Testimony of Scott Winship
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Hearing on Challenges Facing Low-Income Individuals and Families
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Chairman Boustany, Ranking Member Doggett, and Members of the Subcommittee, thank you for the opportunity to testify before the Human Resources Subcommittee today. It is my hope that I can provide you with information that will help guide the work of the Subcommittee as it seeks to address the challenges facing low-income individuals and families.

I will focus my remarks on long- and short-term trends in the American labor market over the past 25 years, seeking to clarify where we do and do not face challenges. I want to move beyond the conventional wisdom that most of the economy's problems are long-term structural ones rather than temporary effects of the Great Recession. In order to do so, I will discuss trends in employment, unemployment, and labor force participation between 1989 and 2007 to show that the American labor market retains great strengths and that many of the challenges we believe to be worsening are not. I will then shift to what has happened since the onset of the Great Recession in order to clarify the severity of the departure from these longer-term trends. A series of 24 charts follows the text to graphically display the trends I discuss.

The highlights of my analyses are as follows:

- Over the last 25 years, the enduring strength of the American economy shines through. In particular, there was no increase between the business cycle peaks of 1989 and 2007 in the share of workers who were working part-time involuntarily or in the share of adults unemployed.
- The share of adults under age 25 who are employed has fallen over time, driven by a decline in the share of young adults in the labor force, working or looking for work. But the decline in labor force participation is primarily explained by rising school enrollment and entirely explained by an increase in the share of adults who do not want a job.
- The share of men between the ages of 25 and 54 who are employed has also fallen, again, driven by a fall in labor force participation. The drop in labor force participation is entirely explained by an increase in the share of adults who do not want a job and especially by an increase in men reporting they are disabled. The prevalence of self-reported disability and its rise over the past 45 years does not accord with trends in indicators of physical and mental health. While much of the increase is due to demographics, policy changes that have made it easier to qualify for federal disability benefits have likely increased the number of working-age men outside the labor force.
- Unemployment spells have grown longer over time, even though the share of adults experiencing unemployment has not risen. Because few people are unemployed and many of them are out of work for less than three months, the risk of experiencing long-term unemployment remains very small.

- The Great Recession worsened most indicators of labor market strength. Employment fell significantly and has recovered only among older adults. Unemployment remains higher than in 2007, and labor force participation remains lower among adults under age 55. Involuntary part-time work has increased as a share of all part-time work. Full-time work has declined as a share of employment among younger workers and men aged 25 to 54. The long-term unemployed grew as a fraction of the jobless, and the share of adults outside the labor force who were interested in working rose.
- The worst is behind us, however, as nearly all of these indicators began improving between 2009 and 2011. An exception is labor force non-participation among men and women aged 25 to 54, which peaked in 2013 among women and probably last year among men.

While policymakers face real economic challenges—including a secular rise in the duration of jobless spells, a recovery that until recently seemed to taunt us, poorer job prospects for workers with limited skills, and the continually expanding federal disability rolls—the ability of the U.S. economy to provide work for those who seek it has not diminished. Policies to help low-income individuals and families should not presume that the American job-creation machine is broken, or that our recent cyclical challenges portend a "new normal" in the coming decades.

### *Falling Employment?*

A frequently cited economic indicator is the employment-to-population ratio, which is just the number of people with jobs divided by the total number of people. A declining employment-to-population ratio is often viewed with alarm, but by itself, falling employment does not necessarily indicate a problem.

Consider young adults. As Figures 1a and 1b show, over the past 25 years, the share of men and women under age 25 who are working has fallen—fairly steadily for men, but only over the last 15 years among women.[1] In 1989, 70 percent of men and 61 percent of women were employed. By 2007—like 1989, a peak in the business cycle—employment had fallen to 64 percent among men but to just 60 percent for women; much of the decline in the employment-to-population ratio has occurred since the Great Recession. Between 1989 and 2007, there was scarcely any change in the unemployment rate for either young men or women. Working grew less common because the number of people outside the labor force—neither working nor looking for work—rose.

It is common to interpret an increase in the share of adults outside the labor force as a rise in "labor force dropout," the implication being that the job market is so bad that workers are giving up even looking. But a falling labor force participation rate is also ambiguous as an indicator of economic health. In fact, the primary reason that fewer young adults are in the labor force today is that school enrollment has risen in the past quarter century.

This was especially true prior to the recession. Employment among women between the ages of 18 and 24 fell by just one percentage point between 1990 and 2007, but statistics from the Department of Education indicate that school enrollment in this group rose by 11 points.[2] Among men, school enrollment rose five points—the same amount by which employment fell. These patterns recur for white, black, and Hispanic men and women under age 25 (not shown).[3]

While some people combine school and work, postsecondary students attending part-time are a smaller share of fall enrollment today than in 1989.[4] And the increase in school enrollment is unlikely to simply reflect a deteriorating job market because the trend has been fairly steady since at least 1980.

Figure 1c shows that among men in their prime working years—between the ages of 25 and 54—employment fell by three percentage points between 1989 and 2007, from 89 percent to 86 percent. All of the decline was due to a drop in labor force participation; unemployment as a share of all working-age men fell from 4.5 percent to 4.0 percent.[5] These patterns held for men without high school diplomas, men who graduated from high school but did not receive a bachelor's degree, and men who graduated from college.

Among women, the employment-to-population ratio was higher in 2007 than in 1989, rising from 70 percent to 73 percent (see Figure 1d). Employment rose slightly between 1989 and 2007 among the two groups of working-age women that lacked a bachelor's degree, while it fell comparably among the most educated women. This may reflect the revolution in welfare policy since the 1990s that has strengthened the safety net for the working poor while making it less appealing not to work.

While the employment-to-population ratios of younger men and women and of prime-working-age men have fallen, employment has actually risen among older men and women. As shown in Figure 1e, in 1989, 65 percent of men between the ages of 55 and 64 were employed, rising to 68 percent in 2007. Among women employment rose by a remarkable 13 points—from 44 percent to 57 percent (see Figure 1f). These trends were driven by increases in labor force participation, especially among women.

However, the employment trends of older men differ by educational attainment (not shown). Employment among older women grew between 1989 and 2007 among less- and more-educated women alike. But among older men without a high school diploma, employment fell slightly from 52 percent in 1989 to 51 percent in 2007. Older men who graduated from high school but lacked a bachelor's degree saw their employment-to-population ratio fall from 67 percent to 64 percent. In contrast, employment among men aged 55 to 64 who received a bachelor's degree rose from 77 percent to 79 percent.

In addition to the employment gains by more-educated men, rising educational attainment over time also served to lift the employment-to-population ratio, by pushing more and more workers into the better-educated categories (which have higher employment). The fact that employment gains were stronger among the best educated men casts doubt on claims that rising work among older men reflects diminished preparedness for retirement.

The employment picture worsened considerably between 2007 and 2010 but has been improving since. Employment-to-population ratios fell from 64 percent to 55 percent among young men between 2007 and 2014 and from 60 to 55 percent among young women. They fell from 86 percent to 82 percent among prime-working-age men and from 73 to 70 percent among women. Among older workers, the decline was smaller—from 68 to 66 percent among men aged 55 to 64 and from 57 to 56 percent among older women. Bureau of Labor Statistics estimates from January indicate that employment among older adults has recovered to its 2007 levels.[6]

The larger 2007-14 declines in employment among the youngest group compared with the two older groups reflect both bigger increases in the share of men and women unemployed and bigger increases

in the share out of the labor force. The shares of prime-working-age adults and of older adults that were unemployed were one percentage point higher in 2014 than in 2007, for both men and women. The share of prime-working-age women outside the labor force peaked in 2013, while it was still rising among men as of last year. In contrast, labor force participation among older men and women was no higher in 2014 than in 2007.

In summary, employment today has yet to recover to its 2007 levels, except among the oldest workers. Unemployment rates have fallen steadily since 2010, but labor force non-participation among adults under 55 rose through 2012, 2013, or even 2014. However, if there is any reason to worry about a falling employment-to-population ratio over the long-run, the problem may be confined to prime-working-age men. Whether there is even a reason to worry about this group depends on why its employment fell. Increases in unemployment were much smaller, generally, than declines in labor force participation, so the question then becomes, why did labor force participation fall? I will provide an answer to this question, but first let us take a deeper look at employment and unemployment trends to better understand whether there are other signs of long-run economic dysfunction.

***Rising Involuntary Part-Time Employment?***

Within the employed population, we can distinguish between those who are employed full-time (35 hours per week or more), those employed part-time for "non-economic reasons," and those working part-time for "economic reasons." The distinction between the two part-time categories is essentially a matter of whether a worker would prefer to be working full-time. Working part-time for economic reasons means working part-time involuntarily because one cannot find a full-time job.

From 1989 to 2007, the allocation of young male workers (aged 18 to 24) across these three employment categories barely budged, as shown in Figure 2a. Figure 2b reveals that among young women there was a shift from full-time work to voluntary part-time work, but no change in the share working part-time involuntarily. Fully 94 percent of young men and women who were employed in 2007 were working full-time or part-time by choice.

The same patterns recur for workers between the ages of 25 and 54 (see Figures 2c and 2d). The distribution of employment between full-time, voluntarily part-time, and involuntarily part-time workers has changed little over the long run. In both 1989 and 2007, 94 percent of working-age men who were employed worked full-time. More women than men worked part-time (78 percent in 1989 and 80 percent in 2007), but just 3 percent of working women were part-time involuntarily in 2007, while 17 percent were voluntarily so.

Figure 2e indicates that among older men, there was no change in the mix between full-time, voluntary part-time, and involuntary part-time work from 1989 to 2007. Older women actually saw increases in full-time work, and among part-time workers, fewer wanted to work full-time (see Figure 2f).

These patterns held up even when looking at less- and more-educated men and women separately (not shown). There is simply no evidence for a long-term shift toward involuntary part-time work.

However, the share of employed workers aged 18 to 24 and the share of employed men aged 25 to 54 employed full-time was lower in 2014 than in 2007, having bottomed out between 2009 and 2011. The

drop was worse among the youngest adults; 69 percent of employed men aged 18 to 64 were working full-time in 2007, but just 63 percent were in 2014, while the decline among young women was from 55 to 49 percent. About half of these declines were due to a rise in involuntary part-time work. That was also true of the decline in the share of employed prime-working-age men working full-time, though in 2014, fully 92 percent of employed men worked full-time. Among men and women of all ages, involuntary part-time work constituted a larger share of all part-time work in 2014 than in 2007.

While these post-2007 trends are discouraging, it is easy to overstate how problematic they are. Last year, 90 to 91 percent of younger workers were either employed full-time or voluntarily employed part-time. For workers aged 25 to 54 or 55 to 64, 95 to 96 percent were. And these figures are increasing.

***Increasing Long-Term Unemployment?***

Unemployment spells can be of longer or shorter duration, so it is possible that a stable unemployment rate might conceal an increase in the risk of long-term unemployment. In fact, it does appear that there has been a rise in the duration of unemployment spells over the past 25 years. Among unemployed men between the ages of 18 and 24, the share out of work for less than 12 weeks fell from 69 percent to 56 percent between the peak years of 1989 and 2007 (see Figure 3a). The percent of unemployed men jobless for 12 to 26 weeks rose a few points, but the real increase was in the share of unemployed men jobless for more than 26 weeks, or half a year. Just 8 percent of the unemployed were out of work that long in 1989, but 18 percent were in 2007. Figure 3b shows that among unemployed women, the share jobless less than 12 weeks fell by 13 points, the share unemployed 12 to 26 weeks rose by eight points, and the share out of work for more than 26 weeks increased by four points.

The long-term unemployed have also become a larger share of unemployed adults aged 25 to 54, as shown in Figures 3c and 3d. Working-age men who were jobless for less than 12 weeks fell as a share of all unemployed men, from 56 percent in 1989 to 47 percent in 2007. Among women the decline was from 68 percent to 54 percent. Most of the shift among men was to unemployment spells of more than 26 weeks, while among women the share unemployed for 12 to 26 weeks also increased significantly. The share of working-age unemployed men jobless for more than 26 weeks rose from 15 percent to 22 percent, and it rose from 11 to 19 percent among unemployed women.

Figures 3e and 3f reveal the same pattern of rising unemployment spells among older workers. The share of unemployed men aged 55 to 64 out of work for more than 26 weeks rose from 16 percent in 1989 to 22 percent in 2007, while for women the increase was from 15 percent to 19 percent.

Longer unemployment spells grew dramatically more relative to shorter spells between 2007 and 2014 among men and women, younger and older workers. In 2007, 18 percent of unemployed men aged 18 to 24 had been jobless for more than 26 weeks, but in 2014 31 percent had. Among women aged 25 to 54, the share doubled from 19 percent to 38 percent. And among men aged 55 to 64 it rose from 22 percent to 50 percent. Long-term joblessness has been declining as a share of unemployment since the depths of the recession.

Unemployment spells, then, have become longer even though in a given week the share of the population that is unemployed has not risen. It should be kept in mind, however, that since unemployment is relatively rare, long-term unemployment is even less common. Young black men, for

instance, experienced a 16-point rise between 1989 and 2007 in the share of the unemployed out of work for more than 26 weeks (not shown). But the increase in the share of *all* young black men (jobless or not) who were unemployed that long was only from one to two percent. The increase in the percent of young black men *in the labor force* unemployed for more than 26 weeks was only from one to four percent. Despite the 28-point increase in the share of older unemployed men jobless for more than 26 weeks, the share of all older men (jobless or not) who were unemployed that long rose by just 1.4 percentage points, and the share of older men in the labor force who were unemployed that long rose by only 2.0 points.

