

AGE AND DISABILITY—DO WE KNOW WHAT WE THINK WE KNOW?

Short description:

This paper makes the first accurate estimate of the impact of age on the frequency and duration of occupational disability and projects the incremental disability cost driven by an aging workforce.

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Abstract:

Do older workers get injured more or less often than younger workers? How does the duration of disability compare by age? These are important questions for employers, workers, government budgets and benefit programs. The importance is magnified because the workforce is aging, Social Security retirement age is being increased, and many older workers are choosing to stay in the labor force for economic reasons.

At best, the research in this area is limited, at worst, anecdotal. Oft repeated “wisdom” says older workers get injured less often because they are more experienced. However, when injured, it takes longer to recover, costs more in disability payments and medical treatment, is more likely to result in permanent disability and results in greater economic loss to the worker. But, how true are these claims? And if true, is the cause age related or driven by other causes? And what do the answers to these questions mean for future trends?

This study links data from two large administrative data sets covering both occupational and non-occupational disabilities for the working population with detailed demographic data from the Current Population Survey. The linking takes advantage of a unique crosswalk between census coding and the classifications used to identify industry and occupation related risk in occupational injury data.

The results will allow us to estimate quite precisely the impact of age on the frequency and duration of disability after controlling for the occupational risk of the workers occupation and the nature of the disabling condition. Relative occupational risk is identified for approximately 10,000 industry-occupation pairs. Disabling conditions are disaggregated to the 3-digit ICD-9 diagnosis level.

Using the results, we project how the changing age and gender demographics of the workforce are likely to affect occupational and non-occupational disability incidence and

cost. We do these projections for both occupational conditions, potentially paid under workers' compensation and non-occupational conditions typically paid by workers under a non-occupational disability insurance benefit.