

## CHAPTER V

### Concluding Remarks

This thesis has presented a theoretical analysis of wage changes due to disability. Subject to limitations of available data, empirical estimates support the theory developed in this research. Disability reduces earnings not only through participation effects, but also by reducing the observed wage rate for individuals. Disability also results in lower wage growth by reducing investment in human capital.

These results imply that the social costs of disability are generally understated. There are two components of loss: First, there is the direct loss in human resources suffered from disability; and second, there is a reduction in the growth of human resources as individuals reduce their rate of investment. Eliminating disability will both save the initial loss from the disabling condition and cause the stock of human resources to grow at a faster rate.

The wage determining equation estimated in Chapter III demonstrated the dual effects of disability on the wage rate. First there is an immediate reduction in the wage rate associated with the occurrence of a disabling condition. Table 5 presents the percentage reduction in the wage rate for each individual limitation. Second, by segmenting the earnings function into disabled and non-disabled experience, it was demonstrated that as time passed the earnings profile of the disabled individual would continue to depart from the earnings profile of the

TABLE 5  
PERCENT OF WAGE LOST DUE TO INDIVIDUAL LIMITATIONS

	WHITES		BLACKS	
	<u>PREVENTS</u>	<u>HINDERS</u>	<u>PREVENTS</u>	<u>HINDERS</u>
LIMIT 1 WALKING	59.5	40.5	61.5	45.0
LIMIT 2 USING STAIRS	42.3	38.5	26.9	28.9
LIMIT 3 STANDING	6.0	12.3	(+) 11.6	16.1
LIMIT 4 SITTING	5.2	5.8	25.5	(+) 34.9
LIMIT 5 KNEELING	1.3	9.5	(+) 3.0	21.6
LIMIT 6 LIFTING	41.6	60.6	16.6	60.9
LIMIT 7 CARRYING	(+) 51.5	29.9	(+) 22.8	(+) 1.8
LIMIT 8 REACHING	41.8	30.4	54.6	48.6
LIMIT 9 HANDLING	49.1	26.0	23.0	9.8
LIMIT 10 SEEING	35.9	4.8	32.4	37.5
LIMIT 11 HEARING	(+) 42.3	(+) 44.4	51.5	24.8
LIMIT 12 DEAL W PEOPLE	47.8	15.2	73.7	37.1
LIMIT 13 OTHER	10.9	(+) 56.5	(+) 207.1	(+) 798.0

(+) denotes wage gain

(based on regressions 1,2,6,7)

non-disabled individual. This is the investment or wage growth effect.

The wage growth equation (the first difference of the wage estimating equation) was estimated to obtain additional information about the effect of disability on investment behavior. Wage growth declined with the incidence of most disabling conditions, and the rate of growth in wages due to a marginal week in the labor force also declined. Table 6 gives the percentage reductions in wage growth associated with each of the disabling conditions, based on the average rate of wage growth for the non-disabled sample. Table 7 compares the marginal return to a week worked for disabled and non-disabled individuals. It should be noted that non-disabled individuals and disabled whites had positive returns to a marginal week of work while disabled blacks had negative returns.

In Chapter IV a simultaneous system of wages and hours was estimated and the dual effect of disability on wages and hours was demonstrated. Table 8 summarizes the wage and hours effects of the 13 activity limitations. This table demonstrates that, for most limiting conditions, both the wage rate and the hours of work are reduced, producing a compound effect on income loss.

The basic premise of this thesis was that disability not only affects the hours or weeks worked, as past literature has indicated, but also that disability affects an individual's wage rate and the growth of the wage rate. This premise has been substantiated.

#### Applications of the Model

The model developed in this thesis has various practical applications. First, given the functional limitations associated with a disability and an individual's prior work history and demographic characteristics, it is possible to predict the earnings loss due to the disability.

