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## Abstract

### **Rising Poverty in the Midst of Plenty: The Case of Working-Age People with Disabilities**

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The United States Bureau of the Census creates official poverty rates for most economically vulnerable populations, but not for working-age people with disabilities. We create a comparable poverty measure for working-age people with and without disabilities using March Current Population Surveys (1980-2005) and find that the poverty rate of working-age people with disabilities relative to working-age people without disabilities has grown considerably. While the poverty rate of working-age people without disabilities fell by over 20 percent over the period 1983 to 2004 (through years of the 1980s and 1990s business cycles), the poverty rate of those with disabilities remained about the same.

Using shift-share analysis we show that the increase in the poverty rate of working-age people with disabilities over the 1980s business cycle was not greatly affected by compositional changes, but almost two-thirds of the decline in their poverty rate over the 1990s business cycle was due to composition changes. When we control for compositional change, we find that the underlying poverty rate of working-age people with disabilities was greater in 2004 than in 1983. When we adjust for compositional changes in both groups, we find that the uncontrolled increase in the relative poverty risk of working-age people with disabilities is slightly reduced over the 1980s, but rises even more over the 1990s business cycle. But on net, the underlying relative poverty rate of working-age people with disabilities is far higher in 2004 than in 1983.

The first step in reversing these socially unacceptable outcomes is for the United States government to provide an official poverty rate measure of the working-age population with disabilities, both to better track the progress of this economically vulnerable and little understood population and to determine the causes for the increase in their risk of poverty.

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