

# VCU-RRTC on Employment of People with Physical Disabilities

Research Study #4: Evaluating the Effectiveness of a Multi-Component Demand-Side Intervention Toolkit for VR Professionals to Improve Employment Outcomes of People with Physical Disabilities: A Randomized Controlled Trial Study



## What are Relationships and Social Roles Worth in the Labor Market

### Poverty and Disability

Disability and poverty are closely tied, with disability often increasing costs while simultaneously limiting entry to the labor market (Abidi & Sharma, 2014; Hughes, 2013; Winzer & Mazurek, 2015). As of 2016, the poverty rate for people with disabilities was 20.9% compared to 13.1% for people without disabilities (Krause, Lauer, Coleman, & Houtenville, 2018). In light of increasing wage disparities and economic instability, poverty is drawing increased attention of rehabilitation researchers (Tansey, Dutta, Kundu, & Chan, 2016). One question that has not been given enough attention in the rehabilitation literature is whether poverty could be addressed through a better understanding of factors that influence starting wage decisions.

### Social Capital, Social Role, and Starting Wage

There is a power in close human relationships that produces social capital. Social capital can influence our decisions, including how much an employer would be willing to pay a new employee. In a recent study with business students majoring in human resources, Phillips, Robison, and Kosciulek (2014) showed social capital to have a powerful influence on the starting wage that they would be willing to pay new employees. Results showed the highest level of social capital to increase yearly earnings by more than \$1,500 for the full-time worker when compared to those with no social capital.

Social role and specifically Social Role Valorization (SRV) provides a related yet distinct construct that may also serve to influence starting wage decisions (Wolfensberger, 2000). In this theory, it is assumed that occupying socially valued roles in society (e.g., husband, wife, teacher, or student) will produce better access to resources and result in increased social and occupational opportunities. In contrast, occupying devalued social roles (e.g., welfare recipient, homeless, or felon) will result in a loss of access and opportunity (Wolfensberger, 2000). It is possible that holding a valued social role may act to influence starting wage. The purpose of this study is to measure the influence of social capital and social role on starting wage for people with and without disabilities.

The two primary research questions asked for people with and without disabilities were as follows:

1. Do close relationships influence starting wage?
2. Does social role influence starting wage?

### Method

Participants for this study consisted of 256 undergraduate healthcare administration students in a large course at a public university in the Midwest. Healthcare administration students were strategically targeted for their knowledge and training in healthcare finance and understanding of labor costs within healthcare systems. Participants completed one of four versions of the starting wage survey. All participants were asked to determine the maximum amount they would be willing to pay a newly hired bookkeeper in a small healthcare company in a pay range of \$15.00 to \$20.00 an hour. Wage categorization was consistent with state-level labor market statistics obtained through the Bureau of Labor Statistics at the time of the study (U.S. Bureau of Labor Statistics, 2017). A three-way mixed analysis of variance (ANOVA) with two between-subject factors (social role and disability status) and one within-subject factor (social capital) was used to address the primary research questions.

Authors:  
Dr. Brian Phillips  
Dr. Fong Chan  
Univ. of Wisconsin-  
Madison  
and  
Weneaka Jones,  
Univ. of Illinois at  
Urbana Champaign



## Results

Mean starting wage was greater with higher levels of social capital and also in the presence of a valued social role. Social relationships paid in monetary terms. For example a friend made \$0.79 more per hour than a stranger, a person referred the employer by a friend of the employer made \$0.36 more an hour, and someone referred by a local state agency made \$0.18 more per hour compared to a stranger. Someone the employer did not get along with made \$0.36 less an hour than the stranger. Regarding social role, person holding a valued social role was given an average of \$0.54 more per hour than the person without a valued social role.

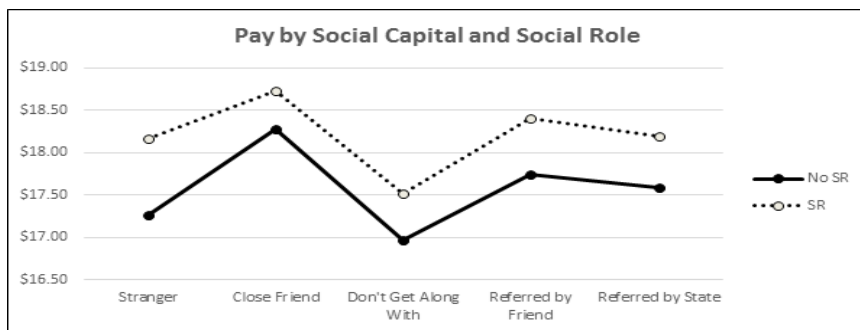


Figure 1. Starting wage by social capital and social role. No SR = No social role, SR = Social Role.

Considering the interaction of social capital, social role, and disability, the highest pay ( $\bar{\chi} = \$18.73$ ) was given to employees with high social capital (close friend), a valued social role (parent of two children), and no disability, as hypothesized. The lowest pay ( $\bar{\chi} = \$16.76$ ) was given to employees with low social capital (someone they did not get along with), no valued social role (no mention of social role), and no disability.

## Conclusions

Findings suggest that social capital and social role have enough value to increase starting wages by hundreds if not thousands of dollars. More research is needed to understand the effect in real business decisions, but early evidence suggests rehabilitation professionals should focus on these two elements when assisting someone in the hiring process.

An increased focus on relationships and social role aligns perfectly with the Workforce Investment Opportunity Act (WIOA), which emphasizes the importance of vocational rehabilitation providers developing meaningful relationships with employers as well as expanding the services that state vocational rehabilitation agencies can provide to employers. Professionals can do more to emphasize existing or potential social capital between the hiring company and (a) themselves, (b) their clients, or (c) others in the client's social network. A rehabilitation professional can also assist in this effort by helping clients to understand the potential for sharing valued social roles to improve opportunities and also to identify valued social roles they may currently hold or that they could acquire.

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Questions on this brief should be directed to Dr. Brian Phillips  
[bnphillips2@wisc.edu](mailto:bnphillips2@wisc.edu)

Requests for accommodations or questions on the VCU-RRTC should be directed to Dr. Katherine Inge  
[kinge@vcu.edu](mailto:kinge@vcu.edu) or 804-828-5956

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