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ADDRESSEES :STATE VOCATIONAL REHABILITATION AGENCIES (GENERAL)
STATE VOCATIONAL REHABILITATION AGENCIES (BLIND)
CLIENT ASSISTANCE PROGRAMS
RSA DISCRETIONARY GRANTEES
RSA SENIOR MANAGEMENT TEAM

SUBJECT : Transmittal of Report Comparing Economic Gains Attained by Persons
Rehabilitated in Fiscal Year 1988, by Severity of Disability

The accompanying report is an analysis of the economic gains achieved by persons with disabilities rehabilitated by State vocational rehabilitation agencies in Fiscal Year 1988, and displayed by severity of disability. Detailed comparisons between persons with and without severe disabilities are made in personal characteristics, economic status at application, types of disabilities, experiences within the rehabilitation process, outcomes at closure, and improvements in economic functioning from application to closure. All data in the analysis are based on information from the individual client Case Service Report (RSA-911).

The basic finding is that impressive economic gains are attained by rehabilitated persons whether or not they have severe disabilities. These gains are demonstrated in a variety of ways such as in wages earned, hours worked, hourly wage rates, full-time work and attainment of minimum wage levels or better. The data clearly demonstrate that when persons with severe disabilities can be placed into the competitive labor market, the improvement in their economic functioning is about on a par with that of persons without a severe disability. Even persons placed into sheltered employment derive some economic gains.

I wish to thank State rehabilitation agencies for their contribution to this report.

INQUIRIES: Larry Mars, Statistician (202) 732-1404.

Commissioner
Rehabilitation Services Administration

Comparison of Economic Gains
 Achieved by Persons with Severe and Non-Severe
 Disabilities Rehabilitated by State Vocational
 Rehabilitation Agencies in Fiscal Year 1988

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Comparison of Economic Gains Achieved by Persons with Severe and Non-Severe Disabilities Rehabilitated by State Vocational Rehabilitation Agencies in Fiscal Year 1988

I. Introduction

The 1986 amendments to the Rehabilitation Act included a provision calling for "an evaluation of the status of individuals with severe handicaps..." to be made part of the Annual Report to the Congress and the President (Section 13). This report provides a starting point for such an evaluation through the analysis of program data on severely disabled persons reported to the Rehabilitation Services Administration with the individual client Case Service Report (RSA-911). The RSA-911 system contains many personal and program-related characteristics for over 600,000 clients of State vocational rehabilitation agencies whose cases are closed each year as rehabilitated, not rehabilitated, or not accepted for services. In this report, severe disability (a statement about the degree of medical impairment) is made to stand as the closest possible proxy to severe handicap (an indication of the loss in functioning with respect to employment).

The information in this analysis is complementary to data reported on State agency caseloads (Quarterly Cumulative Caseload Report, Form RSA-113). From caseload data we know that (a) the number of persons with a severe disability newly accepted for services, served and rehabilitated reached record highs in Fiscal Year 1989 and (b) the proportions of all persons accepted, served and rehabilitated accounted for by those with severe disabilities continued to rise to new heights in Fiscal Year 1989, and now constitute about two-thirds of the total for all three measurements. Data from the Case Service Report, although less timely, go well beyond caseload volumes by providing details on (a) client demographics, (b) types of disabling conditions, (c) the client's economic status at application, (d) the nature of his or her interaction with the rehabilitation process, (e) types of rehabilitation outcomes and (f) economic gains from application for services to rehabilitation closure. These are the categories by which the analysis below is organized.

Data presented in this report pertain to Fiscal Year 1988 and all State rehabilitation agencies, except one small agency for the blind, are represented. It is possible that this agency will eventually be counted and that revised data from one or two other agencies may be received. It is not likely, however, that these additional data will materially affect any of the findings and relationships described in this report.

Virtually all of the tables presented with this report display three columns of data. The first column represents characteristics associated with all persons rehabilitated in Fiscal Year 1988, regardless of the severity of disability. The second column displays the same characteristics for severely disabled persons and the third column pertains to persons who were not severely disabled. The tables also show column and row percents. Column percents are derived from totals at the top of each column and help one develop a profile separately for severely and non-severely disabled persons. Row percents, on the other hand, are based on the total number of persons with a given characteristic and answer the question, "What percent of all persons with this characteristic were severely disabled?"

