

Table 1: Sample Means For Wives At The Time Of Their Husband's Award Decision

	Sample Mean	Husband Rejected	Husband Accepted	t-value¹
Age	49	47	51	11.14
Race (Percent Non White)	23.14	22.98	23.29	0.17
Percent with more than a high school diploma	32.38	34.15	33.3	0.87
Earnings (including non participants)	14,407	13,841	14,930	1.32
Labor force participation	64.10	65.81	62.52	1.61
Husbands' earnings	6,801	5,616	7,894	3.98
Sample Size in year of decision	2,195	1,053	1,142	

¹ These are un-weighted means calculated in the year of the husband's DI award decision. The t-value reported is for the difference in the means for the wives of rejected versus accepted husbands. Earnings are in 2004 dollars adjusted by the CPI and include non-workers. Labor Force Participation is defined as working at least one quarter in the year.

Table 2: Fixed Effects Estimates for Selected Samples of Wives of Disability Applicants

A. Earnings					
	All	All	Young	Old	Husband Evaluated at Stage 5
	(1)	(2)	(3)	(4)	(5)
2 years before	-428.29 (511.53)	-321.204 (511.76)	-1112.71 (726.88)	756.66 (736.09)	-1141.87 (702.46)
1 year before	-362.54 (567.36)	-246.73 (563.02)	-637.40 (861.89)	618.93 (773.41)	-1307.18+ (773.78)
Year of decision	-960.35 (602.23)	-875.46 (594.18)	-1619.37+ (857.47)	350.37 (846.26)	-1589.7+ (900.11)
1 year after	-1371.8+ (760.62)	-1265.35+ (751.47)	-1830.42* (915.71)	-24.66 (1107.18)	-1750.96 (1313.35)
2 years after	-1643.71* (713.31)	-1506.73* (705.74)	-1648.64+ (947.24)	-459.26 (1026.95)	-2490.3* (1065.35)
3 years after	-1309.5 (823.66)	-1114.83 (822.04)	-1006.63 (1032.26)	-169.59 (1198.78)	-2351.86* (1177.7)
4 years after	-2392.31** (826.3)	-2190.48** (815.33)	-1184.70 (1104.00)	-1848.94 (1183.25)	-2596.19* (1263.12)
5 years after	-2478.81** (915.64)	-2235.78* (902.52)	-1353.87 (1251.74)	-1772.76 (1293.09)	-2420.49+ (1431.37)
B. Labor Force Participation					
	All	All	Young	Old	Husband Evaluated at Stage 5
2 years before	-0.0197 (0.0189)	-0.0146 (0.0190)	-0.0520+ (0.0268)	0.0291 (0.0273)	-0.0329 (0.0283)
1 year before	-0.0273 (0.0203)	-0.0232 (0.0204)	-0.0664* (0.0289)	0.0253 (0.0293)	-0.0492 (0.0303)
Year of decision	-0.0376+ (0.0215)	-0.0363+ (0.0215)	-0.0504+ (0.0301)	-0.0039 (0.0311)	-0.0590+ (0.0318)
1 year after	-0.0643** (0.0234)	-0.0638** (0.0235)	-0.0876** (0.0339)	-0.0225 (0.0336)	-0.0881* (0.0347)
2 years after	-0.0647* (0.0252)	-0.0630* (0.0252)	-0.0537 (0.0350)	-0.0382 (0.0367)	-0.0978* (0.0386)
3 years after	-0.0560* (0.0273)	-0.0529+ (0.0274)	-0.0364 (0.0376)	-0.0305 (0.0399)	-0.1039* (0.0417)
4 years after	-0.0768** (0.0292)	-0.0727* (0.0292)	-0.0437 (0.0402)	-0.0590 (0.0424)	-0.0990* (0.0449)
5 years after	-0.0841** (0.0312)	-0.0793* (0.0313)	-0.0607 (0.0436)	-0.0567 (0.0449)	-0.1138* (0.0490)
N	39517	39517	21231	18286	16953

Note: This table reports results for a fixed effect model for 4 different subsamples. The estimates reported are estimates of δ^k the effect of DI receipt on wife's earnings k years before or after the award decision as defined in Equation 1 in the text. Standard errors in parentheses are clustered at the individual level. Estimates in columns 2-5 include controls for a linear time trend, husband's earnings and interacted age and education dummies. The estimates are relative to a base period 9-10 years before the award decision. Significance levels + =10%, * =5%, and ** =1%.

