

STATE DATA: THE NATIONAL REPORT ON EMPLOYMENT SERVICES AND OUTCOMES THROUGH 2023

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BACKGROUND ON STATEDATA: THE NATIONAL REPORT ON EMPLOYMENT SERVICES AND OUTCOMES THROUGH 2023

For 35 years, the Institute for Community Inclusion (ICI) has been home to Access to Integrated Employment and StateData, a national data-collection project on day and employment outcomes funded by the Administration on Community Living. Since 1988, this project has described the nature of employment and day services for people with intellectual and developmental disabilities (IDD) and has contributed to a comprehensive understanding of the factors that influence employment outcomes at the individual, service-provider, and state-policy level. The current StateData Blue Book Report highlights data through fiscal year 2023, an update of our report [StateData: The National Report on Employment Services and Outcomes through 2022](#).

ECONOMIC STATUS OF ADULTS WITH IDD

Overall, the findings across all four data sources suggest that people with IDD experience greater levels of unemployment, underemployment, low wages, and poverty compared to those without disabilities. FY 2023 data continue to highlight the economic disparities between people with and without IDD.

Adults with Disabilities have Different Economic Outcomes Compared to Adults without Disabilities

American Community Survey (ACS) data continue to show that people with disabilities are much less likely to work than their counterparts without disabilities and illustrate the relationship between disability and poverty. People with any type of disability are less likely to work (45.4 %) compared to people with no disability (77%). People who have a cognitive disability are the least likely to work (39.5%).

This has a direct impact on whether a person with a disability lives in poverty. Among working-age Americans, people with any disability (24.1%) and people with a cognitive disability (27.4%) are more likely to live in a household that is below the poverty line than people with no disability (10.1%).

Data from four sources are included:

1. US Census Bureau (the American Community Survey¹)
2. Social Security Administration (SSA, Supplemental Security Income Annual Statistical Report²)
3. ICI's National Survey of State Intellectual and Developmental Disabilities Agencies' Employment and Day Services³
4. State vocational rehabilitation (VR) programs (RSA-911⁴)



Individuals with the Most Significant Disabilities have Poorer Economic Outcomes

People with a cognitive disability who are receiving Supplemental Security Income (SSI) have the lowest employment rate of all people (8.9%). Additionally, people with a cognitive disability who are receiving SSI are the most likely to live in a household that is below the poverty line. For individuals who are working, 15.9% still live below the poverty line, and 39.9% of those not working live in a household that is below the poverty line.



Economic Outcomes are Slowly Changing

ICI researchers hypothesize that SSI recipients with intellectual disability (ID) may have higher involvement with state agencies that encourage labor participation compared to people with other cognitive disabilities. In the IDD system, data collected through the National Survey of State Intellectual and Developmental Disabilities Agencies' Employment and Day Services suggest that there has been modest growth in the number of individuals in integrated employment services since 1988. In FY 2023, an estimated 21.5% of individuals received employment and/or day services from a state IDD agency and participated in integrated employment services. FY 2023 data suggest that despite declines in the number of people in integrated employment services in 2021, state IDD agencies continued to emphasize the importance of integrated employment. There continues to be large variation across states in integrated employment participation ranging from 1% to 83.2% of adults receiving employment and day services.



State IDD Agencies Efforts to Prioritize Employment

Additional data from the ICI survey found that state IDD agency investment in supports continues to emphasize facility-based and non-work services, rather than integrated employment services. There is evidence that individual states are taking steps to reduce facility-based work, and the number and percentage of people in facility-based work is declining. However, there has not been a transition of people from facility-based work to integrated employment. For the past five years, funding for integrated employment services has, on average, reflected less than 10% of state IDD agencies' employment and day services budgets. Further, despite the increases in the number of people served by state IDD agencies in integrated employment, there is long-term data to indicate that Medicaid Title XIX Waiver dollars have not transitioned away from facility-based and non-work services toward integrated employment.



Employment Outcomes of Individuals with ID Served by State VR Agencies

State VR programs offer valuable services, including assessment, job search assistance, and counseling to help improve the employment outcomes of individuals with ID.

In the VR system, the rehabilitation rate, defined as the percent of people who entered employment out of those who completed an individual plan for employment (IPE), was 44% in program year 2024 for people with ID. For 2024, 26% of VR closures who are people with ID exited with a job within one year of when they applied for services. This is down from a peak of

33% of closures in 2017. While outcomes varied across states, most people with ID who exited VR with a job were male, white, and transition-age young adults. This suggests the need for a continued examination of the factors that impact employment for different groups of people after VR services. Additionally, over time, weekly wages for people with ID increased slowly, but did not show appreciable growth, and declined slightly in 2024. In 2024, people with ID who exited the VR program with employment worked an average of 21 hours per week, which is slightly lower compared to 23 hours per week in 2022, but in line with previous years. We must continue to examine individual and labor market factors to understand the reasons for the lack of overall growth in earnings.



Social Security Administration Resources to Improve Economic Outcomes

Data from the Social Security Administration (SSA) show that work incentive programs for SSI recipients with disabilities are underused. Work incentive programs include the Plan to Achieve Self-Support (PASS), Impairment-Related Work Expenses (IRWE), Blind Work Expenses (BWE), section 1619(a) benefits, and section 1619(b) benefits. PASS, IRWE, and BWE allow individuals to set aside money, resources, and expenses to be excluded from total earned income calculations.



Historically, work incentives have been underused, and their current usage has declined significantly. The PASS incentive program has seen decreased participation in the last 22 years—an 83% decrease from 2000 to 2023 in the number of individuals who enrolled. Overall, BWE program enrollment declined 81.5% from 2000 to 2023, and IRWE enrollment declined by 87% in the same time span. This is particularly discouraging for SSI recipients with ID who work more than their counterparts with other types of disabilities but participate in work incentive programs less frequently. Therefore, it is important for employment and disability services professionals to make sure they provide explanations of incentives in plain language and to encourage participation in these incentive programs. Doing so could lead people with ID who receive SSI to experience higher rates of employment and better employment outcomes.

CONCLUSION

Legislation and regulation governing the Centers for Medicare and Medicaid Home and Community-Based Services (HCBS), the Workforce Innovation and Opportunity Act of 2014 (WIOA), and settlement agreements between states and the US Department of Justice clarify federal intent and pave the way for supporting opportunities for people with disabilities to have meaningful jobs in their communities. With an increasing emphasis on integrated employment and adoption of Employment First policy at the state level, the US continues a gradual transformation to support Americans with disabilities on a path out of poverty and toward self-sufficiency.

The shift toward Employment First policies and actions to implement federal policy from the Centers for Medicare and Medicaid Services, WIOA, and the Department of Justice can make an important contribution to raising expectations, improving outcomes, and increasing self-sufficiency for people with IDD in every state. However, data for FY 2023 highlight the continued economic and employment disparities for people with IDD. While some data suggest progress, overall, data demonstrate the continuing need to strengthen policies, practices, and initiatives that prioritize employment.

- ¹ The American Community Survey (ACS), an initiative of the US Census, provides a population perspective on employment, including people who do not have a connection with funded services.
- ² The SSA reports work-incentive participation and the number of individuals receiving SSI who are working.
- ³ This survey collects summary state level data on employment and day services distribution and funding from state intellectual and developmental disabilities agencies in the 50 states and District of Columbia.
- ⁴ RSA-911 is a public access database that captures individual characteristics, services provided, and employment outcomes at the point of closure from vocational rehabilitation (VR) services. Records are at the individual level.

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