

# From Welfare to Work and From Work to Welfare: A Comparison of People With and Without Disabilities

Journal of Disability Policy Studies  
1–9

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DOI: 10.1177/1044207318782674

jdps.sagepub.com



Liat Yosef, MA<sup>1</sup>, Michal Soffer, PhD, MSW<sup>2</sup>, and Miki Malul, PhD<sup>1</sup>

## Abstract

In this study, we explore the behavioral factors that play a role in the decision—among people with and without disabilities—to move from welfare to work and from work to welfare. A survey of people with and without disabilities in Israel was conducted; a nonprobability quota sample of 193 individuals was drawn (95 people with disabilities and 98 nondisabled people). The data were collected by means of a closed-ended questionnaire. The results show that people with disabilities tended more than nondisabled persons to favor decisions that maintain their current employment status quo bias). Furthermore, compared with nondisabled individuals, people with disabilities demanded more wages or benefits while changing status in the labor market. The more years of education people with disabilities have, the less incentive is needed to resume or begin working. In addition, the noneconomic value of work is higher among more-educated people compared with less-educated people with disabilities. The results emphasize the need to design various policies to lower the status quo bias effect, especially, among people with disabilities. Maintaining employment status among this population, and promoting their education level, should be central rehabilitation priorities.

## Keywords

from welfare to work, from work to welfare, behavioral biases, persons with and without disabilities, Israel

Meaningful employment is considered one of the key outcomes of rehabilitation as well as a significant setting for participation and inclusion (Blessing, Golden, Pi, Bruyère, & Van Looy, 2012). Although there is a lack of systematic, statistical data concerning the rate of labor market participation of people with disabilities, surveys from various countries show that employment rates for this sector are lower than those of the general population. In turn, unemployment has been found to be directly linked to poverty and social exclusion in both developed and developing countries (World Health Organization & The World Bank, 2011). A similar trend has been observed in Israel, where data show that 50% of working-age people with disabilities are employed compared with 72% of working-age nondisabled Israelis (Barlev-Kotler, Rivkin, Myers-JDC-Brookdale Institute, & Sandler-Loeff, 2014).

## General Disability and the Israeli Welfare System

The Israeli welfare state, which dates back to the 1950s, is supposedly based on egalitarian principles, whereby the state provides equal opportunity and social rights to all of its citizens (Foster, 2011). Israel's social protection system is perceived as broad (Foster, 2011). The National Insurance

Institute of Israel (NII) serves as a mechanism for income transference and is geared to ensure a more just distribution of income and to combat poverty. Similar to, for example, the American system, the NII secures citizens' basic social rights including disability benefits. Nevertheless, compared with the American welfare regime, the Israeli welfare state is far more generous, offering a wider array of universal benefits to its citizens (e.g., paid maternity leave and child allowances; Foster, 2011).

A recent study has shown that Israel lacks a single, unified national disability policy. Israel's piecemeal approach to disability policy consists of an amalgam of laws and regulations enacted over a six-decade period, resulting in contradicting approaches to disability (Rimmerman et al., 2015). There are three central disability programs in Israel for each of the following populations: veterans with disabilities, individuals with work injury-related disabilities,

<sup>1</sup>Ben-Gurion University of the Negev, Beer-Sheva, Israel

<sup>2</sup>University of Haifa, Israel

### Corresponding Author:

Michal Soffer, School of Social Work, Faculty of Social Welfare & Health Sciences, University of Haifa, Abba Khoushy Avenue 199, Haifa 3498838, Israel.

Email: msoffer@staff.haifa.ac.il

and persons with general disabilities. Each program provides monetary benefits, rehabilitation services, and other supports. Nevertheless, the eligibility criteria, as well as the extent and nature of the services, greatly vary among these programs (Gal, 2001).