The totals at the top of each table will change somewhat from table to table. They represent the number of persons for whom the particular item was successfully reported. Thus, the number seen as reporting age at closure is greater than the number for age at application because the date of closure was reported for a few more persons than was the date of application.

Finally, for this and other statistical reports, persons with a severe disability are, in general terms, defined as those (a) having stated types of major disabling conditions such as blindness, deafness and orthopedic impairments involving three or more limbs; or (b) having disabilities as qualified in some instances such as hearing impairments with a certain degree of decibel loss; or (c) being so impaired so that they were receiving Social Security Disability Insurance benefits or Supplemental Security Income payments at some time while undergoing rehabilitation services; or (d) having a documented loss in functioning such as the inability to perform sustained work activity for six hours or more and requiring multiple vocational rehabilitation services over an extended period of time.

II. Client Demographics (Tables 1 to 8)

Severely disabled persons rehabilitated in Fiscal Year 1988 were generally older than persons who were not severely disabled. The severely disabled were 33.7 years old, on the average, at application for rehabilitation services compared to an average of 32.2 years for the other individuals. By the time of rehabilitation closure, the severely disabled averaged 35.7 years of age and the non-severely disabled, 34.0 years. Severe disability was more prevalent among the older clients. Thus, 70 percent or more of all rehabilitated persons in their mid-forties or older were severely disabled compared to 64.4 percent of persons who were 18 or 19 years old at application.

A slightly smaller percentage of severely disabled persons were women (43.5 percent vs. 44.7 percent among the non-severely disabled). Both men and women were about as likely to be severely disabled (nearly 70 percent).

Minorities comprised a somewhat smaller proportion of severely disabled persons, 19.0 percent, compared to 20.9 percent of persons not severely disabled. Approximately 66 percent of Blacks and American Indians were severely disabled compared to 69 percent of White persons.

Persons of Hispanic origin were less likely than other persons to be classified as severely disabled as they accounted for 7.0 percent of persons severely disabled and 8.6 percent of those who were not severely disabled. Only 64.0 percent of persons of Hispanic origin were severely disabled compared to 68.9 percent of non-Hispanics.

For persons involved in regular schooling, the mean number of grades completed was 11.5, regardless of the severity of disability. A much higher proportion of persons with severe disabilities, however, were in special education by virtue of having mental retardation as a major or secondary disabling condition (18.9 percent compared to only 9.8 percent of the non-severely disabled). Severely disabled persons accounted for a very high proportion of all individuals in receipt of special education (80.9 percent).

Although older than their non-severe counterparts, more of the severely disabled had never been married (48.8 percent vs. 45.1 percent for the non-severely disabled). A little over one-quarter of both groups were currently married.

III. Types of Disabling Conditions (Tables 9 to 16)

The distribution of types of major disabling conditions differed considerably by severity status, due, in large measure, to the definition of severe disability in use. Certain disability groups were classified as being severely disabled in their entirety. Examples include blindness, deafness, moderate and severe mental retardation, and orthopedic impairments involving three or more limbs.

All orthopedic impairments accounted for 23.5 percent of the severely disabled, but only 15.2 percent of the non-severely disabled. Another 15.7 percent of the severely disabled were mentally retarded compared to only 8.4 percent of the non-severe group. Visual and hearing impairments were also more prevalent among severely than non-severely disabled persons. A little over three-quarters of the individuals with all of the foregoing major disabling conditions were severely disabled.

Two important disability groups, on the other hand, were much less likely to be composed of severely disabled persons. Substance abuse, for example, was the major disabling condition for only 7.9 percent of those with severe disabilities but 16.3 percent of the non-severe group. Similarly, 3.7 percent of severely disabled individuals were learning disabled compared to 7.5 percent of those not severely disabled. Altogether, only 51.4 percent of all substance abusers and 52.0 percent of the learning disabled were severely disabled.

The broad disability category having the lowest proportion of clientele classified as having a severe disability was the complex of disorders of the digestive system at 29.2 percent. At the other extreme, 80.2 percent of mentally retarded persons were severely disabled.

Severely disabled persons were likelier than their non-severe counterparts to have had a secondary disabling condition. This was the case for 40.9 percent vs. 30.1 percent of the two groups, respectively. The most common secondary disabling condition for both groups was mental illness.

