



New York State Comptroller
THOMAS P. DiNAPOLI

Economic and Policy Insights

Workers with Disabilities Achieve Labor Force Gains, but Disparities Remain

November 2025

Introduction

This year marks the 35th anniversary of the Americans with Disabilities Act, landmark civil rights legislation intended to ensure people with disabilities have equal opportunities. In 2024, there were more than 2.5 million New Yorkers with a disability age 16 and over, accounting for 15 percent of that working-age population.¹ Of the New Yorkers with a disability, nearly half (1.2 million) are over the age of 64, and are significantly less likely to be in the labor force.²

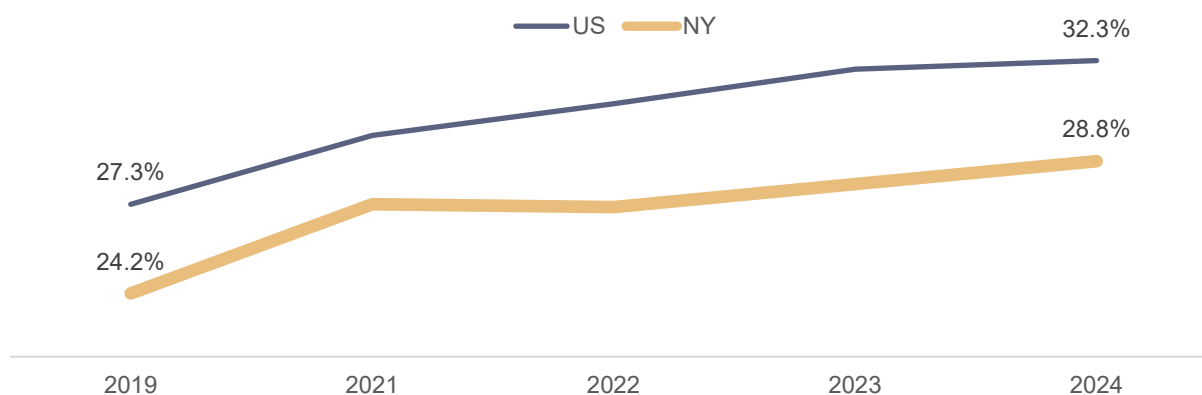
Due to the daily challenges facing people with disabilities, they graduate high school or earn a bachelor's degree at lower rates, and have lower rates of labor force participation and employment.³ As a result, they earn far less on average than those without a disability.⁴ In 2024, one-fifth of Americans with a disability were below the poverty line; in New York, that share was one-quarter.⁵

Increased work from home options and a tight labor market post-COVID contributed to an increase in the labor force participation rate of individuals with a disability.⁶ Providing accommodations for workplace flexibility and encouraging employers to practice inclusive hiring have the potential to keep improving employment outcomes for individuals with a disability in New York.

Increases to Labor Force Participation Rate

Between 2019 to 2024, the number of individuals age 16 and over in the labor force who report having a disability increased in the nation and New York by 31.4 and 40.5 percent, respectively.⁷ From 2019 to 2024, the U.S. labor force participation rate for those with a disability age 16 and over rose by 5.0 percentage points, with the greatest gain between 2019 and 2021. New York's rate also increased between 2019 and 2024, by 4.6 percentage points. New York's 2024 rate of 28.8 percent was 3.5 percentage points lower than the national rate of 32.3 percent.

Figure 1
Labor Force Participation Rates for Individuals with a Disability, U.S. and New York, 2019 and 2021-2024



Note: Data unavailable for 2020. Labor force participation includes those employed and those unemployed seeking a job. Estimates are for the civilian noninstitutionalized population age 16 and over.

Source: U.S. Census, American Community Survey (ACS) 1-Year Estimates, Table S1811.

Despite improvements, 2024 labor force participation rates for individuals with a disability in both the U.S. and New York were less than half that of people without a disability (70.7 percent in the U.S. and 69.9 percent in New York), according to the U.S. Census Bureau’s American Community Survey (ACS). However, changes in the labor force participation rate for people with and without a disability differed in recent years. For people with a disability, the rate increased 4.6 percentage points between 2019 to 2024, while it dropped 0.5 percentage points for the State’s nondisabled population.

