

Is Disability Contributing to Women's Declining Employment?

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Women's labor force participation rate (LFPR) — the percentage of individuals employed or looking for work — reached an all-time high of 60 percent in 1999, but since then has steadily declined to 57.2 percent in 2012.



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Men's labor force participation has been dropping for decades, yet still remains higher than women's. Some analysts note that an increasing number of married women have decided a career is not worth it and are opting to stay at home. Others point to the much lower participation rate of younger women (under age 24) than older women. Still others attribute the overall decline among both men and women to baby boomers entering retirement.

Though the labor force participation of women is now the lowest in more than 10 years, record numbers are receiving Social Security disability benefits. Could these two trends be related?

Disability Rolls for Women versus Men. Increases in disability rates were expected as the share of the workforce comprised of women grew and more women worked long enough to obtain the minimum three years of credits required to qualify for Social Security disability. In fact:

- In 1970, women comprised about 28 percent of workers receiving Social Security disability benefits.

- By 2000, when women's labor force participation started falling, the portion of women receiving disability had increased to 43 percent.
- In 2012, almost half (48 percent) of the 8.8 million workers receiving benefits were women.

The recent growth in female disability beneficiaries has been comparable to men's:

- From 2000 to 2012, an average of 392,682 women were added to the disability rolls each year, compared to 455,818 for men.
- In 2001, the number of women who received disability benefits was equivalent to 3.4 percent of employed women; in 2012, the number who received disability benefits was equivalent to 6.3 percent of employed women.
- From 2000 to 2012, for every woman who was awarded disability benefits, 1.6 women became employed. For every man awarded disability benefits, only 1.3 men became employed.
- Men comprise a slightly greater share of disability recipients, but disability among women has grown faster than among men over the last decade.

Younger Women Are Receiving Disability. A growing trend is that an increasing number of *younger* women are receiving disability awards. From 2000 to 2012, men outnumbered women in benefits awarded overall. However:

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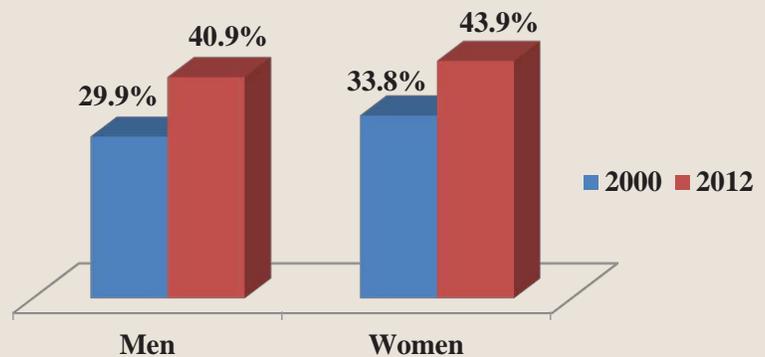
- In six of the last 12 years, more women ages 35 to 39 were awarded benefits than men.
- In eight of the last 12 years, more women ages 30 to 34 were awarded benefits than men.

The majority of disability claims growth has been among men and women over the age of 50. But the growth of younger females beneficiaries is a concern. Most individuals receiving disability benefits do not work, though recipients can earn up to \$770 a month without losing benefits. However, the chances of recipients ever leaving the disability program and returning to full-time work are less than 1 percent. For women in their 30s, this means their careers are short-lived.

The Leading Causes of Disability. In 2000, the leading cause of disability among male and female workers of all ages was musculoskeletal disease [see Figure I]. It remains the leading cause today. Musculoskeletal diseases are conditions that affect muscles, bones, ligaments and tendons. They include but are not limited to rheumatoid arthritis, bursitis, carpal tunnel syndrome, tendonitis and fibromyalgia. Some musculoskeletal disorders are directly linked to work-related injuries. Consider [see the figure]:

- About 13.2 percent of women and 11 percent of men under age 35 awarded disability benefits were diagnosed with a musculoskeletal condition; in 2012, women under 35 still outpaced men in this category.
- For disability recipients ages 35 to 49, one-fourth of the women were diagnosed with a musculoskeletal condition in

Musculoskeletal Disorders (as a percent of disability awards, age 50 and over)



Source: "Annual Statistical Report on the Social Security Disability Insurance Program, 2000" and "Annual Statistical Report on the Social Security Disability Insurance Program, 2012."

2000 compared to one-third of the men; but the percentage of women with these disorders jumped to more than 30 percent by 2012.

- The largest increase in awards was in the 50 and older age group. Nearly 34 percent of women were diagnosed with musculoskeletal disorders in 2000 compared to 29.9 percent of men and, by 2012, the percentage of recipients of both sexes with these conditions had increased 10 percentage points.

In 2000, mental disorders (excluding mental retardation), were the second leading cause of disability for women and men, comprising 23.5 percent of awards. For women 50 and over, disability due to mental disorder diagnoses increased from 11.6 percent in 2000 to 14.2 percent in 2012, but fell about 3 percentage points for men.

The Affordable Care Act and Mental Health. A major requirement of Obamacare is to treat mental disorders on par with physical illnesses:

- Insurers can no longer cancel or deny coverage to individuals based on pre-existing mental or emotional disorders, such as depression.
- There are no lifetime limits on benefits for mental disorders or limits on the number of treatments.

In June 2011, according to the U.S. Department of Health and Human Services, 95 percent of small group health plans and about 80 percent of individual plans covered mental health services. If most workers have access to mental health coverage, it is not clear why the distribution of disability benefits based on mental disorders has not fallen.

If these trends continue, disability that prevents work may become a greater issue for young women than the social and economic factors that apparently inhibit their advancement in the work force.

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