

A Fair Shot for Families with Disabled Workers, Children, and Dependents

By Rebecca Vallas and Jackie Odum

Disability is both a cause and consequence of economic insecurity. It is a cause because a disability or illness can result in job loss and meager employment opportunities, reduced earnings, increased living expenses, and other challenges that take a toll on family balance sheets. It is a consequence because economic insecurity increases the likelihood that a person will live and work in an environment that may adversely affect one's health.

For the nearly 57 million Americans living with a disability—as well as their families and those caring for a loved one with a disability or serious health condition—maintaining a middle class standard of living can be a difficult feat.¹ The pillars of middle-class security—including child care, higher education, health care, housing, and retirement—can be even further out of reach for these people and their families because the bar to economic security is even higher.

Disability or illness can add significant costs to a family budget. Home modifications, personal attendant care, day-to-day adaptive equipment for the home and car, and special clothing and shoes are only a handful of expenses that families with a disabled member can face. And often, many of these costs are not covered by health insurance.² Furthermore, covering these and other expenses can be especially challenging for the roughly 2.7 million U.S. households that have more than one child with a disability.³

Today, nearly 1 in 5 Americans live with a disability of some kind, and approximately 1 in 10 live with a significant disability.⁴ The United States is home to 5.2 million children aged 14 and younger with a disability.⁵ While landmark legislation—such as the Americans with Disabilities Act, or ADA, and the Individuals with Disabilities Education Act, or IDEA—has helped to achieve meaningful progress, many Americans with disabilities and their families continue to face significant barriers to opportunity and an even deeper financial strain.⁶

The Center for American Progress' previous issue brief, "A Fair Shot for Workers with Disabilities," shows how the right public policy choices can help mitigate the consequences of these barriers and boost economic opportunity for workers with disabilities, as well as families with a disabled member.⁷

Jobs and wages: Unemployment and income insecurity

While some people live with severe disabilities and health conditions that preclude employment, millions of individuals can and do work despite their disabilities. Almost 5.5 million workers have a serious disability.⁸ However, workers with disabilities are more than twice as likely to be unemployed as their nondisabled counterparts.⁹ Labor force participation for people with disabilities is also substantially lower.

Workers with disabilities are also more likely to work in part-time and low-wage jobs, which often provide little-to-no employer sponsored benefits such as health insurance, retirement plans, and paid leave and sick days. Among employed workers with a disability in 2015, 32 percent worked part-time, compared with 18 percent of their nondisabled counterparts.¹⁰

Workers with disabilities—most of whom want very much to work or to work more than they currently do—face elevated rates of joblessness and economic precarity for several reasons. Even with the tremendous progress made through civil rights legislation such as the ADA, stereotypes and myths endure, and many employers remain reluctant to hire jobseekers with disabilities. Moreover, those who are working often struggle amid lower earnings potential. In 2014, median earnings for a disabled worker were \$21,232—about one-third less than that of the typical worker without a disability.¹¹ Indeed, workers with disabilities face a steep pay gap, earning only 64 cents on average for every dollar paid to workers without disabilities.¹²

Between higher costs of living and reduced earnings potential, building even modest precautionary savings can be difficult for individuals with disabilities. Additionally, counterproductive asset limits in aid programs can present another barrier to saving. As a result, people with disabilities are nearly twice as

likely to lack even modest emergency savings—with 70 percent reporting that they certainly or probably would not be able to come up with \$2,000 to meet an unexpected expense.¹³

Raising the federal minimum wage to at least \$12—and phasing out the lower subminimum wage—would improve economic security for people with disabilities and their families and help to close the disability pay gap. Additionally, expanding the Earned Income Tax Credit for childless workers would benefit more than 1 million workers with disabilities, who are especially likely to work in low-wage jobs and less likely to have children. Ensuring access to paid leave and paid sick days would be especially beneficial for workers with disabilities who may experience sporadic health flare-ups or need time off for medical appointments. In addition, strengthening the Child Tax Credit would help families shoulder the costs of caring for children with disabilities.¹⁴

