on more general topics related to beneficiary employment and SSA work supports other than

¹ The new regulations substantially revised the two new TTW payment systems in ways intended to make provider participation in the program more worthwhile financially: the total potential amounts payable under the milestone-outcome and outcome-only systems were increased; the outcome payment period was reduced from 60 to 36 months for DI beneficiaries; the number of milestone payments was increased; the level of employment necessary to generate certain milestone payments (the Phase 1 milestones) was reduced; and outcome payments were no longer reduced for previous milestone payments. In addition, SVRAs could now serve beneficiaries under the traditional cost reimbursement system without requiring the beneficiary to assign the Ticket. Both SVRAs and ENs were enabled to receive payment for serving a beneficiary sequentially (SVRAs under traditional cost reimbursement and ENs under the elected TTW EN payment system) after the SVRA had closed the beneficiary's case and the beneficiary's Ticket had been assigned to an EN.

TTW. Collectively, these nine studies constitute the fifth report of the Ticket to Work program evaluation. They include the following:

1. **“Process Evaluation of the Work Incentives Planning and Assistance (WIPA) Program”** (O’Day et al. 2009) focuses on stakeholder experiences with the implementation of the WIPA program. This SSA initiative, which began in 2006, refocused the earlier Benefits Planning, Assistance, and Outreach program to emphasize the provision of information and guidance on the effective use of SSA work-incentive provisions and supports to SSI and DI beneficiaries and to place a greater emphasis on encouraging and facilitating successful work attempts.
2. **“Characteristics, Employment, and Sources of Support Among Working-Age SSI and DI Beneficiaries”** (Livermore et al. 2009a) presents a profile of all working-age SSI and DI beneficiaries, focusing on selected personal characteristics, activities, and outcomes closely associated with employment. Separate profiles are developed for SSI-only, DI-only, and concurrent beneficiaries (those receiving both SSI and DI), based on data from a nationally representative survey of working-age SSI and DI beneficiaries.
3. **“Participation in Ticket to Work Continues to Grow but Assignments Under the Traditional Payment System Still Dominate”** (Stapleton et al. 2009) provides updated information (through December 2006) on the extent to which SSI and DI beneficiaries who are eligible for TTW actually participate in the program by assigning their ticket to a state vocational rehabilitation agency (SVRA) or other EN.
4. **“2006 National Beneficiary Survey: Background and Statistical Tables”** (Livermore et al. 2009b) presents the sampling design and data collection activities for round 3 of the National Beneficiary Survey (NBS), conducted in 2006, and provides a variety of descriptive statistics on working-age SSI and DI beneficiaries derived from the national cross-sectional sample.
5. **“SSI and DI Beneficiaries with Work-Related Goals and Expectations”** (Livermore et al. 2009c) provides an analysis of the characteristics, service use, awareness of SSA work supports, and employment of working-age SSI and DI beneficiaries who report having work goals or expectations, based on data from the 2004 NBS matched to SSA administrative data covering 2004–2007.
6. **“Benefits Planning, Assistance, and Outreach (BPAO) Service User Characteristics and Use of Work Incentives”** (Livermore and Prenovitz 2010) focuses on the characteristics, service use, use of SSA work supports, and employment outcomes of beneficiaries who used BPAO services (the precursor to the WIPA program) from 2001 to 2005.
7. **“Longitudinal Statistics for New Social Security Disability Insurance Beneficiaries”** (Stapleton et al. 2010a) presents the findings of a longitudinal

analysis of the extent to which new DI beneficiaries return to work and use DI work supports. Using SSA administrative data, the study focuses on individuals who began receiving DI benefits in 1996, following them for the next 10 years. The experiences of more recent annual DI cohorts (1997–2005) are also reported.

8. **“Time That Beneficiaries Spend Off the Rolls Due to Work and the Payments Generated for Employment Networks”** (Stapleton et al. 2010b) focuses on the extent to which cash benefits for SSI and DI beneficiaries were suspended or terminated because of earnings during 2002–2006, comparing time off the disability rolls for TTW participants and nonparticipants and assessing the extent to which TTW participants who were off the rolls for work generated payments to ENs under the milestone-outcome and outcome-only payment systems.
9. **“Longitudinal Experiences of an Early Cohort of Ticket to Work Participants”** (Livermore et al. 2010) provides an analysis of the longitudinal experiences of a group of TTW participants who enrolled in the program during the first 18 months of its implementation. Using data from the 2004–2006 NBS matched to SSA administrative data, the early cohort of Phase 1 TTW participants is followed for three to five years to assess changes in their service use, health status, employment, and income.

The above studies were selected as the focus of the fifth evaluation report based on SSA’s need for important information about aspects of beneficiary work activity for which little information existed previously. At the time the report was being planned, major changes to the TTW program were anticipated, and the regulations that substantially modified it ultimately were implemented in July 2008. As the effects of the new regulations would take time to become evident (and to be reflected in the data sources used for the TTW evaluation), a focus of some of the evaluation resources on broader beneficiary employment issues seemed opportune. The findings from these studies are intended to add to the evidence base regarding beneficiary employment to inform SSA’s compliance with a Congressional mandate to monitor TTW and assess ways to make the program more effective. The fact that the Social Security disability rolls have been growing dramatically in recent years, combined with evidence that beneficiaries have increased their interest in pursuing employment (Livermore et al. 2009a) suggest that a better understanding of beneficiary employment experiences and the factors that both enhance and inhibit successful employment outcomes is needed to inform the development and implementation of policies that effectively support beneficiary employment.

The presentation of the research findings as a collection of papers rather than as a single evaluation report reflects the diversity of the study topics, our intent to make the research findings available more quickly, and our desire to disseminate a vast amount of information in an accessible manner. Key findings from the nine studies are briefly summarized below. Note that data in all of the studies were gathered before July 2008, and so the findings represent experiences under the original TTW program rules.

Page is intentionally left blank to allow for double side copying

II. KEY FINDINGS

A. SSI AND DI BENEFICIARIES EXPERIENCE SIGNIFICANT EMPLOYMENT CHALLENGES, BUT THE FEW WHO WERE WORKING APPEARED TO HAVE RELATIVE STRONG TIES TO THEIR JOBS

To qualify for the SSI and DI programs, an applicant must demonstrate that he or she is unable to work at substantial levels due to a long-term, medically determinable impairment. Findings based on the NBS data indicated a high prevalence of characteristics, circumstances, and past experiences among SSI and DI beneficiaries that were inauspicious for employment even if considered independently of the severe impairments that qualified these individuals for disability benefits. About 40 percent were age 55 and older. Many reported having poor (43 percent) or deteriorating (42 percent) health and experienced difficulty performing activities essential to most forms of employment, such as getting around outside the home (47 percent), concentrating (58 percent), and coping with stress (61 percent). In addition, more than half of all beneficiaries had been on the rolls for 10 years or longer, and so the value any skills and labor market connections they might have had when they entered benefits likely deteriorated unless they were maintained; many (40 percent) did not complete high school, which might have limited their employment opportunities; and substantial numbers had encountered work-related obstacles, such as a lack of reliable transportation, inaccessible workplaces, and discouragement from work, either by others or through their own experiences (Livermore et al. 2009a). Among beneficiaries actively seeking a job, the most common reasons reported for not being able to find one were the inability to find a job for which they were qualified (63 percent) and perceptions that employers would not give them a chance (53 percent). Many of these obstacles are not unique to SSI and DI beneficiaries. Adult recipients of Temporary Assistance for Needy Families (TANF) have similarly low levels of education, a large proportion have no recent work experience, few job skills and report that physical or mental health conditions limit their ability to work, and many lack reliable transportation (Danziger et al. 1999; Zedlewski 2003; Zedlewski et al. 2007). Having young children and lacking adequate child care to enable work is a significant barrier among TANF recipients that is not as common among SSI and DI beneficiaries.

