

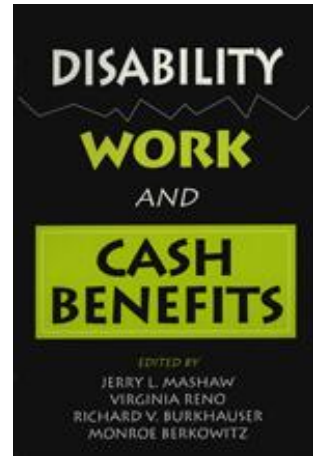


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The employment of persons with disabilities is a central focus of disability policy, for the positive reason that the Americans with Disabilities Act of 1990 (ADA) targets increasing jobs (Jones 1991) and for the negative reason that the rise in the number of beneficiaries has jeopardized the fiscal integrity of public and private disability insurance programs (Stapleton, Barnow, Coleman, Furman, and Antonelli 1994). In trying to project the work prospects of persons with disabilities in the near future, the labor market dynamics of the recent past may be our best guide. While major discontinuities in long-term patterns do occur, and cyclical downturns interrupt the patterns, overall employment trends are remarkably stable.

There have only been two major discontinuities in the past fifty years, the first occurring with the end of World War II, when all the Rosie the Riveters went home to take care of their children and were replaced by men returning from the war, and the last occurring with the energy crisis of 1973, when declining real wages spawned an increase in the proportion of women working (Evans and Nelson 1989; Levy 1987). Few of those observing the labor market in the late 1960s foresaw the end of the rapid increase in the standard of living that occurred in the early 1970s. Similarly, few writing now foresee a major disruption of the principal forces shaping the contemporary labor market. The trends in the labor market since 1973, particularly stagnant wages accompanied by the increase in labor force participation among women, have been so strong that, in the absence of a major shift in employment patterns, one can state with a fair degree of certainty what the patterns in the near future will be.

In this paper, then, we will review the overall labor market trends for the last two decades to show the extent to which the employment of persons with disabilities fits these more general developments. In addition, we will describe some of what is known about the characteristics of persons with disabilities that affect the probability that they will be able to find work if unemployed and to stay employed if already in the labor force. Our goal is to show the basic parameters for job prospects for individuals with disabilities and the likely success of efforts to alter those prospects.

Our research draws upon analyses of data from two surveys, the National Health Interview Survey (Kovar and Poe 1985) and the March supplement to the Current Population Survey (U.S. Bureau of the Census 1993a). The National Health Interview Survey (HIS) is the principal survey evaluating the health status of the noninstitutionalized population. We use data from the 1970 through 1992 HIS to trace the trends in labor force participation among persons with disabilities. In the HIS, respondents are asked if they are unable to do their major activity or are limited in the amount or kind of their major or outside activities. For the purposes of the analyses reported here, persons who report one of these forms of limitation are said to have a disability.

The Current Population Survey (CPS) is the principal survey evaluating the labor market behavior of the U.S. population. However, since 1981, the March supplement to the CPS has asked whether respondents have a health condition that prevents work or limits the amount or kind of work. For this study, persons who report one of these forms of work limitation are said to have a disability. We use data from the 1981 through 1993 March supplement to compare trends in the length of the workweek among persons with and without disabilities and to trace the pattern of transitions into and out of the labor force among the two groups.

Labor Force Participation Since 1970

In the 25 years between the end of World War II and 1970, labor force participation rates appeared to match the stereotype for the American family. Men had consistently high labor force participation

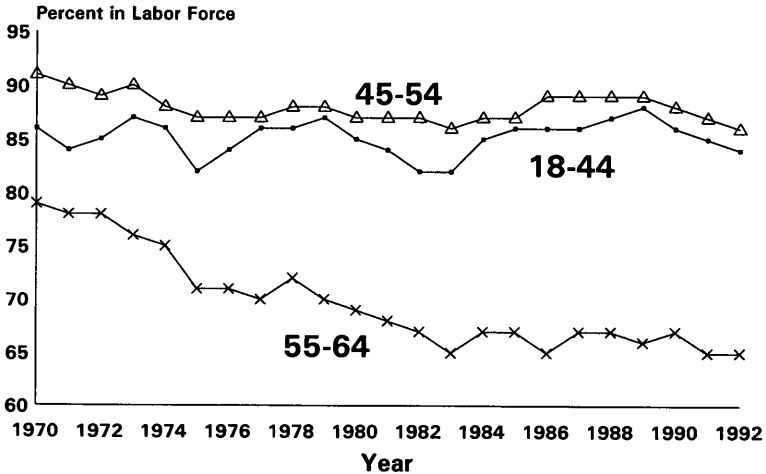
rates, somewhat reduced in time of recession, and women generally had low participation rates, with the exceptions that most young women worked prior to having children and some older women returned to work after their children had grown (Levy 1987). Most men worked full-time, and most had long tenures on the job. The economic situation in the U.S. reinforced the stereotype. Relatively rapid growth in real wages enabled most families to do well on one full-time income. Indeed, the expectation of rising wages allowed Americans to plan for large families, which, in turn, reinforced the decision that most women would not work outside the home. Women were needed in the home economy, if not remunerated for that role.