Barriers to affordable, accessible housing

Safe and stable housing is a cornerstone of family economic security and a prerequisite for employment. Unfortunately, people with disabilities often face significant barriers to securing affordable, accessible housing—particularly those with physical disabilities who may require specific features or accommodations such as hand rails, grab bars, or ramps, as well as those

with intellectual disabilities who may require specialized living arrangements such as a group home.¹⁵

Moreover, people with disabilities are especially likely to live in precarious housing situations—that is, under conditions that are either subpar or unaffordable. A 2015 report by the U.S. Department of Housing and Urban Development showed that nonelderly disabled households made up 1.1 million of the 7.7 million U.S. households with worst-case housing needs.¹⁶ Increasing funding to federal, state, and local housing initiatives—including the Section 811 Supportive Housing for Persons with Disabilities program—would go a long way toward ensuring the availability of affordable, accessible housing.¹⁷

Lack of access to needed supports and services

People with significant disabilities and serious health conditions often require long-term services and supports, or LTSS—such as personal attendant care—in order to work and live independently. These costs are typically not covered by health insurance and are generally unaffordable for all but the highest earners. While private, long-term care insurance may provide partial coverage for some of these services, such insurance is often too costly for most families to afford, or it provides insufficient coverage to meet particular needs. As a result, the only option within reach for adequate LTSS for many people with disabilities is Medicaid.

While some states have expanded access to LTSS for moderate-income earners through Medicaid buy-in programs, many maintain restrictive financial eligibility requirements that limit coverage to individuals with very low incomes and limited resources. Addi-

tionally, variation in state eligibility rules and services can make it impossible for workers to move across state lines for employment opportunities.¹⁸

Additionally, the federal-state vocational rehabilitation program—which assists people with disabilities in preparing for, obtaining, and remaining at work—has long been underfunded, leading to both lengthy waiting lists and delays in receiving services in many states.¹⁹

Expanding Medicaid—as 19 states continue to refuse to do—would increase access to preventive care, helping to break the link between economic insecurity and poor health. And ensuring access to LTSS for workers with disabilities through a national Medicaid buy-in program with generous income and asset limits would remove a major barrier for individuals with disabilities and their families who are struggling to achieve or maintain economic security. Additionally, adequate funding for the vocational rehabilitation system is needed to ensure that all eligible individuals are able to access services when they need them.

Early childhood: Lack of access to high-quality, inclusive early childhood programs

Securing affordable, high-quality child care can be especially challenging for parents raising children with disabilities. Recent estimates show that about 1 in 6 U.S. children between the ages of 3 and 17 have at least one developmental disability.²⁰ Among young children aged 2 to 8, 15.4 percent had at least one diagnosed mental, behavioral, or developmental disorder.²¹ And while the ADA prohibits child care providers from categorically turning away children

with disabilities, child care providers may still lawfully outright decline to serve children with disabilities on an individual case-by-case basis if such necessary accommodations would impose a “fundamental alteration or undue burden” on the center’s program.²² As a result, many families continue to be refused service because of their child’s disability.²³

In addition to notable cost barriers, high-quality early childhood programs that offer meaningful inclusion—that is, programs that include children with disabilities together with their nondisabled peers—can be incredibly difficult to find. Inclusion in early childhood programs is beneficial to both children

with and without disabilities across a range of developmental keystones.²⁴ For children with disabilities in particular, inclusion has been linked to greater improvements in both cognitive and communicative development, as well as higher test scores in math and reading.²⁵ However, barriers to access persist, including a lack of comprehensive services, inadequate expertise among the early childhood workforce, and negative attitudes and stereotypes, among others.²⁶ Ensuring access to high-quality affordable programs that are inclusive can play a critical role in assuring that children with disabilities reach their full potential while further improving their life chances.

Endnotes

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