General disability, the focus of the current study, is the largest disability program in Israel. Eligibility criteria for a general disability pension, rehabilitation, and other services and supports under this program are determined by “Baremas” or “limb-rates,” scales that convert the type and extent of the impairment into percentages (Marin & Prinz, 2003, p. 8). Eligibility, as will be outlined below, is based on the severity of the impairment, economic status, and employability or work potential (Gal, 2001; Mor, 2005). Specifically, the NII (n.d.-a) provides a general disability pension to working-age (18–67 years for men; 18–62 years for women) Israeli residents, who also meet other criteria pertaining to earnings and impairment level (see NII, n.d.-a). Similar to other Western countries, the general disability pension attempts to provide income security; yet, it also unwittingly acts as an employment disincentive (see Mont, 2004). It is important to mention that although every Israeli citizen is entitled to health care services under the *National Health Insurance Law of 1995*, general disability pension recipients in Israel are eligible to apply for other important services, such as public housing and waiver of copayment for various health services. This means that individuals with disabilities who transfer from welfare to work risk losing these additional services.

In 2009, Israel enacted the *Laron Law—Amendment 109* to the *National Insurance Law, 2009*. The focus of much public attention, the Laron Law enables general disability pension recipients to earn wages (up to a certain—more generous—limit than previously) while still being entitled to receive their pension as an “incentive pension.” Moreover, the law stipulates that the total amount of work income and the incentive pension will always exceed the sum of the general disability benefit (Koch Davidovich, 2010; National Insurance Institute of Israel, n.d.-a). Nonetheless, in spite of the Laron Law’s enactment, a recent study has shown that only 1% of general disability pension recipients have increased their income beyond the previous income limit since the law’s enactment (Barlev-Kotler et al., 2014). Moreover, the State Comptroller of Israel’s annual 2014 report stressed that 82% of general disability pension recipients in Israel were not employed. Although the reasons for the low uptake of the incentive pension in Israel has not been studied, ample research from other Western countries shows that people with disabilities face multiple and complex barriers to employment, which often results in what is known as a “poverty trap” (Stapleton, O’day, Livermore, & Imparato, 2006, p. 710; see also, Shaw, 2013).

In this study, we explore individual related factors that might shed further light on the barriers to employment of

people with disabilities. Specifically, we compare behavioral factors among people with and without disabilities that might influence the decision to move from welfare to work and from work to welfare.

## Theoretical Framework

Sherman and Shavit (2009) argue that the leisure-consumption model in economics serves as a basis for the vast majority of welfare incentive studies. This model depicts individuals as rational consumers: Their preferences for leisure and consumption do not change according to their employment status. Thus, according to this model, “a decision to remain on welfare and a decision to leave the work force and participate in a welfare program are equivalent decisions for any given replacement rate (RR)” (Sherman & Shavit, 2009, p. 290), that is, “[t]he ratio of unemployment benefits to income from employment.” However, behavioral economics studies have demonstrated that, when facing a decision, people do not act according to the classical rational theories of economics (Kahneman, Knetsch, & Thaler, 1991; Kahneman & Tversky, 1979). Prospect theory and behavioral economics research have indicated several connected effects regarding rational decision making—all caused by loss aversion: people’s tendency to strongly prefer avoiding losses over achieving gains (Kahneman et al., 1991; Tversky & Kahneman, 1991).

Sherman and Shavit (2009) showed that, contrary to the widely used leisure-consumption model, the decision to remain on welfare is not symmetric to the decision to move from being employed to being on welfare. As predicted, they found that the replacement rate is higher for the move from work to welfare than vice versa. The authors argue that, given the extent of losses associated with unemployment, this asymmetry is explained by loss aversion (Tversky & Kahneman, 1991).

One of the central and widely studied effects on rational decision making, according to prospect theory (Kahneman et al., 1991; Tversky & Kahneman, 1991), is the *status quo bias* (Kahneman & Tversky, 1979). This is a behavioral tendency to favor the status quo. When facing a decision, people typically favor their past choice or whatever represents the current state of affairs, which is perceived as a reference point (Kahneman & Tversky, 1979; Samuelson & Zeckhauser, 1988). Comparative studies of status quo bias while transitioning from work to welfare, and vice versa, are scant. A recent study, which compared the status quo bias of old and young individuals in the labor market, found that older individuals have a stronger bias than younger people (Axelrad, Luski, & Malul, 2016).

