

# Reasons People Do Not Work

1996

*Household Economic Studies*

Issued July 2001

P70-76

## Introduction

In 1996, the U.S. economy entered its fourth year of expansion, accompanied by an increase in the rate of job growth and a decline in unemployment.<sup>1</sup> From September 1992, when the expansion began, to August 1996, the national unemployment rate decreased from 7.6 percent to 5.1 percent, and the percentage of civilians who were employed increased from 63.0 percent to 65.0 percent.<sup>2</sup>

Even during this period of rapid economic growth, of course, not all people of working age (15 years and over) had jobs. Many, in fact, were nonworkers<sup>3</sup> for extended periods of time. This report uses data from the 1996 Survey of Income and Program Participation (SIPP) to examine the main reason for not working given by people who were non-

workers for at least 4 consecutive months in the first half of 1996.<sup>4</sup>

The data in this report provide insight into the identification and potential availability of nonworkers during a period of tightening labor markets. The size and composition of this pool of potential workers reflect a balance between the pressures and inducements for people to enter the labor force (such as the need to support oneself or a family, or to obtain health insurance coverage) and the obstacles and personal needs that prevent or discourage their labor force participation. This report examines relationships between reasons for not working and life-cycle events such as schooling, raising a family, and aging. It also investigates how the reasons for not working vary in importance among selected groups of nonworkers and examines the rates of health insurance coverage and participation in government assistance programs among these nonworkers.

## Current Population Reports

By  
Mai Weismantle

<sup>1</sup>William C. Goodman and Randy E. Ilg, "Employment in 1996: Jobs Up, Unemployment Down," *Monthly Labor Review*, Vol. 120, No. 2, February 1997, p.1.

<sup>2</sup>U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, generated by Mai Weismantle, <http://146.142.4.24/cgi-bin/surveymost?bls>, (August 20, 1999).

<sup>3</sup>A nonworker is someone who is either (a) unemployed (on layoff from a job, or without a job but actively seeking employment) or (b) not in the labor force (not employed and not seeking employment). Nonworkers in this report answered "No" to all of the following survey questions: "Did you have at least one paid job, either full or part time, at anytime in the past 4 months? Count active duty in the Armed Forces as a paid job."; "Did you do any work at all that earned some money?"; "Did you do any unpaid work in a family business or farm?"

<sup>4</sup>SIPP is a longitudinal survey that follows the same individuals over time. The survey is conducted in waves of 4 months' duration. Data are collected from one-fourth of the sample members in each month of a wave. Sample members are asked about activities during the 4 months prior to the interview, which is known as the "reference period." These data were collected during wave 1 of the 1996 SIPP; interviews were conducted from April-July 1996 in four separate rotation groups. The nonworkers who are the focus of this report are people who did not work at any time in the 4 months prior to the month they were interviewed, periods which ranged from December 1995 through March 1996 to March 1996 through June 1996. Some were members of the country's labor force for at least part of the 4 months, even though they did not work, because they were on layoff from jobs, or they had been looking for work.

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Table 1.  
**Main Reason Adults Did Not Work: 1996**

(Numbers in thousands)

Reason	Age 15 and over			Age 20 to 64 years		
	Number of people	Percent	Standard error of percent	Number of people	Percent	Standard error of percent
<b>Total.....</b>	<b>69,150</b>	<b>100.0</b>	<b>(NA)</b>	<b>32,081</b>	<b>100.0</b>	<b>(NA)</b>
Unable to find work.....	2,667	3.9	0.137	2,292	7.1	0.268
On layoff.....	708	1.0	0.071	681	2.1	0.150
Temporary injury or illness.....	1,409	2.0	0.100	1,234	3.8	0.200
Chronic illness/disability.....	9,638	13.9	0.246	7,216	22.5	0.435
Pregnancy/childbirth.....	663	1.0	0.069	570	1.8	0.138
Retired.....	26,946	39.0	0.346	4,298	13.4	0.355
Going to school.....	11,917	17.2	0.268	3,138	9.8	0.309
Taking care of children/others.....	9,214	13.3	0.241	8,534	26.6	0.460
Not interested in working.....	3,549	5.1	0.156	2,471	7.7	0.278
Other.....	2,439	3.5	0.131	1,647	5.1	0.230

NA Not applicable.

Note: Detail may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

These data were collected shortly before the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, also known as the Welfare Reform Act. Thus the data, particularly on participation in government transfer programs, may provide a valuable snapshot of the nonworking population in the last months just before welfare reform.<sup>5</sup>

The figures in this report were collected in response to the question, "What is the *main* reason you did not work at a job or business [in the last 4 months]?" Respondents were asked to select 1 of 11 categories consisting of economic and noneconomic reasons for not working. Reasons related to the economy were "unable to find work" and "on layoff." Noneconomic reasons included the health-related categories, "unable to work because of a chronic health condition or disability," "pregnancy/childbirth," "temporarily unable to

work because of an injury," or "temporarily unable to work because of an illness." The noneconomic, voluntary reasons were "going to school," "retired," "taking care of children or others," and "not interested in working at a job." The final category was the residual "other."<sup>6</sup>

Focusing the question on the *main* reason for not working affects how responses are interpreted. For example, one should not assume that all retired nonworkers were able to work or that they did not want

<sup>6</sup>Respondents who selected the "other" category were asked to describe the specific reason they did not work. Their responses generally fell within one of five categories: preferred nonpaid work (volunteer, church, nonprofit, homemaker); met with barriers to obtaining work (no work permit, cannot speak English, cannot drive a car); were preparing for work (getting ready to start a new business, in training); experienced a change in business conditions (business closed down or relocated); and chose to take time off from work (did not want/need to work, recovering from a death in the family, already receive income from government assistance or other sources). Many people who report "other" reasons likely fall under the heading of "discouraged workers" — people who are not in the labor force (without jobs and not looking for work), but who have demonstrated some labor force attachment; that is, they want and are available for a job and they have looked for work in the last 12 months, but are not currently looking for work because they believe there are no jobs available or none they qualify for.

jobs. Some may have retired because of a chronic health condition or disability or because they were unable to find work.

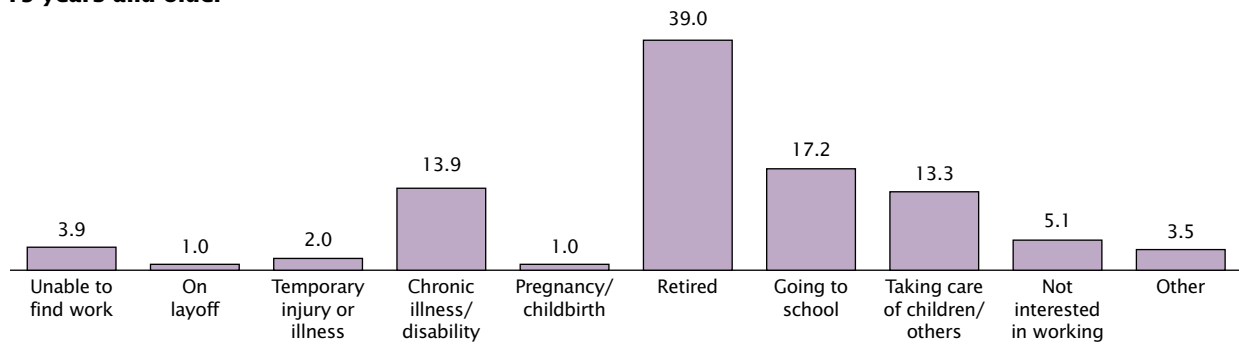
### Highlights

- Of people 15 years and older living in the United States<sup>7</sup> in the first half of 1996, approximately 69 million, or 34 percent, did not work at a paid job for 4 consecutive months.
- Nearly 2 out of 5 nonworkers (39 percent) were retired, and about 1 in 6 (17 percent) were going to school.
- For people 25-44 years of age, taking care of children or others was the main factor for not working at a paid job (43 percent), a reflection of the importance of this reason among women, who make up nearly three-fourths (72 percent) of the nonworkers in this age group.
- Approximately 1 in 3 nonworkers (35 percent) 45-54 years old

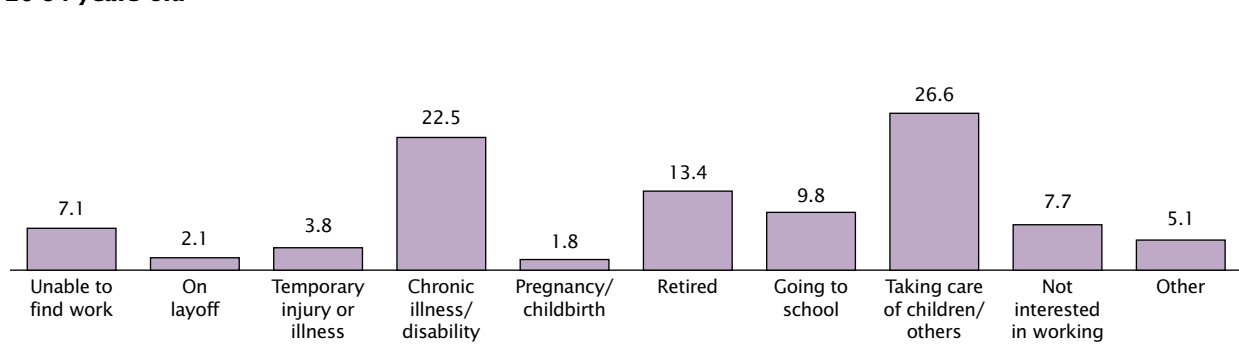
<sup>7</sup>Specifically, the noninstitutional resident population of the United States, excluding Puerto Rico.