TABLE 6  
 PERCENT OF AVERAGE\* WAGE GROWTH LOST  
 DUE TO INDIVIDUAL LIMITATIONS

	WHITES		BLACKS	
	<u>PREVENTS</u>	<u>HINDERS</u>	<u>PREVENTS</u>	<u>HINDERS</u>
LIMIT 1 WALKING	11.5	(+) 3.8	63.8	58.0
LIMIT 2 USING STAIRS	21.7	27.5	(+) 25.9	(+) 13.9
LIMIT 3 STANDING	17.8	16.6	2.3	0.5
LIMIT 4 SITTING	12.4	16.4	65.7	52.1
LIMIT 5 KNEELING	36.2	(+) 3.1	(+) 46.7	(+) 75.4
LIMIT 6 LIFTING	(+) 13.4	(+) 6.0	(+) 82.3	14.2
LIMIT 7 CARRYING	4.9	44.9	50.8	61.2
LIMIT 8 REACHING	58.4	25.2	42.3	47.5
LIMIT 9 HANDLING	(+) 32.1	(+) 7.9	30.2	73.8
LIMIT 10 SEEING	(+) 6.1	9.1	(+) 167.8	(+) 73.0
LIMIT 11 HEARING	(+) 10.7	(+) 15.0	16.6	49.2
LIMIT 12 DEAL W PEOPLE	1.1	(+) 21.8	(+) 605.9	(+) 39.7
LIMIT 13 OTHER	(+) 230.0	7.0	--	(+) 3730.9

(+) denotes gain in wage growth

TABLE 7

## RETURN TO A MARGINAL WEEK WORKED (IN CENTS)

	WHITES		BLACKS	
	<u>PREVENTS</u>	<u>HINDERS</u>	<u>PREVENTS</u>	<u>HINDERS</u>
NONDISABLED	5.72	5.51	1.32	0.65
DISABLED (IF HAD NOT BECOME DISABLED)	4.92	4.80	1.28	0.59
LIMIT 1 WALKING	4.07	5.82	-0.09	-0.02
LIMIT 2 USING STAIRS	3.60	4.06	-0.31	-0.04
LIMIT 3 STANDING	3.78	4.68	-0.24	-0.04
LIMIT 4 SITTING	4.03	4.69	-0.09	-0.02
LIMIT 5 KNEELING	2.93	5.78	-0.36	-0.07
LIMIT 6 LIFTING	5.22	5.94	-0.45	-0.03
LIMIT 7 CARRYING	4.37	3.09	-0.12	-0.02
LIMIT 8 REACHING	1.92	4.19	-0.14	-0.02
LIMIT 9 HANDLING	6.07	6.05	-0.17	-0.01
LIMIT 10 SEEING	4.88	5.12	-0.67	-0.07
LIMIT 11 HEARING	5.09	6.45	-0.21	-0.02
LIMIT 12 DEAL W PEOPLE	4.55	6.83	-1.75	-0.08
LIMIT 13 OTHER	10.58	5.21	--	-1.43

TABLE 8  
THE EFFECT OF LIMITATIONS ON WAGE, HOURS, AND INCOME

WHITES

<u>LIMITATION</u>	<u>PERCENT WAGE LOSS</u>	<u>HOURS DUE TO DISABILITY</u>	<u>HOURS DUE TO WAGE CHANGE</u>	<u>TOTAL HOURS</u>	<u>PERCENT INCOME LOSS*</u>
LIMIT 1 WALKING	15.1	0.56	-0.87	-0.31	15.8
LIMIT 2 USING STAIRS	44.8	-1.34	-3.18	-4.52	51.2
LIMIT 3 STANDING	2.1	-1.61	-0.11	-1.72	6.4
LIMIT 4 SITTING	29.2	-1.12	-1.80	-2.92	34.5
LIMIT 5 KNEELING	1.5	-2.95	-0.08	-3.03	9.2
LIMIT 6 LIFTING	68.6	-4.68	-6.19	-10.87	77.4
LIMIT 7 CARRYING	33.7	-0.44	-2.20	-2.64	38.2
LIMIT 8 REACHING	18.0	-3.50	-1.06	-4.56	27.6
LIMIT 9 HANDLING	41.8	1.12	-2.90	-1.78	44.5
LIMIT 10 SEEING	20.0	1.04	-1.19	-0.15	20.3
LIMIT 11 HEARING (+)	44.8	2.16	1.98	4.14	(+) 60.2
LIMIT 12 DEAL WITH PEOPLE	6.6	-2.39	-0.36	-2.75	13.2
LIMIT 13 OTHER (+)	218.4	6.04	6.19	12.23	(+) 318.2

