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Labor Market Status and Transitions During the Pre-Retirement Years: Learning from International Differences

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Labor Market Status and Transitions during the Pre-Retirement Years: Learning from International Differences

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Abstract

Many western industrialized countries face strong budgetary pressures due to the aging of the baby boom generations and the general trends toward earlier ages of retirement. The commonality of these problems has the advantage of offering an empirical laboratory for the testing of programmatic incentives on labor force participation and retirement decisions that would not be possible in a single country where programs typically only change very slowly. One can gauge the effect of policies by analyzing the differences in the prevalence of unemployment, early retirement or work disability across countries. We use the American PSID and the European Community Household Panel (ECHP) to explain differences in prevalence and dynamics of self-reported work disability and labor force status. To that end we specify a two-equations dynamic panel data model describing the dynamics of labor force status and self-reported work disability. We find that transitions between work and non-work are more frequent in the US than in the 13 European countries we analyze. For self-reported work disability we don't observe similar differences in transition rates between disability states, although overall Americans are less likely to report work disabilities. The difference in outflow out of work between the US and Europe appears to be smaller than the difference in inflow into work. When we apply the US parameters of the flow from non-work to work , the net result is that Europeans tend to work more.

1. Introduction

Increasing labor force participation among older workers is an important issue on the scientific and policy agenda in the US and other industrialized countries. Major categories of individuals out of the labor force at later ages consist of persons drawing disability benefits, unemployment benefits, and early retirement benefits. Cross-country differences in the prevalence of early retirement are clearly related to differences in financial incentives (Gruber and Wise, 2003). The fraction of workers on disability insurance is vastly different across countries with similar levels of economic development and comparable access to modern medical technology and treatment.

Health is also a major determinant of economic inactivity, and those who have a health problem that limits them in their daily activities or in the amount or kind of work they can do (a "work disability") are much less likely to work for pay than others (Stapleton and Burkhauser, 2003). In view of the aging of the work force in developed countries, reducing work disability among the working population and particularly among older workers may have a major impact on the sustainability of social security and health care systems, among others. Institutional differences in eligibility rules, workplace accommodation of older or sick workers, or generosity of benefits contribute to explaining the differences in disability rolls (cf., e.g., Bound and Burkhauser, 1999). Recent survey data show, however, that significant differences between countries are also found in self-reports of work limiting disabilities and general health (Banks et al. 2004).

In this paper we use data from the Panel Study of Income Dynamics (PSID) and the European Community Household Panel (ECHP) to study the labor force dynamics in the U.S. and in thirteen European countries. We consider the dynamics of work disability (i.e. the extent to which work disability varies over time and its reversibility) and how

this varies across countries. One of the questions we address is whether we can explain the prevalence of self-reported work disability as a function of individual characteristics, including general health. We pay attention to different incentives in different countries, including the generosity of benefits and the attractiveness of alternative exit routes out of the labor force, e.g. through early retirement or unemployment.

In Section 2 we describe the data. Section 3 discusses some pertinent characteristics of institutions in Europe and the U.S. Section 4 presents the model that is used to describe labor force dynamics in the various countries. The model is estimated for each country separately. Section 5 presents the estimation results. In the final Section 6 we discuss the results by showing simulations, where we assign some U.S. parameter values to the models for the European countries. The implied differences in outcomes can be seen as a counterfactual simulation of the impact that U.S. policies would have when implemented in European countries.

At this point the results are preliminary and should be seen as illustrations of our approach, rather than as substantive policy conclusions. In the final section we discuss various extensions of our analysis that we expect to provide more robust outcomes.

2. Data

Our data come from two sources: the European Community Household Panel (ECHP) and the Panel Study of Income Dynamics (PSID).

The ECHP is an annual longitudinal survey of households in the EU.[1] Data were collected by national statistical agencies under the supervision and coordination of Eurostat (the statistical office of the EU). Table A1, taken from Eurostat (2003, p.15)

[1] See Nicoletti and Peracchi (2002) and Peracchi (2002) for more information on ECHP.

