

Georgia Southern University

Digital Commons@Georgia Southern

Association of Marketing Theory and Practice
Proceedings 2023

Association of Marketing Theory and Practice
Proceedings

3-7-2023

Labeled in Your Youth: The Effects of a Youth Disability Diagnosis in the Workplace

Landon M. McFarland
landon.mcfarland@usm.edu

Joanne T. Cao
University of Southern Mississippi, joanne.cao@usm.edu

Edward Sayre
University of Southern Mississippi, edward.sayre@usm.edu

Follow this and additional works at: https://digitalcommons.georgiasouthern.edu/amtp-proceedings_2023



Part of the [Disability Studies Commons](#), [Labor Economics Commons](#), and the [Social Justice Commons](#)

Recommended Citation

McFarland, L. M., Cao, J. T., and Sayre, E. (2023). Labeled in your youth: The effects of a youth disability diagnosis in the workplace. Association of Marketing Theory and Practice Proceedings 2023. 2. https://digitalcommons.georgiasouthern.edu/amtp-proceedings_2023/2

This conference proceeding is brought to you for free and open access by the Association of Marketing Theory and Practice Proceedings at Digital Commons@Georgia Southern. It has been accepted for inclusion in Association of Marketing Theory and Practice Proceedings 2023 by an authorized administrator of Digital Commons@Georgia Southern. For more information, please contact digitalcommons@georgiasouthern.edu.

Labeled in Your Youth: The Effects of a Youth Disability Diagnosis in the Workplace

Landon McFarland

The University of Southern Mississippi

Dr. Joanne T. Cao, D.B.A.

The University of Southern Mississippi

Dr. Edward Sayre, Ph.D.

The University of Southern Mississippi

EXTENDED ABSTRACT

People with disabilities undergo stigmatization in the workforce in many forms. While many countries passed legislation to prevent mistreatment against people with disabilities, they often remain the target of discrimination in the form of interpersonal treatment, judgments about what job roles they can hold, or discrimination in the form of lower wages (Baldwin & Johnson, 1995; Hui et al., 2020; Madera et al., 2020; Stone & Colella, 1996). The main aim of this paper is to understand how much of an income disparity between those with and without disabilities remains due to unexplainable components, across time, during prime labor market year conditions for people recorded in the National Longitudinal Study of Youth of 1997 (NLSY97) from the U.S. Bureau of Labor Statistics sample. Most past studies use cross-sectional data to understand disparities at one point in time, while this study bridges a literature gap presented by this type of analysis (Baldwin & Johnson, 1995; 2000; Kidd et al., 2000). The current study uses a longitudinal dataset, allowing one to understand how this disparity changed over five years.

Past literature has found much evidence for wage discrimination against individuals with disability statuses. The World Health Organization defines a disability as “any restriction or lack of ability (resulting from an impairment) to perform an activity in the manner or within the range considered normal,” (Kidd et al., 2000, p. 962). Employees whom customers may not consider normal, such as employees of different ability status, age, or race, often experience discrimination in the workplace (Baker et al., 2008; Madera et al., 2020; Okan et al., 2021). Many types of employees’ disabilities have been studied in the past, concerning how it affects offer wages, including physical, mental, sensory, and intellectual (Baldwin & Choe, 2014; Baldwin & Johnson, 1995; 2000; Mann & Wittenburg, 2015). This is because whenever an individual has ill health or impairment of some kind, this can reduce one’s productivity in the workplace and then one’s wage (Jones, 2008). This reduction in wage can be affected by the competence of the employee dealing with the impairment or disability, along with the job requirements that the employee must fill (Jones, 2008). Understanding if this reason explains wage differentials for people with disabilities, along with discrimination, accounts for most of the desired outcomes of studies involving this topic (Baldwin & Chloe, 2014; Gannon & Munley, 2009).