***Rising Labor Force Dropout?***

We have already seen that much of the increase in nonparticipation among young adults is due to rising school enrollment. Another useful decomposition of those out of the labor force is to consider four groups: those who tell surveyors they want a job or might depending on the details (and who are not retired or disabled), those who are disabled, those who are retired, and those who say they do not want a job (and are neither retired nor disabled). It is only possible to break these groups out from 1996 to 2013.[7]

The share of young men and women out of the labor force who are interested in working has declined steadily since 1996 (see Figures 4a and 4b). Among men the fall was from 18 percent in 1996 to 13 percent in 2007, and the drop was from 17 to 10 percent among women. The bulk of these declines was due to a shift in young people not wanting to work rather than to an increase in disability or retirement. Fully 81 percent of young men and 85 percent of young women out of the labor force did not want to work in 2007.

As already noted, many were in school. Department of Education figures indicate that 42 percent of all men aged 18 to 24 and 47 percent of women were enrolled in 2007, compared with 22 percent of all men and 30 percent of all women who were both out of the labor force and were uninterested in working.[8] Other labor force nonparticipants were keeping house, raising children, or receiving support from parents.

Whatever the reasons, the data makes clear that essentially all of the rise in labor force nonparticipation among young adults between 1996 and 2007 was due to declines in the number of men and women who are interested in working.

Figures 4c and 4d indicate that even among men and women aged 25 to 54 and out of the labor force, it remains the case that few are interested in working. Just 20 percent of men were in 1996, and just 12 percent of women. Openness to work among those out of the labor force actually fell over time, so that by 2007, only 15 percent of men and 8 percent of women were potentially interested. The decline in labor force participation, according to these numbers, cannot be accounted for by rising labor force dropout, with its suggestion that more and more people want to work but cannot find a job and give up.

Among prime-working-age women out of the labor force, over two-thirds in both years said they did not want to work and were neither disabled nor retired. Among their male counterparts, however, nearly half—47 percent in both years—were ill or disabled, and if we assume that many of those who said they were retired were actually receiving disability benefits while waiting to become eligible for Social

Security retirement benefits, then it is likely that over half of prime-working-age men outside the labor force claim to be disabled.

The rise in self-reported disability among prime-working-age men goes back decades. In 1969, 1.5 percent of men between the ages of 25 and 54 were both out of the labor force for some reason other than being in school or keeping house and had not worked at all in the previous year because of an illness or disability.[9] That figure rose to 3.5 percent by 1976 and to 4.2 percent by 1991. From 1994 to 2009, the share of prime-working-age men saying they were out of the labor force because of a disability (without regard to the previous year—the available series in the data changed) rose from 4.4 percent to 5.5 percent.

Because practically no reliable indicators of physical or mental health show deterioration over this period, and because policy decisions around the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs have so clearly increased the incentives to apply for federal disability benefits, much of this increase is likely to be due to a rise in the share of men who would have worked in the past but who now receive cash assistance instead (and federally-provided health benefits). I estimate that up to half of the rise in SSDI receipt, for instance, is a consequence of policy changes rather than demographic change or the deinstitutionalization of the mentally ill.[10]

SSDI benefits replace more of a worker's past income the lower their previous earnings were, and SSI is available exclusively to low-income adults (and children). It is possible, therefore, that receipt of federal disability benefits conceals a weaker labor market than is conveyed by the employment and unemployment figures cited above. But such an interpretation presumes that this hidden joblessness is a "demand-side" rather than a "supply-side" problem—that there are no jobs to be had rather than that disability beneficiaries who could work choose instead to go on SSDI or SSI.

This interpretation was the one offered by defenders of the old cash assistance program to single mothers before it was reformed in 1996 and thereafter to promote work and self-sufficiency. However, as the testimony of Ron Haskins highlights, welfare reform actually revealed that the economy could provide enough jobs to improve the living standards of single-parent families who were successfully incorporated into the workforce. Even if the long-term rise in receipt of disability benefits were found to indicate a demand-side problem, that would still point to the importance of disability reform; these programs were not intended as unemployment insurance for the very-long-term jobless. If we were starting from a blank slate, we would not camouflage such an insurance program under the rubric of physical or mental disability.

Unsurprisingly, among older men and women out of the labor force, even fewer are interested in working than among their younger counterparts. Just two to three percent of men and women aged 55 to 64 was open to a job in either 1996 or 2007 (see Figures 4e and 4f). The reason should be obvious: majorities of older Americans out of the labor force are retired. That said, retirement accounted for a falling share of labor force nonparticipation between these years, and disability a rising share. In part, this is likely to be related to the federal disability policy changes just discussed, but another factor is the increase in the Social Security retirement age over this period. Older Americans who in the past would have collected Social Security retirement benefits earlier now rely on disability benefits to get them through to the later retirement age. By 2007, one-third of men aged 55 to 64 and out of the labor force and a quarter of women indicated they were disabled.

Once again, the economic picture looks worse since 2007. In particular, labor force dropout appears to have increased. The share of men and women out of the labor force who wanted to work or were open to it (and who were neither disabled nor retired) rose by one to three percentage points across all three age groups between 2007 and 2014. The share out of the labor force who definitely did not want to work (and were neither disabled nor retired) fell by one to four points, except among men older than 24, for whom it rose slightly.

Among younger men and women, however, much of the decline in labor force participation since 2007 appears again to be due to rising school enrollment. While the shares of out-of-the-labor-force men and women under age 25 who did not want to work shrank slightly, because labor force non-participation rose so much it was still the case that young adults not wanting to work became a bigger share of all young adults. And that increase accounted for 70 to 75 percent of the overall increase in young adults outside the labor force. The share of all young men who were out of the labor force and did not want a job rose by 4.4 percentage points between 2007 and 2012, while school enrollment in this group increased by 3.3 points.[11] Among young women, there was a 2.4-point rise in the share who were not in the labor force and did not want a job, versus a 4.1-point increase in school enrollment.

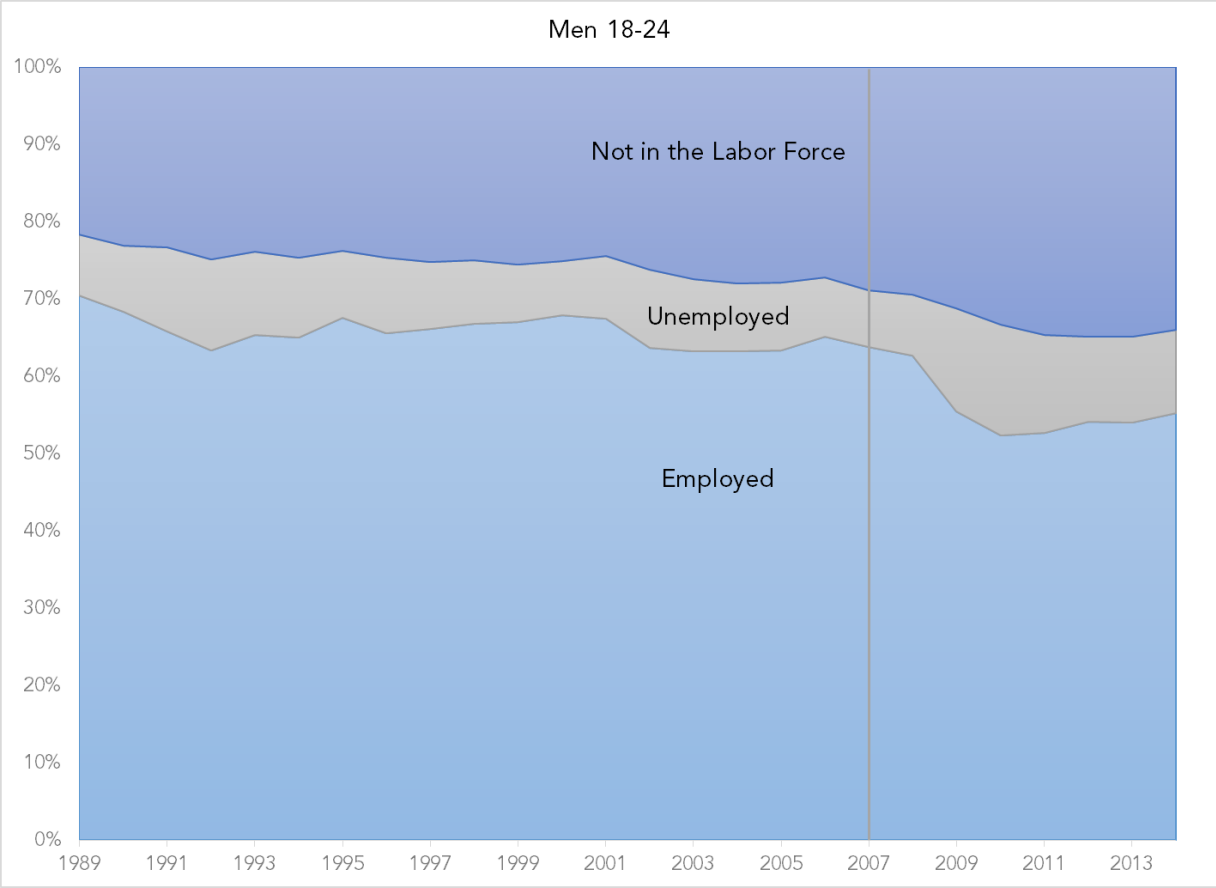
One last post-2007 trend worth noting is that among older men and women out of the labor force, there was a small shift in which fewer people were retired and more were disabled. This shift may signal that a rising number of older workers were thrown out of work and could not find a new job, relying on disability benefits to get them through until they could receive Social Security retirement benefits.

In conclusion, I want to reiterate that we do face economic challenges as a nation, and low-income individuals and families face more challenges than other Americans. But it is all too easy to buy into a pessimistic conventional wisdom that sees weakness in every economic indicator and permanently higher economic insecurity during temporary downturns. The Great Recession was a wrenching event that we have nonetheless emerged from with our taken-for-granted affluence intact. The problems that we face—including too many low-income families hard-pressed to make ends meet and too little upward mobility—are the problems that we have always had, and if they stubbornly persist, they are not fundamentally worse than in the past.

In particular, the oft-unacknowledged strength of the American economy should reassure policymakers that anti-poverty policies that include an emphasis on work are wholly appropriate. By experimenting through pilot programs, a number of approaches to promote work and support low-income families may be tested and evaluated. Those who predicted that a work-centered safety net would hurt single mothers and their children turned out to be wrong in the 1990s. We cannot know that the doomsaying predictions of those who resist additional safety net reforms to encourage work will be wrong again, but there is ample evidence today of the American economy's enduring strengths, reinforcing the lessons learned from the welfare reforms of the 1990s. Maintaining the status quo is a policy choice too, and one that may do more harm than new approaches.