In reality, the postwar period might better be viewed as an aberration in long-term trends, since women had had relatively high labor force participation rates at several points prior to that time (Evans and Nelson 1989). The stereotype did not even fit the postwar period perfectly. During the 1960s, at the height of American prosperity, women in every age group experienced increasing labor force participation rates (U.S. Bureau of the Census 1981). Indeed, in 1970, about half of all working-age women were in the labor force, an increase of more than 15 percent relative to 1960, and the sectors of the economy in which they took jobs were those in which they have always been well represented. Thus, the entry of women into the labor force in the ensuing two-and-a-half decades may represent less of a break with historical precedent and more of a quickening of trends already underway.

The employment trends among men after 1970, however, do represent a major change from the immediate postwar period, both because their overall labor force participation rates fell and because they experienced a shift in the kind of jobs held and in the working conditions at those jobs. Figure 1 traces the labor force participation rates among men 18-44, 45-54, and 55-64 from 1970 through 1992. The sharpest fall in labor force participation rates was among men 55-64, with most of that decline occurring early in the period under study. Thus, in 1970, 79 percent of men in this age group were in the labor force, but by 1983, their labor force participation rate had fallen to 65 percent, or by about 18 percent in relative terms, before leveling off. In contrast, labor force participation rates held relatively steady among men 45-54, only declining from 91 to 86 percent over the entire period, and among men 18-44 there was almost no net change in labor force participation,

although such men experienced greater volatility in employment than their older counterparts as a result of short-term economic cycles.

Figure 1. Labor Force Participation of Men, by Age, 1970-1992

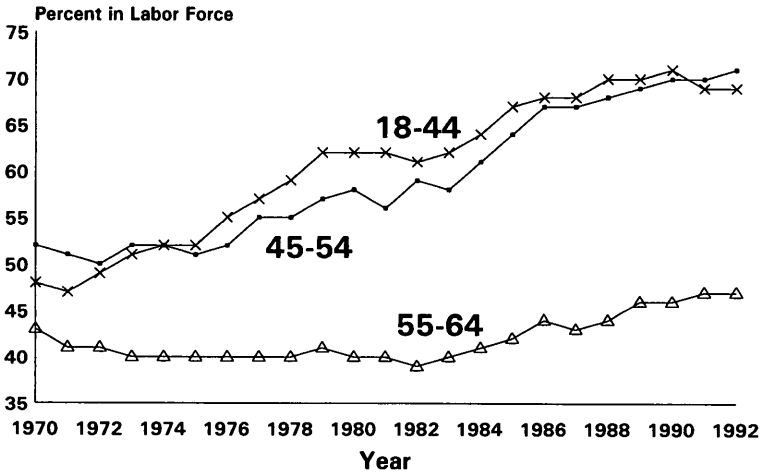


SOURCE Authors' analysis of the National Health Interview Survey

The employment trends among women are almost the exact opposite of those affecting men (figure 2). Labor force participation rates among women 18-44 and 45-54 have risen substantially since 1970, pausing only during economic downturns. Overall, women aged 18-44 saw their labor force participation rates rise from 48 to 69 percent during this time, or by about 44 percent in relative terms, whereas women 45-54 experienced about a 37 percent increase. While men 55-64 had a precipitous fall in employment in the 1970s, followed by relatively stagnant labor force participation rates in the interim, women in this age group had relatively stagnant rates in the 1970s, before experiencing a substantial and steady increase after 1982.

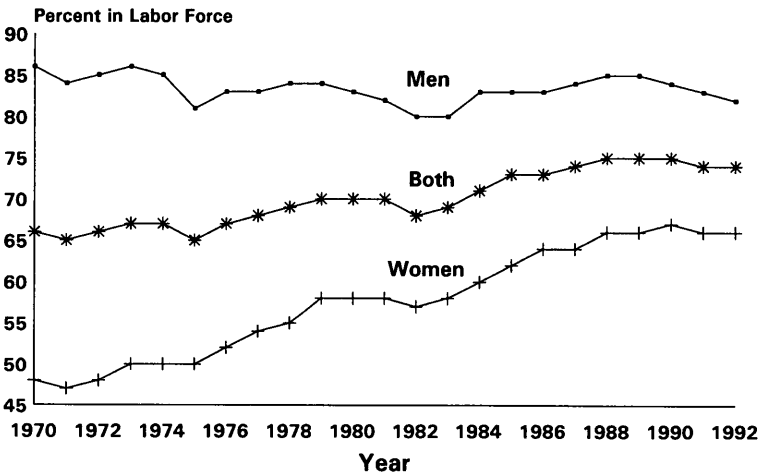
Figure 3 summarizes the labor market dynamics of the period from 1970 through 1992. Rapidly growing labor force participation rates among women, interrupted only by the recession in the early 1980s, more than offset a slight decline in labor force participation among men, in the process radically increasing the proportion of all working-

Figure 2. Labor Force Participation of Women, by Age, 1970-1992



SOURCE: Authors' analysis of the National Health Interview Survey.

