

Beneficiary participation in Ticket to Work

David Stapleton^{a,*}, Gina Livermore^a and Jesse Gregory^b

^a*Mathematica Policy Research, Washington, DC, USA*

^b*Department of Economics, University of Michigan, Ann Arbor, MI, USA*

Abstract. This article examines the participation of Social Security disability beneficiaries in the Ticket to Work (TTW) program through December 2004. On an absolute scale, participation is very low, and perhaps much lower than many had hoped. Participation is not low relative to the historical rate for program exits due to work, however, and certain groups of beneficiaries participate at higher rates than others. A large majority of participants assign their Tickets to state vocational rehabilitation agencies (SVRAs), predominantly under the traditional, cost reimbursement payment system. Most SVRA administrators indicate that they have not made major changes to the way they serve their beneficiary clients as a result of TTW. These findings suggest that, through December 2004, TTW does not represent a significant departure from the past. Participants with Tickets assigned to ENs are substantially more likely than those with Tickets assigned to SVRAs to earn at a level that will lead to program exit. This finding likely reflects the strong incentives that ENs have to serve only those with a high likelihood of exiting the rolls, but might also reflect greater EN focus on achievement of high earnings.

Keywords: Disability, Ticket to Work, employment, vocational rehabilitation

1. Introduction

In this article we present and discuss descriptive information on participation in Ticket-to-Work (TTW) since the rollout began in February 2002 through December 2004, the first three years of the program.¹ We present some statistics for all states, but much of the article is focused on statistics from the 13 Phase 1 states, because they have the longest participation history. We compare the early experiences of the Phases 2 and 3 states to that of the Phase 1 states. We examine participation by provider type – state vocational rehabilitation agency (SVRA) or employment network (EN) – as well as by payment system type – traditional, milestones plus outcomes or outcomes only. The article includes a summary of the findings from two analyses of how participation rates vary with the characteristics of beneficiaries. We also present statistics on: differ-

ences between those who assign their Tickets to ENs and those who assign them to SVRAs; the employment services used by TTW participants, as well as by other beneficiaries; and the employment and job characteristics of both TTW participants and all beneficiaries. We derived most of the participation statistics from SSA administrative data. The analysis of how participation varies with beneficiary characteristics relies substantially on data from the 2004 National Beneficiary Survey (NBS). The findings on service utilization and employment are based solely on the NBS.

“Participants” are defined as Ticket-eligible beneficiaries whose Tickets have been assigned to an SVRA or EN and not formally de-activated (i.e., unassigned and not reassigned), as of the relevant month. That is, the status of the beneficiary’s Ticket is “in-use”. The fact that a Ticket is in-use does not necessarily mean that the participant is actively using services, or has actively used services since assignment; the administrative data are mute on this point. The actual use of services by participants, based on survey data, is described in Livermore, Goodman, and Wright [2]. Symmetrically, Ticket-eligible beneficiaries who obtain employment services without assigning their Tickets are

*Address for correspondence: David Stapleton, Mathematica Policy Research, Center for Studying Disability Policy, 600 Maryland Ave. SW, Suite 500, Washington, DC 20024, USA. Tel.: +1 202 484 4224; E-mail: dstapleton@mathematica-mpr.com.

¹Additional details on the findings reported in this article appear in Chapters 3–6 of Thornton et al. [5].

not counted as participants. In fact, we present evidence based on SSA data that have been matched to SVRA administrative data collected by the Rehabilitation Services Administration (RSA) that many beneficiaries continue to receive services from SVRAs without assigning their Tickets.

We found that overall participation was quite low as of December 2004 on an absolute scale, even in the Phase 1 states. There is evidence that the Ticket rollout did increase beneficiary use of employment services overall (see [7]), however, and participation is not low relative to the historical rate for program exits due to work. Certain groups of beneficiaries participate at higher rates than others. A large majority of participants assign their Tickets to SVRAs, under the traditional payment system; suggesting that delivery of services to beneficiaries has changed very little. Survey data suggest substantially greater interest in employment services and return to work than participation rates would suggest, and that lack of awareness or understanding about the nature of TTW appears to explain much of the difference between the level of interest and TTW participation rates. On average participants with Tickets assigned to ENs received fewer services than those with Tickets assigned to SVRAs, but they were more likely to be employed and more likely to have earnings commensurate with exit from the beneficiary rolls. Although service and outcome differences might be partially caused by differences in the service approaches of ENs and SVRAs, it seems likely that differences in SVRA and EN selectivity explain substantial shares of the differences in mean outcomes.

In Section 1, we present participation statistics by Phase since the rollout began, and also examine the extent to which SVRAs in each phase obtained Ticket assignments from their active cases at the beginning of the rollout. In Section 2 we present participation rates by state as of December 2004. In Section 3 we summarize findings from analyses of the relationship between the participation rate and characteristics of eligible beneficiaries. A summary of key findings and concluding remarks appear in Section 4. More details on many of the findings reported here can be found in Chapters 3 through 6 and Appendices B and C of Thornton et al. [5].

2. The evolution of participation rates

The TTW rollout was completed in October 2002 in Phase 1 states, in September 2003 in Phase 2 states, and

in October 2004 in Phase 3 states. Based on our analysis of SSA administrative data, as of December 2004 there were 9.23 million Ticket-eligible beneficiaries.² Of these, about 30 percent were in each of the Phase 1 and Phase 2 state groups, and the remaining 40 percent were in the Phase 3 group.

As of December 2004, the participation rate was 1.4 percent in Phase 1 states, 0.9 percent in Phase 2 states, and 0.6 percent in Phase 3 states. The overwhelming majority of Tickets were assigned to SVRAs (91.7 percent as of December 2004).

Variation in participation rates across phases primarily reflects the staggered nature of the rollout. Holding constant the number of months since the start of the rollout, however, there is notable variation across phases in the participation rates at SVRAs, but not in the participation rates at ENs (Fig. 1). After the first few months of the rollout, in which participation rates are relatively erratic because of the relatively small numbers of eligible beneficiaries and the idiosyncratic start-up behaviors of providers, the SVRA participation rate in Phase 1 states is higher than in Phase 2 states, and the rate in Phase 3 states appears to be settling on an intermediate track.