(from regression 15)

\* Based on average hours worked by  
individuals of the same race  
(39 hours for whites)

(+) denotes positive change

TABLE 8, continued  
 THE EFFECT OF LIMITATIONS ON WAGE, HOURS, AND INCOME

BLACKS

<u>LIMITATION</u>	<u>PERCENT WAGE LOSS</u>	<u>HOURS DUE TO DISABILITY</u>	<u>HOURS DUE TO WAGE CHANGE</u>	<u>TOTAL HOURS</u>	<u>PERCENT INCOME LOSS*</u>
LIMIT 1 WALKING	57.0	-4.97	-4.08	-9.05	67.8
LIMIT 2 USING STAIRS	58.6	-3.34	-4.26	-7.60	67.3
LIMIT 3 STANDING	17.7	-1.46	-0.94	-2.40	23.2
LIMIT 4 SITTING	31.1	-0.75	-1.80	-2.55	36.0
LIMIT 5 KNEELING (+)	31.9	-1.69	1.34	-0.35	(+) 30.6
LIMIT 6 LIFTING	68.5	-9.44	-5.58	-15.02	81.6
LIMIT 7 CARRYING (+)	4.2	-0.97	0.20	-0.77	(+) 2.0
LIMIT 8 REACHING	3.8	-1.47	-0.19	-1.66	8.2
LIMIT 9 HANDLING (+)	18.9	2.81	0.84	3.65	(+) 31.0
LIMIT 10 SEEING	64.8	-2.49	-5.05	-7.54	72.2
LIMIT 11 HEARING	18.6	2.26	-1.00	1.26	15.8
LIMIT 12 DEAL W (+) PEOPLE	38.5	3.66	1.57	5.23	(+) 58.6
LIMIT 13 OTHER (+)	727.4	-1.92	10.22	8.30	(+) 918.2

(from regression 16)

\* Based on average hours worked by  
 individuals of the same race  
 (36 hours for blacks)

(+) denotes positive change

These predicted wage losses may be used to determine appropriate transfer payments from welfare programs such as Workmen's Compensation or Social Security Disability Insurance, or to determine suitable lump sum redemption payments under private insurance programs. In addition, knowing the risks associated with injuries and the predicted income loss resulting from these injuries, appropriate insurance premiums may be assigned to firms or individuals.

Second, the estimates may be employed to determine the costs of a particular industrial injury, or identically, the value of a prevented injury. The value of a prevented injury can be employed to determine the optimal expenditures on safety programs. Optimal expenditures on safety will equate the marginal cost of the safety program to the marginal gain, or the discounted present value of prevented losses due to injury.

Third, such a model may be used to determine the cost-effectiveness of rehabilitation programs. Economically speaking, any rehabilitation program which has a cost which exceeds the time discounted difference between the income of a rehabilitated individual and the predicted income of the disabled individual who is not rehabilitated, should be eliminated.<sup>1</sup>

Finally, these estimates provide a means to determine the magnitude of the loss in national productive capacity which is attributable to disability in the work force.

#### Further Extensions and Future Research

There are several shortcomings of the foregoing analysis which deserve future research. First, the sample, chosen for the availability of data on disability, prohibits the generalization of these results to

the population as a whole. A more complete study covering all ages would be desirable in terms of generality. The inclusion of women in the analysis is of the utmost importance since women now comprise a considerable portion of the labor force.

Better data might also allow the relaxation of the assumption of a fixed level of disability and allow the inclusion of persons disabled for a period of more than five years.<sup>2</sup> The analysis of changes in the magnitude of disability could be very enlightening and the model developed clearly has the capability to represent these changes through segmentation of the earnings function. Given the proper data, it would be possible to fit a time series regression for each individual. This method would eliminate any biases occurring from differences in innate ability, quality of schooling, rates of return, investment ratios, human capital production functions, etc.