Figure 3. Labor Force Participation, by Gender, 1970-1992



SOURCE: Authors' analysis of the National Health Interview Survey.

age adults in the labor force. Thus, in 1970, 66 percent of all persons 18-64 were in the labor force, but by 1992, that proportion had risen to 74 percent, or by more than 12 percent in relative terms. This increase is all the more remarkable because, due to the baby boom generation, the number of adults 18-64 swelled during the period. The U.S. labor market accommodated a rising proportion of a rapidly growing working-age population, resulting in the addition of more than 10 million to the workforce than would have been the case had the 1970 labor force participation rates continued.

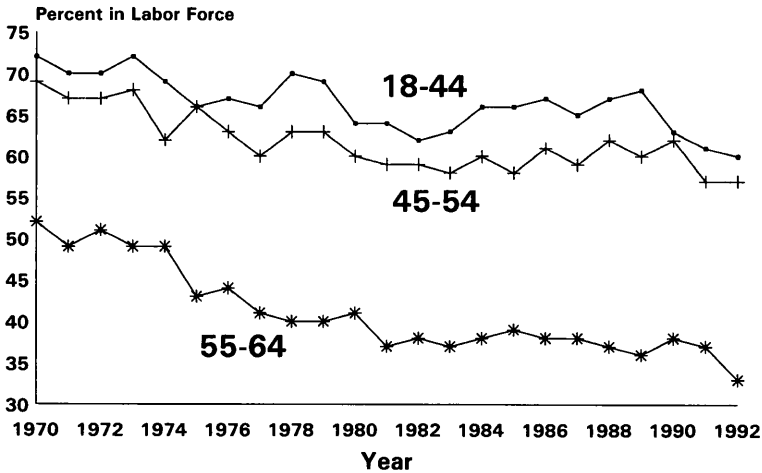
Persons with Disabilities and the Labor Market

How did the surge of women into the labor force and the flow of men out of the labor force affect persons with disabilities? The short answer is that men with disabilities fared much more poorly than men without them, experiencing a far greater decrease in labor force participation rates. In contrast, women with disabilities fared almost as well as women without them, sustaining only a slightly smaller increase in labor force participation rates than all working-age women without disabilities and, among young women, actually registering a larger proportional increase (Yelin and Katz 1994a). Nevertheless, for both genders, the labor market trends of persons with disabilities were similar to those affecting persons without disabilities.

Thus, older men with disabilities sustained a rapid decline in labor force participation rates from 1970 through 1982, and have experienced relative stasis since then (figure 4). Overall, men aged 55-64 with disabilities saw their labor force participation rates fall from 52 percent in 1970 to 33 percent in 1992, or by about 37 percent in relative terms. During the same period of time, men aged 55-64 without disabilities experienced about a 16 percent decline in their labor force participation rates (data not in figure). Similarly, while men 18-44 and 45-54 years old sustained only about 1 and 3 percent relative declines in labor force participation rates, respectively (data not in figure), men with disabilities in both age groups saw their labor force participation rates fall by about 17 percent. Older men with disabilities experienced a disproportionate decline in their access to employment relative to

older men without them, and younger men with disabilities, unlike younger men without disabilities, sustained *significant* reductions in their labor force participation rates.

Figure 4. Labor Force Participation of Men with Disabilities, by Age, 1970-1992



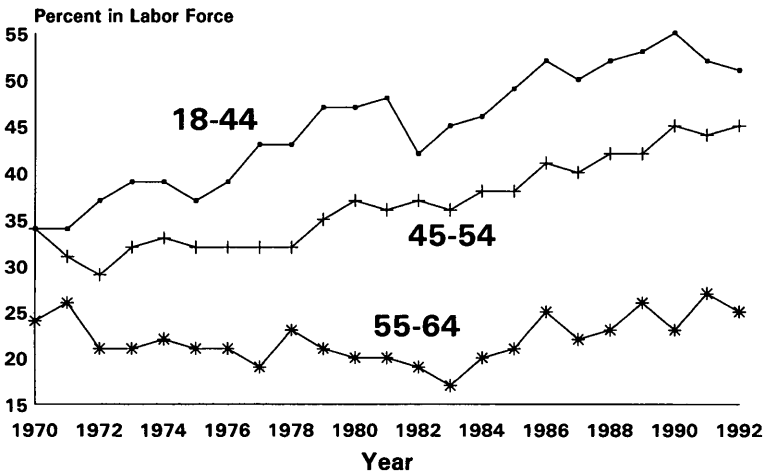
SOURCE: Authors' analysis of the National Health Interview Survey

