Employment and Income Supports

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Four Major Questions Regarding Employment & Income Supports

- What are the problems?
- Who is affected?
- What remedies should be pursued?
- How can employment & income supports be part of recovery?
Employment for Mental Health Consumers: Background

- Individuals with Mental Disorders Want to Work and Consider Themselves Able to Work
- Service Consumers Can Successfully Participate in the Labor Market in a Variety of Competitive Jobs
- Research Indicates Multiple Benefits of Employment for People with Severe and Persistent Mental Illnesses & for Society
Individuals with Mental Disorders Want to Work and Consider Themselves Able to Work

- Half of working-age adults with mental health disorders consider themselves able to work (National Health Interview Survey-Disability Supplement (NHIS-D), 1994-1995)

- Opinion surveys repeatedly find that the majority of mental health service consumers want to work & desire employment services and supports (Rogers et al., 1991; Campbell & Schraiber, 1989)
Service Consumers Can Successfully Participate in the Labor Market in a Variety of Competitive Jobs

- In an 8-state multi-site study of employment services for people with severe psychiatric disabilities (the EIDP) over two-thirds of the participants became employed (Cook et al., 2002)

- Proportions of mental health consumers employed in a variety of "best practice" supported employment studies range above 50% (Cook & Razzano, 1993; Drake et al., 1996)

- Mental health consumers achieve superior outcomes when they receive carefully coordinated clinical & vocational services, from multidisciplinary provider teams, with rapid job placement, into competitive employment, in clients' preferred fields, with availability of ongoing supports (Cook et al., 2002)
EIDP Study Design (funded by the Center for Mental Health Services, Substance Abuse & Mental Health Services Administration)

- An 8-state, multi-site, longitudinal evaluation into which 1648 newly enrolled service recipients were randomly assigned and followed for 2 years, with bi-annual in-person interviews, and ongoing employment and services data collection.
  - Roughly half were male & half female
  - Ages ranged from 18-76 years
  - 48% Caucasian, 31% African-American, 14% Hispanic/Latino, 7% mixed/other
  - 90% diagnosed w/schizophrenia, bipolar disorder, or major depression
  - 64% with concurrent substance abuse diagnoses
  - Average of 6 lifetime psychiatric hospitalizations, 24% hospitalized within 6 months prior to study entry
  - 96% prescribed psychiatric medications, 43% taking 3+ meds
  - 40% had co-occurring physical disabilities or serious health conditions
  - Close to half (47%) had no employment in the 2 years prior to study entry
Multiple Potential Benefits of Employment For Service Consumers

For Service Consumers
- Alleviation of Poverty (Cook & Grey, 2002)
- Therapeutic Gain (Bond et al., 2001; Lysaker et al., 1994)
- Improvement in Quality of Life (Arns & Linney, 1993)

For Society
- Contribution to U.S. Economy (Cook et al., 2002)
- Financial Return Via Taxes Paid (Rogers, 1997)
- Reduction in Use of Benefits (CA DOR, 1995)
- Reduction in Costs of Care (CA DOR, 1995; Rogers, et al., 1995)
Ratio of Income to Expenses by Employment Status in the EIDP Personal Economy Substudy**

(Break-Even Point = 100%)

- Total Group = 113%
- Employed = 120%*
- Not Employed = 80%*

* Significant difference at p<.05

** Supplemental funding from the Social Security Administration
Employment for Mental Health Service Consumers: The Problems

- Most Service Consumers are Out of the Labor Force, Unemployed, or Underemployed
- Most Service Consumers Receive Little or No Services Designed to Help them Obtain or Maintain Employment
- State-Federal Vocational Rehabilitation Services Received by People with Psychiatric Disabilities Show Limited Effectiveness
- Many Consumers Lack the Necessary Post-Secondary Education and Training Required to Build Careers
- Mental Health Consumers Experience Discrimination in the Labor Market
- A Large Proportion of People with Disabling Mental Disorders Live in Poverty
Mental Health Service Consumers are Disproportionately Out of the Labor Force, Unemployed, or Underemployed

Out of Labor Force / Unemployment

- 61% of working age adults with mental health disabilities are out of the labor force compared to only 20% of working age adults without mental health disabilities (NHIS-D, 1994-5)

- Of those with mental health disabilities who are in the workforce, 16% are unemployed compared to only 4% without disabilities in the adult working age population (NHIS-D, 1994-5)

- Only 33% of working age adults with mental health disabilities are employed & only 17% of those with severe mental health disabilities are employed, compared with 77% in the adult working age population (NHIS-D, 1994-5)
Mental Health Service Consumers are Disproportionately Out of the Labor Force, Unemployed, or Underemployed (con’t.)

