

# Communicating Employment Supports to Denied Disability Insurance Applicants

*Letters about employment support programs did not reduce appeals*

**Target a Priority Outcome** Each year, the Social Security Administration (SSA) denies millions of applications for disability insurance. The most recent data from 2017 reports denials of about 1.5 million applications for Social Security Disability Insurance (DI) worker benefits and about 1 million adult applications for Supplemental Security Income (SSI) payments.<sup>1</sup> Research has consistently shown that many of these denied applicants have poor subsequent labor force participation rates and earnings.<sup>2</sup> SSA aimed to provide denied applicants information about resources to help them stay in the labor market or return to work.

**Translate Evidence-Based Insights** OES, SSA, and the Office of Management and Budget (OMB) designed new outreach to disability insurance applicants who were determined in early 2016 to be ineligible for the program. The letters were mailed within 30 days of the initial denial notice, and provided information about other services for which the recipients may be eligible, including vocational rehabilitation and employment support through American Job Centers.

**Embed Tests** SSA randomly sampled 57,223 individuals whose last application decision was at the Initial level; 17,864 individuals whose last application decision was at the Reconsideration level; and 12,357 individuals whose last application decision was at the Administrative Law Judge (ALJ) level. These records were randomly assigned to a treatment group who received the letter and a control group who did not.

**Analyze Using Existing Data** The sample of denied applicants were drawn from SSA's Structured Data Repository, which contains information on recent DI and SSI claims. Because there is limited direct data on participation in the programs mentioned in the letter, we focus on the SSA-specific outcome of appeals; specifically, whether or not an individual appealed their denial decision.

**Reanalyzed Results** Overall, there is no evidence that the letter increased or decreased appeals among those in the Initial (0.00, CI[-0.01, 0.01],  $p > 0.1$ ) or the Reconsideration (0.00, CI[-0.01, 0.01],  $p > 0.1$ ) denial group. Among denied applicants in the ALJ group, individuals who received the letter were about 2.3 percentage points more likely to appeal (CI[0.01, 0.04],  $p < 0.01$ ).<sup>3,4,5</sup>

**Build Evidence** We find no evidence that the letters reduced appeals—in fact, there was a statistically significant increase in appeals for those denied at the ALJ level. All the point estimates, including the statistically significant and insignificant estimates, were positive—opposite the hypothesized impact. It is possible that the letter induced appeals to higher levels of adjudication by signaling to the denied applicants that they require additional supports, or by acting as an additional reminder of the individual's denial (and hence need to appeal before the deadline).

<sup>1</sup> See: "Annual Statistical Report on the Social Security Disability Insurance Program, 2017." Social Security Administration, 2018. Table 60. Also see: "SSI Annual Statistical Report, 2017." Social Security Administration, 2018. Table 69.

<sup>2</sup> See: Bound, John. 1989. "The Health and Earnings of Rejected Disability Insurance Applicants." *American Economic Review* 79(3): 482-502. von Wachter, Till, Jae Song, and Joyce Manchester. 2011. "Trends in Employment and Earnings of Allowed and Rejected Applicants to the Social Security Disability Insurance Program." *American Economic Review* 101(7): 3308-3329.

<sup>3</sup> Point estimates are marginal effects calculated from logistic regressions.

<sup>4</sup> This project was designed and fielded before OES formalized the [OES Evaluation Policy](#) and standardized the six steps we now use to ensure our findings are relevant and reliable.

<sup>5</sup> Hemmeter, Jeffrey and Susan Wilschke. 2017 Working Paper. "A Test of Letters Communicating Employment Supports to Denied Applicants."