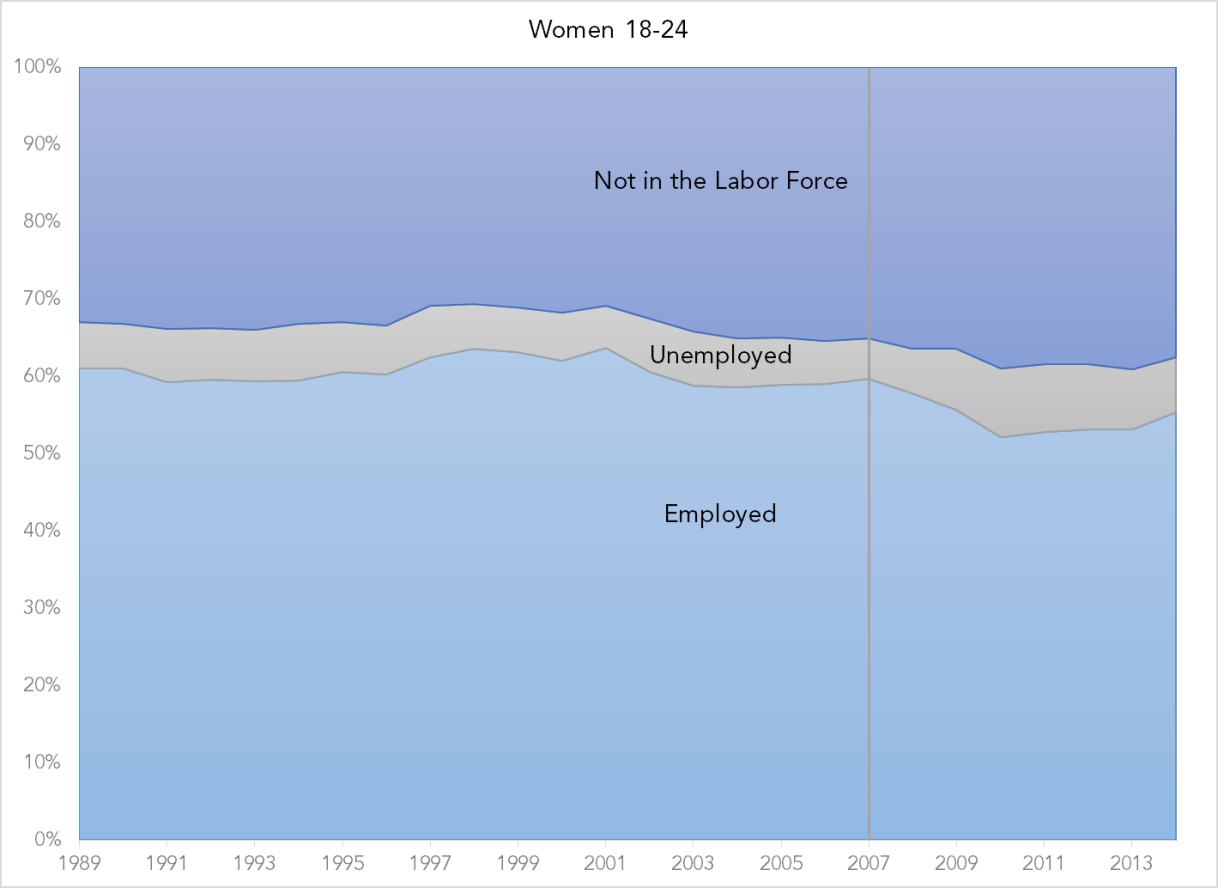
## Labor Force Status, 1989-2014

Figure 1a



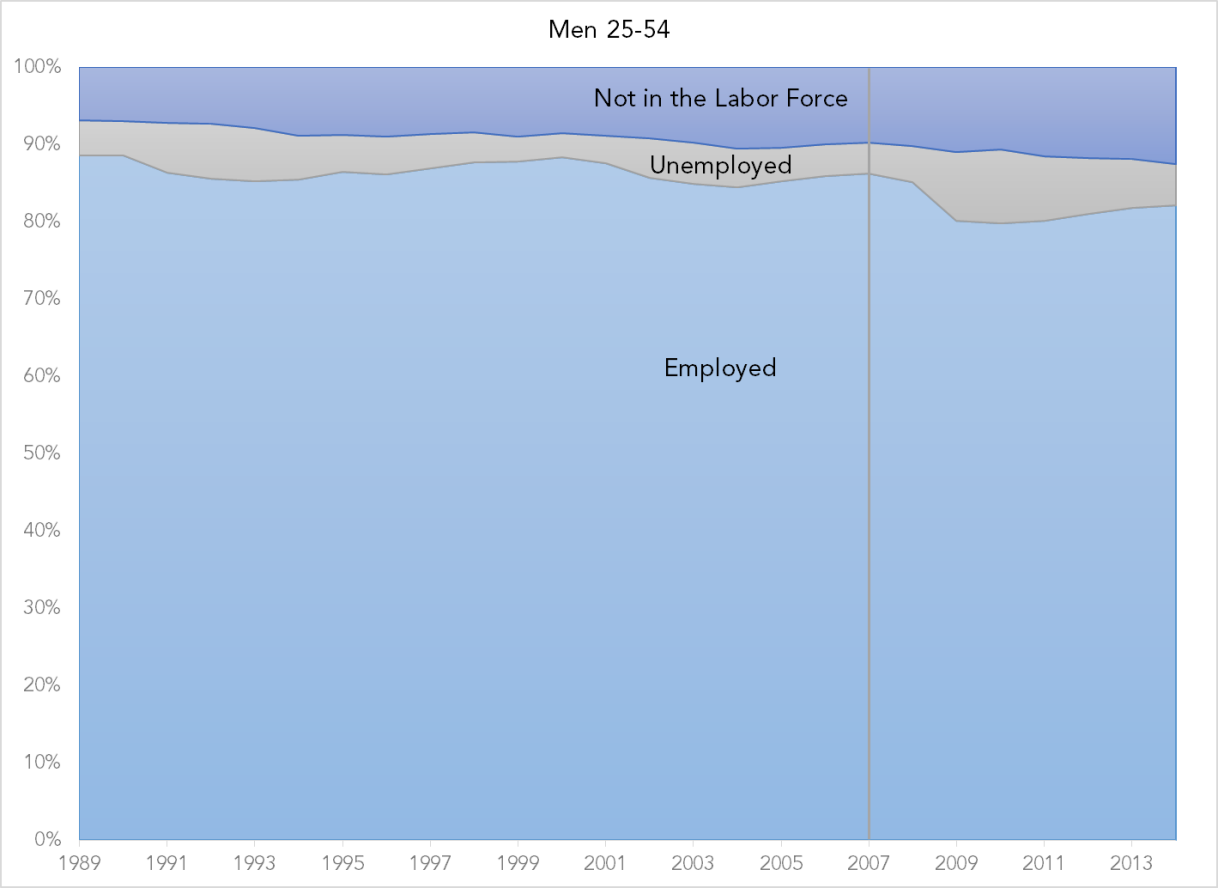
## Labor Force Status, 1989-2014

Figure 1b



## Labor Force Status, 1989-2014

Figure 1c



## Labor Force Status, 1989-2014

Figure 1d

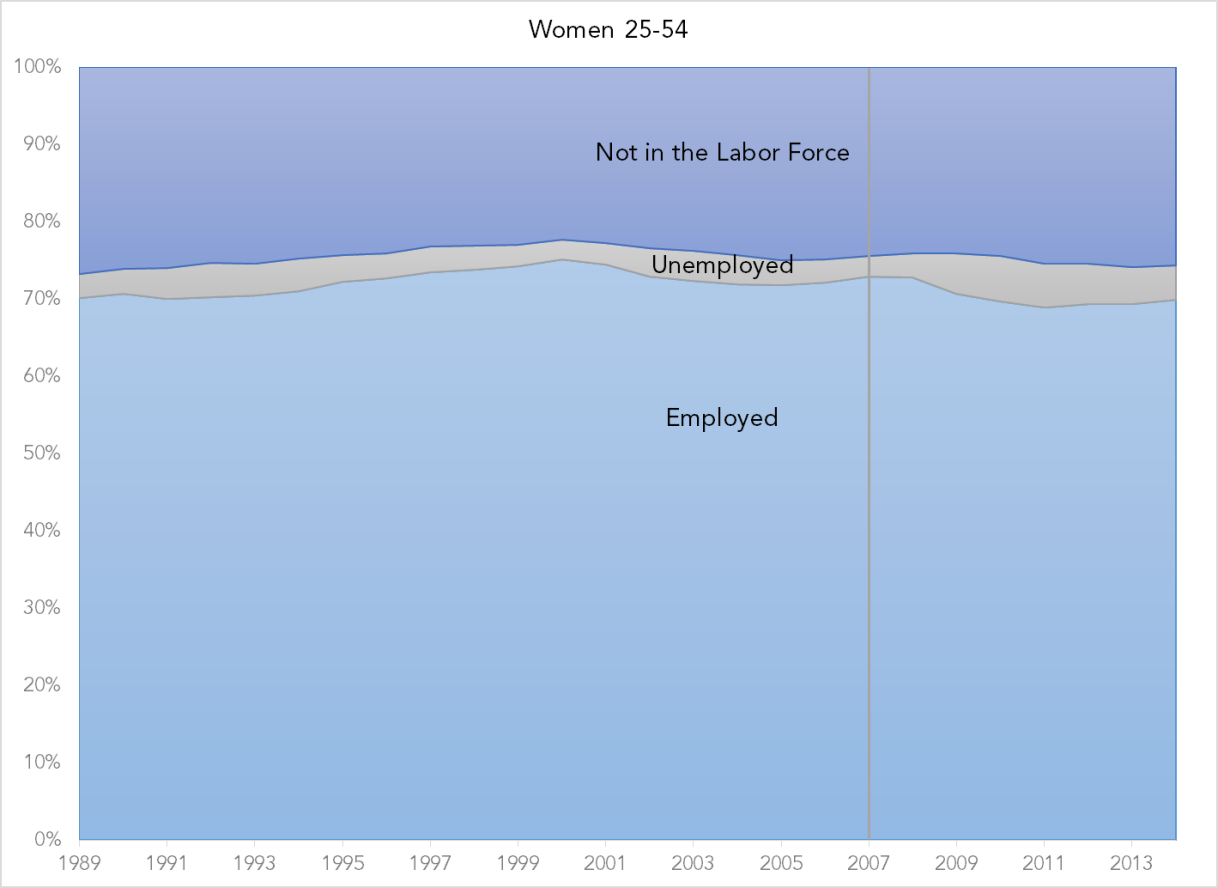


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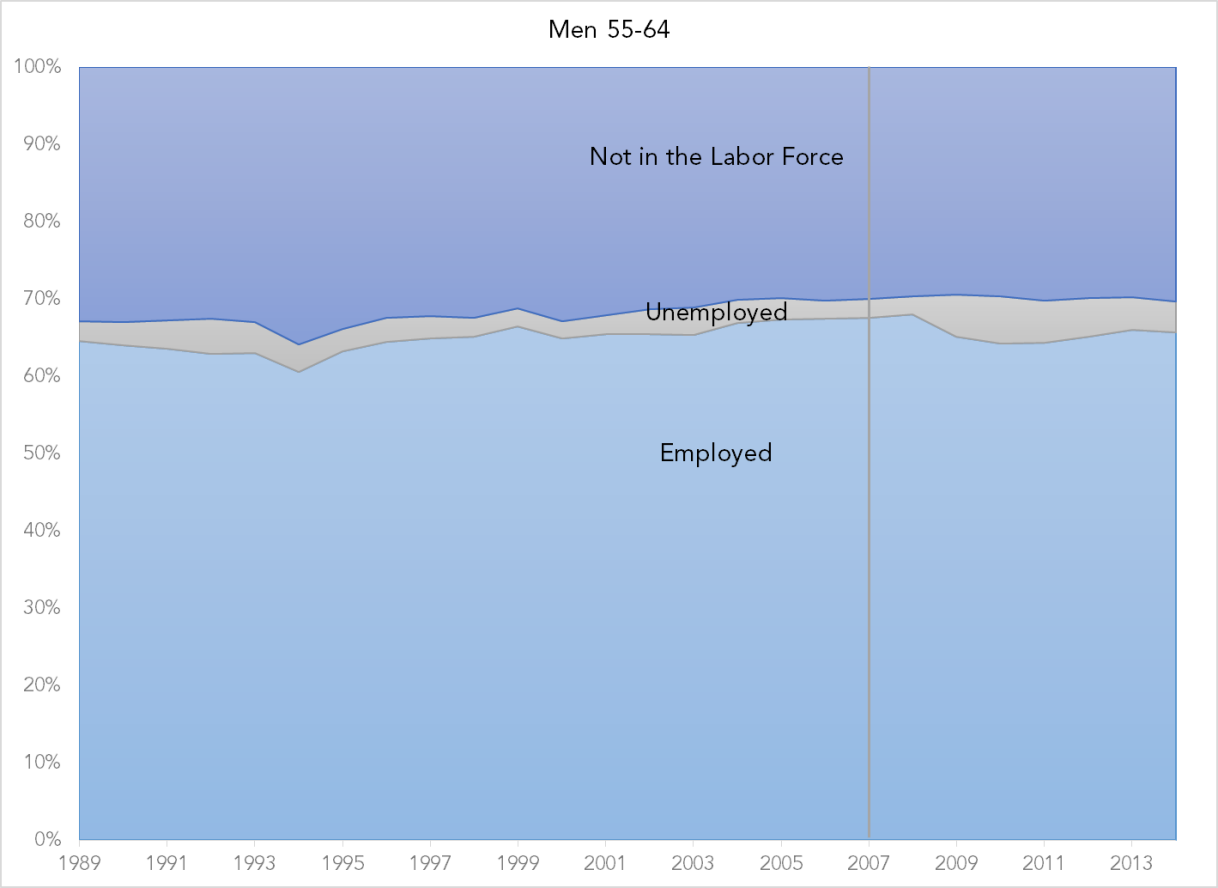
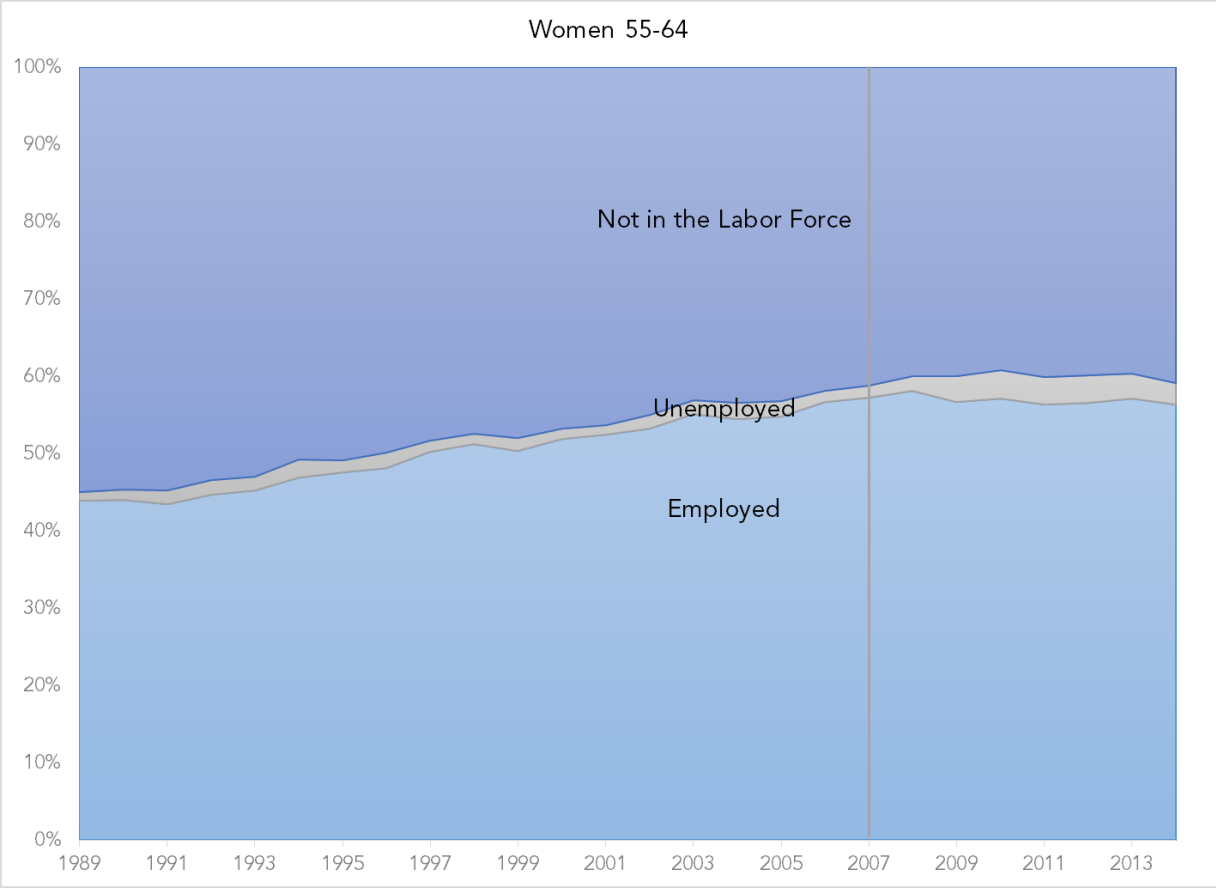
Figure 1e



