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Disability and Financial Hardships in Rural Regions: A Scopus Review

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Abstract

In the United States, there is a substantial economic wage gap between individuals with disabilities and able-bodied d counter parts. Individuals with disabilities often encounter financial problems due to the limitations and costs of their disability. In rural regions where there are fewer financial resources, those with disabilities tend to struggle even more than people without disabilities. The following scopus review synthesizes past literature to explain the financial problems faced by individuals with disabilities in rural settings.

Keywords: Disabilities; Impairment; Financial; Employment

Introduction

The American with Disabilities Act (ADA; 1990) defines disabilities as, "A person who has a physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such impairment." In rural communities, these substantial limits frequently attribute to individuals with disabilities living in poverty as a result of working low paying jobs, encountering unemployment, the costs of medical care as a result of their disability, and the costs of finding housing that accommodates their specific disability. In 2013, a national survey conducted by the Employment and Disability Institute estimated that 31.9 percent of employed adults between the ages of 18 and 64 with a disability lived below the poverty line in comparison to 11.7 percent of employed adults ages 18 to 64 without a disability (Employment of Disability Institute, 2016). Studies also show that working-age individuals with disabilities are two to five times more likely to fall into low-income brackets than those who do not have disabilities [1]. These high poverty rates among individuals with disabilities residing in rural regions can make them more likely to experiencing housing costs burdens.

Housing Cost Burdens

The higher poverty rates for individuals with disabilities living in rural environments can result in a housing cost burden. In 2009, individuals with disabilities accounted for 38 percent of all very low-income renter households (American Housing Survey, 2010). In 2009, it was estimated that approximately half of the individuals with disabilities living in rural areas were receiving government assistance. This assistance was distributed utilizing programs such as Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), Supplemental Nutrition Assistance Programs (SNAP), and Temporary Assistance for Needy Families (TANF) (National Council on Disability, 2012; [2]).

Disability and Poverty

Poverty is described as an economic hardship due to a lack of financial resources; to maintain a comfortable standard of living. Over the past decade, the number of adults in rural regions who report having a disability has continued to increase in the United States [3]. Several studies have demonstrated that adults who have disabilities are more likely to experience poverty in comparison to non-disabled adults [4], which could be the result of income disparities and asset disparities [5,6]. According to the most recent U.S. Census reports, the poverty rate of adults with disabilities was 26.8%. Thus, meaning approximately 4.1 million adults with disabilities in the United States were experiencing poverty in 2016 [7].

Income, Assets and Poverty

There are multiple ways that wealth and poverty can be operationally measured [8,9]. Analyzing a household's income is one way to measure an individual's socioeconomic class. In the

United States, the official poverty rate is measured by analyzing a family's pre-tax income while considering the family size [10]. Although this is the correct method of measuring poverty in the United States, it isn't the best scale as it doesn't consider other aspects of wealth, such as asset ownership.

Economic stability is not dependent only upon income ratios. Assets are also an essential component when analyzing economic stability. Assets often result in long-term financial benefits that allow families to achieve a higher level of economic security [11]. Recent economic literature has made a shift to measuring an individual's wealth by incorporating the value of one's ownership of various assets, in addition to their income sources [12-14]. Assets can be described as financial and non-financial ownership rights to an investment that does not necessarily generate taxable income but can provide economic benefits to the owner [15].

Examples of assets include ownership of housing/real estate, savings, trust funds, bonds, business ownership, vehicles, and other investments [14]. To obtain these assets, one must be financially knowledgeable on how to invest in them and have additional income resources to put toward the asset investment [15]. Unfortunately, individuals with disabilities residing in rural regions have limited financial situations to obtain assets.

These types of financial resources can also provide additional long-term stability or security in times of economic setbacks or hardships that income does not [14,16]. Studies have shown individuals who own assets, such as real estate, housing or have more long-term financial benefits that result in higher levels of wealth in comparison to those who don't own assets [17,18]. In summary, asset ownerships are an essential component of financial stability because of their contribution to a higher standard of living and providing long-term economic benefits. Unfortunately, many individuals who have disabilities residing in rural regions are in lower-income brackets, which produce a barrier to asset investing [15]

Disability and Wealth Disparities

A common reason attributing to the poverty disparities among adults with disabilities can include having lower incomes [19]. Several studies have demonstrated that adults with disabilities work fewer hours and are paid less in comparison to adults who do not have disabilities [20,21]. When examining the number of adults with disabilities who are employed, Erickson et al. [20] found that only 20.7% of adults with a disability were employed full time. Studies also demonstrate that employed adults with disabilities also make less than employed adults who do not have disabilities. Walls & Dowler [21] reported a $10,000 pay deficit for workers who have a disability in comparison to workers who do not have a disability. This trend makes it difficult for individuals with disabilities to establish financial security and participate in long-term asset building.

The gap of the income disparities among adults a disability continually increases over time as the individual ages [22,23]. In a longitudinal study conducted by Meyer & Mok [23], the wages of adults with disabilities decreased by approximately 77% over ten years. This income decrease was attributed to working fewer hours and working for less pay as their disability-related limitations increased, which causes individuals with disabilities to accumulate more debt and expenses as they age.

Disability and Costs

The cost of living is often higher for adults with disabilities than it is for adults who do not have disabilities [23,3]. Adults who have disabilities also have elevated living expenses, due to the cost of medicine, the need for conducive homes/equipment and transportation [24-27]. As an individual with a disability age, they often require more accommodations and care; thus, resulting in even more expenses [3]. Studies have shown that individuals with disabilities account for the majority of medical bankruptcy cases because of the accumulating costs and loss of income as a result of having a disability [28]. These extra costs faced by individuals who have disabilities can make it difficult for the individual to maintain a stable income and invest in long-term asset building.

Institutional Theory of Saving

Institutional Theory of Saving if often applied when analyzing economic disparities. Created by Michael Sherraden, Institutional Theory of Saving examines the economic constructs that influence how an individual expands financial capabilities, builds assets, and saves money in order to be financially secure [29]. This theory proposes an individual's economic environment influences financial decisions related to savings. Factors that can affect one's savings include financial resources, social security, disability benefits, retirement plans, credit access, and banking accesses [29,30]. These institutional saving methods provide long-term benefits to families that utilize them. However, lower-income families in rural environments often neglect these saving methods because they cannot afford to invest in long-term payouts as a result of their current financial fragility [30].

Institutional Theory of Saving is commonly applied to disability literature when examining economic disparities [29]. Many individuals who have disabilities and reside in rural regions will decide to work fewer hours or take lower-paying jobs to qualify for various disability benefits and [31]. Many individuals who have disabilities receive financial services such as housing subsidies, food stamps, social security benefits, Medicaid, and other financial resources that are dependent on their income bracket [32-34]. Many studies have demonstrated that the fear of losing financial benefits and resources is a common barrier observed among individuals who have disabilities, thus resulting in them not making as much money as they could [33,35]. Many studies have shown individuals with disabilities who live in rural

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regions often have opportunities to earn a higher income, but do not pursue the opportunities in fear of losing their benefits [33,34-36].

Conclusion and Future Directions

The findings of this review of literature demonstrate the disparities individuals with disabilities who live in a rural region often experience higher poverty rates than their non-disabled counterparts. Implications for future social work research include exploring why individuals with disabilities in rural areas are experiencing these financial hardships, despite the accommodations and regulation of the ADA. Social workers need to understand and recognize the unique financial difficulties faced by individuals with disabilities who live in rural regions of the United States.

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