Unrealistic wage expectations did not appear to be a primary reason for the inability to find a job. Among beneficiaries who were actively seeking employment, the average minimum hourly wage they were willing to accept to take the types of jobs they were looking

for was just \$9, approximately half the actual average wage among workers nationally.^{2, 3} The average minimum acceptable wage among all nonworking beneficiaries who reported reasons other than their health for not being employed (including both those seeking and not seeking employment) was somewhat higher at \$11, but about half were willing to work for less than \$10 per hour, and just one-fifth reported minimum acceptable wages of \$15 per hour or more.

Other common reasons for not working reported by about 30 percent or more of those seeking employment related to fear of losing benefits (46 percent), lack of reliable transportation (34 percent), and dissatisfaction with particular job features, such as an inflexible schedule (34 percent), no offer of health insurance (32 percent), and inadequate pay (29 percent) (Livermore et al. 2009a). When asked whether specific supports would help them to work or earn more, recently employed beneficiaries most frequently mentioned better job skills (35 percent), help finding a better job (32 percent), a flexible work schedule (21 percent), and reliable transportation (18 percent). In general, SSI-only and concurrent beneficiaries were more likely than DI-only beneficiaries to report that a given support would help them increase their work and earnings (Livermore et al. 2009b).

Just 9 percent of beneficiaries were employed when interviewed for the 2004 NBS. These individuals generally were not earning a lot and had jobs that offered few benefits. The majority (79 percent) was working part-time, and a very large share (37 percent) was working in low-wage, supported employment settings. Most (69 percent) were earning less than \$8 per hour. On average, working beneficiaries were earning \$622 per month, with only about 22 percent working and earning above the substantial gainful activity (SGA) level (\$810 per month at the time). Few employed beneficiaries were offered job-related benefits, such as health insurance (22 percent), retirement benefits (15 percent), or paid vacation (31 percent).

Although employed beneficiaries worked few hours at low wage levels and received few job-related benefits on average, a large share (44 percent) reported job durations of 24 months or longer, and, among those who reported duration, the median was 26 months. Although about half held their jobs for two years or longer, job terminations were common. Of the beneficiaries who were working during the year before they were interviewed, more than one-third had left a job that year. The most common reason for leaving a job was being fired or laid off, reported by nearly one-quarter (23 percent) of those who left jobs during the previous year. The onset or worsening of a disability was the next most common reason (20 percent), followed closely by dissatisfaction with a particular job characteristic (16 percent) (Livermore et al. 2009a).

² The lowest wage at which an individual would accept a particular type of job is referred to as the reservation wage.

³ Nationally, average hourly earnings were about \$17 among all nonsupervisory, nonfarm workers in the private sector (U.S. Bureau of Labor Statistics 2008).

II. Key Findings

B. DESPITE THE CHALLENGES AND LIMITED SUCCESS IMPLIED BY CROSS-SECTIONAL DATA, EMPLOYMENT EXPECTATIONS REMAINED RELATIVELY HIGH AMONG BENEFICIARIES, AS DID EMPLOYMENT AMONG THOSE WITH WORK GOALS. FURTHERMORE, MORE THAN A QUARTER OF BENEFICIARIES WORKED AT SOME TIME WHILE RECEIVING BENEFITS

The findings suggest that, at a given point in time, beneficiaries fall into three large groups: 60 percent who have no interest in employment; 20 percent who have an interest in employment but who are not actively engaged in work or work preparation activities; and 20 percent who are interested in employment and actively pursuing that goal (Livermore et al. 2009c). Forty percent of beneficiaries surveyed in the 2004 NBS reported having work goals and/or saw themselves working within the next five years. Just over half (52 percent) of this group were employed or engaged in work preparation activities around the time they were interviewed, including 24 percent who participated in training and/or received services during the previous year specifically intended to enhance their employment prospects, and 41 percent who indicated having recently engaged in work efforts (recently working or actively seeking work). By comparison, just 6 percent of beneficiaries classified as not work-oriented had engaged in these activities. Thus, work and work preparation activities were highly concentrated among the 40 percent of beneficiaries with work goals and/or expectations.

Analyzed over longer periods, beneficiary employment rates were much greater than the 9 percent rate observed at interview. To illustrate this, in Table 1 we show point-in-time and four-year employment statistics drawn from several of the studies (Thornton et al. 2006; Livermore et al. 2009c, 2010; Livermore and Prenovitz 2010).⁴ The findings also illustrate how employment rates and the shares of beneficiaries with earnings above the SGA level differed across subgroups of beneficiaries who were and were not interested in employment. Among all beneficiaries, as mentioned, just 9 percent were employed at the given point in time, and only 2 percent were earning above the monthly SGA level. Over a four-year period, however, 27 percent had earnings in at least one of the four years, and 7 percent had annual earnings above the annualized SGA level. Among work-oriented beneficiaries only, employment rates and the shares working above SGA were much greater, particularly among two very small subgroups who actively sought employment-related information and services: BPAO service users and TTW participants. Within these subgroups, one-quarter to one-third were employed at a point in time, and the majority (over 60 percent) had earnings in at least one year when followed for a four-year period.

The statistics shown in Table 1 correspond to the experiences of a representative cross-section of beneficiaries who had been on the disability rolls for various lengths of time. Another picture of employment emerges when a cohort of beneficiaries is followed from the time they enter the rolls. Among DI beneficiaries awarded benefits in 1996, 28 percent had

⁴ The longitudinal statistics for the Phase 1 TTW participants presented in Table 1 are based on three- and five-year observation periods. See Table 1 notes (d) and (e) for details.

annual earnings of at least \$1,000 in one or more of the first 10 years on the rolls. For this cohort, employment rates were highest during the first few years on the rolls, peaking at about 16 percent during the 4th year after award and then steadily declining to about 12 percent by the 10th year after award (Stapleton et al. 2010a).

