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Environmental Scan of Pathways to Economic Self-Sufficiency for People with Disabilities

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Environmental Scan of Pathways to Economic Self-Sufficiency for People with Disabilities

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I. Introduction

A. Background

In the U.S., about 11 percent of people ages 18 to 64 living in the community have a disability. Among this group, cognition (difficulty remembering, concentrating, or making decisions [47 percent]) and mobility (41 percent) are the most common difficulties (Drake and Burns 2024). Among children ages 5 to 17 living in the community, nearly 7 percent have a disability (Thomas et al. 2025). Cognitive difficulties are also the most common impairment among children (Young 2021).

Health conditions that cause disability can negatively affect the human capital development of children and the ability of adults to engage in the labor force. Adults ages 16 to 64 with disabilities have a substantially lower rate of labor force participation than their counterparts without disabilities (41 percent compared with 78 percent [U.S. Department of Labor n.d.]). The low employment rate contributes to high rates of poverty among working-age adults with disabilities relative to their nondisabled peers (26 percent compared with 12 percent [Rehabilitation Research and Training Center on Disability Statistics and Demographics 2024]).

Low employment and high poverty rates among working-age adults with disabilities lead many to participate in federal programs for income, healthcare, and employment support. Research suggests that 65 percent of working-age people with disabilities participated in safety net programs in 2009, representing about one-third of all working-age people who participated in such programs (Houtenville and Brucker 2014). In 2014 (the latest year for which statistics are available), federal expenditures for working-age people with disabilities were about \$500 billion. This encompassed 14 percent of all federal outlays, with expenditures on healthcare (50 percent) and income support (45 percent) representing the majority (Livermore et al. 2019).

Competitive integrated employment, in which people with disabilities work for the same wages and in the same settings as people without disabilities, may help support economic self-sufficiency. To participate in competitive integrated employment, people with disabilities may need different types and intensities of services and supports depending on when their disability began and their connection to the labor force. Children and young adults with disabilities may need supports that help build knowledge, skills, work experience, and health to prepare for employment. As adults, they may continue to need supports that are similar to those used by adults who acquire disabilities while working or who return to the labor force after a long absence due to disability.

Numerous federal programs can help people who experience the onset of a disability establish, maintain, or return to economic self-sufficiency. Programs that offer income support can help people with disabilities meet basic needs, stabilize their financial circumstances in ways that allow them to pursue work, and in some cases reduce disincentives to work. Programs that offer health care support can help people manage their disabilities and maintain the health needed to participate in the labor force. Programs that provide education and employment support can help people with disabilities build skills and experience, and find and maintain jobs. However, the eligibility requirements for some programs can

create disincentives for economic self-sufficiency because they require participants to have limited income and earnings.

B. Purpose of the study and research questions

To better understand the vast landscape of policies and programs available to people with disabilities, including information about who the programs serve and how their rules may help or hinder participants' progress toward economic self-sufficiency, the Office of the Assistant Secretary for Planning and Evaluation commissioned this environmental scan. This report briefly describes the landscape of policies and programs supporting progress toward economic self-sufficiency for people with disabilities, addressing the research questions shown in Box 1. For this study, we defined economic self-sufficiency as not relying on the Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) programs for income support. Progress toward economic self-sufficiency includes developing job skills, finding and maintaining employment, and increasing earnings. The report can serve as a resource to help policymakers and others identify gaps and opportunities for new strategies to help people with disabilities make progress toward economic self-sufficiency.

Box 1. Research questions and key findings

Research questions

1. What federal programs and interventions are currently available to support pathways to economic self-sufficiency for people with disabilities?
 - a. Which programs or interventions are supported by evidence of effectiveness?
 - b. Who do these programs serve (eligibility), what do they provide and over what timeframe, and how (and under what circumstances) do beneficiaries exit the program?
2. What barriers and facilitators (or trade-offs) do people with disabilities experience with respect to program participation, continued benefit receipt, and successful program exit?
 - c. Where are there gaps in the population served?

Key findings

- More than 35 programs provide a broad but fragmented set of supports to help people with disabilities make progress toward economic self-sufficiency. Some of these programs are designed specifically for people with disabilities, while others serve a broader population but include supports relevant to them. Together, these programs offer income support, health insurance coverage and independent living services, and employment services. However, the programs are largely disconnected, leaving people with disabilities and their families to navigate services and supports across federal, state, and local agencies.
- Evidence that programs or specific program provisions increase the earnings and employment and reduce reliance on SSI and SSDI benefits among people with disabilities is mixed. Some programs, such as Job Corps and Registered Apprenticeships, have demonstrated positive impacts on earnings and employment. Evaluations of SSA youth-focused initiatives found modest improvements in employment and earnings but little reduction in reliance on SSI. We found little evidence of strategies that reduce reliance on SSI and SSDI and lead to the gains in employment necessary for people with disabilities to achieve economic self-sufficiency.
- Eligibility rules and exit pathways differ by program. Many programs require individuals to meet strict medical, income, and resource criteria. A few programs are time limited such as TANF, Unemployment Insurance, and private short-term disability insurance. For most programs, participants exit after earnings or resources rise above program limits, their health or functioning improves, or – for employment services and supports – after they find or maintain employment for a specified period. Very few SSI and SSDI beneficiaries sustain earnings high enough to leave the SSI and SSDI programs.
- Structural disincentives to work can be a barrier to economic self-sufficiency. Strict income and resource limits in SSI, SSDI, Medicaid, and TANF mean that participants risk losing cash benefits, and sometimes health insurance, if they increase their earnings. Although SSI and SSDI work incentive provisions exist, low awareness of them and their complexity might limit their effectiveness.
- Employment and health-related supports to help people with disabilities stay employed or reenter the workforce are limited and vary widely across states. Youth ages 14-24 and people with less severe or recently improved disabilities face particular gaps, which are compounded by state-level variation in access to Medicaid home- and community-based services, vocational rehabilitation, and pre-employment supports. ▲

Report roadmap. We describe the landscape of programs that support pathways to economic self-sufficiency for people with disabilities. Because the programs available and pathways to them differ by when disability onset occurs, we organize this discussion into three groups, defined by the timing of disability onset and labor force participation status: (1) people experiencing disability onset during childhood; (2) people experiencing disability onset while participating in the labor force; and (3) people

with disabilities who have left the labor force. Findings draw on a set of appendix tables that briefly describe the features of key legislation and programs relevant to the economic self-sufficiency of people with disabilities. These appendix tables contain information about the following:

- Legislation (Appendix Table 1)
- Income support (Appendix Table 2)
- Health care (Appendix Table 3)
- Employment support (Appendix Table 4)
- Ongoing demonstrations (Appendix Table 5)

II. Methods

This study included an environmental scan of federal programs and policies that serve working-age adults (ages 16 to retirement age) and transition-age youth (ages 14 to 24) with disabilities by providing income, health care, or employment support. To identify such programs and extract relevant information, we reviewed selected literature documenting programs that serve people with disabilities and websites of federal agencies likely to oversee such programs, and abstracted information about ongoing demonstrations designed to improve the economic self-sufficiency of people with disabilities. We also conducted targeted web searches for programs (and legislation authorizing policies and programs) serving people with disabilities, nonfederal short- and long-term disability programs, and evidence that these programs and policies contribute to economic self-sufficiency.

Limitations. This report provides only an overview of policies and programs that support pathways to economic self-sufficiency for people with disabilities and is not exhaustive. For example, the report does not include programs narrowly focused on specific populations that might also include people with disabilities. Likewise, we included limited evidence about program use and outcomes and did not conduct a comprehensive literature review to identify all available evidence. Finally, the landscape of federal programs and funding continues to evolve. The information in this report is current as of August 2025.

III. Landscape of policies and programs supporting pathways to economic self-sufficiency for people with disabilities

In the sections below, we discuss the primary programs available to the three groups defined by the timing of disability onset and their labor force participation status: disability onset during childhood (Section A), disability onset while participating in the labor force (Section B), and acquired disability involving long-term departure from the labor force (Section C). Although these groups do not necessarily represent the situations of all people with disabilities and may overlap for specific individuals, they provide a useful structure for organizing the discussion given the differences in the nature of the supports available depending on one's age and labor force participation status.

A. Disability onset during childhood

Skills and attributes developed during childhood are a factor in determining adult outcomes; research suggests that at least 50 percent of earnings differences across adults are due to individual characteristics established by age 18 (Huggett et al. 2011). On average, people experiencing disability during childhood or young adulthood have more limited educational attainment and early labor market experiences than their peers without disabilities. Compared with their peers without disabilities, youth with disabilities are less likely to graduate from high school and be in the labor force; among young adults with disabilities ages 18 to 24 in 2021, 77 percent attained a high school diploma compared with 89 percent of their peers without disabilities (Institute for Educational Leadership 2023). In 2023, the labor force participation rate among youth with disabilities ages 20 to 24 was 52 percent compared with 73 percent among youth without disabilities of the same ages (U.S. Bureau of Labor Statistics n.d.).

Numerous programs and policies are in place to support the human capital development of youth with disabilities and their transition to adult life. Such programs focus on improving their education, health, and job skills. Most of the federal programs and policies we highlight in our review focus on transition-age youth—that is, youth ages 14 to 24 who are preparing for or in the process of transitioning from high school to adulthood. Although an important juncture for all youth, among youth with disabilities the transition to adulthood can involve additional complexities related to their ongoing eligibility for disability-related supports. Large variation exists across localities in the available education, health, and other rehabilitation supports (National Academy of Sciences 2018). There is no single entry point for services, so families must navigate a complex and fragmented system to obtain services that typically have different eligibility rules and incentives for youth to achieve self-sufficiency (Hirano et al. 2018; U.S. Government Accountability Office 2012, 2017).

In the sections that follow, we briefly describe the key federal programs and policies that can influence the path to self-sufficiency for youth with disabilities.

1. Income support

The primary income and in-kind supports that can contribute to youth's self-sufficiency as they transition to adulthood include the Supplemental Security Income (SSI) and Temporary Assistance for Needy Families (TANF) programs (Box 1). For youth, such income support programs can allow parents to devote

more time to the care of a child with a disability or help with disability-related expenses. The Supplemental Nutrition Assistance Program (SNAP), which helps low-income families pay for food, can also help low-income families that have children with disabilities pay for basic living expenses. Achieving a Better Life Experience (ABLE) accounts represent another avenue that can support the self-sufficiency of youth with disabilities. We discuss TANF, SSI, and ABLE accounts and their implications for the self-sufficiency of youth below. We mention SNAP in a later section (Section III.C).

TANF. TANF provides time-limited cash assistance to low-income families with children to help them meet basic needs. Eligibility requirements include having a child age 18 or younger and having low household income and resources; participants whose income and resources rise above these limits lose their benefits. As discussed further below, TANF has work requirements for parents, which may be waived under certain circumstances, including a disabling health condition. Given the income eligibility requirements, most TANF recipients (88 percent) also participate in Medicaid or the Children’s Health Insurance Program (Scherer 2025). Though

only about 5 percent of TANF recipients have a child with a disability (as measured by SSI receipt) (Loprest and Maag 2009), TANF may be relevant to the self-sufficiency of youth with disabilities because of its relationship with SSI. For both states and families, it is usually financially beneficial for adults and children with disabilities to transfer from TANF to the SSI program (if they meet SSI eligibility requirements). States gain because the federal government pays for the SSI benefit. Families gain because the SSI payments are typically greater than the TANF benefits they lose. The incentive for TANF recipients to apply for SSI has increased over time as inflation has caused real TANF benefits to fall relative to SSI payments (Wamhoff and Wiseman 2006). The movement of a child from a temporary source of income (TANF) to a more permanent one (SSI) might create disincentives for a family to encourage the self-sufficiency of youth. We turn to the evidence around this issue in the discussion of SSI below.

SSI. SSI provides income support to the families of about 1 million children with disabilities, with an average monthly payment of \$836 (SSA 2025a). The rationale for providing such support is to compensate low-income families for disability-related costs, provide income to help families raise children with severe disabilities at home rather than in institutions, provide income for parents to leave the labor force to care for children, and help children become self-supporting as adults (Fremstad and Vallas 2012). To be eligible for child SSI, children must be under age 18 and meet the medical criteria for children, and the portion of the family’s income deemed to the child must be below the SSI income and asset threshold (described further in Section III.C). In most states, children receiving SSI are automatically eligible for Medicaid. At age 18, children receiving SSI who wish to continue receiving benefits must be reassessed to determine whether they meet the adult SSI eligibility requirements (known as the “age-18 redetermination”). About one-third of SSI children lose their SSI payments (and potentially access to Medicaid through SSI) after the age-18 redetermination because they do not meet the adult eligibility requirements (McManus et al. 2024). The chances of losing benefits are as high as 70 percent among youth with mental and behavioral health conditions (Hemmeter and Gilby 2009).

Box 1. Key income supports, disability onset during childhood

Federal programs:

- SSI

Federal programs administered by states:

- TANF
- ABLE accounts ▲

SSI treatment of earnings. The child SSI program has several provisions that create incentives for youth to gain work experience. The Social Security Administration (SSA) reduces child SSI payments gradually with earnings (by \$1 for every \$2 of earnings) after applying a monthly general (\$25) and earned income (\$65) disregard, the same as it does for the adult SSI program (Section III.C). SSI recipients younger than age 22 and enrolled in school are also eligible for the student earned income exclusion, whereby SSA disregards up to \$9,460 per year (as of 2025) in earnings from the eligibility and payment determination. Together, these provisions suggest that youth can earn up to roughly \$10,500 annually before SSA begins to reduce their SSI payments. Thus, the student earned income exclusion offers an important means for youth to gain work experience without fear of losing SSI. Early work experience is a strong predictor of post-school employment among youth with disabilities (Test et al. 2009; Carter et al. 2012), so incentives for children to obtain such experience can help put them on a path to self-sufficiency.

Previous tests of SSI earnings waivers. As part of SSA's experimental Transitional Employment Training Demonstration (TETD) conducted in the 1980s, SSA waived all earned income from jobs obtained through TETD in determining ongoing SSI eligibility and payments. TETD targeted SSI recipients ages 18 to 40. The evaluation found that TETD increased employment and earnings and reduced SSA program participation 72 months after enrollment (Decker and Thornton 1995). Along with the waiver, TETD included time-limited job development, on-the-job training, and post-placement services, so program impacts could not be attributed solely to the earned income waiver. The SSI payment reductions were also modest; earnings did not completely replace SSI payments. Nonetheless, TETD demonstrated that some reductions in longer-term SSI payments can be achieved even when SSI recipients are permitted to keep all of their SSI payments in the short term while working.

SSA's Youth Transition Demonstration (YTD), conducted during the early 2000s, also included waivers related to earned income and continuing eligibility for SSI, along with other services designed to improve the employment of youth. YTD's impacts on earnings were more modest than those in TETD, and YTD did not reduce reliance on SSA programs (Fraker et al. 2014; Hemmeter and Cobb 2018; Wittenburg and Livermore 2021). However, YTD's interventions were much less intensive (in terms of costs) than TETD. Although the waivers had no significant impact on SSI participation and payments, YTD staff believed they were a strong inducement for youth to enroll in the demonstration (Fraker et al. 2014), suggesting that alleviating fears of losing benefits might entice youth and their families to participate in services designed to improve youth's self-sufficiency.