Discrimination takes the form of prejudice, implicit bias, and statistical discrimination (Stevenson & Wolfers, 2019). This analysis deals with the former type of discrimination in labor markets. When looking at productivity-related differences, it is important to understand the role of human capital. Mincer's additions to human capital theory pose that individuals' choices act as investment opportunities for themselves (Polachek, 2007). According to Human Capital Theory, a difference in one individual's wages compared to another's is explained as a required compensation for the former's investments into the self for obtaining more human capital (Polachek, 2007). For this to hold, one's compensation for opportunity costs must be as high as the opportunity cost itself, and then, all else after will provide diminishing marginal returns (Polachek, 2007). Mincer's earnings function states that human capital investments are composed of initial earnings capacities, returns to education, and on-the-job training and have been expanded to include many other attributes, such as health and migration (Stevenson & Wolfers, 2019). Wage discrimination occurs whenever these investments cannot explain earnings differences (Polachek 2007).

This paper analyzes how many human capital variables can explain wage differentials between people without or with disabilities. The data used for this analysis is the National Longitudinal Study of Youth 1997, using its 2010 and 2015 variables. This dataset follows children surveyed from 1997 to the present day regarding their occupation, income, educational attainment, and many other variables. This study uses indicator variables originally asked of the youth's parent in the survey, asking if the child has a sensory, learning, or emotional problem or condition. The learning and emotional conditions considered in this study were a learning disability such as dyslexia or an attention disorder, a general behavior problem, eating disorders such as anorexia or bulimia, or other, in which the child's parent was asked to specify. For sensory conditions, blindness in one eye, blindness in both eyes, other vision difficulties, hearing difficulties, deafness, and speech impairment were considered. An indicator variable for other was also considered, in which the parent was asked to specify the sensory condition. For this analysis, the sensory and learning or emotional conditions were combined into two indicator variables titled "physicaldisability" or "mentaldisability," respectively. These indicator variables were combined into one indicator variable showing if an individual had a disability or not in his or her youth.

$$(Eq. 1) TI_{Dt} = \beta_0 + \beta_1 Meds_D + \beta_2 Male_D + \beta_3 Age_D + \beta_4 Ethnicity_D + \beta_5 Occupation_D + \beta_6 Industry_D + \beta_7 Edu_D + \beta_8 Region_D + \varepsilon$$

$$(Eq. 2) TI_{NDt} = \beta_0 + \beta_1 Male_{ND} + \beta_2 Age_{ND} + \beta_3 Ethnicity_{ND} + \beta_4 Occupation_{ND} + \beta_5 Industry_{ND} + \beta_6 Edu_{ND} + \beta_7 Region_{ND} + \varepsilon$$

$$(Eq. 3) TI_{it} = \beta_0 + \beta_1 PD_i + \beta_2 MD_i + \beta_3 Meds_i + \beta_4 Male_i + \beta_5 Age_i + \beta_6 Ethnicity_i + \beta_7 Occupation_i + \beta_8 Industry_i + \beta_9 Edu_i + \beta_{10} Region_i + \varepsilon$$

TI represents the total income of an individual in either 2010 or 2015. D and ND denote if an individual had or did not have a disability in one's youth, respectively. Edu represents educational attainment variables for if someone had completed some schooling in grades 1-11, completed high school, completed some college, an undergraduate degree, a master's degree, a doctorate, or an ungraded education. PD denotes if someone has a physical disability, while ND represents if someone has a mental disability. For this analysis, the comparison group is

individuals who did not receive any educational attainment. Indicator variables for age denoted when an individual was born between 1980 and 1984, and occupation variables for 2010 and 2015. Meds represent if an individual with a disability in his or her youth took medication as a form of treatment for the disability. Occupation and industry variables denote what occupation and industry an individual worked in for 2010 and 2015 separately. In Equations 1 and 2, t represents the time period being either 2010 or 2015. For Equation 3, i denotes the individual included in the sample, as people with and without disabilities were included in the analysis. The results of these regressions are shown below in Table 2. Along with these regressions, a Blinder-Oaxaca decomposition analysis was conducted to understand how much of the disparity between people without and with disabilities could be attributed to human capital characteristics or possible discrimination.

