Proposal

In recent work with Hamish Low (Oxford University), we uncovered significant differences between men and women in terms of Type I errors in the Disability Insurance and SSI programs. See NBER Working Paper 6513. In particular, we find that women are more likely to be rejected than men conditioning on applying with a severe work limitation. Our paper uses restricted HRS data (made available under a confidential agreement, recently renewed). The evidence we have so far is that most of the differences emerge in steps 4 and 5 ("vocational steps") of the disability assessment process. We find no significant differences at steps 2 and 3 ("medical steps"). Moreover, we find that women who were "incorrectly" rejected are much less likely to return to work after rejection than women who were "correctly" rejected, despite these women being observationally equivalent in terms of labor supply experiences in the years before applying for disability insurance. We develop a model that tries to understand why such differences arise. A number of potential explanations (differences in opportunity costs of applying, in "pain thresholds" or health differences at baseline, or greater signal noise received by SSA) do not seem to gather much support; in contrast, we find empirical support for the idea that admissions thresholds are higher for women applicants relative to men applicants. There has been recent work in economics showing how "passing thresholds" tend to be higher for women in many disparate contexts (see e.g., the work of David Card and coauthors, NBER Working Paper 25967).

There are two key avenues to explain the results that this research raises that we cannot answer at present. First, one way of explaining these results is that DDS evaluators hold much more information about applicants than the econometrician, and that such information is the reason for assigning greater residual vocational capabilities to women. Through the confidential agreement, we have access to data collected from form F831 (containing information about disability conditions, dates and outcomes of adjudication, etc.). However, SSA collects additional information from applicants who arrive at steps 4-5, through Form SSA-3373-BK (which we lack access to). This form inquires about people's activities of daily living, abilities to perform certain tasks, medicines taken, etc., with the goal of assessing whether applicants have residual functional capacity that allows them to perform their previous job or jobs befitting their skills, age, etc. A number of these questions are on activities at home which traditionally are highly gendered. We believe that having access to these data and merging them with what we already have would allow us to address the question of whether women are turned down at higher rates than men because they report greater engagement with activities of daily living than men do in activities which are traditionally gender assigned roles. In other words, the very nature of the information collected generates the greater false rejections for women. The second avenue is analyzing the process of the evaluation and the characteristics of the SSA evaluators. Important questions are whether characteristics, such as gender of the evaluator, affects decisions or whether the time pressure or targets in different offices affects decisions. This requires access to some demographic information about the SSA evaluators (at the very least, their gender) as well as process details on the case files. Our research would have important policy implications: we have uncovered large and significant differences by gender but we need more research to get to the root cause. This research is related to Focal area # 1 (especially the sub-topic "Outcomes for denied SSDI and SSI applicants"); Focal area # 2 (in particular the sub-topic "past relevant work"); Focal area # 7 (in a broader sense, i.e., disparities by observable characteristics such as race and gender); and Focal area #8 (Improving Service Delivery).