Other SSI work incentives. Other SSI program provisions also encourage engagement in services and activities that support self-sufficiency by allowing SSI recipients to keep more of their SSI payments and maintain eligibility for Medicaid. For example, Section 301 allows children to retain SSI payments after age 18 regardless of the age-18 redetermination outcome if they have an approved plan and are engaged in services designed to promote employment (for example, vocational rehabilitation). Plans to Achieve Self-Support (PASS) are SSA-approved written plans that allow SSI recipients to set aside non-SSI income (for example, from earnings) to help them reach work-related goals. SSA does not count the income set aside in determining SSI eligibility and payments. Additionally, youth can qualify for SSDI based on their work history before age 18, creating opportunities to receive SSDI benefits and Medicare coverage as adults

(discussed further in Section III.C). The earnings needed to become SSDI insured before age 24 are relatively minimal.¹

Despite the work incentive provisions, less than 2 percent of child SSI recipients used the student earned income exclusion during 2012–2015 (U.S. Government Accountability Office 2017). Severe impairment and limited understanding of the provisions might contribute to the lack of use. To qualify for SSI, children must have impairments “severe enough to cause marked and severe functional limitations” (SSA n.d.[b]) and evidence suggests that some youth receiving SSI and their families struggle to understand the program provisions governing earnings (U.S. Government Accountability Office 2017; Camacho and Hemmeter 2013). SSA has sought to address the latter issue by sending notices to youth ages 14 to 17 that outline resources to help in their transition to adulthood (SSA 2025b).

Family-level considerations might also create disincentives for SSI children to gain work experience. On average, almost half of the income of families of children with disabilities comes from SSI (Davies et al. 2009), which means the potential loss of SSI can have a large effect on family resources. Some families might not want to risk losing this important source of income by encouraging their SSI child to work despite the work incentive provisions that allow them to keep benefits. Moreover, most parents overestimate their child’s chances of remaining eligible for SSI as an adult (Deshpande and Dizon-Ross 2023), which might reduce the impetus to push children toward gaining work experience. However, Deshpande and Dizon-Ross (2023) found that even when informed that their child will likely lose SSI, parents did not increase investments in the child’s education or job training.

ABLE accounts. ABLE accounts allow people with disabilities to save earned or other income without affecting their eligibility for means-tested programs like SSI and Medicaid. Eligibility for such accounts was originally limited to people experiencing the onset of a disability before age 26; in January 2026, the age limit will increase to 46. ABLE accounts can support the longer-term self-sufficiency of people with disabilities by allowing them to save and use the money for qualified disability expenses, education, and employment supports that can improve their productivity and independence. Nonetheless, uptake of ABLE accounts remains low; as of March 2024, there were about 171,000 ABLE accounts in use nationwide, representing just 2.1 percent of all potentially eligible individuals (authors’ calculation based on S. 4910 [2024]). Money saved in ABLE accounts does not count toward the SSI asset limit (up to \$100,000) or Medicaid resource limits, and the interest earned on account funds is tax free. Despite the potential benefit of the accounts in terms of SSI eligibility, use of ABLE accounts is also low among SSI recipients; as of 2021, fewer than 1 percent use them (SSA 2021). The low use rates in general and among SSI recipients might reflect numerous factors, including families having limited resources available for savings, lack of awareness of the program, misunderstanding about the impacts of account funds on SSI eligibility, low financial literacy, account fees, and concerns about control over the investment and use of the funds (Agarwal et al. 2023). A study of ABLE accounts in Illinois found that households with higher incomes were more likely to own an ABLE account than those with lower incomes, concluding that financial constraints likely limit participation (Briscese et al. 2024)

¹ Workers under age 24 need only six quarters of coverage in the 12-quarter period ending with the quarter in which the disability began. In 2025, one quarter of coverage is earned for each \$1,810 in annual covered earnings, up to a maximum of four per year and regardless of when the earnings occurred during the year (SSA n.d.[a]).

To date, there is no evidence on the effectiveness of ABLE accounts in supporting the self-sufficiency of people with disabilities. SSA is currently conducting the Developing Opportunities for ABLE (DO-ABLE) demonstration, an experimental study of the impact of ABLE accounts on the employment of SSI recipients. The study began enrolling participants in 2025 and will publish final evaluation findings in 2029 (SSA n.d.[b]).

2. Health care

Medicaid and CHIP. The primary public health insurance programs for children with disabilities are Medicaid and CHIP (Box 2). Estimates suggest that these programs cover nearly half of all children in the U.S. with special health care needs (Musumeci and Chidambaram 2019). Eligibility for Medicaid typically depends on a family having limited income and resources. One exception is the Katie Beckett option, a Medicaid eligibility pathway that considers only the child's income and resources for children age 18 and younger with severe disabilities who need an institutional level of care while living at home.² In most states, SSI recipients are automatically eligible for Medicaid. For uninsured children (up to age 19) in families with resources that are too high to meet Medicaid eligibility requirements but too low to afford private insurance, CHIP offers a source of public health insurance. Medicaid and CHIP income eligibility thresholds for children vary by state, ranging from 133 to 319 percent of the federal poverty level for Medicaid and 185 to 400 percent of the federal poverty level for CHIP (Centers for Medicare & Medicaid Services 2023). In addition to the core services and eligibility requirements of Medicaid, many states use Medicaid authorities (for example, Section 1115 waivers, Section 1915 waivers and state plan options) that allow them to expand eligibility for Medicaid or offer additional services intended to help children with special healthcare needs live in the community rather than institutional settings. Such services can include personal care, behavioral health, respite care, case management, special devices or equipment, and home modifications (Agrawal n.d.).

Medicaid and CHIP are means-tested programs, meaning that eligibility depends on income and assets being under set limits. These limits can discourage families from encouraging their children to work at levels they believe would jeopardize their Medicaid eligibility as young adults. At an average annual Medicaid cost of about \$17,500 for a child with a disability (Williams 2025), the value of Medicaid may be greater than the value of cash SSI payments for some families (the maximum annual SSI payment is \$11,604 for an individual). Thus, maintaining health insurance may be a higher priority than maintaining income support for families of children with disabilities. To help counter disincentives for employment, the SSI program has provisions that allow recipients to keep Medicaid even when their earnings exceed amounts that would disqualify them for benefits (known as the section 1619[a] and 1619[b] provisions). Because of the way these provisions operate, it would be difficult for SSI

Box 2. Key health care supports, disability onset during childhood

Federal programs administered by states:

- Medicaid and CHIP
- Medicare

Other:

- Private health insurance plans ▲

² Other exceptions might apply to children and youth in foster care, receiving adoption assistance, or who live in a medical institution.

recipients to lose eligibility for Medicaid because of earnings alone, except at relatively high levels of annual earnings (ranging from about \$38,000 to \$91,000 across states [SSA 2025c]).

Parents' private health insurance coverage. Provisions of the 2010 Affordable Care Act (ACA) required insurance companies to allow youth to remain on their parents' health insurance until age 26. Before that time, insurance companies could limit coverage on parents' policies to ages younger than 26—typically age 19 or upon college graduation. In the five years after ACA implementation, there was a spike in applications to SSI at age 26 that was not evident before the ACA. The findings suggest that by allowing youth to remain on their parents' insurance, it delayed or reduced SSI applications among youth in their early 20s, illustrating the importance of health insurance to young people with disabilities (Leveré et al. 2021).

Other health coverage. Other potential avenues of health insurance coverage include Medicaid Buy-in programs (youth age 16 and older who meet SSA's definition of disability may be eligible) and Marketplace plans established under the ACA. Medicare is also an avenue for youth older than age 18 who have been eligible for SSDI for at least two years. We describe these programs in Section III.C.

3. Education and employment

Education and employment services comprise the largest share of the federal expenditures on children with disabilities, representing about 31 percent in 2014 (Shenk and Livermore 2019). Such supports are key to developing human capital during childhood that can establish a path to self-sufficiency during adulthood.

a. Educational supports

The Individuals with Disabilities Education Act (IDEA) includes several provisions that promote the education of children with disabilities, including, among others, that states must provide free and public education to children with disabilities ages 3 to 21, identify and evaluate children with disabilities in an unbiased manner, and develop individualized education programs (IEPs) that outline educational goals and the supports a youth needs to achieve them (Box 3). (The term special education typically refers to such IEPs.) In 2021, 14 percent of students were served under IDEA (U.S. Department of Education 2024). IDEA also requires that, starting at age 16, the IEPs of special education students include postsecondary goals related to education, training, employment, and independent living and the services needed to help the student reach those goals; however, national data from 2012 suggest that this addition to IEPs might not occur for 30 to 40 percent of such youth (Liu et al. 2018). IDEA has improved the education of youth with disabilities, as evidenced by the improvement in high school diploma rates over time; in 2015, about 70 percent of students with disabilities graduated with a regular high school diploma, up from about 27 percent approximately 20 years earlier (Congressional Research Service 2017).

Box 3. Key educational supports, disability onset during childhood

Federal laws administered by states:

- IDEA (free and public education, individualized education programs)
- Section 504 of the Rehabilitation Act (nondiscrimination, accommodations)▲

Provisions of the Rehabilitation Act might also have contributed to the improvements in the graduation rates of youth with disabilities. Section 504 of the Act prohibits discrimination by entities receiving federal funding. With respect to education, families and schools develop Section 504 plans to outline the specific accommodations a student with a disability needs to participate in education. In 2021, about 3 percent of students with disabilities had section 504 plans (U.S. Department of Education 2024).

It is important to note that states spend about twice as much on special education than the federal government (Shenk and Livermore 2019); this is in addition to the substantial funding states contribute to general primary and secondary education. Research has found a positive relationship between school funding (a proxy for school quality) and children's academic achievement, educational attainment, and adult earnings (Chyn and Katz 2021). Per-student funding varies widely across and within states because it relies heavily on state and local tax revenues, which also vary widely across states and school districts. Expenditures on primary and secondary education per student in 2021 ranged from about \$9,000 in Idaho to \$29,000 in the District of Columbia (National Center for Education Statistics 2023). We did not find information about state expenditures specifically for students with disabilities, but this spending likely also varies widely by state, as do the educational outcomes of these youth. For example, among students with disabilities, high school diploma rates range from 70 percent in Louisiana to 87 percent in Delaware, and college enrollment rates range from 18 percent in Alaska to 45 percent in Rhode Island (Institute for Educational Leadership 2023).

A large body of research has identified evidence-based practices and predictors of success for students in special education and youth with disabilities engaged in the transition to adulthood (Rowe et al. 2021; Mazzotti et al. 2021). Though too numerous to describe in detail here, they encompass a wide range of interventions and factors related to school curricula, school transition planning, self-determination, life skills, academic achievement, career preparation, work-based learning experiences, cross-agency collaboration, parents' expectations, and benefits counseling.

b. Employment services

The primary employment services available to transition-age youth are those authorized by the Workforce Innovation and Opportunity Act (WIOA) and delivered through state vocational rehabilitation (VR) and workforce agencies (Box 4). Below, we describe the primary VR and workforce programs, as well as other employment programs available to transition-age youth with disabilities. Note that the employment programs discussed in later sections may also be relevant to youth because their lower age boundary for eligibility is either 16 or 18 (for example, Ticket to Work is available to SSI and SSDI beneficiaries ages 18 to 64). For brevity, we do not discuss those programs here.

VR program. State VR agencies represent the largest provider of employment services to youth with disabilities, and the importance of VR in serving transition-age youth has grown since the passage of WIOA in 2014. WIOA placed added emphasis on serving students with disabilities by requiring state VR agencies to allocate at least 15 percent of their federal funding to the provision of pre-employment transition services (pre-ETS) to students with disabilities who are eligible or potentially eligible for VR services. WIOA defines five categories of pre-ETS: job exploration counseling; work-based learning experiences; postsecondary education counseling; workplace readiness training; and self-advocacy instruction. VR agencies often collaborate with schools to deliver pre-ETS but also may contract with private entities to deliver these services. WIOA also requires VR agencies to reserve at least 50 percent of their supported employment funding for services to youth with the most significant disabilities.

Box 4. Key employment supports, disability onset during childhood

Federal programs administered by states:

- VR program (pre-employment transition services, supported employment)
- Workforce programs (WIOA youth services, Job Corps, Registered Apprenticeships)▲

Evidence of the effectiveness of pre-ETS is somewhat limited, but findings from a study focused on youth receiving SSI suggest that WIOA has improved the use of VR services among young SSI recipients (Musse et al. 2024). The study also found that access to pre-ETS (as measured by the number of students using pre-ETS divided by the number of students receiving special education) varies markedly across states (from 1 percent in New Jersey to 54 percent in Iowa in 2017). SSI youth recipients in states with high pre-ETS use had higher rates of employment and use of key SSI program work incentives than SSI youth in low pre-ETS use states. Other studies provide some evidence of the effectiveness of VR in supporting youth on a path to self-sufficiency. For example, Hoffman et al. (2018) found a positive correlation between the use of VR services and the adult earnings of former child SSI recipients, and studies of two pre-ETS-type interventions that pre-date WIOA provide some evidence of positive impacts on employment (Project SEARCH [Wehman et al. 2014] and Bridges from School to Work [Hemmeter et al. 2015]). SSA's YTD and Promoting Readiness of Minors in SSI (PROMISE) demonstrations also provide evidence of short-term positive impacts on earnings and employment of pre-ETS-type interventions. Both demonstrations included programs that increased youth earnings and employment, but neither reduced reliance on the SSA disability programs (Fraker et al. 2014; Patnaik et al. 2022).

Workforce programs. WIOA authorizes funding for a range of youth employment and training programs implemented by state workforce agencies. Though not specific to youth with disabilities, the programs are available to such youth. WIOA youth services, delivered through American Job Centers, primarily target out-of-school youth; 75 percent of federal funding must be allocated to services for this group. WIOA youth services include tutoring, education, paid and unpaid work experiences, occupational skill training, and leadership development opportunities; supportive services; mentoring; guidance and counseling; financial literacy education, and labor market and employment information; postsecondary education and training preparation; and other services (U.S. Department of Labor 2025a). In 2023, about 22 percent of WIOA youth service exiters (or about 15,000 individuals) identified as having a disability (Social Policy Research 2025). We did not find information about the effectiveness of the WIOA youth services that was specific to people with disabilities.

The U.S. Department of Labor (DOL) also funds other programs targeted to youth. Job Corps is a residential training and skill-building program for transition-age youth. YouthBuild teaches low-income transition-age youth skills in the construction trade. Only Job Corps has causal evidence of effectiveness among youth with disabilities. Hock et al. (2021) found that Job Corps increased earnings and reduced SSI participation among youth with disabilities four years after random assignment. A 20-year follow-up study of Job Corps found that the program increased employment and reduced participation in SSDI among youth who were older when they entered Job Corps (ages 20–24) regardless of their disability status while participating in the program (Schochet 2018).