While only 1,531 rehabilitated persons were recorded as having suffered a traumatic brain injury (TBI), 90 percent of these individuals were severely disabled. (Since the identification of persons with TBI is fairly new, their counts in Fiscal Year 1988 may be understated.)

IV. Economic Status at Application (Tables 17 to 34)

The employment and wage-earning statuses of both severely and non-severely disabled persons were not very favorable at the time of application for rehabilitation services. In some respects, severely disabled persons were more poorly situated at application than were their non-severe counterparts, but in no respect were they better off. Clients with severe disabilities were less likely to have had any earned income at all and, when working, they were more likely to be earning below the minimum wage rate of \$3.35 per hour. In regard to mean weekly earnings of workers and mean weekly hours of work, there was little difference between the two groups. Given their lower rate of employment, it was not surprising to note that severely disabled persons had to rely more often than non-severely disabled persons on various forms of public support.

The large majority of all individuals, regardless of severity of disability, were not working at the time of application for rehabilitation services. Only 14.2 percent of severely disabled clients and 22.5 percent of the non-severely disabled were employed in the competitive labor market at application. While relatively few individuals of either group were employed in sheltered workshops at application, 93.0 percent of such persons were severely disabled.

Individuals with earnings in the week before application for services were clearly in the minority for both groups encompassing 17.8 percent of those with severe disabilities and 24.3 percent of the non-severely disabled. The mean weekly earnings at application, including persons not working at all, was \$28.80 for severely disabled persons and \$40.80 for those not severely disabled. Wage-earners among both groups were averaging over \$160 per week.

Only 8.7 percent of severely disabled individuals and 12.3 percent of the non-severe group were working full-time at application, defined as 35 hours per week or more. Another 6.8 percent of the cohort of severely disabled persons and 8.8 percent of their non-severe counterparts were working part-time. Individuals of both groups who were working at application averaged about 32 hours per week.

Small percentages of both cohorts were earning \$5 per hour or more at application -- 6.3 percent of individuals with severe disabilities and 8.7 percent of those with non-severe disabilities. The hourly wage rate computed only for wage-earners was \$5.00 for severely disabled clients and \$4.90 for the non-severely disabled. Approximately 30 percent of severely disabled persons who were working at application were earning below the minimum wage rate (\$3.35 per hour) compared to 25 percent of persons who were not severely disabled.

Severely disabled persons were likelier to be primarily supported at application by public income sources than were non-severely disabled persons. Nearly 17 percent of severely disabled persons compared to about ten percent of the non-severe group were primarily supported by monthly public assistance payments. Another seven percent of the severely disabled clientele relied primarily on Social Security Disability Insurance (SSDI) benefits. (By definition, all individuals in receipt of SSDI benefits had a severe disability.) Family support accounted for 44.5 percent of severely disabled individuals and 51.9 percent of those who were not severely disabled.

Nearly one-quarter of severely disabled persons and about ten percent of the non-severely disabled were in receipt of public assistance payments at some time while they were undergoing rehabilitation, not necessarily at application only. (Public assistance includes the various types of Supplemental Security Income, Aid to Families with Dependent Children and General Assistance.) Five of every six public assistance recipients (83.9 percent) were severely disabled. One in every ten (10.8 percent) severely disabled persons received SSDI benefits at some time during the rehabilitation process.

Nearly one rehabilitated person in 11 was residing in an institution at the time of application for services. More precisely, 9.4 percent of persons with severe disabilities and 8.2 percent of other persons were so situated. For both groups, the single most common institution was a halfway house. Severely disabled individuals accounted for the large majority of persons residing in most institutions (e.g. over 90 percent of those living in institutions for the mentally retarded were severely disabled), but there were notable exceptions. The majority of persons coming from adult correctional institutions, for example, were not severely disabled.

V. Interaction with the Rehabilitation Process (Tables 35 to 42)

As a result of the greater severity of their impairments, persons with severe disabilities (a) were likelier to need most rehabilitation services, especially job-related and adjustment training, and placement, (b) were much more costly to serve and rehabilitate and (c) spent more time in the rehabilitation process. In addition, they were likelier to have been rehabilitated at least once before.