This thesis has treated the incidence of disability as being exogenous to the human capital model. However, the endogeneity of health with respect to earnings has long been established.<sup>3</sup> It is important to examine the extent to which disability is endogenous to the human capital model. We know, for instance, that disabled individuals have, on the average, lower levels of schooling than non-disabled individuals.

Important questions need to be addressed with respect to occupational differences in the incidence of disabling conditions, the differential impact of disabling conditions according to occupation, and the occupational mobility of disabled individuals. If the impact of a limitation on income varies according to an individual's occupation, disabled individuals would be expected to migrate to occupations where the handicap has the least impact on earnings. Disability reduces income,

hence the opportunity costs of job search decline. Potential returns to occupational mobility may increase depending upon the impact of the disability in the individual's present occupation relative to other occupations. Investment in rehabilitation or health care (including corrective surgery, artificial limbs, etc.) may be economically attractive in one occupation, while yielding no returns in others.

This thesis is not presented as a conclusion to research on disability. There are many additional topics of research in the area of disability which should be considered by many disciplines, including Economics. The magnitude of the disability problem is not small. Additional effort and resources must be expended to understand the problem, to prevent its occurrence, and to insure that lost income is adequately replaced. Provisions should be made to rehabilitate or retrain workers where feasible, and in all cases, to minimize the psychic as well as physical costs associated with disability.

## FOOTNOTES TO CHAPTER V

- 1) This research did not differentiate between those who made rehabilitative investments and those who did not.
- 2) This assumption and exclusion of individuals was deemed necessary since there was no data on the magnitude of disability in the survey prior to 1971, and it is unlikely that some changes in the level of disability did not occur if persons had been disabled for an extended period of time (e.g. 10 - 20 years).
- 3) For instance, see M. Grossman. The Demand for Health: A Theoretical and Empirical Investigation, (New York, 1972).

Or:

M. Grossman and L. Benham. "Health, Hours and Wages", in The Economics of Health and Medical Care, Mark Perlman, Editor, (New York, 1974), pp. 205 - 233.

**APPENDIX A**

**THEORETICAL DEVELOPMENT OF THE MODEL**

Section 1

$E_t^*$  = Potential earnings at time period t

$E_t$  = Actual earnings at time period t

$Y_t$  = Actual income at time period t

$\delta_t$  = Level of disability at time period t where  $0 \leq \delta_t \leq 1$

$1-\delta_t$  = Level of "non-disability" at time period t

At any time period t the following relationship holds:

$$(1) \quad E_t = (1 - \delta_t) E_t^*$$

Thus in period 0, prior to investment:

$$(1a) \quad E_0 = (1 - \delta_0) E_0^*$$

where:

$E_0^*$  = Innate earnings ability if not disabled

$E_0$  = Innate earnings ability if disabled

Potential earnings are a function of innate earnings ability and investment in prior periods. Investment in any period can only be done with the non-disabled portions of human capital, or in other words, the human capital production function is a function of non-disabled human capital or actual earning level ( $E_0$ ), not the potential earnings level ( $E_0^*$ ).

Therefore:

$$(2) \quad E_t^* = E_{t-1}^* + rS \frac{E_t}{E_{t-1}}$$

and:

$$(2a) \quad E_1^* = E_0^* + rS_0 \frac{E_0}{E_0}$$

In Period 1 -

since:

$$(3) \quad E_1 = (1 - \delta_1) E_1^* \quad (\text{from (1) })$$

substituting in (2a):

$$(4) \quad E_1 = (1 - \delta_1) (E_0^* + rS_0 E_0)$$

substituting in (1a):

$$(5) \quad E_1 = (1 - \delta_1) (E_0^* + rS_0 [(1 - \delta_0) E_0^*])$$

yields:

$$(6) \quad E_1 = (1 - \delta_1) (1 + rS_0 [1 - \delta_0]) E_0^*$$

In Period 2 -

since:

$$(7) \quad E_2 = (1 - \delta_2) E_2^* \quad (\text{from (1) })$$

$$\text{substituting (8) } E_2^* = E_1^* + rS_1 E_1 \quad (\text{from (2) })$$

into (7), and (3) into (7) yields:

$$(9) \quad E_2 = (1 - \delta_2) (E_1^* + rS_1 [(1 - \delta_1) E_1^*])$$

$$(9a) \quad E_2 = (1 - \delta_2) (1 + rS_1 [1 - \delta_1]) E_1^*$$

substituting (2a) into (9a):

$$(10) \quad E_2 = (1 - \delta_2) (1 + rS_1 [1 - \delta_1]) (E_0^* + rS_0 E_0)$$

$$(10a) \quad E_2 = (1 - \delta_2) (1 + rS_1 [1 - \delta_1]) (1 + rS_0 [1 - \delta_0]) E_0^*$$

Generalizing -

$$(11) \quad E_t = (1 - \delta_t) \prod_{i=0}^{t-1} (1 + rS_i [1 - \delta_i]) E_0^*$$

by definition:

$$E_t (1 - S_t) = Y_t \quad [\text{see Mincer, 1974}]$$

therefore:

$$(12) \quad \frac{Y_t}{1 - S_t} = E_t = (1 - \delta_t) \prod_{i=0}^{t-1} (1 + rS_i [1 - \delta_i]) E_0^*$$

using a log transformation (12) becomes:

$$(13) \quad \ln Y_t - \ln (1 - S_t) = \ln (1 - \delta_t) + \sum_{i=0}^{t-1} \ln (1 + rS_i [1 - \delta_i]) \\ + \ln E_0^*$$

since  $r$  is small,  $S_i$  is small, by approximation:

$$\sum_{i=0}^{t-1} \ln (1 + rS_i [1 - \delta_i]) = \sum_{i=0}^{t-1} rS_i (1 - \delta_i)$$

therefore (13) becomes:

$$(14) \quad \ln Y_t = \ln E_0^* + \ln (1 - \delta_t) + \sum_{i=0}^{t-1} rS_i (1 - \delta_i) + \ln (1 - S_t)$$

## Section 2

Since persons become disabled at some time ( $d$ ) during their lifetime, it is possible to employ a segmented earnings function (See Mincer and Polachek, 1974):

$$(15) \quad \ln Y_t = \ln E_0^* + \ln (1 - \delta_t) + \sum_{i=0}^{d-1} rS_i (1 - \delta_i) + \sum_{i=d}^{t-1} rS_i (1 - \delta_i) \\ + \ln (1 - S_t)$$

since prior to  $i=d$ ,  $(1 - \delta_i) = 1$  (i.e.  $\delta_i = 0$ ):

$$(15a) \ln Y_t = \ln E_0^* + \ln (1 - \delta_t) + \sum_{i=0}^{d-1} rS_i + \sum_{i=d}^{t-1} rS_i \\ + \sum_{i=d}^{t-1} rS_i (1 - \delta_i) + \ln (1 - S_t)$$

This (15a) is the theoretic model.

### Section 3

To arrive at an estimatable wage function the theoretic model is altered as follows:

Breaking  $\sum S_i$  into its two components, Schooling (S) and Post-School Investment ( $\sum K_i$ ), yields:

$$(16) \ln Y_t = \ln E_0^* + \ln (1 - \delta_t) + rS + \sum_{i=0}^{d-1} rK_i + \sum_{i=d}^{t-1} rK_i (1 - \delta_i) \\ + \ln (1 - S_t)$$

approximating  $K_i$  by  $K_i = K_0 + \frac{K_0}{T} t_i$  where  $t_i = (1 - \delta_i) t_i^*$  yields:

$$(17) \ln Y_t = \ln E_0^* + \ln (1 - \delta_t) + rS + rK_0 t - \frac{rK_0}{2T} t^2 + rK_0 (1 - \delta_i) t \\ - \frac{rK_0 (1 - \delta_i)^2}{2T} t^2 + \ln (1 - S_t)$$

which can be estimated as follows:

$$(18) \ln Y_t = \alpha_0 + \alpha_1 X + \alpha_2 S + \alpha_3 t_1 - \alpha_4 t_1^2 + \alpha_5 t_2 - \alpha_6 t_2^2 + \varepsilon$$

where:

$$\alpha_0 = \ln E_0^*$$

$$\alpha_1 X = \ln (1 - \delta_i)$$

$$\begin{aligned}\alpha_2 &= r_s \\ \alpha_3 &= rK_0 \\ \alpha_4 &= (rK_0)/2T \\ \alpha_5 &= rK_0 (1 - \delta_1) \\ \alpha_6 &= (rK_0[1-\delta_1]^2)/2T\end{aligned}$$