Axelrad and colleagues (2016) argue that—similar to the status quo bias—the noneconomic value of work is a key factor in the decision to move from welfare to work and vice versa. Employment holds a nonpecuniary value. Working

individuals often appreciate the benefits of existing work such as social networking, personal satisfaction, socioeconomic status, interpersonal relationships, psychological well-being, security, and the satisfaction of needs (Ferrer-i-Carbonell, Van, & Praag, 2001; Ville & Winance, 2006).

In this study, we sought to compare the income level demanded by individuals to move from welfare to work and from work to welfare. In addition, we explored differences in sociodemographic factors, and intended labor market-related behavior, between individuals with and without disabilities.

Our research questions are as follows:

**Research Question 1:** What differences exist between people with and without disabilities regarding the necessary level of income from work they will demand to transition from welfare to work?

**Research Question 2:** What differences exist between people with and without disabilities regarding the level of income from welfare they will demand to transition from work to welfare?

**Research Question 3:** What differences exist between people with and without disabilities regarding the status quo bias?

**Research Question 4:** What differences exist between people with and without disabilities regarding the nonpecuniary value of work?

Finally, we examine the role of disability status and sociodemographic characteristics in predicting the demanded income from work, the demanded income from welfare, the nonpecuniary value of work, and the status quo bias.

## Method

### Sample

We drew a nonprobability quota sample of 193 individuals (95 people with disabilities and 98 nondisabled persons). Individuals with disabilities were recruited through the Support Center for Students with Disabilities at Ben-Gurion University (BGU), social networks and forums for people with disabilities, and personal contacts. Nondisabled participants were recruited by the first author, who approached BGU students, and invited them to participate in the study. Table 1 shows that most of the respondents were women (57%), young (70.5%, between the ages of 18 and 29 years), educated (59.6% were students or had an undergraduate degree at least), and single (62.7%). The two samples focus on young individuals (28 years of age for the without-disability sample and 29 years of age for with-disability sample, respectively). Significant gender differences were found between the two subsamples; therefore, we controlled

for this variable while conducting our multiple regression analyses (see below).

### Data Collection

The first author collected the data over a 2-month period. After signing an informed consent form, each participant received a copy of the anonymous questionnaire that we used for data collection. The questionnaire consisted of closed-ended questions about work satisfaction, attitudes toward work and unemployment, the replacement rate in the transition from welfare to work and from work to welfare, and sociodemographic characteristics. The institution's (BGU's) internal review board approved the study.

### Variables

**Independent variables.** Disability status was measured by the following question: Would you define yourself as a person with a disability? Responses were either yes or no. Disability severity was measured for respondents who defined themselves as having a disability. Respondents who self-identified as having a disability were asked to rate their disability level on a 4-point Likert-type scale (1 = "mild disability," 2 = "moderate disability," 3 = "severe disability," and 4 = "profound disability").

**Dependent variables.** Status quo bias nonpecuniary benefit from work, demanded welfare income to transfer from work to welfare, and demanded work income to transfer from welfare to work. The status quo bias ( $I_W^* + I_E^*$ ) is an irrational preference for the current situation. The current baseline or status quo is taken as a reference point, such that any change from the baseline is perceived as a loss (Kahneman et al., 1991).

Nonpecuniary benefit from work ( $I_W^* - I_E^*$ ) is the net nonpecuniary utility from work (the nonpecuniary benefit from work minus the utility from leisure; Axelrad et al., 2016). Demanded welfare income to transfer from work to welfare ( $I_W^*$ ) is the level of welfare benefits such that an individual is indifferent to being employed with an income of  $I_E^0$  and being unemployed with welfare benefits of  $I_W^*$  (Axelrad et al., 2016). Demanded work income to transfer from welfare to work ( $I_E^*$ ) is the level of salary such that an individual is indifferent to being unemployed with welfare benefits of  $I_W^0$  and being employed with a salary of  $I_E^*$  (Axelrad et al., 2016).

