

# The Impact of Covid-19 on Older Workers' Employment and Social Security Spillovers

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August 2021

The research reported herein was performed pursuant to grant #RDR18000003 from the U.S. Social Security Administration (SSA) funded as part of the Retirement and Disability Research Consortium to the National Bureau of Economic Research. The opinions and conclusions expressed are solely those of the authors and do not represent the opinions or policy of SSA, any agency of the Federal Government, or NBER.

# Motivation

- ▶ COVID-19 global pandemic created unprecedented economic and social disruption
- ▶ Particular threat to older and disabled workers
  - ▶ Higher rates of mortality among those at older ages (Rosenthal et al. 2020)
  - ▶ More vulnerable to permanent labor market exits during recessions (Coile and Levine 2007, 2011)

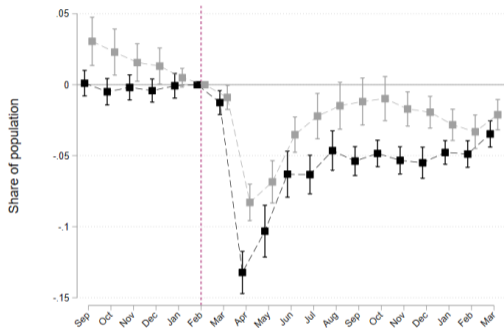
## What do we do?

1. How have older workers' employment outcomes evolved over the course of the COVID-19 pandemic?
2. Did the COVID-19 pandemic result in changes in Social Security disability and retirement applications?

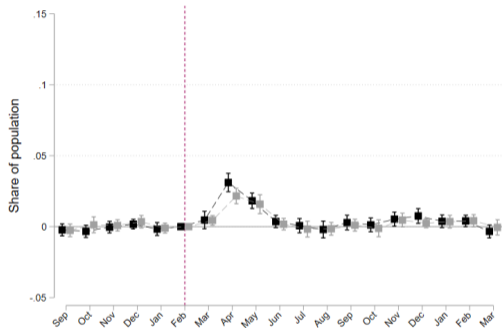
# Data Sources

- ▶ Current Population Survey
  - ▶ Individual-level data
  - ▶ Sample restrictions: Ages 50-70, January 2015 - March 2021
  - ▶ Outcomes: Employed, Unemployed, Not in the Labor Force (NILF)
  - ▶ NILF further broken down into Retired, Disabled, Other
  
- ▶ SSA State Agency Monthly Workload (MOWL)
  - ▶ Number of applications at the state-by-month level from January 2015 - March 2021
  - ▶ Convert outcomes to applications per 100,000 people aged 20-64
  - ▶ Outcomes: SSDI only, SSI only, Concurrent (SSDI and SSI), Total
  
- ▶ SSA Monthly Retirements Applications
  - ▶ Number of applications each month from January 2015 - March 2021
  - ▶ Convert outcomes to applications per 100,000 people aged 60-70
  - ▶ Outcomes: Applications Filed via Internet, Filed Offline, Total

