



E05: Overcoming Barriers to Employment- With Doug Kruse, Professor at Rutgers University

Voice Over:

Welcome to Let's Get to Work, Reimagining Disability Inclusive Employment Policy, brought to you by the Burton Blatt Institute at Syracuse University, and now here's your host, Michael Morris.

Michael Morris:

Welcome. My name is Michael Morris, and I am the moderator of this podcast series, Let's Get to Work. We are going to bring guests to you with unique knowledge and insights about their perspective in the employment space, in public policies that advance employment or may hold progress back for people with disabilities.

Michael Morris:

Burton Blatt Institute at Syracuse University, in collaboration with researchers at Rutgers and Harvard universities, established in September, 2020, a new center to study disability inclusive employment policy. Our first guest today is Doug Kruse, professor at Rutgers University. Doug has had a very distinguished career not only in academia, but also worked in the Obama White House, and we'll learn more about his background and experience.

Michael Morris:

Doug, it's great to have you here and, maybe to start off, can you tell us a little bit about your educational training as an economist, and what have been the primary motivating factors for you to dedicate your research to improving understanding and knowledge of public

policy to advance employment and economic self-sufficiency for people with disabilities?

Doug Kruse:

I'm very pleased to be on this podcast. This is certainly an issue, set of issues, that's very important to me, and I'm really glad to be part of this.

Doug Kruse:

You asked about my training as an economist. From an economic perspective, disability raises a lot of basic issues in labor supply and demand. On the supply side, what kinds of factors limit the ability and willingness to work among people with disabilities. The time and energy costs are maybe transportation issues, medical schedules, disability income, but, on the demand side, it's also very interesting to look at what kinds of factors limit the willingness of employers to hire people with disabilities.

Doug Kruse:

There may be concerns about productivity, accommodation costs, discomfort, and prejudice. I actually think a big factor there is simple uncertainty, maybe not a simple case of prejudice, but uncertainty among employers about how productive people with disabilities will be and how they'll get along with coworkers. That uncertainty can be a form of prejudice in itself, I think, but I do think that's an important factor. In some of the studies we've done, we've found that employers are less likely to express interest in job applicants with disabilities, and I think that's one of the key factors, I should say. They're less likely to express interest even when the qualifications are identical to that of people without disabilities.

Michael Morris:

Thank you for those insights. I know, in reading your bio and background, you had the unique privilege to serve on the White House Council of Economic Advisors to former President Barack Obama. You, probably, I'm guessing, were probably or may have been the first person with a disability ever to serve on the White House Council of Economic Advisors. What was that like, and how did your personal and professional's insights perhaps influence some of their thinking?

Doug Kruse:

Just a small correction, I wasn't on the council itself, but I was a senior economist at the Council of Economic Advisors, and that was a very exciting time. It was very educational for me, and I hope I did play some role in helping improve public policy.

Doug Kruse:

I dealt with a number of disability issues. For example, that's the time that the minimum wage was being raised for federal contractors. President Obama signed an Executive Order to increase the minimum wage to \$10.10 for federal contractors, and a big question there was whether that would apply to all people with disabilities, that is, whether subminimum wage would be disallowed for people with disabilities? I did a fair amount of research on that, and the final decision was that this would apply to all workers. There would be no subminimum wage.

Doug Kruse:

That's just one example of one of the topics that I found really interesting and where I hopefully made a small contribution to good public policy.

Michael Morris:

As I mentioned, you are part of a team working with other researchers from Rutgers, Harvard and Syracuse University in a relatively new center to study disability inclusive employment policy. That's a mouthful, disability inclusive employment policy. What does that mean to you, and why should it be important to employers, people with disabilities and the economy?

Doug Kruse:

Most basically, the Disability Inclusive Employment Policy means having policies that help ensure that everyone has good opportunities for employment. When I say employment, I'm not talking about just any job, but good jobs not only in terms of income, but also skill developments, good relations with coworkers, being part of mainstream society, and that's especially important for people with disabilities who we know from other research are more socially isolated. Employment can be really important for helping them be part

of the mainstream society, so it's very important for people with disabilities.