Figure 1.  
**Nonworkers by Age and Main Reason for Not Working: 1996**  
 (Percent)

**15 years and older**



**20-64 years old**



Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

did not work because of a chronic illness or disability.

- Men were more likely than women to be out of work because of retirement or schooling.
- Adults with at most a high school diploma were much more likely than those with at least some college education not to work because of a chronic illness or disability.
- Among never-married nonworkers, the most common reason for not working was school attendance; chronic illness or disability was a close second.

- Approximately 1 in 5 nonworkers (22 percent) 20 to 64 years old were not covered by health insurance.
- Approximately 1 in 10 nonworkers (10 percent) received Federal Supplemental Security Income (SSI) benefits, compared with 2 percent of the total population age 20 to 64 years old.

**About One-Third of People 15 Years and Older Do Not Work**

Of the estimated 205 million people age 15 years and older, approximately 69 million (34 percent) did not work at a paid job for at least 4 consecutive months in the

first half of 1996. Table 1 and Figure 1 show the distribution of the main reasons for not working.

Retirement (39 percent) and school attendance (17 percent) were the most commonly reported reasons. Chronic illness or disability was the main reason for almost 1 in 7 nonworkers (14 percent). Taking care of children or others accounted for 13 percent of nonworkers. Approximately 5 percent cited an economic reason as their main factor for not working: 1 percent were on layoff and almost 4 percent were unable to find work. Another 5 percent of nonworkers were not interested in working.

Table 2.  
**Main Reason Adults Did Not Work by Age: 1996**

Reason	Total	Age in years					
		15 to 19	20 to 24	25 to 44	45 to 54	55 to 64	65 and over
<b>Total (thousands)</b> .....	<b>69,150</b>	<b>10,039</b>	<b>4,127</b>	<b>13,490</b>	<b>5,876</b>	<b>8,586</b>	<b>27,032</b>
Unable to find work.....	2,667	316	456	1,272	358	206	59
On layoff.....	708	19	74	378	149	80	8
Temporary injury or illness.....	1,409	38	50	703	268	213	137
Chronic illness/disability.....	9,638	163	271	2,417	2,073	2,455	2,259
Pregnancy/childbirth.....	662	93	266	298	5	0	0
Retired.....	26,946	0	0	98	395	3,804	22,649
Going to school.....	11,917	8,772	1,790	1,168	158	22	7
Taking care of children/others.....	9,214	223	907	5,807	1,255	565	457
Not interested in working.....	3,550	183	157	617	823	874	896
Other.....	2,439	232	156	732	392	367	560
		Percent					
<b>Total</b> .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Unable to find work.....	3.9	3.1	11.0	9.4	6.1	2.4	0.2
On layoff.....	1.0	0.2	1.8	2.8	2.5	0.9	0.0
Temporary injury or illness.....	2.0	0.4	1.2	5.2	4.6	2.5	0.5
Chronic illness/disability.....	13.9	1.6	6.6	17.9	35.3	28.6	8.4
Pregnancy/childbirth.....	1.0	0.9	6.4	2.2	0.1	0.0	0.0
Retired.....	39.0	0.0	0.0	0.7	6.7	44.3	83.8
Going to school.....	17.2	87.4	43.4	8.7	2.7	0.3	0.0
Taking care of children/others.....	13.3	2.2	22.0	43.0	21.4	6.6	1.7
Not interested in working.....	5.1	1.8	3.8	4.6	14.0	10.2	3.3
Other.....	3.5	2.3	3.8	5.4	6.7	4.3	2.1
		Standard error of percent					
<b>Total</b> .....	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>
Unable to find work.....	0.137	0.325	0.910	0.469	0.582	0.308	0.053
On layoff.....	0.071	0.081	0.385	0.265	0.382	0.193	0.020
Temporary injury or illness.....	0.100	0.114	0.317	0.357	0.507	0.313	0.081
Chronic illness/disability.....	0.246	0.235	0.719	0.616	1.162	0.909	0.314
Pregnancy/childbirth.....	0.069	0.178	0.713	0.236	0.071	0.000	0.000
Retired.....	0.346	0.000	0.000	0.136	0.609	0.999	0.418
Going to school.....	0.268	0.618	1.438	0.451	0.393	0.102	0.018
Taking care of children/others.....	0.241	0.274	1.202	0.795	0.997	0.499	0.146
Not interested in working.....	0.156	0.249	0.555	0.335	0.844	0.608	0.203
Other.....	0.131	0.280	0.553	0.364	0.607	0.407	0.162

NA Not applicable.

Note: Detail may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

### Reasons for Not Working Vary With Age and Life-Cycle Events

Age is generally correlated with life-cycle events, such as pursuing an education, starting a family, experiencing an “empty nest,” and being able to retire with a pension. These events obviously tend to influence a person’s decision to work. Table 2 examines some of the relationships between reasons for not working and age.

Not surprisingly, most (87 percent) nonworking teenagers (15-19 years old) cited “going to school” as their main reason for not working. This was also the most common reason for 20 to 24 year-olds who did not work (43 percent).

For nonworkers in the prime reproductive and family-rearing age groups — 20 to 24 years, 25 to 44 years, and 45 to 54 years — taking care of children or others was an especially significant reason for not

participating in the work force. It was cited by the largest proportion (43 percent) of nonworkers 25 to 44, reflecting the importance of child-rearing responsibilities among women, who made up nearly three-fourths (72 percent) of the nonworkers in this age group. Taking care of children or others was also the second most common reason for nonworkers in the 20 to 24 group (22 percent) and in the 45 to 54 group (21 percent, however,

Table 3.  
**Main Reason Adults (Age 20 to 64) Did Not Work by Sex: 1996**

Reason	Including taking care of children/others				Excluding taking care of children/others			
	Percent		Standard error of percent		Percent		Standard error of percent	
	Male	Female	Male	Female	Male	Female	Male	Female
<b>Total</b> .....	<b>100.0</b>	<b>100.0</b>	<b>(NA)</b>	<b>(NA)</b>	<b>100.0</b>	<b>100.0</b>	<b>(NA)</b>	<b>(NA)</b>
Unable to find work .....	12.9	4.3	0.606	0.257	13.3	6.9	0.621	0.413
On layoff .....	4.0	1.2	0.353	0.138	4.1	1.9	0.362	0.224
Temp. injury/illness .....	5.6	3.0	0.414	0.217	5.7	4.9	0.425	0.350
Chronic illness/disability .....	34.2	16.7	0.856	0.475	35.1	27.1	0.873	0.723
Pregnancy/childbirth .....	0.0	2.7	0.000	0.205	0.0	4.3	0.000	0.331
Retired .....	19.5	10.3	0.715	0.388	20.0	16.8	0.732	0.609
Going to school .....	13.7	7.8	0.621	0.342	14.1	12.7	0.636	0.542
Taking care of children/others .....	2.6	38.6	0.286	0.620	0.0	0.0	0.000	0.000
Not interested in working .....	2.2	10.4	0.265	0.390	2.3	17.0	0.272	0.611
Other .....	5.3	5.1	0.404	0.279	5.4	8.2	0.414	0.447
<b>Number of people (thousands)</b> ....	<b>10,668</b>	<b>21,411</b>	<b>(NA)</b>	<b>(NA)</b>	<b>10,393</b>	<b>13,152</b>	<b>(NA)</b>	<b>(NA)</b>

NA Not applicable.

Note: Detail may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

these two percentage points were not statistically significantly different from each other). Surprisingly, 18 percent of 25-44 year olds did not work because of chronic illness or disability.

For nonworkers over age 44, health and retirement were the dominant reasons for not working. The proportion of people citing these reasons ranged from 47 percent for the 45 to 54 group to 93 percent of nonworkers 65 years and over. Retirement was the overwhelming reason given by nonworkers 65 years and over (84 percent).