Table 1. Point-in-Time (at Interview/Intake) and Longitudinal (Four-Year) Employment Statistics for Selected Beneficiary Subgroups

	All Beneficiaries	Not Work-Oriented	Work-Oriented	BPAO Users	Phase 1 TTW Participants
Percent of all beneficiaries	100	60	40	2	2
Employed at interview/intake (%)	9	1	21	24	32
Monthly earnings above SGA at interview (%) ^a	2	NA	4	NA	10
Employed at any time during a four-year period (%) ^b	27	15	45	61	61–75 ^d
Earnings above annualized SGA in at least one of four years (%) ^c	7	3	13	15	20 ^e

Sources: Livermore et al. (2009c) for the all-beneficiary statistics and statistics by work-orientation status; Livermore and Prenovitz (2010) for the BPAO user statistics; Thornton et al. (2006) for the point-in-time TTW participant statistics; and Livermore et al. (2010) for the longitudinal TTW participant statistics.

Note: The point-in-time (at interview/intake) statistics are based on beneficiary self reports. The four-year statistics are based on analyses of annual Internal Revenue Service (IRS) earnings data. NA indicates that the statistic was not available from the study.

^a Based on monthly earnings at interview in 2004. The monthly SGA level was \$815 in that year.

^b The four-year periods spanned 2004–2007 for the all-beneficiary statistics and those by work-orientation status; 2001–2007 for the BPAO-user statistics; and 2003–2007 for the TTW participant statistics. See the source reports for details.

^c The annualized SGA level was approximately \$11,000 in each year when expressed in 2007 dollars.

^d The lower bound represents the share of TTW participants who worked in two or more years of a five-year period, and the upper bound represents the share who worked in at least one of the five years.

^e Statistic represents the share of TTW participants who worked above the SGA level for 12 or more months during a three-year period.

C. YOUNGER BENEFICIARIES AND THOSE WHO ENTERED THE ROLLS RECENTLY WERE THE MOST LIKELY TO PURSUE EMPLOYMENT. OTHER CHARACTERISTICS WERE ALSO CORRELATED WITH EMPLOYMENT-RELATED EXPECTATIONS AND ACTIVITIES

In many analyses we have conducted for previous TTW evaluation reports, age and time on the disability rolls were important predictors of a variety of employment-related outcomes. Findings from several of the studies conducted for this report reiterate this and indicate the following:

II. Key Findings

- With other characteristics held constant, work-oriented beneficiaries were significantly younger and had been on the rolls a shorter period relative to non-work-oriented beneficiaries (Livermore et al. 2009c). BPAO service users were also younger and had been on the rolls a shorter period relative to all beneficiaries (Livermore and Prenovitz 2010).
- Age was a strong predictor of TTW participation. In December 2005, the Phase 1 participation rate for those ages 18 to 40 was 3.6 percent, compared with 1.9 percent for those ages 40 to 49 and just 0.6 percent for those ages 50 or older. Participation rates were higher for those who had been on the rolls from one to 15 years than for those on the rolls for less than a year or more than 15 years (Stapleton et al. 2009).
- Among DI beneficiaries awarded benefits in 1996, there were marked differences in the employment rates during the 10 years following award both by age at entry and time on the rolls. Beneficiaries who entered by age 40 were about twice as likely as older beneficiaries to be employed, had much higher average earnings, and were much more likely to have had their DI benefits suspended or terminated because they were working. For all age groups, employment rates increased until the fourth year after award and then steadily declined (Stapleton et al. 2010a).

Although age was an important predictor of employment, beneficiaries who were work-oriented and those who became employed also differed from other beneficiaries in other respects, particularly health status. Work-oriented beneficiaries had more education than others, had lower levels of benefits from non-SSA assistance programs, and reported being in better health (Livermore et al. 2009c). Non-SSA benefits and health status were similarly associated with the likelihood of employment in statistical models that held other characteristics constant (Livermore et al. 2009a). Health status was highly correlated with employment and service use outcomes of TTW participants. Those who terminated their participation in TTW were much more likely to experience poor health and negative changes in health status than others. Among all TTW participants, those who achieved some measure of employment success over a three-year period were significantly less likely to report being in poor health compared with those who never worked over the same period (Livermore et al. 2010).

State-specific factors also seemed to play a role in employment outcomes. In the analysis of the 1996 DI award cohort (Stapleton et al. 2010a), we found large variations across states in employment, employment service enrollment, and the likelihood of leaving the DI rolls due to work. Variation in the cumulative percentage of 1996 DI awardees who became employed over the next 10 years ranged from 19 percent in West Virginia to 42 percent in South Dakota. Other employment-related statistics (rates of service enrollment,

completion of the trial work period, benefit suspense or termination, and total cumulative years off the rolls due to work) varied similarly across states.⁵

D. A SUBSTANTIAL SHARE OF THOSE WHO BECAME EMPLOYED LEFT THE DISABILITY ROLLS AS A RESULT OF EARNINGS, BUT MANY DID NOT

Cessation of cash benefits due to work is an infrequent occurrence among disability beneficiaries. Published statistics indicate that among DI beneficiaries, less than one-half of one percent do so in a given year (SSA 2009). During the period we studied, only a minority of those who became employed earned enough to leave cash benefits, but the percentage of beneficiaries who did so over several years was much higher than implied by the published annual cross-sectional statistics, especially when analyzed by subgroups of beneficiaries for whom employment was a goal. In Table 2, we present statistics from several of the studies showing the share of beneficiaries who left the disability rolls due to work (defined as having DI and/or SSI cash benefits suspended or terminated due to earnings) during a four-year period. Among all beneficiaries, 6 percent left cash benefits for at least one month during the four-year period, with half of these (3 percent of all beneficiaries) leaving for 13 months or longer. The shares leaving the rolls at all and leaving for extended periods were much greater among subgroups of beneficiaries with employment goals and/or expectations: 10 percent of all work-oriented beneficiaries, 14 percent of BPAO service users, and 19 percent of Phase 1 TTW participants left cash benefits for at least one month during a four-year period.

In addition to the studies whose findings are shown in Table 2, two other studies examined the extent to which beneficiaries left cash benefits due to work. In one, we conducted a very detailed analysis of the extent to which TTW participants left the disability rolls following Ticket assignment (Stapleton et al. 2010b). Similar to the findings shown in Table 2, about 20 percent of TTW participants under each of the three payment systems spent one or more months off the rolls for work by the 48th month after Ticket assignment. This varied somewhat by TTW payment system; the percentage at 48 months after Ticket assignment was the same for participants under the milestone-outcome and traditional payment systems (17 percent), and higher for participants under the outcome-only payment system (25 percent).

⁵ Interestingly, cumulative years off the rolls were substantially higher in the states with relatively high cumulative service enrollment than in those with relatively low enrollment. The cause of this strong relationship is unclear. High service enrollment might have contributed to high employment, but this is likely only part of the explanation, at best, because we know from the national statistics that cumulative service enrollment is much lower than cumulative employment. The alternative, and perhaps more important, explanation is that beneficiaries were more likely to work and leave the rolls in some states than in others because of differences in the distributions of personal characteristics (for example, health or functional limitations) or environmental differences (for example, the strength and nature of the economy, population density, or availability of public transportation), which led to greater utilization of services in those states.

