

Analyzing the Recovery of Employment Rates for Persons with and without Disabilities After the Financial Crisis of 2008

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Background

Nearly a decade ago, economies across the globe were driven into recession by an unprecedented financial crisis. While the *Wall Street Journal* estimated that total global loss could be as large as \$15 trillion in 2012, the true cost of this crisis could not possibly be measured. Millions of people lost their jobs, their homes, and in many cases their lives. According to the *British Journal of Psychiatry*, more than 10,000 suicides between 2008 and 2010 can be directly attributed to the crisis.

Nearly three million Americans lost their jobs in 2008, with total unemployment rates reaching their highest point since the 1980s. In 2009, at the peak of the crisis, the United States (U.S.) faced its greatest economic crisis since the Great Depression. Both persons with and without disabilities struggled to find or maintain employment, with significant portions of each population eventually withdrawing entirely from the workforce. In almost eight years since the crisis, the U.S. economy has finally reached a point of recovery.

According to the U.S. Department of Labor, in May 2016, the total unemployment rate reached below five percent for the first time since February 2008. But, as total unemployment numbers have steadily declined since their peak in 2010, the unemployment rate of persons with a disability actually peaked in June 2011, before seeing any decline. While persons without a disability appear to have experienced an immediate and gradual recovery after the financial crisis, workers with a disability saw no such relief until years later.

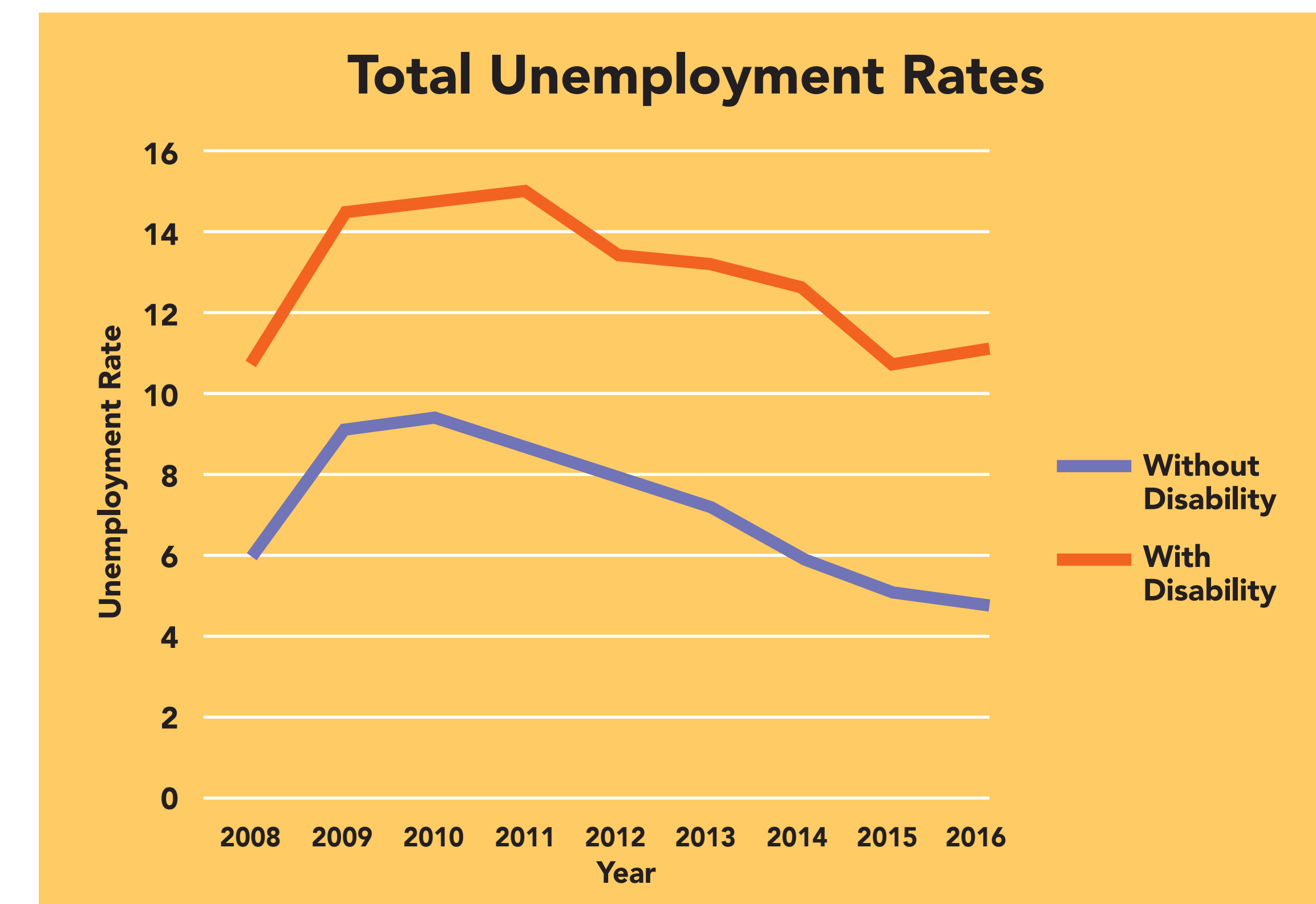
This research compares the recovery of U.S. unemployment rates between workers with and without a disability across demographic categories, including race, gender, and level of education. Such an examination may reveal trends indicating a discrepancy between how employment opportunities are restored for persons with a disability after a financial crisis, and thereby offer the opportunity for further exploration into strategies to close that gap and ensure the preservation of those opportunities even through crisis.