Relatively minor differences were observed in the distribution of sources referring individuals for rehabilitation services. Severely disabled persons were somewhat less likely to have been referred by physicians and by other individuals not affiliated with particular organizations. They were likelier to have been referred by hospitals and by health organizations and agencies such as rehabilitation facilities and community mental health centers. Self-referrals were the single most common source of referral, accounting for a little less than one-quarter of all referrals for both severely and non-severely disabled persons. Severely disabled persons accounted for a low of 41.3 percent of individuals referred by correctional institutions, and a high of 87.1 percent of those referred by Social Security disability determination units.

Clients with severe disabilities were likelier to have been rehabilitated at least once before within three years of the most recent date of application. These previously rehabilitated clients accounted for 6.5 percent of severely disabled persons rehabilitated in Fiscal Year 1988 and 4.2 percent of the non-severely disabled. Of all persons rehabilitated at least once before, 77.0 percent had a severe disability.

A very striking difference between severely and non-severely disabled persons was the amount of money spent by State agencies in purchasing services for them to effect their successful rehabilitation. The mean cost of case services for severely disabled persons was \$2,132.60 compared to \$1,448.10 for the non-severely disabled, a difference of nearly 50 percent more for the severely impaired. Over ten percent of the severely disabled (10.3 percent) compared to only 5.3 percent of the non-severely disabled required services costing \$5,000 or more. More than four-fifths of all individuals having \$5,000 or more spent on their behalf were severely disabled.

In general, the more money spent on a individual the more likely he or she had a severe disability. An exception to this rule, however, is seen for those rehabilitated persons who were served without a case service cost to the State agency, 72.0 percent of whom were classified as being severely disabled.

Severely disabled persons were much likelier than non-severely disabled persons to have received job-related types of services. For example, 11.3 percent of them compared to 7.5 percent of the non-severely disabled received on-the-job training. Another 25.8 percent of those with severe disabilities and only 13.0 percent of the non-severely disabled received personal and vocational adjustment training. These disparities may reflect the influence of supported employment as a goal for very severely disabled persons.

Severely impaired persons, on the other hand, were a little less likely to have received school-related types of training than were persons who were not severely impaired. For example, 13.5 percent of severely disabled clients compared to 14.4 percent of the non-severe cohort were enrolled in business or vocational trade schools as part of their rehabilitation regimen. Relatively fewer, too, were sent to colleges and universities (10.9 percent vs 12.5 percent of the non-severely disabled).

Overall, severely disabled persons were much likelier than those without severe impairments to have received some kind of training, whether job-related or school-related -- 57.3 percent compared to only 45.9 percent of the non-severely disabled. Another important rehabilitation service -- job placement -- was also provided to a higher proportion of severely disabled clients, 38.3 percent compared to 32.6 percent of the non-severely disabled. The remaining rehabilitation services were provided to roughly equal proportions of both groups (with a slight edge to the severely disabled) such as restoration (40 percent), transportation (34 percent) and maintenance (22 percent). (See Figure A.)

A larger proportion of severely disabled persons received one or more of their services in a rehabilitation center or facility, 32.8 percent compared to only 20.4 percent of the non-severely disabled group. Over three-quarters of all persons rehabilitated in Fiscal Year 1988 receiving services in a rehabilitation facility had a severe disability. For those individuals who had been served in both publicly and privately operated facilities, 82.8 percent were clients with severe disabilities.

On the average, severely disabled persons spent 23.1 months in the rehabilitation process before being rehabilitated while the non-severely disabled cohort averaged 21.7 months. This difference was affected by the relatively fewer severely disabled persons who could be rehabilitated in nine months or less, 24.7 percent compared to 31.8 percent of persons without severe impairments.

VI. Rehabilitation Outcomes (Tables 43 to 49)

The work status and earnings situation at closure for severely disabled persons lagged behind that for non-severely disabled persons especially with respect to (a) whether they had earned income at closure and, (b) if working, whether they were employed in the competitive labor market. It is instructive to note, however, that some disparities between wage-earners within the two groups were not overly large. The typical severely disabled worker, for example, earned about 12 percent less than his or her non-severely disabled counterpart, worked five percent fewer hours and had an hourly wage rate about nine percent less.