Table 2. Months Off the Disability Rolls (Cash Benefits) Due to Earnings During a Four-Year Period, by Selected Beneficiary Subgroups

	All Beneficiaries	Work-Oriented Beneficiaries				BPAO Users	Phase 1 TTW Participants
		All	DI Only	Con-current	SSI Only		
Percent of all beneficiaries	100	40	19	7	14	2	2
Left the rolls due to work in at least one month during a 48-month period (%) ^a	6	10	8	11	11	14	19
Months off the disability rolls due to work (%) ^a							
0	94	90	92	89	89	86	81
1 to 3	1	2	1	2	3	3	3
4 to 12	2	3	2	5	4	5	5
13 to 24	2	2	1	3	3	4	5
25 to 48	1	2	4	1	1	3	5

Sources: Livermore et al. (2009c) for the all-beneficiary and work-oriented beneficiary statistics; Livermore and Prenovitz (2010) for the BPAO user statistics; and Livermore et al. (2010) for the TTW participant statistics.

^a The 48-month period included the calendar year of service intake and three calendar years following BPAO service intake for the BPAO user statistics, and the calendar year of the 2004 NBS interview and three calendar years following interview for the all-beneficiary, work-oriented beneficiary, and TTW participant statistics.

The analysis of the 1996 DI award cohort (Stapleton et al. 2010a) documented the paths to benefit termination over a 10-year period for these beneficiaries. It found that 46 percent of the 1996 awardees were still on the DI rolls after 10 years, including 40 percent who had never used any of the DI work supports. Of the 54 percent who were no longer on the rolls, most (50 percent of the full cohort) had exited for reasons other than work—attainment of the full retirement age, death, or medical recovery. Over 10 percent had made some progress toward exit for work by completing the trial work period. A substantial majority of these (63 percent, or 7 percent of the cohort) went on to have their DI benefits suspended due to work in at least one month, and more than half of those eventually had their benefits terminated—3.7 percent of the cohort. A little over a quarter of those whose benefits were terminated returned to the rolls by December 2006, leaving 2.7 percent off the rolls because of work. Young DI beneficiaries were much more likely to work and eventually exit the DI program for work than older awardees; 46 percent of awardees under age 40 worked within the first 10 years, and almost 10 percent had their benefits terminated because of work.

E. MANY OF THOSE WHO SUCCESSFULLY LEFT THE DISABILITY ROLLS FOR WORK WERE ABLE TO REMAIN OFF THE ROLLS FOR A SUBSTANTIAL PERIOD OF TIME. FOR THOSE WHO RETURNED TO THE ROLLS, WE HAVE ONLY LIMITED INFORMATION ABOUT THE REASONS FOR THEIR RETURN

DI beneficiaries whose benefits were suspended or terminated for work typically spent many months off the rolls. Of those in the 1996 DI cohort, the 6.5 percent who spent at

least one month off the rolls in the next 10 years were off the rolls for an average of 42 months (3.5) years during that period (Stapleton et al. 2010a). Among all work-oriented beneficiaries who left benefits for work during a four-year period, the average time off the rolls was 16 months (or about one-third of the time) during that period (Livermore and Prenovitz 2010). Among TTW participants who first exited cash benefits in 2002, outcome-only participants spent about 60 percent of the next 48 months off the rolls, compared with 53 percent and 42 percent of months among TTW participants being served under the traditional and milestone-outcome payment systems, respectively. TTW participants who left the rolls remained off for more months on average than nonparticipants, and DI beneficiaries remained off longer, on average, than SSI beneficiaries (Stapleton et al. 2010b).

The research conducted for the fifth TTW evaluation report provided little information about the reasons why individuals return to the disability rolls after leaving benefits for employment. As noted previously, the most common reasons for leaving a job were being fired or laid off and the onset or worsening of a disability (Livermore et al. 2009a). Findings from the longitudinal analysis of TTW participants also indicate that negative changes in health status likely play an important role (Livermore et al. 2010). A variety of other factors probably also contribute to individuals returning to the disability rolls, including loss of employment due to economic conditions or other reasons unrelated to disability, changes in family circumstances, and loss of particular supports that enable employment (such as transportation or personal assistance services). Financial insecurities and fear of the long-term consequences of benefit loss might also return some individuals to the rolls. Although we have little information about the relative importance of these factors, it appears that health and changes in health status are primary factors.

F. BENEFICIARIES WHO BECAME EMPLOYED BUT REMAINED ON THE ROLLS DID SO FOR NUMEROUS REASONS, PARTICULARLY A DESIRE TO MAINTAIN CASH BENEFITS

Many working beneficiaries could not, or chose not to, earn enough to leave SSA cash benefits completely. The reasons for this included not only all of the challenges to employment described earlier, but also the effects of incentives to keep earnings below the level that would reduce their benefits to zero. Findings from a multivariate analysis of the likelihood of leaving the disability rolls due to work suggest that the structure of the DI program might have provided incentives to keep earnings below that level. During the four-year period analyzed, DI-only status and having high benefit levels were significant and negative predictors of leaving the rolls due to work. Although we found age to be an important predictor of work orientation and employment, and the likelihood of leaving the disability rolls did decline with age, it lost its significance as a predictor for leaving the rolls due to work after we controlled for such other characteristics as program status and benefit levels. The regression model findings suggest that, with respect to leaving the rolls, the structure of the disability programs (in terms of their treatment of earnings) and benefit levels might have been more important factors than age (Livermore et al. 2009c).

Other findings suggest that some working beneficiaries purposefully restrained their earnings to remain on the rolls, and many feared losing benefits. About one-fourth (23 percent) of all recently employed beneficiaries said they worked fewer hours or earned less

II. Key Findings

than they were able. This was more commonly reported among recently employed DI-only (28 percent) and concurrent (23 percent) beneficiaries than among SSI-only beneficiaries (15 percent). Wanting to retain cash and health care benefits were the most common reasons for not working up to their capabilities, reported by 40 percent or more of those who reported working less than they were able (Livermore et al. 2009b).

Fear of losing benefits was also reported as a reason for not working by a small share (15 percent) of nonworking beneficiaries. By far, the benefits respondents were most concerned about losing were SSA disability benefits, followed by public health insurance (Medicare and Medicaid). Other types of benefits were mentioned by 10 percent or less of nonworking beneficiaries who were concerned about losing benefits due to work. SSI-only beneficiaries were significantly more likely to report fear of losing other state disability benefits (such as state supplements to SSI) and food stamps. Among recently employed beneficiaries who actually experienced a benefit reduction, SSI-only (22 percent) and concurrent (17 percent) beneficiaries were more likely than their DI-only counterparts (7 percent) to report such reductions. SSA disability benefits and food stamps were the benefits most frequently reported as having been reduced in response to earnings. Being required to repay a benefit overpayment might also have provided a negative work incentive. Recently employed SSI-only (27 percent) and concurrent (22 percent) beneficiaries were much more likely than DI-only beneficiaries (4 percent) to report experiencing an SSA benefit overpayment due to earnings (Livermore et al. 2009b).