Methodology

The Department of Labor Statistics does not have unemployment data available from before 2009 for many demographic categories, and only began to collect employment data on individuals with disabilities in 2008. As such, this analysis will focus on data collected from 2009 through 2015, with the exception of total unemployment rates from June 2008 through August 2016. Data for race and gender is collected for individuals aged 16 or older, while data for level of education is collected for individuals aged 25 or older. None of the cited statistics are seasonally adjusted.

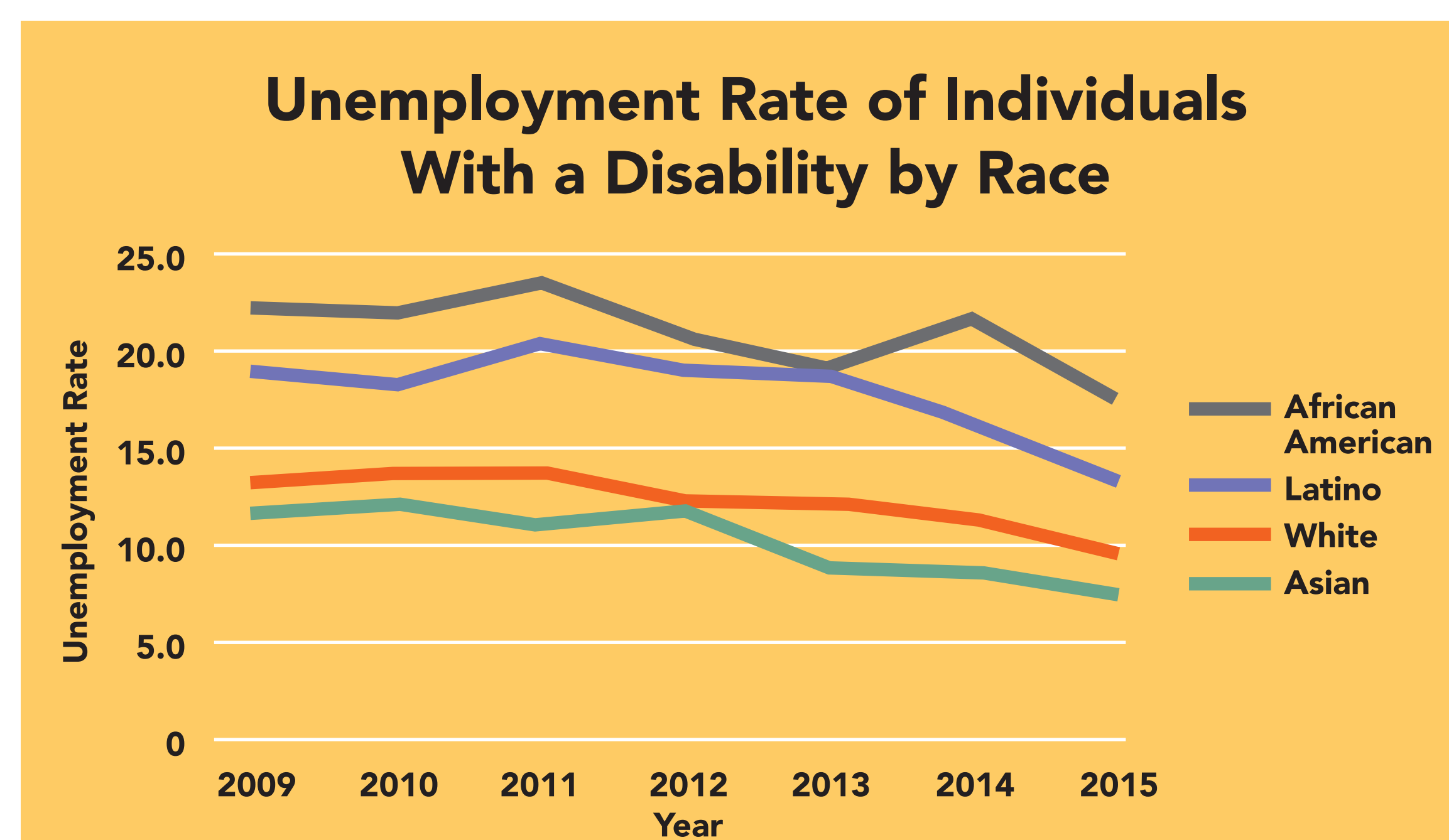
Comparing Overall Unemployment Recovery

Unemployment for persons without a disability reached its peak of 9.4 percent in 2010, while unemployment for persons with a disability reached its peak of 15 percent in 2011. This data suggests the unemployment rate for persons with a disability did not see recovery until well after that of persons without a disability. While the exact reason for this statistical discrepancy is unclear from the raw numbers, it does suggest that persons with a disability endured a longer period of turmoil after the crisis.