A fairly large and expected difference in the work status at rehabilitation closure was observed between severely and non-severely disabled persons. Placed into the competitive labor market were 76.9 percent of persons with severe disabilities and 91.6 percent of their non-severe counterparts. Homemaking was the rehabilitation choice for 11.9 percent of the severely disabled clients and 4.5 percent of the non-severely disabled. In addition, 8.6 percent of severely disabled persons and only 1.3 percent of the non-severe group were placed into sheltered workshops. (See Figure B.) Considerable variation was noted in the proportion of rehabilitated persons who had a severe disability, by work status at closure, with a low of 64.8 percent among the competitively employed and a high of 93.4 percent among sheltered workshop workers.

Smaller proportions of severely disabled persons were placed into standard occupational groupings because more of them were rehabilitated into homemaking, sheltered workshop work and unpaid family work, activities frequently not classifiable into regular occupations. For example, 12.4 percent of the severely disabled clientele and 15.1 percent of the non-severely disabled were placed into professional, technical and managerial positions. Industrial occupations accounted for the largest proportions of severely and non-severely disabled persons, 25.9 percent and 31.9 percent, respectively. More than twenty percent of both groups were placed into service occupations (22.5 percent of severely disabled persons and 23.9 percent of the non-severely disabled).

As reflected in the work status at closure, more of those with a severe disability had no earnings in the week before rehabilitation closure -- 11.5 percent vs. 4.7 percent of the non-severely disabled. This helped to depress the mean weekly earnings for severely disabled clients, including those with no earnings, which came to \$166.10 compared to \$203.80 for the non-severe cohort. This difference narrowed somewhat when mean earnings were calculated only for clients who had earnings. For wage-earners only, severely disabled persons averaged \$187.60 and the non-severely disabled, \$213.80. The remaining difference in the two means is primarily a function of the more than six times greater likelihood of severely disabled persons being placed into the generally low-paying jobs in sheltered workshops.

The large majority of clients in both groups were working full-time at rehabilitation closure (35 hours per week or more). With more of the group of severely disabled persons rehabilitated into non-remunerative activities, their mean hours of work in the week before closure were understandably less than for the non-severely disabled, 32.2 hours vs. 36.1 hours, respectively. Even when the non-wage earners were removed from the calculations, however, the severely disabled worker averaged fewer hours of work, 35.8 hours per week compared to 37.6 hours for the non-severely disabled worker. Generally, the fewer hours of work an individual could perform, the more likely he or she was to be severely disabled.

The lower wage-earning capacity of severely disabled persons is seen not only in their smaller average weekly earnings, but also in their lower hourly wage rates. As a group, they averaged \$4.70 per hour compared to \$5.50 per hour for the non-severely impaired. (See Figure C.) Excluding the zero wage-earners brings the means closer, but the severely disabled group still lagged behind at \$5.20 per hour vs. \$5.70 for the non-severe group. Examining the rehabilitated wage-earners only, 18.2 percent of severely disabled persons and 10.4 percent of the non-severely disabled were earning below the minimum wage rate of \$3.35 per hour. The much more likely placement of severely disabled persons into sheltered workshops would explain this variation to some degree.

VII. Overview of Improvement in Economic Functioning:

A. All Work Statuses at Closure (Table A)

Improvements in a client's economic status is the most highly valued outcome in the State-Federal program of vocational rehabilitation. Data in the Case Service Report system (RSA-911) permit these gains to be measured in several ways. The measurements used here relate to changes in a client's (a) work status, (b) earnings, (c) hours of work, (d) full-time work status, (e) minimum wage rate status and (f) hourly wage rate from entrance into the rehabilitation program to departure from the program as a rehabilitated person. For each of these six paired measurements considerable gains were noted for both severely and non-severely disabled persons who were rehabilitated in Fiscal Year 1988. As expected, however, application-to-closure gains for severely disabled persons were not as large as those for non-severely disabled persons because many more of the severely impaired were rehabilitated as non-wage-earning homemakers or low wage-earning sheltered workshop workers. The figures presented in this section retain the affect of the homemakers and sheltered workshop workers to provide the broadest comparison of outcomes and gains for severely and non-severely disabled persons. In the next section, however, comparisons will be limited to members of both groups who were rehabilitated into the competitive labor market to see whether and to what extent differences between the two groups persist.

