



HEALTH, DISABILITY, AND FINANCIAL WELL-BEING DURING THE PANDEMIC

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Based on evidence across two surveys with different measures of disability, we find that people with disabilities show only small financial impacts initially as the pandemic began; this is likely due to a wide array of policy efforts. A third survey shows that as the pandemic progressed, people with disabilities faced more financial challenges relative to people without disabilities, especially paying for food and housing expenses after pandemic supports ended in 2021. Our results suggest that programs and policies targeted to people with disabilities should closely monitor the economic well-being of program participants for signs of accumulated hardships and distress.

Economic Security of People with Disabilities during the Pandemic

This paper investigates the degree to which people with disabilities experienced different economic outcomes after the COVID-19 pandemic relative to people without disabilities. While the effects of the pandemic are ongoing, this study provides a preliminary snapshot of early trends for people with disabilities. It first asks: how have measures of financial well-being changed for people with disabilities in years before versus after the start of the pandemic, when compared to people without disabilities. Second, we look at within pandemic changes in economic security, again comparing people with and without disabilities over time. Our main outcomes of interest include emergency savings, financial anxiety, late payments, consumption hardships and use of debt, as well as subjective financial well-being. Using data from three national surveys, the Census Household Pulse, Federal Reserve Survey of Household Economics and Decisionmaking, and the FINRA National Financial Capability Study from 2018 to 2021, this study uses provides evidence on the financial well-being for people with and without disabilities over the pandemic using different time periods and different measures of worker disability.

These data show several patterns that suggest that people with disabilities experienced absolute improvements in their financial conditions, similar to households overall, compared to just before the pandemic. Along some measures, such as carrying a credit card balance, the population at large improved, though those with disabilities were more likely to hold balances after the pandemic. Throughout the pandemic, people with disabilities still faced significant financial challenges relative to people without disabilities. In particular, people with disabilities struggled with paying for living expenses, housing and food later in 2021. The fact that this pattern is more common in later periods, after pandemic supports began to be exhausted suggests that Economic Impact Payments, increased eligibility for SNAP (food support), LIHEAP (energy costs), and other programs may have enabled all people to weather the downturn, including those with disabilities. As these programs ended, combined with rising costs of living due to inflation and constraints on income and work, imply that people with disabilities experienced more financial stress in late 2021 than the overall population.

The pandemic's association with financial distress was similar for those with and without disabilities, using data from 2018 and 2021.

Our findings using the National Financial Capability Study suggest that while respondents with disabilities struggle more on average than those without, conditional on observable characteristics, the pandemic affected both groups similarly.

Financial hardship faced by people with disabilities grew throughout the pandemic.

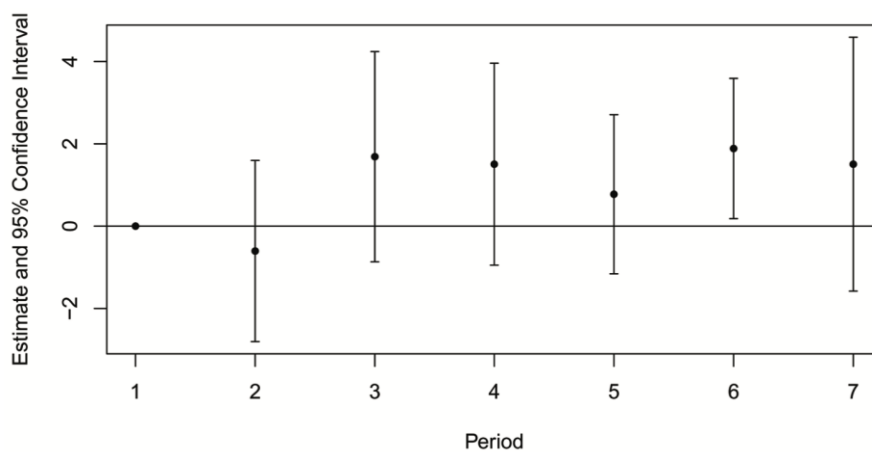
People with disabilities are nearly ten percentage points more likely to experience food insecurity than people without, and the gap remains largely consistent across the pandemic (Figure A). A similar story exists when looking at difficulty covering expenses: people with disabilities are over ten percentage points more likely to have difficulty covering expenses than those without over the sample period (Figure B). Our results show that people with disabilities struggle more with paying rent or mortgages, but there is some evidence of a widening gap in difficulty between those with disabilities and without disabilities over the course of the pandemic (Figure C).

