

The Demographics of Disability in the Family: Prevalence, Characteristics, and Implications for Financial Well-Being

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BACKGROUND AND MOTIVATION

Disability is experienced by a growing number of people in the United States. Like other countries, the U.S. population is aging, and rates of disability are higher among older adults. Disability increasingly affects those at younger ages in the U.S. as well: Between 2008 and 2019, the percentage of children with a disability increased from 3.9 to 4.3 percent.¹

These trends have implications for families. Yet previous research has generally focused on the experiences of individuals with disabilities or parents of children with disabilities, with little attention to the larger family unit.^{2,3} Disability may have implications for family financial well-being. Prior research points to a link between disability and income, but the direction of causality is unclear.⁴

The current study draws on cross-sectional data to describe the demographics of disability in the family and uses longitudinal data to examine the implications of disability for family financial well-being. Our study is unique in that it employs a regression model with family fixed effects to better assess whether change in family disability status is associated with change in family income.

DATA AND MEASURES

Data: 2019 American Community Survey (1-year data file) & 2018-2020 Survey of Income and Program Participation.

Sample: All family households (additional sample restriction for SIPP: family household must have data for survey years 2018, 2019, and 2020).

Families: Households that include 1+ relatives of the householder (by blood, adoption, or marriage). Family-level measures are constructed using data on householder + residents related to householder.

Key Variables: Family disability status ('1' if at least one family member has sensory, cognitive, ambulatory, self-care, and/or independent living difficulty); annual family income; family size; number of wage-earners in family; family poverty status.

