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## Economic Opportunity and Spatial Variation in Self-Reported Disability and Receipt of SSI & SSDI

There is substantial variation in self-reported disability and receipt of disability across the US. This study examines how social and structural characteristics of place may play a role in shaping disability and work over time. Specifically, this study focuses on whether and to what extent local area economic opportunity accounts for variation in local disability levels using a new county-level measure of the level of upward economic mobility achieved in adulthood by children from low-income families born in the early 1980s.

The measure is the income rank in adulthood of children born to parents at the 25th percentile of the national income distribution, as calculated by Chetty et al <sup>1</sup>. Conditional on being born to families at the same point in the income distribution, differences in the mean income percentile ranking achieved in adulthood show relative variation in levels of economic opportunity across counties. A child born to low-income parents is less likely to move up the economic ladder in adulthood based on where they grow up. The extent to which children from low-income families are able to climb the income ladder in adulthood is a useful measure of the degree of economic opportunity in a local area. This analysis is based on data across counties in the US as of 2015.

## Local Area Economic Opportunity, Working and Reporting Disabilities

This study shows how spatial variation in local area economic opportunity explains:

1. Local variation in rates of labor force participation (working);
2. Self-reported disability and receipt of disability assistance, and
3. Correlations between unemployment and disability within counties.

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<sup>1</sup>Chetty R, Hendren N, Kline P, Saez E. 2014. "Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States" *Quarterly Journal of Economics* 129(4):1553-1623.

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There is no evidence of an association between local area economic opportunity and labor force participation after controlling for other county level sociodemographic characteristics.

Rates of self-reported disability were higher in counties with lower economic opportunity. This holds true for both men and women, even after controlling for sociodemographic and economic characteristics. Rates of Social Security SSDI receipt follow a similar pattern: where lower economic opportunity is higher, SSDI receipt is lower.

Rates of self-reported disability and receipt of SSDI increase more in response to an increase in unemployment in counties characterized by low-economic opportunity relative to counties characterized by high-economic opportunity. This suggests economic opportunity and local labor interact to induce people into and out of the labor force.

## Implications

Taken together, these analyses indicate that local area economic opportunity is capturing an aspect of places that moderates the relationship between work and disability over time in counties in the US. This trend could be useful to predict the impact of future economic downturns on demand for disability assistance across counties. Moreover, this finding may be useful for generating new insights about the mechanisms underlying the relationship between self-reported disability and the demand for assistance relative to people staying in the workforce.

As future studies develop new information on what aspects of place are driving differences in intergenerational economic mobility, that information may also yield new insights into the place-based structural drivers of disability and demand for income supports. Future research could examine how economic opportunity influences disability among particular subgroups. For example, newly available race- and sex- specific estimates of intergenerational economic mobility across counties may prove useful in examining variation in disability and demand for assistance between whites and nonwhites, and men and women both within and between counties. Examining how these associations differ across subgroups may yield additional insights into the social and economic processes that shape demand for disability programs.