The large majority of both severely and non-severely disabled persons were not employed at the time of application for services with only 14.2 percent of severely disabled clients and 22.5 percent of non-severely disabled clients working in the competitive labor market. By rehabilitation closure, however, 76.9 percent of those with severe disabilities and 91.6 percent of the non-severe group were competitively employed. This constituted a gain of 63 percentage points for the severely disabled group and 69 percentage points for the non-severe group.

Similarly, severely disabled persons averaged \$28.80 in earnings in the week before application and the non-severely disabled averaged \$40.80 while in the week before rehabilitation closure the two groups averaged \$166.10 and \$203.80, respectively. The average gain, then, for severely disabled persons was \$137.30 per week and for the non-severely disabled, \$163.00 per week.

As a group, severely disabled persons averaged 4.9 hours of work in the week before application and the non-severely disabled averaged 6.8 hours. By the time of rehabilitation closure, the two groups were averaging 32.2 hours and 36.1 hours, respectively, or a gain of 27.3 hours for the cohort of severely disabled persons and 29.3 hours for the non-severely disabled.

The proportion of both severely and non-severely disabled persons who could work full-time following a successful regimen of rehabilitation services increased markedly from application to closure. At application, only 8.7 percent of severely disabled clients and 12.3 percent of the non-severely disabled were working full-time. At closure, however, 65.6 percent and 79.8 percent of the two groups, respectively, were full-time workers. For those with severe disabilities, then, there was a 57 percentage point increase in full-time workers compared to an increase of 68 percentage points for the non-severely disabled.

Taken altogether, only 10.8 percent of the group of severely disabled persons were earning at or above the minimum wage rate of \$3.35 an hour at application compared to 15.8 percent of the non-severely disabled group. By the time of rehabilitation closure, 73.0 percent of severely disabled clients and 85.5 percent of the non-severely disabled were earning at or above the minimum wage rate, a gain of about 62 and 70 percentage points for the two groups, respectively.

Finally, as a group, severely disabled persons were earning only \$0.80 per hour at application (including the overwhelming majority who were not working at all) compared to \$1.10 per hour for the non-severely disabled. By rehabilitation closure, the cohort of severely disabled persons was averaging \$4.70 per hour and those not severely disabled, \$5.50. The application-to-closure gain in this measurement for severely disabled persons was \$3.90 an hour compared to \$4.40 an hour for the non-severe group.

VII. Overview of Improvement in Economic Functioning:

B. Persons Rehabilitated into the Competitive Labor Market (Table B)

An examination of the outcomes and improvement in economic status of severely and non-severely disabled persons rehabilitated into the competitive labor market shows little difference between the two groups. Both groups of rehabilitated clients demonstrated about equally impressive gains from the time of application for services to closure into the competitive labor market. These findings were previously obscured by the simple comparison of all rehabilitated severely and non-severely disabled persons which was presented in the previous section.

Relatively few of the severely and non-severely disabled persons rehabilitated into the competitively labor market were so employed at application for rehabilitation services. This was true for only 17.4 percent of the severely disabled and 23.9 percent of the non-severely disabled.

The severely disabled group was averaging only \$34.80 per week in earnings at application compared to \$43.10 for their non-severely disabled counterparts. At closure, both groups exceeded \$200 per week in earnings -- \$204.30 for severely disabled clients and \$216.90 for the less severe group. The typical gain from application to closure for a severely disabled person, therefore, was about \$170 and for a non-severely disabled one, \$174.

The severely disabled group averaged only 5.6 hours of work per week at application compared to 7.1 hours for the non-severely disabled. By rehabilitation closure, the two groups of competitively employed individuals averaged 36.6 hours and 37.8 hours of work, respectively. For both groups, the average improvement in weekly hours of work was 31 hours.

Full-time workers at application accounted for only 10.1 percent and 13.1 percent of severely and non-severely disabled persons, respectively, while at closure they accounted for 78.8 percent of severely disabled individuals and 84.7 percent of the non-severely disabled. This meant a 69 percentage point gain for the severely impaired group and a 72 percentage point gain for the less severe group.