The data in Table 2 are cross-sectional estimates and are not intended to predict how reasons for not working will change for any particular cohort. Nevertheless, comparisons across age groups reveal how the prevalence of a reason varies by age. For example, the significance of “going to school” declines rapidly from the teenage years and continues to diminish across the older age

groups. “Taking care of children or others” increases from 22 percent for the 20 to 24 group, peaks at 43 percent of the 25 to 44 group, falls to 21 percent of the 45 to 54 group, then declines below 10 percent for ages 55 and above.

Health-related reasons increase in prominence with age, but begin to decline for people 55 years and over as retirement dominates the distribution.

As Table 2 shows, a very large number of nonworkers 15 to 19 years old were “going to school,” and an even larger number of nonworkers 65 years and over were “retired.” Together, these two groups make up almost half of all nonworkers (45 percent). This overwhelming dominance makes it difficult to discern the relationships between reasons for not working and characteristics other than age. To remove the effects of the school-age and retirement populations, the remainder of this report will focus on nonworkers in the prime working ages of 20 to 64

years. Figure 1 shows the distribution of these 20 to 64 year-old nonworkers by reason for not working.

### **Chronic Illness Most Likely to Be Cited by Men While Child-Rearing Is Principal Reason Among Women**

As Table 3 and Figure 2 show, “chronic illness or disability” was the most common reason for not working (34 percent) among men 20 to 64 years old, followed by retirement (20 percent) and the economic reasons “on layoff” or “unable to find work” (17 percent combined). Still, 14 percent of men were going to school, possibly to pursue advanced degrees or acquire up-to-date skills. For women, “taking care of children or others” was the chief reason for not working (39 percent), followed by chronic illness (17 percent).

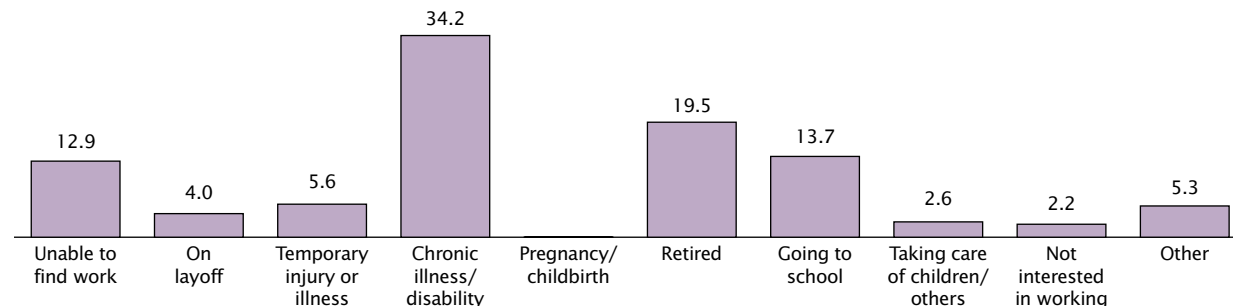
Men were more likely than women to not work because of retirement or schooling, even after removing the upper and lower age groups

Figure 2.

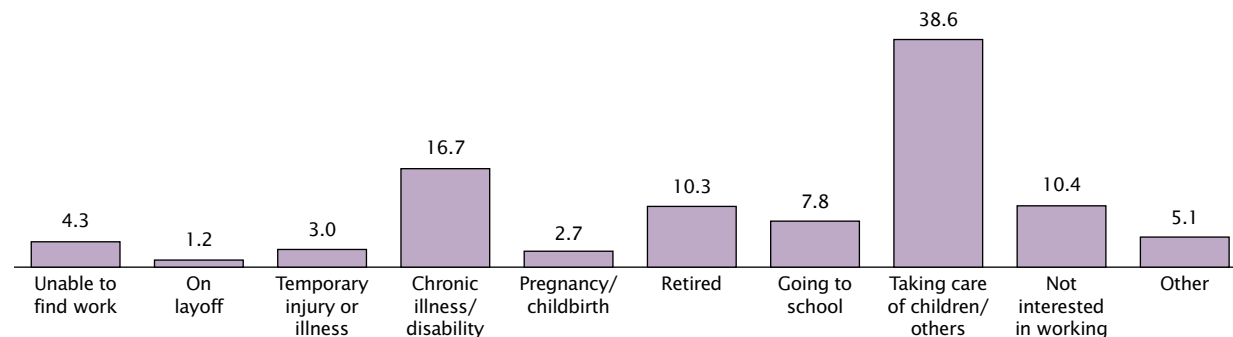
**Nonworkers Age 20 to 64 by Sex and Main Reason for Not Working: 1996**

(Percent)

**Men**



**Women**



Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

Table 4.

**Main Reason Adults (Age 20 to 64) Did Not Work by Race and Hispanic Origin: 1996**

Reason	Percent				Standard error of percent			
	White non-Hispanic	Black	Other race <sup>1</sup>	Hispanic <sup>2</sup>	White non-Hispanic	Black	Other race <sup>1</sup>	Hispanic <sup>2</sup>
<b>Total</b> .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>
Unable to find work .....	4.9	13.7	9.0	10.1	0.277	1.012	1.550	1.086
On layoff .....	2.1	2.5	1.3	2.4	0.185	0.457	0.621	0.547
Temporary injury or illness .....	3.2	5.9	3.8	4.6	0.226	0.695	1.033	0.750
Chronic illness/disability .....	21.9	32.3	14.5	17.2	0.533	1.377	1.906	1.358
Pregnancy/childbirth .....	1.3	2.2	1.5	3.5	0.148	0.431	0.668	0.665
Retired .....	17.6	6.9	6.6	3.3	0.490	0.745	1.345	0.646
Going to school .....	9.3	9.8	22.3	6.5	0.374	0.876	2.250	0.886
Taking care of children/others .....	25.3	18.1	30.1	42.1	0.560	1.136	2.481	1.777
Not interested in working .....	9.4	3.7	4.4	5.2	0.376	0.553	1.113	0.801
Other .....	5.1	5.0	6.4	5.1	0.283	0.644	1.319	0.793
<b>Number of people (thousands)</b> ....	<b>20,954</b>	<b>5,312</b>	<b>1,873</b>	<b>4,435</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>

NA Not applicable.

<sup>1</sup>Races other than White or Black.

<sup>2</sup>May be of any race.

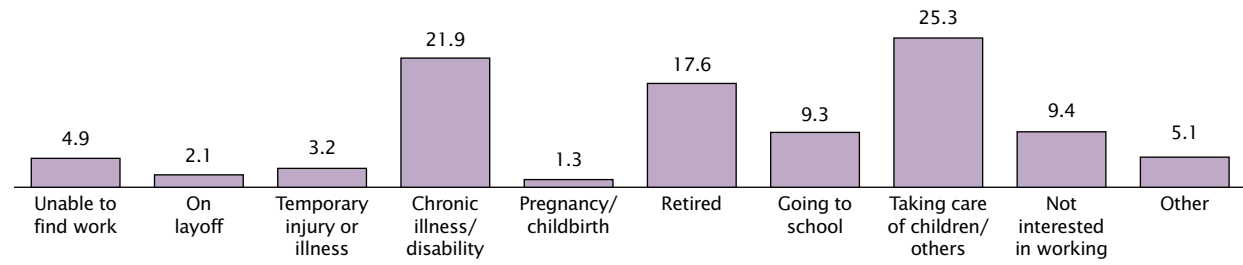
Note: Detail may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

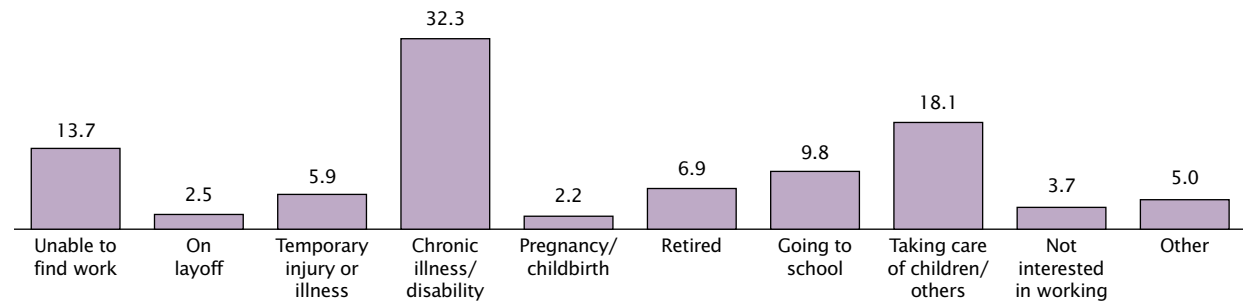
Figure 3.  
**Nonworkers Age 20 to 64 by Race and Hispanic Origin and  
 Main Reason for Not Working: 1996**