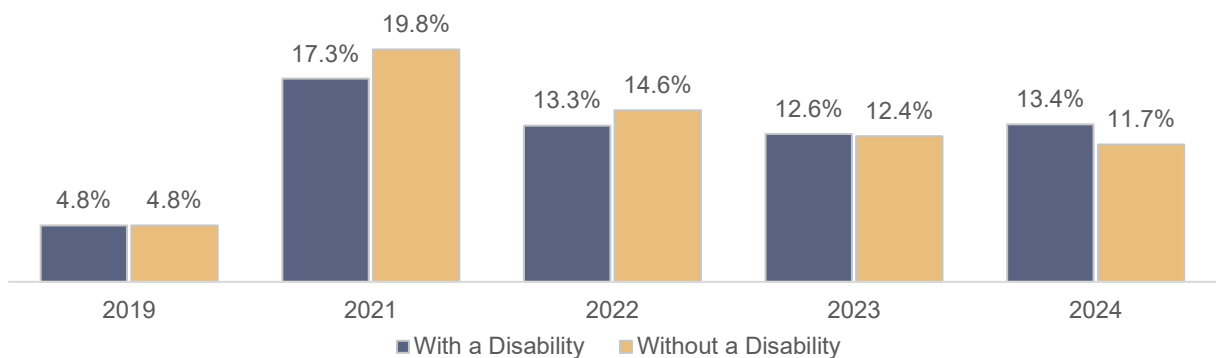
Figure 2
Change in Labor Force Participation Rate in New York, Individuals With and Without a Disability, 2019-2024



Source: U.S. Census, ACS 1-Year Estimates, Table S1811.

Research has noted post-COVID labor market patterns differ from previous recessions in which employment recovery for people with disabilities lagged behind the nondisabled population. Much of this recent growth may be attributed to increased remote work options that opened up job opportunities to those who would have difficulty taking an in-person job, and a tighter labor market over the past five years, prompting employers to hire more workers with disabilities.⁸ As shown in Figure 3, in 2021, the share of individuals that worked from home (at least part-time) more than tripled in New York and, as of 2024, remains two and a half times pre-pandemic levels. For people with disabilities, it has helped spur a meaningful increase in the number of people in the labor force, from 509,992 in 2019 to 716,598 in 2024.

Figure 3
Share of People that Work from Home (at least Part-Time) in New York, With and Without a Disability, 2019-2024



Note: Data unavailable for 2020. The ACS includes a question for those age 16 and over on the method of transportation usually used to get to work the prior week. Home-based workers are those age 16 and over who reported “work from home.”

Source: U.S. Census, ACS 1-Year Estimates, Table S1811.

Progress Varies Among Different Disability Types

The ACS data identify people with specific types of disabilities who are ages 18 to 64, such as whether a person:

- is deaf or has serious difficulty hearing;
- is blind or has serious difficulty seeing;
- has serious cognitive difficulty concentrating, remembering or making decisions;
- has serious ambulatory difficulty walking or climbing stairs;
- has self-care difficulty dressing or bathing; or
- has an independent living difficulty doing errands alone.

Of the New Yorkers ages 18 to 64 who report having one or more disabilities in 2024, 48.2 percent report having cognitive difficulty, an increase of 4.1 percent from 2019 (Figure 4).⁹ Those reporting a cognitive difficulty also saw the greatest increase in labor force participation between 2019 and 2024.

Individuals with an independent living difficulty (39.7 percent of New Yorkers ages 18 to 64 reporting one or more disability) had the second highest increase in labor force participation since 2019, rising 5.6 percentage points to 25.4 percent. This group may have benefited the most from increased remote work options that alleviate challenges associated with transportation and navigating workspace.¹⁰ Out of the six groups, those with a vision or hearing disability had the highest labor force participation rates pre- and post-pandemic, both at more than 50 percent.

Figure 4
Share of Individuals with Disabilities Ages 18 to 64, by Disability Type and Change in Labor Force Participation (LFP) in New York, 2019-2024

Type of Disability	Share of Disabled, 2024	Change in Share, 2019-2024	LFP Rate, 2024	Change in LFP Rate, 2019-2024
Cognitive Difficulty	48.2%	4.1%	40.7%	9.6%
Ambulatory Difficulty	40.6%	-7.8%	31.4%	3.5%
Independent Living Difficulty	39.7%	1.2%	25.4%	5.6%
Vision Difficulty	19.3%	1.9%	56.5%	4.8%
Self-Care Difficulty	17.4%	-1.7%	17.4%	-1.7%
Hearing Difficulty	14.3%	-1.6%	57.3%	-0.3%

Note: The shares were calculated based on the total number of ACS responses indicating a disability. The same individual may report more than one disability type.