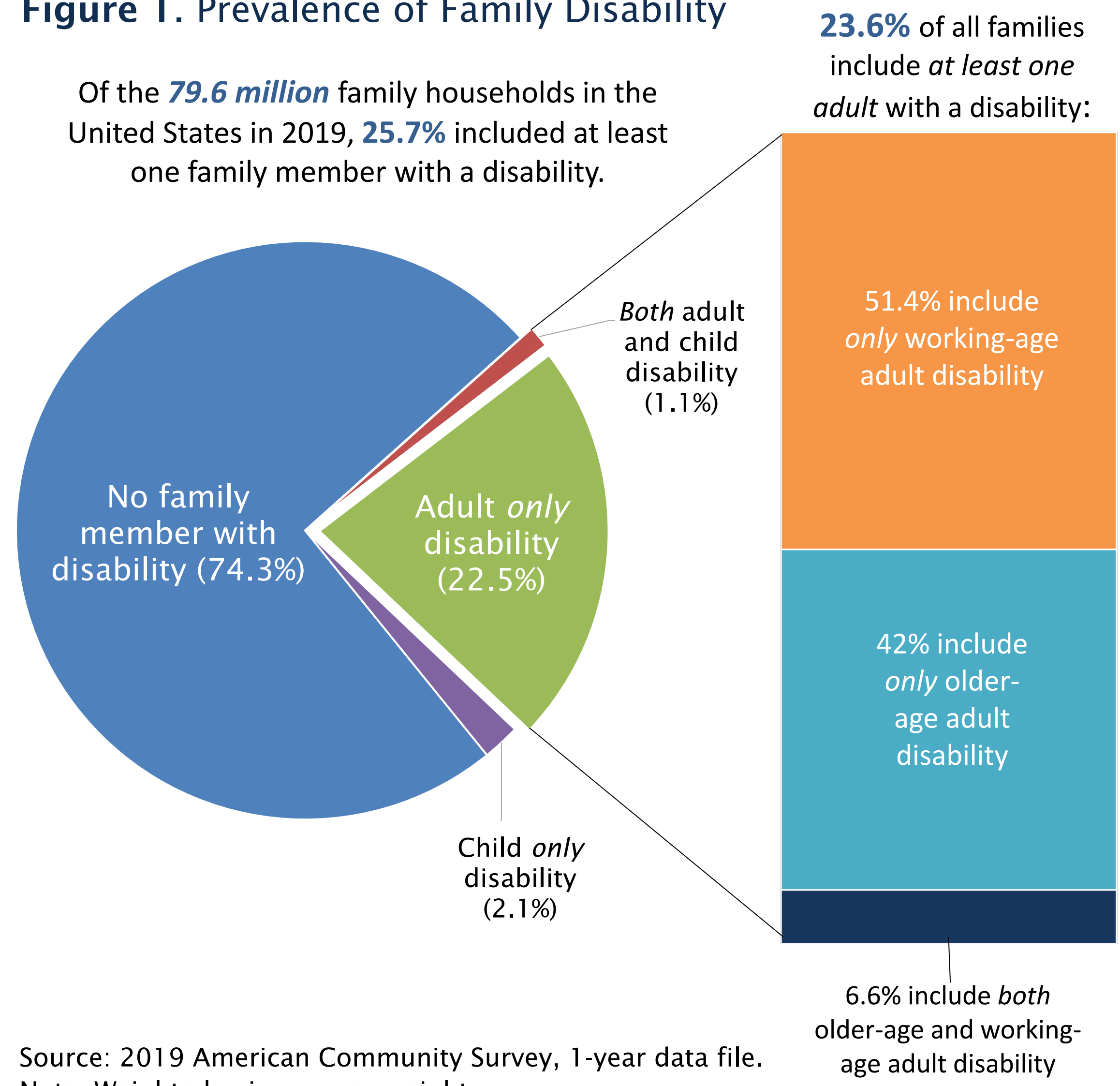
RESEARCH QUESTIONS

- 1) What percentage of families in the U.S. in 2019 included someone with a disability?
- 2) How do the economic characteristics of families affected by disability compare to those of other families?
- 3) Is a change in family disability status associated with a change in family financial well-being (measured by family income)?

Methods: Descriptive analysis (Wald t-test for differences); linear regression; fixed effects regression