(Percent)

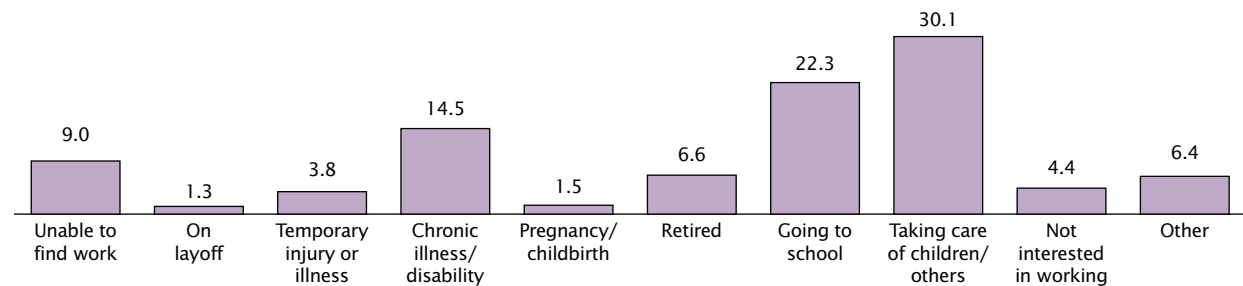
**Non-Hispanic White**



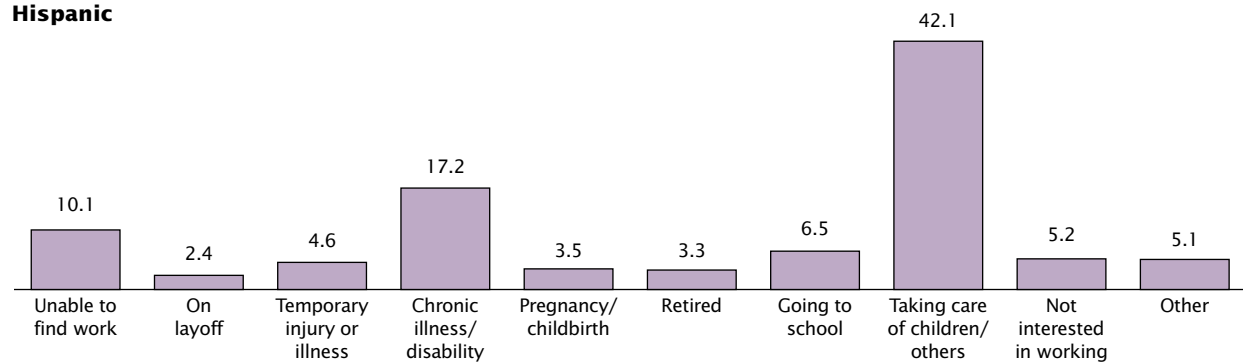
**Black**



**Other race**



**Hispanic**



Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

(15-19 and 65 years and over) from the analysis. Women, on the other hand, were much more likely than men not to work because of dependent care responsibilities (39 percent of women compared with only 3 percent of men). Women nonworkers were five times more likely than men to cite being “not interested in working” (10 percent of women and only 2 percent of men).

The great disparity between men and women in the category “taking care of children or others” may obscure important findings in the comparisons. When this category is removed, a new picture of men-women nonworker differences emerges. While this did not significantly affect the reasons men did not work, chronic illness becomes the most important reason for both women (27 percent) and men (35 percent). Retirement also becomes a prominent reason for women (17 percent). But the difference between men and women who cited “not interested in working” is even more pronounced when excluding the “taking care of children or others” category: approximately 17 percent of women compared with 2 percent of men. A considerable gap exists between men and women in the economic reasons categories: men were about twice as likely as women not to have worked because they were unable to find work or on layoff (17 percent compared with 9 percent).

### **Reasons Vary Among Racial Groups and by Hispanic Origin**

As Table 4 and Figure 3 show, child-rearing (including other dependent care) was the most common reason cited for not working (42 percent) among Hispanics<sup>8</sup> 20 to 64 years old. For Blacks, chronic illness or disability was the dominant reason (32 percent) for not working, reflecting higher rates of chronic illness<sup>9</sup> and severe disabilities<sup>10</sup> among Blacks in general. In 1996, Blacks had a higher rate of death than people of other races for most major illnesses, including cardiovascular disease, stroke, cancer, and diabetes.<sup>11</sup> Other important reasons Blacks cited for not working included “taking care of children or others” (18 percent) and being “unable to find work” (14 percent). White non-Hispanics were more than twice as likely as Blacks and Hispanics not to work because of retirement.

### **Child-Rearing Is an Important Reason for Not Working Among Married Couples**

As Figure 4 shows, married people were over twice as likely as those who were divorced or never

<sup>8</sup>Hispanics may be of any race.

<sup>9</sup>National Center for Chronic Disease Prevention and Health Promotion, Centers for Disease Control and Prevention, “About Chronic Disease,” last revised August 11, 1999, <http://www.cdc.gov/nccdphp/about.htm>

<sup>10</sup>John McNeil, Current Population Reports, Household Economic Studies, “Americans With Disabilities: 1997,” P70-73, Table 1.

<sup>11</sup>National Center for Chronic Disease Prevention and Health Promotion, Centers for Disease Control and Prevention, “Chronic Diseases and Their Risk Factors: The Nation’s Leading Causes of Death,” December 1999.

married to be out of the workforce because of child-rearing responsibilities. People who were divorced, separated, or widowed had a higher chance of not working because of a chronic illness or disability than people who were married or had never been married (see Table 5).

Of those never married, the most common reason for not working was school attendance (28 percent), but chronic illness was also a major factor (25 percent). Among divorced or separated people, having a chronic illness or disability was by far the most common reason for not working (40 percent), with taking care of children or others a distant second (15 percent).

### **People With Less Education Show a Higher Chance of Not Working Because of Illness or Disability**

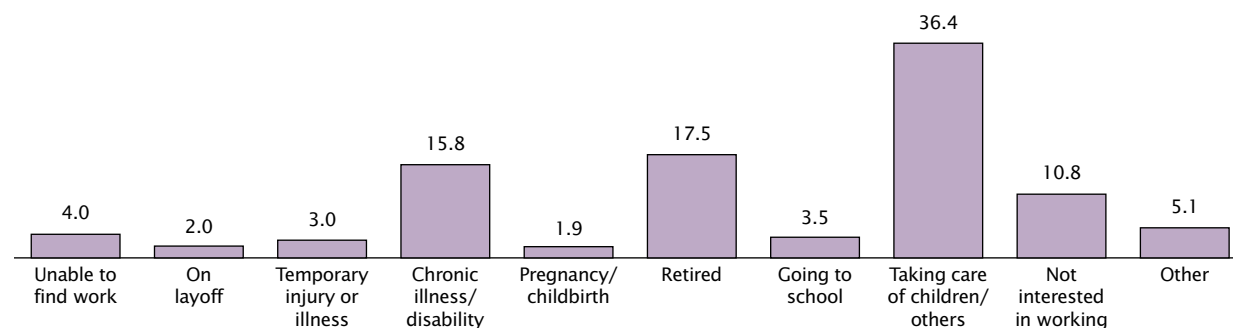
For working-age people (20 to 64 years old) with a high school diploma and no further formal education, “taking care of children or others” was the predominant reason for not working (27 percent), followed by chronic illness (23 percent), as seen in Table 6. Among nonworkers with a bachelor’s degree, child-rearing (including other dependent care) was the most common reason for not working (32 percent) followed by going to school and retirement (19 percent



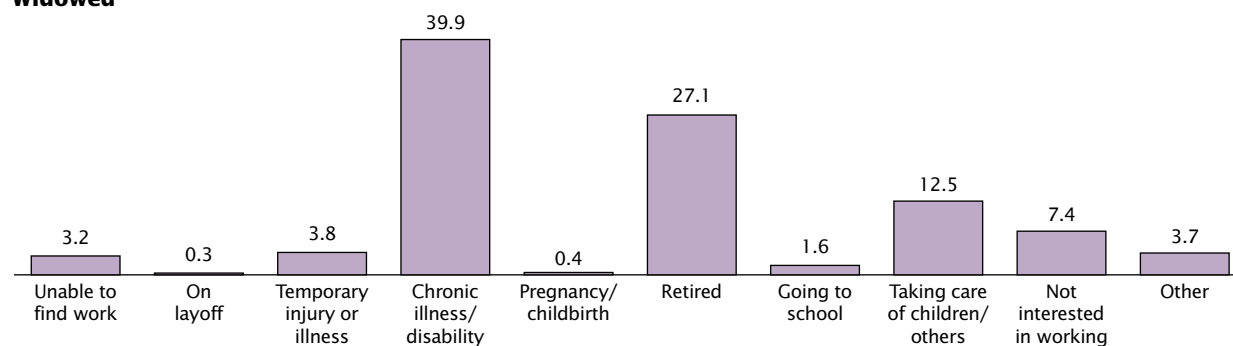
Figure 4.  
**Nonworkers Age 20 to 64 by Marital Status and Main Reason for Not Working: 1996**