Very large gains were registered for both groups in the proportion of clients whose earnings were at or above the minimum wage rate of \$3.35 per hour. At application, only 13.0 percent of severely disabled clients and 16.8 percent of the non-severely disabled had earnings at the minimum wage rate level. At closure, however, 89.9 percent of the severe group and 91.3 percent of the non-severe group had reached or bettered the minimum wage rate. For those with severe disabilities, this was a gain of 77 percentage points compared to a gain of 74 percentage points for the non-severely disabled.

The group of severely disabled persons rehabilitated into competitive employment was earning only \$0.90 per hour at application (most persons were unemployed) while non-severely disabled persons averaged \$1.10 per hour. By rehabilitation closure, the two groups were averaging \$5.60 and \$5.80 per hour, respectively, or a gain of \$4.70 for both severely and non-severely disabled persons.

VII. Overview of Improvement in Economic Functioning:

C. Persons Rehabilitated into Sheltered Workshops

The impressive gains in economic functioning that occurred for individuals rehabilitated into the competitive labor market, regardless of the level of severity, were not realized to the same degree by persons for whom sheltered workshop work was deemed appropriate. This is not surprising since (a) 93.4

percent of all sheltered workshop workers rehabilitated in Fiscal Year 1988 were classified as being severely disabled (compared to 64.8 percent among persons rehabilitated into competitive employment) and (b) their disabling conditions were dramatically different from those of the competitively employed. Because of the heavy preponderance of severely disabled persons among sheltered workshop workers, the severe/non-severe comparison was not deemed to be overly useful. Therefore, the figures provided below are for all sheltered workshop workers, regardless of the severity of disability, showing their relatively modest, albeit real, gains in economic functioning.

By way of background, a large proportion of all persons rehabilitated as sheltered workshop employees were moderately or severely mentally retarded, 35.0 percent, and another 12.0 percent were diagnosed as having some form of psychosis. The comparable percentages for individuals placed into the competitive labor market were only 4.1 percent and 4.7 percent, respectively. Including the less severe forms of mental retardation and mental illness, these two disability groups accounted for 73.6 percent of the sheltered workshop workers and only 29.1 percent of the competitively employed.

Since only 13.6 percent of persons rehabilitated as sheltered workshop workers had any earnings when they applied for services, the mean weekly earnings at application for this group, including the non-earners, was only \$6.10. The same group averaged \$48.70 in the week before rehabilitation closure.

Given the low rate of employment at application, the group average of only 3.0 hours of work per week is not surprising. By rehabilitation closure, these very severely disabled persons were averaging 29.3 hours of work per week. Full-time workers at application accounted for only 2.8 percent of the total, but grew to 29.8 percent at closure.

Only 0.2 percent of the entire cohort of sheltered workshop workers was earning at or above the minimum wage rate at application. About one in ten of these individuals (10.5 percent) attained the minimum wage rate at closure. Finally, the hourly wage rate for the whole group increased from \$0.20 per hour at application to \$1.80 per hour at closure.

VIII. Summary and Conclusions

Persons with severe disabilities have more obstacles to overcome than do those who are not severely disabled upon entering a rehabilitation program. These obstacles are (a) the generally more limiting nature of their major disabling condition, (b) the greater likelihood of having a secondary disability, (c) the need for services that are both more numerous and costly, (d) a greater dependence on public sources of support and (e) a less recent employment experience. These factors tend to reduce the chances for a successful closure into a wage-earning position and into the competitive labor market. Less favorable gains in economic functioning from application for services to rehabilitation closure were noted for severely disabled persons than for those not severely disabled because of the presence of (a) higher proportions of non-wage-earning homemakers and unpaid family workers and (b) low-wage-earning sheltered workshop workers among the severe group. Marked improvements were noted, nonetheless, for severely disabled persons in earnings, hours of work, ability to work full-time, earnings at or above the minimum wage rate and hourly wage rates.

When placement into the competitive labor market was possible, differences between severely and non-severely disabled persons in gains in economic functioning narrowed considerably. While severely disabled individuals so placed earned a little less and worked slightly fewer hours than their non-severely disabled counterparts at rehabilitation closure, their improvement in economic functioning was essentially on a par with that of the less severe group. Rehabilitation into competitive employment is not always appropriate for individuals with severe disabilities, but, given the decided economic benefits from such a placement, it might be considered as a "first choice" as often as possible.