Among women with disabilities, those 55-64 years old held their ground, with labor force participation rates about the same in 1992 as in 1970 (figure 5). Middle-aged and young women with disabilities, however, sustained substantial increases in labor force participation over this time span, with the exception of the severe recession of the early 1980s and, among women aged 18-44, during the recession just ended. The gains among women aged 18-44 with disabilities are particularly striking, with their labor force participation rates increasing by 50 percent in relative terms, from slightly over one-third to more than half. These increases occurred while the number of young women with disabilities was expanding rapidly. In 1970, fewer than 900,000 women 18-44 years old of the more than 2.6 million such women with disabilities were in the labor force; by 1992, this proportion had increased to 2.7 million out of more than 5.3 million.

Table 1 summarizes the employment dynamics among persons with and without disabilities over the 23 years ending in 1992. While the

market was accommodating an increase of 12.2 percent in the proportion of working-age adults in the labor force, persons with disabilities experienced a slight decline in their overall labor force participation rates, while those without disabilities experienced a 14.7 percent increase. The slight net decrease in labor force participation rates among persons with disabilities is the net result of a substantial decline among men with disabilities (16.6 percent) and a substantial increase among women with disabilities (32.4 percent). Men with disabilities experienced more than eight times as large a decrease in labor force participation rates as men without disabilities. Meanwhile, women with disabilities saw their labor force participation rates increase by 84 percent as much as women without disabilities (32.4 versus 38.6 percent).

Figure 5. Labor Force Participation of Women with Disabilities, by Age, 1970-1992



SOURCE: Authors' analysis of the National Health Interview Survey

Clearly, persons with disabilities, like members of racial minorities, have become one of the principal ways the labor market accommodates change. Men with disabilities are the leading edge of the decline in labor force participation rates among older men, while women with disabilities follow just behind other young women in gaining increased

Table 1. Labor Force Participation Rates of Persons 18-64 with and without Disability, U.S., by Gender, 1970 and 1992

Year	Participation rate (percent)								
	Men			Women			Total		
	With disability	Without disability	Total	With disability	Without disability	Total	With disability	Without disability	Total
1970	69.7	93.3	90.1	34.3	53.7	51.5	52.5	72.2	69.8
1992	58.1	91.4	86.8	45.4	74.4	70.2	51.5	82.8	78.3
Percent change	-16.6	-2.0	-3.7	32.4	38.6	36.3	-1.9	14.7	12.2

SOURCE Authors' analysis of the National Health Interview Survey.

access to the labor force. Indeed, race and disability interact, with older minority men with disabilities experiencing a larger proportional decline in labor force participation rates than such white men. Similarly, minority women with disabilities have experienced smaller proportional gains in their labor force participation rates than such white women, in part because minority women had higher labor force participation rates in the past (Yelin 1989).

The exit of men, particularly older men, and the entrance of women, especially young women, do not course evenly throughout the economy. Instead, these changes are part and parcel of the gradual economic transformation from the production of goods to the provision of services. In the next section, we show how disability interacts with these occupational and industrial shifts.

Disability and the Shifting Mix of Occupations and Industries

The transformation of the American economy was described more than a decade ago as a process of de-industrialization (Bluestone and Harrison 1982). Since then, American manufacturing has undergone a type of renaissance, as some old industries (e.g., automobiles) have become more efficient and some relatively new ones (e.g., computer chips) have successfully recaptured markets thought lost forever (Jablonski 1994). However, by and large, these improvements in the prospects for manufacturing have not stanching the employment declines in occupations and industries related to this sector (Kutscher 1993). Instead, older manufacturing concerns have learned to operate with fewer workers, sometimes making current employees work longer hours, while newer ones have been founded with the goal of minimizing the amount of labor required. Thus, notwithstanding the cyclical increase that comes with the end of recession, the decline in manufacturing-related employment continues, along with the expansion of service-related employment.

