SERVING ALL CONSUMERS:
Identifying Racial Disparities in the Vocational Rehabilitation System

By Dahlia M. Shaewitz and Dr. Michelle Yin

Policy Brief | December 2021
ABOUT THE AUTHORS

Dahlia Shaewitz, Vice President for Transition, Disability, and Employment, Institute for Educational Leadership, develops strategies and approaches to empower youth and adults with disabilities to create their futures and lead their communities to achieve greater inclusion. At IEL, she oversees a portfolio of work that addresses the systems change and collaboration needed to connect people with disabilities to education and employment opportunities. Since 2012, Dahlia has also served as co-coordinator of IEL's D.C. Education Policy Fellowship Program, a 9-month professional development program that supports emerging leaders in education and related fields to acquire new perspectives and skills to function effectively in the increasingly complex, political, and changing environment of local, state, and national education.

Dahlia M. Shaewitz
Vice President, Transition, Disability & Employment
IEL | Innovation. Equity. Leadership.
4301 Connecticut Avenue, NW, Suite 100
Washington, D.C. 20008
Email: shaewitzd@iel.org

Michelle Yin, PhD, is Associate Professor in the School of Education and Social Policy at Northwestern University (Illinois), where she is also director of the Dual Master’s Degree Program, offered jointly with The Chinese University of Hong Kong. Michelle works at the nexus of education and labor economics, with a focus on special populations that include people with disabilities, youth at risk of not graduating from high school, and adult literacy learners. She earned both her MA and PhD degrees in economics from the University of Florida.

Michelle Yin, Ph.D., She/Her/Hers
Director, Dual Master’s in Applied Economics and Social and Economic Policy
Associate Professor, School of Education & Social Policy
Northwestern University
Email: michelle.yin@northwestern.edu
Office Phone: (847)-491-7377
Serving All Consumers: Identifying Racial Disparities in the Vocational Rehabilitation System

INTRODUCTION

The Vocational Rehabilitation (VR) program is the largest workforce program in the United States, providing employment services to people with disabilities to help them retain or enter competitive integrated employment commensurate with their abilities and capabilities. During the pandemic, state VR services were significantly affected and in some cases those services were halted for a period of time as agencies attempted to reroute services virtually and to eventually provide in-person contact. In addition, the Covid-19 pandemic has led to a recession in the United States that impacts all workers. Historical data in the U.S. show that people with disabilities are more likely than their peers without disabilities to drop out of the workforce during economic downturns and are less likely to recover employment after the recession ends.

Further complicating the challenges to recovery are the disparities within the disability community reflected in access to VR services and employment outcomes by race/ethnicity categories. Racial differences in access and use of VR services have been documented since 1938. Wilkerson and Penn (1938) found substantially lower rates of Black individuals with successful rehabilitation outcomes than the percentage of Black people in the general population. These patterns have not changed significantly across the decades, despite civil rights and disability rights legislation, and the continuous investment in VR services. Studies have shown that white individuals were approximately 1.5 times more likely to be accepted for VR services than their Black counterparts (Rosenthal et al., 2005), were served for longer periods of time, had access to higher end services, and received more education and training services compared to Black clients. White VR clients were employed in competitive employment at a rate of 60%, compared to 46% for Hispanic clients and 41% for Black clients (Olney & Kennedy, 2002).

Given the historical disparities in employment for people with disabilities and the current economic recovery in the U.S., it is imperative that state VR agencies prepare for and respond to an increased demand for services. People with disabilities who lost employment during the pandemic, those preparing to return to work, those on VR agency wait lists, and people with newly acquired disabilities due to “long Covid” will contribute to this increased demand. The VR system must provide services equitably to all eligible and potentially eligible youth and adults with disabilities. Rethinking and reimagining VR services will require a close examination of the data on racial disparities and a thoughtful approach to close those gaps and ensure equitable services. This will include a reevaluation of VR operations to fundamentally improve equity of services from access through exit.

