



J. Michael Collins  
University of  
Wisconsin–Madison

Carly Urban  
University of Montana

## **WI22-QTP: Economic Security of People with Disabilities during the Pandemic**

### **Center for Financial Security**

University of  
Wisconsin-Madison

1300 Linden Drive  
Madison, WI 53706

608-890-0229  
[cfs@mailplus.wisc.edu](mailto:cfs@mailplus.wisc.edu)  
[cfs.wisc.edu](http://cfs.wisc.edu)

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## **Abstract**

This study documents the economic impact of COVID19 on households with disabilities.

# 1 Introduction

## 1.1 Background

There are multiple paths through which the COVID-19 pandemic may affect the economic security of working age adults with disabilities. Disruptions to the economy and risk of disease spread led some who were working prior to the pandemic to exit the labor market (Cheng et al., 2020; ?, ?), thereby reducing income through wage earnings. This reduction in labor force participation has not been offset by a subsequent increase in Social Security claiming [CITE?].

Reduced consumption (Baker et al., 2020; Horvath et al., 2021)

households often unable to pay their bills (Clark et al., 2021; Schneider et al., 2020).

We begin our analysis by

We further explore mechanisms underlying changes

Taken together, the results of this study provide important detail about the depth and breadth of the inequity of financial hardship experienced in the pandemic. Our findings indicate heterogeneous effects for vulnerable segments of the population.

Adams-Prassl et al. (2020); Andersen et al. (2020a,b); Baker et al. (2020); Bhutta et al. (2020); Braxton et al. (2020); Brewer and Gardiner (2020); Casado et al. (2020); Cheng et al. (2020); Cherry et al. (2021); Chetty et al. (2020); Clark et al. (2021); Coibion et al. (2020); Consumer Financial Protection Bureau (CFPB) (2020); Cowan (2020); Cutts (2020); Emerson et al. (2021); Enriquez and Goldstein (2020); Farrell et al. (2020); Findling et al. (2021); Gerardi et al. (2021); Gignac et al. (2021); Goda et al. (2022, 2021); Grantz et al. (2020); Haughwout et al. (2020); Horvath et al. (2021); Li et al. (2020); Loibl et al. (2020); Lusardi and Mitchell (2018); Moen et al. (2020); Mullen and Maestas (2022); Quinby et al. (2021); Schneider et al. (2020); Schur et al. (2021); Stavins (2021)

# 2 Prior Literature

## 2.1 COVID-19 and Financial Security

There is a burgeoning body of literature on the economic consequences of the COVID-19 pandemic for U.S. households. Most directly, several studies analyze changes in labor force participation and unemployment in response to the COVID-19 pandemic (e.g. Cheng et al. (2020)), with a few studies focusing on labor trends (Goda et al., 2021; Moen et al., 2020; Quinby et al., 2021).

Reductions in income may be offset in part by reductions in consumption (Baker et al., 2020; Casado et al., 2020; Chetty et al., 2020; Farrell et al., 2020; Horvath et al., 2021). For example, Farrell et al. (2020) find an overall 10 percent decline in consumer spending following

the onset of the pandemic. However, the effects on consumption are heterogeneous across a number of dimensions. Chetty et al. (2020) find that much of the reduction in spending is concentrated among higher income households—households in the top income quartile spent 13 percent less as of mid-July 2020 relative to January 2020, whereas households in the bottom income quartile reduced consumption by only 4 percent during the same period. For those experiencing a COVID related loss of income, Farrell et al. (2020) find that receipt of pandemic-related unemployment benefits is associated with a 10 percent increase in consumer spending relative to the prior year.

Emerson and colleagues studied the effects of pandemic on people with disabilities in the UK ‘Understanding Society’, an annual household panel study (Emerson et al., 2021). Respondents with disability were more likely to experience higher levels of financial stress.

Gignac and colleagues studied people with physical or mental health disabilities in Canada. People with a disability reported more financial concerns, more contract work, and unmet accommodations at work than those with no disability. (Gignac et al., 2021)

Goda, et al use Current Population Survey and monthly Google Trends data to show fewer labor force exits due to disability and applications for disability insurance (Goda et al., 2022)

Schur et al. find White and Black women with disabilities experienced relatively greater employment losses during the pandemic compared to White men without disabilities. (Schur et al., 2021)

Cowan (2020) also finds workers with a disability—have experienced the largest declines in the likelihood of (full-time) work and work hours.