While many analysts were concerned with the impact of de-industrialization on the overall economy, others argued that de-industrialization might lead to a proletarianization of the workforce, with more of us in low-skill, low-pay service sector jobs (Wright and Singleman

Table 2. Mix of Occupations by Disability Status, U.S., 1970 and 1992

Occupation	Percentage distribution								
	With disability			Without disability			Total		
	1970	1992	Percent change	1970	1992	Percent change	1970	1992	Percent change
Professionals	12.6	17.2	36.5	15.3	18.8	22.9	15.0	18.7	24.7
Farm occupations	4.6	2.8	-39.1	2.8	2.6	-7.1	3.0	2.6	-13.3
Managers	11.6	13.3	14.7	10.8	14.3	32.4	10.9	14.3	31.2
Clerical	15.0	14.9	-0.7	18.4	15.1	-17.9	18.1	15.0	-17.1
Sales	7.1	11.6	63.4	5.9	11.4	93.2	6.0	11.4	90.0
Crafts	14.8	9.6	-35.1	13.7	10.9	-20.4	13.8	10.8	-21.7
Operatives	16.9	11.2	-33.7	18.0	10.7	-40.6	17.9	10.8	-39.7
Service	13.6	16.1	18.4	11.3	12.4	9.7	11.5	12.8	11.3
Laborers	3.9	3.3	-15.4	3.8	3.8	0	3.8	3.7	-2.6
Total	100.0	100.0	--	100.0	100.0	--	100.0	100.0	--

SOURCE: Authors' analysis of the National Health Interview Survey.

NOTE: Totals of items may not equal 100 due to rounding

Table 3. Mix of Industries by Disability Status, U.S., 1970 and 1992

Industry	Percentage distribution								
	With disability			Without disability			Total		
	1970	1992	Percent change	1970	1992	Percent change	1970	1992	Percent change
Agriculture, forestry, mining	6.0	3.2	-46.7	4.0	3.3	-17.5	4.2	3.3	-21.4
Construction	6.7	5.2	-22.4	6.6	6.4	-3.0	6.6	6.3	-4.6
Manufacturing	24.0	15.8	-34.2	27.2	17.8	-34.6	26.9	17.7	-34.2
Transportation, utilities	6.4	7.2	12.5	7.2	7.3	1.4	7.1	7.3	2.8
Wholesale/retail trade	19.1	19.2	0.5	18.4	19.2	4.3	18.5	19.2	3.8
Finance, insurance, real estate	4.8	6.0	25.0	5.4	6.7	24.1	5.3	6.6	24.5
Service	26.1	37.3	42.9	25.3	34.6	36.8	25.3	34.8	37.6
Public administration	7.0	6.2	-11.4	6.1	4.8	-21.3	6.2	4.9	-21.0

SOURCE: Authors' analysis of the National Health Interview Survey

1982). The fears about the nature of jobs proved unfounded. The number of service jobs increased, and many of them were poor jobs, but many of them were high-wage, professional jobs in such sectors as research organizations or financial services (Nasar 1994). Just as the loss of manufacturing employment did not signify the demise of manufacturing, the rise of service employment did not signify the demise of high-wage labor.

However complex employment dynamics have become, the same set of forces have affected persons with and without disabilities alike. Between 1970 and 1992, the two groups experienced similar rates of increase in the growth occupations and industries and similar rates of decrease in most of the declining sectors of the economy (tables 2 and 3). Thus, as the demand for craft workers and machine operatives sagged, persons with and without disabilities experienced a decline in the proportion of jobs in these occupations (table 2). In contrast, both groups sustained substantial increases in the proportion of jobs in professional, managerial, sales, and service occupations. The growth in professional and managerial job categories was particularly gratifying, since it indicated that as the economy shifted away from craft and machine operative occupations, persons with disabilities were not consigned to low-paying jobs, disproportionately located in services.

The data on the proportion of jobs in various industries tells a similar story (table 3). Persons with and without disabilities saw their share of jobs in agriculture and extractive industries, construction, manufacturing, and public administration decline, and their share of jobs in finance, insurance, and real estate, and in services increase. Again, persons with disabilities were able to gain proportionate access to growth sectors with good jobs, such as finance, insurance, and real estate, and they did not sustain a disproportionate share of the losses in the well-paying manufacturing sector.

Disability and the Workweek

As the proportion of all working-age adults in the labor force increased and as a growing fraction of the employed moved from goods to service production, persons with and without disabilities

experienced these changes in tandem. However, their experience diverged on the other major trend in employment, the length of the workweek (table 4).¹ Persons with disabilities sustained a much larger decline in the proportion working full-time than did those without disabilities. They experienced a much sharper increase in the proportion working part-time for economic reasons, and, unlike persons without disabilities, they also experienced a rapid increase in the proportion stating that they worked part-time for noneconomic reasons. Thus, while the average workweek increased by 1.2 hours among persons without disabilities, it declined by 2.2 hours among persons with them.

The disproportionate increase in part-time work, especially involuntary part-time work, among persons with disabilities suggests that when employers foresee downturns in the economy, they shift a larger percentage of employees with disabilities to part-time work and that when employers foresee upturns in the economy, they hire a greater percentage of persons with disabilities in part-time jobs. Alternatively, persons with disabilities may seek part-time work as a way of protecting jobs when they fear impending work loss, and they may seek part-time work when they are trying to find employment.