---

1 Race/ethnicity terminology used in this paper reflect U.S. Census Bureau and RSA 911 categories for reported data. RSA requires self-identification to the greatest extent possible for both race and ethnicity. The categories used in both data sources are consistent and do not require further recategorization. In this paper we will use the term Black interchangeably with “African Americans” as both data sources define this race category as “Black/African American.”
Serving All Consumers

RACIAL DISPARITIES IN VR SERVICES

A recent study by Yin et al 2020, examined racial differences within the VR population at each step of the process using a combination of the latest national case service reports from the Rehabilitation Services Administration (RSA) 911 data reported to the federal government in 2017, American Community Survey data, and information from the Kaiser Family Foundation.

Steps in the VR process include:

1. application,
2. eligibility,
3. service provision, and
4. employment outcome at closure.

Findings showed that Asian and white individuals with disabilities are less likely to apply for VR services than Black, American Indian/Alaska Native, and Hispanic individuals with disabilities nationally. However, Black, American Indian/Alaska Native, and Hispanic individuals with disabilities are less likely to be found eligible for services, less likely to receive services, and less likely to achieve employment outcomes at closure. In addition, Black and Hispanic consumers were more likely to be steered toward job training rather than educational services, and those who were employed at exit had lower salaries than white and Asian consumers.

Application Disparities

Application rates for VR services depend on several factors including whether information is widely shared about services, how that information is shared, which agencies are aware of and make referrals to VR, and the level of outreach conducted by VR agencies. State agencies focus on providing VR services, including access to academic training, job training, career services, and employer engagement to connect consumers to jobs. In addition, VR agencies are required under the 2014 Workforce Innovation and Opportunities Act (WIOA) to allot a minimum of 15% of federal funding to serve students with disabilities pre-employment and training services (PreETS), even if those youth are not found to be eligible for services. State VR agencies rely on partners in state and local communities including social service partners, other workforce and education agencies, and health providers to communicate about services to potentially eligible individuals with disabilities.

Limited staff time and resources for active outreach constrain the ability of VR agencies to develop and implement innovative approaches to outreach both to engage new partners and to directly connect to consumers. Even in states where staff are specifically designated to conduct outreach, or where agencies have conducted public service campaigns, there are few examples of broad success in educating the general public about VR. Information must be culturally and linguistically accessible to people with disabilities from all backgrounds, use plain language to ensure understanding of eligibility requirements, and include guidance on how to find agencies and request services. Application rates may reflect the lack of information and other environmental factors in a state, such as the unemployment rate or the overall economic condition.

In 2017, the rate of applications for Black people with disabilities (9.2%) were twice as high as whites with disabilities (4.7%) at the national level. The application rate for Black individuals is disproportionately high compared to whites with disabilities in...
states such as Delaware (25.9% vs. 7.3%), Iowa (31.8% vs. 7.9%), Idaho (38.7% vs. 12.2%), Maine (56.1% vs. 7.6%), North Dakota (29.3% vs. 11.4%), New Mexico (20.6% vs. 6.7%), South Carolina (20.3% vs. 8.0%), South Dakota (61.1% vs. 11.4%), Vermont (55.7% vs. 19.7%), Washington, D.C. (22.5% vs. 3.7%), and Wyoming (50.4% vs. 13.3%). Most of these states (excluding Washington, D.C., Delaware, and South Carolina) have lower populations of Black residents. Nonetheless, across the nation, Black people with disabilities have higher rates of applications to VR than white and Asian people. Similarly, Hispanic people with disabilities have higher application rates to VR than white and Asian people in every state, with very high application rates in just a few (North Dakota, 81.1% and South Dakota, 81.0%). Some of these striking differences may reflect low numbers of applications in states with relatively small populations with disabilities as estimated using the ACS data.

Eligibility Disparities

Eligibility rates reflect the proportion of VR applicants who are found to be eligible for services. Several factors that affect eligibility include the level of significance of the disability of the applicant, the length of the waitlist (if applicable) in the state, screening criteria used by VR to determine eligibility, and the discernment of VR counselors during the intake process (LLI, n.d.). Objectively applied criteria to determine eligibility of applicants for services requires counselors who are unbiased and who provide clear explanations of eligibility requirements to applicants. Lack of understanding by either counterpart can lead to lower eligibility selection rates.