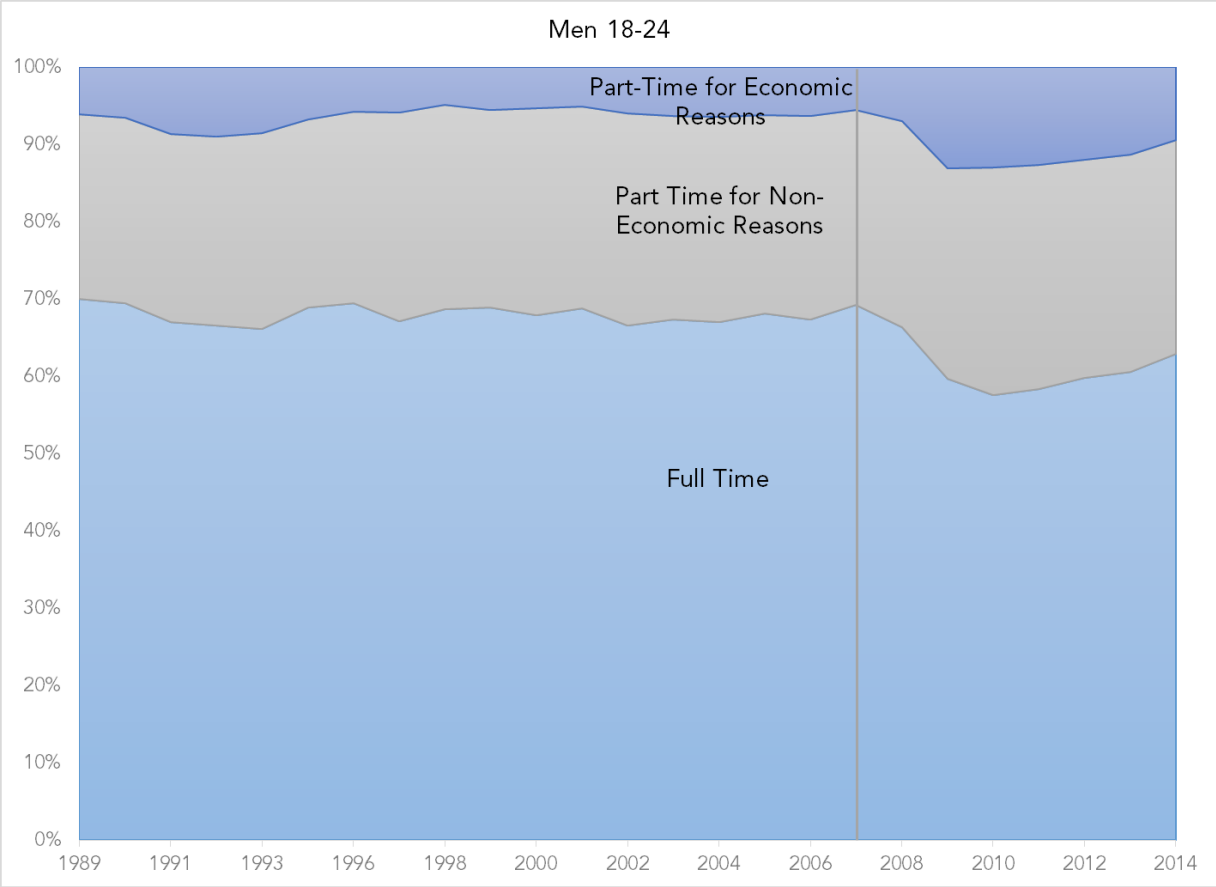
## Labor Force Status, 1989-2014

Figure 1f



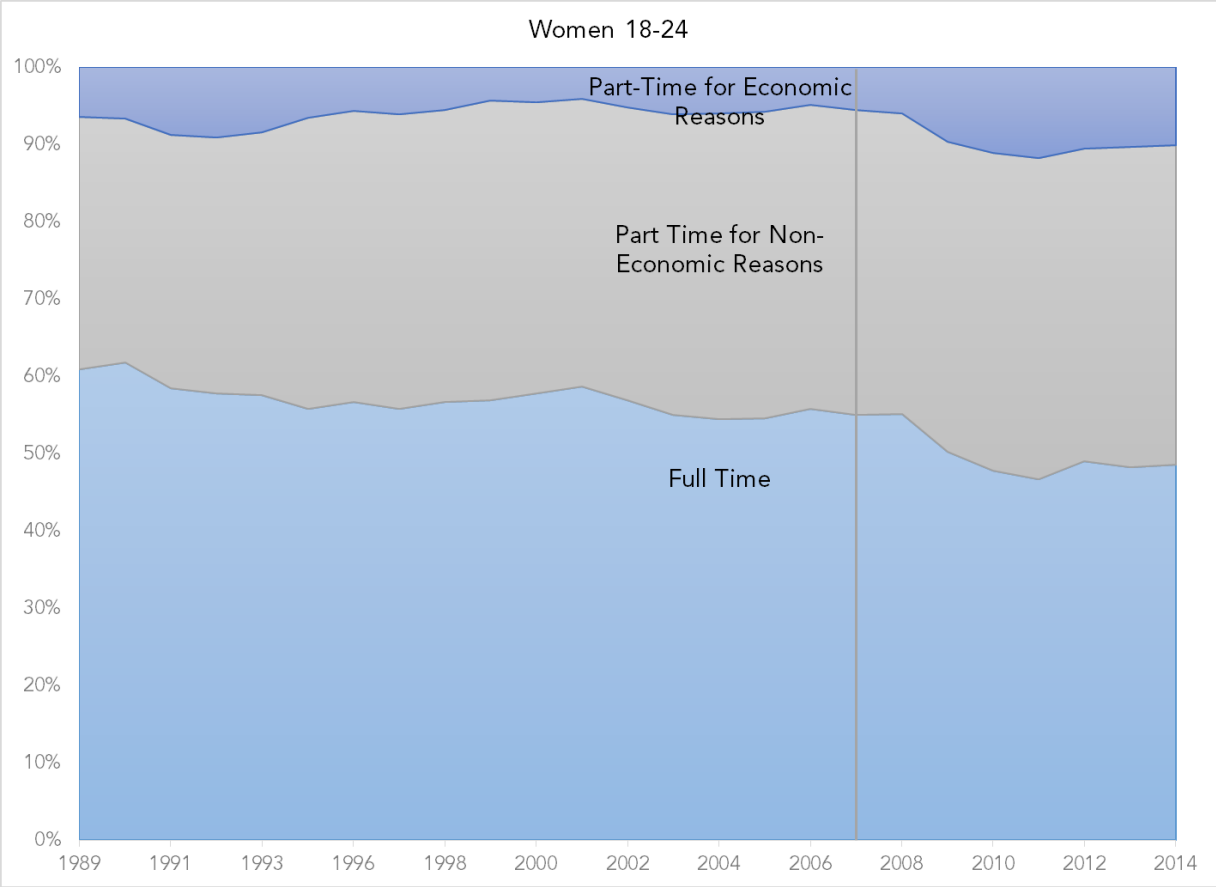
## Employment by Full-Time/Part-Time, 1989-2014

Figure 2a



## Employment by Full-Time/Part-Time, 1989-2014

Figure 2b



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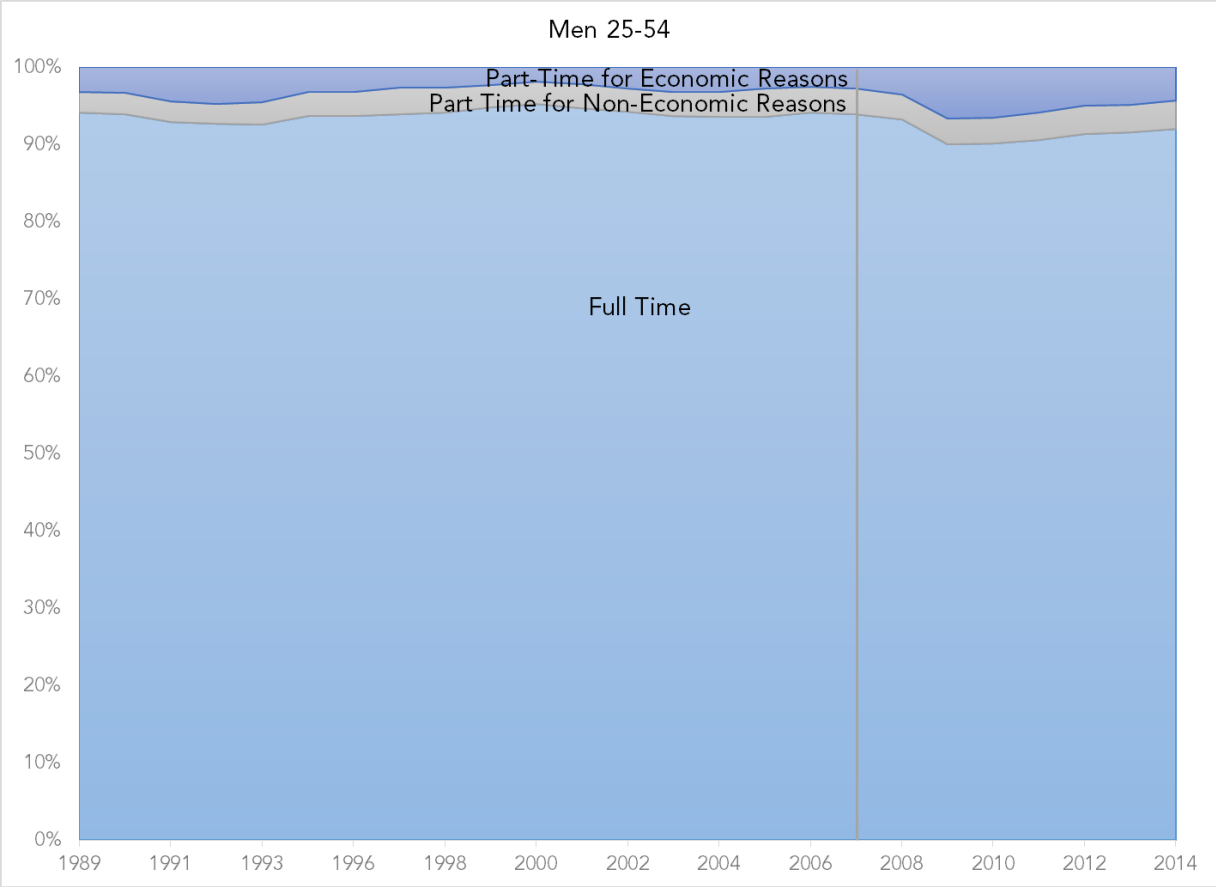

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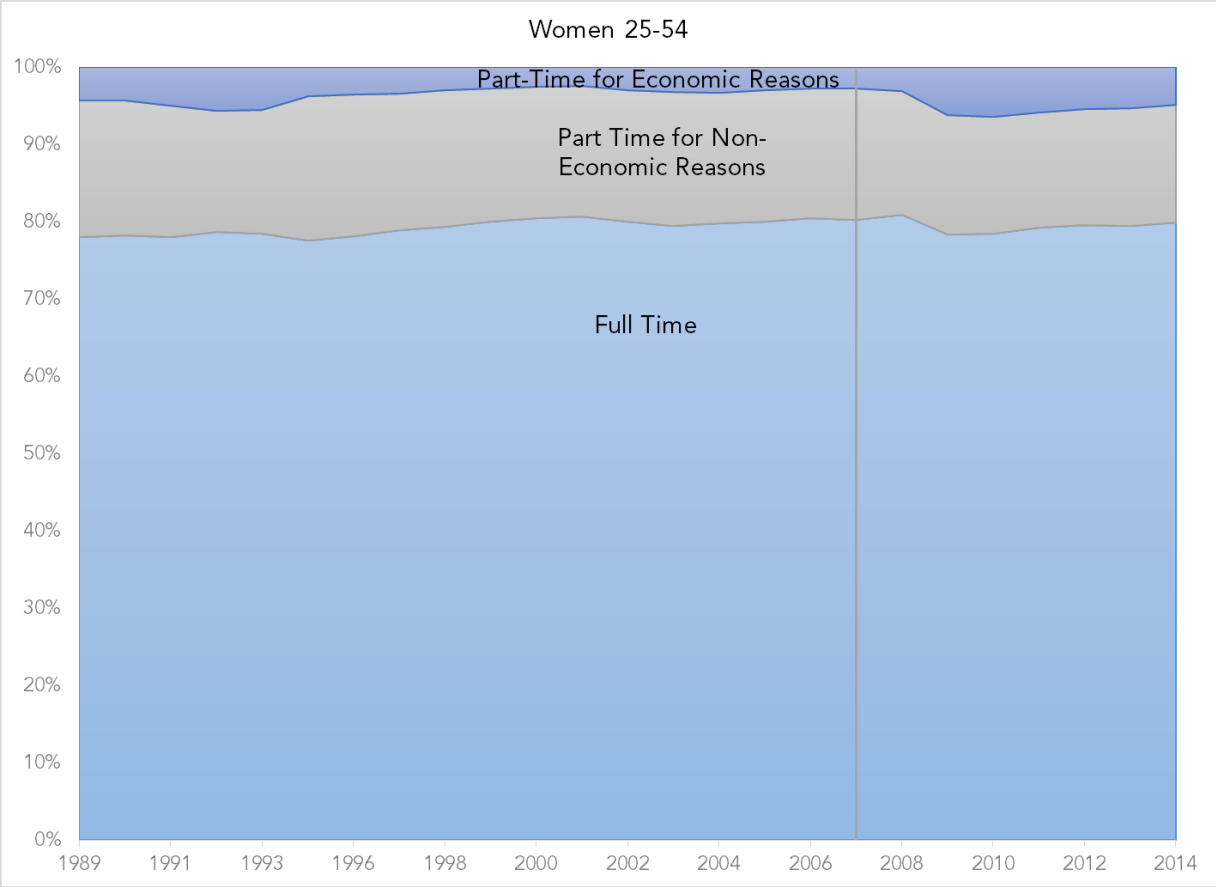