Overall, however, persons with disabilities experienced both the positive and negative trends in the labor market in roughly the same way as persons without disabilities (Yelin 1992), with older men shedding jobs in manufacturing and younger women obtaining them in the service sector. In the next section, we study the factors affecting transitions into and out of the labor force in greater detail, focusing on the impact of the specific work history of individuals on their labor market prospects.

Transitions Into and Out of Work

Static measures, such as the labor force participation rate or average workweek, mask the extent to which individuals flow into and out of jobs. The ability to retain jobs is particularly important to persons with disabilities because they may be subjected to the preexisting condition clauses in health insurance policies should they have to change jobs and because employers are more likely to provide long-term workers

Table 4. Workweek of Persons with and without Disabilities, 1981 and 1993

Year	Percentage of persons employed							
	Full-time		Part-time, economic reasons		Part-time, noneconomic reasons		Hours per week	
	With disability	Without disability	With disability	Without disability	With disability	Without disability	With disability	Without disability
1981	72.1	83.3	6.3	4.3	21.6	12.4	37.2	40.8
1993	65.9	82.8	9.7	5.3	24.5	12.0	36.4	41.3
Percent change	-8.6	-0.6	54.0	23.3	13.4	-3.2	-2.2	1.2

SOURCE: Authors' analysis of the March supplement to the Current Population Survey

with flexibility in how they perform their work. Moreover, with the passage of the ADA, increasing the proportion of persons with disabilities in the labor market has become a central tenet of public policy, making such transitions all the more important.

In 1993, slightly more than 8 percent of persons without disabilities who had not worked in the preceding year reported being employed in the week prior to the interview for the March supplement (table 5).² Persons with disabilities who had not worked in the previous year fared much more poorly, with only about 2 percent reporting that they had worked in the week prior to the interview. For both groups, persons who had a history of labor force participation at some point in the past were much more likely to be employed. Among persons with disabilities, 6.5 percent of those with a work history but only 1.8 percent of those without one had found employment; among persons without disabilities, 24.3 and 7.9 percent of those with and without work histories, respectively, found employment.

Table 5. Transitions into and out of Employment among Persons with and without Disabilities, 1992-1993

Transitions in work status	Percentage of persons		
	With disability	Without disability	Total
Employed: Did not work prior year, worked prior week	1.9	8.3	5.9
Without previous work history	1.8	7.9	5.6
With previous work history	6.5	24.3	18.2
Best combination of occupation and industry	8.7	30.4	23.2
Worst combination of occupation and industry	0.3	1.1	0.7
Unemployed: Worked in prior year, did not work in prior week	56.2	24.7	25.6
Best combination of occupation and industry	36.5	12.8	13.4
Worst combination of occupation and industry	98.3	93.6	93.8

SOURCE: Adopted from Yelin and Katz (1994b, tables 3 and 4).

The *specific* work history also affects the probability of finding work. Whereas 8.7 percent of persons with disabilities with a work history in the combination of occupations and industries most conducive

to finding work were employed in the week prior to the interview, only 0.3 percent in the worst combination had found jobs, a 29-fold difference. Thus, although the prospect that an individual with a disability will enter the labor force in any one year appears small even in the best circumstances, those who had established a work history and especially those who had established a history in occupations and industries with growth potential were much more likely to find work. In contrast, for those with a history in occupations and industries rapidly shedding workers, finding work was almost unprecedented.

The specific work history of individuals also profoundly affects whether they will be able to retain jobs. In 1993, slightly less than 26 percent of the respondents to the March CPS reported that they had worked at some point in the year preceding the survey but were not working in the prior week. Among persons with disabilities, about 56 percent reported having worked in the past year but not in the past week. Of those persons with disabilities in the combination of occupations and industries most conducive to the maintenance of employment, 36.5 percent stopped working, while among those in the combinations least conducive, fully 98.3 percent stopped working. Interestingly, persons without disabilities with a history of employment in the combination of occupations and industries least conducive to the maintenance of employment did not fare much better, with 93.6 percent reporting that they stopped working. Thus, the presence of a disability is more of a hindrance in the combination of occupations and industries less likely to shed workers, while in the industries more likely to shed them, even good health will not preclude losing one's job.

Overall, persons with disabilities were less likely than those without disabilities to find work, and they were more likely to stop working. Nevertheless, those with a work history prior to disability fared much better than those without a work history prior to disability in finding work, and such persons with a history of work in the combination of occupations and industries most conducive to the maintenance of employment fared much better in staying employed than those with a history in the least conducive combinations.

Is It the Disability or the Characteristics of Persons with Disabilities?