(Percent)

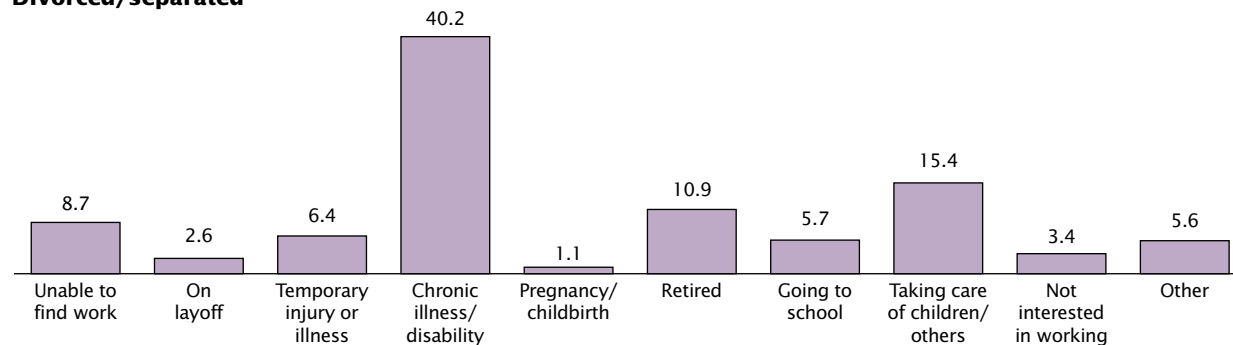
**Married**



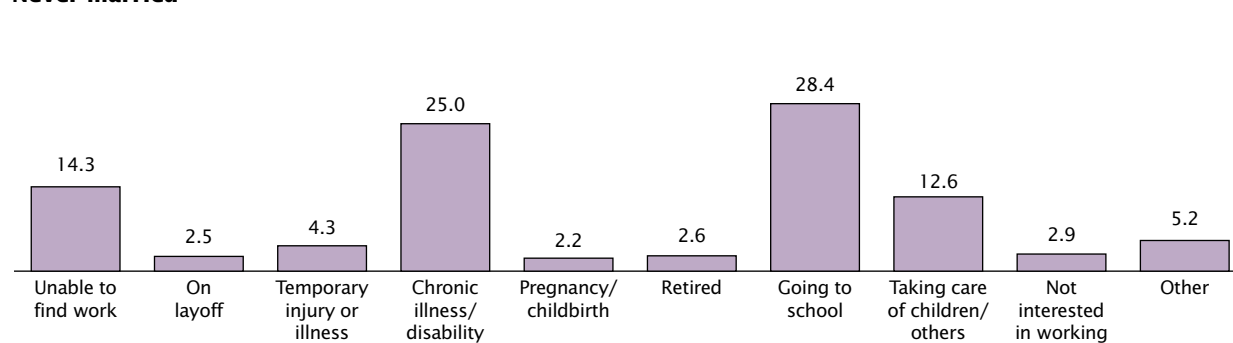
**Widowed**



**Divorced/separated**



**Never married**

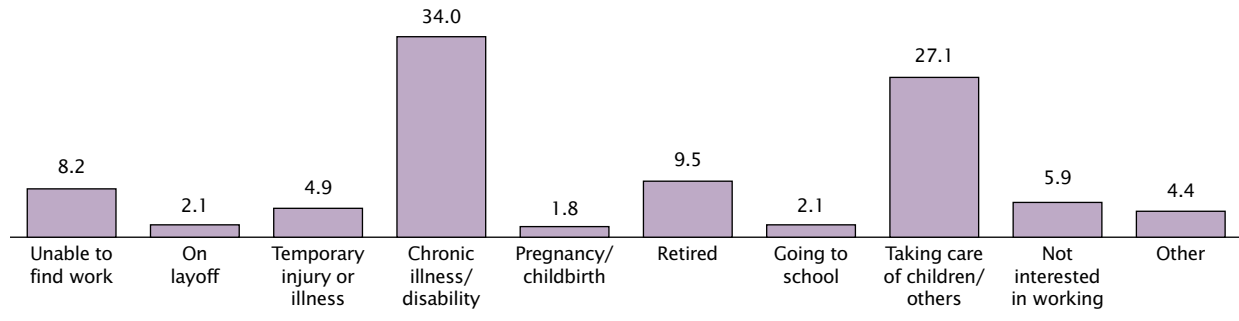


Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

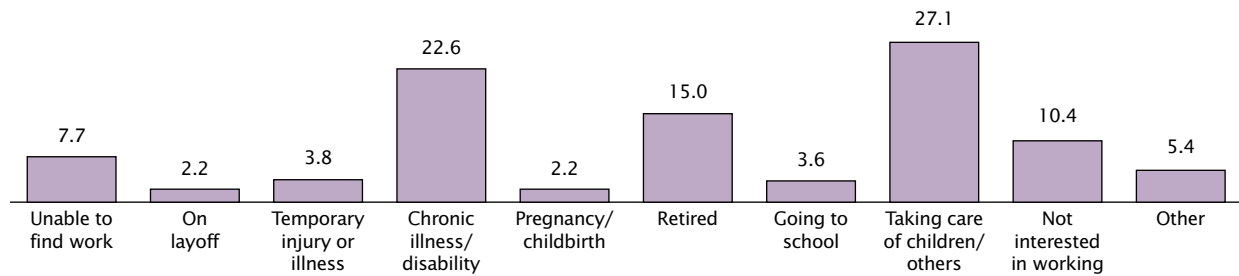
Figure 5.  
**Nonworkers Age 20 to 64 by Education Level Completed and  
 Main Reason for Not Working: 1996**

(Percent)

**Less than a high school education**



**High school diploma**

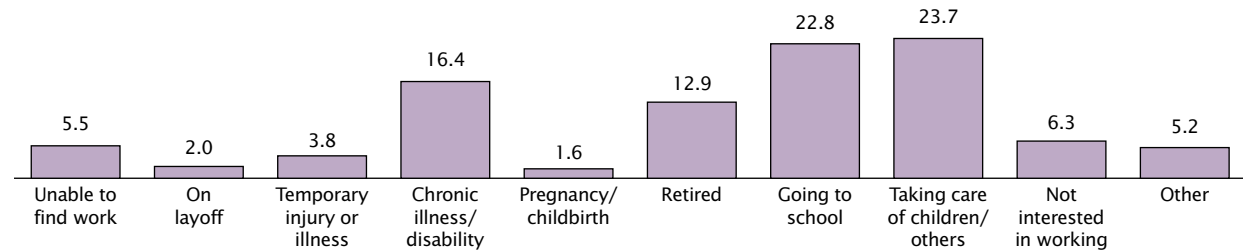


Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

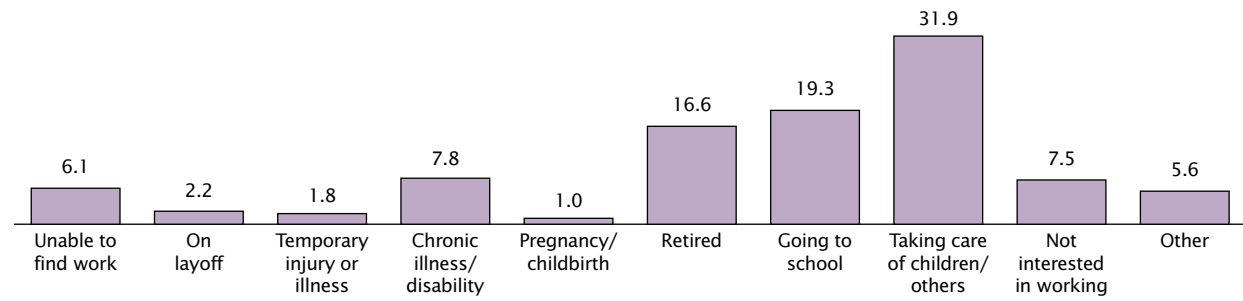
Figure 5.  
**Nonworkers Age 20 to 64 by Education Level Completed and  
 Main Reason for Not Working: 1996—Con.**

(Percent)