We used the matched RSA-SSA data to examine the reasons for variation in SVRA participation rates, holding months since rollout start constant. Those data show that the relatively high participation rates for Phase 1 SVRAs reflect the fact that they obtained a relatively greater share of assignments from pipeline cases (i.e., cases that entered SVRA service before the TTW rollout began). In fact, it appears that shortly after the rollout start, Phase 2 SVRAs were obtaining just as large a share of assignments from “new” clients – those determined eligible for services after the start of rollout – as did the Phase 1 SVRAs. The data also show that SVRAs are obtaining assignments from only a minority of the beneficiary clients they serve. The findings for new clients might change as data for later closures become available, but we think the findings for pipeline cases will not change because most such cases will have closed before September 30, 2004.

Another important feature of Fig. 1 is that the participation rates for both provider types continue to grow through the last month in the sample, so participation rates are likely to be higher in later months. Abso-

²The number of beneficiaries eligible at the end of the period is lower than the cumulative number of Tickets mailed because of exits from the beneficiary rolls among the working-age population, primarily due to reaching retirement age and death.

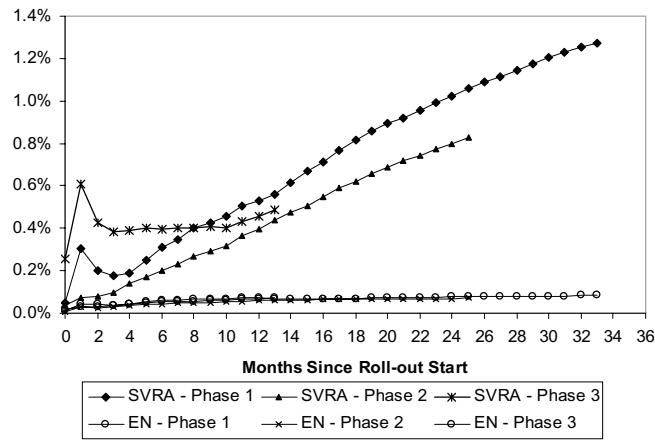


Fig. 1. Participation rates, by months since roll-out start, phase, and provider type.

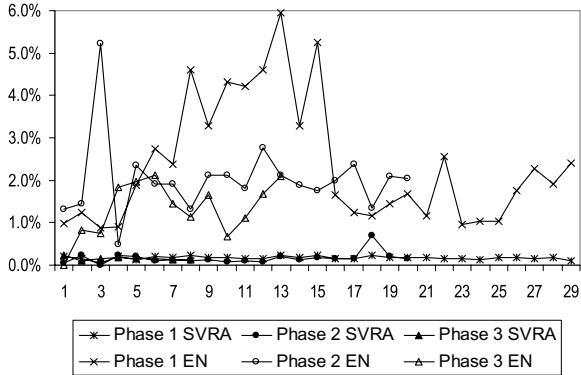


Fig. 2. Percentage of tickets de-activated and not re-assigned, by provider type, phase and months since roll-out start.

lute growth in the SVRA participation rate within each phase is substantially higher than in the growth of the corresponding rate for ENs. Consequently, the share of in-use Tickets assigned to SVRAs is gradually increasing.

The percentage of assigned Tickets that are deactivated and not reassigned each month has generally been low. Tickets assigned to ENs are substantially more likely to be deactivated than those assigned to SVRAs (see [3,4] for a discussion of reasons for deactivation). During 2003, the second year of TTW in the Phase 1 states, a number of ENs cut back or eliminated their TTW caseloads, which is reflected in the de-activation statistics for Phase 1 EN assignments during that period (Fig. 2). The number of Tickets assigned to ENs continues to grow gradually, despite these deactivations (Fig. 1).

Most Tickets are assigned under the Traditional payment system, which is only available to SVRAs (85.6

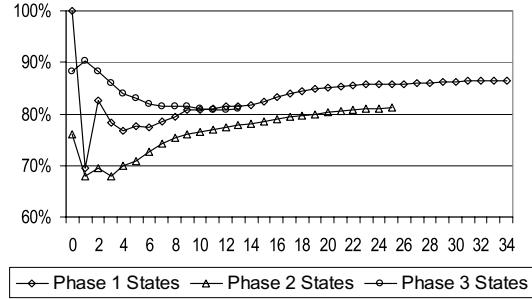
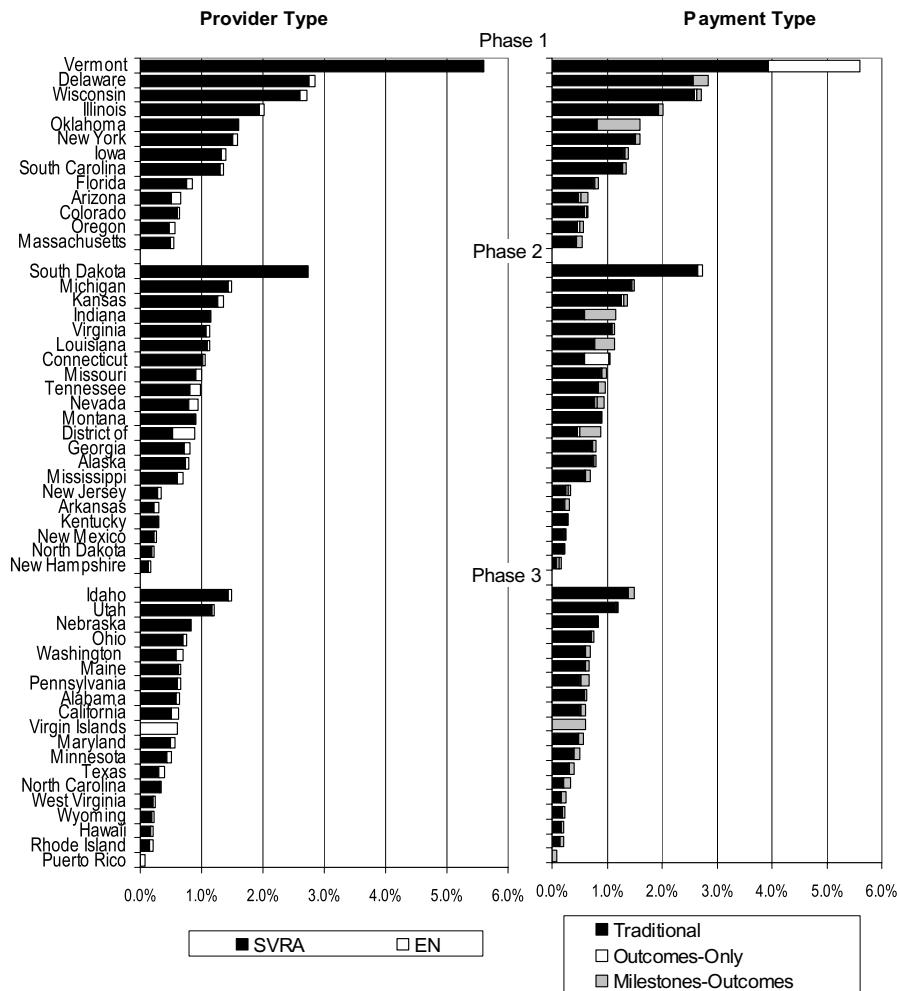