The labor market difficulties of persons with disabilities extend far beyond the conditions themselves (Burkhauser and Daly 1994). While the media sometimes focuses on the well-educated, relatively young population with congenital problems or impairments arising from trauma, the majority of persons with disabilities have an onset of chronic conditions in the mid-to-late stages of working ages (LaPlante 1988). These individuals have less education than persons without disabilities and are more likely to reside in rural, particularly southern, areas and to live in families in which the other workers have low wages. Thus, although some of the gap in employment between persons with and without disabilities is due to the condition itself, much is due to differences between the two groups in demographic characteristics and work history. Moreover, when persons with disabilities do have jobs, they earn about 40 percent less than those without disabilities. Indeed, almost half of employed persons with disabilities earn less than the poverty level income for their family size (Yelin and Katz 1994b).

In addition, the population of persons with disabilities is shifting, with dramatic increases in the number of young persons, including those with congenital conditions that were previously fatal prior to adulthood and those with a history of mental illness or substance abuse problems (Chirikos 1993; Stapleton, Barnow, Coleman, Furman, and Antonelli 1994). Recall that having established a work history is one of the most important determinants of current employment status. Persons whose onset of conditions was at an early age are much less likely to have established a work history prior to the development of disability, a problem amplified by the discrimination those with conditions such as mental disorders face in the labor market. The population of persons disabled by the onset of chronic conditions in middle age or later is very different from the population without disabilities, making them less likely to succeed in the labor market even in the absence of disability (Yelin and Katz 1994b). However, when the onset of disability is at an early age, establishing a significant work history is difficult to

accomplish and is made even more so by the kinds of conditions prevalent among younger adults.

Qualitative Changes in Working Conditions

During most of the twentieth century, employment could be divided neatly into two groups: those paid a salary to design and monitor other's work and, perhaps, to sell the fruits of this labor, and those paid a wage to do the actual production (Osterman 1988). The first group was accorded greater rewards and security than the second group and relative autonomy to carry out tasks. The second group was expected to complete tasks without exercising much autonomy, because in the successful industrial system that evolved in the U.S., production was designed away from the shop floor and any variation was thought to undermine productivity (Hirschhorn 1984). In time, the combination of unionization and productivity increases enabled wages and benefits to rise and a measure of security to be provided, in effect allowing prosperity (or its prospect) to offset the absence of autonomy (Levy 1987). The system worked so well that salaried workers frequently earned less than those paid hourly wages. Incomes grew increasingly more equal as the 1950s and 1960s unfolded (Burtless 1990).

After 1973, the slowdown in productivity growth led many analysts to bemoan the American system of manufacture and to argue that the distinction between those designing and those completing production processes was outmoded (Zuboff 1988). The success of our Japanese and European competitors who opted for flatter hierarchies and the lack of success for American firms using more traditional methods of work provided some evidence that the demarcation between design and implementation was no longer working. In the last decade or so, American firms have increasingly adopted the methods of continuous improvement manufacturing, reducing the number of layers in the employment hierarchy so that communication is eased between those designing production processes and those implementing them. In this way, production workers are involved in the improvement, if not the original design, of those processes.

Paradoxically, as production workers are given more autonomy, blurring the distinction in actual work between salary and wage earners, employment conditions of salaried workers have grown to resemble those of production workers, with smaller proportions having health insurance or pension coverage (Yelin 1992; U.S. Bureau of the Census 1993b), with temporary layoffs becoming more common (Gardner 1994), and with permanent displacement of white collar workers occurring more frequently (Gardner 1993). Indeed, there have been substantial increases in the proportion of employees displaced from managerial and professional occupations over the last decade, while the displacement rate has actually declined for craft workers and operatives. Equally surprising, the fastest increase in the displacement rate has occurred in the growth sectors of the economy, including the financial, insurance, and real estate, and wholesale and retail sectors (Gardner 1993).

As the proportion of all workers with permanent, secure jobs has declined, the proportion of workers hired temporarily has increased (Blank 1990) as have the mechanisms to accomplish this (Belous 1989; Polivka and Nardone 1989). Temporary employees can be part-time, impermanent personnel or independent contractors of the hiring firm or they can work for a temporary agency or on the permanent staff of another subcontracting firm. The separation between those designing and those implementing production processes has been blurred. However, this distinction has been replaced by another: that between a core group hired permanently by successful firms, and given wages or salaries and benefits befitting that success, and a peripheral group hired in a temporary manner to work alongside the core employees when needed or to work in other organizations, albeit in close interaction with the firm's core employees (Osterman 1988).

Information on many dimensions of the shift in the nature of work is difficult to obtain. We know that persons with disabilities experienced a disproportionate amount of the increase in part-time work, and we suspect that employers' concerns about the impact of persons with disabilities on health insurance premiums have reduced these individuals' access to jobs. However, we do not know the extent to which the fear of jeopardizing their Medicare or Medicaid benefits keeps persons with disabilities from venturing into the labor market. We also do not know the extent to which they have made inroads into the core group of

workers with permanent positions or have been disproportionately relegated to the peripheral group. Contemporary labor market surveys do not fully reflect the changes in the nature of work that have occurred in the last decade or so (Bregger and Diplo 1993), making it impossible to assess the costs and benefits of the current employment scene for persons with disabilities.