Table 3: Estimates For Wives Of DI Applicants With Musculoskeletal Impairments

	All Musculo.	Old Cohort Musculo.	Young Cohort Musculo.
A. Earnngs			
2 years before	-1653.89+ (896.88)	-1940.43+ (1136.23)	-180.86 (1457.34)
1 year before	-1881.26* (953.37)	-1985.16+ (1183.08)	-579.54 (1614.76)
Year of decision	-2479.48* (1070.36)	-2775.45* (1349.94)	-400.3 (1838.76)
1 year after	-3709.77** (1162.22)	-4096.09** (1457.70)	-1031.89 (2001.49)
2 year after	-4069.65** (1292.93)	-4415.35** (1697.20)	-1398.48 (1932.78)
3 year after	-3983.21** (1402.23)	-5105.84** (1805.2)	390.95 (2132.42)
4 year after	-3666.25* (1580.94)	-5427.13** (2076.71)	843.29 (2231.02)
5-10 years after	-4538.06* (2036.55)	-6810.73* (2776.64)	-264.37 (2705.74)
B. Labor Force Participation			
2 years before	-0.065+ (0.035)	0.018 (0.048)	-0.1224* (0.0546)
1 year before	-0.085* (0.038)	0.006 (0.053)	-0.1506* (0.0590)
Year of decision	-0.099* (0.039)	-0.009 (0.054)	-0.1472* (0.0570)
1 year after	-0.139** (0.043)	-0.036 (0.058)	-0.205** (0.0681)
2 year after	-0.142** (0.048)	-0.074 (0.068)	-0.1131+ (0.0663)
3 year after	-0.097+ (0.050)	-0.005 (0.074)	-0.1169+ (0.0629)
4 year after	-0.075 (0.054)	-0.004 (0.080)	-0.0639 (0.0680)
5-10 years after	-0.087 (0.057)	0.017 (0.089)	-0.1205+ (0.0707)
N	13537	5506	8031

Note: This table reports results for a fixed effect model for 3 different subsamples. The estimates reported are estimates of δ^k the effect of DI receipt on wife's earnings k years before or after the award decision as defined in Equation 1 in the text. Standard errors in parentheses are clustered at the individual level. Estimates in columns 3-6 include controls for a linear time trend, husband's earnings and interacted age and education dummies. The estimates are relative to a base period 9-10 years before the award decision. Significance levels + =10%, * =5%, and ** =1%.

Technical Appendix

Table A1: Differences In Mean Earnings And Labor Force Participation For Selected Samples Of Wives¹

	<i>k</i> =-2	<i>k</i> =0	<i>k</i> =1	<i>k</i> =2	<i>k</i> =5
Earnings					
All wives	487 (736)	1089 (820)	254 (950)	89 (845)	760 (1054)
Stage 5	-1102 (1106)	191 (1261)	-38 (1493)	-358 (1344)	2704 (1934)
Young Cohort	2587 (1166)	4338 (1387)	3058 (1716)	1792 (1336)	4472 (1739)
Old Cohort	-807 (961)	-730 (1083)	-791 (1170)	-378 (1111)	-1595 (1334)
Stage 5 young cohort	2152 (1753)	5673 (2006)	4498 (2304)	4584 (2437)	11081 (3549)
Labor Force Participation					
All wives	0 (2)	-3.3 (2)	-3.8 (2.1)	-3.1 (2.3)	-3.7 (3)
Stage 5	-4 (2.9)	-4.9 (4.2)	-7.9 (3.3)	-7.5 (3.7)	-5.8 (5.1)
Young Cohort	1.1 (2.7)	-0.1 (2.9)	-2.8 (3.2)	2.3 (3.4)	1.7 (4.2)
Old Cohort	1.8 (2.8)	-2.7 (2.9)	-1.3 (2.9)	-4.0 (3.2)	-5.3 (4.2)
Stage 5 young cohort	-1.7 (4.1)	1.8 (4.6)	-1.6 (5)	2.7 (5.4)	9.25 (6.6)

¹ Earnings are in 2004 dollars adjusted by the CPI. Earnings include nonworkers. Standard errors in parentheses are clustered at the individual level.