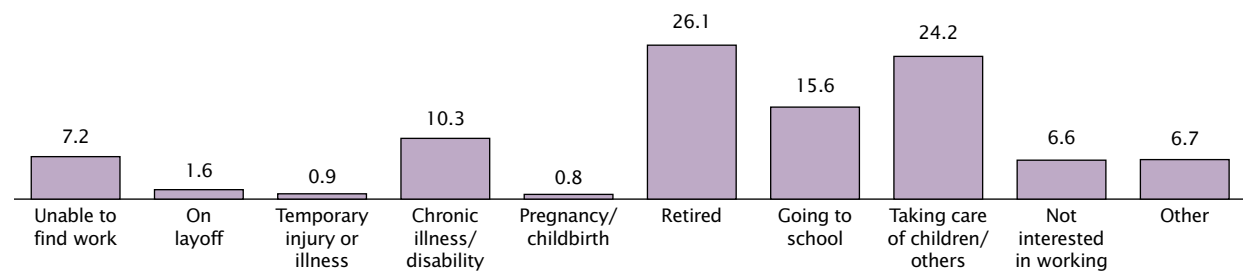
**Some college or a 2-year degree**



**Bachelor's degree**



**Graduate degree**



Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

Table 5.  
**Main Reason Adults (Age 20 to 64) Did Not Work by Marital Status: 1996**

Reason	Percent				Standard error of percent			
	Married	Widowed	Divorced/ separated	Never married	Married	Widowed	Divorced/ separated	Never married
<b>Total</b> .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>
Unable to find work .....	4.0	3.2	8.7	14.3	0.271	0.867	0.789	0.736
On layoff .....	2.0	0.3	2.6	2.5	0.192	0.290	0.443	0.329
Temporary injury or illness .....	3.0	3.8	6.4	4.3	0.235	0.945	0.687	0.429
Chronic illness/disability .....	15.8	39.9	40.2	25.0	0.502	2.410	1.372	0.911
Pregnancy/childbirth .....	1.9	0.4	1.1	2.2	0.186	0.318	0.293	0.308
Retired .....	17.5	27.1	10.9	2.6	0.523	2.188	0.873	0.333
Going to school .....	3.5	1.6	5.7	28.4	0.251	0.618	0.648	0.949
Taking care of children/others .....	36.4	12.5	15.4	12.6	0.662	1.630	1.009	0.699
Not interested in working .....	10.8	7.4	3.4	2.9	0.427	1.287	0.504	0.354
Other .....	5.1	3.7	5.6	5.2	0.303	0.928	0.644	0.467
<b>Number of people (thousands)</b> .....	<b>18,366</b>	<b>1,435</b>	<b>4,437</b>	<b>7,843</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>

NA Not applicable.

Note: Detail may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

Table 6.  
**Main Reason Adults (Age 20 to 64) Did Not Work by Education Level Completed: 1996**

Reason	Percent					Standard error of percent				
	Less than high school comple- tion	High school diploma	Some college/ 2-year degree or certificate	Bach- elor's degree	Graduate- level or profes- sional degree	Less than high school comple- tion	High school diploma	Some college/ 2-year degree or certificate	Bach- elor's degree	Graduate- level or profes- sional degree
<b>Total</b> .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>
Unable to find work .....	8.2	7.7	5.5	6.1	7.2	0.539	0.473	0.475	0.827	1.490
On layoff .....	2.1	2.2	2.0	2.2	1.6	0.283	0.263	0.290	0.507	0.730
Temporary injury or illness .....	4.9	3.8	3.8	1.8	0.9	0.424	0.339	0.400	0.463	0.533
Chronic illness/disability ..	34.0	22.6	16.4	7.8	10.3	0.928	0.742	0.770	0.924	1.757
Pregnancy/childbirth .....	1.8	2.2	1.6	1.0	0.8	0.263	0.259	0.258	0.341	0.503
Retired .....	9.5	15.0	12.9	16.6	26.1	0.573	0.633	0.698	1.281	2.533
Going to school .....	2.1	3.6	22.8	19.3	15.6	0.279	0.330	0.873	1.360	2.094
Taking care of children/others .....	27.1	27.1	23.7	31.9	24.2	0.871	0.789	0.885	1.606	2.473
Not interested in working ..	5.9	10.4	6.3	7.5	6.6	0.461	0.542	0.504	0.909	1.434
Other .....	4.4	5.4	5.2	5.6	6.7	0.401	0.403	0.461	0.791	1.443
<b>Number of people (thousands)</b> .....	<b>9,051</b>	<b>11,033</b>	<b>8,020</b>	<b>2,931</b>	<b>1,044</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>

NA Not applicable.

Note: Detail may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

Table 7.  
**Health Insurance Coverage of Adults Who Did Not Work by Main Reason For Not Working : 1996**

Reason	Age 15 and over				Age 20 to 64 years			
	Percent		Standard error of percent		Percent		Standard error of percent	
	Covered	Not covered	Covered	Not covered	Covered	Not covered	Covered	Not covered
<b>Total</b> .....	<b>87.1</b>	<b>12.9</b>	<b>0.320</b>	<b>0.831</b>	<b>77.9</b>	<b>22.1</b>	<b>0.614</b>	<b>1.154</b>
Unable to find work .....	49.4	50.6	0.477	1.237	46.7	53.3	0.739	1.387
On layoff .....	51.4	48.6	0.477	1.237	49.8	50.2	0.740	1.390
Temporary injury or illness .....	71.2	28.8	0.432	1.121	68.5	31.5	0.688	1.292
Chronic illness/disability .....	90.2	9.8	0.283	0.734	87.4	12.6	0.491	0.922
Pregnancy/childbirth .....	85.3	14.7	0.337	0.875	84.9	15.1	0.530	0.996
Retired .....	98.4	1.6	0.121	0.314	91.6	8.4	0.411	0.771
Going to school .....	82.1	17.9	0.366	0.949	75.8	24.2	0.634	1.190
Taking care of children/others .....	78.5	21.5	0.392	1.017	77.5	22.5	0.618	1.160
Not interested in working .....	83.0	17.0	0.359	0.930	78.2	21.8	0.611	1.148
Other.....	73.6	26.4	0.421	1.091	65.5	34.5	0.704	1.321
<b>Number of people (thousands)</b> ....	<b>60,199</b>	<b>8,950</b>	<b>(NA)</b>	<b>(NA)</b>	<b>24,993</b>	<b>7,087</b>	<b>(NA)</b>	<b>(NA)</b>

NA Not applicable.

Note: Detail may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

and 17 percent, respectively, however they are not statistically significantly different).

Adults with at most a high school diploma were much more likely than those with at least some college education not to work because of a chronic illness or disability. This difference may reflect the risks associated with occupations — such as mechanics, machinists, construction workers, electricians, and plumbers — often reported by people with less education.<sup>12</sup> Alternately, a chronic illness or disability might hinder continuation of schooling. Nonworkers with

graduate and professional degrees were more likely to report retirement (26 percent) as the reason for not working than those with lower education levels.

### **Nonworkers Are Mostly Covered by Medicare or Employment-Based Health Insurance Through Others**

As Table 7 shows, 22 percent of nonworkers age 20 to 64 years old were not covered by health insurance. Only about half of those people unable to find work or on layoff were covered by health insurance (47 percent and 50 percent, respectively, however, they are not statistically significantly different), while most retired people were covered (92 percent).

Approximately 53 percent of nonworkers (17 million people) were covered by private insurance,

either purchased individually or obtained through the employment of a relative. (People may have more than one type of health insurance.) Approximately 24 percent (8 million) of nonworkers were covered by Medicaid.

As Table 8 and Figure 6 show, a high proportion of nonworkers covered by Medicare or Medicaid had a chronic illness or disability (79 percent and 46 percent, respectively). About a quarter (28 percent) of nonworkers covered by private insurance were taking care of children or others. Interestingly, 11 percent of nonworkers with private insurance reported they were not interested in working, possibly because they were already covered and did not need a job to acquire insurance.

<sup>12</sup>U.S. Census Bureau, Current Population Reports, Population Characteristics, "Educational Attainment in the United States: March 1998 (Update)," P20-513, Table 7, p. 38-41. The most common occupation group for men with an educational attainment up to a high school diploma is precision production, craft, and repair.

