America at a glance: Unemployment among people with disabilities during the COVID-19 recession

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FACT SHEET

America at a glance: Unemployment among people with disabilities during the COVID-19 recession

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SUMMARY:

• Unemployment among people with disabilities spiked to 18.9% in April 2020 and declined to 12.5% in September.

• Both the initial increase and recent decrease in unemployment was primarily driven by changes in temporary unemployment (unemployed workers who expect to go back to their same job within six months).

• While temporary unemployment has gone down, permanent unemployment has risen since the recession began, and may indicate that for some, temporary unemployment is becoming permanent.

Introduction

People with disabilities are often the first to experience economic disruptions, and among the last to recover. For example, many people with disabilities, especially in rural areas, never fully recovered from the Great Recession.

The COVID-19 recession represents another economic decline for people with disabilities. Even in the earliest stages of COVID, people with disabilities were already economically vulnerable because they were less likely to have savings, less likely to have paid leave, and less likely to be able to work from home than individuals without disabilities.

We used data from the Current Population Survey (CPS) to further investigate trends in unemployment before and during the ongoing recession among people with disabilities. For these analyses, we used public-use micro data from the CPS obtained from IPUMS-CPS and compared trends over two twelve-month periods from October 2018-September 2019 and October 2019-September 2020.

Unemployment Spikes Early in the Pandemic

Figure 1 compares the monthly unemployment rate among people with disabilities in 2018-19 and 2019-20. During 2018-19, the unemployment rate was relatively steady, fluctuating between 7.6% in October 2018 and 6.2% in September 2019, with a high of 9.2% in February.

During the months leading up to the pandemic, the unemployment rate for people with disabilities was trending approximately one percentage
point lower than monthly rates posted the previous year. For example, the unemployment rate was 6.9% in October 2019, compared to 7.6% in 2018, and 8% in February 2020, compared to 9.2% in 2019.

Beginning in April 2020, unemployment increased significantly as the COVID-19 pandemic began to impact global economies. The unemployment rate for people with disabilities spiked to 18.9% in April. While unemployment declined to 12.5% in September 2020, it remained significantly higher than pre-pandemic levels.

**Temporary Unemployment Drives Initial Spike**

The initial spike in unemployment was driven by a rise in temporary unemployment. Figure 2 shows the change in the share of workers with disabilities who reported they were temporarily unemployed (i.e., they expected to return to their old job).

Before the pandemic, very few people reported temporary unemployment (less than one percent of the labor force with disabilities). By April 2020, temporary unemployment increased to 14.2%, accounting for the majority of the increase in overall unemployment. Similarly, the recent decline in unemployment has also been driven by a decline in temporary unemployment, which fell to 3.4% in September 2020.

Although temporary unemployment has decreased, it remains nearly seven times higher than it was one year prior.
Permanent Unemployment is Rising

While overall unemployment has fallen over the past several months, this overall decline obscures an increase in permanent unemployment. Figure 3 shows trends in permanent unemployment (i.e., unemployed workers who are looking for a new job). The share of people with disabilities reporting permanent unemployment nearly doubled since April (from 4.7% to 9.1%), and it is 3.5 percentage points higher than it was a year ago.

Conclusion

Unemployment among people with disabilities increased dramatically from 8.4% in March 2020 to 18.9% in April. This is partially attributed to an increase in temporary unemployment. While overall unemployment has declined, permanent unemployment has increased and labor force participation has declined, indicating that temporary layoffs may be becoming long-term.

Compared to people without disabilities, people with disabilities are more likely to work in service positions and less likely to work in positions where telework is possible, such as management or other professional related occupations. In this way, workers with disabilities face additional barriers to regaining employment. In fact, the COVID-19 recession has had a much more significant impact on service and low-wage jobs, which are more often held by women, Black people, young adults, and people with disabilities.

As the recession wears on and unemployment benefits begin to expire, long-term recovery to pre-pandemic levels may become elusive, yet again leaving people with disabilities behind.
References


Images

Unless otherwise noted, all photos are from Healthy Community Living (www.HealthyCommunityLiving.org) under which people from around the country have sent in photos of “Real People, Real Places” that have to do with living with disability in America.

Suggested Citation


For Additional Information

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