### Methods for Data Analysis

All data analysis methods were adopted from Axelrad and colleagues (2016). Equation 1 shows the model for "Moving from work to welfare":

**Table 1.** Participants' Characteristics.

Variables	Total sample		Respondents with disabilities		Nondisabled respondents	
	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%
Gender						
Men	83	43.0	49	51.6	34	34.7
Women	110	57.0	46	48.4	64	65.3
Age						
18–24 years	75	38.9	36	37.9	39	39.8
25–29 years	61	31.6	26	27.4	35	35.7
30–34 years	17	8.8	12	12.6	5	5.3
35 years and more	40	20.7	21	22.1	19	19.2
Education level						
University student/undergraduate/graduate degree	115	59.6	50	47.5	65	66.3
Technical training	16	8.3	9	9.5	7	7.1
High school	62	32.1	36	43	26	26.6
Marital status						
Married/cohabitating	68	35.2	37	38.9	31	31.6
Divorced	4	2.1	2	2.1	2	2.1
Single (never married)	121	62.7	56	41.0	65	68.4

$$I_w^* = I_E^0 + U_E + SQ \quad (1)$$

where  $I_w^*$  is “demanded welfare income to transfer from work to welfare,”  $I_E^0$  is “work income,”  $U_E$  is “nonpecuniary benefit from work,” and SQ is “status quo bias.” The value  $I_w^*$  was measured by asking respondents to imagine a case whereby they are employed full-time, earn NIS 5,000 a month (NIS 900 above the minimum wage at the time), receive an offer to leave their job, and receive unlimited welfare benefits from the government (Sherman, 2010; Sherman & Shavit, 2009). The respondents were then asked to indicate the minimum sum of welfare benefits they would be willing to receive in return for quitting their jobs.

Equation 2 shows the model for “moving from welfare to work”:

$$I_E^* = I_W^0 - U_E + SQ \quad (2)$$

where  $I_E^*$  is “demanded work income to transfer from welfare to work” and  $I_W^0$  is “welfare benefits income.” The value  $I_W^0$  was measured by asking respondents to imagine a case whereby they are unemployed and receive a NIS 5,000 monthly benefit from the government. They were then asked to indicate the minimum income from full-time employment they would be willing to receive in return for waiving the monetary benefits.

To calculate the status quo bias, we added the two aforementioned equations:

$$I_w^* + I_E^* = I_E^0 + I_W^0 + 2SQ \quad (3)$$

Note that, according to our model, the status quo bias in the transition from welfare to work is equal to that in the opposite direction. The nonpecuniary benefit from work was calculated by subtracting the second equation from the first equation:

$$I_w^* - I_E^* = I_E^0 - I_W^0 + 2U_E \quad (4)$$

## Results

### Comparisons Between Groups

Independent samples *t* tests were conducted to compare variables of interest among respondents with and without a disability (Table 2). When comparing the *demanded work income, when transitioning from welfare to work*, among respondents, there was no significant difference in the scores between respondents with disabilities ( $M = 8,403.4$ ,  $SD = 5,045.1$ ) and without disabilities ( $M = 7,677.7$ ,  $SD = 2,783.2$ ;  $t = -1.25$ , n.s.). For the comparison of *demanded welfare income, when transitioning from work*, a significant difference in the scores for respondents with disabilities ( $M = 6,505.8$ ,  $SD = 3,541.8$ ) and without disabilities ( $M = 5,723.6$ ,  $SD = 2,862.9$ ;  $t = -1.67$ ,  $p < .1$ ) was detected. When comparing the *status quo bias* among respondents, there was a significant difference in the scores for respondents with disabilities ( $M = 2,435$ ,  $SD = 3,595$ ) and without disabilities ( $M = 1,689$ ,  $SD = 2,404$ ;  $t = 1.69$ ,  $p < .1$ ). Finally, the comparison for the *nonpecuniary value of work* among respondents with and without a disability was not significant ( $M = -1,029$ ,  $SD = 2,462$  and  $M = -966$ ,  $SD = 1,484$ ;  $t = 0.22$ , n.s., respectively).