Fig. 3. The percentage of in-use tickets assigned under the traditional payment system, by phase and months since rollout-start.

percent as of December 2004). This percentage is somewhat lower in Phase 2 states than in Phase 1 and 3 states, holding months since rollout start constant, but appears to be increasing within all three state groups (Fig. 3). Of the remaining assignments, 4 out of 5 (79.8 percent) were assigned under the Milestones-Outcomes payment system (11.5 percent of the total) and the remainder (20.2 percent) were assigned under the Outcomes-Only system (2.9 percent of the total). Thus, the system with the highest potential payments for providers, but also the highest risk, is used the least frequently. The 4 out of 5 ratio applies across all three phase groups as of December 2004.

3. State participation rates

Participation rates vary markedly by state, even within phase group (Fig. 4). The proximate cause of most of this variation is the use of TTW by SVRAs. Among Phase 1 states, Vermont had the highest participation rate in December 2004 (5.6 percent), while neighbor-



Source: Analysis of July 2005 extract from SSA's Disability Control File.

Fig. 4. Ticket participation rates by state, provider type, and payment type, December 2004.

ing Massachusetts had the lowest (0.6 percent). South Dakota, a Phase 2 state, also has a remarkably high participation rate, its participation rate is only exceeded or matched by the rates of three Phase 1 states, even though its rollout started almost a year later.

Among Phase 1 states, Ticket assignments to ENs are remarkably high in Arizona (1.6 percent of eligible beneficiaries) and Wisconsin (1.2 percent). Ticket assignments to ENs are also remarkably high in the Virgin Islands, included in the Phase 3 rollout (0.6 percent of eligible beneficiaries), but this U.S. territory does not have an SVRA.

With few exceptions, cross-state variation in use of the three payment systems is closely related to variation in SVRA participation (right-hand side of Fig. 4),

and is not surprising given the preponderant use of the Traditional payment system by SVRAs. Vermont again stands out, with a participation rate of 1.7 percent under the Outcomes-Only payment system (29.7 percent of assignments in the state) – all of which are at the state's SVRA. Participation under the Milestones-Outcomes system was exceptionally high in Oklahoma, where the SVRA accepts a relatively large number of beneficiary clients under that system.

4. Predictors of participation

In this section we provide a summary of the main findings from two analyses of characteristics that are

potentially predictive of participation, both focused on participation in Phase 1 states. The first of these analyses used administrative data only, is based on participation as of March 2004 (see Chapter 2 and Appendix B in [6]), and is based on data for all of the 2.7 million eligible beneficiaries in Phase 1 states as of that date. The second used data from the 4,000 Phase 1 respondents to the National Beneficiary Survey (NBS) and the Participant Survey, linked to administrative data (see Chapter 3 and Appendix B in [5]). The survey analysis refers to an earlier month, June 2003 (when the survey sample was drawn). The survey findings are of interest primarily because they exploit data on many beneficiary characteristics that are available only in the survey data; the survey analysis also includes characteristics from administrative data, and the results for these characteristics are very consistent with those from the administrative data analysis.

Many characteristics are individually related to participation, but bivariate relationships might indirectly reflect the relationship with other characteristics. Relationships between participation and specific characteristics after the intermediating influences of other variables have been controlled for are inherently more interesting. Hence, for both analyses we estimated multivariate (binomial) models of participation to estimate the relationship between participation and each characteristic holding other characteristics constant. The findings summarized below are based on the multivariate analysis. We also report Phase 1 participation rates for selected groups from December 2004. Additional participation statistics for that month, by phase, appear in Appendix C of Thornton et al. [5]. All findings reported are statistically significant at the 0.05 level or greater. All statistics reported in this section are for Phase 1 states. Unless otherwise indicated, the findings reported below are from the survey analysis.

It is not possible to pick out beneficiaries with a high probability of participation based on observed characteristics, even with the rich characteristics reported in the survey. The highest predicted participation rate from the survey analysis was 22.4 percent, and the 99th percentile of predicted participation rates is only 11.1 percent – for a time when the overall participation rate was 0.8 percent. Using administrative data alone, both values were much lower: 10.0 percent and 4.4 percent – for a time when the overall rate was 1.2 percent.

Age is a strong negative predictor of participation. In June 2003, those aged 18 to 24 were 5.7 times more likely to participate than those 55 or older, other things constant. Based on administrative data, in December

2004 the participation rate for those aged 18 to 24 was 3.5, compared to 0.4 for those aged 55 to 59 and 0.2 for those aged 60 to 64.

