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Date: April 8, 2009 (updated graphs and text)
To: John Reiser, Cayte Anderson, and Jacqueline Wenkman
Pathways Management Team, Wisconsin Department of Health Services
From: Christopher Sell, Ellie Hartman, and Barry Delin
Subject: Preliminary Benefits Counseling and Employment Outcomes for SSDI-EP Participants

Summary: Work incentive benefits counseling is strongly associated with increases in employment outcomes for participants in the Wisconsin SSDI Employment Pilot (SSDI-EP) irrespective of random assignment to either the treatment group (those having access to the SSDI cash benefit offset) or the control group. All pilot participants had access to benefits counseling services. It appears that the magnitude of improvement in outcomes, especially earnings, is consistent with the conclusion that work incentive benefits counseling helped pilot participants improve their employment outcomes. We think it likely that this conclusion would apply to many other populations of persons with serious disabilities.

The improvement in employment outcomes was particularly strong for earnings, somewhat less for the probability of employment. Participants who had any benefits counseling posted a 23% gain in quarterly earnings between the quarter they entered the pilot and the seventh quarter thereafter. Those who did not receive any benefits counseling saw a 3% reduction in earnings. By comparison, over the same time period the employment rate increased 3 percentage points for those getting benefits counseling, but declined 4 percentage points for those who did not get benefits counseling.

Indeed, we think the data presented below suggest the receipt of benefits counseling was more strongly associated with observed employment outcomes than assignment to either the treatment or control group. The data are consistent with the hypothesis that, at least above some threshold, the amount and frequency of benefits counseling is associated with positive outcomes. Nonetheless, the most important finding may be the very strong association between benefits counseling and improved outcomes for those who did not report any work experience between the time they entered a Social Security disability program and when they enrolled in the SSDI-EP. The sub-group who received benefits counseling had an \$802 increase in mean quarterly earnings compared to a \$183 increase for those who did not get any benefits counseling through the pilot.

Our emphasis in presenting this material is on the association between receiving benefits counseling services and employment outcomes, specifically employment rates and mean earnings. Nonetheless, we provide some information about differences in outcomes related to assignment to either the treatment or control group.

Questions or comments about this material can be addressed to Christopher Sell (sellc@uwstout.edu or 608-266-5279). This material can be shared as you think appropriate. However, this material should not be cited in any publication or posted on any website without our authorization. We expect to provide a fuller discussion of the impact of benefits counseling as part of the final evaluation report.

Data Sources and Limitations: The analysis includes all participants who remained in the SSDI-EP for at least eight calendar quarters following the enrollment quarter (N=468). Due to current data availability, the data provided are for a period beginning four calendar quarters before each participant's quarter of SSDI-EP entry to the end of the seventh calendar quarter following enrollment (12 quarters total). Employment outcomes data are from Wisconsin Unemployment Insurance records

and thus excludes some jobs and the earnings associated with those positions, most frequently self-employment and positions with firms located outside Wisconsin. All monetary values have been inflation adjusted to August 2005 when the first participant enrolled. Information about the timing and amount of benefits counseling are from monthly forms completed at each SSDI-EP provider agency.