DOL's Registered Apprenticeships program might also help young adults with disabilities establish skills that help them succeed in careers. The program offers employer-sponsored paid apprenticeship opportunities for adults to obtain skills for higher-paying jobs. Studies have demonstrated the positive impacts of registered apprenticeships on employment and earnings (Butrica et al. 2023; Gallup 2024). However, only 1.5 percent of participants identified as having a disability in 2021 (Goodman et al. 2022).

Other employment service programs. There are two other employment services programs that support youth, even though they are not specifically designed as programs for youth. The Section 14(c) subminimum wage certificate program and the AbilityOne program provide employment opportunities for people with significant disabilities. Historically, people with developmental and intellectual disabilities have represented the majority of participants in these programs; because these conditions occur during childhood, the programs are relevant to young people with disabilities. Section 14(c) certificates, issued by DOL, allow employers to pay individuals a wage below the federal minimum to workers with a disability whose productive capacity for the work they are performing is impaired by a physical or mental disability; employers must pay wages commensurate with the worker's productivity. AbilityOne creates employment opportunities for people with disabilities employed by nonprofits (community rehabilitation providers) that contract with the federal government to deliver goods and services. Federal contracts are set aside for this program. The two programs are often conflated because in the past, AbilityOne nonprofits were a primary user of 14(c) certificates. However, in 2022, the AbilityOne program discontinued use of 14(c) certificates.

Both programs have been the subject of controversy. Some people view section 14(c) certificates as unfair and discriminatory (U.S. Department of Labor 2025b). In 2019, 122,000 people worked under 14(c) certificates, earning an average of \$4.15 per hour. In addition, although an original impetus for the program was to help people gain skills that would allow them to transition to better jobs, only about 2 percent of workers transitioned to competitive integrated employment (U.S. Government Accountability Office 2023). WIOA put restrictions on the use of certificates for workers with disabilities who are age 24 or younger; youth must complete various activities designed to improve their access to competitive integrated employment, including transition services, VR, and career counseling services, before they can be employed at a subminimum wage. Through AbilityOne, about 37,000 people with severe disabilities held jobs as of 2023, with an average hourly wage of \$17.58 (U.S. AbilityOne Commission 2024a). AbilityOne's statutory requirement that 75 percent of direct labor hours on contracts be from people with disabilities suggests that the employment opportunities are not integrated. In 2024, the AbilityOne Commission issued a policy relaxing the 75 percent direct labor requirement (U.S. AbilityOne Commission 2024b).

4. Ongoing demonstrations designed to improve the self-sufficiency of youth with disabilities

Several ongoing demonstrations are testing innovations designed to improve the self-sufficiency of youth with disabilities. Findings for these studies will be forthcoming over the next five years.

- Two of SSA's Interventional Cooperative Agreement Program (ICAP) grants are focused on interventions relevant to youth with disabilities. One is the DO-ABLE demonstration discussed previously (though the study includes people ages 18 to 59). The other is the Youth Transition Exploration Demonstration (YTED), which is testing whether intensive employment training services—like apprenticeship programs and Year Up (a corporate-sponsored internship and training program)—improve the employment and other outcomes of youth with disabilities transitioning to adulthood (SSA n.d.[c, d]).
- One of the innovations being tested under the Next Generation of Enhanced Employment Strategies by SSA and the Administration for Children and Families is the Bridges from School to Work model mentioned previously (Wu et al. 2024).
- One of the Rehabilitation Services Administration (RSA) Disability Innovation Fund programs seeks to improve partnerships among state and local transition services providers. RSA awarded Pathways to Partnerships grants to 20 states (RSA n.d.[a]). The grants require the state VR and education agencies, centers for independent living, and local education agencies to collaborate to deliver transition services to youth with disabilities and provide professional development and training to staff delivering transition services. Another Disability Innovation Fund grant program, called Subminimum Wage to Competitive Integrated Employment, seeks to help students and youth with disabilities employed in or contemplating subminimum wage employment to engage with state VR agencies so they might obtain competitive integrated employment (RSA n.d.[b]).

B. Disability onset while participating in the labor force

Relatively few programs and policies are in place to support the economic self-sufficiency of people at risk of leaving the labor force due to disability, compared with a greater number of programs to support people after they leave the labor force (Section III.C). This difference may stem from programs and policies remaining largely unchanged from their inception even as technology to support workers, medicine, the nature of work, and perspectives on disability have evolved considerably (Stapleton et al. 2016). Yet, more than 2 million U.S. workers experience employment disruptions each year because of illness or other health conditions that could lead to their exit from the labor force (Ben-Shalom et al. 2021; Hollenbeck 2015). These disruptions can follow the onset of a new injury or illness or the worsening of an existing condition. The conditions commonly associated with short- and long-term disability claims and SSDI applications include musculoskeletal and mental health conditions (Zaidel et al. 2018; Mesegeur 2018). Although some workers return to the labor force after experiencing new or worsening health conditions, others do not (Sears et al. 2022). There are relatively more programs in place to support people after they leave the labor force, such as SSDI benefits and the Ticket to Work Program (Section III.C.).

Staying connected to the labor force supports workers' economic self-sufficiency by maintaining earnings and access to employer-sponsored health coverage. In contrast, exiting the labor force can reduce people's material well-being (Schimmel and Stapleton 2012) and negatively affect their overall health and

quality of life (Ben-Shalom et al. 2018; Michaud et al. 2016). Programs and policies that help people stay connected to the labor force may help them avoid the need to apply for SSI, SSDI, or other public benefits (Liu et al. 2024). However, available supports are fragmented and can vary by state and employer.

Below, we discuss key income, healthcare, and employment supports available to people who experience disability while participating in the labor force.

1. Income support

Workers experiencing employment disruptions can receive wage replacement through several public and private programs, including workers' compensation, short-term disability programs, long-term disability programs, and unemployment insurance (Box 5). They may also qualify for income and in-kind supports, such as TANF and SNAP.

Workers' compensation (WC). Workers with work-related injuries or illnesses are typically eligible for WC benefits, which provide wage replacement while they recover. The amount and duration of benefits vary by state; benefits typically replace up to two-thirds of weekly earnings until the worker recovers and returns to work (National Academy of Social Insurance 2024). Workplace injury rates appear to be unaffected by the generosity of states' WC programs (Huet-Vaughn and Benzarti 2020). WC interacts with SSDI in complex ways. WC payments offset SSDI payments in most states; the combination of the two benefits cannot exceed 80 percent of a worker's prior earnings (Burton and Guo 2016). However, in 15 states, called reverse-offset states, the opposite occurs; WC is offset by SSDI. In those states, there is an incentive for WC programs to shift costs to SSDI (Burton and Guo 2016). Although there is some evidence that reductions in WC benefits or tightening of program rules can increase applications to SSDI, the effects are likely modest (Guo and Burton 2012). Although, in theory, the availability of WC while a worker is recovering should reduce the likelihood of applying for SSDI, we did not find evidence of this effect.

Short- and long-term disability insurance benefits. Workers with injuries and illnesses not related to work may be eligible for short- and long-term disability insurance benefits provided by their employer or state.³ Such benefits replace a percentage of income for a defined benefit period while workers recover from a serious illness or injury and may reduce their reliance on other public benefits. Access to short-term disability insurance among workers with severe disabilities increases employment and reduces applications for SSDI; however, theory suggests that when short-term disability ends, older workers who do not qualify for SSDI but have health problems may pursue early retirement benefits (Liu et al. 2023). Long-term disability benefits, which begin after a waiting period, can last up to retirement age, depending on the policy. Such benefits are typically offset by SSDI, creating incentives for long-term disability insurers to encourage (or even require) claimants to apply for SSDI (Autor et al. 2014). Most workers do not have access to short- or long-term disability benefits (Bureau of Labor Statistics 2024) and access varies by industry (Luznar and Costa 2019).

³ Workers can also purchase plans for short-term disability insurance, such as individual policies or plans purchased through organizations. In this arrangement, workers pay the full cost instead of sharing the cost with an employer (Morton 2021).

Unemployment insurance (UI). Workers who lose their jobs due to layoffs or other reasons that are no fault of their own can file a claim for temporary wage replacement through UI benefits. To be eligible, workers must meet state requirements for work and earnings in the last 12 to 24 months and be looking for a job (U.S. Department of Labor 2004). Benefits typically last for up to 26 weeks and are based on the worker's earnings during the past year. To maintain benefits, workers must file weekly or biweekly claims, answer questions, and report any earnings or job offers. Benefits end after the worker meets the maximum number of weeks allowed by the state, starts a job, or stops filing claims. UI helps workers maintain consumption during unemployment but can increase the duration of unemployment;⁴ the evidence is mixed regarding impacts on job quality in later employment (Moffitt and Ko 2024). There is some evidence that UI is protective of health during periods of unemployment (Cylus et al. 2015). However, SSDI applications rise during recessions (Charles et al. 2018; Maestas et al. 2021). People with disabilities experience disproportionate job loss during a recession (Kaye 2010) and slower employment recovery after a recession (Livermore and Honeycutt 2015). There is mixed evidence that UI can reduce applications to SSDI, at least temporarily (Lindner 2016; Rutledge 2013). Theory suggests that workers would delay SSDI applications until UI benefits end, and some may find new jobs in the interim, eliminating the need to apply (Rutledge 2013). However, another study found no relationship between UI benefit extensions and SSDI applications (Mueller et al. 2015).⁵

Box 5. Key income supports, disability onset while in labor force

Federal programs administered by states:

- Unemployment insurance

Other:

- Workers' compensation
- Short- and long-term disability insurance▲

2. Health care

Having health care is critical when workers experience the onset or worsening of an injury or illness. Here we discuss the primary sources of health insurance coverage available to workers experiencing disability while working (Box 6).

WC. WC typically pays for necessary and reasonable medical care to address a work-related injury or illness. The coverage lasts until the worker recovers. The medical care for recovery helps workers maintain their earnings; one study showed that reductions in medical spending under WC were associated with a decrease in earnings (Powell and Seabury 2018).

Private health insurance plans. Workers who remain in the labor force can maintain access to employer-sponsored health insurance if offered by their employer. However, only about 53 percent of workers were covered by an employer-sponsored health plan in 2023 (Kaiser Family Foundation 2023). Moreover, those with such insurance who reduce their hours to part time (potentially in response to disability onset) could lose access to employer-sponsored coverage. Uninsured workers may seek coverage through Marketplace health insurance plans. Those with employer-sponsored insurance who leave their jobs can retain their

⁴ Studies suggest that an additional month of potential UI benefits increases time spent unemployed by 3-12 days (Schmieder and von Wachter 2016).

⁵ The average monthly SSDI benefit for disabled workers was \$1,582 in June 2025, while the average weekly UI benefit was \$462.68 in the 12 months ending in August 2025 (or \$1,851 over 4 weeks; U.S. Department of Labor 2025c).

coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA), which allows individuals to continue an existing health plan by paying the full premium (including the portion formerly paid by the employer)—typically for up to 18 months (but it may be longer under some circumstances, including disability) (Centers for Medicare & Medicaid Services 2024). Some workers with disabilities might have difficulty affording these options; in a 2025 Kaiser Family Foundation poll, 38 percent of insured adults gave negative ratings (ratings of “fair” or “poor” compared with “excellent” or “good”) to the premium and out-of-pocket costs associated with their employer-sponsored insurance or Marketplace coverage (Sparks et al. 2025). The ACA includes provisions to help people afford Marketplace coverage (Kaiser Family Foundation 2024). Premium tax credits, which reduce the cost of monthly premiums, are available to people with household incomes between 100 and 400 percent of the federal poverty level. Cost-sharing reductions, which reduce the out-of-pocket costs of using covered health care services, are available for people with household incomes between 100 and 250 percent of the federal poverty level who select certain health plans on the Marketplace.

Medicaid. Workers with low incomes might qualify for Medicaid. There is evidence that increasing access to Medicaid (and delinking it from eligibility for SSI) increases the employment of people with disabilities. We discuss Medicaid and its relationship with employment and SSI participation in Section III.C.

3. Employment services

Workers may have access to job retention services. WC, state long-term disability, and private short-term disability programs might offer employment services to help people experiencing disability while working to keep their jobs (Box 7). However, availability of these services vary by state and employer. SNAP and TANF may offer some career services, but these services also vary by state and are not specifically targeted to people with disabilities; in addition, people typically seek out career services (such as job search or job training services) after leaving the labor market rather than using them for support (such as services to identify workplace accommodations) while working with a disability. VR agencies help workers with disabilities prepare for, find, and keep jobs. However, VR agencies with limited resources may operate under an Order of Selection, in which they must prioritize services to people with significant disabilities (RSA n.d.(c)). Workers still participating in the labor force may not meet the criteria for services in those states. American Job Centers are a key source of employment support, offering multiple programs authorized under WIOA that appear to experience success in helping people become employed; we are not aware of such programs offering early intervention services to help people with disabilities keep their jobs (except

Box 6. Key health care supports, disability onset while in labor force

Federal programs administered by states:

- Medicaid

Other:

- Workers’ compensation
- Private health insurance plans ▲

Box 7. Key employment services, disability onset while in labor force

Federal programs administered by states:

- VR program
- WIOA programs (not specific to people with disabilities) available at American Job Centers ▲

in states participating in the Retaining Employment and Talent after Illness/Injury Network demonstration, noted below).

4. Ongoing demonstrations testing early intervention pathways to economic self-sufficiency

Some ongoing demonstrations are testing early intervention strategies among workers at risk of leaving the labor force due to disability, building on evidence that such strategies may support work outcomes (Stapleton et al. 2015).

- DOL and SSA are jointly funding the Retaining Employment and Talent after Illness/Injury Network (RETAIN) demonstration (SSA n.d.(d)). Five states are implementing RETAIN, which tests the impact of early-intervention stay-at-work/return-to-work services on work outcomes and SSDI applications. Each state enrolled adult workers who recently experienced the onset or exacerbation of an injury or illness that challenged their ability to work and randomly assigned them to a treatment or control group.
- Through its Interagency Cooperative Agreement Program, SSA is funding the Vocational Resource Facilitation Demonstration, which is testing early intervention strategies among workers hospitalized for brain or spinal cord injury (SSA n.d.(e)).

C. Disability involving long-term departure from labor force

Several programs and policies support workers whose disabilities caused them to exit the labor force indefinitely. Many workers in this situation apply for SSDI disabled worker benefits. Alongside SSDI, the SSI program serves as a safety net for disabled adult workers who have limited income and resources. Since 2006, more than 2 million workers have applied for SSDI benefits each year, reflecting a sustained level of demand among working-age adults. Over time, the number of individuals receiving SSDI disabled worker benefits increased from 2.9 million in 1980 to a peak of more than 8.9 million in 2014, before declining to 8.1 million as of May 2021. In 2023, about 520,000 people were awarded SSDI disabled worker benefits, whereas more than 560,000 SSI awards were made to blind or disabled adults ages 18–64, with some overlap between the two groups (SSA 2024a, SSA 2024b). The most common condition causing disability among disabled workers is musculoskeletal, followed by cancer and mental health conditions.