**Underemployment**

- Among college graduates with mental health disabilities, 43% are not working, compared to 13% of those without mental health disabilities. (NHIS-D)

- Among employed consumers with college degrees in the EIDP, at their highest level jobs, 70% were earning less than $10/hour (annual salary of $21,000), and 54% were working less than full time. (Cook et al., 2002)
Most Service Consumers Receive Little or No Services Designed to Help them Obtain or Maintain Employment & the Services they Receive from State-Federal Vocational Rehabilitation (VR) are Ineffective

- Among a stratified random sample of persons diagnosed with schizophrenia in 2 states, only 23% of outpatients were receiving vocational rehabilitation services (Lehman et al., 1998)
- Among all VR clients whose cases were closed from 1977 through 1984, the % change in number competitively employed increased for those with severe physical disabilities but not for those with severe psychiatric disabilities (Andrews et al., 1992)
- The amount expended on case services for VR clients with psychiatric disabilities in 1986 was roughly 15% less than for clients with all other disabilities (Conley, 1999)
- Less than half of all people who exited the VR system in 1995 had completed their service plan and been employed for 60 days (Kaye, 1998)
Mental Health Consumers Lack Post-Secondary Education and Training Required to Build Careers

- Only 38% of special education students diagnosed with severe emotional disturbance graduate from high school; another 6% receive a certificate such as a GED. The remaining 56% do not complete their schooling (Kaye, 2001)
- Reading comprehension and mathematical computation levels of psychiatric rehabilitation populations are well below age-appropriate levels (Cook et al., 1986; Cook & Solomon, 1993)
- Less than 6% of all EIDP participants had a college degree (Cook et al, 2002)
- Even as education levels increase, people with disabilities are disadvantaged in the labor market. Nationally, among those with some college education, people with disabilities have labor force participation rates only half that of those without disabilities (Yelin, 2001)
People with Mental Disorders Experience Labor Force Discrimination

- In employer surveys over the past five decades, employers have expressed more negative attitudes about hiring workers with psychiatric disabilities than any other disability group (with the occasional exception of intellectual and substance abuse disabilities) (Cook et al., 1993; Diksa & Rogers, 1996)
- In a national probability sample (NHIS-D), one-third (32%) of those with mental health disabilities reported having been:
  - fired, laid off, told to resign: 22%
  - refused employment: 14%
  - refused a transfer: 6%
  - refused a promotion: 10%
  - refused a training opportunity: 6%
A recent study applied techniques used by economists to study race and sex discrimination through multivariate modeling of wage differentials. After accounting for expected productivity differentials due to functional limitations (disability), and due to individual characteristics that affect productivity (education, part-time employment), large remaining unexplained variance in wage differentials suggested that those with disabilities experienced discrimination in the labor market (Baldwin & Johnson, 1998).

This study also found that significantly larger wage differentials (i.e., labor market discrimination) occurred for those with disabilities thought to evoke "greater prejudice" such as mental illness than disabilities evoking “mild prejudice” such as diabetes.
Many People with Severe and Persistent Mental Disorders Live in Poverty

- 30% of working age adults with disabilities live in poverty (U.S. Census Bureau, 1994)
- 23% of those with mental/emotional problems live at or below the federal poverty level, compared to 10% of those without mental/emotional problems (NHIS-D, 1994-5)
- Among those with disabling mental disorders participating in the EIDP, almost three-quarters (73.9%) were at or below the poverty level
  - % living in poverty on SSI: 78%
  - % living in poverty on SSDI: 59%
  - % living in poverty on SSI + SSDI: 75%
  - % living in poverty on neither: 87%
Disability Income Supports:
The Problems

- Disability income is equivalent to poverty level income (with rare exceptions for some SSDI recipients)
- People with psychiatric disabilities are over-represented on the SSI/SSDI rolls; Less than 1% of SSI and SSDI recipients ever exit the rolls
- Disability income and health care coverage are inter-twined to the detriment of many recipients, especially those attempting to return to work
- Disability program rules and regulations constitute a disincentive to work that prevents people with mental illness from realizing their full career potential
- Recent legislation designed to remediate income support disincentives is likely to have little impact on the return to work of individuals with psychiatric disabilities
Disability Income = Poverty Level Income

- As a national average, year 2000 SSI benefits were equal to around $3.23/hour or almost $2.00 less than minimum wage (Consortium for Citizens with Disabilities, 2000)
- On average, rental of a modest, one bedroom apartment costs 98% of year 2000 SSI benefits (ibid)
- Annual year 2000 SSI benefits averaged only 18.5% of the one-person median household income, dropping below 20% for the first time in over a decade (ibid)
- SSDI income support has the capacity to provide annual income above poverty level but only for those who earned high annual salaries for at least 3 years
People with Psychiatric Disabilities are Over-Represented on the SSI/SSDI Rolls; Less than 1% of SSI and SSDI Recipients Ever Exit the Rolls by Returning to Employment