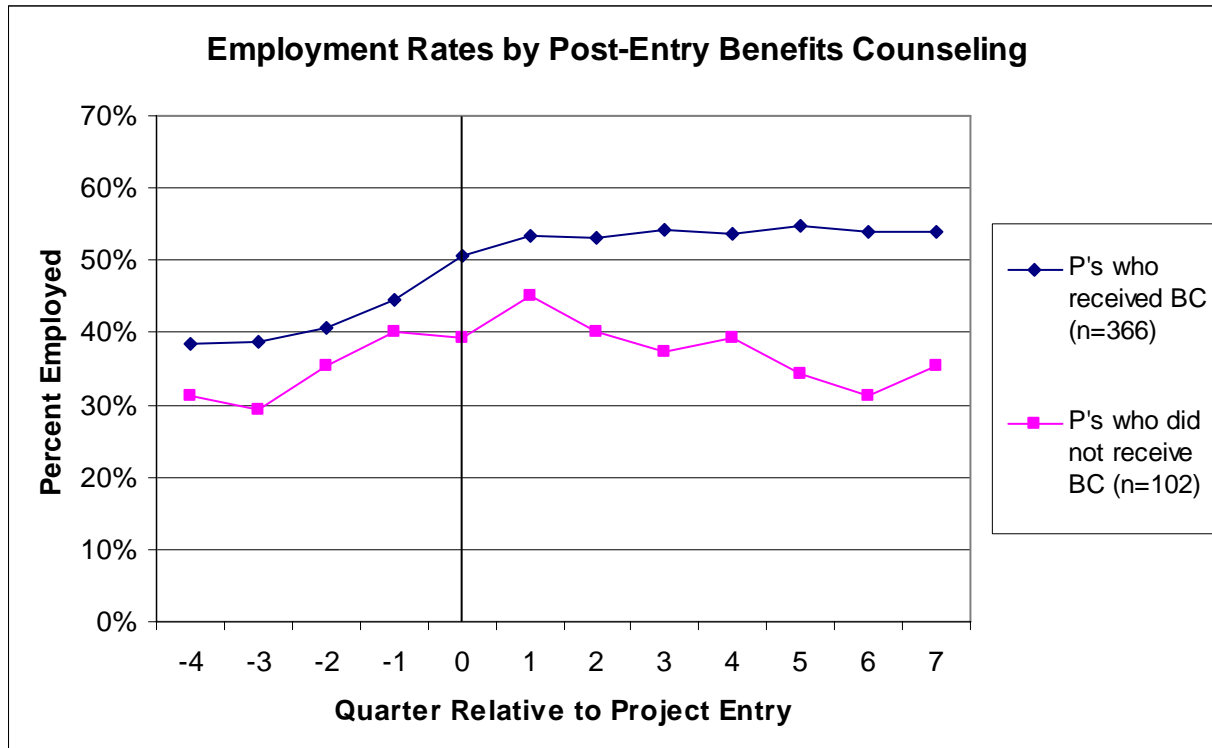
Important limitations include:

SSDI-EP participants are volunteers and are not fully representative of the working age SSDI, SSI, or Medicaid populations in Wisconsin. In particular, even before entry into the SSDI-EP, participants were far more likely to be employed and to have higher earnings than these larger populations of interest.

All data presented are strictly descriptive. We have not yet looked at how other important factors affect the impact of benefits counseling. In particular, we have not yet examined the impact that employment or changes in employment affect the amount of benefits counseling any participant received.