Table 8.  
**Type of Health Insurance Coverage For Adults Who Did Not Work: 1996<sup>1</sup>**

Reason	Age 15 years and over					Age 20 to 64 years				
	Medi-care	Medic-aid	Private insur-ance	Military-related	Any type	Medi-care	Medic-aid	Private insur-ance	Military-related	Any type
	Percent									
<b>Total.....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Unable to find work.....	0.3	4.7	1.7	1.8	2.2	0.9	6.3	3.5	3.6	4.3
On layoff.....	0.0	0.4	0.7	0.4	0.6	0.0	0.7	1.7	1.0	1.4
Temporary injury or illness.....	0.8	3.9	1.1	0.6	1.7	3.8	5.6	2.3	1.5	3.4
Chronic illness/disability.....	15.7	35.8	7.9	17.9	14.4	79.1	46.2	13.7	28.3	25.2
Pregnancy/childbirth.....	0.0	3.0	0.5	0.8	0.9	0.1	4.1	1.1	1.2	1.9
Retired.....	76.7	14.7	49.0	56.6	44.0	13.4	2.1	21.9	30.5	15.8
Going to school.....	0.1	15.1	18.4	6.6	16.2	0.6	5.7	11.7	8.1	9.5
Taking care of children/others.....	1.5	17.5	11.8	7.7	12.0	0.8	25.0	28.3	15.7	26.5
Not interested in working.....	2.9	1.5	6.0	4.2	4.9	0.6	1.1	11.0	5.4	7.7
Other.....	1.9	3.4	3.0	3.3	3.0	0.8	3.2	4.9	4.6	4.3
<b>Number of people (thousands)...</b>	<b>29,555</b>	<b>12,536</b>	<b>44,134</b>	<b>2,029</b>	<b>60,199</b>	<b>3,174</b>	<b>7,794</b>	<b>16,922</b>	<b>889</b>	<b>24,993</b>
Percent of total nonworkers.....	42.7	18.1	63.8	2.9	87.1	9.9	24.3	52.7	2.8	77.9
	Standard error of percent									
<b>Total.....</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>	<b>(NA)</b>
Unable to find work.....	0.072	0.442	0.142	0.695	0.140	0.389	0.642	0.328	1.462	0.300
On layoff.....	0.022	0.138	0.094	0.345	0.074	0.000	0.216	0.234	0.786	0.171
Temporary injury or illness.....	0.123	0.402	0.114	0.415	0.122	0.796	0.609	0.269	0.942	0.268
Chronic illness/disability.....	0.496	1.003	0.300	1.992	0.335	1.690	1.322	0.618	3.538	0.643
Pregnancy/childbirth.....	0.011	0.358	0.078	0.460	0.092	0.104	0.525	0.189	0.868	0.204
Retired.....	0.575	0.740	0.557	2.576	0.474	1.416	0.382	0.745	3.614	0.539
Going to school.....	0.042	0.750	0.432	1.286	0.352	0.329	0.616	0.578	2.142	0.435
Taking care of children/others.....	0.168	0.794	0.359	1.388	0.310	0.360	1.148	0.810	2.860	0.653
Not interested in working.....	0.229	0.256	0.266	1.047	0.206	0.312	0.279	0.562	1.774	0.396
Other.....	0.184	0.376	0.189	0.929	0.162	0.367	0.470	0.389	1.647	0.301

NA Not applicable.

<sup>1</sup> People may be covered by more than one type of health insurance.

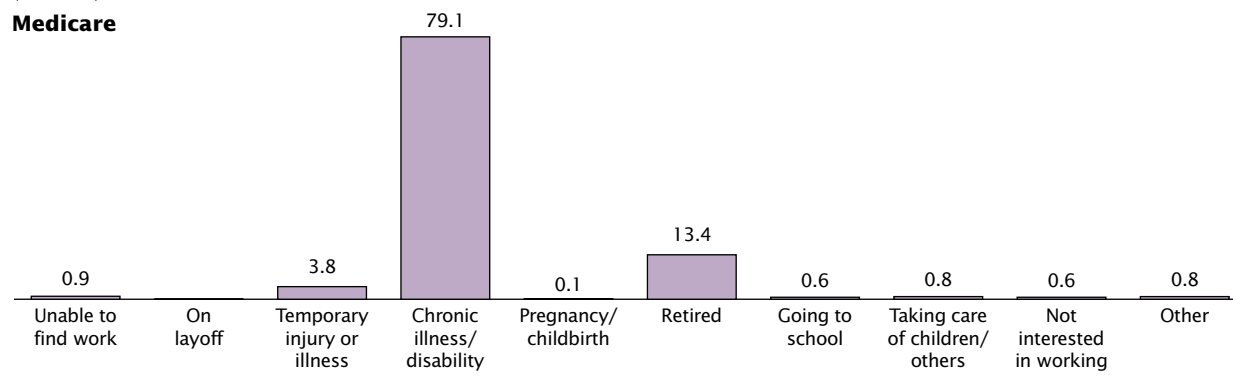
Note: Detail may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

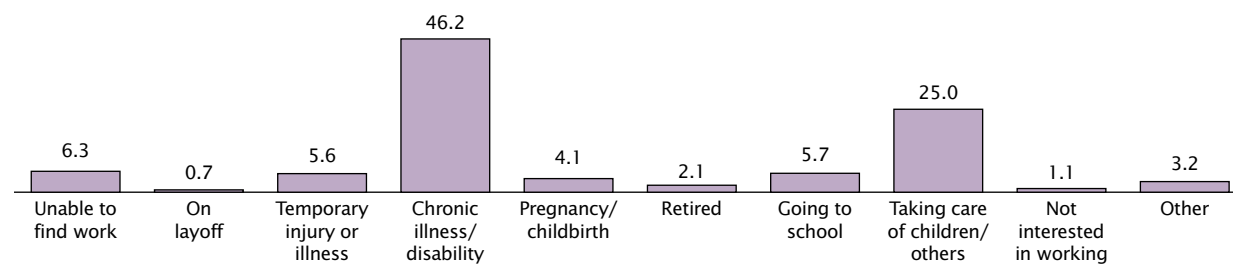
Figure 6.  
**Nonworkers Age 20 to 64 by Type of Health Insurance Coverage  
 and Main Reason for Not Working: 1996**

(Percent)

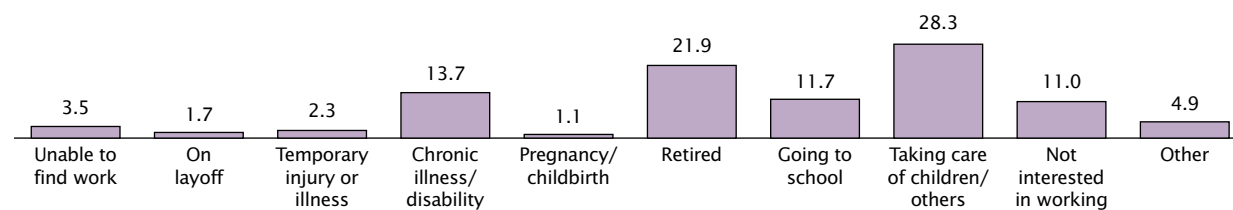
**Medicare**



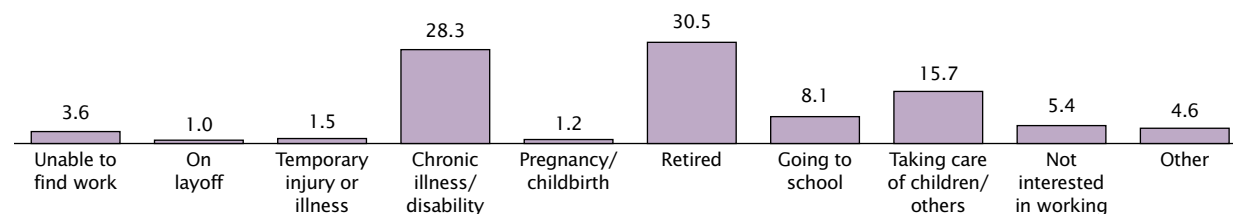
**Medicaid**



**Private insurance**



**Military-related**



Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

Table 9.  
**Government Program Participation by Total Population and Adults Who Did Not Work:  
 1996**