Although many SSDI and SSI beneficiaries experience serious health challenges that make obtaining and maintaining employment challenging, others might have the potential to work and pursue economic self-sufficiency. Twenty percent of SSDI beneficiaries die within five years of award and 90 percent of nonworkers cite health conditions as the reason they cannot work (Barrick-Funk 2020; SSA 2025d). Still, evidence shows that some may have the potential to work. Many SSI and SSDI beneficiaries expect to work and leave benefits in the near future; 26 percent anticipated working for pay within two years and 13 percent expected to work enough to leave benefits during that time frame (SSA 2025d). About 22 percent of SSI and SSDI beneficiaries have earnings in at least one month during their first five years of participating in the programs (SSA 2020). One study estimated that employment rates could have been more than 16 percentage points higher for the subgroup of SSDI applicants likely to be on the margin of

program entry⁶ had they been denied benefits. However, the authors' estimates suggest that if this group were employed their earnings would be low, at around one-quarter to one-half of preapplication earnings (Maestas et al. 2013).

1. Income support

The SSDI and SSI programs are the primary sources of income support for workers with disabilities who leave the labor force (Box 8). Such workers may also qualify for income and in-kind supports, such as TANF and SNAP. Veterans with disabilities may qualify for veteran disability compensation or veteran pension benefits.

Many workers who exit the labor force have incomes near the federal poverty level, making income and in-kind supports especially important. About 20 to 25 percent of SSDI beneficiaries and 42 percent of SSI recipients and their families live in poverty despite receiving benefit payments. Without SSDI and SSI benefit payments, about half of SSDI beneficiaries and 63 percent of SSI recipients and their families would live in poverty (Messel and Trenkamp 2022; Center on Budget and Policy Priorities 2025; Bailey and Hemmeter 2015). This economic insecurity might create employment incentives but, at the same time, the fear of losing vital benefits because of earnings might create disincentives for employment.

SSDI. SSDI provides monthly cash benefits to workers with sufficient work history who are unable to engage in substantial gainful activity (SGA) due to a qualifying medical condition that is expected to last for a least a year or result in death. In 2025, SSA defines SGA as the ability to earn \$1,620 per month for people who are nonblind and \$2,700 for people who are statutorily blind. The process to determine eligibility can take two years or more, especially when applicants appeal an initial determination denying eligibility (Smalligan and Boyens 2019). Once awarded, the benefit amount is based on the disabled worker's past earnings and payroll tax payments. In July 2025, there were about 7.1 million disabled worker beneficiaries and the average monthly benefit payment was \$1,582 (SSA 2025a).

Research shows that once individuals begin receiving SSDI or SSI benefits, they are unlikely to leave the programs due to work (Ben-Shalom and Stapleton 2015; Liu and Stapleton 2011; Maestas et al. 2013; French and Song 2014). SSA suspends SSDI payments when earnings exceed SGA during the Extended Period of Eligibility (Box 9) and terminates them if earnings exceed SGA after that period. SSA reduces SSI payments by 50 percent under the program's \$1-for-\$2 earned income offset when countable income exceeds program limits and suspends payments when countable income reduces the payment to \$0 under the offset (Box 10) and terminates them if payments are suspended for 12 consecutive months or more; SSI recipients can also lose program eligibility if their assets increase beyond program limits. Longitudinal data highlight the persistence of benefit receipt: among individuals

Box 8. Key income supports, disability with long-term departure from labor force

Federal programs:

- SSDI
- SSI
- Veterans programs (VA disability compensation, Veterans pension)

Federal programs administered by states

- TANF
- SNAP
- ABLÉ accounts ▲

⁶ The authors observed that relative to the average applicant, marginal applicants were more likely to have very low prior earnings, be young (under 29) or old (over 60), and have mental health conditions.

who entered SSDI between 1996 and 2006, just 28 percent returned to work over the follow-up period, and far fewer had their benefits suspended (6.5 percent) or terminated (3.7 percent) due to employment (Liu and Stapleton 2011).

A factor potentially contributing to the small percentage of beneficiaries who earn enough to exit SSDI is the program's treatment of earnings. Although intended to support employment, SSDI work incentive provisions can create financial disincentives for employment. A prominent example is the SSDI "benefit cliff": once a beneficiary's earnings exceed the SGA threshold, SSDI payments are reduced to zero, but the earnings increase may not be enough to outweigh the loss in SSDI payments, leaving beneficiaries financially worse off. This abrupt loss means that earning even \$1 above the threshold can result in losing the entire benefit. Some beneficiaries, especially those managing unpredictable or worsening health conditions, may be reluctant to take this risk. Survey data show that about half of beneficiaries who worked fewer hours than they felt capable of did so to preserve cash benefits (SSA 2025d), and research suggests that some beneficiaries intentionally limit their earnings to remain below the SGA level (Schimmel et al. 2011).

SSA tested alternatives to the SSDI "benefit cliff" through two large-scale demonstrations—the Benefit Offset National Demonstration (BOND) and the Promoting Opportunity Demonstration (POD). Each demonstration replaced the full benefit loss associated with earnings above SGA with a \$1-for-\$2 offset above an earnings threshold, though their rules differed. BOND retained features such as the Trial Work Period (TWP) and set an annualized earnings threshold, whereas POD used a lower monthly threshold (\$850 in 2018). Both interventions produced only modest impacts on beneficiaries' work outcomes. For POD, there were no impacts on earnings, SSDI benefits, or total income two years after enrollment, and only a modest increase in the share of participants with earnings above the annualized SGA level (Wittenburg et al. 2022). Similarly, findings from BOND pointed to little change in short-term earnings and increases in benefit payments, and administrative delays in adjusting benefits highlighted the complexity of implementing a benefit offset (Gubits et al. 2018; Wittenburg et al. 2022). Taken together, the findings from POD and BOND suggest that additional factors beyond the SSDI "benefit cliff" may limit work among SSDI beneficiaries, such as limited awareness and understanding of key SSDI work incentive provisions, experiences with work-related overpayments, and unstable health conditions, as described below.

Research suggests that beneficiaries have limited awareness and understanding of key SSDI work incentive provisions. Only about one-third of SSDI beneficiaries know about the TWP (SSA 2025[d]), and fewer than half have a basic understanding of how earnings affect benefits (Gubits et al. 2018). Knowledge is limited even among those interested in work, with just 28 percent expressing a correct understanding of the TWP rules (Wittenburg et al. 2022). Low awareness and poor understanding of SSDI work incentives might limit the effect of these provisions on beneficiaries' work and earnings behavior.

Another potential disincentive to SSDI beneficiaries' pursuit of economic self-sufficiency is their experience with overpayments. An overpayment occurs when SSA pays a benefit amount larger than that to which the beneficiary is entitled, an amount the beneficiary typically must repay. Research shows that more than four out of five SSDI beneficiaries (82 percent) who sustain earnings above the SGA threshold are overpaid, with an average overpayment amount of \$13,556 in 2008 (Hoffman et al. 2024). Beyond the financial consequences of repayment, research indicates that beneficiaries who are overpaid often respond by reducing their work activity, suggesting that the risk of overpayment itself may discourage continued employment (Anand et al. 2022).

Another factor that likely limits beneficiaries' success on the path to self-sufficiency is the instability of their health conditions. Among a nationally representative sample of SSDI beneficiaries whose benefits SSA had suspended because of earnings, about half had returned to benefits or were in the process of doing so at the time of their interview. Health-related issues were the most common reason given for returning to SSDI, cited by 73 percent of such beneficiaries (Shenk and Livermore 2021). Other research suggests that among SSDI beneficiaries whose benefits were suspended because of earnings, health declines are common after leaving benefits and such declines are a significant predictor of stopping work (Livermore and Schimmel Hyde forthcoming). Among SSDI beneficiaries whose benefits had been suspended because of earnings, about 60 percent experienced a physical health decline and 43 percent experienced a mental health decline (based on self-reported measures of health) over the two-year period in which they were observed. Such declines were the most important predictors of ongoing employment after holding other characteristics constant, reducing the likelihood of employment by as much as 19 percentage points.

Box 9. SSDI work incentives

- **Trial Work Period (TWP):** Beneficiaries may work for up to nine months within a rolling five-year window without any reduction in monthly cash benefits. SSA counts a month toward the TWP when earnings exceed the threshold (\$1,110 in 2024).
- **Extended Period of Eligibility (EPE):** Starting the month after the TWP ends, beneficiaries enter a 36-month reentitlement period. During this time, SSA suspends cash benefits if earnings rise above the SGA level but pays full benefits if earnings fall below it. After the reentitlement period, SSA terminates benefits if earnings remain above the SGA level.
- **Expedited Reinstatement (EXR):** If SSA terminates benefits due to work, beneficiaries may request reinstatement within 60 months. SSA processes EXR requests more quickly than initial disability applications.
- **Impairment-Related Work Expenses (IRWEs):** SSA deducts the cost of disability-related items and services needed for work before determining whether work counts as SGA.
- For work incentive provisions related to Medicaid and Medicare, see Section III.C.2. ▲

Some people leave SSDI and SSI not because their earnings exceed program limits, but instead because SSA determines their medical condition has improved. Many in this situation struggle to find and keep work after program exit. Research shows that about 70 percent of people who exit the SSI and SSDI programs because their health has improved had some earnings within five years of leaving, but only one-third maintained earnings in all five years, and just half earned enough to rise above the poverty line (Hemmeter and Stegman Bailey 2016). Many eventually return to the SSI and SSDI programs, with roughly 30 percent of SSI recipients and 20 percent of SSDI beneficiaries returning to benefits within eight years (Hemmeter and Stegman 2013). At the same time, those who lose benefits due to medical improvement also lose access to key supports such as the Ticket to Work program and often lose health coverage through Medicare or Medicaid. This lack of support may create risks of setbacks and eventual return to SSI and SSDI program benefits.

SSI. SSI is a means-tested program that provides cash benefits to people with disabilities and older adults who have low incomes and limited resources. The SSI program uses the same eligibility criteria to determine disability as the SSDI program and applies a resource limit (\$2,000 for an individual and \$3,000 for a couple; SSA reviews SSI recipients' resources each month). The resource limits have not been updated or adjusted for inflation since 1984, when they were the equivalent of around \$10,000 and \$16,000 in 2025 dollars (National Academy of Social Insurance 2025). SSA excludes the first \$65 of earnings and half of the remaining wages when it calculates SSI payments using a \$1-for-\$2 earned income offset. In July 2025, there were about 3.9 million SSI recipients under age 65 and the average monthly SSI payment among recipients ages 18–64 was \$763 (SSA 2025a). SSI was the only source of income for more than half of recipients (57 percent) (SSI annual statistical report). About one-third of SSI recipients (34 percent) in 2023 were concurrent beneficiaries, meaning they also received SSDI benefits.

Take-up of SSI is relatively low, with around 60 percent of likely eligible adults receiving benefits (Macartney and Ghertner 2021). Research shows that SSA field office closures in the past have contributed to reduced applications for SSI (Deshpande and Li 2019). A large-scale study of older adults found that outreach mailings increased take-up, but only modestly (Hemmeter et al. 2024). The study also identified several hypotheses for low take-up: lack of awareness about SSI eligibility; underestimation or confusion about the potential SSI benefit amount; and the complexity and perceived burden of the SSI application process. In early 2025, SSA announced plans to simplify the application process for SSI through an online form, starting in December 2025 (Osburn 2024).

Relatively few SSI recipients work at any given time (7 percent of surveyed recipients reported working in 2019, SSA 2025d). However, there is more evidence of work activity over time. In a 15-year period, about one-quarter of SSI recipients had countable earnings and 8 percent had their benefits suspended at some point due to work. However, progress toward economic self-sufficiency was limited—fewer than 1 percent had their benefits terminated for work (SSA 2025e).

SSI recipients' awareness of SSI work incentives is relatively low. Between 10 and 20 percent of surveyed participants had heard of the different SSI work incentives (SSA 2025d).

Similar to SSDI, a factor that might explain why only a small fraction of SSI recipients make progress toward economic self-sufficiency is the structure of the program's work incentive rules. The \$1-for-\$2 benefit offset under the EIE, which reduces benefits by \$1 for every \$2 earned above \$65, is less severe than a complete loss of benefits but might still discourage work for some recipients. This offset effectively acts as a 50 percent tax on earnings (on top of the usual state and federal taxes on earnings), which can make work less financially attractive (Social Security Advisory Board 2017). The \$1-for-\$2 benefit offset tested through POD and BOND was not specific to SSI recipients; however, the findings from those demonstrations suggest that the \$1-for-\$2 benefit offset is unlikely to have a significant impact on work outcomes (Wittenburg et al. 2022; Gubits et al. 2018).

Like SSDI beneficiaries, changing health can affect SSI recipients' chances of achieving self-sufficiency. SSI recipients whose benefits had been suspended because of earnings are as likely as SSDI beneficiaries to experience health declines, and such declines are negatively associated with ongoing employment (Livermore and Schimmel Hyde forthcoming). In addition, SSI recipients' limited work history might curtail their success on the path to self-sufficiency. About 65 percent of working-age SSI recipients have never worked at a job for pay (SSA 2025d).

ABLE Accounts. As discussed in Section III.A, ABLE accounts allow people with disabilities to save earned or other income without affecting their eligibility for means-tested programs like SSI and Medicaid. In January 2026, eligibility for ABLE accounts will increase to include people experiencing the onset of a disability before age 46 (an increase from the previous limit of 26). ABLE plans are administered at the state level. Adult SSI and SSDI beneficiaries can use ABLE funds toward expenses that support living independently in the community, including job training, accessible housing, or medical equipment (ABLE National Resource Center n.d.)

Box 10. SSI work incentives

- **Earned Income Exclusion (EIE):** SSA excludes the first \$65 of earnings and half of the remaining wages when it calculates SSI payments using a \$1-for-\$2 earned income offset.
- **Student Earned Income Exclusion (SEIE):** For recipients under age 22 and attending school regularly, SSA excludes up to \$2,290/month (\$9,230/year) of their earnings.
- **Impairment-Related Work Expenses (IRWEs):** SSA deducts the cost of disability-related items and services SSI recipients need for work before counting earnings.
- **Blind Work Expenses (BWEs):** SSA subtracts expenses related to recipients' blindness before counting earnings.
- **PASS:** SSI recipients can set aside income or resources to pay for a work goal, and SSA does not count them.
- For incentives related to Medicaid, see Section III.C.2. ▲

Programs for veterans. There are several income supports available to veterans with disabilities. The Veterans Administration's Disability Compensation Program provides monthly payments scaled to the severity of service-connected disabilities for veterans who meet service requirements. Benefits for most participants are unaffected by earnings. Research has linked this compensation with fewer hospitalizations among veterans with diabetes (Trivedi et al. 2022) and better health outcomes and less homelessness for veterans with post-traumatic stress disorder (Murdoch et al. 2011). Better health could support work and earnings. Nonetheless, another study found that receipt of this disability compensation was associated with reduced labor force participation (Autor et al. 2015). The Veterans Pension program offers a means-tested benefit to low-income veterans who meet service requirements and have a disability that is not connected to their service. The program excludes \$333 of earned income per month when calculating eligibility and subtracts certain medical expenses from countable income. The average annual benefit amount in 2023 was \$14,211.