**Table 2.** Demanded Income From Welfare, Demanded Income From Work, Nonpecuniary Value of Work, and Status Quo Bias by Disability Status.

Variables	Disability status		t	df
	Respondents with disabilities	Nondisabled respondents		
Demanded income from welfare ( $I_W^*$ )	6,505.8 (3,541.8)	5,723.6 (2,862.9)	-1.67*	186
Demanded income from work ( $I_E^*$ )	8,403.4 (5,045.1)	7,677.7 (2,783.2)	-1.25	189
Status quo bias <sup>a</sup> ( $I_W^* + I_E^*$ )	2,435.3 (3,595.3)	1,689.2 (2,404.2))	-1.69*	185
Nonpecuniary value of work <sup>b</sup> ( $I_W^* - I_E^*$ )	-1,029.4 (2,461.7)	-965.7 (1,484.2)	0.22	185

Note. Standard deviations are in parentheses.

<sup>a</sup>The status quo bias was calculated as follows:  $SQ = (I_W^* + I_E^* - I_E^0 - I_W^0)/2$ . <sup>b</sup>The nonpecuniary value of work was calculated as follows:  $U = (I_W^* - I_E^*)/2$ . \* $p < .1$ . \*\* $p < .05$ . \*\*\* $p < .01$ .

*Predictors of demanded welfare income, demanded work income, status quo bias, and the nonpecuniary value of work.* We used multiple regressions to examine whether disability status and sociodemographic variables predicted each of our dependent variables. We estimated the following equation:

$$y_i = \beta_0 + \beta_1 \text{Disability} + \beta_{ij} z_{ij} + u_i$$

In the equation,  $i$  denotes the individual ( $i = 1, 2, 3, \dots, n$ );  $j$  denotes the explanatory variable ( $j = 1, 2, 3, \dots, m$ ); and  $y_i$  is the dependent variable—we tested four different models for each dependent variable:  $I_W^*$ ,  $I_E^*$ ,  $Sum(I_W^* + I_E^*)$ ,  $Gap(I_W^* - I_E^*)$ ;  $Z_{ij}$  is the matrix of individual  $i$ 's other covariates, attributes, and interactions,  $u_i$  is individual  $i$ 's equation error term.

Table 3 shows that all of the tested models are significant. The adjusted  $R$ -squared value ranges from 2% to 4%. It is important to note that in this type of research low  $R$ -squared values are common and expected (see, for example, Gonen, 2016; Savage, 1993). Furthermore, disability is a significant explanatory variable in all of the tested models. When moving from employment to welfare ( $I_W^*$ ), the demanded level of benefits by individuals with disabilities is higher by NIS 954 (16% higher) compared with the demanded level of benefits by nondisabled individuals. When transitioning from welfare to employment ( $I_E^*$ ), we find that individuals with a disability who have no academic education ask for an additional NIS 1,596 (22%) compared with individuals without a disability. Nevertheless, this effect disappears among persons with disabilities with an academic education, such that the excess premium demanded by educated individuals with disabilities, compared with nondisabled individuals, is close to zero and even negative ( $1,596 - 1,665 = -69$ ). We found that individuals with a disability who have no academic education attach a lower nonpecuniary value to work (NIS 1,331 less than individuals without a disability). Nevertheless, when individuals with a disability have an academic education, this effect is reversed, such that this group of individuals attaches a higher nonpecuniary value to work (NIS 2,378

– NIS 1,331 = NIS 1,047 more) than nondisabled individuals.

Finally, we found that the status quo bias is higher by NIS 1,865 (3,729/2) or 10.5% for individuals with disabilities who have no academic education compared with individuals without disabilities. However, this effect practically disappears when comparing individuals with disabilities who have an academic education to individuals without disabilities. In the latter case, the gap is close to zero {NIS 68 (3,729 – 3,593)/2} or only a 1% gap (see Table 3, Note b). We also examined the role of disability severity by adding a dummy variable to the regression and found no significant differences between different disability levels (this might be due to the fact that most of the individuals in our sample, 78%, reported having a mild or moderate disability). Finally, we controlled for gender (which was found to be significant only in the regression where the dependent variable was  $\ln(I_W^*)$ ; the level of benefits that women demanded to transition from work to welfare was 12% lower compared with men), age, and marital status, but none of these variable were found to be significant.