G. BETTER AWARENESS OF SSA WORK SUPPORTS MIGHT HAVE ADDRESSED CONCERNS ABOUT INCENTIVES FOR SOME BENEFICIARIES, BUT FINDINGS FROM OUR ANALYSES WERE MIXED

Awareness of the DI and SSI work supports was generally low among beneficiaries. With two exceptions, only 20 percent of beneficiaries or less had heard of each of several work supports applicable to them. The two exceptions were the DI trial work period and the TTW program (37 percent and 25 percent of beneficiaries to whom the programs were applicable, respectively). The relatively high rates of TTW awareness might have reflected the information beneficiaries had fairly recently received by mail in the form of the Ticket and related materials, and SSA's sustained efforts to market the program to them (Livermore et al. 2009a).⁶

Addressing the limited awareness of the SSA work supports might improve employment outcomes, but this will only be the case to the extent that awareness and/or use positively affect employment behavior. It is interesting that, with a few exceptions, awareness of the SSA work-incentive provisions did not differ significantly by whether beneficiaries had work goals or expectations, despite marked differences in the employment activity of these two groups (Livermore et al. 2009c). This may be in part because many of

⁶ When we examined TTW awareness by the years since Tickets were mailed to beneficiaries, we found that it declined sharply during the year after the mailing and continued to decline less dramatically thereafter.

the work-incentive provisions are “automatic” in the sense that beneficiaries make use of them, regardless of their awareness, as their earnings reach certain levels (for example, the trial work period, extended period of eligibility, sections 1619(a) and (b)). While greater awareness of these supports might induce some beneficiaries to attempt work or to work more, it might also simply allow those who would have otherwise gone to work to better plan their work activity. The work supports that require some action on the part of beneficiaries to make use of them (for example, TTW, plans for achieving self support, and impairment-related work expenses) had the lowest use rates—2 percent or less of all beneficiaries—and, with the exception of TTW, had the lowest rates of awareness. Lack of awareness might have contributed to lack of use, but their limited value or inapplicability to most work-oriented beneficiaries might also have been factors.

Those beneficiaries who sought information about SSA work supports through the BPAO program were clearly different from others in terms of their use of the work-incentive provisions and their employment success. The BPAO program was established under the Ticket Act to disseminate “accurate information to disabled beneficiaries on work-incentives programs and issues related to such programs.”⁷ Under it, 116 organizations throughout the country hired specialists to inform beneficiaries about benefits and work supports, generally in the course of one or two interactions. Benefits specialists met with beneficiaries to discuss the impact of wages on their benefits and how to use work supports to retain benefits and increase earnings. The BPAO program served a select group of beneficiaries who were actively working or seeking employment, using the SSA work-incentive provisions, and leaving the disability rolls at relatively high rates. Participation in TTW was especially high among BPAO users: 19 percent, compared to just 2 percent among all beneficiaries. Employment rates among BPAO users were also high, with 61 percent having earnings in at least one of four years, including the year of BPAO service intake and three years following, compared with 27 percent of all beneficiaries having earnings over an equivalent period. The greater work activity and use of work-incentive provisions among BPAO users were reflected in the share with months off the disability rolls due to work. As shown previously (Table 2), 14 percent of BPAO users left the disability rolls for at least one month during a 48-month period, roughly twice the rate for all beneficiaries. We cannot determine from the available data, however, the extent to which BPAO services per se contributed to the extraordinary employment outcomes of BPAO service users, or if these beneficiaries would have achieved the same outcomes in the absence of BPAO services (Livermore and Prenovitz 2010).

⁷ Public Law 106-170 (Ticket to Work and Work Incentives Improvement Act of 1999), Section 121.

H. SSA HAS BEEN ATTEMPTING TO IMPROVE THE RESOURCES AVAILABLE TO BENEFICIARIES TO INCREASE THEIR KNOWLEDGE OF SSA WORK SUPPORTS AND USE THEM MORE EFFECTIVELY, BUT SOME EVIDENCE SUGGESTS THOSE RESOURCES MAY NOT BE ADEQUATE TO MEET BENEFICIARY DEMAND

Resources to inform and advise beneficiaries on employment and the SSA work-incentive provisions appear to have been highly relevant to those who utilized BPAO services, as evidenced by their high employment rates and use of work-incentive provisions. Relatively few beneficiaries, however (roughly 2 percent), used BPAO services from 2001 to 2005. Of these BPAO users, a large share (37 percent) did not receive benefits counseling but, rather, received information and referral services only—that is, basic written and verbal information in response to inquiries regarding federal and state benefit programs—or help solving a specific benefit problem. The total average time spent by benefits counselors on a case (including all cases receiving any type of service) was about two hours in the first year of receiving services, and about four hours over a five-year period (Livermore and Prenovitz 2010).⁸

By 2006, SSA had determined that beneficiaries needed a more intensive intervention if they were to maximize the use of work supports. SSA renamed the BPAO program to the Work Incentives Planning and Assistance (WIPA) program and redesigned it to emphasize beneficiary employment, to be accomplished through a longer-term planning and management function. The focus of the program changed from providing basic information and advice about benefits to providing more in-depth, long-term assistance to (1) encourage beneficiaries to pursue employment by helping them make the best use of their work supports over time and through changing situations and (2) connect them with supports to increase their employment options (O'Day et al. 2009).

Findings from a process analysis of the early experiences of the WIPA projects suggest that the new WIPA goals were being implemented only partially (O'Day et al. 2009). Interviews with WIPA staff and reviews of case files in 2008 revealed little evidence of the intensive and long-term work-supports planning that SSA had envisioned. At most sites visited for the process evaluation, a relatively high number of beneficiaries were served, but they received a relatively low level of services. While intensive services seemed to be targeted to beneficiaries who were seeking or engaging in work, most WIPA projects appeared to be providing a more limited, short-term service rather than in-depth work-supports counseling. While some WIPA service users participating in focus groups did indicate that they had received intensive services over an extended period, case documentation alone showed little

⁸ The share of BPAO users receiving information and referral (I&R) services only is probably greater, and the average time spent per BPAO case is probably much lower, than implied by the statistics generated from our analyses. The BPAO data provided to us by Virginia Commonwealth University for the analysis contained only 51 percent of all BPAO cases; those without Social Security numbers (SSNs) were excluded. Because collection of SSN information was optional for I&R-only cases, and because the average time spent in I&R cases is much lower relative to benefits counseling cases, we believe the majority of the missing cases were I&R-only cases that received much more limited services than the cases in our analysis sample.

focus on referral to other agencies or long-term follow up. Still, some interviewees also noted that WIPAs had expanded their outreach activities, and their efforts reduced misinformation about work supports by providing focused training on work supports to other service providers, who then shared this information with their agencies' clients.