Kathleen Mullen and Nicole Maestas

Previous economic downturns have led to increases in applications for and, eventually, receipt of Social Security Disability Insurance (SSDI) benefits. In the pandemic-induced recession of 2020 and its aftermath, however, SSDI applications did not increase. One important factor may have been the prolonged closure of SSA field offices, since previous research finds that field office closures lead to persistent declines in SSDI beneficiaries in the surrounding communities. In this case, there may be pent-up demand for SSDI benefits as normal operations resume in areas where the economy has not fully recovered. Government support programs were materially different than in past recessions, which appears to have enabled people to weather the downturn and avoid applying for SSDI benefits. Mullen and Maestas (2022)

## 3 Data and Methods

### 3.1 Summary Statistics

### 3.2 OLS Specifications

We provide descriptive regression analysis, following the form:

$\delta outcome_i = \alpha_0 + \beta_1 * Post_i + \beta_2 * STUFF_i + \epsilon_i$

4 Findings

summary tables  
regressions  
Coef plots

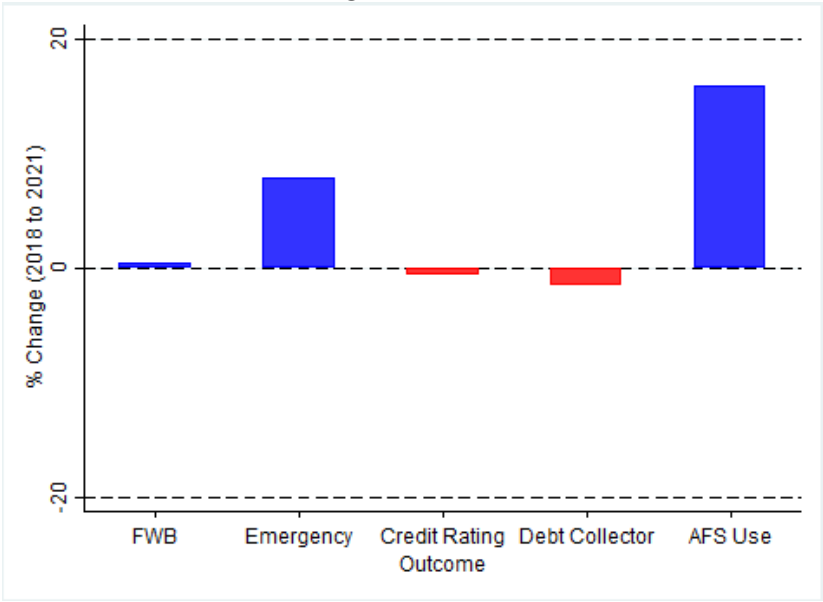
5 Conclusion

Implications for Social Security Programs  
Increased eligibility for SSI and Medicaid, as well as SNAP and LIHEAP

6 Figures

{stuff}

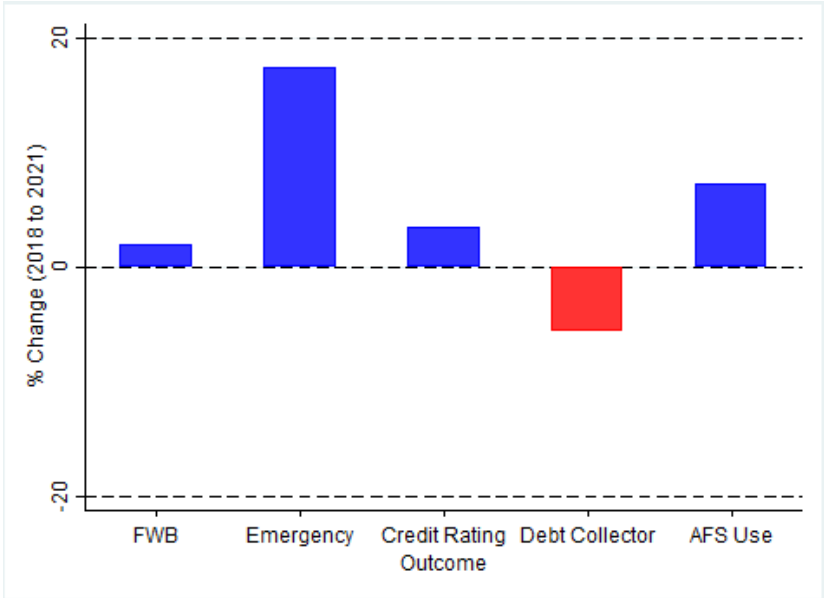
Figure 1: stuff



Here are some notes that go with the graph.

{more stuff

Figure 2: stuff



Here are some notes that go with the graph.

7 Tables

Table 1: Stuff

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All	50.2
A household	48.1
B household	50.2
Primary Person White	42.9
Primary Person Black	61.3
Primary Person Latina	66.8

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## Appendix



**Center for Financial Security**

School of Human Ecology  
University of Wisconsin-Madison

1300 Linden Drive  
Madison, WI 53706

608-890-0229  
[cfs@mailplus.wisc.edu](mailto:cfs@mailplus.wisc.edu)  
[cfs.wisc.edu](http://cfs.wisc.edu)

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