Education is a strong positive predictor of participation, other things constant. In the survey analysis we found that those with more than a high school education were 4.1 times more likely to participate than those with less education. Similar findings were obtained from administrative data, but educational attainment was missing from the administrative records for almost half of Ticket-eligible beneficiaries.

Beneficiaries with sensory impairments (based on SSA's primary impairment classification) are much more likely than those with other impairments to participate, holding other characteristics constant – especially those with hearing impairments. In June 2003, those with any sensory impairment were 80 percent more likely than others to participate, other things constant. Large sample sizes for administrative data allow us to distinguish among sensory categories. In December 2004, the participation rate was 8.2 percent for those with a hearing impairment, 3.4 percent for those with a speech impairment, and 2.5 percent for those with a vision impairment. Those with sensory impairments comprise a small share of all Ticket-eligible beneficiaries, however – 3.0 percent in December 2004. We did find some variation in participation rates across other impairment groups, but only the participation of those with sensory impairments stands out as exceptionally large. Based on administrative data, those with musculoskeletal, circulatory, respiratory or cognitive impairments are somewhat less likely than others to participate, other things constant.

In June 2003, African Americans were 80 percent more likely to participate than Caucasian Americans, holding other characteristics constant. We did not find significant differences for other races or Hispanic ethnicity from the survey data, but this might reflect small samples sizes. We found from the administrative data that Asians/Pacific Islanders also have relatively high participation rates, holding other factors constant, and those requesting communications in Spanish were less likely to participate.

In June 2003, SSDI beneficiaries were 50 percent more likely to participate than SSI-only recipients. Findings from the administrative data analysis are similar.

The probability of participation initially increases with months on the rolls, levels off at 24 months, and then declines after 60 months, other things constant. In June 2003, those on the rolls longer than 60 months

were least likely to participate – 40 percent less likely than those on the rolls from 24 to 60 months, other things constant. Interestingly, when other factors are not held constant, the participation rate for those on the rolls longer than 60 months is essentially the same as that for those on the rolls 24 to 60 months.

Several survey variables were designed to capture the severity of respondents' impairments or health conditions. Beneficiaries unable to perform one or more activity of daily living (ADL) or instrumental activity of daily living (IADL) without assistance were only about half as likely to participate as those with less severe or no ADL or IADL limitations, other things constant. Those experiencing disability onset before the age of 18 were the most likely to participate, and those experiencing onset at age 55 or older were least likely to participate. Other things constant, the participation rate for the latter group was 60 percent less than for the former group. Other groups fall between these two. We expected to find that those with functional limitations were less likely to participate than others, but after controlling for other things (including inability to perform an ADL or IADL), functional limitations were not a significant predictor of participation. We also expected to find that mental and physical health status would be predictive of participation, but the estimated effects are small and not statistically significant. It seems likely that other independent variables have captured the effects of health status on participation. We also did not find significant effects for obesity or substance abuse after controlling for other variables.

Beneficiaries who live with a spouse, significant other, or other family members are less likely to participate than those who live on their own or with unrelated adults. Holding other characteristics constant, beneficiaries who live with relatives, but do not have children under age six, were 20 percent less likely to participate while those with at least one child under age six were 70 percent less likely to participate. One possible explanation for lower participation rates when an individual lives with other adults is that the income of the other adults reduces the need for the beneficiary to generate income via work. In addition, the presence of others in the household may create better opportunities for the beneficiary to engage in productive household activities – particularly for those with children under age six. These factors appear to more than offset any positive effect that the availability of personal support within the household might have on participation.

Holding other variables constant, we expected to find that high benefit levels in the absence of countable earn-

ings would reduce participation because of strong incentives to stay on the rolls, but we found no significant effect. One variable closely associated with benefits did, however, have a large negative effect: SSDI primary insurance amount (PIA). Holding other things constant, those with PIA above \$1,200 were only half as likely to participate as those with lower PIA. This difficult-to-interpret finding might be termed a benefit effect because the SSDI benefit of a beneficiary with no dependents and with countable earnings below the substantial gainful activity (SGA) level is equal to the beneficiary's PIA. The analysis, however, directly controls for benefits. Similarly, PIA is highly correlated with age, but we have controlled for age in the analysis. Hence, it seems that the negative effect of a high PIA on participation is attributable to some other factor associated with PIA that is not captured in the control variables.

A beneficiary's PIA can be viewed as a composite measure of the beneficiary's earnings experience; high PIA amounts are achieved only by those beneficiaries who received high levels of earnings subject to Social Security payroll taxes over a large share of their work career. High levels of past earnings may be predictive of high levels of potential earnings if the beneficiary returns to work, and we would expect high predicted earnings to increase participation. We found just the opposite. One possible explanation is that beneficiaries with high past earnings are more likely than others to have accumulated substantial wealth, which would reduce the incentive to return to work. More broadly, the fact that such individuals have entered SSDI despite the low SSDI replacement rate for workers with high earnings suggests that they are poor candidates for return-to-work for some other reason – extremely severe disability, substantial income from other sources (pension, a spouse, private disability benefits, etc.), and perhaps others. Although we controlled for some such factors, as described below, such controls are necessarily limited.

We considered the possible effects of other (non-SSA) cash (e.g., private disability insurance) or near-cash (e.g., food stamps) benefits (public and private) that would likely be jeopardized by return-to-work. Our hypothesis posited that beneficiaries with such benefits would be less likely to participate. We found, however, that the results depend on the value of the other benefits. Those reporting low levels of such benefits (estimated to be worth less than \$200 per month) were 60 percent more likely to participate than those reporting no such benefits. Those reporting high levels

of such benefits (\$500 or more per month) were – consistent with our hypothesis – 40 percent less likely to participate, but the result is only marginally significant. It may be that low levels of other benefits are indicative of material hardship (e.g., for food or fuel) and that such hardships might motivate the beneficiary to seek work.