Nationally, the average eligibility rates for Black (82.7%), Hispanic (85.8%), and American Indian/Alaska Native (80.7%) applicants with disabilities are lower than the rates for white (86.5%) and Asian (87%)
applicants. In just a dozen states this difference is negligible or slightly reversed for Black applicants compared to white applicants (within 0.5%). In 13 states the rates for applicants who are Hispanic are comparable or show a slight reverse rate compared to white applicants (within 0.5%). In 15 states, Native American/Alaskan Native eligibility rates are comparable or show a slight reverse trend to white applicants. In these cases, the state-by-state data are uneven; however, the importance of clearly informing potential applicants and objectively determining eligibility are key to addressing any disparities in the VR system.

Overall, Black, American Indian/Alaska Native, and Hispanic applicants are less likely to be eligible in the majority of states. In one example, Hispanic applicants in Alabama have an eligibility rate of 34.4% compared to 62.3% eligibility rate for white applicants, 57.8% for African American applicants, 56% for Asian applicants, and 41.5% for Native American/Alaska Native applicants. Even a small difference in eligibility can have a big impact. In 2017, there were 933,407 total participants in the national VR system not including students receiving pre-ETS and not eligible for VR services. A difference of just two percent can result in more than 18,000 fewer people who will be found eligible nationally.

### Services Disparities

Service rates are measured by the development of an Individualized Plan for Employment (IPE), which guides the provision of VR services for individuals who are found eligible. Nationally, Black, American Indian/Alaska Native, and Hispanic consumers of VR services are less likely to receive an IPE than white and Asian consumers. As with eligibility, the IPE rates vary and sometimes are comparable across racial/ethnic categories or show a reverse trend in some states.

Overall, Black, American Indian/Alaska Native, and Hispanic applicants are less likely to be eligible in the majority of states...A difference of just two percent can result in more than 18,000 fewer people who will be found eligible nationally.

Thirty-eight states are under an Order of Selection (OOS), in which the U.S. Department of Education (34 CFR § 361.36) requires those agencies to prioritize services to individuals with the most significant disabilities if the agency is unable to serve all eligible individuals with disabilities (RSA, n.d.). RSA 911 data show that white and Asian applicants to VR are more likely to fall into the category of “most significantly disabled” than Black and American Indian/Alaska Native applicants. They are also more likely to receive IPEs. Hispanic applicants are slightly more likely to be categorized as having ‘most significant disabilities’ compared to white applicants, yet the IPE rate is slightly lower for them.

As with eligibility rates, the IPE rates are overall lower for Black, American Indian/Alaska Native, and Hispanic VR consumers. In one striking example in Georgia, the IPE rate of eligibility for Hispanic people with disabilities is only 4.8% compared to 76.0% for white, 69.0% for Black, 71.4% for American Indian/Alaska Native, and 72.2% for Asian consumers. Ten states showed a comparable or reverse IPE rate (within 0.5%) for Black consumers compared to white consumers and seven of those states are in
an OOS. Thirteen states show a comparable or reverse IEP rate for Hispanics compared to whites and eight of those states are in an OOS. Six states show a comparable or reverse IPE rate (within 0.5%) for American Indian/Alaska Natives compared to white consumers and five of those states are in an OOS.

The reasons for state-to-state variations are unclear — they do not appear to be solely dependent on racial differences in the designation of “most significantly disabled” or OOS designation of states. Receipt of services are determined by VR counselors, whose expectations of consumers will impact their decisions about the type of services offered. On one hand, Black, American Indian/Alaska Native, and Hispanic VR consumers are more likely to receive public assistance, such as Medicaid/Medicare and SSDI/SSI. Applicants who receive Social Security benefits are presumed eligible and are considered to have a significant disability (LLI, n.d.). However, the data show that individuals receiving public assistance are less likely to be classified as ‘most significantly disabled.’ The eligibility status of applicants is also based on the VR counselor’s professional determination — based on their understanding of the individual’s needs and goals — of whether that individual would benefit from VR services.

People with disabilities are more likely to live in poverty than those without disabilities, and that poverty is exacerbated by race/ethnicity (NDI, 2020). Black, American Indian/Alaska Native, and Hispanic individuals with disabilities are more likely to live in poverty and have higher disability prevalence — we would expect to find higher proportions of these populations receiving VR services. One possible explanation is that Asian and white individuals with disabilities are more likely to have financial resources, and so only those with the most significant disabilities apply for VR services. Another explanation may lie in the adherence to selection criteria followed by VR counselors and how those selection criteria are interpreted by state administrators.