In the absence of information about the extent of the changes that have occurred, it becomes easy to lament the loss of job security and to fear the prospects of this trend continuing into the future. However, persons with disabilities might profit from the flexibility inherent in temporary and part-time work (Blank 1990), especially if significant health reform enables them to purchase health insurance without the albatross of their preexisting conditions. Armed with health insurance, they become less risky to potential employers, and, in turn, they can choose to trade increased flexibility in when and how they work for a decrease in security of employment.

Nevertheless, the power and rewards come to those in the core group of permanent employees. That being so, we need much better tools to assess the extent to which persons with disabilities are relegated involuntarily to the secondary labor market, or choose such employment because of a better fit between job requirements and the limitations imposed by the disabilities. We need to know who will retain employment in good times and bad and who will be central to the mission of the organization as it attempts to succeed in uncertain circumstances. Tenure is no longer a good proxy for future work, and individuals on part-time status are but a small fraction of those whose prospects for secure employment are poor. Even objective measures of skill levels have proven an imperfect guide to success in the labor market, as the displacement of professionals and managers in successful firms attests. Thus, although we know that being at the core of a firm's mission is probably the key to one's job outlook, current labor market surveys do not gauge this characteristic.

Summary of the Impact of Recent Labor Market Trends on Persons with Disabilities

There can be no doubt that the employment prospects of persons with disabilities are tied to the general trends in the labor market, favorable and unfavorable. Indeed, persons with disabilities would appear to be at the leading edge of some of these trends. As older men generally withdrew from the labor market, older men with disabilities withdrew in greater proportions. As young women generally entered the labor force, young women with disabilities followed, their labor force participation rate rising in tandem. As the share of all workers declined in goods production and rose in services, the share of workers with disabilities did so as well. Finally, as the proportion of the labor force in part-time work increased, persons with disabilities experienced a disproportionate amount of this increase.

The tie between general trends in the labor market and the fate of persons with disabilities is underscored by the importance of the specific work history of individuals in determining whether they were able to find work if unemployed or to retain work if employed. Those with a history in the best combination of occupations and industries were able to ride the positive trends in the labor market and to avoid being harmed by the negative ones.

Despite growing inequality of incomes and relatively stagnant average earnings among those in the labor force, the U.S. economy has generated millions of well-paying jobs in the last decade (Nasar 1994), in the process disproving fears that the manufacturing sector would die or that proletarianization of the workforce would occur. There do not appear to be any major discontinuities in labor market trends in the offing. Projections call for continued erosion of manufacturing employment and for further gains in the service sector. On the high end, managerial and professional specialty occupations appear targeted for more growth, and, on the low end, so do service occupations (Franklin 1993; Silvestri 1993).

Thus, the trends of the last few years will probably be the best guide to the immediate future for employment among persons with disabilities. We know that the recent past has taken older men out of the labor force, albeit at a slower rate than in the 1970s, and put younger women

in it, that these dynamics were related to the shift from manufacturing to services, and that they affected persons with and without disabilities alike. We know, too, that smaller proportions of the entire labor force are in secure, permanent positions with good benefits and that larger proportions are in peripheral positions. What we do not know is whether persons with disabilities are increasingly relegated to peripheral jobs within both the growing and declining sectors of the economy or whether, instead, they get the kinds of jobs and the working conditions they want and in which they and their workplaces can succeed.

When the ADA was passed, providing equal employment opportunities for persons with disabilities became a central tenet of public policy. We hardly have the means to assess the extent to which persons with disabilities are finding employment possibilities in *quantitative* terms. To fully implement the ADA, we must develop the tools to measure the potential for *quality* employment. In the mid-1990s, equal employment opportunity means access to a proportionate share of jobs with good working conditions and good prospects, not just an equal quantity of jobs.

NOTES

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1 The previous analyses used the National Health Interview Survey and covered the period from 1970 through 1992. In the remainder of this section and in the next one, we draw upon analyses of the March supplement to the Current Population Survey for the period 1981 through 1993.

2 In the March supplement to the CPS, respondents report on their employment in the entire year prior to the interview as well as in the past week. This creates an asymmetry in the time frames covered by the present study's proxy measures for finding and retaining work. The number reporting that they stopped working between the prior year and the prior week is necessarily greater than the number finding employment, since the former includes any individuals who worked at all in the past year and were not working in the past week, while the latter includes only the few who did not work at all in the past year and who were working in the past week. The CPS also includes many who did not work in the past year who may not have worked for even longer periods.

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