We also included an indicator for relatively high household income – that is, at least 300 percent FPL. We view this variable as a crude measure of a household's total resources and expect that beneficiaries in high-resource households will have less of an incentive to participate in TTW. We found no evidence of any effect, however.

5. Predictors of provider type

As reported in more detail in Thornton et al. (2007, Appendix Table B.23a), based on the 2004 NBS data, the characteristics of participants with Tickets assigned to ENs in Phase 1 states were quite different than those of participants with Tickets assigned to SVRAs. SSI-only status, age, Hispanic ethnicity, having less than a high school education, being an unmarried parent, and having children under age six are all positive predictors of assignment to an EN, rather than an SVRA. These findings suggest that participants facing return-to-work challenges other than disability are more likely than others to be served by ENs. However, one finding appears to contradict this conclusion: participants in households with incomes of at least 300 percent of the federal poverty level are substantially more likely than others to assign their Ticket to an EN.

6. Service utilization

The NBS solicited information about a broadly defined set of services that beneficiaries saw as helping them to work or to live independently. These included job-search services; medical services; therapy or counseling; and the education or other training needed to secure a new job or to advance in a career. This definition reflects the very broad latitude that ENs and SVRAs have to provide services that help beneficiaries earn their way off the rolls.

Approximately one-third of all Phase 1 beneficiaries reported using employment services in 2003 (Ta-

ble 1).³ Not surprisingly, TTW participants were much more likely than all Phase 1 beneficiaries to report using employment services in 2003 (57 percent versus 34 percent). Despite having assigned their Tickets, many participants did not receive services in 2003. There are several likely reasons: they received services before 2003 only (an especially likely explanation for SVRA pipeline cases); they were waiting to receive services in the future; they did not recall receiving services; or they simply did not receive, or do not expect to receive, any services even though their Ticket was assigned. We are unable to determine the relative importance of these reasons from the NBS data. It is also important to recognize that the service use findings for TTW participants reported here reflect *all* services reported by participants, not just those provided or arranged for by the provider holding the respondent's Ticket. We used this definition because only 31 percent of Ticket participants were aware that they had assigned their Ticket, so many could not accurately report the source of their services [5]. Many also used several providers. Hence, it is not possible to cleanly identify the services delivered by an EN or SVRA under TTW from others.

Participants with Tickets assigned to SVRAs were more likely than those with Tickets assigned to ENs to use services in 2003 (59 percent versus 48 percent). This finding still holds after controlling for a variety of individual characteristics (Thornton et al. [5], Appendix Table B.26).

Beneficiary service users (i.e., those who used services in 2003) reported a number of reasons for doing so, most commonly to improve health or address functional issues. TTW service users (i.e., participants reporting use services in 2003) were much more likely to report that they used them to find a job or to get a better job (54 percent versus 8 percent for all beneficiary service users). Many did, however, report that they were using services to improve health (45 percent versus 69 percent). TTW participant users with Tickets assigned to ENs were somewhat less likely than those with Tickets assigned to SVRAs to report using services for the purpose of finding a job or getting a better job (47 percent versus 55 percent) – a finding that seems inconsistent with the employment findings reported below.

Consistent with the differences in reasons for using services between TTW participants and other service

³All statistics in this section are for beneficiaries and participants in Phase 1 states only, and refer to service utilization in 2003.

Table 1
Service use among beneficiaries and TTW participants in 2003

	All Phase 1 Beneficiaries	Phase 1 TTW Participants ^a		
		All TTW Participants	Assigned to EN	Assigned to SVRA
Number of Respondents Using Services	1,251	609	320	289
Number of Phase 1 Beneficiaries/Participants Using Services	866,650	12,075	1,300	10,776
% Beneficiaries/Participants Using Services	33.5	57.2*	47.5 ⁺	58.6
Reason for Using Services (%)^b				
To improve health	69.2	44.5*	44.9	44.5
To improve ability to do daily activities	28.7	22.8	16.4	23.6
To find a job or get a better job	7.9	54.5*	46.9	55.4
Wanted to access specific services	5.7	7.2	5.3	7.4
Someone pressured respondent to participate	3.7	3.1	4.2	2.9
To be more independent	1.1	2.8	0.5	3.1
To increase income	0.9	6.3*	7.2	6.2
To avoid a continuing disability review	0.4	1.3	2.4	1.2
Other	11.4	11.5	10.5	11.7
Don't know	0.4	0.6	0.2	0.5
Types of Services Used (%)^b				
Personal Counseling/Group Therapy	72.5	67.1	63.0	67.6
OT/PT/speech therapy	36.7	37.8	30.7	38.6
Special equipment or devices	25.1	16.9*	14.7	17.1
Medical procedure	24.7	21.0	14.9	21.8
Training/on-the-job training/job modification advice	24.3	67.2*	50.3	69.3
Work assessment/help to find a job	21.8	62.5*	55.8 ⁺	63.3
Other	4.4	6.2	3.0	6.6
Hours of Services Use in 2003 (%)^{c,d}				
25 hours or less	47	39	58	37
26–100 hours	21	23	22	23
101–500 hours	9	17	10	18
Over 500 hours	6	12	3	13
Unknown	17	9	8	9
Median Hours	20	42	15	49

Source: Analysis of data from the 2004 National Beneficiary and TTW Participant Surveys. Sample randomly drawn from June 2003 administrative records.

^aOnly/Includes participants whose Tickets were assigned as of June 2003. EN/SVRA assignment status based on the provider to which the Ticket was assigned the longest in 2003.

^bPercentages do not sum to 100 because more than one response possible.

^cHours distribution of all Phase 1 TTW participants who used services is statistically different from that for all Phase 1 service users at the .05 level, chi-square test.

^dHours distribution of TTW service users with Tickets assigned to ENs is statistically different from that for TTW service users with Tickets assigned to SVRAs at the .05 level, chi-square test.

*Significantly different from all Phase 1 beneficiaries at the .05 level, two-tailed test.