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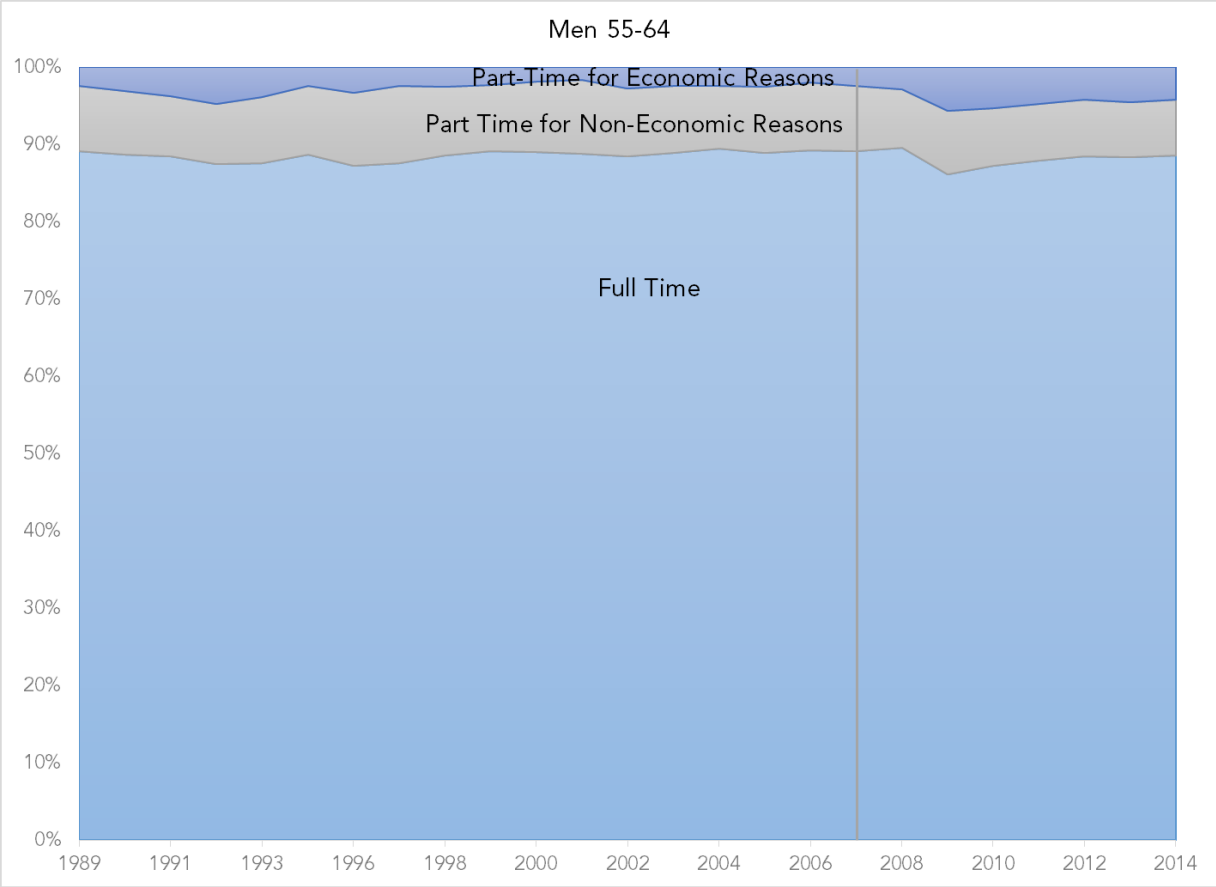

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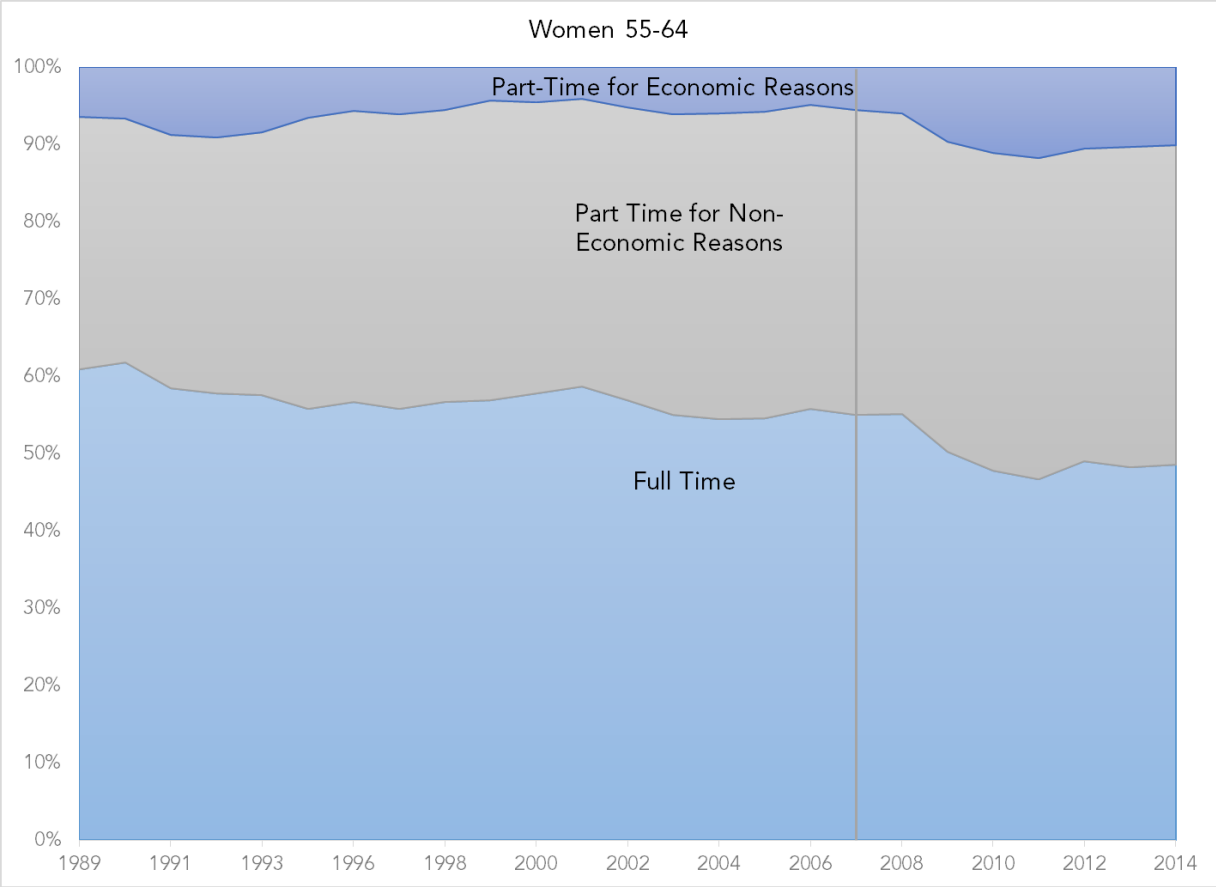
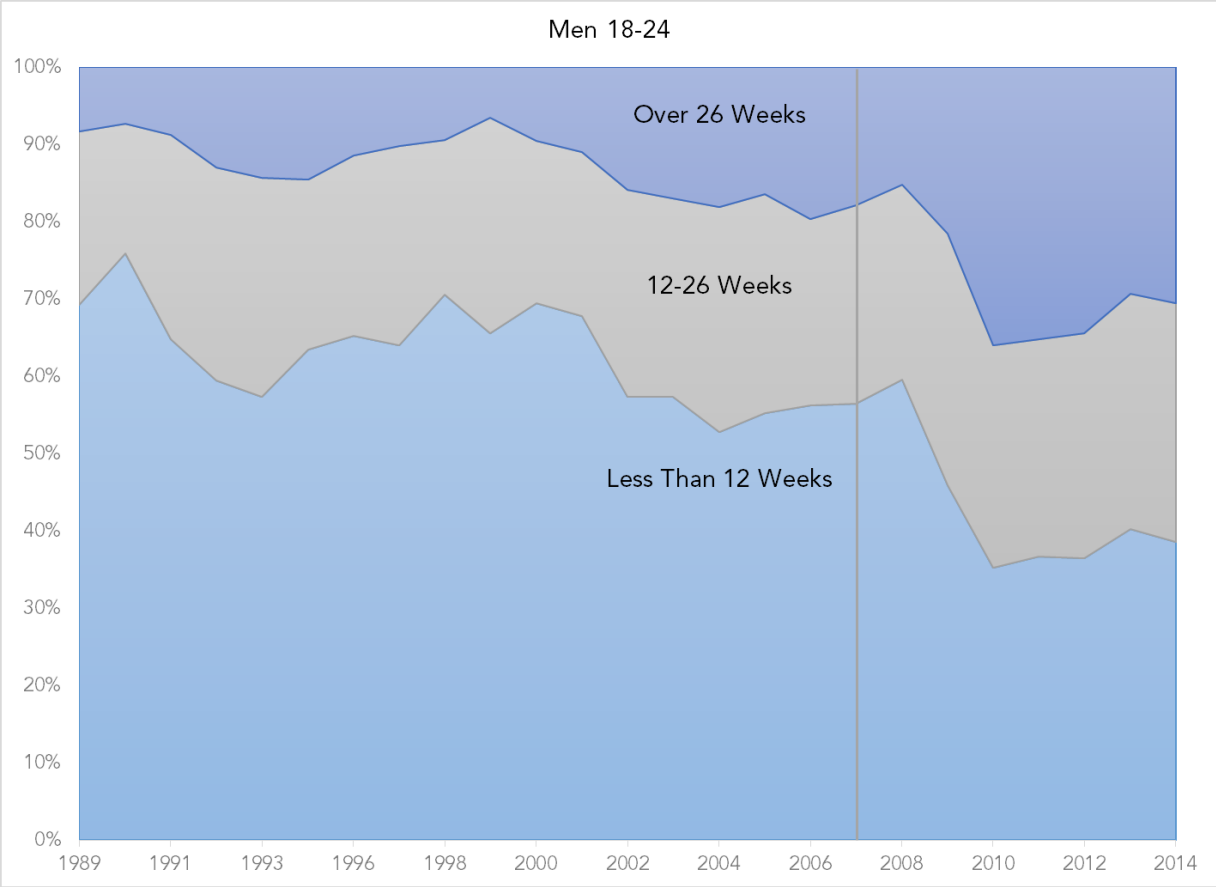
Figure 2f



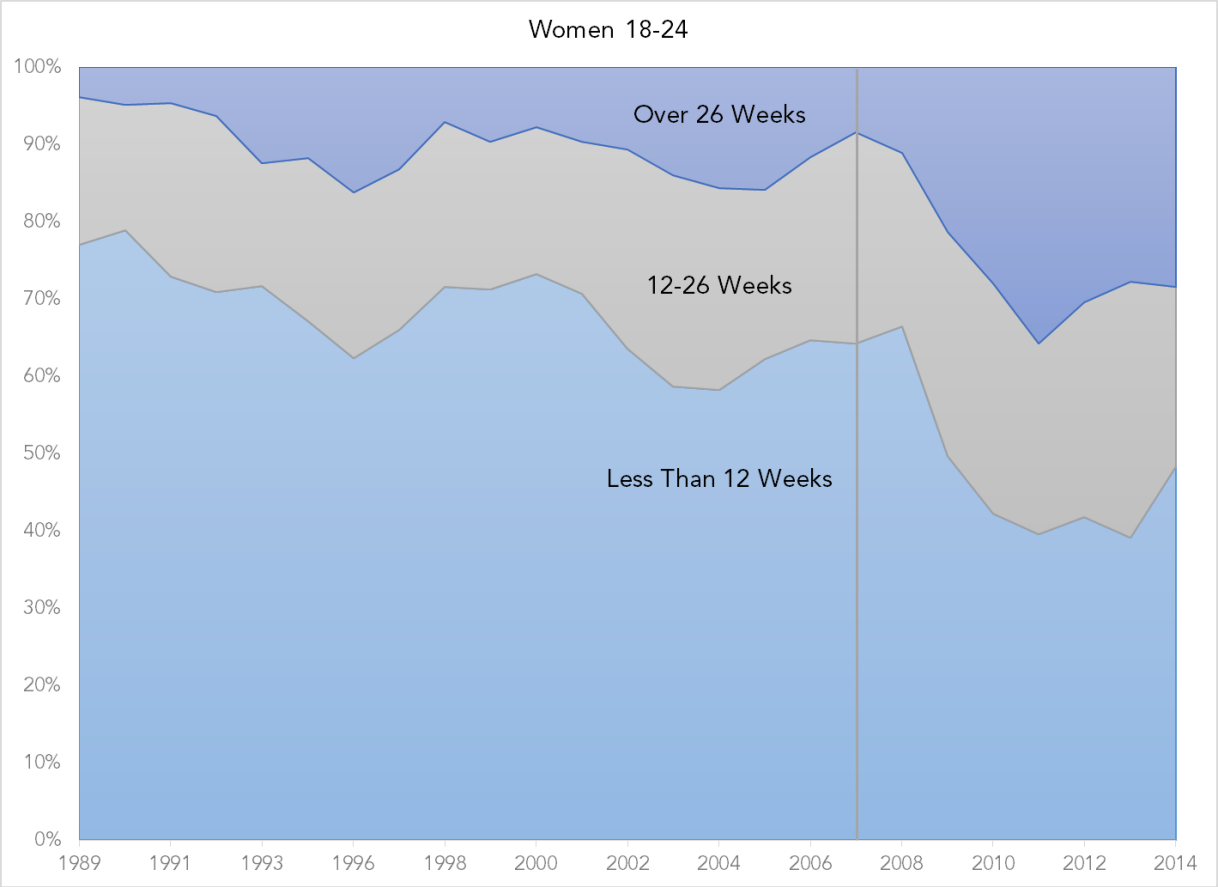
## Unemployment Duration among the Unemployed, 1989-2014