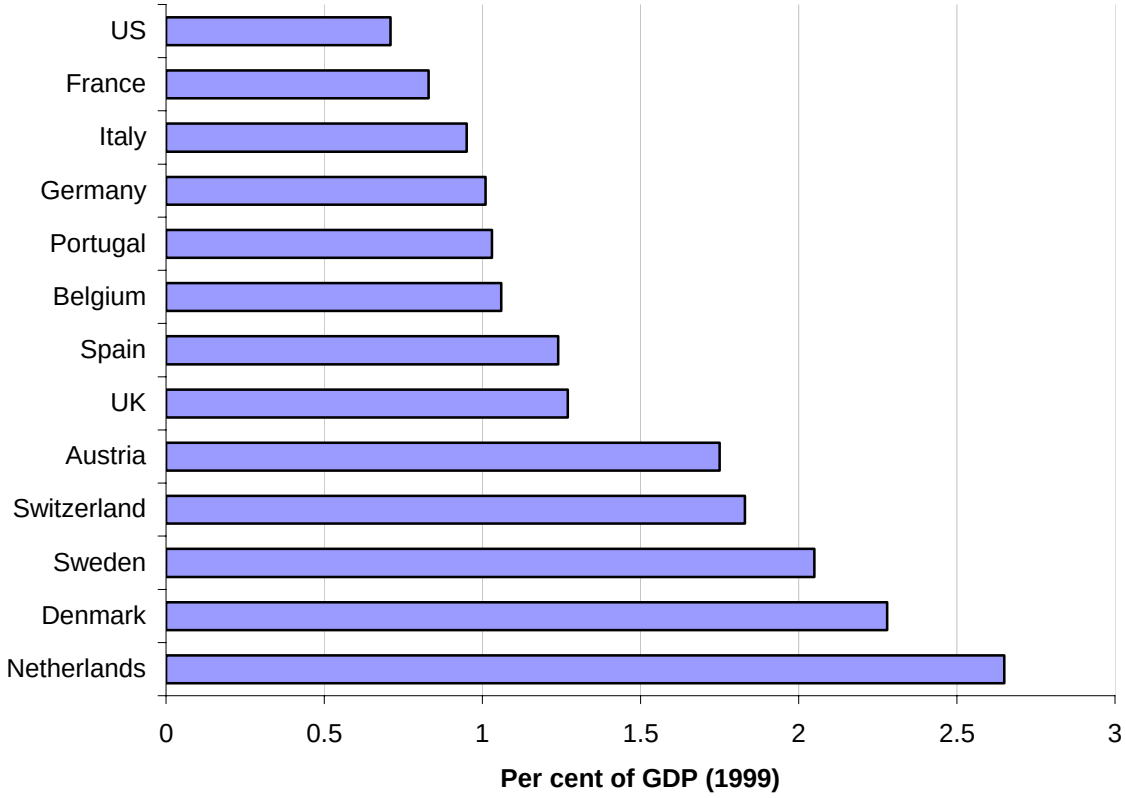
gives an overview of the waves of ECHP in all fifteen countries that participated in the ECHP project. The ECHP started in 1994 and was terminated in 2001. The first wave covered some 60,500 households and some 130,000 adults aged 16 and above from all countries except Austria, Finland and Sweden. Austria and Finland were added in the second and third waves. As of the fourth wave, the original ECHP survey was terminated in Germany, Luxembourg and the UK. Comparable data for these countries were obtained from existing national panels. For the UK this was the British Household Panel Survey (BHPS), for Germany the Socio-Economic Panel (SOEP) and for Luxembourg the Psell. For these countries we will use the existing national panels rather than the few waves of the ECHP. As of the 4^{th} wave, data for Sweden were obtained from the Swedish Living Conditions Survey. Since this is not a panel, we will exclude Sweden from our analysis. We will also not use the Luxembourg data, since information on self-reported disability is missing.

The Panel Study of Income Dynamics (PSID) has gathered almost 30 years of extensive economic and demographic data on a nationally representative sample of approximately 5000 (original) families and 35,000 individuals who live in those families. Details on labor market activity and family income and its components have been gathered in each wave since the inception of PSID in 1968. The PSID has been collecting information on self-reported general health status (the standard five-point scale from excellent to poor) since 1984 and has always collected good information on work-related disabilities. We will use the waves from 1995 to 2003. It should be noted that since 2001 the PSID is no longer annual, but bi-annual.

3. Institutions

There is great variation in labor market institutions across OECD countries; regulations with respect to disability insurance are no exception. To get a broad overview of the majority of countries in our sample, Figure 1 reports a crude measure of the generosity of disability benefits – the fraction of GDP accounted for by public benefit expenditures. Considerable variation is apparent, with the US, France and Italy spending less than 1% and three countries – Sweden, Denmark and the Netherlands – spending more than twice that level. Differing spending levels can of course be due to differing benefit levels or differing entitlement criteria, or some combination of both.

Figure 1: Public Expenditure on disability benefits



Source: OECD (2003b), Chapter 2.

Looking more deeply into international variation than the simple generosity measure presented above, various dimensions can be distinguished. The main ones are the loss of earnings capacity required to qualify for benefits and the way in which such loss of earnings capacity is assessed, eligibility requirements based on work or contribution history, and benefit levels in relation to loss of earnings capacity. Table A2 provides an overview of the main features of disability insurance systems in the countries we study in this paper.

Not surprisingly, the variation in DI systems identified in Table A2 is correlated with differences in prevalence of DI receipt across countries and in the disability status of individuals receiving DI. It is hard to obtain strictly comparable international statistics in these dimensions and a major comparative study would be of considerable value. Nevertheless, Table A3, taken from a recent OECD study, provides information on some characteristics of DI recipients for most of the countries we are considering in this paper.[2]

The first column shows that a substantial fraction of the people on DI declare that they have no work disability. This fraction varies a lot across countries and is particularly large in Sweden (48.9%) and the US (46.7%). Either people are granted DI benefits while not acknowledging disability status, or those who recover from their disability are not able to find a job and instead stay on DI, or some combination of both. The third column of Table A3 shows indeed that exit rates from DI are extremely low. The UK and the Netherlands seem to be the exceptions in this respect, but this might have to do with reforms in the disability insurance system in these countries.

[2] Table A3 is based upon OECD (2003a, Table 3.7 and Table 3.8). These tables are summaries of more detailed information provided in OECD (2003b). The underlying data source is ECHP 1996 or ECHP 1997 for the European countries and SIPP for the US.