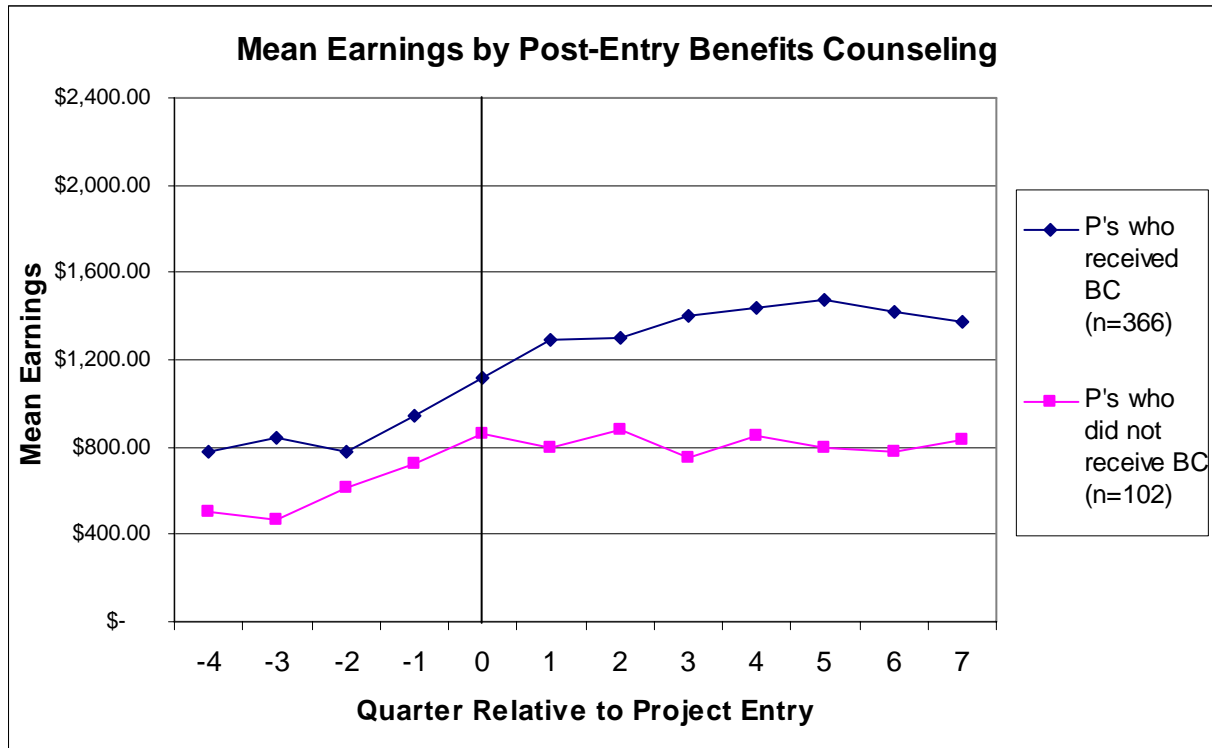
Finally, this analysis does not include any data about the receipt of benefits counseling services prior to SSDI-EP entry. We do have limited information about prior receipt, but have not yet analyzed those data.

The Graphs: We have included a brief summary and interpretation for each graph following its appearance in this document. All graphs are in “participant time,” providing information for a period of twelve calendar quarters. “Quarter zero” represents the calendar quarter in which participants entered the SSDI-EP. The first five graphs distinguish participants based on either receiving benefits counseling services during the pilot or the dosage or frequency of services. The two last graphs look at subgroups based upon service receipt and assignment to either the treatment or the control group. More of the graphs display earnings data than display employment data, reflecting the greater magnitude of the differences associated with the receipt of benefits counseling.