## Discussion

This research compared the intended behaviors of people with and without disabilities in transitioning from welfare to work and from work to welfare. There were several main findings. We found that people with disabilities are more prone to the status quo bias than nondisabled people. Moreover, we found that, compared with nondisabled individuals, people with disabilities tend to demand more wages or benefits when changing status in the labor market. In other words, people with disabilities demand higher benefits than nondisabled individuals to give up their employment. Nevertheless, people with disabilities also demand higher wages than nondisabled individuals to resume or begin working. All these findings are connected as we discuss below.

**Table 3.** Predictors of Demanded Income From Welfare, Demanded Income From Work, Status Quo Bias, and Nonpecuniary Value of Work.

Predictors	Demanded income from welfare ( $I_W^*$ )	Demanded income from work ( $I_E^*$ )	Nonpecuniary benefit from work ( $I_W^* - I_E^*$ )	Status quo bias ( $I_W^* + I_E^*$ )
Disability	954** (466)	1,596*** (724)	-1,331* (716)	3,729*** (1,363)
Education <sup>a</sup>	1,182** (472)	—	—	2,773** (1,242)
Disability education <sup>b</sup>	—	-1,665** (845)	2,378*** (847)	-3,593** (1,792)
Constant	4,947*** (439)	7,678*** (390)	-1,931*** (387)	11,557*** (1,006)
R <sup>2</sup>	.04	.02	.03	.03
F	4.6**	2.7*	4.0**	2.8**

Note. Standard deviations are in parentheses. Dashes in the table represent nonreported data.

<sup>a</sup>Coded as a dummy variable; no university education was the reference category. <sup>b</sup>We also tested the independent variable  $\ln(y)$  for  $Y = I_W^*$ ,  $I_E^*$ , and  $Sum(I_W^* + I_E^*)$ . However, we could not use the same regression to test the gap as some of the numbers were negative. Nevertheless, the results were in the same direction as in the previous regression but the coefficient represents the change in percentage in  $y$ , due to a one-unit change in the independent variables. In addition, for the first model,  $I_W^*$ , we found that while transitioning from work to welfare, women demand a 12% lower benefits level compared with men.

\* $p < .1$ . \*\* $p < .05$ . \*\*\* $p < .01$ .

The finding concerning the status quo bias is 2-fold; first, unlike Axelrad and colleagues (2016), we found that individuals with disabilities who receive a general disability pension will be more reluctant, compared with nondisabled individuals who receive the same level of income security, to waive their pension to enter the labor market. Second, individuals with disabilities who are employed will be more reluctant, compared with nondisabled individuals who are employed, to exit the labor market.

The gap in the tendency to enter the labor market between the two populations echoes results from policy studies, which show that disability benefits recipients who want to work often choose not to (Barlev-Kotler et al., 2014; Kregel, 2012). Giving up benefits holds greater losses for people with disabilities than the nondisabled. For example, people with disabilities were found to have more expenses, especially, medical related expenses, compared with nondisabled individuals (Baldwin, 2015; Minh et al., 2015). Israelis with disabilities who replace their general disability pension with paid wages are no longer eligible to apply for public housing and thus need to co-pay for various health services. Therefore, to give up their disability pension rights, people with disabilities must ensure that their wages can cover the additional costs of all the services and supports contingent upon their pension. This directly reflects our finding that people with disabilities demand higher benefits than nondisabled individuals to give up their employment.

As aforementioned, our results show that individuals with disabilities who are employed will be more reluctant, compared with nondisabled individuals who are employed, to exit the labor market. Furthermore, we found that people with disabilities who are employed tend to demand more benefits to give up their job compared with employed, nondisabled individuals. The latter finding resonates with Axelrad et al.'s (2016) comparative study of old and young

individuals; like elderly individuals, people with disabilities show more motivation or need to continue working as they demand a larger incentive to stop working compared with nondisabled individuals.