The second column of Table A3 shows the other side of the coin – many people who report to have a (moderate or severe) work disability receive neither earnings nor DI or other benefits. Again, variation across countries is substantial. In Sweden, almost everyone with a work disability has earnings from work or receives benefits, but in Spain and Italy, 28 or 29% receive neither of the two. The US has an intermediate position in this respect.

Column 4 shows that the expected negative relation between disability and the chances of being employed holds in all countries: the relative employment rate is always less than one. Still, there are substantial differences across countries. In Spain, someone with a work disability is 0.41 times as likely to do paid work as someone without a work disability, compared to 0.79 in Switzerland. Again, the US is somewhere in the middle with 0.58. Column 5 shows that there is an earnings differential between workers with and without a work disability, but in most countries, it is not very large. Here the US and (surprisingly) Sweden are the exceptions – with workers with a disability earning almost 30% less than workers without disability.[3]

On the other hand, for those with a work disability, working seems to be an effective way of increasing income, as is borne out by column 6. This is particularly true in the US, where the disabled who work have an average income that is 2.84 times as high as the average income of disabled who do not work. In Europe, the differences are smaller, but even in Sweden and Denmark, the countries with the lowest income differentials between working and non-working disabled persons, the difference is still 37

[3] A complete analysis of this effect would need to account additionally for differential selection into the labor market across countries.

or 38%. These cross-country differences seem to be in line with the generosity of disability insurance systems (as indicated by Figure 1, for example).

4. The Model

In this section, we outline our model of the interrelated dynamics of self-reported disability and labor force status (work versus no work). The equation for disability of individual i in time period t is specified as:

$$\begin{aligned} D_{it}^{*} &= X_{it}^{'}\beta^{D} + \gamma_{D}^{D}{}'D_{i,t-1} + \gamma_{W}^{D}W_{i,t-1} + \alpha_{i}^{D} + \varepsilon_{it}^{D} \\ D_{it} &= 1[\mathrm{D}_{it}^{*} > 0] \end{aligned} \qquad (1)$$

Here D_{it} indicates the presence of self-reported work disability; 0 means no disability and 1 means disability. Lagged labor force status is denoted by an indicator variable $W_{i,t-1} = 1$ if the respondent worked in the previous period and $W_{i,t-1} = 0$ otherwise. The error terms ε_{it}^{D} are assumed to be independent standard normal; α_{i}^{D} is an individual effect, normally distributed with variance σ_{α}^{2}. The error terms ε_{it}^{D} and α_{i}^{D} are assumed mutually independent and independent of the vector of explanatory variables X_{it}.

Thus there are two sources of persistence in the disability equation: the dependent dummies $D_{i,t-1}$ and the unobserved heterogeneity term α_{i}^{D}. We allow for a lagged effect of work force status on work disability, but not for a contemporaneous effect. That is, we are effectively assuming no contemporaneous 'justification bias' in self-reported disability.

The second equation explains whether respondents do paid work or not. Labor force status W_{it} is explained by a Probit equation as follows:

$$W_{it}^{*} = X_{it}^{'}\beta^{W} + \gamma_{D}^{W} D_{i,t-1} + \gamma_{W}^{W} W_{i,t-1} + \delta_{d}^{W} D_{i,t} + \alpha_{i}^{W} + \varepsilon_{it}^{W}$$
$$W_{it} = 1[W_{it}^{*} > 0] \qquad (2)$$

Thus we allow for both a contemporaneous and a lagged effect of work disability on labor force status. The assumptions about individual effects and error terms are the same as before. We do not allow for correlation between the error terms in the two equations, but we do allow for correlated individual effects. Also here there are two sources of persistence, lagged labor force status and an individual effect.

The parameterization of the individual effects is as follows. Let $u_i = (u_i^D, u_i^W) \sim N_2(0, I)$. Then we specify the vector of individual effects $\alpha_i = (\alpha_i^D, \alpha_i^W)$ as $\alpha = \Lambda u,$ with

$$\Lambda = \begin{pmatrix} \lambda_D^D & 0 \\ \lambda_D^W & \lambda_W^W \end{pmatrix}, \qquad (4)$$

a lower triangular matrix. The parameter estimates summarized in the next section include the estimates of the entries in Λ.

To account for the initial conditions problem, we follow Heckman (1981), Hyslop (1999) and Vella and Verbeek (1999) and specify separate equations for wave 1. These equations have the same exogenous regressors and contemporaneous dependent variables on the right hand side as the dynamic equations presented above, but do not include the lagged dependent variables. No restrictions are imposed on the coefficients or their

relation to the coefficients in the dynamic equations. These coefficients are estimated jointly with the parameters in the dynamic equations and can be seen as nuisance parameters.

In the initial condition equations, we include arbitrary linear combinations of the individual effects in the two dynamic equations. This is the same as including an arbitrary linear combination of the two entries in u_i. The estimated coefficients of these linear combinations can be seen as nuisance parameters.