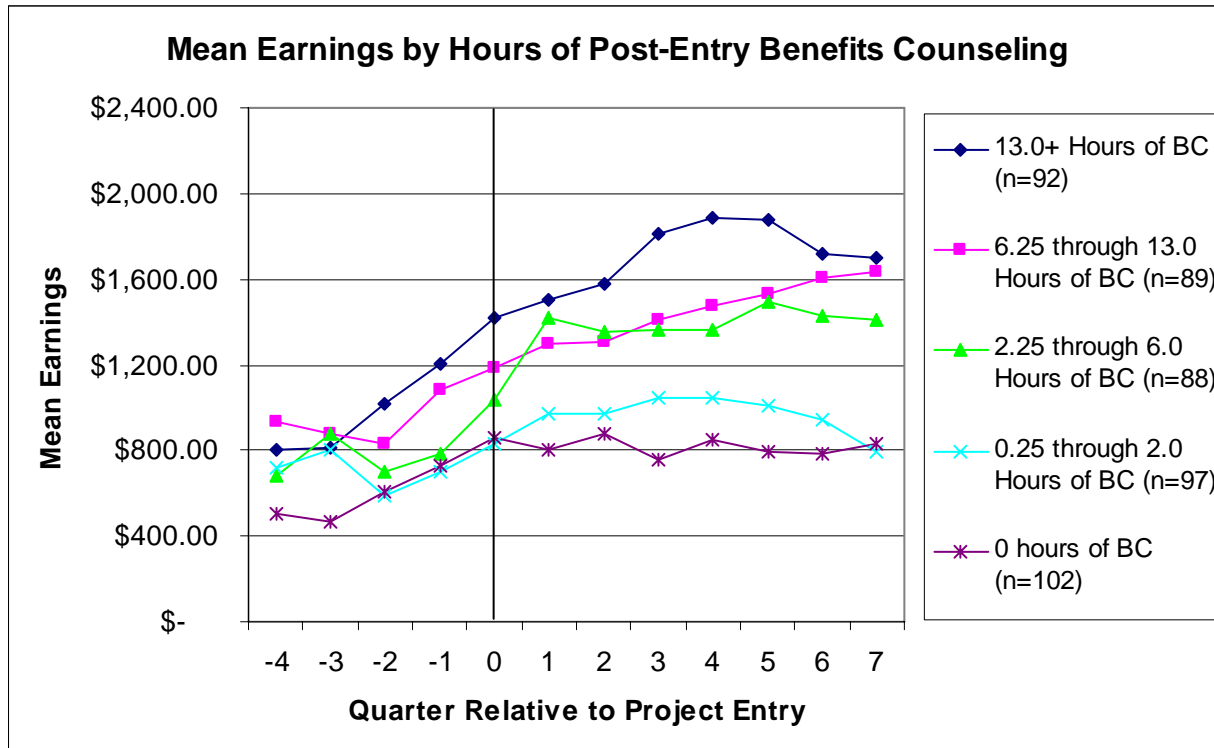
This initial graph displays somewhat different employment trends for pilot participants depending on whether a participant received any work incentive benefits counseling through the pilot following enrollment. The group of participants who received benefits counseling achieved a modest increase of 3% in their employment rate between the enrollment quarter (Q0) and the seventh post-enrollment quarter (Q7). The group that did not receive benefits counseling witnessed a 4% decline. Thus, the employment rate for the participant group that received benefits counseling gained 7% relative to those who had not.

It is also important to note the substantially higher employment rate (51%) at Q0 for those who would receive benefits counseling than the rate (39%) for those who would not. This difference suggests that those who are employed may seek out more benefits counseling and thus some of the gains associated with benefits counseling may result from factors other than benefits counseling or from an interaction among those factors and benefits counseling. For example, employed individuals may turn to benefits counseling to explore possibilities for increasing their earnings.



The second graph examines differences in mean earnings based upon whether SSDI-EP participants received work incentive benefits counseling after study entry. Readers are reminded that the mean earnings are influenced by employment rates in that the calculation treats the earnings as those without UI reported earnings in a quarter as \$0.