Government program	Age 15 years and over						Age 20 to 64 years					
	All adults			Nonworkers only			All adults			Nonworkers only		
	Total	Per- cent <sup>1</sup>	Stan- dard error of percent	Total	Per- cent <sup>1</sup>	Stan- dard error of percent	Total	Per- cent <sup>1</sup>	Stan- dard error of percent	Total	Per- cent <sup>1</sup>	Stan- dard error of percent
<b>Number of people (thousands).....</b>	<b>204,781</b>	<b>(NA)</b>	<b>(NA)</b>	<b>69,150</b>	<b>(NA)</b>	<b>(NA)</b>	<b>154,408</b>	<b>(NA)</b>	<b>(NA)</b>	<b>32,081</b>	<b>(NA)</b>	<b>(NA)</b>
<b>Nonmeans-Tested Cash Transfer Benefits:</b>												
Social Security .....	38,147	18.6	0.177	31,898	46.1	0.390	8,634	5.6	0.120	6,420	20.0	0.460
U.S. Government Railroad Retirement pay.....	300	0.1	0.017	278	0.4	0.050	58	0.0	0.010	51	0.2	0.046
State Unemployment Compensation .....	3,733	1.8	0.061	910	1.3	0.089	3,639	2.4	0.080	869	2.7	0.187
Workers' Compensation ...	1,173	0.6	0.034	813	1.2	0.084	979	0.6	0.042	632	2.0	0.160
Other government disabil- ity or survivors' benefits ..	1,274	0.6	0.036	993	1.4	0.093	626	0.4	0.033	432	1.3	0.133
<b>Means-Tested Noncash Transfer Benefits:</b>												
Food Stamps .....	9,455	4.6	0.096	6,340	9.2	0.226	8,060	5.2	0.117	5,116	15.9	0.421
Energy Assistance.....	4,696	2.3	0.068	2,767	4.0	0.153	3,274	2.1	0.076	1,609	5.0	0.251
Housing Assistance.....	7,433	3.6	0.085	4,634	6.7	0.196	5,055	3.3	0.093	2,622	8.2	0.315
Free or Reduced School Lunch.....	19,409	9.5	0.133	8,429	12.2	0.256	15,042	9.7	0.155	5,323	16.6	0.428
Free or Reduced School Breakfast.....	10,732	5.2	0.101	4,931	7.1	0.202	8,482	5.5	0.119	3,250	10.1	0.347
<b>Means-Tested Cash Transfer Benefits:</b>												
Aid to Families with Dependent Children (AFDC/ADC).....	3,787	1.8	0.061	2,624	3.8	0.150	3,539	2.3	0.078	2,456	7.7	0.306
Federal Supplemental Security Income (SSI)....	5,690	2.8	0.075	4,934	7.1	0.202	3,743	2.4	0.081	3,076	9.6	0.339
State Supplemental Security Income (SSI)....	347	0.2	0.019	289	0.4	0.051	258	0.2	0.021	207	0.6	0.092
Women, Infants, and Children (WIC) Nutrition Program.....	4,524	2.2	0.067	2,400	3.5	0.143	3,966	2.6	0.083	2,101	6.5	0.284
General Assistance .....	819	0.4	0.029	599	0.9	0.073	716	0.5	0.036	530	1.7	0.147
Other Welfare .....	308	0.2	0.018	172	0.2	0.039	246	0.2	0.021	132	0.4	0.074

NA Not applicable.

<sup>1</sup> Percentages do not add up to 100 percent because some nonworkers do not participate in any programs while others may be in more than one program.

Note: Detail may not add to total because of rounding.

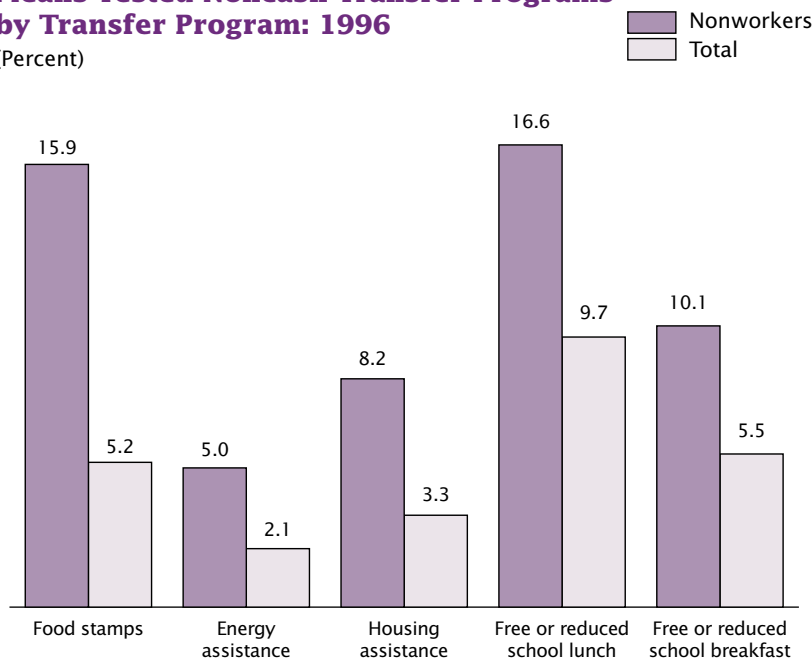
Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.



Figure 7.

**Participation of Adults (Age 20 to 64) in Means-Tested Noncash Transfer Programs by Transfer Program: 1996**

(Percent)



Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

**Social Security Overshadows Other Benefits Among Nonworkers**

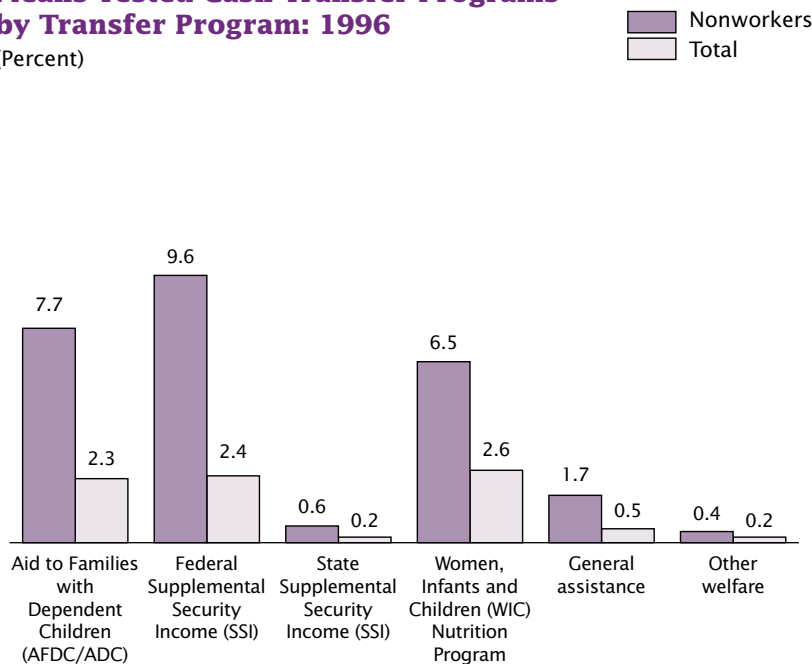
As Table 9 shows, 20 percent of nonworkers age 20 to 64 years old received Social Security benefits (only 6 percent of the total population 20 to 64 years old received those benefits). About 17 percent of nonworkers (about 5 million) lived in households where someone received free or reduced price school lunches, while 16 percent lived in households where someone received food stamps (see Figure 7). The least commonly received noncash benefit among nonworkers was energy assistance (5 percent).

Figure 8 shows the participation rates in means-tested noncash transfer programs<sup>13</sup> of nonworkers 20 to 64 years old and the entire population in this group. Approximately 10 percent of nonworkers (about 3 million) received federal Supplemental Security Income (SSI) benefits, compared with 2 percent

Figure 8.

**Participation of Adults (Age 20 to 64) in Means-Tested Cash Transfer Programs by Transfer Program: 1996**

(Percent)



Source: U.S. Census Bureau, Survey of Income and Program Participation, April-July 1996.

<sup>13</sup>Means-tested programs are those that require the income or assets of an individual or family to be below specified thresholds to qualify for benefits.

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of the total population age 20 to 64 years old.

### **Accuracy and Reliability of the Data**

Statistics from sample surveys are subject to sampling and nonsampling error. All comparisons presented in this report have taken sampling error into account and meet the U.S. Census Bureau's standards for statistical significance. Nonsampling errors in surveys may be attributed to a variety of sources, such as how the survey was designed, how respondents interpret questions, how able and willing respondents are to provide correct answers, and how accurately answers are coded and classified. The Census Bureau employs quality control procedures throughout the production process — including in the overall design of surveys, testing the

wording of questions, reviewing the work of interviewers and coders, and conducting statistical review of reports.

The SIPP employs ratio estimation, whereby sample estimates are adjusted to independent estimates of the national population by age, race, sex, and Hispanic origin. This weighting partially corrects for bias because of under coverage, but how it affects different variables in the survey is not precisely known. Moreover, biases may also be present when people who are missed in the survey differ from those interviewed in ways other than the categories used in weighting (age, race, sex, and Hispanic origin). All of these considerations affect comparisons across different surveys or data sources.

For further information on statistical standards and the computation

and use of standard errors, contact David Hall, Demographic Statistical Methods Division, at 301-457-4209 or on the Internet at [David.W.Hall@census.gov](mailto:David.W.Hall@census.gov).

### **Comments From Data Users**

The Census Bureau welcomes the comments and advice of data users. Send comments to:

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