The above equations are slightly adapted for the PSID data. In PSID, the frequency of interviewing was reduced from once a year to once every two years starting in 1997.[4] As a result for these years a lagged variable now refers to a value two years ago. Hence in the model for the PSID data we include separate coefficients for the lagged variables for the case that the previous wave is one year ago and the case that the previous wave is two years ago.[5]

5. Results

Table A4 summarizes the key dynamic parameters from our empirical model, and Table A5 provides the full estimation results. Separate models are estimated for men and women given that the dynamics of labor force behavior are potentially very different. While there are differences between our estimates for men and women, these tend to be concentrated in the 'off-diagonal' terms – the effects of disability on work status or vice versa. The effects of lagged disability on current disability and of lagged work status on current work status are remarkably similar for men and women within each country. To

[4] To be precise, we use PSID waves 1994, 1995, 1996, 1997, 1999, 2001 and 2003.
[5] To be precise, for the years 1995, 1996, 1997, only the one year lags are included; for the years 1999, 2001, and 2003, only the two year lags are included.

the extent that the effect of lagged disability on current disability measures the pure transitions of work related health between the waves, the similarity between men and women may not be that surprising. Somewhat more surprising is the similarity by gender of the effects of lagged employment on current employment. The traditionally more transitory nature of employment for women would imply a smaller estimated impact on them.

The estimated effects of disability on employment tend to be somewhat larger (in absolute value) for men compared to women. Disability programs whose generosity depends on a past series of contributions would imply greater generosity for men compared to women and this is what we find. Finally, the effects of lagged employment on disability may reflect in part the health effects of work. More likely this is picking up the unobserved effects of health which is very incompletely captured in this data. Better health increased the likelihood of work and makes disability less likely.

Perhaps the most striking result is that the most interesting parameter estimates of the models for the different countries do not seem to vary dramatically across countries. Both disability and work status are highly persistent, and significantly so, across all countries. Current disability is negatively associated with current work status in most countries, and the relationship is strongest in the US. The evidence for lagged disability affecting current work status over and above the contemporaneous effect is weaker. There is evidence of lagged employment status affecting current work disability however.

As one would probably expect, the parameter estimate for the effects of lagged work status on current work status are smallest in the US, reflecting a higher turnover than in the European countries (both from working to not working and from not working

to working). At the low end of the European scale in this respect are the UK and Spain with the other European countries demonstrating somewhat larger effects.

Somewhat harder to explain is the relatively large negative effect of lagged work status on current self-reported disability. That is, if one worked in the previous period then one is in general less likely to report a work disability in this period; that effect is strongest in the U.S. But the US also demonstrates a considerably larger (negative) effect of current work disability on current work status so the full dynamics of the relationship between these two will be somewhat complex. Hence, in the following section, we will present a number of dynamic simulations in the next section that will aid in characterizing the differences across the countries.

6. Discussion

To gain a better understanding of the differences between the countries, we carry out two simulations. The first simulation simply generates values of work and self-reported disability over the sample period in each country, using the estimated models. The second simulation replaces the country specific parameter estimates for the probability of returning to work with the parameter estimate that governs the US dynamics[6]. Simulations using other parameter differences are also of interest and they

[6] To be precise, the coefficient governing the transition from work in one period to non-work in the next period is not changed, but the coefficient governing the transition from non-work to work is replace the US coefficient. To see formally how this works the following simple example may be useful.
Consider the following model:

$$y = \beta_0 + \beta_1 z$$

Here *z* is a dummy variable (in our application lagged work in the work equation). We want to simulate the effects of replacing β_1 (say the coefficient for a particular European country) by a different parameter γ_1 (say the US coefficient). One possibility is to generate $y_s = \beta_0 + \gamma_1 z$. Clearly for the observations where $z = 0$ this does not make difference. So we only simulate the effect for observations where $z = 1$. In our example this would simulate the effect of replacing work to non-work transitions in a European country by the corresponding US transition.

will be pursued in future work. The outcomes of these simulations are shown in Table A6 and in the figures in Appendix B.

Table A6 shows the results for work status. For each country there are three panels. The first panel shows the observed transitions in the data, organized in a 2x2 transition matrix. For example, the number 0.74 for Germany for men is the probability that someone who does not work in period t-1 will also not work in period t; 0.08 is the probability that a German man who does not work in period t-1, will work in period t. The column "relative frequency" presents observed prevalence of the two work states in the data. So again for German men we see that 24% of the sample individuals did not work, whereas 76% did. The row labeled "equilibrium" presents the equilibrium prevalence of "doesn't work" and "work" if inflow and outflow would follow a first order Markov process with probabilities given by the transition matrix. To get an idea how close the observed relative frequencies are to an equilibrium, one may compare the row labeled "equilibrium" with the column labeled "relative frequency".

The next panel has the same structure, but now all numbers are the result of simulation using the estimated model for each country. The third panel is also the result of simulation, but with some of the parameters replaced by US coefficients, as explained above.