The WIPA process evaluation found a tension between the desire to provide intensive long-term supports aimed at encouraging beneficiaries to increase their earnings and the available staffing and budget levels of the WIPA projects. Despite attempts to focus services on individuals who were truly ready to work or to increase their work efforts, WIPA project staff reported receiving hundreds of calls requesting basic information about work supports. Even projects that provided extensive training to community partners about work supports continued to receive many requests for basic information and referrals, and these calls were often lengthy, as counselors had to obtain extensive information from beneficiaries about their cash, medical, and in-kind benefits, past work history, and living situation to ensure the information they provided was correct. Counselors noted the importance of this first contact, since it might be the beneficiary's first step on the road to employment; but they believed that, with their current funding level and service approach, they would be less able to provide long-term, intensive services if they continued to field numerous calls for basic information. Similarly, while the counselors understood that some beneficiaries would need ongoing assistance with wage reporting or modifying the work supports they used as their situation changed, they lacked time to follow up with them, given the current level of service demand.

Although SSA established clear goals for the WIPA program that include intensive long-term support, funding limitations combined with the large demand for basic services have likely resulted in the delivery of a much lower intensity of service (O'Day et al. 2009). The \$23 million in annual congressional funding received by WIPA projects has not increased since the BPAO program was initiated in 2000, although the number of beneficiaries on the disability rolls has increased dramatically, and some evidence suggests that beneficiary interest in employment has also increased during this period (Livermore et al. 2009a).

I. TTW HAS SERVED A SMALL AND SELECT GROUP OF BENEFICIARIES THAT HAS ACHIEVED POSITIVE EMPLOYMENT OUTCOMES, BUT THE PROGRAM APPEARS TO HAVE HAD A LIMITED IMPACT

TTW participation rates were very low but still growing. As of December 2006, the last month for which complete data were available for our analysis, and one month short of five years since the TTW rollout began, the nationwide TTW participation rate was 1.6 percent. In Phase 1 states, participation had risen to 2.2 percent, up from 1.8 percent 12 months earlier. The total participation rate has continued to rise each month since the early months of program rollout, with no indication that growth in cumulative participation is over or about to end. Participation rates in the Phase 2 and 3 states also continue to grow, but appeared to be on somewhat lower trajectories than that for the Phase 1 states. The vast majority of participants (94 percent) have assigned their Tickets to SVRAs. Assignments to other ENs continued to increase, but at a somewhat lower rate than assignments to SVRAs. Similarly, a very large majority of Tickets are assigned under the traditional payment system

II. Key Findings

(89 percent). The low participation rates and predominance of service provision under the traditional payment system suggest that TTW has had only a limited impact on the market for employment services to beneficiaries.

Although low nationally, participation rates for a few state and nonstate jurisdictions indicate a more substantial change to the market for employment services. Vermont had a participation rate of 8.4 percent in December 2006, and two other states had rates in excess of 4.0 percent. SVRAs continued to dominate the market in all but one area, including those states with the highest participation rates, but ENs had a very substantial share of assignments in some states, and a majority of assignments in the Virgin Islands. Similarly, in a few states the SVRAs had accepted a substantial, although minority, share of assignments under one of the new payment systems. If other states were to follow the lead of these states, the TTW program might eventually have a larger impact on the national market for employment services to SSA beneficiaries.

The early cohort of TTW participants we followed for several years appear to have been a select group of disability beneficiaries who were sufficiently interested in pursuing employment that they assigned a Ticket to a service provider in an effort to improve their ability to work and increase their earnings. The findings suggest that they were exceptional, even among disability beneficiaries with work goals or expectations, in terms of their employment success. IRS data covering the 2003–2007 period indicate that about half of the TTW participants had earnings in each of those years, and 75 percent had earnings in at least one of the five years. As shown previously (Table 1), their annual employment rates were much greater than even those among all beneficiaries who reported having work goals or expectations (Livermore et al. 2010). In each year from 2002 to 2006, between 2 and 4 percent of all TTW participants on the rolls for the entire previous calendar year left cash benefits due to earnings. The corresponding statistic for nonparticipants was less than one percent in every year. Among beneficiaries with at least one month off the rolls due to work, TTW participants were much more likely to continue to spend time off the rolls than nonparticipants. In 2006, 3.2 percent of participants who were on the rolls in every month in 2005 spent one month or more off the rolls for the first time, compared to 0.8 percent of nonparticipants (Stapleton et al. 2010b). Although exceptional as a group in terms of their employment rates and rates of leaving the rolls due to work, only one-third of the early TTW participants we followed were able to achieve at least one month of earnings above the SGA level during a three-year period, and just one-fifth were able to do so for 12 months or more (Livermore et al. 2010).

The rather modest levels of services used by TTW participants, both inside and outside the auspices of the TTW program, call into question the degree to which TTW contributed to the success of the participants who became employed, or its potential to do so in the future. In each year, 40 to 50 percent of all TTW participants reported not receiving any services. About 20 to 25 percent received services at a level equivalent to about one or more hours per week (50 or more hours per year), but far fewer of those assigned to ENs received that level of service. At the same time, those assigned to ENs had better employment outcomes than those assigned to SVRAs; they had significantly higher levels of earnings and were significantly more likely to leave the disability rolls due to work (Livermore et al. 2010).

It might be that TTW's expansion of beneficiary service access to providers other than SVRAs attracted a very small group of beneficiaries who might not have used services previously and were able to achieve positive employment outcomes with the help of TTW.

Findings presented in previous reports suggest that TTW had a positive and significant impact on enrollment in services (Thornton et al. 2007; Stapleton et al. 2008). Many TTW participants might, however, have achieved the same employment outcomes in the absence of the program. Our longitudinal analysis of new DI beneficiaries found that the large majority (79 percent) of those who left the DI rolls due to work did so without enrolling in employment services by providers eligible for SSA financing (Stapleton et al. 2010a). From the data we have analyzed to date, we have not identified any significant impacts of TTW on beneficiary earnings or benefits. Evidence presented in previous evaluation reports suggests that TTW, as originally structured, provided little financial incentive for providers to serve beneficiaries, so likely resulted in insufficient support to participants who, though highly motivated to work, faced substantial barriers. Whether the revised TTW payment systems, implemented in July 2008, will have a significant effect on the provision of services to and employment outcomes of disability beneficiaries remains to be seen.

J. TTW WAS NOT ECONOMICALLY VIABLE FOR PROVIDERS UNDER THE ORIGINAL REGULATIONS UNLESS THEY HAD SUBSTANTIAL COMPLEMENTARY REVENUES FROM OTHER SOURCES

Many providers have never accepted Tickets, or have stopped accepting them, and a substantial number have dropped out of the program (Stapleton et al. 2008; Stapleton et al. 2009). The apparent reason is that, at least before July 2008, program payments to providers were insufficient to make the program economically viable unless they had additional financing from another source, such as the federal financing received by SVRAs under the Rehabilitation Act.

One reason TTW was not economically viable is that too few TTW participants spent, on average, too few months off the rolls for work to generate sufficient provider payments. Only a small share of TTW participants (about 20 percent) spent one or more months off the rolls due to work by the 48th month after Ticket assignment. However, as noted previously, those who left the rolls were able to stay off for substantial periods, with TTW participants under the outcome-only payment system being the most likely to continue to stay off the rolls (Stapleton et al. 2010b).