Several studies from Israel and elsewhere imply that employer behavior is a key factor in hiring people with disabilities (see Ameri et al., 2015). Research shows that employers hold negative attitudes toward employees with disabilities (Vornholt, Uitdewilligen, & Nijhuis, 2013). Various studies, for example, found that employers are reluctant to hire people with certain types of disabilities (see Andersson, Luthra, Hurtig, & Tideman, 2015; Gilbride, Stensrud, Ehlers, Evans, & Peterson, 2000), discriminate (in hiring processes) against people with types of disabilities that are not expected to diminish productivity (Ameri et al., 2015; Schur, Colella, & Adya, 2016), and a gap exists between expressed willingness to hire people with disabilities and actually hiring them (cf. Hernandez, Keys, & Balcazar, 2000; Regev-Cabir, 2011).

Employers were shown to often express concerns regarding accommodation costs and safety issues and to fear potential litigation (Gould et al., 2015; Vornholt et al., 2013). Moreover, Harlan and Robert (1998), for example, showed that employers often employ strategies to avoid making accommodations. Importantly, antidiscrimination legislation or other laws and regulations geared to promoting hiring among people were found to have little effect on changing employers' behavior (see Duvdevany, Or-Chen, & Fine, 2016; Gould et al., 2015).

Given this state of affairs, it seems that once people with disabilities are employed, they will be more reluctant to exit the labor market as future re-integration back into the workforce and receiving appropriate accommodations and support will be extremely difficult or impossible. This reluctance is also reflected in the higher level of pension they require to transfer from work to welfare.

Our study shows that the nonpecuniary value of work is lower among individuals with disabilities compared with nondisabled persons. This might suggest that employment for persons with disabilities serves, first and foremost, as a means of securing income rather than a place that acknowledges their value and to which they feel they are connected. Vornholt and colleagues (2013) argue that a difference exists between simply being employed and being accepted at work. Their review of the research on acceptance at work of people with disabilities shows that nondisabled workers tend to hold negative stereotypes concerning the capabilities and productivity of employees with disabilities and often view accommodations as unjust (as a privilege given to the employee with a disability).

Our findings stress the importance of education for individuals with disabilities. We found that when transitioning from welfare to work, the level of incentive demanded among more-educated individuals with disabilities to resume or start working is lower than among less-educated individuals with disabilities. In fact, all of the excess premium required by respondents with disabilities in our study to move from welfare to work vanishes once the respondent has an academic education. This finding is particularly important and shows that education plays a significant role in determining decisions to enter the workforce among people with disabilities. Education is a form of human capital shown by numerous studies to predict employment (Cai, 2013) and earning prospects (Becker, 2009). According to Human Capital Theory (Becker, 1964; Schultz, 1961), education provides marketable skills and secures more opportunities, as well as a better income. It seems plausible then that the more-educated people with disabilities are, the less risk they will experience when transitioning from welfare to work; therefore, they will demand less compensation to cover this risk (less demanded income for transitioning).

We found a similar pattern concerning the status quo bias: academic education was shown to practically negate the excess premium required by individuals with disabilities to secure their current employment status (whether employed or nonemployed). Therefore, education among people with disabilities diminishes the tendency to choose to remain employed or to receive a pension. In other words, having more education serves to facilitate such transitions.

Finally, we found that the nonpecuniary value of work among people with disabilities with an academic education is higher compared with nondisabled individuals. Numerous studies have documented the stigma and social exclusion faced by people with disabilities (see, for example, Corrigan, 2014; Soffer & Chew, 2015). Our finding implies that employment might serve as a central arena for inclusion for people with disabilities who have an academic education. It is noteworthy that although research emphasizes the unique importance of employment for people with disabilities as an arena for inclusion and participation (Blessing et al., 2012),

our finding suggests that this is true only in the case of people with disabilities who have an academic education. It seems plausible that this group of individuals with disabilities is exposed to a more accepting environment, as well as a more-educated one. Although few, there are studies that show that education level is negatively associated with stigma (see, for example, the case of HIV/AIDS, Corno & de Walque, 2013; Herek, 1999).