Figure 3a



## Unemployment Duration among the Unemployed, 1989-2014

Figure 3b



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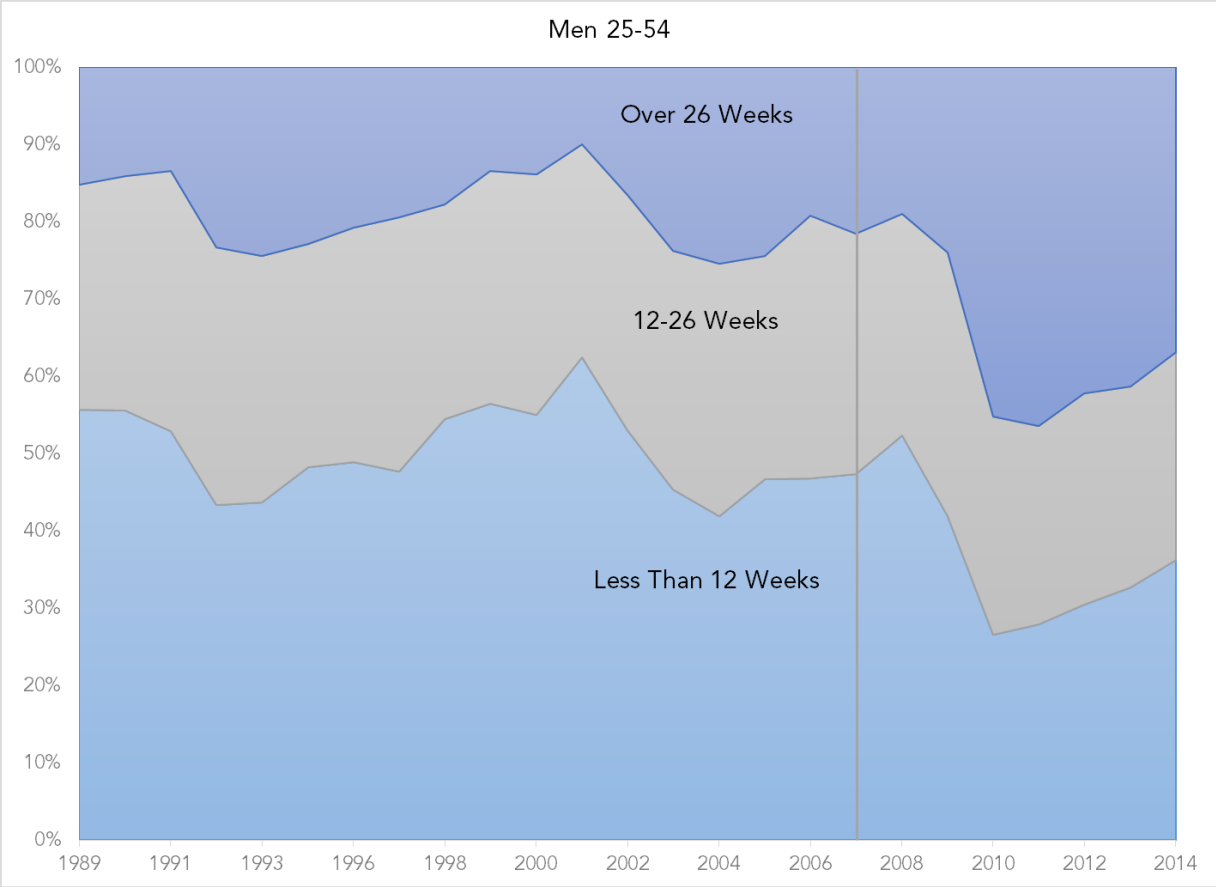

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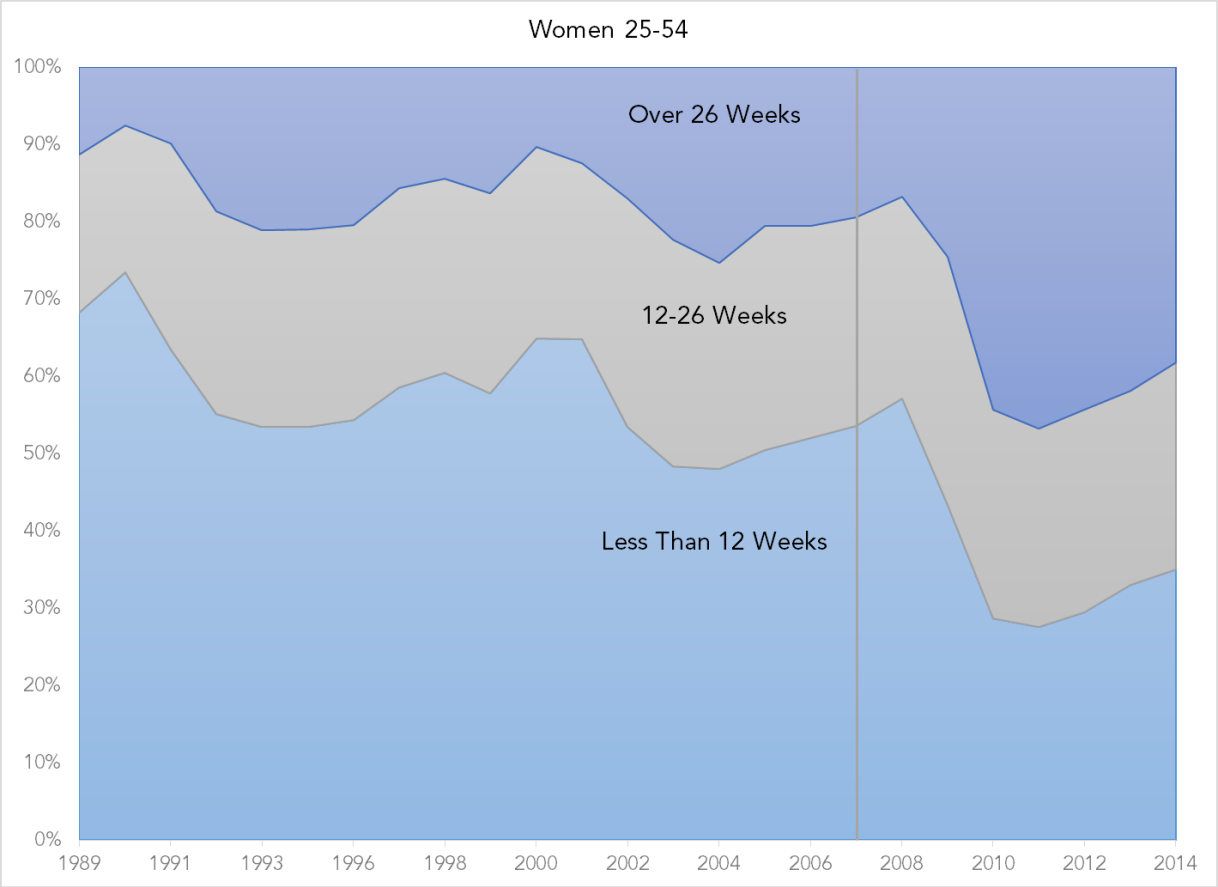
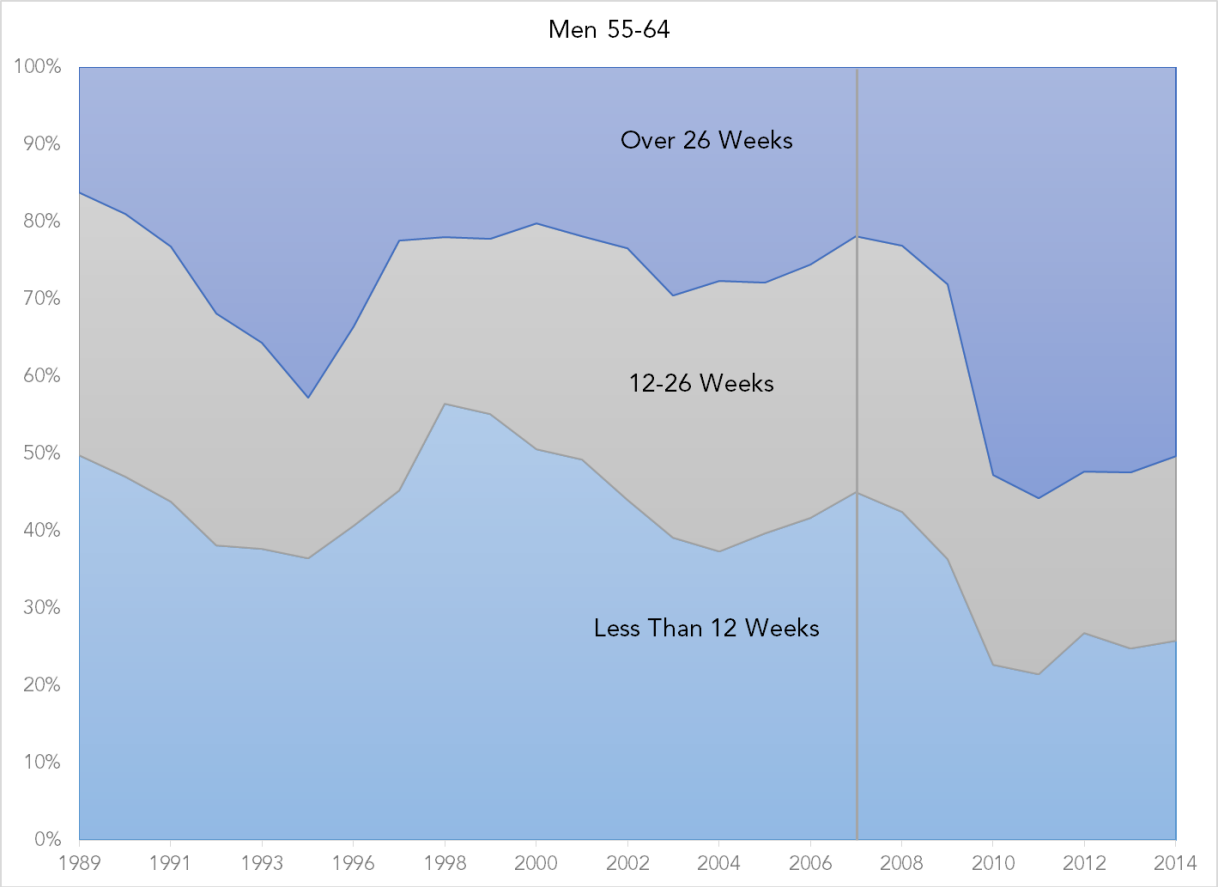


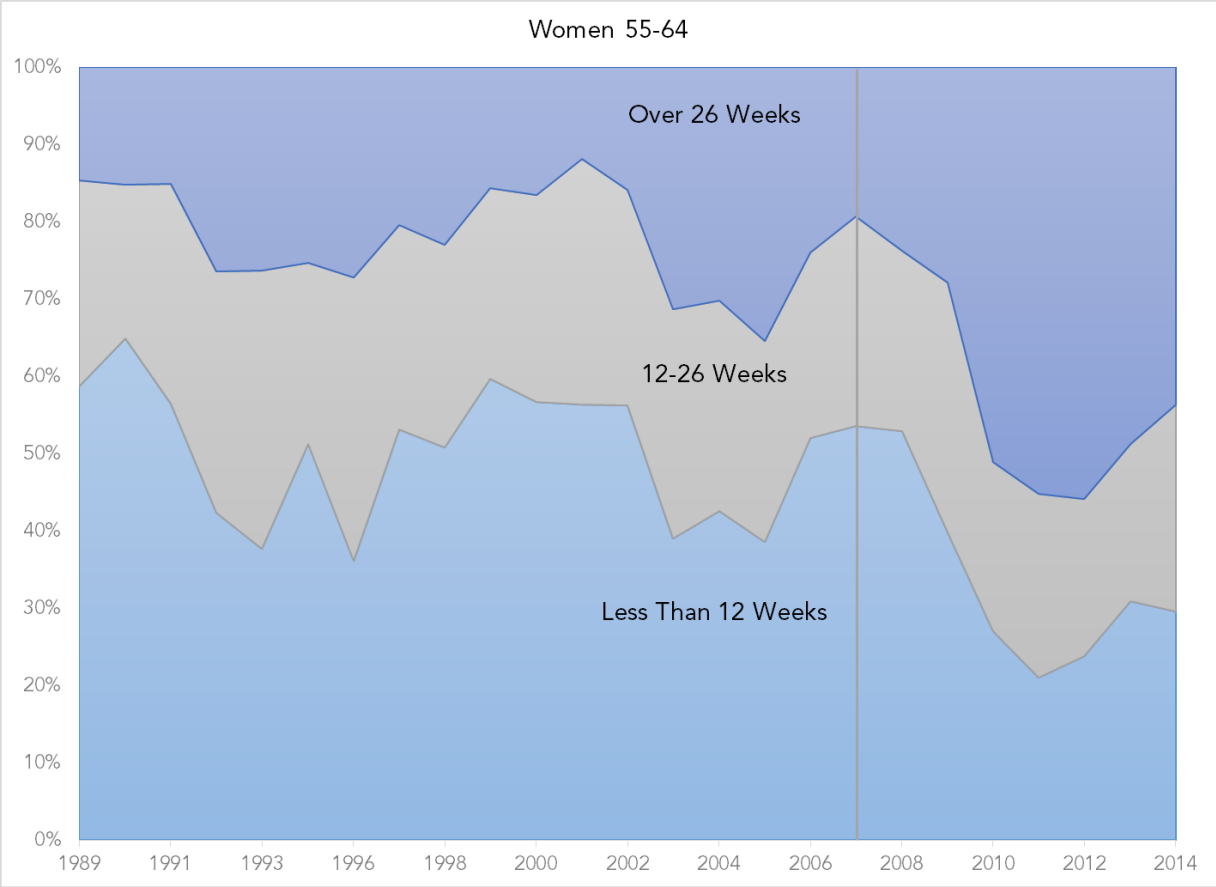
## Unemployment Duration among the Unemployed, 1989-2014