Doug Kruse:

For employers, disability inclusive policy means making the use of all the available abilities out there in the economy especially in times of labor shortages like now when employers have to reach out to tap overlooked pools of human resources.

Doug Kruse:

For the economy, you asked about the economy in general, there is economic value in ensuring all human resources are utilized. That improves the overall economy, but there's also a more fundamental value in inclusion of everyone in our growingly diverse workforce, making sure everyone works well together and benefits from diversity.

Doug Kruse:

There are a number of studies that have been done on... showing that diversity can enhance creative work and innovations that may be especially true for people with disabilities. One of my favorite quotes actually is from a Pillsbury executive who said, "Our environment is creative and innovative. People with disabilities, by default, are very creative and knowledgeable about a variety of issues because they have to be in their everyday lives."

Doug Kruse:

I think that's very true. People with disabilities can be very creative. They have all kinds of issues to cope with, and that's good for workplaces and good for the economy as a whole if people with disabilities are using those creative skills.

Michael Morris:

Excellent. Let me turn to some of the areas you are now very focused in in your studies. One of those areas is the changing nature of work with particular attention to more flexibility by employers in allowing telework. Why is this an important question for individuals with disabilities, and what have you been learning? What have you learned so far? In this era of COVID, telework is one of the hottest issues,

working from home versus everyone being in a central workplace. What are we learning?

Doug Kruse:

Right. It's a very interesting issue, and I have to say I was interested in it even before the COVID pandemic in particular because telework offers advantages to people, many people with disabilities, particularly people who have mobility issues who find it hard to commute or who need extra flexibility to deal with medical or therapy schedule, something like that.

Doug Kruse:

We did research before the pandemic, finding that workers with disabilities were more likely to do telework than were workers without disabilities, and that was continuing all the way up through 2019, but an interesting thing happened in the pandemic. As we all know, there was a rapid expansion of telework, and people with disabilities actually got left behind in that rapid expansion of telework during the pandemic because so many were in blue collar and service jobs that can't be done at home. People with disabilities are disproportionately likely to be in those kinds of jobs, so, when we saw that huge increase, that huge expansion, people with disabilities were left behind, and we've been able to track that out using federal data over the past couple of years.

Doug Kruse:

It's really hard to say going forward what this means. The pandemic may have... We've argued that it may have a silver lining for people with disabilities. It's obviously been devastating to all workers, but there may be a silver lining if it makes employers more open to telework and to flexible arrangements. More fundamentally, employers have had to rethink how a lot of jobs are done, and that rethinking, the restructuring of jobs may be a very good thing for people at this place. It may open up employers to do additional kinds of accommodations that can be done, so the pandemic may have a silver lining for people with disabilities.

Doug Kruse:

One hopeful sign actually is the employment rates for people with disabilities in the last three months, and I was just generating these numbers, up through to January, 2022. The employment rates are actually higher than just before the pandemic unlike for people without disabilities. People with disabilities have been doing especially well in the past few months. An interesting part of that is that the increase was highest in teleworkable occupations. That's the term that our colleague in the center, Nicole Maestas, at Harvard has used, teleworkable, the occupations that can most easily be done at home. The increase was highest for people with disabilities in employment in those teleworkable occupations.

Doug Kruse:

We're going to be focusing on this more closely in the next few months as part of the Disability Inclusive Employment Policy Center using three government surveys.

Michael Morris:

Excellent. We'll look forward to learning more about it, some very interesting observations. I know another of your studies is focused on state-level changes to minimum wages to be paid to workers. I know you're in the middle of that study, but what are you learning about the impact of these changes on labor force participation by people with disabilities?