Source: U.S. Census, ACS 1-Year Estimates, Table B18120, for the civilian, noninstitutionalized population ages 18 to 64.

Policy Discussion

While progress is evident, barriers to employment for people with disabilities, such as lower rates of educational attainment, inadequate transportation and outdated ideas about their abilities, contribute to labor force participation rates that are less than half that of their nondisabled counterparts.¹¹ There is a similar gap in rates of individuals with a disability who are employed compared to those without a disability (“the disability employment gap”). In 2024, the disability employment gap in New York and the U.S. was 41 and 38 percentage points, respectively.¹²

The State committed \$6.7 million in State Fiscal Year (SFY) 2025 toward the “Employment First” initiative that aims to reduce barriers, prioritize competitive integrated employment (CIE) over other supports and services, require State Agencies to adopt plans to increase CIE in the state workforce and encourage businesses to adopt inclusive hiring practices.¹³ The initial goals of New York’s Employment First Policy in 2015 were to increase the employment rate of people with disabilities by 5 percent and reduce their poverty rate by 5 percent, statewide.¹⁴ While 2024 data show employment gains over the past 10 years that exceed this goal, the poverty rate for people with disabilities has only decreased slightly over this period.¹⁵

State programs such as ACCES-VR (vocational rehabilitation) and the New York Employment Services System (NYESS) are available to help individuals secure and advance in employment by providing support and connections to employers.¹⁶ The State Department of Labor offers regional Disability Resource Coordinators, apprenticeship opportunities and job training for people with disabilities.¹⁷ The Office for People With Developmental Disabilities (OPWDD) funds local providers that offer career building and on-the-job training.¹⁸ In response to audit findings issued by the Office of the State Comptroller in 2021 and 2022, the State Education Department (SED) reported it took actions to improve the timeliness of its ACCES-VR eligibility determinations and thoroughness of the Individualized Plans for Employment for ACCES-VR participants, and the State Office of Mental Health (OMH) reported increasing the accessibility of benefits information for individuals with disabilities using NYESS.¹⁹ Even with these improvements, it is essential that programs supporting individuals with disabilities are adequately resourced and staffed in order to achieve their missions.²⁰ State agencies should continue to build upon these efforts.

In 2022, the State’s Chief Disability Officer (CDO) was appointed to advise the Governor on disability-related policy and budgetary issues, help implement Employment First goals and partner with State agencies and private stakeholders to ensure they are model employers for people with disabilities.²¹ Pursuant to Executive Orders issued by Governor Hochul, State agencies are required to develop an annual plan that details how each agency will improve the percentage of people with disabilities hired at the agency, and the CDO is required to collect data annually from each State agency and report on and evaluate the State’s progress on improving the employment rate of State employees with disabilities.²² In addition, the CDO, in collaboration with other State agencies, is required to formulate a plan “designed to remove barriers and adopt practices, procedures, or rules to ensure that competitive integrated employment is considered as the first option and preferred outcome” for all New Yorkers.²³ These plans and data should be available to the public in order to increase transparency on progress in implementing Employment First. In addition, a system for coordinating and tracking data across State agencies should be developed that shows employment outcomes for New

Yorkers with different types of disabilities and, importantly, makes that data available to the public. Currently, there is no cohesive data source publicly available to determine how programs are working to improve CIE and where gaps exist that need to be addressed.

The State also enacted legislative changes in 2022 to its Preferred Source Contracting Program (PSP) that were intended to foster more inclusive jobs for people with disabilities in the nonprofit sector and increase CIE.²⁴ In 2024, the State Procurement Council reported the number of hours worked by disabled individuals within the PSP fluctuated or in some instances decreased from pre-pandemic levels, and recommended that State and local governments work to strengthen their training and compliance with the preferred source program.²⁵

The State also runs specialized hiring programs within the state workforce for people with disabilities under Civil Service Law 55-b and 55-c. The State's Employment First Commission recommended using this program to model a strong culture of CIE for workers with disabilities.²⁶ As of July 1, 2025, there were 988 55-b and 102 55-c positions filled, a cumulative decrease from 1,048 55-b and 107 55-c positions in July 2019, despite having increased the number of positions designated under 55-b from 1,200 to 1,700 in the SFY 2024 budget.²⁷

Since 2015, businesses in New York which employ people with disabilities have been authorized to claim either a personal income tax (PIT) or corporate franchise tax credit.²⁸ Few taxpayers have claimed the credits annually.²⁹ In the SFY 2026 Enacted Budget, the maximum PIT credit was increased from \$2,100 to \$5,000 for each qualified employee.³⁰ Policymakers should monitor the impact of the increase and continue to explore the reasons underlying the low utilization of the credit, including low awareness, and the willingness of employers to utilize it.