The figures in Appendix B give time paths of two variables: the percentage of individuals with a disability and the percentage of individuals working. For each of these

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Now consider the case where we want to see the effect for observations where $z = 0$. The obvious approach is to now simulate according to $y_s = \beta_0 + \beta_1 - \gamma_1 + \gamma_1 z$. For now we have that if $z = 0$ there holds $y_s = \beta_0 + \beta_1 - \gamma_1$, whereas if $z = 1$ we have that $y_s = \beta_0 + \beta_1$, which is the same as when using own coefficients only. It is this latter approach that we take, thereby simulating the effect of imposing US non-work to work transitions on the European countries.

variables we once again produce actual values, simulated/predicted values, and simulated values using the U.S. coefficients representing the transition from non-work to work. Considering the transition matrices in Table A6, we observe that the transitions from non-work to work tend to be much bigger in most European countries when using U.S coefficients, implying more turnover if one were to impose U.S. 'institutions' (in the sense of the dynamic processes estimated above). As a result, the U.S. coefficients tend to imply a much higher percentage of the population working in most European countries. For example, the equilibrium fraction of Dutch men (women) working is .92 (.55) using the US coefficient compared to .88 (.64) when the Dutch coefficents are used in the simulation. This is also reflected in the figures in Appendix B, where often the U.S. coefficients imply a much higher percentage of the Dutch population at work, especially for Dutch women.

While the general tendency is for male and female Europeans to increase their labor force activity if we impose the US transition rate from non-work to work, this effect is not uniform across all European countries. The three countries in which the labor force increases would be largest if the US coefficients are imposed are Belgium, France, and Austria. These three countries have the lowest rates of transition back to the labor force once out of the labor force. These three countries are known for labor market inflexiblities and the increased work effort reflects a relaxation of those inflexibililites. While disability policies are part of these labor force inflexibilities, they are by no means the only component. In contrast, there is almost no difference in the simulated labor force behavior in the UK by imposing the US coefficients. The UK is probably closest to the US in terms of the flexibility of labor force policies.

The results presented here are illustrative and preliminary in a number of different ways. First of all, separation by age may be important since our parameter estimates reflect both in the initial entry into the labor force as well as the latter life exit. Hence we plan to repeat the analyses restricting our samples to those over age 40. Secondly,., so far we have considered the implications of U.S. parameters for European countries. Although this is suggestive of how U.S. policies work out in European countries and thereby potentially tells us something about how European policies might work out in the U.S., a more direct approach is to take European parameters and insert them into the U.S. model. Third, it is important to simulate other parameter differences between the countries in their labor force dynamics.

7. Conclusion

In this paper, we have investigated the dynamics of labor force and work disability behavior in several Western European countries and the United States. We estimated the dynamics of labor force and disability behavior separately for men and women using high quality panel data in 13 European countries and the United States. We find substantial differences in labor force dynamics between the countries, especially in the tendency of some European countries to get 'stuck' out of the labor force once one is not working. European countries are far more similar to the United States in the transition from work to non-work.

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Appendix A: Tables

Table A1. Overview of ECHP waves

	Sub-sample																	
	B	DK	D		EL	E	F	Irl	I	L		NL	A	P	Fin	S	UK	
			Echp	Soep						Echp	Psell						Echp	Bhps
1994											■		■		■	■		
1995															■	■		
1996																■		
1997			■							■							■	
1998			■							■							■	
1999			■							■							■	
2000			■							■							■	
2001			■							■							■	

Table A2. Selected characteristics of disability pension policies across countries

	Qualifiying conditions		Benefits
	Loss of earning capacity	**Minimum period of contributions**	**Permanent disability**
Austria	>= 50% compared to person with the same education	60 months +1 month for each month from age 50) in the last 10 years (plus 2 months for each month from age 50)	60% of assessment base (=average earnings in the best 16 years, up to an annual maximum of €3,013)
Belgium	2/3 in the usual occupation	6 months, incl. 120 days of actual/credited work	65% of lost earnings (s.t. ceiling) for an insured w/ dependents; 40% if no dependents; 50% if no dependents but living w/ others with no income. Payable >1 year disability (1st year-sickness benefit)
Denmark	Reduced working capacity & inability to assure subsistence	Disability pension & supplement (both income-tested) payable age 18 64 w/ >=3 years' residence from age 15	13,895 kroner monthly for single, 11,810 kroner if not living alone; disability supplement (income test): 6,000 kroner a year
Finland	60% if earnings-related disability pension	Universal disability pension (income-tested) - oermanent incapacity for suitable work	Universal dis.- Income tested €11.21 to €496.38 a month; earnings-related disability: 1.5% of wage for each year of service up to disability onset
France	2/3 of earning capacity in any occupation under age 60	12 months insurance before disability onset and 800 hrs employment in lats 12 months	50% of average earnings in the best paid 10 years if incapable of any professional activity, up to a maximum of €1,238 a month. Partial disability 30% of average earnings in best ys, min pension €241/month
Germany	Full reduction (can't work >3 hours/day in any form of employment) or partial reduction (can't work >6 hours/day in any form of employment)	5 years of contributions and 36 months of compulsory contributions in the last 5 years	Total of individual earnings points (individual annual earnings divided by the average earnings of all contributors multiplied by the entry factor) multiplied by pension factor and pension value.
Greece	at least 80% disabled	max 4,500 days of contributions (1,500 days if the insured began working after 1993); 300 days if younger than 21	For an assessed degree of disability of 80% or more (severe), 100% of the pension is paid; for an assessed degree of disability of 67% to 79.9% (ordinary), 75% of the pension paid; min pension €392.16/month.