FAMILY DISABILITY IN THE U.S. IN 2019

Figure 1. Prevalence of Family Disability



DISABILITY & FAMILY ECONOMIC CHARACTERISTICS

Figure 2. Number of Wage-Earners in Family (WIF) and Average Family Size

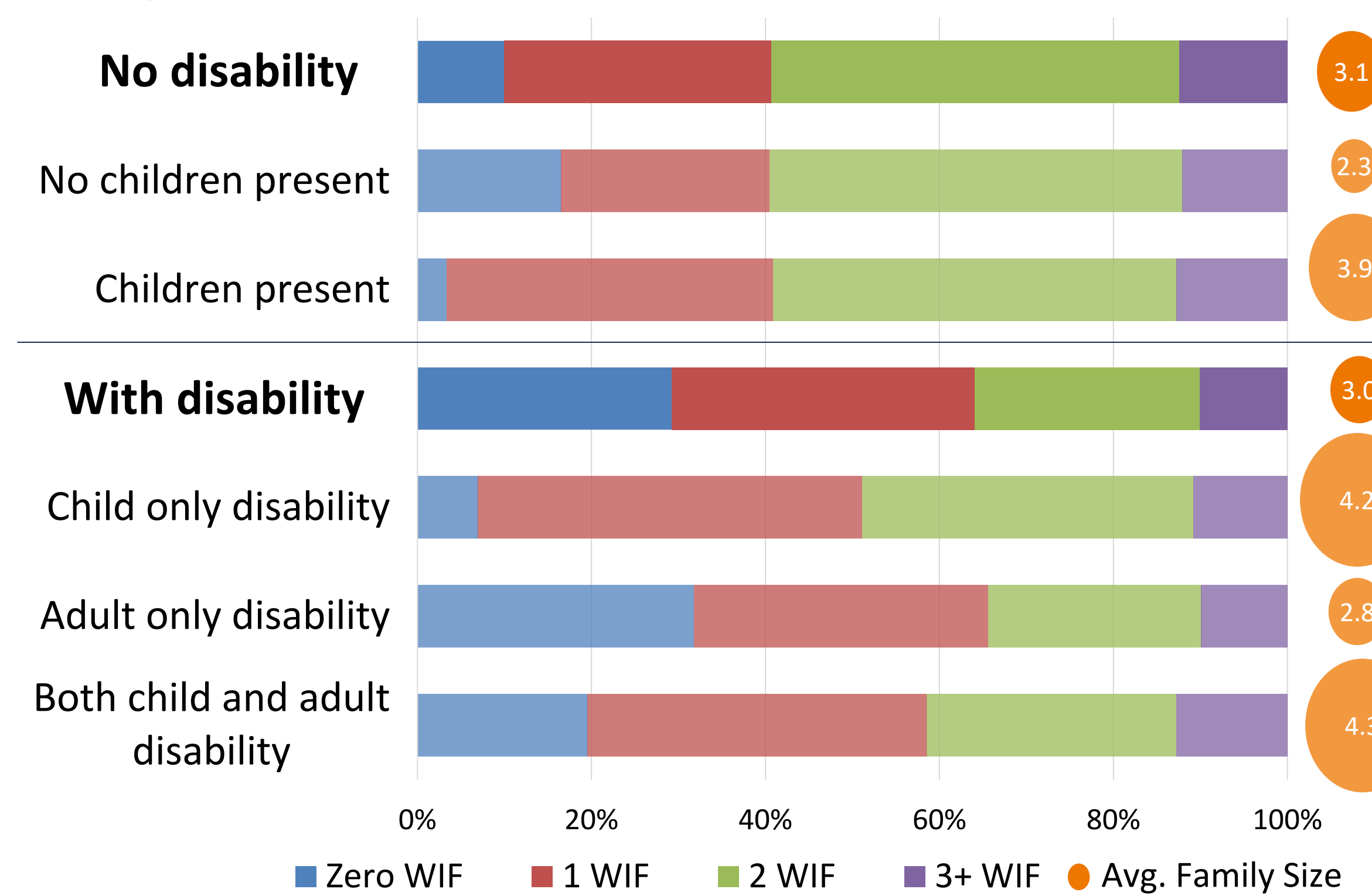
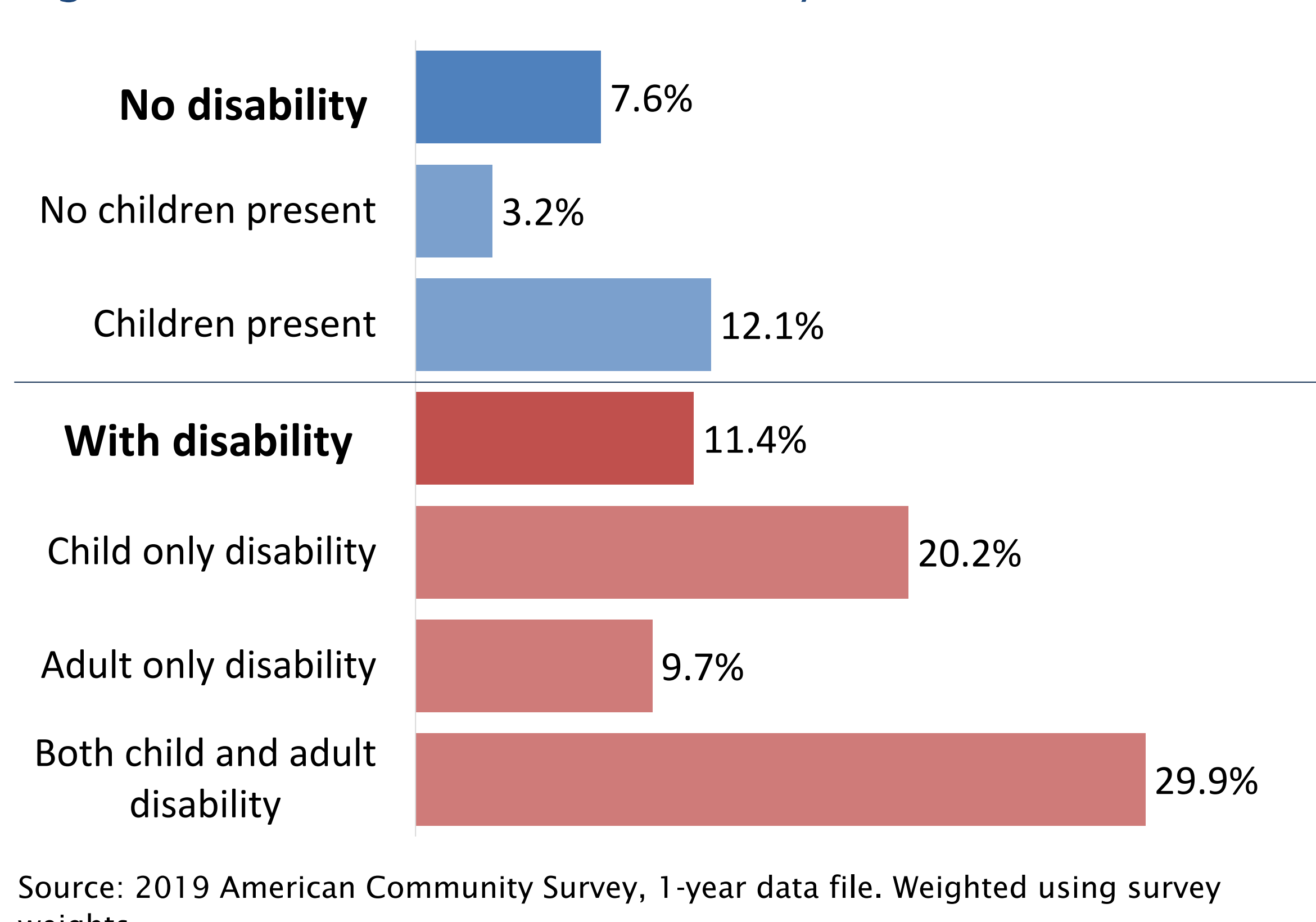


