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## Ticket to Work Participants: Then and Now<sup>1</sup>

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**C**ongress introduced *Ticket to Work (TTW)* in the hope that the program would give Social Security Disability Insurance (DI) and Supplemental Security Income (SSI) beneficiaries more and better options for employment support services, thus increasing the number of beneficiaries pursuing employment and achieving self-sufficiency. In 2008, SSA revised the program to make it more attractive to service providers. In this brief, we discuss how the TTW participant population has changed under the revised regulations, and we examine how the regulations may have affected beneficiary service use, employment outcomes, and satisfaction with TTW.

### Evolution of the TTW Program

First implemented in 2002, the Ticket to Work and Self-Sufficiency program has sought to increase competition between providers of employment-related services for DI and SSI beneficiaries in order to improve the quality of the services and increase beneficiaries' choices. TTW provides beneficiaries with a Ticket that can be redeemed for services from a state vocational rehabilitation agency (SVRA) or from other participating providers, known as employment networks (ENs). ENs include any qualified entities contracting with SSA to provide services under TTW. ENs and SVRAs receive payments from SSA when the beneficiaries

they serve achieve certain documented employment goals.

Evaluations of the initial TTW program showed it did little to change the number of beneficiaries served or the number of service providers. In 2007, only 2.3 percent of eligible beneficiaries participated in TTW, and only 5 percent of participants had assigned Tickets to ENs (Stapleton et al. 2008). Low participation was due in part to providers' reluctance to serve Ticket holders; ENs reported that participants did not work enough to qualify for payments, payments were too low to cover costs, and the administrative burden of submitting claims for payment was high. In short, ENs did not receive sufficient revenue through TTW to cover their TTW-related costs (Livermore et al. 2003; Thornton et al. 2006).

To entice more providers to participate in TTW, SSA revised the TTW regula-

tions in July 2008.<sup>2</sup> Under both the original and revised regulations, two EN payment options are available to all providers. SVRAs may use the EN payment options or provide services under SSA's traditional SVRA cost-reimbursement system, which was in place before TTW. SSA also increased the potential value of EN payments and lowered the minimum amounts that beneficiaries had to earn for the EN to receive payments.

Besides changing the financial structure of the program, SSA made changes to ease the administrative burden on providers participating in TTW. It also mounted several marketing campaigns to promote the reformed TTW program to both providers and beneficiaries, including efforts specifically targeting people most likely to benefit from the revised program, such as younger

<sup>1</sup> This brief is based on a report prepared for SSA as part of the evaluation of the Ticket to Work program under contract no. 0600-03-60130 (Livermore et al. 2012). All opinions expressed are those of the authors and do not necessarily reflect the views of SSA or Mathematica Policy Research.

<sup>2</sup> See Livermore et al. (2012) for details on the 2008 changes to TTW regulations.

beneficiaries (SSA 2008) and those with psychiatric disabilities (CESSI 2009). In addition, the new Partnership Plus initiative gives beneficiaries access to more service options by allowing their Ticket to be “assigned sequentially”—that is, after their SVRA case is closed, beneficiaries can then assign their Ticket to an EN to receive job-retention or other support services. Both providers would be eligible for payments from SSA if the beneficiaries meet the required earnings milestones.

These changes were broadly intended to make TTW more attractive to ENs serving beneficiaries who wanted to try part-time work as a first step toward self-sufficiency. As a result of the changes, ENs can now be reimbursed for services provided to beneficiaries who are interested in working but are not ready to work full time or to leave the disability rolls. The expectation was that TTW would encourage beneficiaries to try employment and that some people would eventually move to full-time jobs and exit the rolls.

## Changes in Participant Characteristics

After the TTW regulations were revised, the population of TTW participants changed across several dimensions (Table 1). Post-regulation-change (post-change) participants were more likely to be under age 25 or over age 54 than pre-regulation-change (pre-change) participants, and they were also less likely to be educated beyond high school.<sup>3</sup> People with these characteristics might prefer to work part time or have more difficulty obtaining high-paying jobs. ENs might have been motivated to attract such beneficiaries after the regulation changes made it more

<sup>3</sup> The post-change sample was drawn from the 2010 NBS. This sample is representative of all TTW participants who assigned their Ticket after July 2008 and were also enrolled in TTW at some time between January and October 2009 (the sampling month). The sample is representative of TTW participants nationwide who had assigned their Tickets no more than 16 months before the sampling date. We created an analogous cohort of pre-change participants using data from the 2005 and 2006 NBS.