Other public income and in-kind supports. Other public programs can provide benefits aimed at supporting family well-being. TANF provides time-limited income support to help families with children achieve economic security and stability. Adults who are pregnant or have dependent children and who meet income and asset limits can receive cash assistance. Adults with disabilities might qualify for benefits longer than the typical 60-month eligibility period; recipients with disabilities might also be exempt from program work requirements. Only about 1 percent of SSDI beneficiaries and 3 percent of SSI recipients receive TANF (Houtenville and Brucker 2014). SNAP offers food assistance to households that meet income and asset requirements, including people with disabilities who have low incomes or students with disabilities who are enrolled in school more than half time. More than one-third of SSI and SSDI beneficiaries receive SNAP benefits (SSA 2025d). Research suggests that both TANF and SNAP contribute to better health for recipients (Finkelstein et al. 2022; Carlson and Llobrera 2022), which could support work and earnings. However, because the programs are means tested, participants whose income and resources rise above program limits lose their benefits. The loss of these benefits as earnings rise imposes an additional tax on beneficiaries who work, further limiting the value of employment.

2. Health care

Medicaid and Medicare are the primary public health care programs available to people with disabilities who have left the labor force (Box 11). The means-tested nature of Medicaid and both programs' ties to eligibility for SSI and SSDI can create disincentives for employment and self-sufficiency among such people. Below, we briefly describe these programs and their importance on the path to self-sufficiency. In Appendix Table 3, we include information about Centers for Independent Living and State Developmental Disabilities agencies, which support independent living in the community, and Community Mental Health Services Block Grants, which help provide needed mental health services, but we do not address them in this section.

Box 11. Key health care supports, disability with long-term departure from labor force

Federal programs:

- Medicaid (including Medicaid Buy-in)
- Medicare ▲

Medicaid. As noted previously, Medicaid is a means-tested program that provides health insurance coverage to people with low income. In most states, the income eligibility threshold for a single adult is 138 percent of the federal poverty level (Kaiser Family Foundation 2025b). However, there are several ways in which people with disabilities might qualify for Medicaid:

- They can qualify through their eligibility for SSI. In most states, eligibility for Medicaid is automatic with SSI eligibility. In some states, a separate application may be required and, in a few states, there are additional income eligibility criteria.
- Their monthly healthcare expenses may be large enough for them to “spend down” to meet Medicaid income eligibility requirements (that is, their income net of healthcare expenses meets the Medicaid income threshold). It is often called the “medically needy program.”
- They might be able to purchase Medicaid coverage via a Medicaid buy-in program. These programs, available in most states, allow people with disabilities to purchase Medicaid coverage and retain their benefits even if their income or resources would otherwise disqualify them from Medicaid. To qualify, people must meet the state’s definition of disability, which is often aligned with the medical definition used in the SSI and SSDI programs. Because these programs are intended to promote employment, most have a work requirement (National Disability Navigator Resource Collaborative 2024). A systematic review of studies found that Medicaid Buy-In enrollees had greater earnings, worked more hours, and contributed more in taxes than people with disabilities who did not enroll (Gavin et al. 2011). However, another study found that the Medicaid Buy-in increased employment in states that rewarded work, (by making eligibility contingent on employment) and did not affect earnings (McInerney 2013).
- Medicaid waivers in some states might permit people with disabilities to qualify for services through other, nontraditional routes.

Medicaid is an important source of health insurance for people with disabilities, not only because it can be the only affordable option for coverage (premiums and cost sharing are limited), but also because it can pay for services that other forms of insurance do not cover. Of particular importance for self-sufficiency are Medicaid home and community-based services (HCBS). These optional waiver services, offered to some extent in all states, cover long-term services and supports like case management, personal care, home modifications, assistive technology, and transportation. Such services can be costly (Chidambaram and Burns 2024) but may help people with disabilities live in the community—usually a less costly option than institutionalization (Chidambaram and Burns 2023). State HCBS waivers can also offer employment supports, such as job coaching, for people with significant cognitive disabilities. Because HCBS is optional, states can limit the number of people served. In 2021, about 2.6 million people received Medicaid HCBS services; however, about another 700,000 were on waiting lists to receive such services with an average wait time of 36 months (National Disability Navigator Resource Collaborative 2024). Most people using HCBS (and on the waitlist for services) are people with intellectual and developmental disabilities (Chidambaram and Burns 2024).

For SSI recipients, the desire to maintain Medicaid coverage could discourage employment. However, the SSI program has provisions that allow recipients to remain eligible for Medicaid even when their earnings exceed the SGA level (section 1619[a]) or levels that would reduce their SSI payments to zero (section

1619[b]) as long as they still meet the medical criteria for disability. As noted previously, it can be difficult for an SSI recipient to lose eligibility for Medicaid by earnings alone. Section 1619[b] earnings thresholds vary by state (based in part on the average Medicaid expenditures for people with disabilities in each state), ranging from about \$38,000 to \$91,000 annually.

Studies of the ACA provisions that increased the Medicaid income eligibility threshold to 138 percent of the federal poverty level provide mixed evidence of the impact of Medicaid on the employment of people with disabilities. Some found that the ACA expansion had a positive impact on the employment of people with disabilities (Hall et al. 2017, 2018), others found no impact (Sevak and Schimmel Hyde 2021), and still others found that the impacts differed depending on whether an individual had a new or ongoing disability (Ne'eman and Maestas 2022). Studies examining the impact of similar policies on SSI applications also found mixed results, with some offering evidence that ACA and pre-ACA Medicaid expansions reduced SSI applications (Burns and Dague 2017; Maestas et al. 2014; Soni et al. 2017). Other studies suggest that the ACA expansions increased SSI applications (Anand et al. 2018) or had no impact (Schmidt et al. 2020).

Medicare. Medicare coverage is available to people under age 65 after they have been eligible for SSDI for at least two years (the 24-month Medicare waiting period). Part A (hospital) coverage is premium free for most people, but Parts B (medical), C (Medicare advantage), and D (prescription drugs) require premiums. Medicare also involves cost sharing in the form of deductibles, co-pays, and coinsurance. In 2022, Medicare beneficiaries under age 65 (entirely representing people with disabilities) spent about 10 percent of their total income on out-of-pocket Medicare expenditures (Ochieng et al. 2025). For individuals with low income, subsidies offered through Medicare Savings Programs (operated by state Medicaid programs) can be available to assist with Medicare premiums and out-of-pocket costs. Notably, more than half (55 percent) of the Medicare population under age 65 also has Medicaid (authors' calculation based on Ochieng et al. [2024]). Medicaid coverage can supplement Medicare by covering services or costs not covered by Medicare, including HCBS.

Like Medicaid, the desire to keep Medicare coverage could discourage employment among SSDI beneficiaries. However, also like the SSI program, SSDI has provisions that encourage work by allowing beneficiaries to maintain their Medicare coverage even after SSA has terminated their SSDI eligibility. The extended period of Medicare coverage provision allows SSDI beneficiaries whose benefits end because of earnings to remain eligible for premium-free Medicare Part A (as well as Parts B, C, and D if they pay the premiums) for at least 93 months, starting with the conclusion of the SSDI TWP. After that, if still working and meeting the SSDI medical disability criteria, former SSDI beneficiaries who are under age 65 can pay a premium to maintain Medicare Part A (SSA 2025c). Because these provisions apply only after an SSDI beneficiary has become eligible for Medicare, new SSDI beneficiaries in the 24-month Medicare waiting period may not want to risk working before attaining Medicare eligibility. In the early 2000s, SSA's Accelerated Benefits Demonstration tested the impacts of providing health insurance to new SSDI beneficiaries during the Medicare waiting period. Though provision of health insurance reduced unmet health care needs, the intervention had only small and temporary impacts on employment and earnings (SSA n.d.[f]; Romig 2016).

SSA's Mental Health Treatment Study (MHTS) also included a healthcare component. The experimental demonstration, implemented from 2006 to 2010, offered SSDI beneficiaries with schizophrenia and affective disorders individual placement and support services, clinical case management, supplemental health insurance, and other medical supports for two years. Both short- and longer-term follow-up studies found that MHTS increased the employment and earnings of treatment group members but did not reduce their reliance on SSDI (Frey et al. 2011; Baller et al. 2019).

SSI and SSDI beneficiary awareness of the provisions that allow them to work and keep Medicaid and Medicare might influence their willingness to work, especially at levels that could jeopardize their eligibility for cash benefits. Among SSDI beneficiaries who had been recently employed, just 30 percent were aware of the extended period of Medicare eligibility. Among recently employed SSI recipients, only 18 percent were aware of the ability to keep Medicaid under section 1619(b). Overall, 39 percent of recently employed SSI and SSDI beneficiaries knew they could keep their public health insurance after losing their cash SSI or SSDI benefits (Shenk and Livermore 2021). Among both SSI and SSDI beneficiaries, those who were aware of the key health insurance provisions were significantly more likely to work at levels that would suspend their cash benefits.

3. Employment services

Employment services are available to people with disabilities who have left the workforce and are generally available through state VR and workforce programs (Box 12). Such services are also available to SSI and SSDI beneficiaries through three SSA programs established under the Ticket to Work and Work Incentives Improvement Act: Ticket to Work, Work Incentives Planning and Assistance (WIPA), and Protection and Advocacy for Beneficiaries of Social Security (PABSS). Other programs sponsored by DOL and the Department of Veterans Affairs can also help people with disabilities find employment after leaving the workforce due to disability.

VR program. State VR agencies are the primary source of employment-related services for adults with significant disabilities. In 2022, state VR agencies served about 800,000 people with disabilities, providing a wide range of employment services, including career counseling, work-based learning experiences, financial support for vocational training and postsecondary education, assistive technology and training, supported employment services, transportation, and other services that help people with disabilities achieve employment (U.S. Department of Education 2024). Many people receiving VR services are SSA disability beneficiaries being served under the Ticket to Work program (described below). Annual performance measures suggest that VR agencies are successful in helping some people with disabilities become employed, though the wages for many are low; in 2022, 45 percent of exiters were employed, with median hourly earnings of \$14 (U.S. Department of Education 2024). Though VR services can help people with disabilities achieve employment, only a small share of SSA beneficiaries who use VR achieve earnings that are high enough for them to leave the SSA disability rolls (GAO 2007; O'Leary and Roessel 2023).

Ticket to Work. The Ticket to Work program provides SSI and SSDI beneficiaries with a “ticket” that they may assign to an Employment Network (EN) or state VR agency. ENs offer a wide array of services at no cost to the beneficiary, including career counseling, job search and placement, training programs, tuition support, rehabilitation services, accommodations assistance, and targeted supports for groups such as veterans and youth transitioning to adulthood. In return, SSA pays ENs fixed amounts when beneficiaries achieve specific earnings milestones and reimburses VR agencies for service costs if beneficiaries maintain earnings above SGA for at least nine out of 12 months or complete rehabilitation while enrolled in an approved VR program (SSA 2017). In July 2025, about 2 percent of ticket-eligible SSI and SSDI beneficiaries were participating in Ticket to Work and about two-thirds of the tickets were in use with VR agencies (SSA 2025f). About 9 percent of beneficiaries have ever used Ticket to Work (SSA 2025e).

Research indicates that SSI and SSDI beneficiaries who participate in Ticket to Work achieve employment outcomes comparable to, and in some cases better than, those of similar beneficiaries, including individuals served by state VR agencies (Thornton et al. 2007; Stapleton et al. 2013; GAO 2021; O’Leary and Roessel 2023; Ho et al. 2025). Nonetheless, reductions in benefit payments have not generated enough savings to fully cover program costs, and participation in Ticket to Work remains modest relative to the large percentage (45 percent) of beneficiaries who express interest in working (SSA 2020).

WIPA. The WIPA program helps SSI and SSDI beneficiaries make informed decisions about work by providing clear, timely information on how employment and earnings affect their disability benefits. Operated through cooperative agreements with community-based organizations, WIPA projects deliver individualized benefits counseling, referrals, and coordination with other service providers. About one-fifth of surveyed SSI and SSDI beneficiaries were aware of WIPA services (SSA 2025d). Evidence suggests that benefits counseling is associated with increased employment (Kaya et al. 2023; Tremblay et al. 2006) and use of SSA work incentives (Pettit 2021).

WIPA staff primarily support beneficiaries who are working or preparing to start a job, offering guidance on SSA’s work incentives to counteract misinformation that might otherwise discourage employment. However, program capacity is limited, and many beneficiaries interested in work but without a current job or offer may not be able to access services. During a six-month period spanning 2009 and 2010, WIPA projects served nearly 40,000 SSI and SSDI beneficiaries. WIPA projects prioritized serving beneficiaries who are working or actively seeking employment (Harris et al. 2010).

PABSS. SSA provides grants to state Protection and Advocacy agencies to deliver legal advocacy for SSI and SSDI beneficiaries who are working or seeking employment through the PABSS program. PABSS services focus on removing barriers to work by helping beneficiaries access Ticket to Work and related

Box 12. Key health employment services, disability with long-term departure from labor force

Federal programs:

- Ticket to Work
- WIPA
- PABSS
- Veteran Readiness and Employment program

Federal programs administered by states:

- VR program
- Workforce programs (WIOA Adult services)
- Jobs for Veterans State Grants ▲

employment supports; resolve issues with disability benefits; and protect their rights in areas such as employment, housing, and transportation. Available information about PABSS is limited.

Workforce programs. WIOA authorizes funding for a range of adult employment and training programs implemented by state workforce agencies. Though not specific to people with disabilities, the programs are available to them. WIOA adult services, delivered through American Job Centers, include job search and placement, training, literacy education, and other services to help job seekers become employed. About 11 percent of people using core workforce services identify as having a disability (Social Policy Research 2025). Some workforce centers participate as ENs in SSA's Ticket to Work program. We did not find evidence of the impact of workforce services on the employment of people with disabilities, although such evidence may be forthcoming as part of SSA's ongoing Ticket to Work evaluation.

Employment services for veterans. Two agencies offer programs that provide different types of employment services for veterans. Jobs for Veterans State Grants is a DOL-funded program that provides grants to states for programs that provide employment services to veterans who are disabled or face other barriers to employment. Just over half of participants in 2023 were veterans with disabilities. The program provides short-term career services delivered through American Job Centers (JVSG Primer). Among exiters with disabilities in 2023, 57.6 percent were employed in the second quarter after exit, with median earnings of about \$9,000 (U.S. Department of Labor 2025d). The Veteran Readiness and Employment program, funded by the U.S. Department of Veterans Affairs, provides individualized, long-term rehabilitation services to veterans with service-connected disabilities. The program provides career counseling, job search assistance, and funding for higher education. In 2024, rehabilitated veterans saw higher rates of employment than the wider U.S. population (73 percent versus 60 percent) (U.S. Department of Veterans Affairs 2024).

4. Ongoing demonstrations testing pathways to economic self-sufficiency

Several ongoing demonstrations are testing innovations designed to improve the self-sufficiency of workers who have left the labor force.