Table A2. Fixed Effects Estimates Of The Crowd-Out Effect Of DI On Wife's Labor Supply

	All	All	Young	Old	Stage 5
k=-8	0.0072 (0.0114)	0.0079 (0.0115)	0.0046 (0.0156)	0.0128 (0.0169)	-0.0081 (0.0165)
k=-7	-0.0045 (0.0131)	-0.0034 (0.0131)	0.0015 (0.0177)	-0.0055 (0.0195)	-0.0207 (0.0193)
k=-6	-0.0060 (0.0139)	-0.0042 (0.0140)	-0.0041 (0.0186)	0.0010 (0.0211)	-0.0182 (0.0208)
k=-5	-0.0044 (0.0154)	-0.0019 (0.0154)	-0.0068 (0.0208)	0.0100 (0.0229)	-0.0247 (0.0230)
k=-4	-0.0245 (0.0167)	-0.0209 (0.0168)	-0.0350 (0.0229)	0.0011 (0.0245)	-0.0401 (0.0249)
k=-3	-0.0275 (0.0177)	-0.0233 (0.0179)	-0.0454+ (0.0251)	0.0069 (0.0257)	-0.0445+ (0.0266)
k=-2	-0.0197 (0.0189)	-0.0146 (0.0190)	-0.0520+ (0.0268)	0.0291 (0.0273)	-0.0329 (0.0283)
k=-1	-0.0273 (0.0203)	-0.0232 (0.0204)	-0.0664* (0.0289)	0.0253 (0.0293)	-0.0492 (0.0303)
k=0	-0.0376+ (0.0215)	-0.0363+ (0.0215)	-0.0504+ (0.0301)	-0.0039 (0.0311)	-0.0590+ (0.0318)
k=1	-0.0643** (0.0234)	-0.0638** (0.0235)	-0.0876** (0.0339)	-0.0225 (0.0336)	-0.0881* (0.0347)
k=2	-0.0647* (0.0252)	-0.0630* (0.0252)	-0.0537 (0.0350)	-0.0382 (0.0367)	-0.0978* (0.0386)
k=3	-0.0560* (0.0273)	-0.0529+ (0.0274)	-0.0364 (0.0376)	-0.0305 (0.0399)	-0.1039* (0.0417)
k=4	-0.0768** (0.0292)	-0.0727* (0.0292)	-0.0437 (0.0402)	-0.0590 (0.0424)	-0.0990* (0.0449)
k=5	-0.0841** (0.0312)	-0.0793* (0.0313)	-0.0607 (0.0436)	-0.0567 (0.0449)	-0.1138* (0.0490)
k=6	-0.0785* (0.0334)	-0.0737* (0.0335)	-0.0956* (0.0463)	-0.0220 (0.0482)	-0.1370* (0.0552)
ser_yr	0.0042** (0.0014)	0.0034* (0.0016)	0.0086** (0.0021)	-0.0027 (0.0023)	0.0046+ (0.0024)
d_totearn		-4.74* (2.1)	-6.9* (2.72)	-3.2 (3.31)	-0.098 (3.15)
xml		0.0331** (0.0103)	0.0410** (0.0130)	0.0626* (0.0277)	0.0323+ (0.0169)
xml2		-0.0004** (0.0001)	-0.0005** (0.0001)	-0.0006* (0.0003)	-0.0004* (0.0002)
_cons	-7.6759** (2.7590)	-6.4411* (3.1303)	-16.8318** (4.2055)	5.5678 (4.5968)	-8.6701+ (4.7473)
N	39517	39517	21231	18286	16953