Remote work has been a factor in improving employment outcomes for people with disabilities.³¹ Work from home options and other accommodations, such as flexible hours and assistive technologies for the vision or hearing impaired should continue to be leveraged to increase the State's labor force participation and CIE for people with all types of disabilities. Available State funding and federal grants should be used in increasing measures for programs that provide vocational training, apprenticeship opportunities and to educate employers about the benefits of hiring people with disabilities.³²

Conclusion

Individuals with disabilities are a growing workforce, providing a valuable boost in human resources that employers can tap into. Leveraging existing vocational programs, improving transportation services for jobs that cannot be done remotely, informing employers about the benefits of hiring people with disabilities and facilitating increased participation in available tax savings could significantly diminish barriers to employment for people with disabilities. By championing disability inclusion, we create progress and prosperity and, ultimately, a stronger New York State.

Endnotes

- ¹ U.S. Census Bureau, 2024 American Community Survey (ACS) 1-Year Estimates, Table S1811, *Selected Economic Characteristics for the Civilian Noninstitutionalized Population by Disability Status*. This Report, along with the U.S. Bureau of Labor Statistics (BLS), defines the working-age population as those age 16 and up (see <https://www.bls.gov/cps/demographics.htm>).
- ² U.S. Census Bureau, 2024 American Community Survey (ACS) 1-Year Estimates, Table B18101, *Sex by Age By Disability Status*; Nationwide, in 2024 the labor force participation rate for people with a disability age 65 and over was 8.5 percent compared to 40.7 percent for those with a disability age 16 to 64. See U.S. Bureau of Labor Statistics, *Persons with a Disability: Labor Force Characteristics – 2024*, Table 1, at <https://www.bls.gov/news.release/pdf/disabl.pdf>.
- ³ Among people age 25 and older in New York, 24 percent of people with a disability had completed at least a bachelor's degree in 2024, compared to 45 percent of people with no disability; and 22 percent of people with a disability had less than a high school diploma, compared with 10 percent of people with no disability (ACS 1-Year Estimates, Table S1811); Carroll JM et al., "Barriers to Bachelor's Degree Completion among College Students with a Disability," *Sociol Perspect.* 2020 Oct;63(5):809-832. doi: 10.1177/0731121420908896 at, <https://pmc.ncbi.nlm.nih.gov/articles/PMC8009488/>.
- ⁴ In 2024, the median annual earnings of New Yorkers with a disability were \$35,716, compared to \$51,852 for those without a disability. ACS 1-Year Estimates, Table S1811.
- ⁵ This poverty rate is persistently more than double that for the non-disabled. ACS 1-Year Estimates, Table S1811.
- ⁶ Labor force participation includes those that are employed, as well as those seeking employment.
- ⁷ U.S. Census American Community Survey, 1-year estimates, Table S1811, *Selected Economic Characteristics for the Civilian Noninstitutionalized Population by disability Status*.
- ⁸ Bloom, N. et al., "Work from Home and Disability Employment," National Bureau of Economic Research (NBER) Working paper 32943, Revised May 2025, at <https://www.nber.org/papers/w32943>; McLaren, C., et al., "Employment for Persons with a Disability: Analysis of Trends During the COVID-19 Pandemic (February 2020-September 2020). Chief Evaluation Office, U.S. Department of Labor, December 1, 2020, at <https://www.dol.gov/resource-library/employment-persons-disability-analysis-trends-during-covid-19-pandemic-report-0> (workers with disabilities in jobs that were more likely to be able to work from home had better employment outcomes); Gascon C. and Moore S., "Are Workers with a Disability Facing New Opportunities or New Challenges?," *St. Louis Fed On the Economy*, July 9, 2024, at <https://www.stlouisfed.org/on-the-economy/2024/jul/are-workers-disability-facing-new-opportunities-new-challenges>; Marks, C. and Rubinton, H., "The Labor Effects of Work from Home on Workers with a Disability," *St. Louis Fed On the Economy*, February 27, 2024, at <https://www.stlouisfed.org/on-the-economy/2024/feb/labor-effects-work-from-home-workers-disability>.
- ⁹ The relative shares of disability types will total more than 100 percent because they are calculated based on the total number of individuals who reported having a disability, and each individual may report having two or more disability types.
- ¹⁰ Bloomberg News, "Disabled Americans Reap Remote-Work Reward in Record Employment," October 3, 2022, at <https://www.bloomberg.com/news/articles/2022-10-03/disabled-us-workers-see-highest-ever-employment-figures-from-remote-work?embedded-checkout=true>.
- ¹¹ Jackson, K. et al., "Shifting Disability Systems to Align with Employment First in New York State," ILR Yang-Tan Institute, Cornell University, at <https://ecommons.cornell.edu/items/592338fa-a968-4f74-994a-523bf0ccfae1> (last accessed on August 26, 2025); ACS 1-Year Estimates, Table S1811 (2024, showing the disparity in labor force participation rates); see also U.S. Department of Education, *Building and Sustaining Inclusive Educational Practices*, January 2025, at <https://www.ed.gov/media/document/inclusive-practices-guidance-109436.pdf>.
- ¹² ACS 1-Year Estimates, Table S1811. The gaps are the same in the U.S. and New York according to U.S. Bureau of Labor Statistics, Current Population Survey (CPS) Public Use Microdata provided to OSC by the New York State Department of Labor (for the civilian noninstitutionalized population ages 16 to 64).
- ¹³ Governor Kathy Hochul, Executive Order No. 40, "Committing New York to Be an Employment First State to Increase Competitive Integrated Employment for New Yorkers with Disabilities," September 30, 2024 (codified at 9 NYCRR 9.40); see also Executive Order No. 31, "Committing New York State to Becoming a Model Employer for People With Disabilities," July 27, 2023 (codified at 9 NYCRR 9.31); New York State Division of the Budget, *FY 2025 Publications, Agency Presentations, OPWDD*, at