Implications

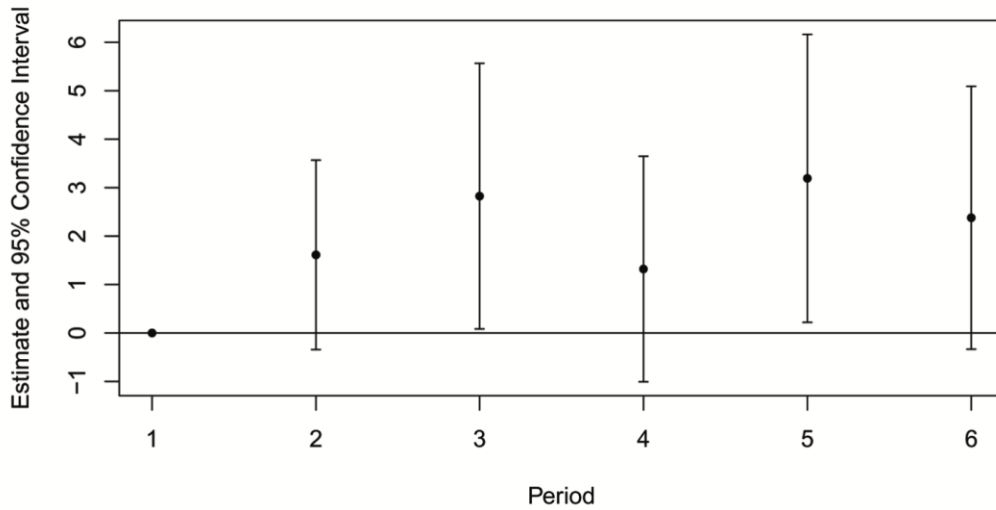
- Overall, people with disabilities face more economic hardship than people without disabilities.
- However, comparing people with and without disabilities before and after the pandemic suggests that the gap did not grow.
- Comparing changes across the two groups during the pandemic paints a different picture. The gap in economic security across people with and without disabilities grew throughout the pandemic, particularly with respect to food insufficiency and confidence in paying for housing.

Figures: Difference in hardships between people with and without disabilities over the quarterly periods relative to April-June 2020, Household Pulse Survey

A: Food Insufficiency

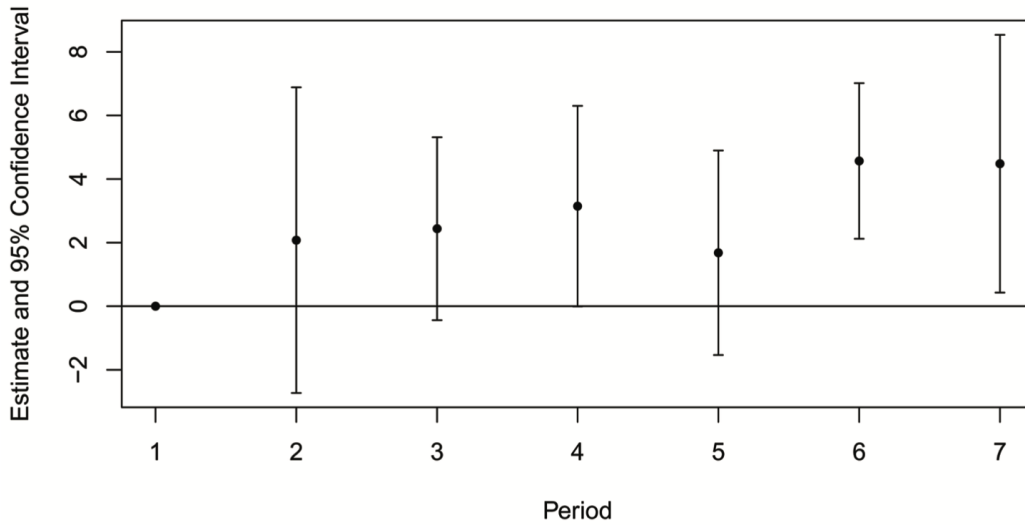


B: Difficult Keeping Up with Expenses



Notes: Sample ($N = 1,104,824$) consists of respondents from Household Pulse Survey

C: Difficult Paying Rent Mortgage



Notes: Sample ($N = 1,395,349$) consists of respondents from Household Pulse Survey

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