Because this is a sample of older aged individuals  $\ln(1 - S_t)$  is assumed to be 0. Had this not been the case it would have been necessary to employ GLS rather than OLS, due to the possibility of heteroskedasticity (i.e. a non zero mean on  $\epsilon$ ). Note that this two segment model also assumes that the magnitude of disability has not changed. For each change in magnitude, an additional segment would be necessary.

#### Section 4

To arrive at the wage growth equation (19) one must take the first difference of the wage function (14) at time  $t$  and  $t - 1$ :

$$(14) \ln Y_t = \ln E_0^* + \ln(1 - \delta_t) + rS + \sum_{i=0}^{t-1} rK_i (1 - \delta_i) + \ln(1 - S_t)$$

subtracting:

$$\ln Y_{t-1} = \ln E_0^* + \ln(1 - \delta_{t-1}) + rS + \sum_{i=0}^{t-2} rK_i (1 - \delta_i) + \ln(1 - S_{t-1})$$

from (14) yields:

$$(19) \Delta \ln Y = \Delta \ln(1 - \delta) + rK_{t-1} (1 - \delta_{t-1}) + \Delta \ln(1 - S)$$

Thus wage growth is dependent on the following:

- 1) Change in the level of disability
- 2) The change in the human capital stock between the two periods of wage reporting
- 3) Change in the level of investment

**APPENDIX B**

**SURVEY DISABILITY QUESTION**

V. HEALTH

<p>66a. Do you have any health problem or condition that limits in any way the amount or kind of work you can do?</p>	<p>66a. (435) 1 <input type="checkbox"/> Yes - SKIP to 67a 2 <input type="checkbox"/> No - ASK b</p>
<p>b. Do you have any health problem or condition that in any way limits your other activities?</p>	<p>b. (436) 1 <input type="checkbox"/> Yes - ASK 67a 2 <input type="checkbox"/> No - SKIP to Check Item W</p>
<p>67a. How long have you been limited in this way?</p>	<p>67a. Record actual time and mark the appropriate box: (437) _____ Years <b>OR</b> ↗ (438) _____ Months (439) 1 <input type="checkbox"/> Less than 3 months 2 <input type="checkbox"/> 3 months, but less than 6 months 3 <input type="checkbox"/> 6 months, but less than 1 year 4 <input type="checkbox"/> 1 year, but less than 3 years 5 <input type="checkbox"/> 3 years, but less than 5 years 6 <input type="checkbox"/> 5 years, but less than 10 years 7 <input type="checkbox"/> 10 years or longer, but less than life 8 <input type="checkbox"/> All my life</p>

Questions 66a and 66b were asked of all respondents. Question 67a and Question 67b (on following page) were asked of those responding affirmatively to either Question 66a or 66b.

SHOW FLASHCARD **A**

b. Do you ever have any difficulty performing any of the activities on this card? b.

2  Yes — Which ones? — Mark each activity mentioned and for each marked ask —

Can you . . . at all?

Yes No

- 440 1  No
- 441 1  Walking 2  3
- 442 2  Using stairs or inclines 2  3
- 443 3  Standing for long period of time 2  3
- 444 4  Sitting for long periods 2  3
- 445 5  Stooping, kneeling or crouching 2  3
- 446 6  Lifting or carrying weights up to 10 lbs. 2  3
- 447 7  Lifting or carrying heavy weights 2  3
- 448 8  Reaching 2  3
- 449 9  Handling and fingering 2  3
- 450 10  Seeing (even with glasses) 2  3
- 451 11  Hearing 2  3
- 452 12  Dealing with people 2  3
- 453 13  Other — Specify 2  3