**Employment Rate Disparities**

Overall, VR services appear to support employment outcomes for people with disabilities who receive services compared to those who do not receive services. (Relative employment rates above 1.0 mean that employment outcomes are higher than what would be expected without receipt of VR services.) The national relative employment rate is lowest for American Indian/Alaska Native and Hispanic consumers, at 1.22 and 1.28 rates, respectively. Higher relative employment rates are shown for white (1.67), Black (1.64), and Asian (1.63) consumers.

In states where IPE rates are low for Hispanic consumers, there is a corresponding low employment rate, notably in Georgia (4.8% IPE rate and 0 relative employment rate), Montana (60.2% IPE rate and 0.34 relative employment rate); Louisiana (42.5% IPE rate and 0.38 relative employment rate); Maine (66.7% IPE rate and 0.43 relative employment rate); and Maryland (58.2% IPE rate and 0.58 relative employment rate). Almost half of all states show Hispanic consumers with a relative employment rate below 1.0, meaning that VR is less likely to lead to employment at closure for this group. Only two states show a comparable relative rate of employment for Hispanic consumer — in Colorado, the rate for Hispanic consumers is 1.18, just behind American Indian/Alaska Native (1.19) and just ahead of white (1.17) and Black consumers (1.13); and in Massachusetts, Hispanic consumers have a rate of 1.45,
behind the rate for white (1.49) but ahead of Black (1.37), American Indian/Alaska Native (1.17), and Asian (1.37) consumers.

Outside of the Hispanic consumer population, states vary in their relative employment rate by racial/ethnic category. In just over a dozen states, there are relative employment rates lower than 1.0 for different racial/ethnicity groups including white and Asian consumers. In Louisiana, the relative employment rates are below 1.0 for all racial/ethnic groups.

Employment at closure can be the result of VR services, impacts of the local economy, and improved academic and job skills among VR consumers. In addition, consumers who exit VR services for a job may not be counted as a successful closure, even if they have achieved their employment goal. The data show that VR services can benefit consumers with disabilities, but in nearly half the states this benefit does not extend to Hispanic consumers. States with very low rates should consider the factors that lead to lower rates for Hispanic consumers, especially when those rates are significantly lower than for other groups.

ACHIEVING EQUITY IN VR SERVICES

National averages provide an indistinct picture of the efforts and accomplishments of VR services. State by state analyses like those presented in Yin, et al (2020) offer an opportunity to sharpen the picture of how VR services support consumers and expand the conversation to determine whether VR services are equitable for all eligible and potentially eligible individuals with disabilities. While each state has its unique challenges related to education, economics, demographics, and geography, there are some challenges shared across many states. These include external barriers such as: large rural areas with fewer jobs and resources, high poverty areas with limited community resources, technology barriers such as limited or no access to broadband and assistive equipment, and the general lack of understanding about the VR system and how it can support individuals with disabilities. Transportation is a barrier in every state in rural, suburban, and urban areas for individuals with disabilities who rely on public transportation to reach jobs, educational settings, and other locations. The recent Covid-19 pandemic and the current recession are two national events with significant economic impact that have presented particular challenges to the labor market for people with disabilities.

In addition to those external barriers, VR agencies must also address organizational challenges to providing high quality, equitable services to all consumers. These challenges are individual, programmatic, and systemic. To achieve equity in service provision, agencies must address each level.

Individuals

VR counselors and administrators join the profession to help individuals with disabilities to achieve economic self-
sufficiency and independence. Education and training prepare VR staff to support consumers to achieve their career goals. At the VR agency, these staff require both guidance (policies, procedures, and accountability) and support (ongoing training, information sharing, and resources) to be successful in their roles and to ensure that VR consumers receive equitable services and supports.

One strategy is to ensure that VR staff reflect the constituencies they serve. This may include developing direct relationships with preparation programs (universities, training programs) to create a talent pipeline for internships and new hires. In addition, continued cultural and linguistic competency training can help to bridge the understanding between current staff and the populations they serve. Implicit biases are both individual and systemic. Addressing this at the staff level includes ongoing training and reflection to better understand the support the individual’s need. Regional ADA centers are one potential resource for free training upon request.