Doug Kruse:

We haven't really started this study yet. Minimum wage has been highly controversial ever since it was started in the 1939 Fair Labor Standards Act. It's been mostly controversial with all the possible negative employment effects on raising the cost of labor. There's been, literally, hundreds of studies that economists have done without a clear consensus. A lot of recent studies focus on variation among states, and each state can set the minimum wage higher than the federal level.

Doug Kruse:

I live in New Jersey, and the New Jersey minimum wage is now \$13 as of January 1st. Well, the federal minimum wage is \$7.25. States vary in their minimum wages, and we plan to exploit the state variation,

looking at before and after minimum wage is raised in the state, with comparisons to similar states where the minimum wage is not raised to see how employment of people with disabilities may have changed.

Doug Kruse:

As I said, we haven't really got this study started yet. I can't really predict what we're going to find. There's no consensus on minimum wage effects in general, but the studies that I do find a negative effect tend to be based on lower paid workers. We know based on sources that people with disabilities tend to be lower paid in general, so it's possible we'll find a negative effect.

Doug Kruse:

As part of the study in the minimum wage, we're going to be also studying the subminimum wage. The Fair Labor Standards Act, as I'm sure many listeners know, allows some people with disabilities to be paid less than the minimum wage under certain conditions. Generally, that's in sheltered workshops, and that's very controversial right now. There's a lot of controversy about whether that should be continued.

Doug Kruse:

President Biden actually has said that he wants to eliminate that. A number of states already have eliminated that. They've transitioned out of subminimum wage sheltered workshop arrangements, and it doesn't appear that there have been any negative effects of these transitions on the employment of people with disabilities, but we're going to be doing the first comprehensive analysis across the states looking at how the transitions affect not just the employment, but also the income and the poverty levels among people with disabilities. It may help for people with disabilities to have competitive integrated employment. That's the term

Michael Morris:

Excellent. We look forward to learning more from your studies in the future years. Another question and one that's been debated regularly for many years is the expectations were so high with the passage of the Americans with Disabilities Act, and yet the historical low levels of employment for people with disabilities continues to prevail. What do

you think are some of the major factors that continue to adversely impact employment of people with disabilities?

Doug Kruse:

Yeah, that's a big question. I guess one point to make first is that the ADA was never intended to be an employment program. The major factors that continue to affect employment of people with disabilities, there is employer discrimination that continues to exist. The ADA was designed to get rid of discrimination, but we and others have found in field experiments that employers are still less likely to express interest in job applicants with disabilities even when their resumes are identical to people without disabilities and when the job can be done by a person with a disability with the same level of productivity. We've done some of these field experiments that show pretty clearly that employers are still reluctant.

Doug Kruse:

Apart from that, people with disabilities continue to face a number of barriers, low education and training levels, which put them at a disadvantage. There's often extra cost of work combined with lack of access to assistive technologies that can help out. Disability income programs are a big issue. There's employment disincentives that I'm sure many of the listeners are familiar with from a disability income programs. You can only earn up to a certain amount in Social Security disability insurance and supplemental security income programs. You can only earn up to a certain amount if want to maintain your benefits.

Doug Kruse:

I'll just point to another big factor being, in general, the social isolation that people with disabilities have. I referred to this before. People with disabilities are more likely to live alone. They travel and socialize less. The key thing here is that reduces their social networks and connection that lead to jobs. We've all heard the term "it's not what you know, it's who you know". Well, it is who you know, and who you know depends on your social networks. People with disabilities tend not to have as extensive a social networks as people without disabilities. That's another barrier that continues to limit their employment.

Doug Kruse:

I should say as well I want to add in here that a couple of studies did blame the ADA for hurting the employment of people with disabilities based on the requirement for accommodations. Those studies were certainly well done, but they took a really narrow view of what constitutes a disability. They used the existing measures which were not very adequate, I believe. There have been a number of studies since that time saying, no, maybe the ADA didn't greatly help employment of people with disabilities, but certainly didn't hurt the employment of people with disabilities.