**APPENDIX C**

**CORRELATIONS BETWEEN LIMITATIONS**









APPENDIX D

WAGE ESTIMATING REGRESSIONS FOR SAMPLE II

REGRESSIONS FOR SAMPLE II  
WAGE ESTIMATING EQUATION - ALL, DISABLED, NONDISABLED  
LIMITATION PREVENTS ACTIVITY

<u>VARIABLE</u>	<u>ALL WHITES</u>	<u>ALL BLACKS</u>	<u>DISABLED WHITES</u>	<u>DISABLED BLACKS</u>	<u>NON-DISABLED WHITES</u>	<u>NON-DISABLED BLACKS</u>
SCHOOL	0.06638 (7.961)	0.03990 (3.303)	0.03137 (0.394)	0.23957 (2.157)	0.06872 (12.310)	0.02409 (2.757)
EXPERIENCE	0.02480 (0.599)	0.02871 (0.435)	0.10802 (0.329)	0.48849 (0.769)	0.01146 (0.406)	-0.01279 (0.268)
EXPERIENCE <sup>2</sup>	-0.00038 (0.735)	-0.00036 (0.473)	-0.00211 (0.329)	-0.00388 (0.769)	-0.00016 (0.406)	-0.00003 (0.063)
DISABLED EXPERIENCE	-0.85738 (7.479)	-0.13340 (0.698)	-1.44406 (3.237)	-0.12352 (0.173)		
DISABLED EXPERIENCE <sup>2</sup>	0.15949 (6.423)	-0.06154 (1.594)	0.24889 (2.976)	-0.04553 (0.359)		
LIMIT 1 WALKING	-0.10454 (0.717)	-1.34832 (5.911)	-0.15999 (0.404)	-1.21620 (2.053)		
LIMIT 2 USING STAIRS	-0.03678 (0.257)	0.74934 (3.304)	-0.04805 (0.130)	0.70305 (1.128)		
LIMIT 3 STANDING	0.22269 (1.435)	0.36067 (1.418)	0.19611 (0.487)	0.26434 (0.405)		
LIMIT 4 SITTING	-0.00794 (0.045)	-1.77254 (5.733)	-0.06276 (0.130)	-1.48117 (1.128)		
LIMIT 5 KNEELING	-0.40352 (2.825)	0.17203 (0.725)	-0.57113 (1.501)	-0.13077 (0.192)		
LIMIT 6 LIFTING	-0.20998 (1.092)	0.58359 (2.425)	-0.25018 (0.501)	0.28072 (0.410)		
LIMIT 7 CARRYING	0.24345 (1.778)	-0.21800 (0.919)	0.08929 (0.243)	0.11410 (0.176)		
LIMIT 8 REACHING	-1.08726 (5.649)	-0.18240 (0.567)	-1.11949 (2.210)	0.92792 (1.025)		
LIMIT 9 HANDLING	0.11169 (0.455)	-0.90781 (2.659)	0.30644 (0.476)	-1.56986 (1.617)		
LIMIT 10 SIGHT	0.22740 (1.090)	1.35367 (4.606)	0.47286 (0.854)	0.95594 (1.225)		
LIMIT 11 HEARING	0.41168 (2.453)	-0.64866 (1.898)	0.23811 (0.522)	-0.17397 (0.192)		
LIMIT 12 DEAL W PEOPLE	-0.20014 (0.864)	1.54866 (2.598)	-0.47138 (0.767)	3.46928 (2.054)		
LIMIT 13 OTHER	0.89795 (1.621)	none in sample	0.41662 (0.285)	none in sample		
MARITAL STATUS	0.17069 (2.276)	0.16447 (2.134)	-0.40774 (0.731)	1.52211 (1.846)	0.22728 (4.423)	0.07130 (1.291)
CONSTANT	4.87890	4.69281	6.14265	-11.06912	4.96816	6.03918
R <sup>2</sup>	.265	.335	.077	.245	.219	.108
F STATISTIC	26.289	16.485	1.609	2.063	84.654	15.967
DEGREES OF FREEDOM	1314	536	119	38	1190	493
STANDARD ERROR	0.74787	0.71943	1.92980	1.82668	0.47932	0.49829