- <https://www.budget.ny.gov/pubs/archive/fy25/ex/agencies/appropdata/PeoplewithDevelopmentalDisabilitiesOfficefor.html> (last accessed on October 9, 2025).
- ¹⁴ NYESS, *Employment First*, at <https://nyess.ny.gov/employment-first#:~:text=Equality%20and%20inclusiveness%20play%20a,for%20New%20Yorkers%20with%20disabilities> (last accessed on October 9, 2025).
- ¹⁵ New York State Employment First Commission, *Report and Recommendations*, March 1, 2015, at <https://ilny.us/phocadownload/Employment%20First%20Report.pdf>; Erickson, W., Lee, C., von Schrader, S. (2025). Disability Statistics from the American Community Survey (ACS). Ithaca, NY: Cornell University Yang-Tan Institute (YTI). Retrieved from Cornell University Disability Statistics website: www.disabilitystatistics.org.
- ¹⁶ New York State Education Department, *Adult Career and Continuing Education Services-Vocational Rehabilitation (ACCES-VR)*, at <https://www.acces.nysed.gov/vr> (last accessed on August 29, 2025); *New York Employment Services System (NYESS)*, at <https://nyess.ny.gov/> (last accessed on August 29, 2025).
- ¹⁷ New York State Department of Labor, *Career Services for Persons with Disabilities*, at <https://dol.ny.gov/career-services/career-services-for-persons-with-disabilities> (last accessed on August 29, 2025); *Registered Apprenticeships*, at <https://dol.ny.gov/apprenticeship/apprenticeship-contacts> (last accessed on August 29, 2025); *NY SCION*, at https://dol.ny.gov/ny_scion (last accessed on August 29, 2025).
- ¹⁸ New York State Office for People with Developmental Disabilities (OPWDD), *Employment Training and Supports*, at <https://opwdd.ny.gov/types-services/employment-training-and-supports>.
- ¹⁹ See Office of the State Comptroller, State Government Accountability Audit Reports 2023-F-11, OMH Benefits Advisement Services for Individuals With Disabilities Seeking Employment (Follow-Up to 2021 audit findings); 2023-F-33, OMH Maximizing Incentives for Individuals With Disabilities (Follow-Up to 2021 audit findings) and 2023-F-15, SED Adult Career and Continuing Education Services – Vocational Rehabilitation Supported Employment Program (Follow-Up to 2022 audit findings), at <https://www.osc.ny.gov/state-agencies/audits>.
- ²⁰ Stone, Adam, “Special Investigation: Job Program Fails Disabled Locals,” *The Examiner News*, June 12, 2023 at <https://www.theexaminernews.com/special-investigation-job-program-fails-disabled-locals/> (accessed October 1, 2025).
- ²¹ Executive Law § 4-b; New York State Office of the Chief Disability Officer, at <https://www.ny.gov/programs/office-chief-disability-officer> (last accessed on August 29, 2025).
- ²² Hochul, Executive Order No. 31.
- ²³ Hochul, Executive Order No. 40.