State VR agencies may implement inclusionary practices and standards that include performance management, incentives, and career opportunities. Similarly, state departments of human resources can support VR agency performance management systems to meet the needs of staff and consumers. Additionally, greater collaboration with community-based organizations and other partners who serve ethnically and racially diverse populations can increase information-sharing about VR while also increasing partners’ understanding of how to include and serve the disability population.

**Programmatic**

State VR agencies collect and report a significant amount of data through RSA 911 reports and other required reporting mechanisms. Agency leaders and supervisors have an opportunity to use that data regularly to examine demographics of those served. Regular review of client service data within state offices and VR teams, including comparisons to state population data, can help raise awareness, establish goals, and catalyze conversations about services. Many state VR agencies already use data regularly, so expanding the use of demographic data to inform the team, set goals, and track progress may be added to existing internal data reviews. Coupling demographic data with services data can provide a picture of areas for growth and opportunity for the agency.

The data show that VR services can benefit consumers with disabilities, but in nearly half the states this benefit does not extend to Hispanic consumers. States with very low rates should consider the factors that lead to lower rates for Hispanic consumers, especially when those rates are significantly lower than for other groups.

The National Institute on Disability, Independent Living, and Rehabilitation Research (NIDILRR)-funded Rehabilitation Research and Training Center (RRTC)
on Research and Capacity Building for Minority Entities, the Disability Statistics and Demographics RRTC, and the Research and Training Center on Disability in Rural Communities are three resources for national and state data to inform agencies and support their exploration of the needs of populations within their states. State agencies may also reach out to historically Black colleges and universities (HBCUs) and Hispanic serving institutions (HSIs) in their states to increase understanding of underserved populations. This approach has the added benefit of creating linkages across disability serving and non-disability serving institutions to better support all people with disabilities in the state.

Partnerships are key to the effectiveness of VR services. Yet, many state agencies have limited staff, resources, and time to focus on developing, expanding, and updating their partnerships. Existing partnerships tend to focus on recruitment (where are consumers coming from) and on employment opportunities (which business relationships will lead to employment). VR staff may also identify and partner with other agencies and community-based providers to address mutual areas of interest such as helping VR to support diverse populations or providing training to partners on disability awareness. These partnerships can lead to greater collaboration, shared perspectives, and cross-training to expand the awareness of the diversity of individuals with disabilities and the services available to them. Importantly, these types of partnerships may increase the individual capacity of VR staff by deepening their understanding of the human and programmatic resources available to them to support their work with consumers. VR agencies may consider innovative ways to expand their partnerships based on ideas shared from other states or a regional consortium of states could collaborate on ideas and pool resources to develop key partnerships. National agencies such as Council of State Administrators of Vocational Rehabilitation (CSAVR), federally funded TA centers, and RSA can help to identify regional and national partners.

A number of state agencies work regularly with consumer advisory committees. These should include current consumers, previous consumers, and family members from different racial/ethnic groups and from different regions of the state. Ad hoc surveys and focus groups with consumers, including those who exited prior to closure, can offer insights to VR agencies about the quality of services they received, their comfort level with the counselor and agency as a whole, and their recommendations to improve services for individuals from different racial/ethnic groups.

**Systemic**

The data show that people with disabilities who are Black, American Indian/Alaska Native, or Hispanic are more likely to enter job training and receive lower wages than their white and Asian counterparts. While state agencies consider changes to ensure equal opportunities for academics and postsecondary education leading to higher wage jobs for all consumers, there are systemic barriers to success as well. National data show that racial discrimination and disability discrimination together have a compounded impact leading to poverty and limited opportunities for financial self-sufficiency — these are factors outside the control of the VR system.

Nonetheless, a consortium of states; national institutions including CSAVR; federal agencies including RSA, NIDILRR, Office of Disability Employment (ODEP) and the various programs they fund; and legislative organizations such as the National Conference of State Legislatures, the
Council of State Governments, Women in Government, and the National Governors Association can work together to change how Black, American Indian/Alaska Native, and Hispanic people with disabilities are supported through policy, practice, and funding. It is incumbent upon all agencies and organizations to educate and inform legislators and policymakers with data, stories, challenges, and successes, and to provide a deeper understanding of the VR system to allow for better understanding and responses to the ways in which social stigma, economic disparities, and racial discrimination impact individuals with disabilities. VR agencies have an important responsibility and an opportunity to improve outcomes for all individuals with disabilities by achieving greater equity in services for consumers.

