

## Inter-State Variation in Disability Applications during the COVID-19 Pandemic

PINKA CHATTERJI, UNIVERSITY OF ALBANY AND NBER  
YIRAN HAN, UNIVERSITY OF ALBANY  
KAJAL LAHIRI, UNIVERSITY OF ALBANY  
JINMAN PANG, UNIVERSITY OF ALBANY  
CHENG YANG, LIAONING UNIVERSITY  
YIMENG YIN, BOSTON COLLEGE

### **Key Findings and Policy Implications**

This paper analyzes state-level disability application rates during the first year of the COVID-19 pandemic and how policy-related factors may have influenced them. It uses SSA State Agency Monthly Workload data from October 2000 to April 2022. The paper finds that:

- Nationally, there was a large, overall drop in disability applications during the COVID-19 pandemic. Total applications were 84 percent of their 2017-2019 level in May 2020 and were still 89 percent of their 2017-2019 level in April 2022. The drop in disability applications was driven by falling SSI applications, which were still 77 percent of their 2017-2019 level as of April 2022.
- The impact of the pandemic on SSDI and SSI application rates, and its timing, varied considerably across states. For example, North Carolina started to return to its typical level of applications at the end of 2020, but then applications fell again in early 2021. Texas, on the other hand, appeared less affected at the start of the pandemic but then experienced extreme volatility in applications starting in mid-2021.
- There is a striking decline in the accuracy of application forecasting models in predicting state-level application rates during the pandemic, particularly for SSI and concurrent SSI-SSDI applications. Application rates were extremely volatile. State unemployment rate, state of emergency declarations, and school closures are correlated with forecast errors for all types of applications.
- The most important state-level variables potentially affecting disability applications may have been factors restricting potential applicants' ability to leave home, and factors related to being able to apply for benefits online, since SSA offices were closed for in-person visits. Higher state unemployment rates and school closings are associated with lower SSI application rates, perhaps indicating a larger state shutdown.

State-level variations have the potential to improve our understanding of SSDI and SSI application changes during the pandemic. The findings suggest that some of the decline and volatility in application rates may be attributed to pandemic-related challenges in the application process, and not just the relative desirability of program participation.

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