⁺Significantly different from TTW participants who assigned a Ticket to an SVRA at the .05 level, two-tailed test.

users, TTW service users were more likely than all beneficiary service users to use services directly related to employment (Table 1).⁴ A much greater share of TTW participants who used services did so for job training or advice about job modification, or for a work assessment or help to find a job. TTW service users and all Phase 1 service users were about equally likely to use various types of medical supports (counseling or group therapy;

physical, occupational, or speech therapy; and medical procedures), but TTW service users were somewhat less likely to indicate that they received services related to special equipment or devices. For each type of service, TTW service users with Tickets assigned to ENs were somewhat less likely to use the service than those with Tickets assigned to SVRAs. This pattern appears consistent with the finding that the former group used fewer services in general, as reported above.

We measured the volume of service use by hours of service receipt reported. The median for all beneficiary service users during 2003 was 20 hours (bottom of Table 1). The median for TTW service users was more

⁴For each provider used in 2003, respondents were asked whether they received any of 12 specific types of services from the provider; they were then asked an open-ended question about any other services received from the provider.

than twice as high, solely because participants who assigned their Ticket to an SVRA typically received many more hours of service than the median beneficiary user. The median for users who assigned their Ticket to an EN was somewhat lower than the median for all users.

7. Employment outcomes

Almost 10 percent of Phase 1 beneficiaries reported that they were employed when they were interviewed in 2004 (Table 2).⁵ Almost all employed beneficiaries (97 percent) were not TTW participants at the time, although many might have received SVRA services either before the TTW rollout or without assigning their Ticket. TTW participants were about three times more likely than all beneficiaries to report that they were working. Their employment rate was also substantially higher than the rate observed for other groups of “employment-oriented” beneficiaries. For example, the employment rate among beneficiaries who had not assigned their Tickets, but who said that they used employment-related services during the previous year, was only 11.4 percent, just slightly above the rate reported for all Phase 1 beneficiaries (Thornton et al. [5], Exhibit VI.1). The two-percentage-point difference between the employment rate of TTW participants who assigned their Ticket to an EN and those who assigned their Ticket to an SVRA is not statistically significant.

On average, employed TTW participants worked about the same number of hours per week as all employed Phase 1 beneficiaries (23 hours versus 22 hours) (Table 2). These means, however, mask significant differences between those with Tickets assigned to ENs and those with Tickets assigned to SVRAs. Mean hours worked for the former group is significantly larger than for the latter (28 hours versus 23 hours), and a much larger share of the former group worked full time (43 percent versus 20 percent).

The mean hourly wage of employed TTW participants was slightly higher than that of all employed Phase 1 beneficiaries (\$7.42 versus \$6.92), but the difference is not statistically significant (Table 2). This difference in part reflects the fact that employed TTW participants were significantly less likely than all employed beneficiaries to receive less than the minimum

wage (19 percent versus 34 percent). Again, however, the overall statistics mask substantial differences between employed participants with Tickets assigned to ENs and those with Tickets assigned to SVRAs; the former had significantly higher mean wages (\$9.76 versus \$7.09), were less than half as likely to earn less than the minimum wage (8 percent versus 21 percent), and were more than twice as likely to earn at least \$8.00 per hour (61 percent versus 28 percent).

Because employed TTW participants had slightly higher mean wages and hours worked than all employed beneficiaries, their mean monthly earnings were also higher (\$779 versus \$640), but the difference is not statistically significant. TTW participants who assigned their Ticket to an EN, however, had significantly higher mean monthly earnings (\$1,257) than those who assigned a Ticket to an SVRA (\$712), reflecting both their significantly higher mean wages and hours worked. Their mean is well above the level of SGA that is relevant to both payments for providers and continued eligibility for a vast majority of beneficiaries (\$810 in 2004), while the means for the other two groups are well below this benchmark.⁶ In fact, a substantial majority (61 percent) of employed participants with Tickets assigned to ENs were earning above SGA at interview, in contrast to only about one quarter of all employed beneficiaries and of employed beneficiaries with Tickets assigned to SVRAs.

Mean job tenure for employed TTW participants was half that of all employed Phase 1 beneficiaries (26 months versus 52 months) (Table 2). Mean job tenure for employed participants with Tickets assigned to ENs was significantly shorter than for those with Tickets assigned to SVRAs (17 months versus 28 months). The latter difference likely reflects the inclusion of pipeline cases in the SVRA statistics. The difference is consistent with the finding that participants with Tickets assigned to SVRAs were more than twice as likely as those with Tickets assigned to ENs to report that they were employed when they assigned their Ticket (36 percent versus 17 percent) as reported in Thornton et al. [5], Exhibit VI.5.⁷ It is also possible that this difference at least partly reflects differences in the types of participants served.

Pipeline cases might affect many other reported characteristics of the jobs held by SVRA participants, for at

⁵All statistics in this section are for beneficiaries and participants in Phase 1 states only, and they refer to employment at the time the interview was conducted, in 2004.

⁶The SGA level for those with vision impairments was \$1,350 in 2004.

⁷Phase 1 had been rolled out for 15 months at the start of the 2004 National Beneficiary Survey in February 2004 and had been rolled out for 23 months when the survey ended the following October.

least three reasons. First, pipeline participants have had more time to find a job, adjust to it, possibly receive a raise, be promoted, or be terminated. Second, SVRAs might have served pipeline and non-pipeline cases differently, perhaps because of changes in payment system incentives or other SSA efforts to promote beneficiary employment. Third, non-pipeline cases might differ substantially from pipeline cases in terms of characteristics that affect employment outcomes, reflecting differences in how and when SVRAs obtained Ticket assignments from the two types of cases.

One important proximate explanation of the difference in pay by provider type is that a larger share of employed TTW participants served by SVRAs is in sheltered employment – essentially the same as the share for all employed beneficiaries (Table 2). It is also possible that some differences are related to differences in self-employment. Self-employment is somewhat less common among employed TTW participants than among all employed beneficiaries, and is significantly less common among those with Tickets assigned to ENs than among those with Tickets assigned to SVRAs.