Ireland	invalidity pension - permanent incapacity for work; disability allowance (means-tested): aged 16-66, physically/mentally disabled	260 weeks of paid contributions with 48 weeks paid or credited in the last tax year.	invalidity pension: €140.30 a week; €167.30 a week if aged 65 or older; disability allowance (means-tested): up to €134.80 a week, + €89.40 a week for a qualified adult and €16.80 for each dependent child
Italy	Total and permanent inability to perform any work.	5 years of contributions, including 3 in the 5 years before the claim. No other forms of income, including earnings from self-employment and unemployment benefits	Pension based on a progressive percentage (0.9% to 2%) of salary multiplied by the number of years of contributions, up to a maximum of 40
Netherlands	at least 80% of earning capacity in the current occupation for full pension	Partial pension: The loss of 15% to 80% of earning capacity for employed workers	Up to 70% of earnings for loss of earning capacity of at least 80%; 14% to 50.75% of earnings for a loss of earning capacity of 15% to 80%. €167.70 a day max
Portugal	2/3 of earning capacity	5 years of contributions (120 days of registered pay)	2% of average adjusted lifetime salary for each year of contributions
Spain	Loss of normal earning capacity	1/4 of period from age 20 to the onset of disability, with at least 5 years of contributions and at least 1/5 of the required contributions in the last 10 years	Permanent total disability, pension 100% of the benefit base (min €411.76). For permanent occupational disability, award 55% of benefit base, plus 20% if aged 55+ & not employed (min €411.76).
Sweden	Work capacity reduced by at least one quarter	Earnings-related sickness compensation independent of insurance periods	94,320 kronor for an insured person with 40 years of residence and without an earnings-related benefit
Switzerland	at least 40% disabled	contributions in all years from age 21. Special pension for nationals not meeting required min contribution period for disability base pension	9,146 francs a year plus a variable amount calculated by multiplying annual income by 13/600 if income <37080
UK	Long-term incapacity benefit & disability living allowance (noncontributory, no means test)	3 years before the claim, age before 65	Long-term incapacity benefit £72.15 a week, plus £43.15 a week for a dependent adult. Allowance £57.20, £38.30, or £15.15 a week according to needs
US	Disability pension: Incapable of permanent substantial gainful activity; Disability supplemental income benefit (means-tested): disabled & blind persons age <65 low income	Quarter of coverage for each year since age 21 up to the year of the onset of disability, up to a maximum of 40 quarters of coverage, 20 quarters of coverage in the 10-year period	pension based on the average covered earnings since 1950 (or age 21, if later) and indexed for past wage inflation, up to the onset of disability, excluding up to 5 years with the lowest earnings. max monthly pension $2,036 (certain conditions)

Source: SSA, Social Security Programs Throughout the World: Europe, 2004
http://www.ssa.gov/policy/docs/progdesc/ssptw/2004-2005/europe/

Table A3. Disability benefits:

	% of disability benefit recipients declaring that they are not disabled	% of disabled persons ages 20-64 with neither income from work nor income from benefits	Annual rates of outflow from disability benefits	Relative employment rate of disabled persons age 20-64 vs. non-disabled ages 20-64	Relative income from work of disabled over non-disabled persons working	Relative average personal income of disabled persons working over disabled persons not
		Men, Late 1990s				
Austria	27.7	14.2	1.04	0.60	0.97	1.96
Germany	n/a	11.9	1.25	0.67	0.92	1.79
Sweden	48.9	1.1	n/a	0.69	0.70	1.37
Netherlands	30.6	19.5	3.34	0.60	0.87	1.45
Spain	18.3	28.0	0.57	0.41	0.86	2.07
Italy	43.9	28.8	n/a	0.60	0.94	1.94
Portugal	28.6	20.9	0.97	0.59	n/a	1.81
France	33.3	11.7	n/a	0.72	n/a	1.83
Denmark	26.2	6.3	n/a	0.61	0.88	1.38
UK	43.3	9.1	5.64	0.53	0.84	1.61
US	46.7	18.8	1.16	0.58	0.71	2.84
Switzerland	29.8	14.2	n/a	0.79	0.98	n/a
Belgium	43.4	16.2	n/a	0.54	0.90	1.91

n/a - data not available

Source: ***OECD (2003, Chapter 3)***

Table A4. Work disability and employment dynamics: Key parameter estimates

		Lagged Disability	Lagged Employment	Lagged Disability	Lagged Employment	Current Disability
		γ_D^D	γ_W^D	γ_D^W	γ_W^W	δ_D^W
Germany	Men	0.638	-0.268	-0.311	1.631	-0.12
	Women	0.582	-0.165	-0.236	1.409	-0.15
Denmark	Men	0.926	-0.837	-0.383	1.795	-0.72
	Women	0.826	-0.336	-0.258	1.748	-0.268
Netherlands	Men	0.724	-0.738	-0.323	1.977	-0.735
	Women	0.896	-0.195	-0.179	1.838	-0.26
Belgium	Men	1.022	-0.296	-0.135	2.645	-0.514
	Women	0.964	-0.271	-0.013	2.38	-0.331
France	Men	0.778	-0.448	-0.216	2.379	-0.314
	Women	0.842	-0.245	-0.186	2.153	-0.131
UK	Men	0.913	-0.204	0.049	1.449	-0.069
	Women	0.828	-0.175	-0.075	1.453	0.078
Ireland	Men	0.906	-0.84	-0.291	1.891	-0.771
	Women	1.133	-0.03	-0.073	1.723	-0.532
Italy	Men	1.036	-0.223	-0.152	1.975	-0.331
	Women	0.819	-0.449	-0.116	1.857	-0.295
Greece	Men	0.944	-0.154	0.06	1.805	-0.364
	Women	0.905	0.053	-0.047	1.596	-0.071
Spain	Men	0.72	-0.626	-0.56	1.482	-0.646