- The latest round of RSA's Disability Innovation Fund grants (awarded in September 2024) are funding a wide range of innovations designed to improve the employment of people with disabilities. Such innovations include vocational education through virtual reality, assistive technology supports, training for careers in information technology, promoting postsecondary education, supporting neurodiversity in the workplace, and many others (RSA n.d.[d]).
- One of SSA's Interventional Cooperative Agreement Projects, the Interagency Cooperative Action Network, is a randomized controlled trial assessing a model that supports people applying for SSDI or SSI benefits while continuing to participate in the labor force, with the goal of supporting economic self-sufficiency (SSA n.d.[g]). SSA is implementing the model, which provides concurrent benefits counseling and employment services, among young adults in Colorado who are potentially eligible for SSDI or SSI.
- The Supportive Housing & Individual Placement and Support demonstration is a randomized controlled trial of the Individual Placement and Support model for people living in supportive housing to help them increase their employment, income, health, and self-sufficiency. SSA is implementing the

model, which provides employment services and coordination with mental healthcare providers for people who are recently homeless and living in supportive housing in the Los Angeles area (SSA n.d.[h]).

IV. Discussion

Despite the many programs that can support people with disabilities on a path to self-sufficiency, this review of the landscape of such programs highlights several systems-level challenges. Below, we discuss these challenges, which relate to fragmentation of services, limited services to help workers stay connected to the labor force, low awareness and structural disincentives associated with SSI and SSDI work incentives, and limited evidence on the effectiveness of programs supporting economic self-sufficiency for people with disabilities.

Fragmentation of services. People with disabilities and their families must navigate a large and fragmented system of disconnected programs across federal, state, and local agencies. These programs use different eligibility rules and can introduce conflicting incentives for work because their eligibility may rely on people having limited earnings or income. This fragmentation is particularly acute during the transition from school to work for youth with disabilities, when workers experience the onset or worsening of a disability while employed, or when former beneficiaries attempt work after they leave the SSI and SSDI programs for medical improvement. Experiences (and the availability of needed supports) during these critical points could significantly influence future economic self-sufficiency. A feature of the fragmented system serving people with disabilities is the wide variation in access to services. Access to services that may support economic self-sufficiency, including use of VR, HCBS, and employment support services, varies substantially by state (National Academy of Sciences 2018). Such variation might reflect differences in the characteristics of state populations, but it likely also reflects differences in the effectiveness of state and local systems in connecting people with services.

The fragmentation of services can lead to opposing or misaligned financial incentives that have consequences for the paths to self-sufficiency. For example, states have an incentive to shift costs from TANF to SSI to take advantage of federal funding (Wamhoff and Wiseman 2006), and long-term private disability insurers might encourage claimants to apply for SSDI to offset their costs (Autor et al. 2014). These misaligned financial incentives can serve to steer people with disabilities away from opportunities to improve their economic self-sufficiency in favor of permanent labor force withdrawal and long-term reliance on SSI and SSDI.

Limited services to help workers with disabilities stay connected to the labor force. For people who experience the onset or worsening of a disabling health condition while working, staying connected to the labor force is important to maintaining economic self-sufficiency. However, services for this population are limited and depend substantially on employer policies and state programs. Programs such as short- and long-term disability insurance are not universally available (Bureau of Labor Statistics 2024), and publicly available vocational supports often prioritize those with the most severe impairments (RSA n.d.[c]) or are focused on job search and placement after job loss rather than on job retention. Gaps in the availability of job retention services may leave individuals with less severe disabilities, and those who still have their jobs, with insufficient assistance to maintain their engagement in work. These gaps may be especially prominent in states with limited capacity to fund employment services through VR, the largest source of publicly available employment support for people with disabilities.

Limited services to help people whose SSI and SSDI benefits end because of medical improvement reenter the labor force.

For people who exit the SSI and SSDI programs because their health has improved, reentering the labor force is important to establishing and maintaining economic self-sufficiency. While many people whose benefits end because of medical improvement have earnings after leaving the programs, few sustain earnings and many live below the poverty line (Hemmeter and Stegman Bailey 2016). They may also struggle with ongoing health challenges and gaps in employment, while also losing access to employment supports like the Ticket to Work program and for some, losing access to Medicare or Medicaid. Like workers still connected to the labor force, medically improved former beneficiaries may experience limited access to VR services and find that other publicly available vocational supports do not address the challenges they face to maintaining work. This lack of support may create risks of setbacks and eventual return to SSI and SSDI program benefits.

Limited awareness of SSA work supports; work disincentives associated with SSI and SSDI. Among SSI and SSDI beneficiaries, rates of awareness of the programs' work incentive provisions and available supports are low. Work support provisions are unlikely to be effective if most beneficiaries who want to work are unaware of or misunderstand them. While evidence suggests that work incentives benefits counseling increases knowledge of SSA work incentives (Petit 2021), WIPA program capacity constraints limit services to those who are working or actively seeking employment (Harris et al. 2010). VR agencies and ENs can help fill the gaps (SSA n.d.[i]), but the lack of awareness of supports and complexity around how SSI and SSDI eligibility is affected by earnings suggests that a gap remains. Those who are interested in work but hesitant to move forward might lack opportunities to learn about available work supports and how they would apply to their individual situations.

In the SSI and SSDI programs, the complex treatment of earnings is intended to encourage work, however, disincentives for employment remain through the SSDI "benefit cliff" and the SSI earnings offset. The findings from several rigorous, large-scale SSA demonstrations, which tested alternatives to the programs' current treatment of earnings, highlight the challenges of overcoming these disincentives (Gubits et al. 2018; Wittenburg et al. 2022). Many beneficiaries live near or below the poverty line and may fear that work will lead to loss of vital benefits. Further, those who attempt to work and are overpaid may experience the requirement to repay the overpayment as a disincentive, reducing their earnings to reduce the risk of another overpayment (Anand et al. 2022).

The work disincentives inherent in the SSA programs may be especially powerful in the face of uncertain and significant health conditions. Health instability is a major barrier to sustained employment among beneficiaries, and the most common reason former successful workers return to the SSA programs (Shenk and Livermore 2021). Among SSA beneficiaries who successfully left benefits because of work, declines in physical and mental health are common after leaving benefits and such declines are strongly associated with ending employment (Livermore and Schimmel Hyde forthcoming). The limited availability and employer-specific nature of services to help people retain employment in the face of worsening health noted above might contribute to the high rate of former SSA beneficiaries returning to the programs. Moreover, people who expect future fluctuations or declines in their health may be motivated to maintain the stability of SSDI and SSI benefits rather than risk benefit loss while attempting to work toward economic self-sufficiency.

Limited evidence. Finally, we found limited evidence about the effectiveness of programs supporting the economic self-sufficiency of people with disabilities. Evaluations of youth-focused initiatives, such as SSA's YTD and PROMISE, showed modest improvements in employment and earnings but little reduction in reliance on SSI. Even for programs with strong evidence, such as Job Corps, the effect tends to be specific to certain subgroups, such as older youth with disabilities (Schochet 2018, Hock et al. 2021). Though many interventions successfully increase the employment and earning of people with disabilities, we found little evidence of strategies that reduce reliance on SSI and SSDI. The research base offers limited guidance on which service models most effectively support the sustained gains in employment necessary for people with disabilities to achieve economic self-sufficiency; given the wide range of needs and circumstances of people with disabilities, there is unlikely to be a simple solution.

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Appendix

Environmental Scan of Pathways to Economic Self-Sufficiency for People with Disabilities

Table 1. Legislation

Legislation ¹	Description	Relevant population	Evidence
Achieving a Better Life Experience (ABLE) Act of 2014 ABLE Age Adjustment Act of 2022	Allows states to create tax-advantaged savings accounts for eligible individuals with disabilities. Funds saved in these accounts can be used to pay for a range of disability expenses, including healthcare, education, housing, transportation, training, and more. The ABLE Age Adjustment Act raised the eligible age of disability onset from before age 26 to before age 46, effective January 1, 2026.	People with disabilities who experienced disability onset before age 46	See ABLE Accounts in Table 2.
Affordable Care Act of 2010	Expands Medicaid in some states to cover all adults with income up to 138 percent of the FPL. Provides that young people below age 26 can remain covered by parents' insurance. Prohibits denial of marketplace coverage due to pre-existing conditions, including disabilities.	Adults with low income earning above pre-ACA eligibility limits; children ages 19–26 newly eligible to stay on parents' insurance	Between 2013 and 2017 in states that expanded Medicaid, the percentage of people with disabilities that reported not working because of disability dropped from 32 to 27 percent. Those trends were not present in non-expansion states (Hall 2018). ACA provisions allowing youth to remain on their parents' health insurance until age 26 reduced SSI applications among youth, presumably because the provisions reduced their demand for Medicaid coverage (Levere et al. 2021). There is mixed evidence of the impacts on the employment of people with disabilities (Hall et al. 2017, 2018; Sevak and Schimmel Hyde 2021; Ne'eman and Maestas 2022) and SSI applications (Burns and Dague 2017; Maestas et al. 2014; Soni et al. 2017; Anand et al. 2018; Schmidt et al. 2020).
Americans with Disabilities Act of 1990	Prohibits disability discrimination in employment (Title I), state/local government services (Title II), public accommodations, and more. It requires employers and institutions to provide reasonable accommodations.	People with mental or physical impairments that substantially limit one or more major life activities, including work and education	Early studies found the act reduced employment of people with disabilities, presumably through disincentives for employers to hire people with disabilities because of accommodation costs (DeLeire 2003). A 2007 report found mixed effects on employment: increases in hiring rates for individuals with non-severe or non-salient

Legislation ¹	Description	Relevant population	Evidence
			disabilities, but less clear or neutral effects on those with more severe or work-limiting disabilities (National Council on Disability 2007). Later studies refute these findings, providing evidence they are confounded with employment trends preceding and economic conditions surrounding ADA enactment (Harris 2010).
Assistive Technology Act of 1988	Provides federal funding to state programs offering assistive technology services—loans, assessments, training, device reutilization, and financing.	People with disabilities who need assistive technology to participate in education, employment, or independent living	
Fair Labor Standards Act of 1938	Establishes minimum wage, overtime pay, recordkeeping, and child labor standards affecting full- and part-time workers. Section 14(c) authorizes employers with a certificate from the U.S. Department of Labor to pay subminimum wages to workers with disabilities.	All full- and part-time workers; Section 14(c) provisions apply to people with significant disabilities whose productivity is less than minimum wage	See Section 14(c) certificate program in Table 2.
Individuals with Disabilities Education Act of 1975	Guarantees free and appropriate public education for children with disabilities, and ensures that special education and related services are provided to these children through age 21. It requires schools to provide transition services to facilitate a student's move from high school to postsecondary education, vocational training, employment, and independent living.	Children and youth (generally ages 3–21) with disabilities enrolled in public schools	During the 2022–2023 school year, 7.5 million students were served under IDEA (National Center for Education Statistics 2024).
Javits-Wagner-O'Day Act of 1971	Mandates federal agencies to purchase specified supplies and services from nonprofit agencies that employ people with disabilities. At least 75 percent of direct labor on such contracts must be performed by people with disabilities. Establishes the U.S. AbilityOne Commission to oversee the AbilityOne program.	People with significant disabilities working or seeking work on federal AbilityOne contracts	See AbilityOne program in Table 2.
Rehabilitation Act of 1973	Prohibits discrimination against people with disabilities; requires affirmative action to promote their employment opportunities;	People with disabilities who interact with federal agencies, work for the federal government, or engage with organizations	See relevant programs (centers for independent living and VR) in Tables 3 and 4.

Legislation ¹	Description	Relevant population	Evidence
	establishes accessibility standards for facilities, technology, and transportation; and funds state VR programs and centers for independent living. Section 504 provides the foundation for educational access via accommodations in K–12 and postsecondary settings.	receiving federal funding (including students at schools receiving federal funding)	
Social Security Act of 1935	Establishes the OASDI, SSI, Medicare, and Medicaid programs. Section 1115 authorizes experimental (1115 waiver) programs to test deviations from standard Medicaid rules to achieve specific objectives, including approaches that support the employment of people with disabilities.	Children and adults with disabilities, aged individuals, and their survivors and dependents; people with low income	See relevant programs (SSI, SSDI, Medicare, and Medicaid) in Table 2.
Ticket to Work and Work Incentives Improvement Act of 1999	Establishes the TTW and Self Sufficiency, WIPA, and PABSS programs; adds provisions to help employed SSI and SSDI beneficiaries connect with employment services and supports, and keep benefits and healthcare coverage while working.	SSI and SSDI beneficiaries ages 18–64 who are working or interested in work	See relevant programs (TTW, WIPA, PABSS) in Table 2.
Workforce Innovation and Opportunity Act of 2014	Reauthorizes and reforms federal workforce development, including amendments to the Rehabilitation Act’s VR program (Title IV); mandates pre-ETS and prioritizes services for people with barriers to employment; adds the requirement that people working under 14c certificates receive career counseling and information that enables them to explore competitive employment every six months.	Youth and adults accessing state workforce programs; people with disabilities using pre-ETS and VR services; people employed under 14(c) certificates	See relevant programs in Table 2 (VR, WIOA’s adult and dislocated worker programs).

¹Dates shown are the original dates the legislation was enacted; most of the acts have been amended over time.

ABLE = Achieving a Better Life Experience; ACA = Affordable Care Act; ADA = Americans with Disabilities Act; FPL = federal poverty level; IDEA = Individuals with Disability Education Act; OASDI = Old Age, Survivors, and Disability Insurance; PABSS = Protection and Advocacy for Beneficiaries of Social Security; pre-ETS = pre-employment transition services; SSDI = Social Security Disability Insurance; SSI = Supplemental Security Income; TTW = Ticket to Work; VR = vocational rehabilitation; WIOA = Workforce Innovation and Opportunity Act; WIPA = Work Incentives Planning and Assistance.