Doug Kruse:

Some recent studies of state disability anti-discrimination laws also found either no effects or even positive effects on the employment of people with disabilities. That's a really interesting area in itself, the policy effects of anti-discrimination statutes.

Michael Morris:

Want to move us a little bit away from policy to the more general topic, a phrase we have heard so regularly for the past several years. People are talking a lot about "the future of work". As an economist, what does that mean? How do you study it, and what might you expect it to be the future impact on people with disabilities?

Doug Kruse:

That's a big topic and something that we talk a lot about in my school at Rutgers. We're the school of management and labor relations, and we talk about the future of work and the future of workers. The discussions about the future of work generally focus on the role of technology. A long-running concern going back actually a couple of centuries is technological unemployment, that as technologies get developed, they destroy jobs and put people out of work.

Doug Kruse:

Studies of this over the past century by economists have generally found that technology creates just as many or more jobs as it destroys. There may be dislocation, but it creates jobs in other areas. For example, the development of the car destroyed the buggy whip industry, but it created a lot of jobs for automobile workers. But there

is a growing concern among many leading economists that new technologies in the next few decades may in fact destroy more jobs than they create. We may have basically all of our physical needs met by technology, in which case the crucial issue is who owns the technology?

Doug Kruse:

My other big research program apart from ability is employee ownership and profit sharing in businesses. My colleague, Richard Freeman, at Harvard has argued that workers need to own the robots that are taking their jobs or we'll wind up with an increasingly bifurcated society where capital owners get almost all the income and a growing number of us struggle to make ends meet. Of course, even when technology makes a difference in jobs, it doesn't mean it will necessarily destroy jobs.

Doug Kruse:

David Autor at MIT has done some of the leading work here. He's written about how the shape of jobs and how job tasks will change in jobs that continue to exist. Basically, the tasks that are more rote and repetitive will be done by machines increasingly, which means that the tasks that require more creativity and judgment will continue to be done by humans, which raises the importance of training people in broad thinking skills, especially people with disabilities who currently have lower levels of education in general and may especially benefit from higher education that develops those critical thinking skills that allow them to take advantage of the benefits that technology may bring us.

Michael Morris:

Let's maybe go to another related topic. Back to public policy, what public policies do you think need to be the focus of your research and others you're working with so that we can better encourage and support employment of individuals with disabilities?

Doug Kruse:

The first thing to say here is that the barriers to employment are complex and interconnected. There's no silver bullet for improving employment of people with disabilities from a policy perspective.

Really, the best thing I think by far is a strong labor market or a tight labor market where unemployment rates are low. That seems to have really helped employment of people with disabilities in the last half of the last decade. From 2014 to 2019, before the pandemic, employment of people with disabilities was going up faster than among people without disabilities, and that seemed to be due to the strong labor market.

Doug Kruse:

In addition, in the past few months, I mentioned earlier that people with disabilities now have a higher employment rate than they did just before the pandemic. Well, a lot of that is almost certainly due to the strong labor market, the low unemployment levels, which means that employers are getting desperate for workers, so they're more willing to tap that labor pool of people with disabilities and make accommodations and so forth.

Doug Kruse:

The best policy, most important policy, is to keep a strong labor market with high employer demand, but the strong labor market, of course, is not sufficient if workers can't get to the jobs. There's a variety of policies that are important, community-based services and supports, home care, transportation, job coaches.

Doug Kruse:

Our colleague, Nicole Maestas, who I believe is going to be doing the podcast as well, from Harvard, she is looking at this among other factors as a possible contributor to the good employment performance of people with disabilities in the 2014 to 2019 period. Also, I think it is important, given the low education levels for people with disabilities in general, to have policies increasing support for education and training of people with disabilities, including apprenticeships, plus training for entrepreneurs with disabilities to start and grow their own businesses.