A second reason why TTW was not economically viable for many ENs under the old rules is that providers did not receive payments for many of the months in which their clients were off the rolls for work. ENs received outcome payments in only about 40 percent of months in which clients were determined to be off the rolls for work in our analyses. The likelihood of generating a payment while off the rolls for work did not increase substantially after 2002. A large share of participants who were off the rolls for many months generated no payments at all, but most of those who generated at least one payment did so for a large majority of the months in which they were off the rolls (Stapleton et al. 2010b). In some cases, an outcome payment was not made in a month for which we found a beneficiary to be off the rolls for work because an EN had terminated its contract with SSA, or because our

measure of being off the rolls for work is an imperfect one. However, an SSA investigation revealed that, had ENs filed a claim for payment, they would have been paid for a large majority of the months where we identified the TTW participant as being off of cash benefits due to work. SSA is now developing new ways to assist ENs in tracking beneficiaries so that ENs can obtain payments for more of the months in which their clients are off SSA cash benefits due to work.

As noted previously, the new regulations and improvements to the payment process can be expected to make TTW financially attractive to more providers. The partnership-plus feature of the new regulations, in particular, seems especially likely to attract new providers.⁹ Assuming that SVRAs have adequate funding, the new feature of TTW would essentially allow providers to leverage those resources by providing a potential funding stream for EN follow up of successful SVRA placements.

K. THE NEW REGULATIONS SEEM LIKELY TO REINVIGORATE THE MARKET, DRAWING MORE PARTICIPANTS AND PROVIDERS, BUT MIGHT NOT LEAD TO HIGHER EARNINGS OR PROGRAM SAVINGS

There are at least three reasons the new regulations might not produce higher earnings or program savings. The first is, hopefully, short term: the great recession, which undoubtedly has had a negative impact on the employment of beneficiaries. From the DI cohort analysis, we know that the employment experiences of DI award cohorts were sensitive to the business cycle in earlier years (Stapleton et al. 2010a). The 2000–2002 cohorts experienced lower early employment than the 1996–1999 cohorts, apparently because of the 2000–2001 recession. They also experienced fewer months off the rolls for work, holding years since award constant.

A second reason why the new regulations might not produce higher earnings or program savings is that the TTW regulatory changes allow providers to receive more payments while TTW participants continue to receive SSA benefits, so provider incentives to help clients leave the rolls are lower than previously. The third reason is that many beneficiaries induced to assign their Tickets by the change in regulations might have left the rolls anyway.

L. THE FINDINGS DEMONSTRATE THE IMPORTANCE OF CONSIDERING THE BROADER SOCIAL OBJECTIVES OF TTW, BEYOND PROGRAM SAVINGS

In 2005, half of all working-age SSI and DI beneficiaries lived in households with incomes below the federal poverty level, and we know that many rely on a variety of public programs other than SSI and DI. For example, 21 percent of beneficiaries have reported receiving food stamps (Livermore et al. 2009a). Findings from our analyses of the

⁹ This feature allows ENs to receive payments for successfully serving beneficiaries who previously received services from an SVRA and for whom payment under the traditional reimbursement system was made to the SVRA.

longitudinal experiences of TTW participants suggest that increases in earnings help beneficiaries increase their household incomes, reduce poverty, and reduce their SSA and non-SSA benefits. In addition, a very small share (4 percent or less) was able to gain employer-sponsored health insurance through their own employment (Livermore et al. 2010). Hence, if TTW helps beneficiaries increase their earnings, the social gains may be substantial even if the program does not pay for itself through SSA benefit reductions.

Although poverty status is measured based on the annual income of all members of a household, it appears that many TTW participants rely solely on their own personal income. In 2004, 43 percent of all Phase 1 TTW participants were in living arrangements that represented single-person households for purposes of computing poverty status (Thornton et al. 2006).¹⁰ Thus, changes in personal income that result from changes in earnings have the potential to affect the likelihood of experiencing poverty for many TTW participants. When we examined poverty rates by employment status during the years 2003–2005, we found that poverty rates among TTW participants who were employed at some point in each year were substantially lower (by about 10 to 15 percentage points) than for those who were not employed, and these differences were statistically significant in two of three years analyzed. A small group of TTW participants (about 20 percent) was able to achieve 12 or more months of employment above the SGA level during the three-year period analyzed. This group had significantly higher income and lower poverty rates than other TTW participants, particularly those who had no earnings during the three-year period. Thus, it appears at least some beneficiaries are staying out of poverty, as officially defined, through work (Livermore et al. 2010).

The shares of TTW participants receiving cash and in-kind support from sources other than SSA were about 40 percent to 44 percent in each year during 2003–2005. The average monthly value of these benefits for those receiving them was between \$250 and \$275 in each year. Though the year-to-year changes in these averages were relatively small, the averages mask rather significant changes occurring to beneficiaries on the margin. Among those receiving non-SSA benefits, one-third or more experienced a decline of \$50 or more from the previous interview in 2005 and 2006 (representing about 15 percent of all TTW participants); among these individuals, the average benefit decline was close to \$300 in each year—a large value, given that it is roughly equivalent to the average monthly benefit level. At the same time, however, nearly an equal number of TTW participants experienced increases in monthly non-SSA benefits of \$50 or more over the previous year; the average increases among these individuals also were substantial, at more than \$300 in both 2005 and 2006. Although the analysis did not attempt to tie the non-SSA income changes directly to changes in earnings, it seems likely that earnings changes were the major cause of the changes observed in non-SSA income (Livermore et al. 2010).

¹⁰ They were living alone, living with friends or roommates, or living in a group setting with nonrelatives.

III. CONCLUSIONS

The research presented here confirms findings from previous evaluation reports that highlight just how challenging it is to address the major paradox of return-to-work programs for disability beneficiaries. By virtue of the fact that they receive benefits, beneficiaries have demonstrated an inability to work at substantial levels due to significant physical and mental health conditions and impairments. Consequently, expectations for their employment are low. The Ticket Act envisioned that the TTW program might achieve long-term savings through greater beneficiary employment and reduced reliance on SSA benefits, even while recognizing that relatively few beneficiaries would need to leave benefits for it to be cost-effective. Perhaps a more realistic expectation of TTW, and the many other employment supports implemented by SSA after the passage of the Ticket Act, is to help more beneficiaries test their employment capabilities, enabling some to increase their income through work and become more integrated into the labor force and society as a whole. The number that eventually earns enough to leave the rolls might increase, but perhaps it is not realistic to expect an increase that is large enough for TTW and the other SSA employment supports to pay for themselves.