Figure 3. Percent of Families in Poverty



DOES DISABILITY REDUCE FAMILY INCOME?

Table 1. Linear regression of family income (logged) on family disability status

	Family Fixed Effects ¹ ?	Control for Family Size?	Family Disability Status Coefficient
Model 1: Baseline	No	No	-0.346*** (0.029)
Model 2: +Fixed Effects	Yes	No	-0.057* (0.023)
Model 3: +Family Size	Yes	Yes	-0.054* (0.023)

Source: 2018-2020 Survey of Income and Program Participation. P<.05 * P<.01 ** P<.001 ***

Note: All models were run with longitudinal survey weights. Standard errors in parentheses.
¹ By adding family fixed effects, we test whether within-family change in family disability status is associated with within-family change in income.

CONCLUSIONS

- In 2019, disability affected more than a quarter of families in the United States.
- About a quarter of these families included two or more individuals with a disability, which may pose additional challenges to the family's financial well-being.
- Families were much more likely to include an adult with a disability than a child with a disability.
- On average, families affected by disability had fewer wage-earners than other families and were more likely to be in poverty.
- Fixed effects regression analysis suggests that families that included someone with a disability in 2019 but not in 2018 experienced a decline in annual family income.

References:

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4. Roddy, A. 2022. "Income and Conversion Handicaps: Estimating the Impact of Child Chronic Illness/Disability on Family Income and the Extra Cost of Child Chronic Illness/Child Disability in Ireland Using a Standard of Living Approach." *The European Journal of Health Economics* 23(3): 467-83.