Doug Kruse:

Another thing I'd just highlight is that the federal government I think should work more closely with federal contractors to help them increase their percentage of people with disabilities to the 7% goal of federal contractors. As you know, we have a sister center to the

Disability Inclusive Employment Policy Center. We have the Employer Disability Practices Center based at Rutgers, but working closely with Syracuse, Harvard, Indiana, and the National Organization on Disability. This center is focused on employer policies rather than public policies.

Doug Kruse:

We are working with some National Organization on Disability employers to explore policies and practices that will help create an inclusive climate, increasing the hiring people with disabilities, but also encouraging existing employees to self-identify with disability and be willing to ask for accommodations. There's employer policies obviously involved in that, but that's something that I think is a matter for public policy, too, especially given that the federal government has established this 7% goal for federal contractors. Right now, I think there's only one company I know of in the country that's met that 7% goal. Most companies are really struggling to meet that.

Michael Morris:

That maybe takes me to a related question, and that is you've talked about we got a tremendous demand for workers, millions of jobs going unfilled right now, but, at the same time, it does appear, just mostly anecdotal, but there are... I think, you'll be studying and others will be studying that there does seem to be a shift in business culture and more positive receptiveness to increasing a diverse and inclusive workforce. What changes do you think can push further to support those types of positive attitudes and, as said with that 7% federal contractor goal, move more into that category? What is it going to take?

Doug Kruse:

It's clear that we've got a more diverse workforce, and that's going to continue happening. People with disabilities are clearly part of that diversity especially given that disabilities are expected to increase in the next couple of decades. What that means is there will be not only more workers with disabilities, but also more consumers with disabilities, and I think that's one of the things driving this increased attention among businesses. There's a whole group of consumers out there who have to be appealed to with firms' products and services.

Doug Kruse:

In addition to those with the disability themselves, consumers in general tend to respond well to companies that employ people with disabilities. There's actually been some recent research done on this that I find really interesting, that consumers respond well, they think better of companies when they employ people with disabilities. I think companies are becoming aware of this, so I think that's really helping drive a lot of this increased receptiveness and business culture that you talk about.

Doug Kruse:

That's what our centers are all about is trying to look at all kinds of policies that could create greater sense of inclusion, everything from paid leave and other benefits like that to disability training. I think there's a whole variety. There's a lot happening, but I think is very exciting.

Michael Morris:

You've been engaged in disability focused research in the economic area, employment area, as well as some other areas, but is there a flow? From your perspective, where might the next generation of research questions go that can help us add knowledge, help us improve public policy, as you've talked about, at the state as well as the federal level and really further advance a way for more people with disabilities to be employed, to be in better-paying jobs, to be in careers and be able to advance in those careers? Is there a way you can frame out for our listeners how the big question of where might the research go that will then drive thinking and behavior?

Doug Kruse:

Obviously, a big and important question, and that's something that, as you know, we're really grappling with in the two centers we have, one focused on public policy and the other on employer policies. In those centers, we've laid out what we think are the most important research questions, and we're doing research on those now. There are a number of policies specifically targeted at people with disabilities like home and community-based services and state-level employment first programs. Those employment first programs are the ones that really

try to get away from sheltered employment that pays subminimum wages.

Doug Kruse:

There's a number of interesting questions about policies specifically targeted at people with disabilities, but there's also a lot of concern about general policies that aren't targeted, but, nonetheless, may have differential effects on people with disabilities such as... Well, one of the projects we're working on right now deals with employer paid leave mandates. A number of states, 12 of them, require employers to provide paid leave. The federal government, as I'm sure many listeners know, has a Family and Medical Leave Act that requires unpaid leave, but these 12 states require some form of paid leave. In addition, there's minimum wage laws that we talked about. Another project is focused on unemployment insurance. These are general policies that may have differential effects on people with disabilities, and then we're doing research on that now.