# CPS Employment Outcomes Event Studies



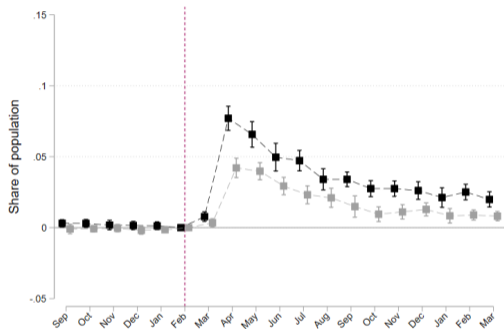
Employed



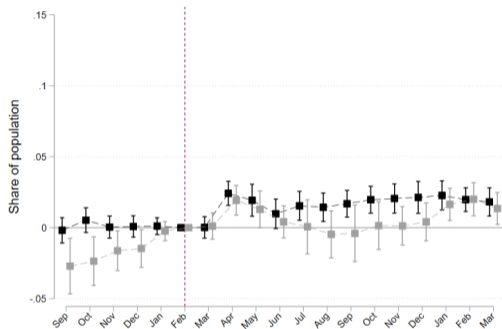
Employed-Absent

- 50-61
- 62-70

# CPS Employment Outcomes Event Studies



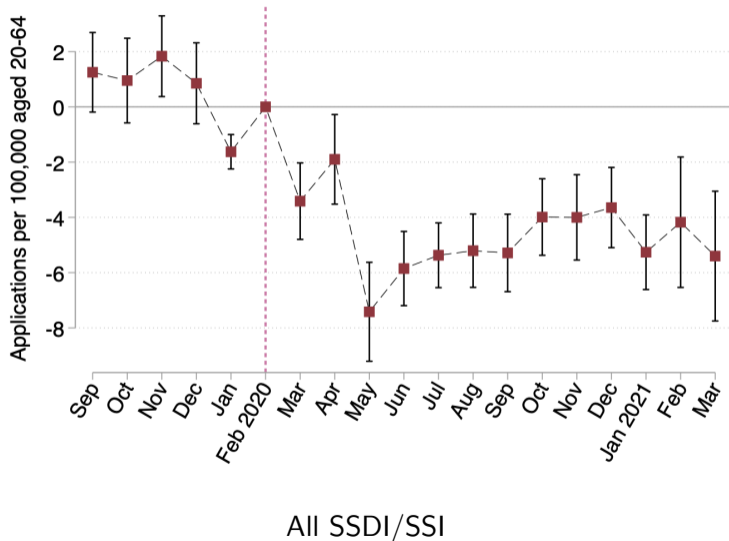
Unemployed



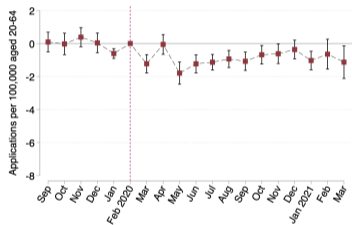
NILF

- 50-61
- 62-70

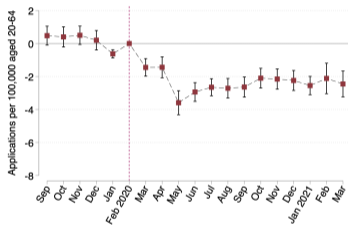
# Social Security Disability Applications Event Studies



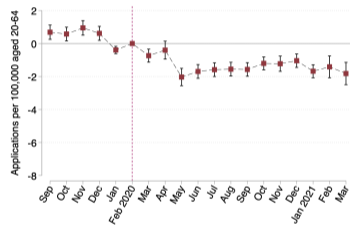
# Social Security Disability Applications Event Studies



SSDI Only



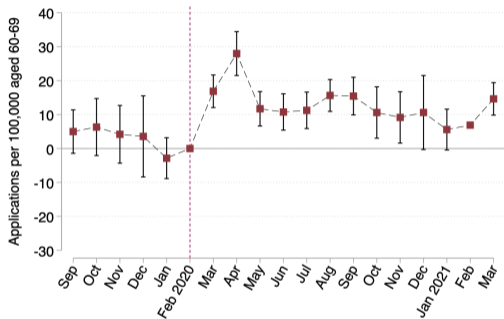
SSI Only



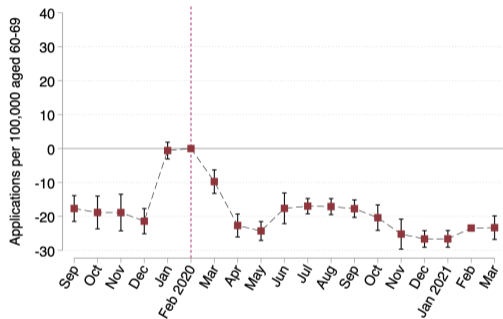
Concurrent



# Social Security Retirement Applications Event Studies



Apps Filed via Internet



Apps Filed Offline

# Heterogeneity

- ▶ Reductions in disability concentrated among vulnerable groups (low education, Blacks, Hispanics, those who live alone); retirement higher among high education/Whites/those who live alone
- ▶ Employment (and search intensity) reductions were larger in states that were more shutdown, counteracting increases in unemployment and NILF/other; no significant differences in disability apps
- ▶ Employment reductions more pronounced in states where a higher share were employed in non-teleworkable and non-essential jobs

# Potential Mechanisms

## *Labor Market Outcomes*

- ▶ Demand-side factors:
  - ▶ Business closures due to shutdowns
  - ▶ Fall in consumer demand
- ▶ Supply-side factors:
  - ▶ Care-giving
  - ▶ Fear of contracting the virus
  - ▶ Change in work requirements

## *SSA Disability Outcomes*

- ▶ Demand-side factors:
  - ▶ Actual reductions in disability
  - ▶ Expanded UI benefits/stimulus
- ▶ Supply-side factors:
  - ▶ Reduced access due to: office closures or lack of internet access
  - ▶ Inability to certify medical condition