The results of these regressions conclude that people with a physical disability in 2010 endured a 6.9 percentage point depreciation in average incomes compared to people without disabilities. For people with a mental disability, this average income depreciation is worth 20.5 percentage points compared to people without a disability. In 2015, the results were similar, with people with a mental disability having an 18.6 percentage point disparity, but the results for people with a physical disability are insignificant. After including various controls, this analysis concludes that people with disabilities in 2010 experienced a 19.4 percentage point difference in log incomes. Of this 19.4 percentage point difference, five percentage points are explained by the variables in this analysis. Essentially, almost 75% percent of the difference in outcomes remains unexplainable by human capital characteristics, implying that relevant variables that can explain this difference were left out, or this implies a form of discrimination taking place. For the sample in 2015, the difference is smaller at a 13.1 percentage point difference. However, human capital characteristics explain less of the difference in this sample.

However, many limitations exist in the current study. While this study would be enhanced by specifying the same sample over time, that was not conducted in this study. All the results were significant at one point in time, following the same overall sample from the NLSY97. The current analysis does not show if the individuals in the 2010 and 2015 samples were the same, as not all people diagnosed with a disability in his or her youth were considered for the regressions in 2015. Specifying to use the same individuals in all eight regressions would provide more clarity for interpreting the results. Many relevant variables were not included, such as experience or migration variables. Incorporating these into this model in the future may yield better results for the Oaxaca decompositions.

Possible policy interventions to mitigate this income disparity would include more inclusive corporate social responsibility policies in businesses that provide transparency about how much workers are compensated for their roles within the company. This would reduce possible employer or employee discrimination against employees with disabilities. Possible government intervention would be increased funding towards education programs for businesses that hire people with disabilities. The goal would be to increase understanding of their capabilities to benefit the company rather than allowing employers, customers, or other employees to negatively stereotype what they can provide in a workplace environment. Finally, more research on this topic and other topics related to the employment of people with disabilities will inform

others of the relevance of this topic, along with the continued need to protect those who experience discrimination in the workplace.

Keywords: *People with disabilities, wage discrimination, workplace inclusion, corporate social responsibility, stigmatization, income disparity*

References are available from the authors upon request.

ABOUT THE AUTHORS

Landon McFarland is an undergraduate Honors student at the University of Southern Mississippi. He is from Diamondhead, Mississippi and is currently pursuing a double major in Marketing and Applied Economics. His current research interests include consumer behavior, frontline service employee workplace treatment, service failure and recovery, and labor economics. After completing his undergraduate education, Landon hopes to earn a Marketing doctorate degree in order to pursue a career in academic research.

Dr. Joanne T. Cao is an Associate Professor and the Director of the School of Marketing at the University of Southern Mississippi. She is a MS Gulf Coast native with over 10 years of experience in the services and healthcare industry. Dr. Cao received her BSBA and MBA degrees from the University of Southern Mississippi and completed her doctorate at Louisiana Tech University. She enjoys getting involved with student research and has mentored several undergraduate Honors and graduate students. Her teaching areas include Principles of Marketing, Consumer Behavior, and Marketing Research. Her research interests include value consumption, service failures and recovery, and branding. Some of her work can be found in the *Journal of Business Research*, *Journal of Service Management*, *Asia Pacific Journal of Marketing and Logistics*, *Journal of Marketing Theory and Practice*, and *Journal of Marketing Education*.

Dr. Edward Sayre is a Professor of Economics and Director of the School of Social Science and Global Studies at the University of Southern Mississippi. His research focuses on the economics of the Palestinian-Israeli conflict and statistical analyses of Middle East labor markets, including those of Tunisia, Palestine, and Qatar. Sayre is the co-editor (with Tarik M. Yousef) of *Young Generation Awakening: Society, Economy, and Policy on the Eve of the Arab Spring* (Oxford University Press, 2016). Before starting his current position at USM, Sayre was a visiting research associate at the Palestine Economic Policy Research Institute (MAS) in Jerusalem and taught at Kenyon College and Agnes Scott College. From 2010-2012 Dr. Sayre was a Non-Resident Fellow for Global Economy and Development at the Brookings Institution and from 2011-2016 was a Research Fellow at Fikra consulting in Doha, Qatar. Dr. Sayre served on the Board of Directors the Middle East Economic Association from 1999 to 2015 and was Treasurer from 2009 to 2015.