	<b>Pre-Change TTW Participants (%)</b>	<b>Post-Change TTW Participants (%)</b>
<b>Age in Years</b>		
18–24	14.7	21.7
25–39	33.1	26.7
40–54	39.9	34.9
55+	12.3	16.6
<b>Ethnicity</b>		
Hispanic or Latino	9.0	12.6
<b>Education</b>		
Did not complete high school or GED	19.4	16.3
High school	40.7	50.1
Beyond high school	40.0	33.6
<b>Self-Reported Reason(s) for Limitation<sup>a</sup></b>		
Psychiatric conditions	37.7	42.7
Diseases of the nervous system	18.4	14.3
Sensory disorders	13.7	8.3
<b>Work History and Work-Related Expectations</b>		
Ever worked for pay	93.5	79.1
Sees self working for pay in the next year	67.2	60.0
Sees self working and earning enough to stop receiving disability benefits in the next five years	48.8	40.8

Source: Livermore et al. (2012); based on the 2005, 2006, and 2010 National Beneficiary Survey (NBS). Note: Only selected characteristics with statistically significant differences (at the 0.05 level) between the pre- and post-change cohorts are shown in Table 1.

<sup>a</sup>Multiple responses possible.

lucrative for ENs to serve part-time and low-earnings workers. Note, however, that the age shift also occurred among participants served under the traditional SVRA payment system.

In addition to age and education levels, the ethnic composition of the TTW population also changed. Hispanic and Latino participants made up a larger percentage of the post-change cohort, a shift that reflects general changes in the ethnic composition of the beneficiary population (Livermore et al. 2012).

The share of TTW participants with psychiatric disabilities also grew in the post-change cohort (Table 1). This growth might be due to the special efforts of SSA and its contractors to promote TTW among this population after the regulations changed. Alternatively, the increase might reflect the appeal

of part-time work to participants with psychiatric disabilities (Suter 2008). It’s worth noting that participants in the two cohorts did not differ in terms of general health or functional limitations.

Beneficiaries’ work experience and expectations also changed under the new regulations. Compared with their pre-change counterparts, post-change TTW participants were much less likely to have ever worked for pay (79 percent versus 94 percent). They were also much less likely to see themselves working for pay in the next year or working enough to leave the rolls in the next five years (Table 1). These findings might be due to the poorer economic conditions of the post-change period. The recession that occurred from December 2007 through July 2009, and the high unemployment rates that persisted beyond that time,

might have hindered younger beneficiaries' efforts to find their first job and dimmed people's expectations about future employment. Another explanation is that the regulation changes might have induced providers to accept Tickets from beneficiaries with lower employment potential or who are otherwise harder to serve than those served in the past. In particular, the significant decline in participants who had ever worked for pay suggests that providers might be responding to the new regulations in this manner. Beneficiaries who have never worked before are likely to have significant employment barriers related to their health conditions and disabilities, education and skill levels, and lack of work experience. It's possible that the new regulations simply expanded service provision to a wider pool of beneficiaries, particularly those with uncertain employment prospects. However, it's important to note that we saw an even larger decline in previous work experience among traditional SVRA clients than among EN clients, and the payment system for the traditional SVRA clients did not change under the revised regulations.

### Changes in Service Use

The share of TTW participants who reported receiving services in the year before we interviewed them did not change much following the regulation changes. Nevertheless, after controlling for differences in participants' demographic characteristics and local unemployment rates, we found fewer EN clients reporting unmet service needs (Figure 1).<sup>4</sup> This statistically significant decline could have a number of explanations, including a shift in the characteristics of post-change clients served by ENs that was not captured in our analyses; an improvement in EN services; or an improvement in other, non-employment-specific services that complement those provided by ENs.

We also saw an increase in participants' satisfaction with EN services. After adjusting for differences in the demographic characteristics of participants and local unemployment rates during the two time periods, we found that

<sup>4</sup> A much smaller decline in unmet service needs among SVRA clients was not statistically significant.

post-change participants using ENs were 18 percentage points more likely than the pre-change cohort to report satisfaction with the TTW program—a significant difference.<sup>5</sup> This increase in satisfaction may reflect a better match between ENs and EN clients after the regulation changes, a general improvement in the quality of EN services, or other factors not assessed.

### Employment Outcomes

After adjusting for differences in participant demographic characteristics and local unemployment rates before and after the regulation changes, we found that the likelihood of being employed did not significantly differ for the two groups (Table 2).

Among participants working at interview, however, those in the post-change cohort worked an average of 19 fewer hours per month than those in the pre-change cohort. The same decrease in hours occurred whether participants assigned their Tickets under the EN payment system or under the traditional SVRA payment system. This change could reflect the demographic shift to worker groups who might prefer part-time work, such as those under age 25 or age 55 or older. Alternatively, the change could reflect a decrease in the number of available work hours due to the economic recession of 2007–2009.

