

The Impact of Parental Welfare Receipt on Postsecondary Education and Employment Outcomes for Transition-Age Youth with Disabilities



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Motivation

- Students with disabilities enroll in college at lower rates and earn lower wages as an adult.^{1,2}
- Students from welfare beneficiary households have been shown to face poorer education and employment outcomes.^{3,4}
- School-to-work job training programs may reduce the vulnerability of these populations as they transition from high school to adulthood.

Figure 1: Probability of Life Events

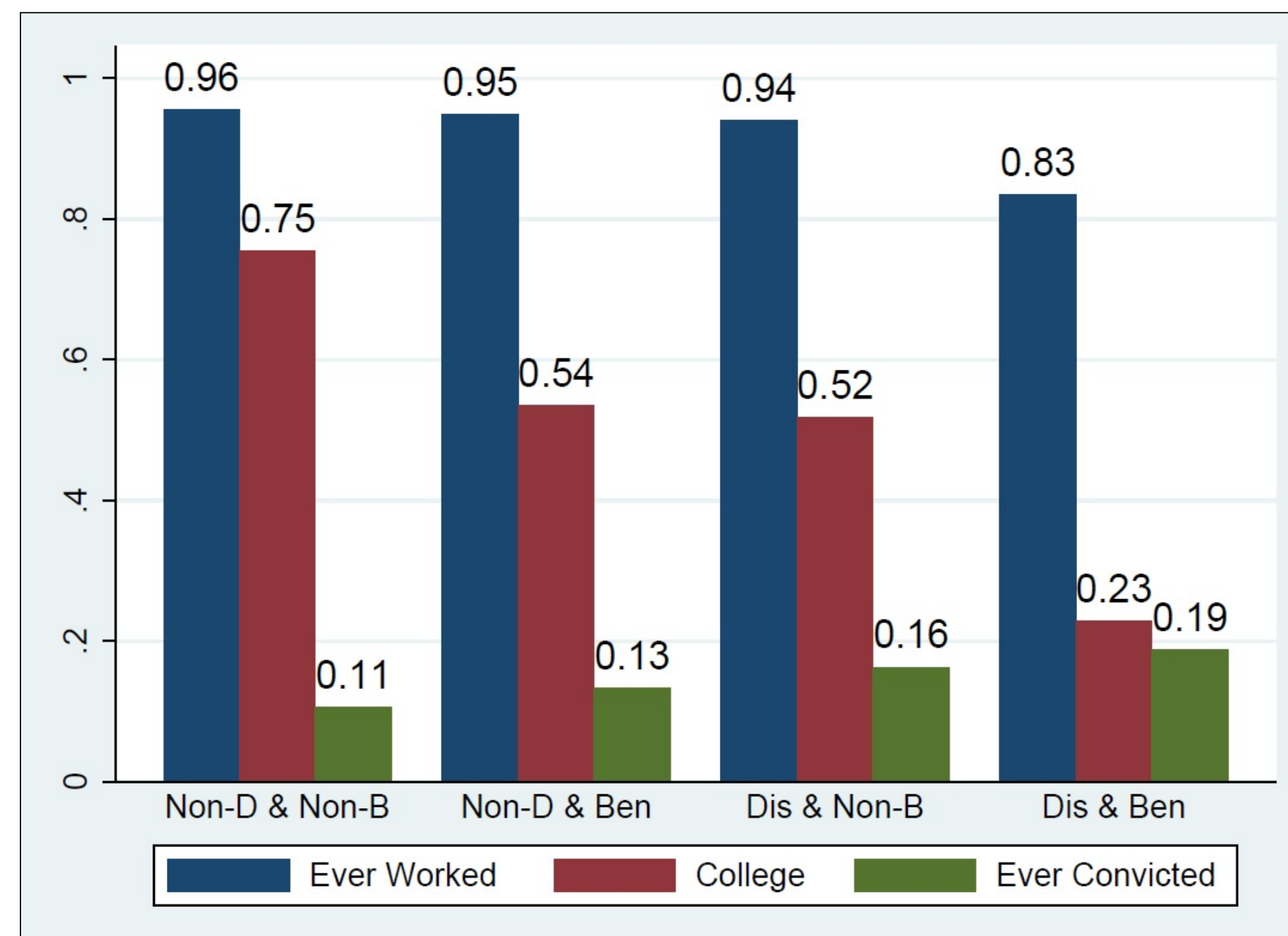


Figure 2: Labor Force Participation Status

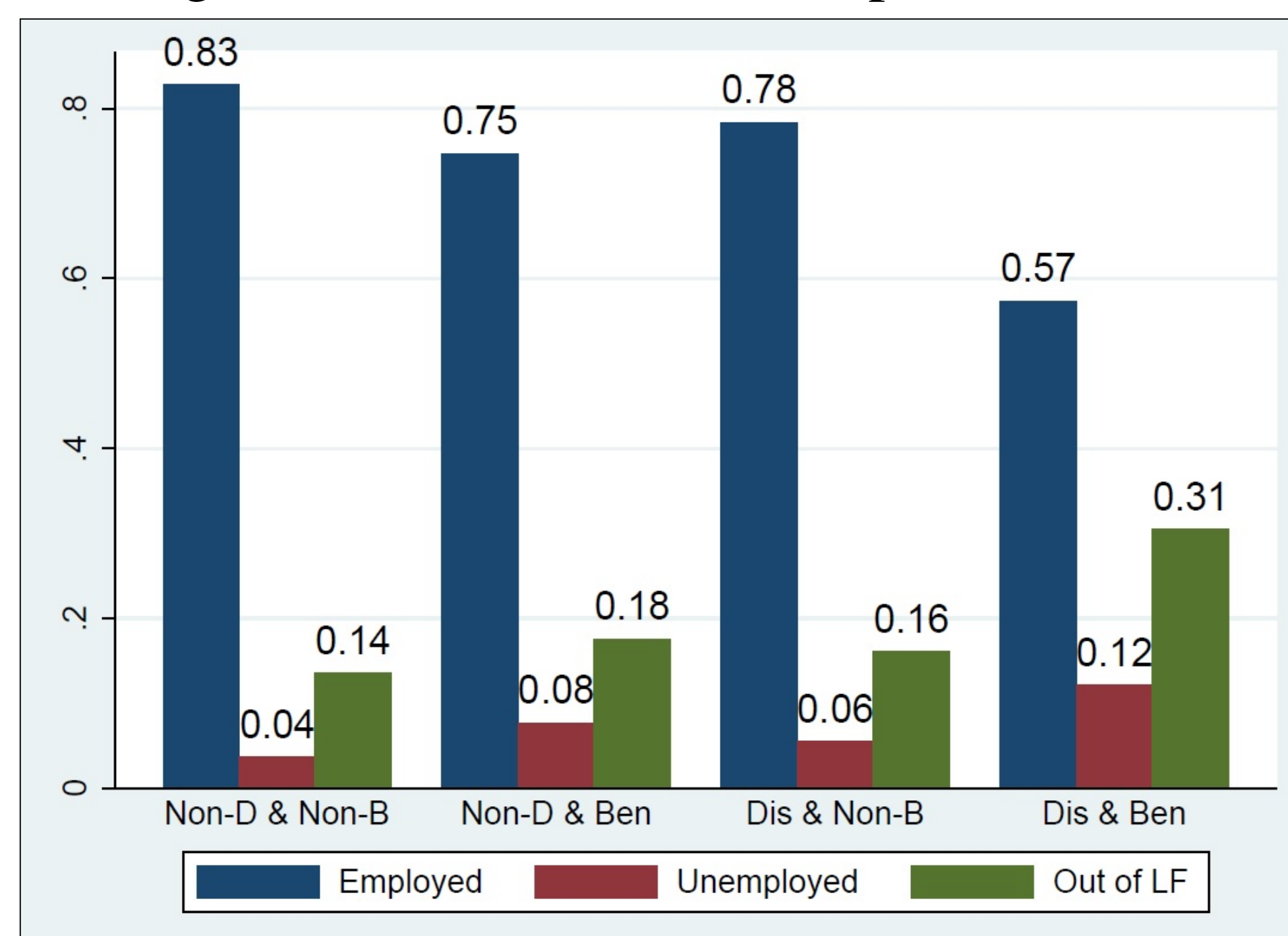
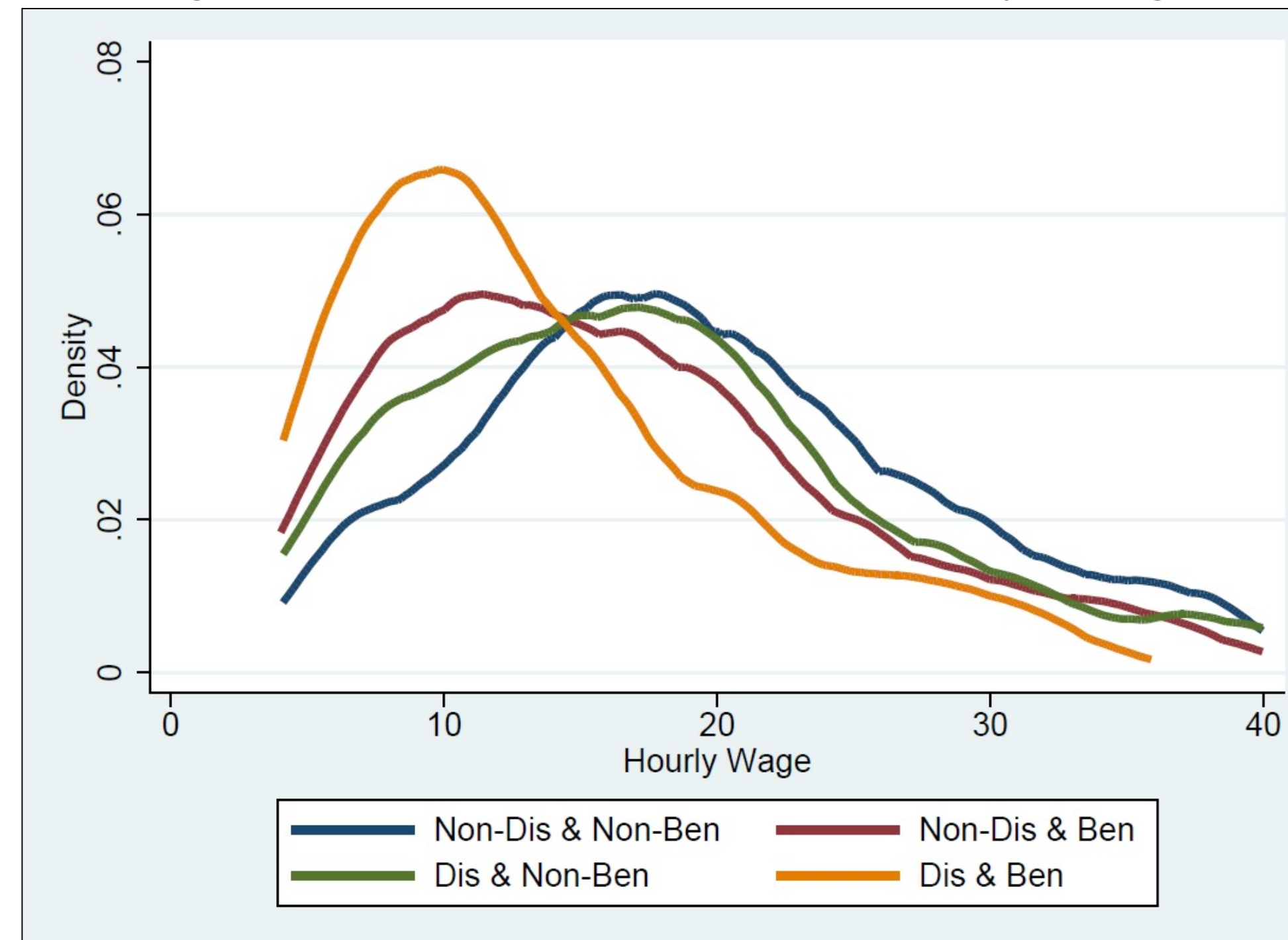