Doug Kruse:

I should mention a very preliminary finding is that the employer paid leave mandates may increase employment of people with disabilities, draw a lot of people with disabilities into the workforce. A key issue, I think, the biggest research question has to do with the changing structure of work, and that's very much tied to telework that we were talking about. How is this affecting people with disabilities in particular given that people with disabilities, as I mentioned, they're disproportionately in blue collar and service jobs that cannot be done at home, most of which can't be done at home? Are there ways to somehow increase the flexibility of those jobs, meet the needs of workers, the blue collar and service jobs, but also are there ways to increase opportunities of workers with disabilities to move to jobs that better meet their needs?

Doug Kruse:

We're going to see an occupational structure that's constantly in flux. Yes, we're still going to have blue collar and service jobs in the future. The question is how to make sure that those jobs can be structured in ways that are good for people with and without disabilities, but also

make sure that people have the opportunities to move to occupations and jobs that may work better for them.

Michael Morris:

That's plenty to think about. I'll ask you just one last question, an open ended question. Our listeners will be policymakers. There'll be certainly employers, human resource professionals. There'll be many segments of the disability community. Are you optimistic as a researcher who has been looking very closely at such a range of issues? You've raised today and the challenges of increasing employment for people with disabilities, but are you optimistic about the future? Is it the possibilities and the positive way of technology? Is it changes to the workplace? As a researcher, what's your overarching feeling about where we're headed in terms of improving employment and economic advancement for people with disabilities?

Doug Kruse:

By nature, I tend to be an optimistic person. I grew up in the Midwest, and maybe it just comes with something in the water or the air, so, by nature, I tend to be an optimistic person. I have had times over the past couple of decades where I've been just very discouraged particularly in the late-'90s when the employment of people with disabilities seemed to be going down. It turns out that was probably due to increased access to disability income, but, anyway, it was a very sobering time, and there wasn't a lot of attention to disability from a policy perspective.

Doug Kruse:

Of course, there was the ADA and there were some other legislations at that time, The Ticket to Work and Work Incentives Improvement Act of 1999, but I think, over the past decade, we've seen a lot more attention to employment of people with disabilities. Just a simple example here, disability was not ever really mentioned in a presidential campaign until 2016, but then it became a big issue. There was a lot of mobilization of people with disabilities in 2016 and in 2020, and politicians pay attention to that. That's all I have to say. I think there's a lot of good energy around improving employment of people with disabilities and I think improving inclusion in general of people with disabilities.

Doug Kruse:

Regarding technology, there is... Apart from policy, I think technological developments have great potential to help people with disabilities. There's so many ways, as I'm sure many listeners know, that assistive technologies can help people with disabilities in their activities of daily living as well as in the workplace. One limit on that, getting back to a little more pessimistic view, is that people with disabilities tend to have less access to computer and internet technologies than do people without disabilities. There's a real digital cap there, and that's largely due to lower incomes. They often don't have the money to buy the latest computer, the latest smartphone and so forth.

Doug Kruse:

I guess the bottom line there is technological development has a lot of potential to help people with disabilities. These new technologies can help immensely, but there is a concern about whether people with disabilities will be able to afford them. That's something where certainly the government, federal and state governments, can help quite a bit by helping with assistive technologies. The bottom line there is I am hopeful, but there are reasons for concern as well.

Michael Morris:

Well, I think your words are carefully chosen. I love your sense of optimism and possibilities, and really, today, I want to thank you for being a guest of our podcast series, Let's Get to Work, Reimagining Disability Inclusive Employment Policy. You've given our listeners much to think about, many new ways to explore this set of issues and, hopefully, will lead to improved employment and financial health for people with disabilities across the country.

Michael Morris:

Thank you so much for being with us, and we look forward to continuing to learn about your research and its implications for policy and employer practices. Thank you so much.

Doug Kruse:

Great. I'm very happy to be part of this, and I would be happy, if any listeners have questions about our work, be happy to have them get in touch.

Michael Morris:

Sounds good. Thanks so much.

Voice Over:

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