Models for how federal agencies and state legislators have successfully worked together to develop policy and guidance that is inclusive of and supports individuals with disabilities includes the ODEP-funded State Exchange on Employment and Disability (SEED) project. Some states such as Nebraska and Massachusetts inform their legislators about VR programs and how their services benefit residents with disabilities and improve economic outcomes for their states overall. These efforts should also raise awareness about racial/ethnic disparities in the VR system and provide recommendations to reduce them.

Concomitant with raising awareness is raising the stakes for VR outcomes — this requires full support from state legislatures to fully fund VR at the state level to ensure that there are sufficient resources and staff to reduce wait lists and increase services for individuals with disabilities from all backgrounds.
CONCLUSION

Despite societal shifts and changes in the VR system since 1938, disparities in VR services remain. There is particular urgency now, given the impact of the Covid-19 pandemic on the economy and the longstanding impact of discrimination against Black, Hispanic, and Native American people in the U.S. that is compounded by the intersection of race and disability, to ensure all individuals with disabilities have access to high quality VR services.

How can agencies address the challenge of disparities in services? State VR agencies can begin this work immediately. Take a deep dive into data on services, statewide population, and demographics. Examine existing services, programming, and partnerships. Use this information to identify goals and plan an approach to close any gaps in services and outcomes for consumers.

Questions that VR agencies may consider:

- What disparities exist in our VR services?
- How will we meet our agency goals to address and reduce inequities?
- What support do we need to accomplish those goals? What staffing levels and staff development are needed to address these disparities? What types of partners do we need to improve our recruitment, retention, and job placement?
- What changes can we make to our services that may increase engagement with underserved populations in our state?
- What does accountability look like for our agency and how will we measure our progress?

Inform those questions through conversations with Black, Native American/Alaska Native, and Hispanic individuals with disabilities in your state. Talk with those who have received services and those who were declined services to learn what would best support them. Talk with employers about opportunities to increase their diversity in hiring and providing comparable wages for all consumers. Invest time and resources to establish long-standing relationships with representative groups and entities in your state. Inform state legislators about the value of VR services and how workers with disabilities can support economic recovery from the pandemic. Provide professional development for VR staff to learn, grow, and evolve along with society that includes a deeper understanding of demographic changes, economic demands, and inclusionary practices.

RSA at the U.S. Department of Education has an obligation to ensure that policy and funding supports best practices in the pursuit of equitable outcomes for all individuals with disabilities who seek services from the VR system. This responsibility includes state-by-state analyses to better understand how to support state agencies.

VR agencies work against societal assumptions to shift the understanding of what people with disabilities can do at the local and state level. Since the 1970s, the VR system has achieved employment and educational outcomes for millions of people with disabilities while partnering with tens of thousands of employers. This brief contributes to our deepening understanding of the disability population and how to continuously improve services to expand these accomplishments. All people with disabilities have the potential to work — strengthening the VR system will help to ensure that the nation benefits from the knowledge, creativity, and contributions of the entire population.
REFERENCES


ABOUT THE ORGANIZATIONS

Institute for Educational Leadership

The Institute for Educational Leadership (IEL) is a national expert in community-driven leadership development in the intersecting areas of education, employment, and health. The common thread in our work is supporting community and institutional leaders as they build systems around racial, disability inclusion, and economic equity goals. Our 57-year journey and experiences have resulted in approaches, tools, and practices that reflect the needs of leaders no matter where they sit in communities. The authentic relationships that we build in the process shape the way we engage community leaders, do our work, and provide the foundation for deeper impact as we continue to address systemic challenges in the 400 plus communities that trust us as partners. Visit our website.

Northwestern University

Northwestern’s School of Education and Social Policy (SESP) is a global force for good. SESP catalyzes change by bringing together a wide range of disciplines - including psychology, economics, computer science, organizational studies, sociology, and education – along with many modes of inquiry. The Dual Master’s Degree Program in Applied Economics and Social Policy provides students rigorous training in applied economic science and develop analytical skills to evaluate and design policies and programs in diverse global contexts. For more information, please email sespmdp@northwestern.edu or visit our website. Download the program brochure for additional information.