Figure 3: Distribution of Hourly Wages



Research Question

- Do school-to-work (STW) programs in high school improve the postsecondary education and employment outcomes differentially for students by disability and beneficiary receipt status?

Empirical Strategy

Data: We use the National Longitudinal Study of Adolescent Health (Add Health), which initially surveyed youth in grades 7-12 between 1994-95. Youth were interviewed again in 1996, 2001-02, and 2007-08. The baseline analytic sample consisted of 8,584 students interviewed in waves I, III, and IV. Analysis of wages was conducted on a subsample of 6,069 full-time workers.

Specifications: We used linear probability models to examine the role of STW on postsecondary and employment outcomes.

$$Y_{ij} = \beta_0 + \beta_1 D_{ij} + \beta_2 B_{ij} + \beta_3 D_{ij} B_{ij} + \beta_4 S_{ij} + \beta_5 S_{ij} D_{ij} + \beta_6 S_{ij} B_{ij} + \beta_7 S_{ij} D_{ij} B_{ij} + \gamma X_{ij} + c_j + \varepsilon_{ij}$$

OLS was used to estimate a Mincer equation of the role of STW on log wages for full-time workers.

$$W_{ijo} = \delta_0 + \delta_1 D_{ijo} + \delta_2 B_{ijo} + \delta_3 D_{ijo} B_{ijo} + \delta_4 S_{ijo} + \delta_5 S_{ijo} D_{ijo} + \delta_6 S_{ijo} B_{ijo} + \delta_7 S_{ijo} D_{ijo} B_{ijo} + \lambda Z_{ijo} + c_j + h_o + v_{ijo}$$

Results

Table 1: Factors Predicting Life Events

	College	Ever Worked	Employed	Ever Convicted
Non-D & Ben	-0.068** (0.024)	0.008 (0.009)	-0.025 (0.022)	0.020 (0.018)
Dis & Non-B	-0.159*** (0.022)	-0.014 (0.011)	-0.011 (0.020)	-0.011 (0.017)
Dis & Ben	-0.221*** (0.040)	-0.103*** (0.027)	-0.175*** (0.042)	0.026 (0.034)
STW	-0.134** (0.067)	-0.042 (0.035)	0.022 (0.053)	-0.097*** (0.024)
STW x (Non-D & Ben)	-0.087 (0.119)	0.031 (0.056)	0.082 (0.094)	0.134 (0.088)
STW x (Dis & Non-B)	0.179 (0.148)	0.082** (0.037)	0.166** (0.077)	0.206* (0.122)
STW x (Dis & Ben)	0.137 (0.149)	0.198*** (0.049)	0.318*** (0.118)	-0.107* (0.058)
Std PVT Score	0.079*** (0.007)	0.009** (0.004)	-0.008 (0.007)	0.005 (0.006)
School FE	Yes	Yes	Yes	Yes
Observations	8584	8584	8584	8584

* p<0.10, ** p<0.05, *** p<0.01

- Including PVT attenuates estimates for students with disabilities regardless of beneficiary status by 24-28 percent.
- Participation in STW programs is associated with a higher probability of ever being convicted for students with disability and beneficiary status but a lower probability for students with only disability status.

Table 2: Factors Associated with Adult Wages

Column1	Log Wages	Log Wages2	Log Wages3	Log Wages4
Non-D & Ben	-0.094*** (0.030)	-0.055* (0.030)	-0.096*** (0.030)	-0.060** (0.030)
Dis & Non-B	-0.026 (0.030)	-0.024 (0.029)	-0.045 (0.031)	-0.040 (0.030)
Dis & Ben	-0.180*** (0.056)	-0.154*** (0.057)	-0.270*** (0.061)	-0.235*** (0.060)
STW	0.004 (0.078)	0.022 (0.061)	0.029 (0.082)	0.052 (0.062)
STW x (Non-D & Ben)	-0.049 (0.137)	-0.090 (0.119)	-0.126 (0.151)	-0.118 (0.136)
STW x (Dis & Non-B)	-0.022 (0.129)	0.014 (0.113)	-0.025 (0.130)	0.010 (0.115)
STW x (Dis & Ben)	-0.379* (0.207)	-0.458*** (0.160)	-0.320 (0.203)	-0.396** (0.167)
Std PVT Score	-0.010 (0.010)	-0.012 (0.010)	-0.011 (0.010)	-0.015 (0.010)
School FE	Yes	Yes	Yes	Yes
Occupational FE	Yes	Yes	Yes	Yes
Part-Time	Yes	Yes	No	No
Observations	6952	6952	6069	6069

* p<0.10, ** p<0.05, *** p<0.01

- Initial evidence suggests that the types of individuals with disabilities from beneficiary households who participate in STW programs face lower wages.

Conclusions

- Accounting for participation in STW programs and student ability via the PVT reduces the predictive roles of disability status and welfare receipt on the probability of pursuing postsecondary education.
- While students with disabilities from welfare beneficiary households are less likely to work, either ever or currently, those that participated in STW programs have a significantly higher probability of working.
- A limitation of this analysis is that the types of students who participate in STW programs may be correlated with unobservables that impact education and employment outcomes.

NYS PROMISE

NYS PROMISE will advance employment and postsecondary education outcomes for 14-16 year old students that receive SSI. The project will provide coordinated services and supports to:

- Develop strong and effective partnerships with agencies that provide key services to youth who receive SSI and their families
- Implement effective practices at local demonstration sites, targeted to the needs of young SSI recipients and their families
- Evaluate interventions via rigorous project design and data collection procedures.

Addressing endogeneity concerns: The project employs a randomized controlled trial design, which will allow the initiative to evaluate the effectiveness of the interventions.

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