

The Effect of Labor Market Conditions on Disability Applications and Awards

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Abstract

Allowance rates of administrative law judges for Social Security Disability Insurance (SSDI) have declined in recent years—from 61 percent in 2009 to 44 percent in 2014 (Ray, 2015)—leading analysts to question whether the observed decline is due to changes in the behavior of judges or changes in the composition of applicants induced by the Great Recession. Maestas, Mullen and Strand (2015) show that the Great Recession induced new applications from people with less severe impairments, resulting in an increase in the denial rate at the initial determination level. We propose to build on this work to examine how the Great Recession affected the 1) composition of applicants who went on to appeal their initial denial and 2) allowance rates at the hearing level.