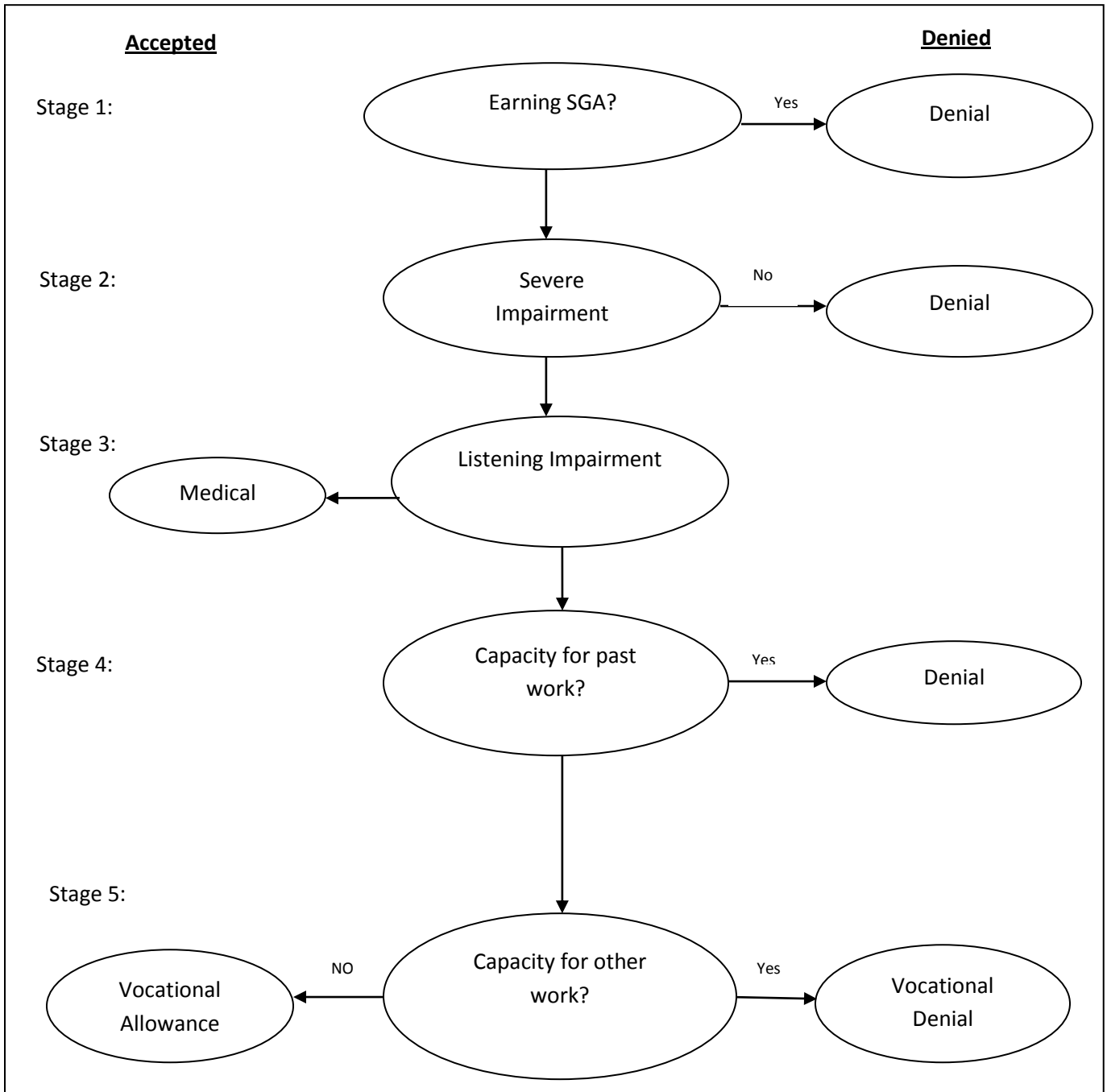
Note: This table reports fixed effect estimates of δ in different time periods k . Standard errors in parentheses are clustered at the individual level. Estimates in columns 3-7 include controls for a linear time trend, husband's earnings and interacted age and education dummies. The parameter value on $d_totearn$ should be multiplied by 10^{-7} . The estimates are relative to a base period of 9-10 years before the DI award decision. Significance levels + =10%, * =5%, and ** =1%.