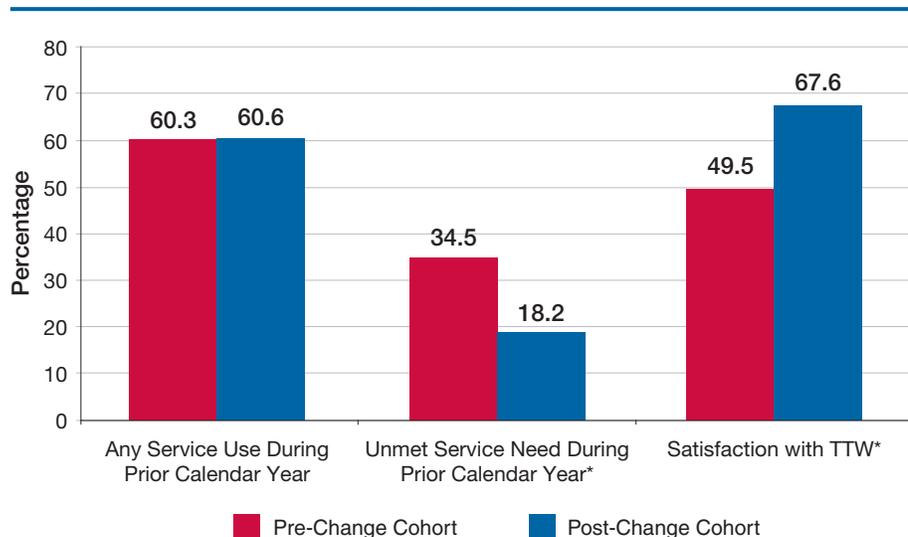
Despite the recession, post-change participants with Tickets assigned under the EN payment system held their jobs for nine months longer, on average, than did similar participants before the TTW program was revised. Although they worked fewer hours, the post-change participants were better able to maintain employment, even in a difficult job market.

### Implications of the Findings

SSA revised the TTW regulations with the goal of encouraging providers to

<sup>5</sup> An 8 percentage-point increase in satisfaction among SVRA clients was not statistically significant.

**Figure 1.**  
Service Use Experiences (Regression-Adjusted) of Pre- and Post-Change TTW Participants Served Under an EN Payment System



Source: Livermore et al. (2012); based on the 2005, 2006, and 2010 NBS.

Notes: SVRAs operating under the EN payment system are included as ENs in this figure. The statistics shown are adjusted, based on regression modeling, to control for differences in demographic characteristics and local unemployment rates between the pre- and post-change cohorts.

\*Difference between the pre- and post-change cohorts is statistically significant at the 0.05 level, two-tailed t-test.

**Table 2.**

	Pre-Change TTW Participants			Post-Change TTW Participants (Difference)		
	All	EN	SVRA	All	EN	SVRA
Percentage employed at interview	24.0	23.7	24.1	-3.8	0.3	-4.7
Average total hours worked per month <sup>a</sup>	98.6	108.1	95.8	-18.7*	-17.5*	-19.1*
Average job tenure (months) <sup>a</sup>	18.6	13.8	20.0	1.8	9.2*	-0.4

Source: Livermore et al. (2012); based on the 2005, 2006, and 2010 NBS.

Note: SVRAs operating under the EN payment system are included as ENs in this table.

<sup>a</sup>Asked only of respondents who were working at interview.

\*Difference is statistically significant at the 0.05 level, two-tailed t-test.

serve beneficiaries interested in or only able to perform part-time work. The changes we observed in the TTW population after the regulations were revised are consistent with this goal. After the regulations changed, participants were more likely to be under age 25 or to be age 55 or older and to report that their limitations were due to psychiatric disabilities. These groups were attracted by the possibility of part-time work, as evidenced by reports from ENs themselves (Prenovitz 2012) and by the declines in hours worked per month following the regulation changes. Other changes in beneficiary characteristics also support this notion. After the regulations were revised, we saw a significant decline in the share of TTW participants who had ever worked for pay. This suggests that both ENs and SVRAs were more likely to accept Tickets from beneficiaries with lower employment potential or who are harder to serve than those served in the past, including people who might only be able to work part time.

More Tickets were assigned to ENs following the changes to the TTW regulations (Prenovitz 2012), suggesting that the changes furthered SSA's goals of improving the appeal of the EN payment system and increasing beneficiaries' choices. In turn, the greater choice of providers may have contributed to the decrease in unmet service needs

and increase in participant satisfaction with TTW.

Despite these apparent gains, the employment rate among participants did not change significantly, perhaps because of the recession. In revising the regulations, SSA acknowledged that maximizing self-sufficiency requires a number of incremental steps, and it sought to provide a payment system to correspond with those steps. Whether the initial steps taken by TTW participants under the revised regulations will ultimately lead them to full-time work and self-sufficiency remains to be seen.

The results of these analyses should be interpreted with caution. Although the comparisons of TTW participants' experiences before and after the regulation changes are intended to highlight differences that might suggest impacts, we cannot be certain that these differences were caused by the regulation changes. Many other factors likely contributed to the differences, and the analyses were not able to adequately control for all of them. One such factor was the 2007–2009 recession, along with the high unemployment rates that lingered after the official end of the recession. Although we attempted to control for the high unemployment rates of the post-change period, the methods used probably did not adequately reflect the effects of the business cycle on people

with significant disabilities. Some of our findings may also reflect a general maturing of the program, increasing experience among providers in serving this population, or underlying changes in the population.

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