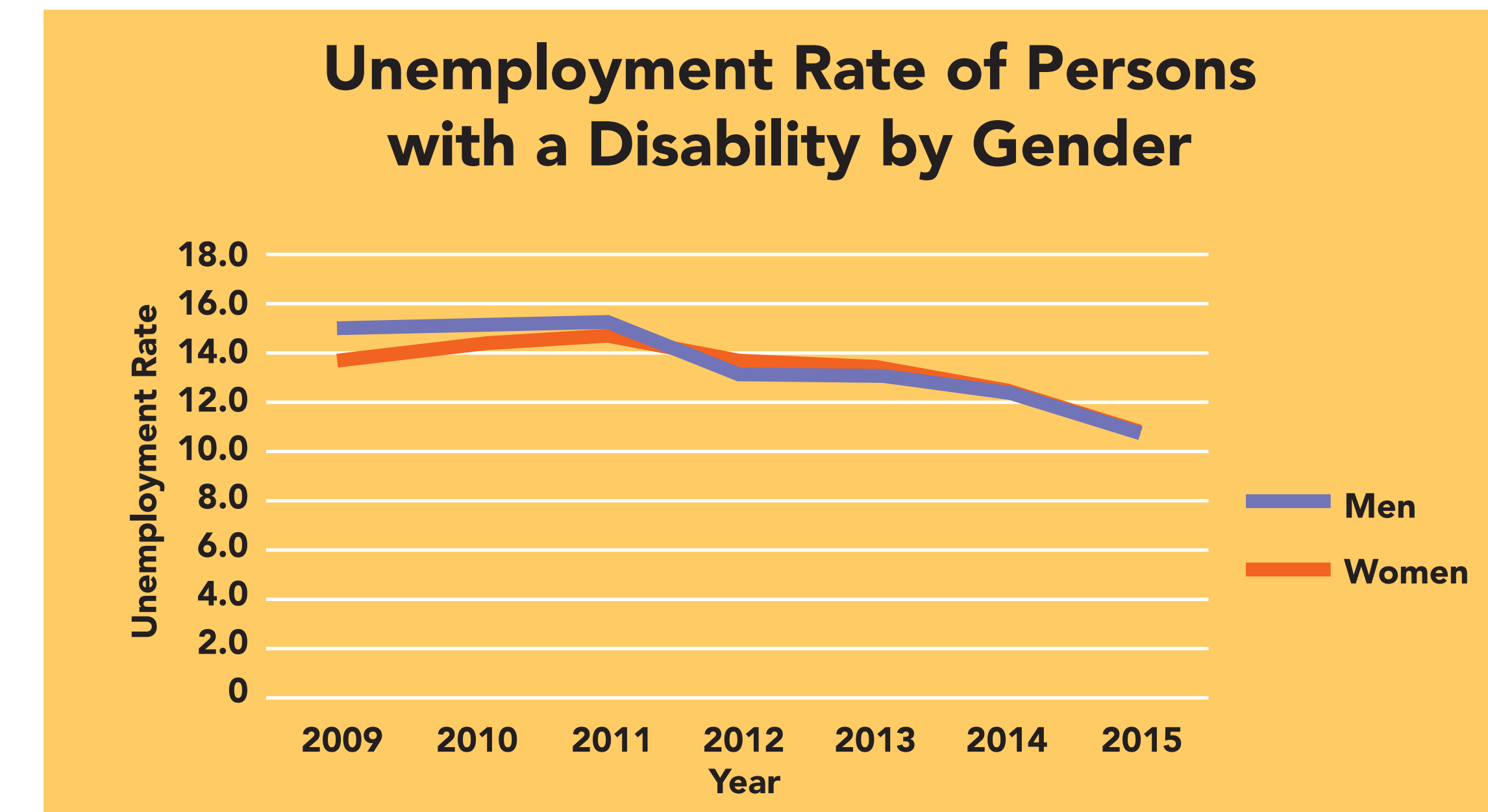
Race

In analyzing how particular populations have recovered economically since the crisis, it is important to examine how more vulnerable populations were affected, including minorities. Based on the unemployment data, African American and Hispanic/Latino persons with a disability generally experienced more variable unemployment rates from 2009 through 2015, and saw significantly higher rates of unemployment than White or Asian individuals with a disability. African American workers with a disability saw a significant spike in unemployment in 2014 that did not appear to affect members of other races.