Although demonstrating the challenge of employment among disability beneficiaries, the research presented here also indicates that most of the large share of beneficiaries with work goals and expectations were actively pursuing employment. However, their efforts are not fully apparent in cross-sectional statistics that group them with the majority of working-age SSI and DI beneficiaries who have no interest in, or expectation of, becoming employed. The efforts of those with work goals and expectations also are obscured when we view them at a point in time or over only a very short period. The seeming paradox of return to work among those who have proven they are unable to work at substantial levels is reinforced by the cross-sectional statistics showing that very few beneficiaries are working and even fewer leave benefits for work. When viewed over longer periods, we find that a surprisingly large share of those with work goals and expectations become employed and are able to leave disability benefits. These findings are very encouraging in that they indicate significant numbers of beneficiaries are attempting work and exiting the disability rolls. They also demonstrate that the work goals and expectations of disability beneficiaries are neither unrealistic nor paradoxical.

While the longitudinal findings indicate that many more beneficiaries are working and leaving benefits due to earnings than is demonstrated by the more commonly reported cross-sectional statistics, they also show that a large share of those who work and leave benefits eventually return to the disability rolls. Our research findings have little to say about the reasons why beneficiaries who were able to earn enough to leave the rolls subsequently return. While there is evidence that changes in health status likely play an important role, we

need to develop a better understanding of why seemingly successful work attempts eventually fail. It may be that new policies and programs that emphasize and support the maintenance of successful work attempts are needed if we want to see an increase in the share of working beneficiaries who leave and remain off the disability rolls.

Finding ways to support beneficiary employment attempts seems especially important in light of the tremendous recent growth in the disability rolls. Since the mid-1990s, the number of working-age individuals receiving SSI and/or DI has been growing at a rate of about 3 percent (or roughly 300,000 individuals) per year.¹¹ SSA is in the process of conducting a number of demonstrations that address different types of barriers to beneficiary employment, including the Youth Transition Demonstration, the Accelerated Benefits Demonstration, the Mental Health Treatment Study, and the Benefit Offset National Demonstration. As findings from these demonstrations and the TIW evaluation continue to emerge, policymakers will have better evidence to support disability policy changes that will help individuals with disabilities increase their own well-being through work, sustain long-term employment, and become more self-sufficient.

¹¹ Authors' calculations based on data in SSA (2010).

REFERENCES

- Danziger, Sandra, Mary Corcoran, Sheldon Danziger, Cikkeeb Heflin, Ariel Kalil, Judith Levine, Daniel Rosen, Kristin Seefeldt, Kristine Siefert, and Richard Tolman. "Barriers to the Employment of Welfare Recipients." Institute for Research on Poverty Discussion Paper No. 1193-99. Madison, WI: University of Wisconsin, Institute for Research on Poverty, 1999.
- Livermore, Gina, David Stapleton, and Allison Roche. "Characteristics, Employment, and Sources of Support Among Working-Age SSI and DI Beneficiaries." Report No. 2 in *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations*. Washington, DC: Mathematica Policy Research, 2009a.
- Livermore, Gina, Debra Wright, Allison Roche, and Eric Grau. "2006 National Beneficiary Survey: Background and Statistical Tables." Report No. 4 in *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations*. Washington, DC: Mathematica Policy Research, 2009b.
- Livermore, Gina, Allison Roche, and Sarah Prenovitz. "SSI and DI Beneficiaries with Work-Related Goals and Expectations." Report No. 5 in *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations*. Washington, DC: Mathematica Policy Research, 2009c.
- Livermore, Gina, Allison Roche, and Sarah Prenovitz. "Longitudinal Experiences of an Early Cohort of Ticket to Work Participants." Report No. 9 in *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations*. Washington, DC: Mathematica Policy Research, 2010.
- Livermore, Gina, and Sarah Prenovitz. "Benefits Planning, Assistance, and Outreach (BPAO) Service User Characteristics and Use of Work Incentives." Report No. 6 in *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations*. Washington, DC: Mathematica Policy Research, 2010.
- O'Day, Bonnie, Allison Roche, Norma Altshuler, Liz Clary, and Krista Harrison. "Process Evaluation of the Work Incentives Planning and Assistance Program." Report No. 1 in *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations*. Washington, DC: Mathematica Policy Research, 2009.
- Social Security Administration. "Annual Statistical Report on the Social Security Disability Insurance Program, 2009." Baltimore, MD: SSA. Available at [<http://www.ssa.gov/policy/docs/statcomps/supplement/>]. 2010.

- Stapleton, David Gina Livermore, Craig Thornton, Bonnie O'Day, Robert Weathers, Krista Harrison, So O'Neil, Emily Sama Martin, David Wittenburg, and Debra Wright. "Ticket to Work at the Crossroads: A Solid Foundation with an Uncertain Future." Washington, DC: Mathematica Policy Research, 2008.
- Stapleton, David, Cindy Gruman, and Sarah Prenovitz. "Participation in Ticket to Work Continues to Grow but Assignments Under the Traditional Payment System Still Dominate." Report No. 3 in *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations*. Washington, DC: Mathematica Policy Research, 2009.
- Stapleton, David, Su Liu, and Dawn Phelps. "Longitudinal Statistics for New Social Security Disability Insurance Beneficiaries." Report No. 7 in *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations*. Washington, DC: Mathematica Policy Research, 2010a.
- Stapleton, David, Jody Schimmel, and Miriam Loewenberg. "Time that Beneficiaries Spend Off the Rolls Due to Work and the Payments Generated for Employment Networks." Report No.8 in *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations*. Washington, DC: Mathematica Policy Research, 2010b.
- Thornton, Craig, Thomas Fraker, Gina Livermore, David Stapleton, Bonnie O'Day, Tim Silva, Emily Sama Martin, John Kregel, and Debra Wright. "Evaluation of the Ticket to Work Program: Implementation Experience During the Second Two Years of Operations (2003–2004)." Washington, DC: Mathematica Policy Research, 2006.
- Thornton, Craig, Gina Livermore, Thomas Fraker, David Stapleton, Bonnie O'Day, David Wittenburg, Robert Weathers, Nanette Goodman, Timothy Silva, Emily Sama Martin, Jesse Gregory, Debra Wright, and Arif Mamun. "Evaluation of the Ticket to Work Program: Assessment of Post-Rollout Implementation and Early Impacts." Washington, DC: Mathematica Policy Research, 2007.
- U.S. Bureau of Labor Statistics. "Establishment Data: Historical Hours and Earnings (Table B-2. Average Hours and Earnings of Production and Nonsupervisory Workers on Private Nonfarm Payrolls by Major Industry Sector, 1964 to Date)." 2008. Available at [ftp://ftp.bls.gov/pub/suppl/empsit.ceseeb2.txt].
- Zedlewski, Sheila. "Work and Barriers to Work among Welfare Recipients in 2002." *Snapshots of America's Families*, No. 3. Washington, DC: The Urban Institute, 2003.
- Zedlewski, Sheila, Pamela Holcomb, and Pamela Loprest. "Hard-to-Employ Parents: A Review of Their Characteristics and the Programs Designed to Serve Their Needs." *Low-Income Work Families Paper No. 9*. Washington, DC: The Urban Institute, 2007.