8. Conclusion

The first significant finding from our analysis is that the TTW participation rate is low. The Phase 1 participation rate as of December 2004, approximately three years after the rollout started in those states, was 1.4 percent. Although low in an absolute sense, this value needs to be understood in the context of several other factors. First, exits from SSDI and SSI for work have historically been much lower than this figure. In fact, the Ticket Act itself cites an historical exit for work rate of less than 0.5 percent. Second, this rate does not include the many beneficiaries who continue to obtain services from SVRAs without assigning their Tickets. In fact, based on RSA data that have been matched to SSA administrative data, 4.6 percent of all Ticket-eligible beneficiaries in Phase 1 states received services from SVRAs or ENs in 2002.⁸ We do not yet have complete data for 2003 and 2004.

Although the participation rate might not be considered low relative to the historical exit for work rate, it also must be recognized that the participation rate does not entirely represent “new” services (i.e., services that

⁸See the discussion of aggregate impacts on service receipt in Wittenburg et al. [7] for more information.

would have not been delivered in the absence of TTW). In fact, most TTW participants would likely have received services from SVRAs under the traditional payment system in the absence TTW. The evaluation’s impact analysis, reported by Wittenburg et al. [7], indicates that the impact of TTW on service receipt in the Phase 1 states in 2003 was likely between 0.1 and 0.4 percentage points. In the future we will be able to repeat the impact analysis for 2004, and it is possible that impacts in that year will be substantially larger.

Overall, participation statistics in the Phases 2 and 3 states follow the same pattern as those in the Phase 1 states. The primary difference appears to be that the SVRAs in the Phases 2 and 3 states did not, on average, obtain as large a share of assignments from pipeline cases as SVRAs in Phase 1 states. The reason might be that initial SVRA concerns about losing eligibility for Traditional payments because of assignment of Tickets to ENs proved largely unfounded during the Phase 1 rollout. It might also be, however, that SVRAs now are more selective in obtaining assignments, because they are better able to predict which clients will successfully return to work.

Lack of awareness combined with lack of interest, or inability to engage in employment, are the major proximate reasons for low participation. Based on the National Beneficiary Survey, only a small fraction of beneficiaries are both aware of TTW and understand its fundamental purpose (see Chapter 7 of Thornton et al. [5]). Further, less than half of all Phase 1 respondents indicated they have employment goals or expectations.

The second significant finding is that the overwhelming majority of Tickets continues to be assigned to SVRAs, and a large majority of those are assigned under the traditional payment system, available only to SVRAs. These assignment patterns substantially limit the extent to which TTW represents a dramatic break from the past. If current trends continue in the Phase 1 and Phase 2 states and are replicated in the Phase 3 states, the program will become even less of a departure in the sense that TTW will be dominated by providers and a payment system that were available before the initiation of TTW. This point is reinforced by our interviews with several SVRA staff members, who report that the agencies have not made major changes in their service offerings or targeting (see [5]).

A third significant finding is that certain groups of beneficiaries, defined by observable characteristics, have participation rates that are markedly higher than the over all participation rate. Younger beneficiaries,

Table 2
Employment characteristics of working beneficiaries and TTW participants, 2004

	All Phase 1 Beneficiaries	Phase 1 TTW Participants ^a		
		All Participants	Assigned to EN	Assigned to SVRA
Number of Respondents Using Services	593	347	185	162
Number of Phase 1 Beneficiaries/Participants Using Services	252,764	6,839	836	6,002
% Beneficiaries/Participants Using Services	9.8	32.4*	30.6	32.7
Employment Type and Tenure				
Self-Employed (%)	14.7	11.0	8.1	11.4
Sheltered Employment (%)	39.3	37.0	23.2 ⁺	39.0
Mean Months at Job	52.2	26.5*	17.3 ⁺	27.8
Wages, Hours, and Benefits				
Usual hours per week (%) ^c				
1–10	27.3	17.1	10.2	18.0
11–20	25.2	35.2	25.9	36.5
21–34	27.0	25.0	20.7	25.6
35 or more	20.6	22.8	43.3	20.0
Mean Hours per Week	21.5	23.4	28.4 ⁺	22.7
Hourly Wage (%) ^{b,c}				
< \$5.15	34.4	19.4	7.6	21.1
\$5.16–\$7.99	29.4	48.2	31.0	50.6
\$8.00 or more	36.3	32.4	61.4	28.3
Mean Hourly Wage (\$)	\$6.92	\$7.42	\$9.76 ⁺	\$7.09
Mean Monthly Pay (\$)	\$640	\$779*	\$1,257 ⁺	\$712
Percent with monthly earnings above SGA (>\$810)	25.4	31.2	60.6 ⁺	27.1

Note: EN/SVRA assignment status based on the provider to which the Ticket was assigned the longest in 2003.

^aOnly includes participants whose Tickets were assigned as of June 2003. EN/SVRA assignment status based on the provider to which the Ticket was assigned the longest in 2003.

^bPhase 1 beneficiary distribution statistically different from TTW distribution at the .05 level, chi-square test.

^cEN distribution statistically different from SVRA distribution at the 0.05 level, chi-square test.

*Significantly different from all Phase 1 beneficiaries at the 0.05 level, two-tailed test.

⁺Statistically different from employed TTW participants with Tickets assigned to SVRAs at the 0.05 level, two-tailed test.

beneficiaries with sensory impairments, beneficiaries with college educations, and beneficiaries residing in certain Phase 1 states, participate at relatively high rates. Other characteristics associated with participation include race, program Title (SSDI versus SSI-only), severity of disability (requiring assistance to perform ADLs and IADLs), the presence of a spouse or other close adult relative in the household, pre-SSDI earnings, and benefits from other programs that are contingent on earnings. However, even those groups that are most likely to participate have participation rates in the single digits.