Table 2. Income support

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
Administration for Children and Families					
Temporary Assistance for Needy Families	Provides federal block grant funding to states to help low-income families with children achieve economic security and stability through income supports (Congressional Research Service 2025).	Families that have dependent children and meet income and asset limits; people with disabilities may be eligible beyond the 60-month lifetime limit	Cash assistance and employment services and supports, including resume building, job search training and assistance, vocational education or skills training, child care for time spent working or on work-related activities, and transportation assistance	Supports employment by meeting basic needs through employment services and supports, and potentially through work requirements, which differ by state for people with disabilities Loss of benefits after exceeding income or asset limits may discourage employment	In FY 2023, 497,500 adults and 1.5 million children received TANF cash assistance. In an average month, 22.2 percent of TANF adult recipients were employed (U.S. Office of Family Assistance 2024). About 1 percent of SSDI beneficiaries, 3 percent of SSI recipients, and 4 percent of concurrent SSI/SSDI beneficiaries received TANF benefits in 2009 (Houtenville and Brucker 2014).
Department of Agriculture					
Supplemental Nutrition Assistance Program	Provides benefits redeemable for eligible foods at participating retailers	Households that meet income and asset limits (higher for people with disabilities); some postsecondary students with disabilities	Monthly food assistance; employment and training services	Supports employment by meeting basic needs and potentially through work requirements, which may differ for people with disabilities Loss of benefits after exceeding income or asset limits may discourage employment	People with disabilities made up 9.7 percent of all SNAP participants in FY2019 (Congressional Research Service 2024b). Around 21 percent of SSDI beneficiaries, 42 percent of SSI recipients, and 47 percent of concurrent SSI/SSDI beneficiaries received SNAP benefits in 2009 (Houtenville and Brucker 2014).
Department of Labor					
Unemployment Insurance	Provides temporary financial assistance to	Unemployed people who lost their jobs through no fault of	Temporary income support while unemployed and seeking work; benefit	Supports longer job search to obtain better quality jobs but creates a disincentive for	In 2024, about 7.5 million workers received UI benefits. Benefits allow unemployed

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
	unemployed workers while they seek work	their own; specific eligibility varies by state	amounts and duration vary by state	employment in the short term	workers to maintain consumption during job search. UI increases the duration of unemployment, but the evidence is mixed regarding impacts on job quality (Moffitt and Ko 2024).
Department of Veterans Affairs					
Veteran Disability Compensation	Monthly cash payment to veterans who have service-connected disabilities	Veterans with a current illness/injury, have served on active duty, active duty for training, or inactive duty training, with a service-connected disability affecting earning capacity (Congressional Research Service 2022).	Monthly tax-free cash benefit that increases with severity of the disability and loss of earning capacity; may receive additional compensation for certain disabilities or situations	Encourages work by supporting basic needs and because compensation remains the same, regardless of earnings, unless the veteran is paid at the 100 percent disability rating, also known as the Total Disability Based on Individual Unemployability (TDIU) rating; only TDIU-qualifying veterans have income limits for eligibility	
Veteran's Pension	A needs-based monthly tax-free monetary benefit payable to low-income, older or disabled, wartime veterans	Older or permanently disabled veterans who completed military service and meet income and asset limits; disability must be nonservice connected (Congressional Research Service 2024a).	Monthly tax-free cash benefit for veterans; those who are housebound or require the aid and attendance of another person may be eligible to receive additional monetary amounts	Loss of benefits after exceeding income or asset limits may discourage employment; most earned income counts against eligibility and benefit amounts, which terminate after net worth exceeds \$155,356 as of 2024 (Moreno 2024)	
Internal Revenue Service					
Achieving A Better Life	Tax-advantaged savings accounts for	People with disabilities who experienced	Tax-advantaged savings; funds and distributions are	Encourages employment and self-sufficiency by	In March 2025, there were about 195,000 ABLE accounts

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
Experience (ABLE) Accounts	eligible individuals with disabilities; funds saved in these accounts can be used to pay for a range of disability expenses, including healthcare, education, housing, transportation, and training	disability onset before age 26 (age 46 starting January 1, 2026)	exempt from eligibility determinations for most means-tested programs (including SSI [up to \$100,000] and Medicaid)	allowing people with disabilities to save earned or other income without affecting eligibility for means-tested programs	with an average balance of about \$12,000 (ABLE National Resource Center 2025). Participation by SSI recipients is uncommon—less than 1 percent (SSA Office of Inspector General 2021)—likely due to people having limited resources for savings.
Social Security Administration					
Social Security Disability Insurance	Provides cash benefits for qualifying people with disabilities	Workers are eligible for SSDI if SSA determines they can no longer do substantial work because of a medical condition expected to last at least 12 months or result in death.	Beneficiaries receive a monthly cash benefit based on their work history (lifetime earnings and payroll tax contributions). SSDI beneficiaries are eligible for Medicare after a 24-month waiting period after they begin receiving SSDI benefits. SSDI beneficiaries are eligible for employment services and supports through the TTW program, WIPA projects, and PABSS agencies (see below).	Encourages employment through several work incentives: beneficiaries have a nine-month trial work period in which they can earn any amount without reducing cash benefits. After the trial work period, for a 36-month extended period of eligibility, beneficiaries do not receive benefits if earnings are above SGA but SSA fully reinstates benefits if earnings fall below it. After the 36-month period, SSA terminates benefits if earnings exceed SGA. Within 60 months of termination, beneficiaries can request expedited reinstatement of benefits without a new disability application. SSA excludes impairment-related work expenses from	SSDI program rules potentially discourage beneficiaries from working (Ruh and Staubli 2019; Gelber et al. 2017; Maestas et al. 2013; Weathers and Hemmeter 2011; Schimmel et al. 2011). A longitudinal study found that over a decade, 6.5 percent of SSDI beneficiaries worked enough to have their benefits suspended for at least one month and 3.7 percent had their benefits terminated for work (Liu and Stapleton 2011). Through the Promoting Opportunity Demonstration (POD) and the Benefit Offset Demonstration (BOND), SSA tested replacing the “cash cliff” with a gradual phase-out, reducing benefits by \$1

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
				<p>countable income when determining eligibility and benefits.</p> <p>Beneficiaries retain Medicare coverage during the trial work period and for 93 additional months.</p> <p>Discourages beneficiaries from increasing earnings because beneficiaries lose cash benefits if they earn above SGA over time.</p>	<p>for every \$2 earned. However, these demonstrations did not increase average earnings among beneficiaries and instead raised program costs by about \$334 per participant annually in POD (Wittenburg et al. 2022) to \$1,158 in BOND (Gubits et al. 2018).</p>
Supplemental Security Income	Provides monthly cash payments to help people with disabilities meet basic needs, such as food, clothing, and shelter	People are eligible for SSI if SSA determines they can no longer do substantial work because of a medical condition expected to last at least 12 months or result in death. Individuals cannot have countable resources greater than \$2,000.	<p>Recipients receive a monthly cash payment; the maximum monthly SSI payment is \$967 for an individual in 2025. Some states supplement this amount.</p> <p>In most states, SSI eligibility also grants eligibility for Medicaid.</p> <p>SSI beneficiaries are eligible for employment services and supports through the TTW program, WIPA projects, and PABSS agencies (see below).</p>	<p>Encourages employment through several work incentives. The earned income exclusion allows recipients to earn up to \$85 and keep their full benefit; for earnings above that amount; SSI payments are reduced by only \$1 for every \$2 earned. The student earned income exclusion allows up to \$2,290 per month (up to \$9,230 annually in 2025) to be disregarded. Through a Plan to Achieve Self-Support, recipients can set aside income or resources for work goals without affecting SSI eligibility. Blind Work Expenses further allow blind recipients to deduct the cost of work-related items and services from their earnings.</p>	<p>About 3 percent of SSI recipients worked in December 2023 (Social Security Administration, 2023).</p>

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
				Under Section 1619(b), individuals whose earnings make them ineligible for SSI cash benefits maintain Medicaid eligibility if they still meet disability criteria and remain below their state's income threshold. Discourages recipients from increasing earnings because benefits decrease and then terminate; the program's low income and asset limits are not tied to inflation.	
Other					
Workers' Compensation	Provides lost wages, medical expenses, and some employment services to employees with a work-related injury or illness	Employees with a work-related injury or illness; required in most states, but not all	Insurance covers medical expenses, lost wages, rehabilitation costs, disability and death benefits	Supports work by maintaining connection to employer and providing income replacement during recovery, which may delay or prevent application for SSDI	WC payments offset SSDI payments in most states; the combination of the two benefits cannot exceed 80 percent of a worker's prior earnings (Burton and Guo 2016). However, in 15 reverse-offset states, WC is offset by SSDI. Although there is evidence that reductions in WC benefits or restricting program rules can increase applications to SSDI, the effects are likely modest (Guo and Burton 2012).
State long-term disability programs (e.g., California)	Provides wage replacement to employees unable to work and short-term disability benefits that	Have a non-work-related illness or injury, need to take Paid Family Leave, or are pregnant	California's program pays 70–90 percent of lost wages for up to a year in cases of illness/injury (DB101 California, n.d.)		

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
	can transition to long-term benefits under certain conditions				
Private disability programs offered by employers	Income replacement for injuries or illnesses unrelated to work	Employees with illness and injuries related or unrelated to work and whose employers offer such a program	Cover roughly 60 percent of gross income. Short-term disability benefits typically last for 3-6 months; long-term disability benefits begin after short-term disability ends; duration varies.	Supports employment by helping to meet basic needs while maintaining connection with employer	Access to short-term disability insurance among workers with severe disabilities increases their employment and decreases their applications for SSDI, however, it may push workers with less severe disabilities toward early retirement (Liu et al. 2023).

ABLE = Achieving a Better Life Experience; CIL = Center for Independent Living; DOL = U.S. Department of Labor; FY = fiscal year; GED = General Education Development; IEP = Individualized Education Program; PABSS = Protection and Advocacy for Beneficiaries of Social Security; pre-ETS = pre-employment transition services; PY = program year; SGA = substantial gainful activity; SNAP = Supplemental Nutrition Assistance Program; SSA = Social Security Administration; SSDI = Social Security Disability Insurance; SSI = Supplemental Security Income; TANF = Temporary Assistance for Needy Families; TTW = Ticket to Work; UI = unemployment insurance; VR = vocational rehabilitation; WIOA = Workforce Innovation and Opportunity Act; WIPA = Work Incentives Planning and Assistance.

Table 3. Healthcare and independent living

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
Administration for Community Living					
Centers for Independent Living	Provides services to people with disabilities to help them live in the community	People with disabilities (self-identified) who live in the CIL’s service area	Some CILs provide employment services and supports to adults, and some provide pre-employment transition services to youth with disabilities	Supports employment by facilitating independent living in the community and through pre-employment and employment services	In 2021, CILs served more than 200,000 people with disabilities (Administration for Community Living 2024). CILs can apply to operate as Employment Networks or Work Incentives Planning Assistance providers under SSA’s TTW program.
Centers for Medicare & Medicaid Services					
Medicaid	Provides health insurance covering healthcare services; joint federal and state funding	Adults who are pregnant or have dependent children and meet income and asset limits; children whose families meet income and asset limits (with some exceptions, including the Katie Beckett pathway); some people with disabilities (receiving SSI or included in state-specific categories)	Health insurance coverage for services, including preventive care, mental healthcare, other inpatient and outpatient care, home health, transportation to medical care; additional benefits vary by state. In some states, waivers (under Section 1915(c)) or Section 1115) cover home and community-based services that help people with disabilities to live independently in the community instead of in institutional settings. In some states, working-age beneficiaries can receive job coaching, placement, and	Supports employment by covering medical, personal assistance, and other services needed to maintain health; and when applicable, through supporting independent living in the community and supported employment services Loss of benefits after exceeding income or asset limits may discourage employment	Mixed effects of Medicaid on employment and SSI program participation (see the Affordable Care Act, Table 1). More than one third of people with disabilities had health coverage through Medicaid in 2023 (Kaiser Family Foundation 2025a). Medicaid-supported employment recipients show measurable integration in competitive employment. Fewer than 1 percent of working-age beneficiaries received supported employment services in 2019 (Office of Behavioral Health,

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
			ongoing support through supported employment.		Disability, and Aging Policy 2024).
Medicaid Buy-In programs	Offers Medicaid health insurance coverage to workers with disabilities whose income and assets exceed standard Medicaid limits; joint federal and state funding	Working adults with disabilities who currently or previously received SSI or SSDI who meet income and asset limits; varies by state	Access to Medicaid health insurance coverage by paying a monthly premium (See also "Medicaid" above)	Supports employment by allowing workers with disabilities to increase their earnings and maintain Medicaid coverage Loss of benefits after exceeding income or asset limits may discourage employment	A review of studies about the Medicaid Buy-In program found that enrollees had greater earnings, worked more hours, and contributed more in taxes than people with disabilities who did not enroll (Gavin et al. 2011). One study found that the Medicaid Buy-in increased employment in states that rewarded work, and did not affect income (McInerney 2013). (See also "Medicaid" above.)
Medicare	Provides health insurance covering healthcare services for older adults and some people with disabilities	Adults ages 65 and older; adults younger than 65 after two years of SSDI or with certain disabilities	Parts A–D cover hospital care, doctor visits, preventive care, prescription drugs	Supports employment by covering medical care needed to maintain health	SSA's Accelerated Benefits Demonstration tested the impacts of providing health insurance to new SSDI beneficiaries during the program's 24-month Medicare waiting period. Though provision of health insurance reduced unmet health care needs, the intervention had only small and temporary impacts on employment and earnings (SSA n.d.[f]; Romig 2016).

Substance Abuse and Mental Health Services Administration

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
Community Mental Health Services Block Grant	Provides funding to states for prevention, early intervention, treatment and resiliency and/or recovery supports to children and youth experiencing serious emotional disturbance and adults living with a serious mental illness.	Targeted populations are adults with serious mental illnesses and children with serious emotional disturbances.	Grants fund community mental health services. Recipients must ensure that community mental health centers provide screening, outpatient treatment, emergency mental health services, and day treatment programs. Grantees receiving MHBG funds are required to form and support a state or territory mental health planning council, which ensure collaboration among key state agencies.	Supports employment through mental health services	
Other					
State Developmental Disability agencies	Coordinates, funds, and oversees services for people with developmental disabilities	People with developmental disabilities; details vary by state	Case management and service coordination; residential supports; day programs; health and therapy services; family support; employment services	Supports employment through independent living and employment services	

Table 4. Employment services

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
AbilityOne Commission					
AbilityOne Program	Creates jobs at nonprofits that contract with the federal government	People with significant disabilities	Part- and full-time employment opportunities offering wages above the federal minimum wage, fringe benefits, and job supports	Encourages employment through jobs and job supports	In FY 2023, about 37,000 people with severe disabilities held jobs under the program, with an average hourly wage of \$17.58 (U.S. AbilityOne Commission 2024). Estimates suggest the employment of people in the program contributes about \$200 million in federal tax revenue and generates savings to SSI, SSDI, Medicare, and Medicaid totaling about \$190 million annually (Farid et al. 2023).
Department of Education					
Vocational Rehabilitation Services	Help people with disabilities prepare for, find, and keep jobs	People ages 14 and older with a documented disability who need VR services to achieve and maintain employment. VR agencies with limited resources may operate under an Order of Selection, in which they prioritize services to people with significant disabilities.	Ages 14–24: Pre-ETS Adults 18+: Career counseling, assessment, training and education support, job search assistance, on-the-job training and supported employment, assistive technology and workplace accommodations, transportation assistance or modification services	Supports employment through training and job search assistance	After WIOA increased access to pre-ETS, students had higher rates of VR application, engagement in VR services (e.g., IEP completion), and subsequent earnings (Musse et al. 2024). Some state VR agencies operate as Employment Networks or receive cost reimbursement for providing services under SSA’s TTW program. Some evidence that VR increases employment and earning but not enough to reduce SSA disability benefits (GAO 2007).
Department of Labor					
WIOA core programs					