Figure 3e



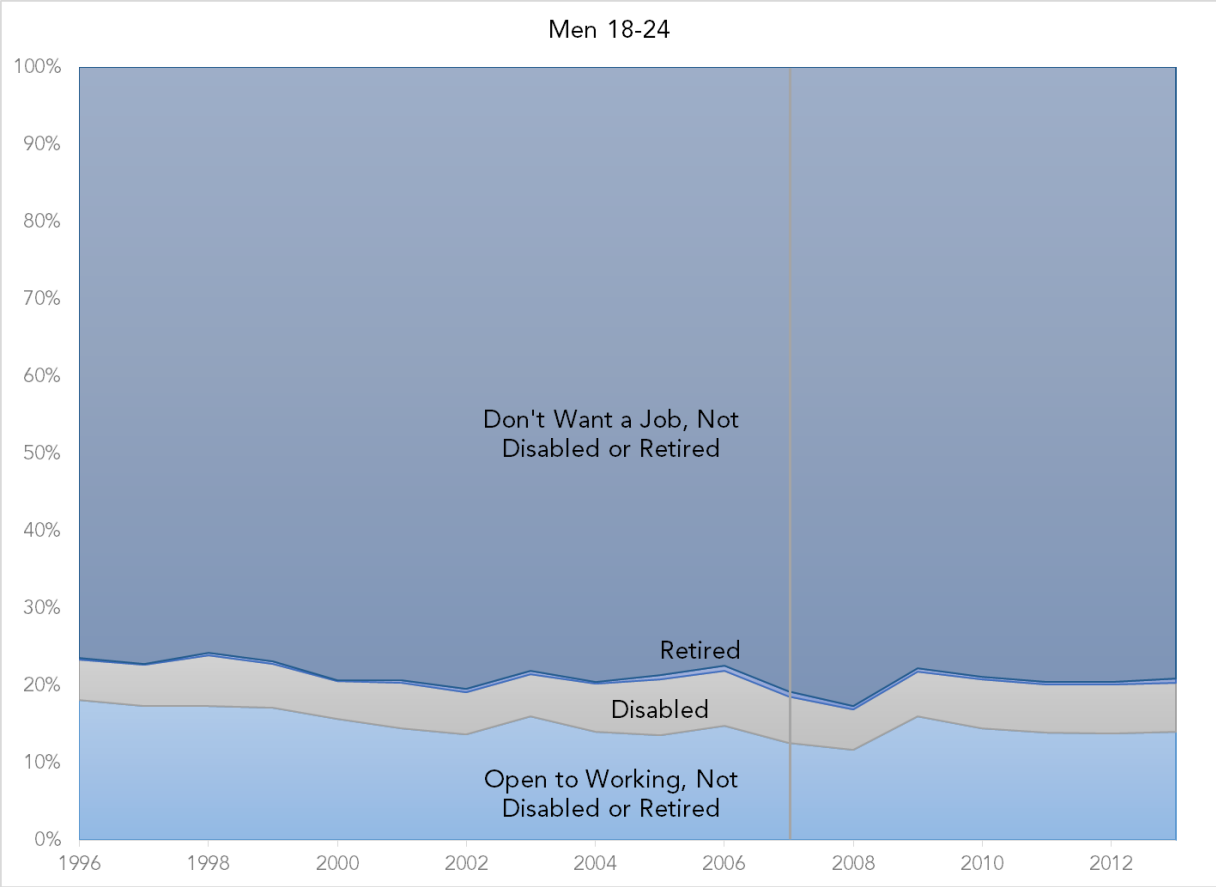
## Unemployment Duration among the Unemployed, 1989-2014

Figure 3f



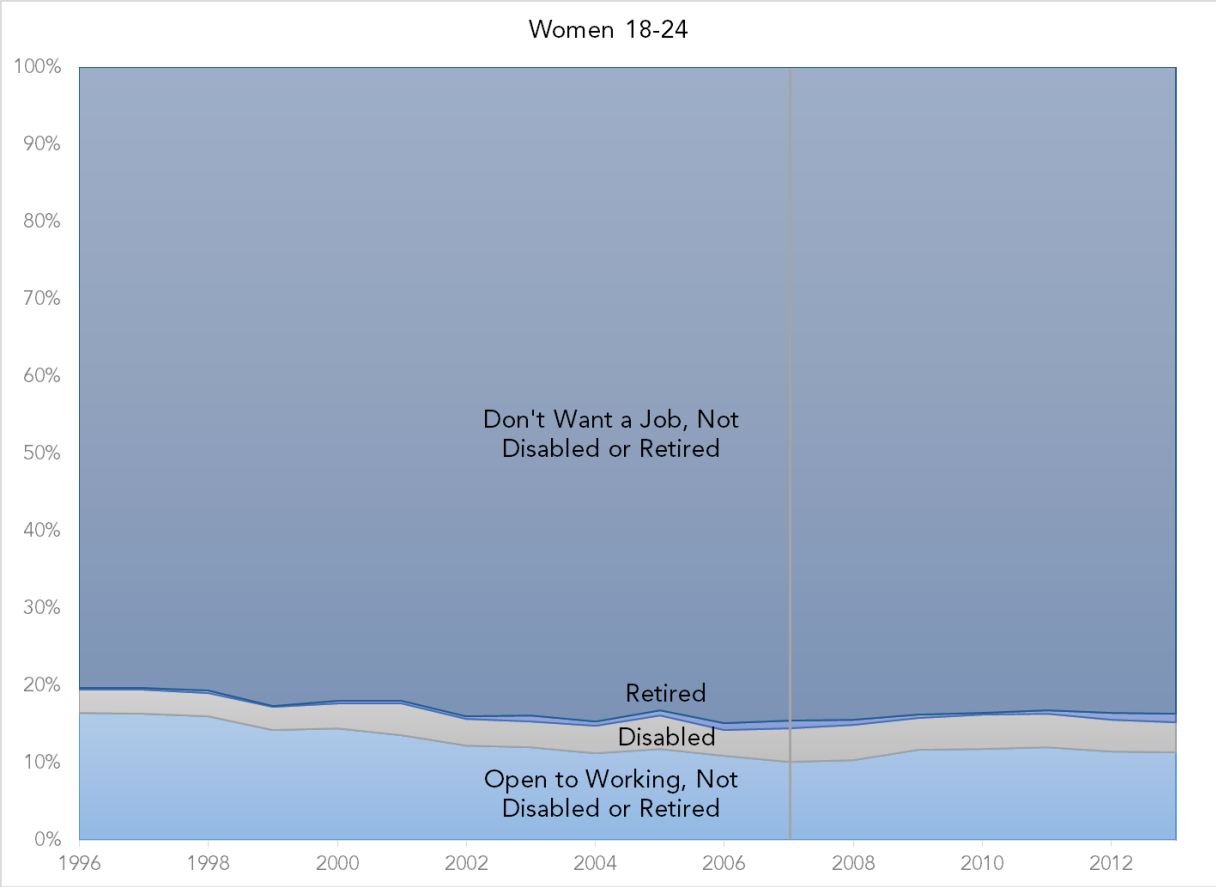
## Interest in Work among Labor Force Non-Participants, 1996-2013

Figure 4a



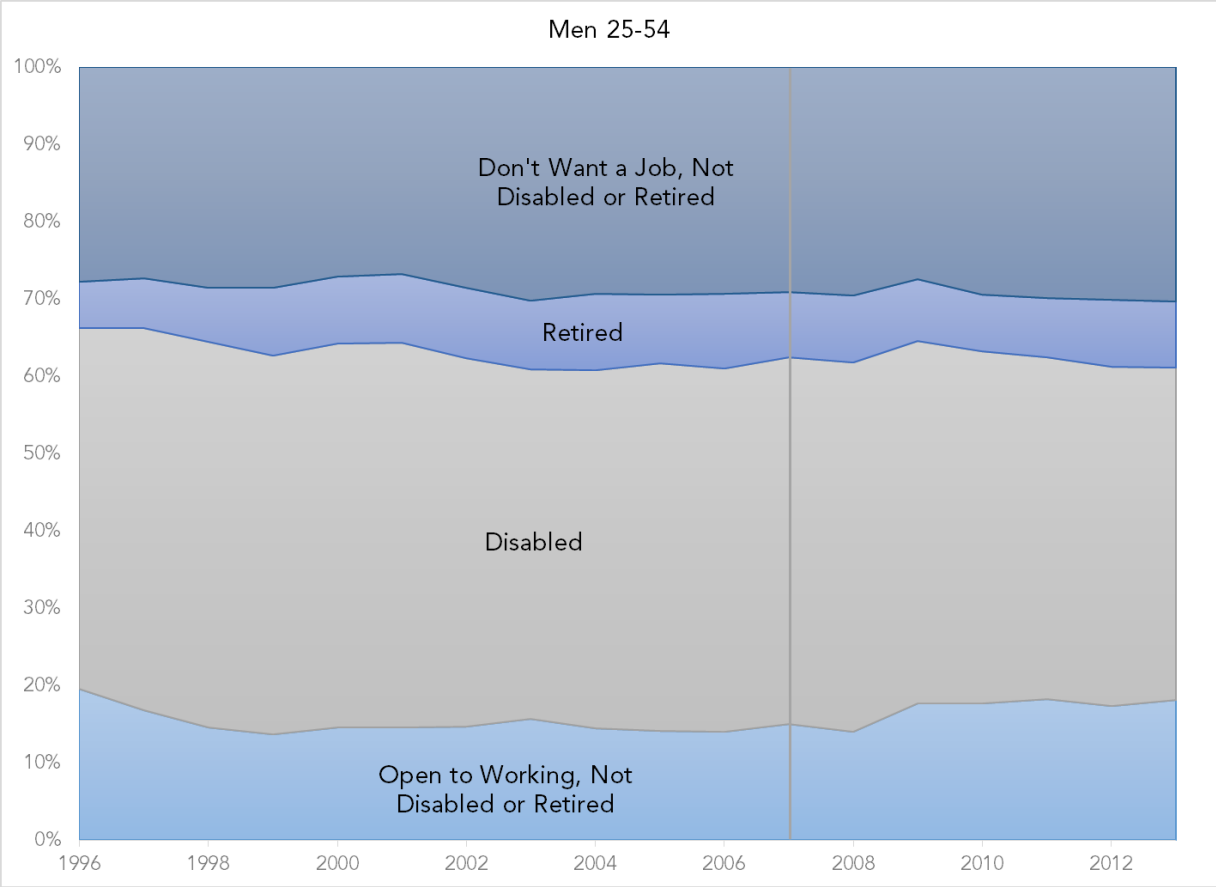
## Interest in Work among Labor Force Non-Participants, 1996-2013