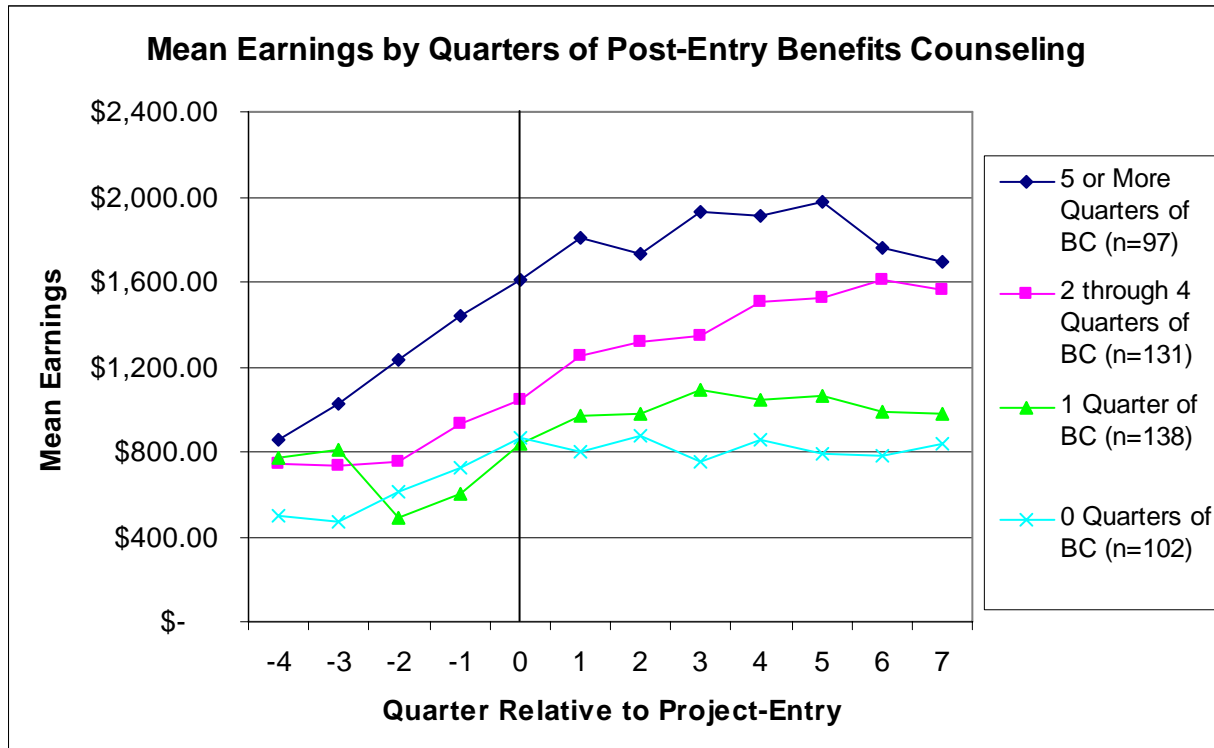
The participant group receiving any benefits counseling increased their mean quarterly earnings \$261 or 23% over the Q0 through Q7 period. The group not getting benefits counseling experienced a slight decline of \$29, a loss of 3%. Thus, the gains associated with the receipt of benefits counseling are substantially greater for earnings than employment, though this difference is somewhat exaggerated by differences in employment rates.



The third graph exhibits differences in the association between earnings and the amount of service provided. Categories were constructed to make sure that there were similar numbers of participants in each of the 5 subgroups.

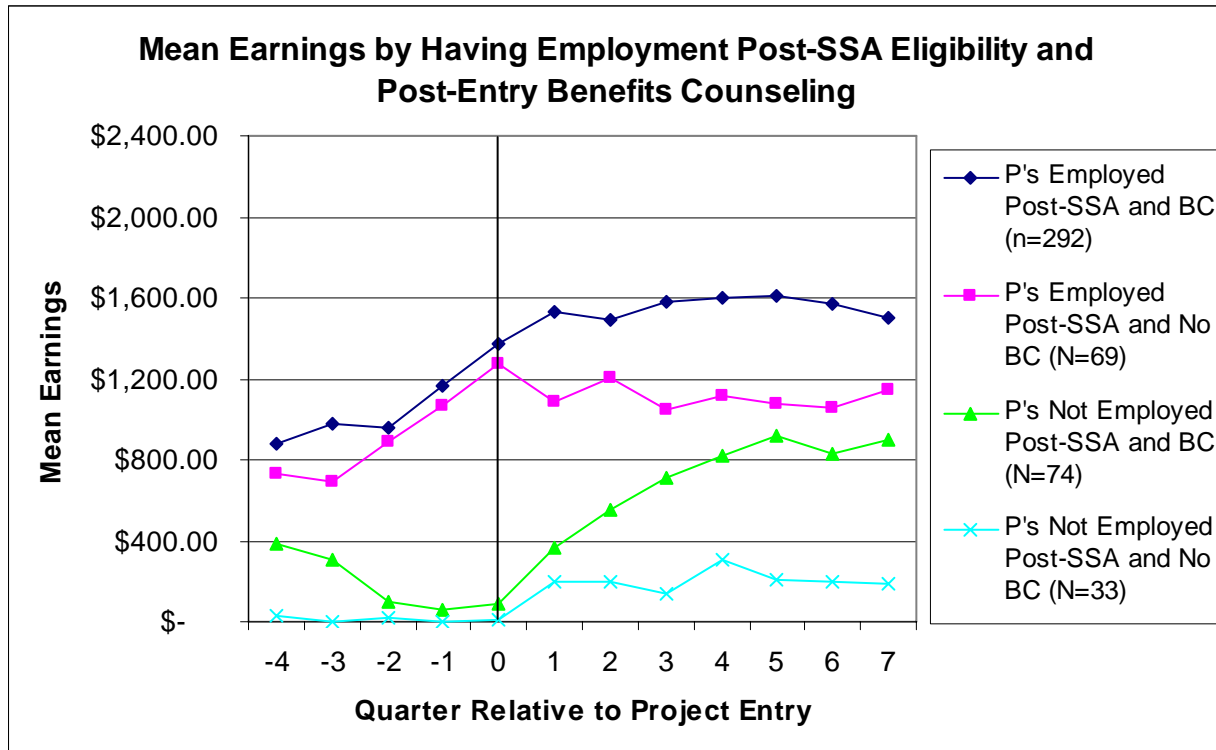
At first glance it appears there is a strong relationship between the amount of benefits counseling provided and increases in earnings during the Q0-Q7 period. However, a closer look at the data suggests that a better interpretation is that any benefits counseling greater than two hours over the Q0 through Q7 period results in an approximately similar growth in mean earnings in both absolute and percentage terms. Those provided with more than 13 hours of service averaged gains of \$287 per quarter (20%). The comparable figures for the over 6 to 13 hours and over 2 through 6 hours groups were, respectively \$450 (38%) and \$376 (36%).

