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## RESEARCH ABSTRACT

DISSERTATION TITLE: Two Essays on Disability and Employment

ESSAY 1: *Disability, Employment Transitions, and Wages: The Role of Employer and Occupational Tenure*

Despite the growing prevalence of disability among prime age men and strong correlations between disability and negative employment outcomes, few economic analyses address the avenues through which disability may influence these observed outcomes. Particularly, the impact of disability on employment decisions of disabled workers who remain employed is unknown. In this research, I focus on the role of employer and occupational tenure as contributors to the observed difference in wages of working age males. Based on a dynamic framework of employment transitions and disability over time, the empirical model jointly estimates employer and occupational changes, disability status, and wages of men using longitudinal data on individuals from the Survey of Income and Program Participation. A nonlinear random effects joint estimation technique accounts for both permanent and time-varying unobserved heterogeneity that may influence employment transitions, wages, and disability. The results suggest that moderately disabled workers are 23 percent more likely to change occupations and/or employers compared to non-disabled men. Furthermore, the loss of tenure from these transitions reduces wages. Compared to disabled workers who do not make a transition, moderately disabled workers who change occupations and employers experience an immediate 30 cent decline in hourly wages.

ESSAY 2: *Exploring Occupational Characteristics and Their Impact on Employment Outcomes Among the Disabled*

Although disabled workers may react to the onset of a disability by exiting the labor force, many disabled workers remain employed. Occupational change has been identified as a mechanism by which workers adapt to a disability and continue to work. In this paper I use information from the Dictionary of Occupational Titles in conjunction with the Survey of Income and Program Participation to identify the role that occupational characteristics play on occupational choice. Occupational characteristics considered include the use of data, math, reasoning, language skills, inanimate objects, strength, training, and the degree to which an occupation requires working with people. This research highlights the tradeoffs disabled workers face between particular job characteristics and earnings.

## OTHER RESEARCH

### *The Painful Labor Market Consequences of Disability*

Recognizing the prevalence of disability in the United States, several papers have estimated the dynamic effects of disability on earnings and hours worked (Charles (2003), Meyer et al. (2008)). These papers contribute to the literature as they were some of the first research to utilize panel data to estimate the longitudinal effects of disability. Using the same data, the Panel Study of Income Dynamics, I rework and extend this research. Results indicate that a chronic disability has a strong negative effect on annual earnings, wages, and hours worked that persists ten years after disability onset. In the extension, I also estimate the impact of changing jobs on these outcomes. The results suggest that a job change has a negative effect on annual and hourly earnings, and results in an immediate decline in hours worked. However, in the long term an occupational change leads to a significant increase in hours worked.