	Women	0.796	-0.258	-0.227	1.229	-0.225
Portugal	Men	1.113	-0.072	0.06	2.153	-0.5
	Women	1.037	-0.216	-0.169	1.797	-0.142
Austria	Men	0.867	-0.364	-0.282	2.688	-0.284
	Women	0.916	-0.431	-0.339	2.055	-0.338
Finland	Men	0.841	-0.143	-0.249	1.688	-0.24
	Women	0.887	-0.357	-0.429	1.466	-0.401
US	Men	1.047	-0.404	-0.182	1.254	-0.846
	Women	0.862	-0.398	-0.055	1.340	-0.664

Notes to table A4:

Results for the US are coefficients on one-year lagged variables although two-year lags are also included to control for the varying periodicity of PSID data. All specifications also include year dummies, controls for education, age group, marital status, self-reported general health status, and (in the US case) ethnicity. Equations for the initial conditions use the same variable. For details of all parameters see Table A5.

Table A5a: Estimation Results for Women

WOMEN								
Work disability (0: no; 1: yes)								
	Germany		Denmark		Netherlands		Belgium	
	par.	t-val.	par.	t-val.	par.	t-val.	par.	t-val.
constant	-2.938	-19.32	-1.938	-11.45	-2.638	-16.53	-3.290	-11.64
age 35-44	0.120	2.13	0.088	0.95	0.051	0.62	0.057	0.42
age 45-54	0.334	5.43	0.040	0.40	0.135	1.61	0.064	0.40
age 55-64	0.677	9.69	0.198	1.68	0.198	1.87	0.182	0.96
educ med	0.036	0.69	0.078	0.92	0.043	0.52	-0.141	-1.23
educ high	0.062	0.91	0.118	1.27	0.054	0.49	0.108	0.85
marr/coh	0.038	0.71	-0.163	-1.76	-0.190	-2.68	-0.058	-0.45
hlth good	1.013	7.82	0.923	11.95	0.721	7.06	0.726	4.63
hlth fair	2.291	17.59	1.902	21.27	2.426	21.47	1.946	12.09
hlt bad/vb	3.789	27.61	2.805	18.28	3.688	21.13	2.664	11.48
1996	0.028	0.00	-0.123	-1.20	0.073	0.96	-0.068	-0.50
1997	-0.025	-0.50	0.128	1.28	0.093	1.18	-0.192	-1.35
1998	-0.010	-0.20	0.031	0.31	0.096	0.97	0.376	2.80
1999	-0.017	-0.33	-0.097	-0.93	0.202	2.15	0.037	0.29
2000	-0.039	-0.76	0.062	0.63	0.217	2.19	0.174	1.35
2001	-0.051	-1.00	-0.063	-0.63	0.294	2.94	0.244	1.89
lag dis	0.582	16.00	0.826	13.29	0.920	18.62	0.964	10.49
lag work	-0.165	-3.18	-0.336	-3.55	-0.150	-2.18	-0.271	-1.87

Initial conditions								
constant	-2.835	-10.48	-1.489	-4.86	-2.057	-9.89	-2.647	-5.71
age 35-44	0.106	1.12	-0.042	-0.21	0.157	1.21	0.498	2.27
age 45-54	0.356	3.59	-0.187	-0.86	0.453	3.42	0.572	2.39
age 55-64	0.536	3.81	-0.404	-0.86	0.521	2.56	0.888	2.66
educ med	0.019	0.20	-0.329	-1.58	-0.041	-0.33	-0.408	-1.76
educ high	-0.046	-0.38	-0.242	-1.13	-0.034	-0.21	-0.334	-1.65
marr/coh	0.188	1.79	-0.381	-1.84	-0.104	-0.95	-0.382	-1.89
hlth good	0.881	3.56	0.771	4.30	0.589	3.46	1.021	3.17
hlth fair	2.250	9.09	2.083	8.75	2.065	11.46	2.046	6.02
hlt bad/vb	3.701	13.93	3.271	6.05	2.765	10.63	3.169	6.76
Work disability (0: no; 1: yes)								
constant	-0.157	-1.33	-0.446	-3.40	-0.353	-2.51	-1.209	-6.28
age 35-44	0.159	2.71	0.262	3.03	0.083	1.16	-0.109	-1.11
age 45-54	0.087	1.23	0.185	2.00	-0.063	-0.73	-0.462	-4.06
age 55-64	-0.706	-8.54	-0.368	-3.62	-0.778	-6.61	-1.426	-9.28
educ med	0.177	3.00	0.256	3.35	0.203	2.35	0.274	3.35
educ high	0.819	10.00	0.576	6.41	0.496	4.95	0.820	7.85
marr/coh	-0.269	-4.32	-0.020	-0.27	-0.619	-7.18	-0.173	-2.21
hlth good	0.000	0.00	-0.033	-0.46	-0.096	-1.67	-0.045	-0.61
hlth fair	-0.057	-0.72	-0.194	-1.90	-0.320	-3.87	-0.163	-1.71
hlt bad/vb	-0.312	-3.35	-0.861	-5.89	-0.807	-5.19	-0.215	-1.16
1996	0.233	0.00	-0.109	-1.15	0.078	1.01	0.304	3.48
1997	-0.026	-0.53	0.039	0.38	0.062	0.76	0.272	2.77
1998	-0.087	-1.63	0.125	1.22	0.393	3.82	0.337	2.98