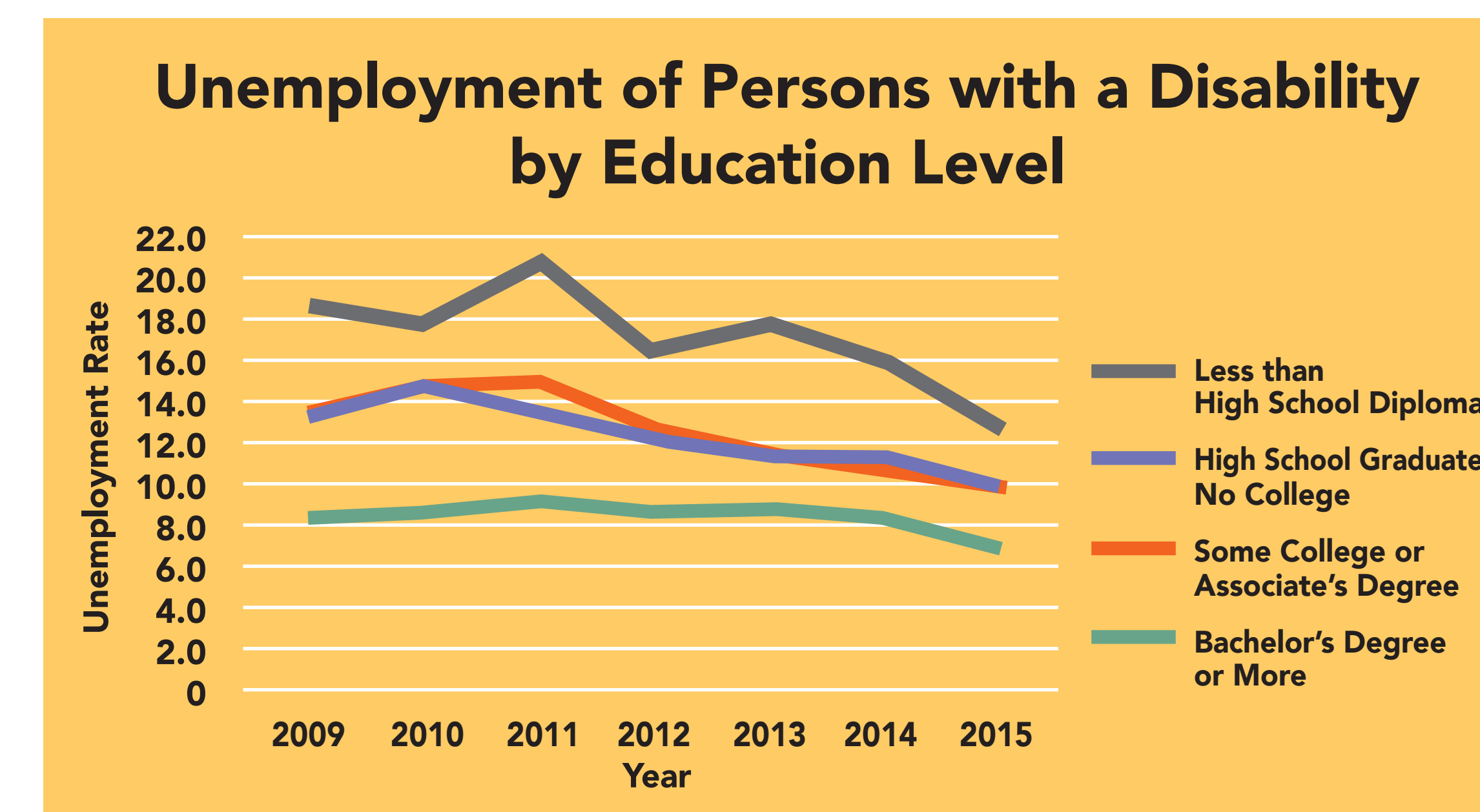
Gender

Women with a disability saw roughly the same change in unemployment as the total population from 2009 through 2015. In comparing men and women with a disability, the two populations followed a nearly identical path, with men experiencing higher unemployment rates during the peak of the crisis.



Level of Education

As the data suggests, individuals with less than a high school diploma saw the largest spike in unemployment, with subsequent variable increases and decreases until most recently. Interestingly, high school graduates without college experience saw a recovery closely resembling that of total unemployment rates for persons without a disability. This population even saw lower unemployment rates than those of individuals with college experience or an associate's degree through the peak of the crisis. Those with a bachelor's degree or more saw by far the most stability from 2009 through 2015.



Future Research Questions

While the raw data suggests rough trends in how the unemployment rates for persons with a disability recovered after the 2008 crisis, further research is necessary to determine underlying causes that created those trends.

- Why did it take individuals with a disability longer to see a recovery in unemployment rates than those without a disability?
- How can employment opportunities for individuals with a disability be preserved through an economic crisis?
- Why did African American communities experience a spike in unemployment in 2014?
- How can we ensure that job opportunities for individuals with less than a high school diploma are protected through economic crises?

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