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
Adult (Title I)	Employment services offered through American Job Centers to help adults find jobs	All adults are eligible, but individualized services are prioritized to people receiving public assistance, deficient in basic skills, or with low income	Career services, including labor exchange services, job search assistance, workforce information, referrals to employment, and other assistance	Supports employment through training and job search assistance	In PY2023, the programs served 279,000 adults and 185,000 dislocated workers. Among exiters who reported their disability status, 11 percent identified as having a disability. Overall employment rates in the second quarter after exit were just over 70 percent and median quarterly earnings were about \$9,000 (Social Policy Research Associates 2025). An experimental study found positive impacts on training receipt and some employment and earnings outcomes (Fortson et al. 2017). Some American Job Centers operate as Employment Networks under SSA’s TTW program; their effectiveness will be assessed by SSA’s ongoing TTW program evaluation.
Dislocated Worker (Title I)	Employment services offered through American Job Centers to help dislocated workers get back to work quickly and overcome barriers to employment	Workers who have been terminated or laid off, are eligible for or have exhausted unemployment benefits, or are unlikely to return to their previous industry or occupation			
Youth (Title I)	Services offered through American Job Centers to help youth acquire the education, skills, training, and support needed to achieve academic and employment success, and successfully transition into careers	Low-income youth ages 14–24 (with a focus on out-of-school youth) with barriers to employment	Academic support, vocational training, job search assistance, and leadership development		
Adult Education and Family Literacy (Title II)	Grants to states to equip adults with the literacy and skills	Varies by state but generally people age 16 and older not enrolled in	Services to improve English language proficiency and literacy	Improves employment and self-sufficiency prospects	In PY2023, the program served 1.29 million people, of which 4 percent had a disability as an

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
	needed for employment, economic self-sufficiency	high school who function below the level of a high school graduate or are unable to speak, read, or write in English		through development of basic literacy and communication skills	employment barrier. Among exiters with disabilities, 34 percent were employed during the second quarter after exit, with median quarterly earnings of about \$4,000. About 34 percent obtained a credential and 46 percent experienced a measurable skills gain (U.S. Department of Education n.d.).
Wagner-Peyser Employment Service (Title III)	Employment services offered through American Job Centers to help job seekers find employment	All job seekers; veterans receive priority	Self-service and staff-assisted job search and placement (including counseling, testing, and referrals), labor market information, and specialized services for groups with special needs (e.g., UI claimants, migrant farmworkers)	Supports employment through job search assistance	In PY 2023, the program served 2.45 million job seekers. Among exiters who reported their disability status, 6 percent identified as having a disability. The overall employment rate was 68 percent by the second quarter after exit, and median quarterly earnings were about \$8,000 (Social Policy Research 2025). An evaluation of the program is underway (DOL 2024).
Other programs^a					
14(c) Subminimum Wage Certificate	Certificates allow employers to pay individuals a wage below the federal minimum under specific conditions; employers must pay wages that are commensurate with the worker's productivity	Workers with a disability whose productive capacity for the work they are performing is impaired by a physical or mental disability	Employment opportunities for people who historically have difficulty finding competitive integrated employment	Supports employment by offering jobs, but at low wages; also intended to prevent job loss after disability onset	Participants are predominantly people with intellectual and developmental disabilities. In 2019, 122,000 people worked under 14(c) certificates, earning an average of \$4.15 per hour; only about 2 percent of workers transitioned to competitive, integrated jobs (GAO 2023).

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
Job Corps	Education and job training program offered primarily in a residential setting to help young people gain education, skills, and experience to succeed in the labor force; the program is in the process of being phased out	People ages 16–24 with low income and needing services to address barriers to education and employment; the maximum age limit may be waived for people with disabilities	Vocational training and credentials; academic support to obtain high school diploma/GED; English language instruction; career counseling; and residential services, including housing, meals, healthcare, and transportation	Supports employment through education, experience, and skills development	Causal evidence exists of positive impacts on schooling, GED attainment, and earnings three to four years after random assignment (Schochet et al. 2001); increased earnings and reduced disability benefits among youth with disabilities four years after random assignment (Hock et al. 2021); and positive impacts on earnings and reduced SSDI benefits 20 years after random assignment among those who were ages 20–24 at entry (no 20-year impacts among those who were ages 16–19 at entry) (Schochet 2018).
Jobs for Veterans State Grants	Formula grants to states to support programs that provide employment services to veterans; the Disability Veteran Outreach Program is a component of the program	Disabled and other veterans facing economic or educational disadvantages, homelessness, or other barriers to employment	Career assessments, employment plans, career guidance, referrals to supportive services and training, and connections to job openings	Supports employment through career counseling, training, and job search and placement assistance	In PY2023, the program served 44,000 people, of which about 60 percent were people with disabilities. Among exiters with disabilities, 56 percent were employed in the second quarter after exit, with median earnings of about \$9,700 (DOL 2025).
Reemployment Services and Eligibility Assessment	Provides employment services to help UI beneficiaries find jobs	UI beneficiaries; participation is mandatory in many states	Skill assessments, help with reemployment plans, career information, and access to American Job Center job search and training resources		Causal evidence exists of reduced UI duration and increased employment and earnings (DOL 2011).

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
Registered Apprenticeships	Employer-sponsored paid apprenticeship opportunities for workers to obtain skills for higher-paying jobs; apprenticeships registered with DOL must meet specific standards	Adults 16 and older; specific programs may have education, physical capability, aptitude, and experience requirements	On-the-job and classroom instruction, mentorship, and credentialing	Supports employment through training, experience, and job placement	Studies have demonstrated the positive impacts of registered apprenticeships on employment and earnings (Butrica et al. 2023; Gallup 2023). In 2021, 1.5 percent of participants who reported their disability status identified as having a disability (Goodman et al. 2022).
Senior Community Service Employment Program	Grants supporting community service and work-based job training programs that provide training to low-income, unemployed seniors	People age 55 and over who are unemployed with family income less than 125 percent of the federal poverty level; priority is given to groups with poor employment prospects, including people with disabilities	Paid community service training, skill development, and job search and placement assistance		The program serves about 50,000 participants each year. In 2019, 38 percent of exiters were employed in the second quarter after exit, with median quarterly earnings of about \$3,100 (Halverson et al. 2022).
YouthBuild	Grants supporting pre-apprenticeship programs offering job training and educational services for opportunity youth	Youth ages 16–24; primarily high school dropouts with low income or specific education and employment barriers	Education, leadership development, vocational training (primarily in construction trades), and support services	Supports employment through education, experience, and skills development	Program serves about 5,000 youth annually through 200 programs (DOL 2023); positive four-year impacts on school enrollment, high school graduation, and employment (Miller et al. 2018).

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
Department of Veterans Affairs					
Veteran Readiness and Employment	Provides job training and other employment-related services to veterans with service-connected disabilities	Veterans discharged under conditions other than dishonorable and found to have a service-connected disability affecting earning capacity (Congressional Research Service 2021).	Career counseling, job search assistance, funding for higher education, subsistence allowance while enrolled in an education or training program	Supports employment through counseling, job search assistance, support for education; employed veterans are still eligible for services	In 2024, rehabilitated veterans saw higher rates of employment than the wider U.S. population (73 percent versus 60 percent). They also earned higher incomes (an average of \$23,000 more) compared with veterans who discontinued the program (U.S. Department of Veterans Affairs 2024).
Internal Revenue Service					
Work Opportunity Tax Credit	Federal tax credit available to employers for hiring and employing individuals from certain groups that face barriers to employment	Includes qualified veterans with a service-connected disability and people with disabilities referred from VR agencies	Employers receive a tax credit calculated as a percentage of qualified wages paid to an eligible worker during the worker's first year of employment, up to a statutory maximum (Congressional Research Service 2018).	Encourages employers to hire people with certain characteristics by subsidizing a portion of the qualified worker's wage	There is evidence the program increased the employment rate of disabled veterans by 2 percent in 2008 (Heaton 2012).
Substance Abuse and Mental Health Services Administration					
Community Mental Health Services Block Grant	Provides funding to states for prevention, early intervention, treatment and resiliency and/or recovery supports to children and youth experiencing serious emotional disturbance and adults living with a serious mental illness.	Targeted populations are adults with serious mental illnesses and children with serious emotional disturbances.	Grants fund community mental health services. Recipients must ensure that community mental health centers provide screening, outpatient treatment, emergency mental health services, and day treatment programs. Grantees receiving MHBG funds are required to form and support a state or territory	Supports employment through mental health services	

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
			mental health planning council, which ensure collaboration among key state agencies.		
Social Security Administration					
Ticket to Work and Self-Sufficiency Program	Provides free employment services and supports to SSI and SSDI beneficiaries in support of finding and maintaining work	Adults ages 18–64 who receive SSDI and/or SSI benefits because of a disability	Employment networks and state VR agencies offer employment-related services at no cost to Ticketholders, including benefits counseling, career counseling, job training and job search services, and ongoing employment support.	Supports employment through information, career planning, training and job search assistance, and other support Providers receive payments if the beneficiary earns above specified monthly amounts.	In July 2025, Tickets assigned or in use represented 2.5 percent of all TTW-eligible SSI and SSDI beneficiaries (Social Security Administration 2025). A 2013 evaluation suggests that TTW increased beneficiary enrollment in employment services, but the evaluation did not detect impacts of the program on employment, earnings, or benefits (possibly due to limitations of the quasi-experimental design). The evaluation also found that, although a large share of beneficiaries expressed interest in employment, beneficiary awareness of the TTW program was low. (Livermore et al. 2013) A more recent benefit-cost analysis found that the TTW program improved employment outcomes but did not generate enough savings in SSI and SSDI benefit payments to offset program costs (O’Leary and Roessel 2023).

Program/agency	Description	Eligible population	Services and benefits	Employment incentives and disincentives	Evidence
Work Incentives Planning and Assistance Program	Helps disability beneficiaries understand how earnings affect their benefits so they can make informed decisions about work	Receives SSDI and/or SSI benefits because of a disability, ages 14–64	Information, benefits counseling, and referrals to other resources based on their identification of beneficiary needs	May support work by helping people understand work incentives and reduce hesitation once they understand how work will affect earnings; the same types of information may discourage work	During a six-month period spanning 2009 and 2010, WIPA projects served nearly 40,000 SSI and SSDI beneficiaries. WIPA projects prioritized serving beneficiaries who are working or actively seeking employment (Harris et al. 2010).
Protection and Advocacy for Beneficiaries of Social Security	Funds state Protection and Advocacy agencies to provide services that help remove barriers to employment for SSI and SSDI beneficiaries	Receives SSDI and/or SSI because of disability, has a barrier to employment, and is under age 65	Legal support, advocacy and education related to employment rights, work accommodations, wages, access to employment services; information on employment services	Supports work by removing barriers to employment	

^a The list of employment programs under the purview of DOL is not exhaustive. Additional grants to states focus on services to Native Americans, formerly incarcerated individuals, farm workers, and others.

ABLE = Achieving a Better Life Experience; CIL = Center for Independent Living; DOL = U.S. Department of Labor; FY = fiscal year; GED = General Education Development; IEP = Individualized Education Program; PABSS = Protection and Advocacy for Beneficiaries of Social Security; pre-ETS = pre-employment transition services; PY = program year; SGA = substantial gainful activity; SNAP = Supplemental Nutrition Assistance Program; SSA = Social Security Administration; SSDI = Social Security Disability Insurance; SSI = Supplemental Security Income; TANF = Temporary Assistance for Needy Families; TTW = Ticket to Work; UI = unemployment insurance; VR = vocational rehabilitation; WIOA = Workforce Innovation and Opportunity Act; WIPA = Work Incentives Planning and Assistance.

Table 5. Ongoing demonstrations

Demonstration name	Description	Population served (eligibility)	Services/program benefit	Employment incentives and disincentives	Relevant federal agency
Promoting Work through Early Intervention Project Includes two evaluations: Building Evidence on Employment Strategies Next Generation of Enhanced Employment Strategies	Provides employment services to people with disabilities who lack work history and have low incomes to help them find and maintain competitive integrated employment and reduce their need for future SSI benefits	Varies by program; all programs serve people with current or potential disabilities who have limited or no work history, have low incomes, and have not applied for SSI	Employment services vary by studied program; some provide Individual Placement and Support services or comprehensive employment services to adults; another provides job readiness instruction, placement, and job retention services to young adults	Supports employment through services to help people find and maintain competitive integrated employment	SSA, ACF Final report expected in FY 2026
Advancing State Policy Integration for Recovery and Employment (ASPIRE)	Assists states in aligning between state mental health, vocational rehabilitation, workforce, education, and medical programs to increase competitive integrated employment for people with mental health conditions	Directly serves state agencies; population of interest is people with mental health conditions	Support and policy consultation for state agencies from subject matter experts	Supports employment by encouraging the use of evidence-based practices and coordination between state agencies serving people with mental health conditions	DOL
Retaining Employment and Talent after Injury/Illness Network (RETAIN)	Randomized controlled trial of early intervention services for workers with recently acquired injuries and disabilities to help them remain in the labor force and reduce their need for future SSDI benefits	Working-age adults who have injuries or illnesses that impact employment and have not applied for SSDI; eligibility varies by state; state agencies are implementing RETAIN in Kansas, Kentucky, Minnesota, Ohio, and Vermont	Coordinates return to work between medical providers and employers; employment services (including job retention, job training, and job search); medical provider training	Supports employment through coordination of return to work; employment services; and education to medical providers	DOL, SSA Final report expected in FY 2026

Demonstration name	Description	Population served (eligibility)	Services/program benefit	Employment incentives and disincentives	Relevant federal agency
Disability Innovation Fund Grants	Funds innovative activities aimed at improving outcomes for individuals with disabilities	Varies by year; includes children, transition-age youth, and adults with disabilities	Varies by year	Varies by year; supports employment through direct employment services, wraparound services, or through partnerships between organizations that service people with disabilities	DOE
Supported employment grants	Funds programs that integrate employment supports (individualized job searching assistance) with mental health services to help individuals with co-occurring mental and substance use disorders succeed in the workplace	Adults with serious mental illness (SMI), including people with co-occurring mental and substance use disorders; eligible grant applicants are mental health authorities in all states, territories, Tribal organizations, and the District of Columbia	Varies by grant; typical examples of the supported employment model are focusing on finding competitive jobs, comprehensive mental health treatment, and personalized benefits counseling	Supports employment through individualized, employment-focused services	SAMHSA
Supportive Housing & Individual Placement and Support (SHIPS)	Randomized controlled trial of Individual Placement and Support for people who are living in supportive housing to help them increase their employment, income, health, and self-sufficiency	People who are recently homeless and living in supportive housing in the Los Angeles area	Individual Placement and Support model services, including job search, benefits counseling, and coordination between employment services and mental healthcare providers	Supports employment through supportive housing and employment services	SSA Final report expected in FY 2028
Interventional Cooperative Agreement Program	Funds cooperative agreements to implement and study interventions to increase employment and self-sufficiency of people with	Varies by award	Varies by award	Varies by award	SSA

Demonstration name	Description	Population served (eligibility)	Services/program benefit	Employment incentives and disincentives	Relevant federal agency
	disabilities or coordinate planning between agencies to improve effectiveness of the SSI and SSDI programs				

ACF = Administration for Children and Families; DOE = Department of Education; DOL = U.S. Department of Labor; FY = fiscal year; SAMHSA = Substance Abuse and Mental Health Services Administration; SSA = Social Security Administration; SSDI = Social Security Disability Insurance; SSI = Supplemental Security Income.

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