- The number of SSI and SSDI beneficiaries with psychiatric disabilities has been increasing at a higher rate than total program growth for over a decade (National Academy of Social Insurance, 1994)
- Individuals with severe mental illnesses represent the single largest diagnostic group on the disability rolls - almost 22% (Kouzis & Eaton, 2000); In 1999, people with psychiatric disabilities comprised over a third (34%) of working aged adults receiving SSI and over a quarter (27%) of all SSDI recipients (McAlpine & Warner, 2002)
- Persons with mental disorders remain on the SSI and SSDI rolls considerably longer than those with other disabilities (Kochhar & Scott, 1995; Rupp & Scott, 1996)
- Most SSDI recipients who re-enter the labor force do so at lower-paying jobs, for fewer hours per week, and with a different employer than the jobs they held prior to SSDI recipiency (Schecter, 1997)
Disability Income and Health Care Coverage are Intertwined to the Detriment of Many Recipients, Especially Those Attempting to Return to Work

- SSI/SSDI recipients with psychiatric disabilities whose return to work makes them ineligible for health care coverage are unlikely to be holding jobs that provide health care or other benefits
  - Of all full-time jobs held by EIDP participants...
    - only 24% provided medical coverage
    - only 16% provided dental coverage
    - only 8% provided mental health coverage
    - only 23% provided vacation benefits
    - only 20% provided sick leave
Disability Program Rules and Regulations Constitute A Considerable Disincentive to Work that Prevents People with Mental Illness from Realizing Their Full Career Potential

- Federal regulations mandate an administrative review of disability status upon return to work, effectively "punishing" those who obtain employment.
- Unlike SSI, which allows recipients to retain part of their income supports after substantial gainful employment (SGA), SSDI recipients encounter an income "cliff" once they exceed SGA for a specified number of months.
- Individuals who lose disability income status because of their return to work also experience an "implicit tax" because they lose other unearned income such as housing subsidies, utility supplements, transportation subsidies, and food stamps (Polak & Warner, 1996).
- In one disability income support program - SSDI - recipients in many states must wait one year before becoming eligible for health coverage under Medicare.
Recent Legislation Designed to Remediate Income Support Disincentives is Likely to Have Little Impact on the Return to Work of Individuals with Psychiatric Disabilities

- Proposed Ticket to Work and Work Incentives Improvement Act (TWWIIA) milestone payment regulations provide too little financial incentive to vocational rehabilitation service providers of clients with psychiatric disabilities (Salkever, 2002)
- As currently structured, TWWIIA provisions are unlikely to stimulate the exit of workers with psychiatric disabilities and developmental disabilities from the disability income support rolls (Wehman & Kregel, 2002)
- ADA employment discrimination protections have become increasingly circumscribed for individuals with psychiatric disabilities as a result of recent supreme court rulings (Mathis & Giliberti, 1999), and the claims adjudication process (Ullman et al., 2001)
Who is Affected?

- 21% of the U.S. adult population experiences a mental illness (Surgeon General's 1999 Report on Mental Health)
- 5.4% of all U.S. adults have a serious mental illness (Kessler et al., 1996)
- 9% percent of all U.S. adults have a mental disorder and experience significant functional impairment (Surgeon General's 1999 Report on Mental Health)
Potential Remedies

- Provide vocational rehabilitation services to people with severe and persistent mental illnesses
- Make sure that vocational rehabilitation services funded with public dollars are effective and meet best practice standards
- Provide post-secondary education and training to people with mental illnesses
- Alleviate poverty among people who receive disability income supports
- Change disability income support policies that create disincentives to employment among people with mental disorders
- Critically review the impact of federal legislation designed to enhance employment & prohibit labor force discrimination
- Address the economic circumstances of individuals with mental illness though financial education and planning
Employment & Income Supports as Part of Recovery

- Two Essential Ingredients
  - Self-Determination
  - Thriving
UIC NRTC* DEFINITION OF SELF-DETERMINATION

“...self determination is achieved when people have maximal independence and educational opportunities to make meaningful decisions about their own lives, control their own money, and live and work where they choose...”

(Authors: UIC National Research & Training Center on Psychiatric Disability and the UIC Self-Determination Knowledge Development Workgroup, 2002); *Funded by the U.S. Department of Education, National Institute on Disability & Rehabilitation Research, and the Center for Mental Health Services, SAMHSA
Thriving

• A process in which the experience of dealing with an adverse life event (illness, warfare, trauma) leads an individual or group to become better off than they were beforehand.
Figure 1. Potential responses to trauma

THE CHALLENGE

- Designing income supports that promote self determination by enhancing personal dignity and economic self-sufficiency.
- Fostering the kinds of employment careers that result in thriving as part of an individual’s recovery from psychiatric disability.
Web Site Addresses:
* Employment Intervention Demonstration Program
* UIC National Research & Training Center

*http://www.psych.uic.edu/eidp

*http://www.psych.uic.edu/nrtc