REGRESSIONS FOR SAMPLE II  
WAGE ESTIMATING EQUATION - ALL, DISABLED, NON-DISABLED  
LIMITATION HINDERS ACTIVITY

<u>VARIABLE</u>	<u>ALL WHITES</u>	<u>ALL BLACKS</u>	<u>DISABLED WHITES</u>	<u>DISABLED BLACKS</u>	<u>NON-DISABLED WHITES</u>	<u>NON-DISABLED BLACKS</u>
SCHOOL	0.06667 (7.856)	0.03001 (2.580)	0.04377 (0.594)	0.03239 (0.311)	0.06872 (12.310)	0.02409 (2.757)
EXPERIENCE	0.01474 (0.351)	0.00264 (0.004)	0.02602 (0.837)	0.06357 (0.114)	0.01146 (0.406)	-0.01279 (0.268)
EXPERIENCE <sup>2</sup>	-0.00025 (0.475)	-0.00012 (0.164)	-0.00097 (0.249)	-0.00012 (0.000)	-0.00016 (0.447)	-0.00003 (0.063)
DISABLED EXPERIENCE	-0.73138 (6.151)	0.10496 (5.273)	-1.16056 (2.741)	-0.47143 (0.696)		
DISABLED EXPERIENCE <sup>2</sup>	0.13663 (5.368)	-0.09325 (2.438)	0.20035 (2.501)	-0.00101 (0.000)		
LIMIT 1 WALKING	0.09504 (0.597)	-1.09635 (4.771)	0.05724 (0.138)	-1.12289 (1.920)		
LIMIT 2 USING STAIRS	-0.31214 (2.050)	0.28557 (1.190)	-0.32772 (0.847)	-0.11287 (0.176)		
LIMIT 3 STANDING	0.12022 (0.738)	0.43338 (1.727)	0.08875 (0.214)	0.34253 (0.533)		
LIMIT 4 SITTING	0.05031 (0.268)	-0.99967 (2.760)	0.03309 (0.071)	-1.00237 (1.106)		
LIMIT 5 KNEELING	0.04709 (0.302)	0.29683 (1.159)	-0.03842 (0.095)	0.04296 (0.063)		
LIMIT 6 LIFTING	-0.68711 (3.369)	-0.39926 (1.646)	-0.60461 (1.162)	-0.98869 (1.490)		
LIMIT 7 CARRYING	-0.00972 (0.006)	-0.23218 (0.935)	-0.17123 (0.432)	-0.53296 (0.709)		
LIMIT 8 REACHING	-0.68284 (3.385)	-0.63259 (1.779)	-0.62812 (1.229)	0.05069 (0.055)		
LIMIT 9 HANDLING	0.09160 (0.396)	-2.08285 (5.590)	0.15910 (0.272)	-2.13775 (2.171)		
LIMIT 10 SIGHT	0.14482 (0.666)	0.96963 (3.098)	0.33945 (0.604)	0.57532 (0.704)		
LIMIT 11 HEARING	0.41378 (2.355)	-1.19940 (3.359)	0.27648 (0.597)	-0.99767 (1.089)		
LIMIT 12 DEAL W PEOPLE	-0.11457 (0.468)	0.79793 (1.687)	-0.24051 (0.382)	1.50192 (1.232)		
LIMIT 13 OTHER	0.42770 (1.840)	5.03305 (7.408)	0.08800 (0.141)	4.48626 (2.483)		
MARITAL STATUS	0.17117 (2.236)	0.12243 (1.654)	-0.34926 (0.643)	0.66615 (0.984)	0.22728 (4.423)	0.07130 (1.291)
CONSTANT	5.06511	5.47047	7.21117	3.874736	4.96816	6.03918
R <sup>2</sup>	.250	.418	.055	.350	.219	.108
F STATISTIC	24.620	22.121	1.456	2.793	84.654	15.967
DEGREES OF FREEDOM	1326	539	131	41	1190	493
STANDARD ERROR	0.76579	0.69430	1.93529	1.72254	0.47932	0.49829

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