Any impacts of TTW will be larger for groups with relatively large participation rates than for others. As reported by Wittenburg et al. [7], we have produced impact analyses by age and Title because we expect the pattern of impacts to reflect the observed pattern of participation across these groups. Future impact analyses might fruitfully focus on other groups with relatively high participation rates, defined by combinations of characteristics that can be observed in the administrative data, such as age, Title, state of residence and impairment.

Another significant finding is that, during this period, ENs were more likely than SVRAs to serve beneficiaries with employment challenges that might not be directly related to disability (little work history, less than a high school education, relatively old, Hispanic ethnicity, and high parental responsibilities). Perhaps this is because the program has attracted some ENs whose primary past function has been to address such challenges, including providers that had not previously served SSA beneficiaries. We also found, however, that ENs accept a disproportionately large number of assignments from beneficiaries with relatively high household incomes.

TTW service users with Tickets assigned to ENs reported receiving fewer hours of services, on average, than those with Tickets assigned to SVRAs. It seems likely that this difference reflects differences in the availability of other resources, programmatic mandates, and incentives. SVRAs have access to funds provided under Title I of the Rehabilitation Act as well as state funding, whereas ENs do not. SVRAs are required by the Rehabilitation Act to serve those with

the most severe disabilities. With respect to incentives, ENs can only receive full payment for a participant if the participant earns enough to exit the rolls for 60 months. The same would apply to an SVRA if it accepted an assignment under one of the new payment systems, but the SVRA has the option to accept any assignment under the traditional payment system. The latter has an earnings standard, but it applies to a nine-month period only and does not require exit from the rolls. As we have reported above, the vast majority of Tickets assigned to SVRAs are assigned under the traditional payment system.

Another significant finding is that a very large share of TTW participants, almost half, were obtaining services to achieve some objective other than an employment goal. Although participant service users were more likely than other beneficiaries to use services to attain employment objectives, it appears that the objectives of many participants differ from the program objective of increasing earnings to the point at which an individual no longer receives benefits.

Somewhat surprisingly, those service users with Tickets assigned to ENs were less likely than those with Tickets assigned to SVRAs to report using services to find a job or to get a better job. This seems problematic for ENs, which can only generate full TTW payments if participants earn enough to leave the benefit rolls. The fact that financial incentives for the ENs are out of line with the objectives of many of their clients helps explain why the SVRAs dominate service delivery under TTW. As documented in Thornton et al. [6], the current TTW payment system appears to offer ENs very little financial incentive to serve disability beneficiaries; most ENs are likely to lose substantial sums unless they are extremely selective and provide very few services to those they serve.

A final significant finding is that participants served by ENs achieved greater employment success than those served by SVRAs. Mean hours, wages, and monthly earnings associated with jobs held by participants with Tickets assigned to ENs exceeded the means for jobs held by participants with Tickets assigned to SVRAs, whereas the means for the latter group only marginally exceeded the means for all employed beneficiaries. Encouragingly, three out of five employed participants with Tickets assigned to ENs were earning enough to eventually lead to program exit (i.e., above SGA), if sustained. The corresponding ratio for SVRAs is just over one in four – about the same as for all employed beneficiaries.

Differences between the employment outcomes for SVRA and EN TTW clients might entirely be explained

by differences in EN and SVRA incentives and mandates. To be financially successful, ENs must choose clients who are quite likely to earn enough to exit the rolls [4]. This expectation is consistent with findings from provider interviews reported in Livermore et al. [1]. Managers of ENs that have served large numbers of TTW participants have said that they screen candidates on their willingness to work full time and on whether they are likely to be able to work at a job that pays at least \$8.00 per hour, as needed to exit the rolls; other personal characteristics are generally irrelevant.⁹ SVRAs cannot apply the same screen – a fact that helps explain why so many employed participants with Tickets assigned to SVRAs are in sheltered employment.

It might also be, however, that employed EN participants earn more than employed SVRA participants because the ENs put more emphasis on attainment of earnings at a level that would reduce benefits to zero. Unfortunately, it is not possible to tell what share of the differences in employment outcomes can be attributed to each of these explanations.

References

- [1] G.A. Livermore, M. Nowak, D. Stapleton, J. Kregel, E. Bouchery and A. Gossler, *Evaluation Design for the Ticket to Work Program: Preliminary Process Evaluation*, Falls Church, VA: The Lewin Group, 2003.
- [2] G.A. Livermore, N. Goodman and D. Wright, Social Security Disability Beneficiaries: Characteristics, Work Activity, and Use of Services, *Journal of Vocational Rehabilitation* 27(2) (2007).
- [3] B. O'Day and G. Revel, Experiences of State Vocational Rehabilitation Agencies with the Ticket to Work program, *Journal of Vocational Rehabilitation* 27(2) (2007), 107–116.
- [4] T. Silva, The involvement of Employment Networks in Ticket to Work, *Journal of Vocational Rehabilitation* 27(2) (2007), 117–127.
- [5] C. Thornton, T. Fraker, G. Livermore, D. Stapleton, B. O'Day, D. Wittenburg, R. Weathers, N. Goodman, T. Silva, E. Sama Martin, J. Gregory and D. Wright, *Evaluation of the Ticket to Work Program: Assessment of Implementation and Impact During 2002–2004*, Washington, DC: Mathematica Policy Research, Inc., 2007.
- [6] C. Thornton, T. Fraker, G. Livermore, D. Stapleton, B. O'Day, T. Silva, E. Sama Martin, J. Kregel and D. Wright, *Implementation Experience During the Second Two Years of Operations (2003–2004)*, Washington, DC: Mathematica Policy Research, Inc., 2006.
- [7] D. Wittenburg, T. Fraker, D. Stapleton, C. Thornton, J. Gregory and A. Mamun, Initial impacts of the Ticket to Work program on Social Security disability beneficiary service enrollment, earnings, and benefits, *Journal of Vocational Rehabilitation* 27(2) (2007), 129–140.

⁹See Livermore et al. [1].