By marked contrast, participants in the groups provided with two or fewer hours of benefits counseling witnessed modest losses in earnings. However, the group that received 2 hours or less benefits counseling achieved modest gains in quarterly earnings in the first quarters following their entry to the pilot.



This graph provides information about whether receiving some amount of benefits counseling during multiple time periods was associated with positive changes in mean earnings. The categories reflect the number of quarters in which participants received some benefits counseling services (i.e. more than 0 hours).

Though it is readily apparent that the higher proportion of quarters in which participants received services is associated with higher earnings, it is less clear that there is a strong connection between getting services in multiple quarters and earnings growth. The strongest growth is in the middle group, those getting benefits counseling in between 2 and 4 quarters in the Q0-Q7 period. Mean earnings for this group grew by \$516 (49%). There was somewhat less growth in the other groups who received benefits counseling. In the group getting benefits counseling in 5 or more quarters mean earnings increased \$85 (5%). Earnings growth was \$144 (17%) in the group getting services in only a single quarter. By comparison, participants who received no benefits counseling in any quarter exhibited a \$29 decline (-3%) in earnings over the Q0-Q7 period.

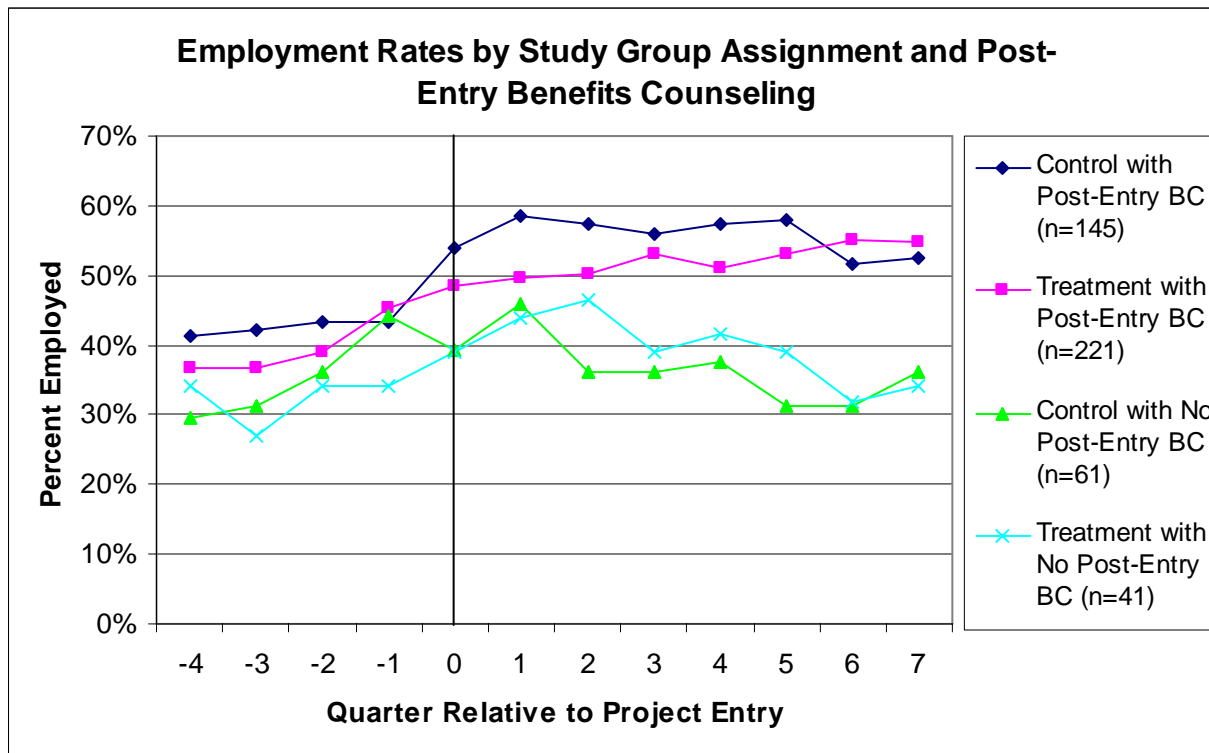


One of the best predictors of employment outcomes for SSDI beneficiaries at any time point is having been employed for at least some period following establishing eligibility for Social Security disability benefits (whether SSDI or SSI). The graph above provides information that is consistent with a claim that benefits counseling modifies this relationship in a positive way. This graph displays mean earnings over time for four groups based on whether a participant had reported any employment during the time between entering a Social Security disability program and enrolling in the SSDI-EP.

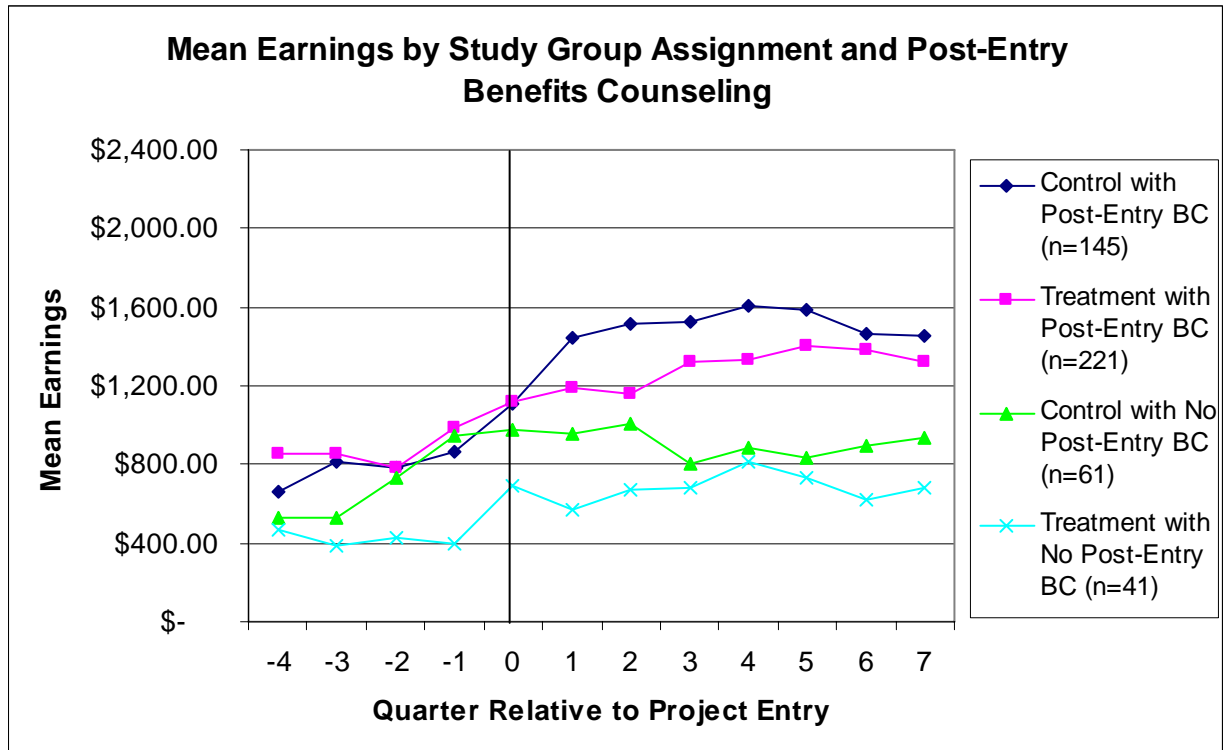
Mean earnings, as expected, were clearly higher for those who reported some employment between entering a Social Security program and the pilot. However, when one compares those who received benefits counseling with those who did not in the same employment history categories, one finds pronounced differences in earnings trends. During Q0 quarterly earnings for those who had reported any employment after entering a Social Security program and received benefits counseling during the pilot were \$102 higher than for comparable participants who did not get benefits counseling. By Q7 this difference increased to \$356 (reflecting an 9% increase in quarterly earnings for the former group, and a 10% decline for the latter group).