- ²⁴ 2022 Laws of New York, ch. 565 (amended by 2023 Laws of New York, ch. 91). New York’s Preferred Source Program provides awards for State procurements of certain commodities and services to non-profit vendors who facilitate the employment of New Yorkers with disabilities (see State Finance Law § 162; Rockefeller Institute of Government, *NYSID’s Economic Impact on New York: Estimation of the Social and Fiscal Return on Investment of New York State Industries for the Disabled on New York State and Its Taxpayers*, September 4, 2019, at <https://rockinst.org/issue-area/nysids-economic-impact-on-new-york/>).
- ²⁵ New York State Procurement Council, *Preferred Source Modernization Report 2024*, at https://ogs.ny.gov/system/files/documents/2025/01/psp_modernization_report_revised_12.17.2024.pdf (last accessed on August 29, 2025).
- ²⁶ Employment First Commission, *Report and Recommendations*, March 1, 2015.
- ²⁷ New York State Civil Service Commission, *Calendar Index*, July 2025 at <https://www.cs.ny.gov/commission/calendars/July25cal-web.pdf> and July 2019, at <https://www.cs.ny.gov/commission/calendars/July19cal-web.pdf>; SFY 2023-24 New York State Executive Budget, Public Protection and General Government Article VII Legislation, Part T, at <https://www.budget.ny.gov/pubs/archive/fy24/ex/artvii/ppggg-bill.pdf>.
- ²⁸ New York State Department of Taxation and Finance (DTF), *Credit for Employment of Persons with Disabilities*, at <https://www.tax.ny.gov/pit/credits/disabilities.htm>, (last accessed on September 2, 2025); *Workers with Disabilities Tax Credit*, at https://www.tax.ny.gov/pit/credits/workers_with_disabilities_credits.htm (last accessed on September 2, 2025).
- ²⁹ The number of corporate franchise taxpayers claiming the credit was approximately 5, on average, in tax years 2019 to 2021. Aside from tax year 2021, in which there was a spike in businesses claiming the credit under the PIT, an average of 66 taxpayers claimed the credit between 2019 and 2023. OSC analysis of New York State Department of Taxation and Finance (DTF), Personal Income Tax Study File (Tax Years 2019 to 2023); DTF, Article 9-A Study File (Tax Years 2019 to 2021).
- ³⁰ 2025 Laws of New York, chapter 59, Part U.

- ³¹ Ne'eman, A. and Maestas, N., "How Has COVID-19 Impacted Disability Employment?," NBER Working paper 30640, November 2022; The Wall Street Journal, "Labor Shortages, Remote Work Fuel Job Gains for Workers With Disabilities," November 4, 2023, at <https://www.wsj.com/economy/jobs/labor-shortages-remote-work-fuel-job-gains-for-workers-with-disabilities-4539b34e>.
- ³² Forbes, "The Business Benefits Of Hiring People With Disabilities," July 8, 2025, at <https://www.forbes.com/sites/forbeseq/2025/07/08/the-business-benefits-of-hiring-people-with-disabilities/>; Accenture, "The Disability Inclusion Imperative," 2023, <https://www.accenture.com/content/dam/accenture/final/accenture-com/document-2/Disability-Inclusion-Report-Business-Imperative.pdf>.

Contact

Office of the New York State Comptroller
110 State Street
Albany, New York 12236

(518) 474-4044

www.osc.state.ny.us

Prepared by the Office of Budget and Policy Analysis

