



Can the Current Population Survey be used to identify the disabled?

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In the September 1980 *Monthly Labor Review*, Barbara L. Wolfe compares the labor market experience of the disabled to that of the nondisabled, using data from the Current Population Survey (CPS).¹ Because of methodological problems, I believe that CPS data are of limited usefulness in analyzing disability.

The Wolfe study uses data from the March 1977 CPS to compare the labor force characteristics of the disabled and nondisabled. Because the CPS does not contain specific questions on health or disability status,² Wolfe employs a three-step approach to identify the disabled population. First, persons receiving income from at least one of a number of transfer programs were automatically included if they met certain program requirements that would identify them as disabled. These programs included social security disability, Supplemental Security Income, workers compensation, railroad disability benefits, and disabled veterans benefits. Second, persons whose work activity was limited during the year by reason of ill health or disability were included. Their responses to the household survey led to the following classifications:

- Did not work last year—ill or disabled
- Did not work last week—not in labor force—unable to work
- Worked less than 50 weeks last year—ill other weeks
- Worked less than 35 hours last week—usually work part time (due to ill health or disability)

Third, persons whose wage rates were less than \$1 an hour and who were in certain occupations were assumed to be participating in sheltered workshops and were thus counted as disabled.

These techniques do not provide an adequate distinction between the disabled and nondisabled. Such a large portion of these populations becomes misclassified be-

cause of data shortcomings that the analysis and results Wolfe presents must be questioned.

The two basic questions that must be answered to assess the effects of disability on job market performance are: how many people have physical handicaps (generally limited to chronic conditions); and how do these handicaps limit the kind or amount of work or the pay of those so identified? Wolfe's analysis seems to focus on the second question without adequately answering the first.

Greatest problem. The greatest problem in using CPS data is the survey's inability to identify persons who have handicaps. Hence, at best, only a portion of those with work-limiting handicaps can be identified. While this definition of disability is common and appropriate for many types of research, it seriously limits the usefulness of the intergroup comparisons that make up the core of Wolfe's findings. For example, under her second method of identifying the disabled, two persons with the same health or physical condition will likely be placed into opposite categories: disabled and nondisabled, depending on their work status. One person with a specific chronic health condition who has intermittent labor market experience will be classified as disabled. Another person with the identical condition, who, for reasons such as extent of education or training, appropriate job selection, or strong motivation, is able to have a "normal" (full-time, full-year) worklife, is classified as nondisabled. Thus, the comparisons between the disabled and nondisabled yield results that are, to some extent, predetermined. As a group, the disabled are found to have inferior job market experiences: lower participation rates; less full-time employment; and lower wages, largely because they are, by definition, identified by these poor experiences.

Another weakness. Another problem of data weakness arises from the need to separate acute illness from disability. Wolfe states that those who missed work because of short-term, acute illness would be excluded from the count of the disabled. But this cannot be done completely. For instance, someone who worked only 49 weeks, citing ill health or disability as the reason for not working full year, would automatically be classified as disabled, in accordance with Wolfe's third category

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of CPS respondents. Yet it is likely that such limited work loss could be due to an acute condition. So, although Wolfe is correct in saying that those with short-term, acute illnesses should be excluded from the disabled group, the data shortcomings and definitional problems make this difficult.

Wolfe indicates partial support for her method of identifying the disabled because her estimate of the disabled from the CPS—12.3 percent of the population age 20 to 64, is only “slightly below” that from the 1972 Survey of the Disabled—14.6 percent. (A similar estimate from the 1977 National Health Survey is about 15 percent.) But the real difference between the surveys may be even greater than this. About 1 in 8 of the disabled were included in the CPS count because they were thought to have participated in sheltered workshops. (These persons were identified by a combination of their very low earnings and occupation.) This translates to about 1.7 million persons; yet fewer than 250,000 persons actually work in such settings. Virtually all sheltered workshops must be granted an exclusion from the minimum wage requirements by the Employment Standards Administration of the U.S. Department of Labor and, thus, data on paid workshop employment are available from that agency. If this overcount of those identified, ostensibly by their participation in sheltered workshops, is removed from the estimated CPS disabled count, as is a small number of those who may be considered to have been only acutely ill, it is reasonable to estimate that the proportion of the population that can be identified from the CPS as disabled may be closer to 10 percent. Hence, fully a third of the disabled (or more accurately, the handicapped), quite likely many of those with the best job experience, cannot be identified from the CPS and are counted in the nondisabled group. The effect that this undercount of the disabled would have on intergroup comparisons is obvious; it would cause excessive discrepancy between the labor force status of the two groups.

THE AREA OF GREATEST CONCERN, clearly, is the inability of the CPS to identify a (probably) large group of people who are able to work full time, full year despite their physical or mental handicaps. These persons can only be classified from the CPS as nondisabled unless they also receive the transfer payments cited. Also, persons with physical limitations who work part time or part year for reasons other than ill health would be counted as nondisabled. Thus, when comparisons between the disabled and nondisabled are made in terms of their part-time and full-time work status, as was the case in Wolfe’s analysis, it is difficult to see how these results can be meaningful, because handicapped persons who are employed full time would generally end up classified as nondisabled. Moreover, income compari-

sons between the two groups are heavily influenced by the failure to include in the disabled group many of the most successful wage earners. While the labor market experience of disabled persons is undeniably inferior to that of the nondisabled, the method used to categorize workers into these groups may seriously overstate these differences.

Unfortunately, the entire analysis is presented as a comparison between the employment characteristics of the disabled and the nondisabled. But this cannot be done effectively using CPS data. Without the limitations discussed above, Wolfe’s work would have been an innovative approach to analyzing the relationship between disability and employment. In fact, had the study been more narrowly focused—on the characteristics of those persons whose disability prevented them from working full time full year—the results might have been very interesting. However, while the CPS does provide some useful data on the disabled, it is an inadequate data base for many of the intergroup comparisons presented in Wolfe’s analysis. The results could well lead to policy implications that are unwarranted. □

—FOOTNOTES—

¹ See Barbara L. Wolfe, “How the disabled fare in the labor market,” *Monthly Labor Review*, September 1980, pp. 48–52.

² Direct collection of data on disabilities within the current framework of the CPS would be quite difficult. First, the extensive battery of questions required to identify physical and mental conditions would compromise the quality of response to labor force questions and might increase nonresponse. Second, self-identification of disability would probably have to be restricted to “work-limiting” disability, a concept whose limitations are discussed in the text of this comment. The 1971–74 Health and Nutrition Examination Survey (HANES), conducted by the U.S. National Center for Health Statistics, provides data on 21,000 individuals from a household questionnaire, a general medical history questionnaire, and a series of extensive medical examinations. Because the household questionnaire includes a series of labor force status questions and because the actual determination of disability would be more objective than in a self-response methodology, the HANES data may be more appropriate for use in researching the relationship between labor force status and disability.

The CPS, work, and disability: a reply

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There are several advantages in using the Current Population Survey to study disability and work: it is available annually without need for additional, expensive, special surveys; it is nationally weighted; and it is

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