The differences in trends were even greater between the two groups of participants who reported no employment between obtaining Social Security disability benefits and entering the pilot. At enrollment, those who got benefits counseling during the pilot had mean quarterly earnings of \$94; those who did not receive benefits counseling had \$8. This difference of \$86 grew to \$706 by Q7. Indeed the earnings growth observed among those without employment following Social Security program entry employment who received benefits counseling is easily seen by comparing the green trend line in the graph to the other three. This finding suggests that benefits counseling may be a particularly efficacious service for increasing employment outcomes for beneficiaries without employment experience following entry to the SSDI program.

We now turn to a brief examination of employment outcomes for pilot participants based upon their assignment to either the treatment or control group. As noted earlier, all SSDI-EP participants were supposed to get equal access to benefits counseling irrespective of assignment. Equal access did not mean equal amounts of service, only that the amount of service would reflect each participant's preferences and situation irrespective of research assignment. A previous analysis established that equal access was achieved through at least the third quarter following the enrollment quarter.



This graph displays employment rate trends for groups based on study assignment and receipt of benefits counseling. The most salient finding is that by Q7 receipt of benefits counseling is far more strongly associated with the employment rate than assignment to one of the study groups. The differences within both pairs of treatment and control groupings were small (2% between both the pairs). The differences between comparable groups based on getting benefits counseling were far larger and to the advantage of those receiving the service. Within the treatment group the Q7 employment rate was 21 percentage points higher among those who received benefits counseling. Similarly, within the control group, those who received any benefits counseling had an employment rate that was 16 percentage points higher for Q7 than for those who had not received any benefits counseling.



The final graph exhibits trends in mean earnings for the same sub-groups. The same general pattern can be observed. Irrespective of study group assignment those getting benefits counseling exhibited greater gains than those who did not. Again assignment to either the treatment or control group does not appear to be strongly associated with observed outcomes.

Both treatment and control group members who received any benefits counseling through the pilot, show increased quarterly earnings over the Q0 through Q7 period. For the treatment group the gain was \$208 (19%). The control group posted even larger increase of \$342.53 (31%). By marked contrast, quarterly mean earnings declined for participants who did not receive benefits counseling, irrespective of assignment. Treatment group members experienced an \$11 decline (-2%), control group members a \$41 decline (-4%).