Figure 4b



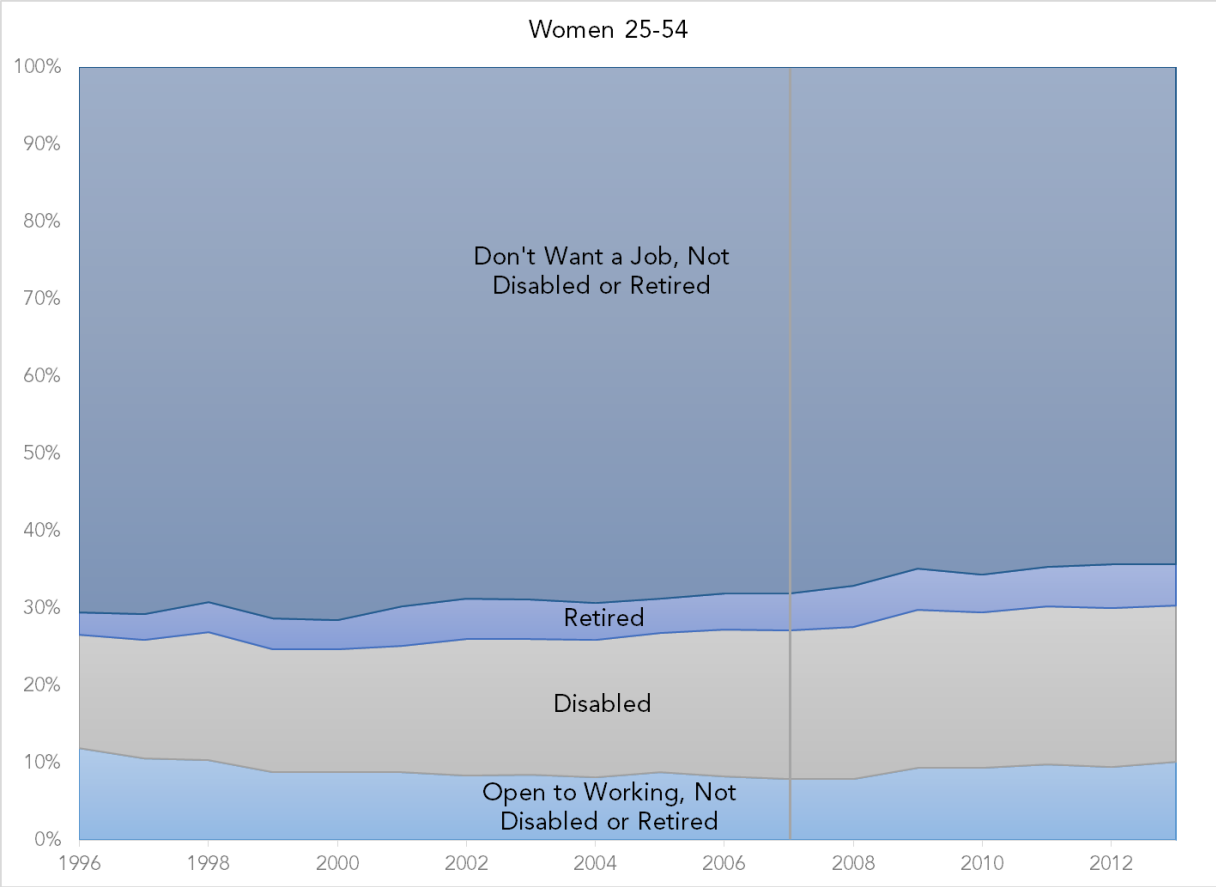
## Interest in Work among Labor Force Non-Participants, 1996-2013

Figure 4c



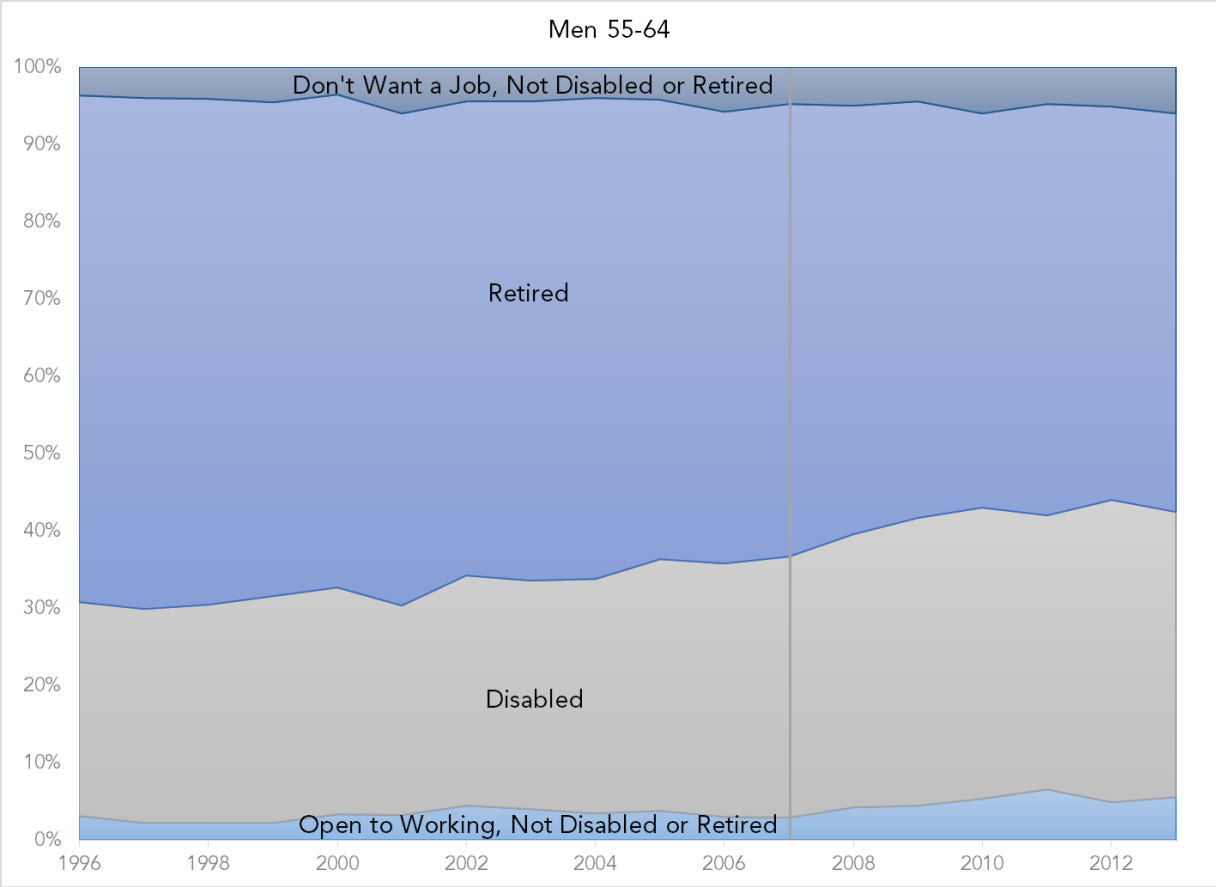
## Interest in Work among Labor Force Non-Participants, 1996-2013

Figure 4d



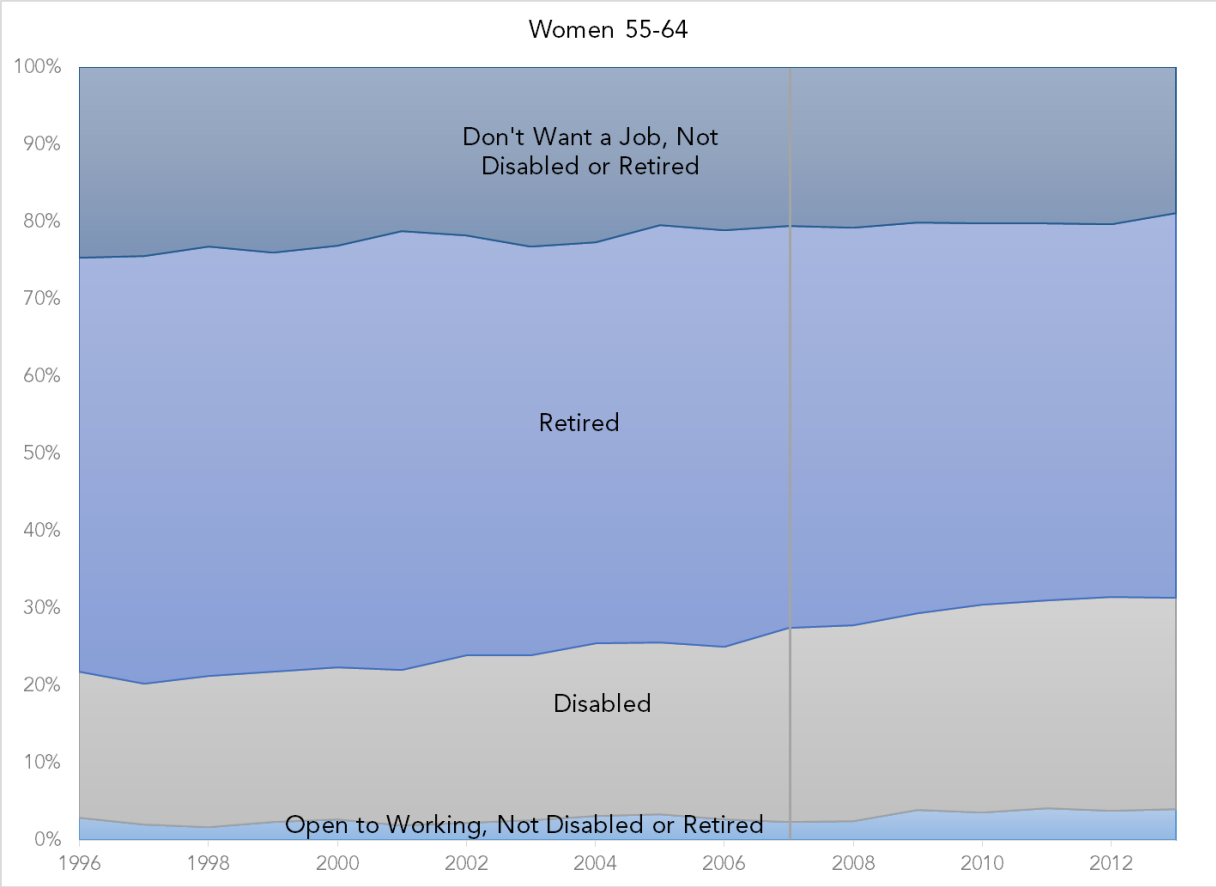
## Interest in Work among Labor Force Non-Participants, 1996-2013

Figure 4e



## Interest in Work among Labor Force Non-Participants, 1996-2013

Figure 4f



## End Notes

[1] Except where indicated otherwise, I produced all of the estimates cited in this testimony using data from the Annual Demographic Supplement to the Current Population Survey. The CPS is the monthly survey sponsored by the Bureau of Labor Statistics and the Census Bureau from which official labor force statistics are derived. The Annual Demographic Supplement is comprised of additional questions asked of CPS respondents in certain months, primarily in March. Several of the variables analyzed in this paper are available only back to 1988, so I chose 1989 as my starting point in order to cover the 25 years between it and 2014, the most recent year for which data are available. The universe for all of the analyses is the civilian non-institutionalized population, which excludes those who are incarcerated.

I obtained the data from the Minnesota Population Center: Miriam King, Steven Ruggles, J. Trent Alexander, Sarah Flood, Katie Genadek, Matthew B. Schroeder, Brandon Trampe, and Rebecca Vick. Integrated Public Use Microdata Series, Current Population Survey: Version 3.0. [Machine-readable database]. Minneapolis, MN: Minnesota Population Center [producer and distributor], 2010.

[2] U.S. Department of Education (2010). Digest of Education Statistics, 2010. Table 6 (Washington: National Center for Education Statistics). Available at http://nces.ed.gov/programs/digest/d10/tables/dt10_006.asp.

[3] While I sometimes note labor market trends for groups defined by educational attainment, interpreting such trends is tricky because educational attainment has risen over time. Today's high school dropouts are a more disadvantaged group than high school dropouts were twenty-five years ago. Because high school graduates and college graduates on the margin of having less educational attainment are also relatively disadvantaged compared with other graduates, even today's high school and college graduates are more disadvantaged then yesterday's. It is often impossible to assess whether some trend for a given educational group reflects changes holding skill levels constant or changes in the skill levels within the educational group. At any rate, when analyzing young adults—many of whom remain in school—it makes even less sense to consider trends by educational attainment.

[4] U.S. Department of Education (2013). *Digest of Education Statistics, 2013*. Table 303.10 (Washington: National Center for Education Statistics). Available at http://nces.ed.gov/programs/digest/d13/tables/dt13_303.10.asp. For all of the school enrollment figures cited in this testimony, I compute the weighted average of enrollment rates for people aged 18 to 19, 20 to 21, and 22 to 24, assuming that there are an equal number of adults at each age.

[5] Note that these are not unemployment rates, which involve the share of the labor force that is unemployed rather than unemployed people as a share of everyone either in or out of the labor force.

[6] See the "CPS Databases" query tool at http://www.bls.gov/cps/.

[7] In these analyses I use a different CPS extract from Unicon Research Corporation because a key variable is omitted from the Minnesota Population Center files. I begin with 1996 because the variable to determine labor force status in 1994 is missing from the Minnesota Population Center files, while the coding of the variable indicating whether someone wants a job or not differs in 1995 compared with earlier or later years. Prior to 1994, it is not possible to determine who is out of the labor force because of a disability.

[8] The school enrollment figures are from U.S. Department of Education (2010). Digest of Education Statistics, 2010. Table 6 (Washington: National Center for Education Statistics). Available at http://nces.ed.gov/programs/digest/d10/tables/dt10_006.asp. The labor force participation figures combine the estimates from the Minnesota Population Center and Unicon Research Corporation extracts. I confirmed that both extracts yielded essentially the same estimates for the percentage of people out of the labor force.

[9] My analyses of the CPS using the Unicon Research Corporation extract. It is not possible prior to 1994 to determine who is out of the labor force because of a disability, but it is possible to assess who did no work in the previous year because of a disability.

[10] From a forthcoming essay in *National Affairs*. Demographic changes, including the aging of the population and the greater number of women qualifying for SSDI benefits account for about half of the increase in SSDI receipt, and while the deinstitutionalization of the mentally ill that occurred in the 1960s and 1970s also contributed, many of those who would have been in mental hospitals in the past are incarcerated today rather than on SSDI. Furthermore, even if SSDI awards going to those with mental conditions had risen at the same rate as for other impairments, the increase in awards would have been only 15 percent lower between 1985 and 2005.

[11] U.S. Department of Education (2013). *Digest of Education Statistics, 2013*. Table 303.10 (Washington: National Center for Education Statistics). Available at http://nces.ed.gov/programs/digest/d13/tables/dt13_303.10.asp and U.S. Department of Education (2013). *Digest of Education Statistics, 2013*. Table 303.10 (Washington: National Center for Education Statistics). Available at http://nces.ed.gov/programs/digest/d13/tables/dt13_303.10.asp.