Table A3. Fixed Effects Estimates Of The Crowd-Out Effect Of DI On Wife's Earnings

	All	All	Young	Old	Stage 5
k=-8	-202.56 (263.86)	-234.83 (266.36)	-616.82+ (332.28)	236.31 (432.46)	-581.75+ (340.65)
k=-7	-49 (343.26)	-82.13 (346.88)	-499.53 (423.86)	454.68 (567.02)	-473.6 (429.44)
k=-6	-165.74 (341.54)	-171.91 (344.37)	-474.68 (473.72)	283.09 (503.62)	-527.94 (471.73)
k=-5	-71.65 (399.68)	-61.60 (402.95)	-439.71 (523.54)	510.09 (622.77)	-786.63 (532.14)
k=-4	-323.17 (427.21)	-278.53 (430.55)	-848.73 (569)	510.87 (652.57)	-648.95 (585.6)
k=-3	-719.71 (474.73)	-653.2 (475.79)	-1598.86* (676.44)	490.17 (686.58)	-1328.67* (655.52)
k=-2	-428.29 (511.53)	-321.20 (511.76)	-1112.71 (726.88)	756.66 (736.09)	-1141.87 (702.46)
k=-1	-362.54 (567.36)	-246.73 (563.02)	-637.40 (861.89)	618.93 (773.41)	-1307.18+ (773.78)
k=0	-960.35 (602.23)	-875.46 (594.18)	-1619.37+ (857.47)	350.37 (846.27)	-1589.7+ (900.11)
k=1	-1371.8+ (760.62)	-1265.35+ (751.47)	-1830.42* (915.71)	-24.66 (1107.18)	-1750.96 (1313.35)
k=2	-1643.71* (713.31)	-1506.73* (705.74)	-1648.64+ (947.24)	-459.26 (1026.95)	-2490.3* (1065.35)
k=3	-1309.5 (823.66)	-1114.83 (822.04)	-1006.63 (1032.27)	-169.59 (1198.78)	-2351.86* (1177.7)
k=4	-2392.31** (826.3)	-2190.48** (815.33)	-1184.70 (1104)	-1848.94 (1183.25)	-2596.19* (1263.12)
k=5	-2478.81** (915.64)	-2235.78* (902.52)	-1353.87 (1251.74)	-1772.76 (1293.09)	-2420.49+ (1431.37)
k=6	-2260.13* (986.77)	-1971.63* (972.37)	-1423.84 (1329.07)	-1313.59 (1399.41)	-1752.1 (1456.62)
ser_yr	406.88** (37.48)	256.11** (36.79)	413.24** (48.54)	78.7970 (53.1810)	310.98** (55.62)
d_totearn		-0.010 (0.0069)	-0.018* (0.01)	-0.0018 (0.0114)	-0.007 (0.009)
xml		1692.53** (358.14)	1413.45** (461.34)	3100.31** (1092.36)	1478.06** (528.27)
xml2		-14.58** (3.92)	-13.33* (5.48)	-26.7* (10.9066)	-12.31* (5.79)
_cons	-796359.2** (74546.24)	-511855.9** (72774.21)	-823062.9** (96308.56)	-168529.91 (105147.71)	-619855.01** (109146.74)
N	39517	39517	21231	18286	16953

Note: This table reports fixed effect estimates of δ in different time periods k . Standard errors in parentheses are clustered at the individual level. Estimates in columns 3-7 include controls for a linear time trend, husband's earnings and interacted age and education dummies. The estimates are relative to a base period of 9-10 years before the DI award decision. Significance levels + =10%, * =5%, and ** =1%.

Figure A1: The Five Stages Of The Disability Determination Process.



Source: Lahiri et al (1995)