We note several limitations to our study. First, our sampling method limits the ability to generalize our findings. First, our sampling method and the nature of our sample (focused on young individuals) does not allow for the generalization of our findings or older persons, in particular. Older individuals face significant difficulties in the labor market compared with younger individuals and were shown to demonstrate different behavioral patterns concerning the status quo bias and the nonpecuniary value of work (see Axelrad et al., 2016). Future studies should rely on representative samples of individuals. Future research will also need to explore the differences in behavioral factors between older people with and without disabilities. Second, our study is based on hypothetical scenarios rather than real-life situations. Further research is needed to address these issues.

Nevertheless, as aforementioned, most of our findings align with previous research and hold significant implications for policy makers. Our findings support Stapleton and colleagues' (2006) call for a new, holistic policy geared toward "maximum economic self-sufficiency at a reasonable standard of living for every person facing a significant challenge to employment because of functional limitations. This goal implies providing a reasonable standard of living (adequacy) along with work incentives that promote employment" (p. 718). As a part and parcel of such a policy, attaining an academic education should be a top priority for people with disabilities. Recent data on education show dire figures: merely 19% of people with disabilities in Israel have an academic degree compared with 33% among nondisabled individuals (Commission for Equal Rights of Persons with Disabilities, 2016).

It is noteworthy that on March 22, 2016, Israel passed the Equal Rights for People with Disabilities Regulations (accommodations related to existing public services [academic institutions] and the academic services they offer), which obligate academic institutions to ensure general accessibility as well as individual accommodations to people with disabilities. The regulations will come into effect in 2018. This is a first and vital step, however insufficient, as other barriers to obtaining an academic education among people with disabilities need to be addressed, such as tuition fees and means of livelihood. According to the National Insurance Institute Regulations (Vocational Rehabilitation) of 1956, the NII institute currently covers a full pension, tuition fees, equipment, devices and tutoring services,

support and accessibility services, as well as travel and accommodation expenses for Israelis with a general disability. Nevertheless, the terms of eligibility for this program are quite strict and, dependent upon the severity of the impairment, are limited in their duration (see NII, n.d.-b). Israelis with disabilities who do not meet the eligibility criteria might be eligible to receive vocational rehabilitative services from the Ministry of Welfare and Social Services. In terms of education, these programs mainly address supplementary education and vocational training. Veterans with disabilities, who are provided for/covered by the Ministry of Defense, and work-related injuries, covered by the NII, are entitled to different postsecondary education services.

The fragmentation of services for different populations, which vary in their degree of generosity, must be replaced by a comprehensive, standardized, and just national system that will ensure equality for all people with disabilities. This will ensure full accessibility to higher education—including full tuition coverage (for a Bachelor's degree), a full pension during the study period, and full coverage of all costs including accommodations and support. Academic studies involving partial or course-based credits should be offered to all individuals with disabilities in Israel. A Bar-Ilan University project can serve as a base for such services. Within the Bar-Ilan program, headed by the School of Education, people with intellectual disabilities can study in an academic environment and earn academic credits (for more details, see the Ruderman Family Foundation, 2014).

Another central feature of a new system of services relates to disability pensions (and eligibility criteria for vocational rehabilitation). Similar to the American benefits program, the Israeli system is outdated and reflects a biomedical approach to disability, whereby disability is perceived as a lack of ability to work because of impairment. Stapleton et al. (2006) argued that such a definition ignores the vital role of the environment in the disability phenomenon and urge policy makers to embrace a more biopsychosocial approach, namely, the International Classification of Function (World Health Organization, 2011), instead of the "ability to work" test, which characterizes the current system. We urge Israeli policy makers to do the same.

Finally,

[i]ncentives that make work pay would be a key component of the new system . . . [t]hose able to obtain only low wage jobs or to work only a few hours would receive wage subsidies or tax credits offering them an incentive to work and improve their standard of living. (Stapleton et al., 2006, p. 720)

### Declaration of Conflicting Interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

### Funding

The author(s) received no financial support for the research, authorship, and/or publication of this article.

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