1999	0.049	0.92	0.215	2.07	0.374	3.96	0.341	3.01
2000	-0.022	-0.41	0.018	0.18	0.505	4.89	0.469	4.65
2001	0.019	0.35	0.153	1.37	0.597	5.61	0.338	3.12
lag dis	-0.236	-5.17	-0.258	-3.11	-0.161	-2.29	-0.013	-0.08
lag work	1.409	33.13	1.748	25.32	1.827	37.30	2.380	32.62
disab	-0.150	-2.78	-0.268	-2.87	-0.226	-2.71	-0.331	-2.12
Initial conditions								
constant	0.804	4.63	-0.149	-0.45	0.403	1.92	3.326	2.31
age 35-44	-0.183	-1.93	1.290	3.27	-0.223	-1.71	-0.390	-0.60
age 45-54	0.229	-2.04	0.823	2.49	-0.501	-3.10	-3.229	-2.19
age 55-64	-0.353	-2.51	1.111	2.20	-0.908	-3.16	-4.578	-1.91
educ med	0.382	3.96	0.604	2.06	0.387	2.67	2.195	1.87
educ high	1.212	8.95	1.589	3.49	1.012	5.43	6.279	2.32
marr/coh	-0.395	-3.62	0.560	2.07	-0.614	-4.78	-1.289	-1.54
hlth good	-0.160	-1.23	-0.429	-1.69	-0.096	-0.70	-1.342	-1.98
hlth fair	-0.236	-1.73	-0.721	-1.80	-0.341	-1.91	-2.496	-2.35
hlt bad/vb	-0.448	-2.88	-2.237	-3.08	-1.210	-3.96	-3.000	0.00
ie disab	0.793	23.46	0.580	9.85	0.698	14.89	1.124	10.93
ie dis->wk	0.236	4.46	0.075	1.08	0.173	2.38	-0.085	-1.01
ie work	1.096	19.17	0.447	5.82	0.942	12.76	0.578	7.74
ie dis-di0	0.723	12.28	0.698	4.64	0.506	6.27	1.066	6.74
ie wrk-di0	-0.110	-2.13	-0.382	-2.44	-0.054	-0.80	-0.090	-0.65
ie dis-wr0	0.139	2.07	-0.125	-0.79	0.158	1.59	-1.196	-1.66
ie wrk-wr0	1.368	15.84	1.702	2.95	1.567	11.04	6.075	2.38

WOMEN								
Work disability (0: no; 1: yes)								
	France		Ireland		Italy		Greece	
	par.	t-val.	par.	t-val.	par.	t-val.	par.	t-val.
constant	-2.488	-16.84	-2.714	-13.81	-4.137	-6.80	-3.575	-19.88
age 35-44	0.018	0.24	-0.056	-0.39	-0.030	-0.35	0.125	1.03
age 45-54	0.287	3.84	-0.060	-0.42	0.102	1.16	0.032	0.25
age 55-64	0.445	4.98	0.066	0.41	0.129	1.33	-0.028	-0.21
educ med	-0.145	-2.50	-0.082	-0.87	0.025	0.39	-0.038	-0.46
educ high	-0.201	-2.95	-0.126	-0.92	-0.002	-0.02	0.045	0.42
marr/coh	-0.043	-0.71	-0.122	-1.19	-0.022	-0.30	0.036	0.43
hlth good	0.463	4.27	0.818	7.72	1.539	2.53	1.056	9.37
hlth fair	1.548	14.10	2.174	17.85	2.254	3.72	2.898	24.68
hlt bad/vb	2.764	22.09	3.490	14.79	4.023	6.55	4.224	28.40
1996	-0.048	-0.71	-0.054	-0.40	0.117	1.60	0.020	0.22
1997	-0.004	-0.06	0.132	1.08	0.046	0.58	0.111	1.13
1998	0.055	0.84	0.286	2.28	0.123	1.62	0.260	2.68
1999	-0.130	-1.88	0.014	0.10	-0.167	-2.04	0.170	1.82
2000	0.103	1.50	0.397	3.09	0.048	0.59	0.316	3.39
2001	-0.043	-0.64	0.229	1.76	-0.016	-0.20	0.375	4.23
lag dis	0.842	17.00	1.133	12.06	0.819	15.55	0.905	14.70
lag work	-0.245	-3.73	-0.030	-0.25	-0.449	-6.00	0.053	0.67
Initial conditions								
constant	-2.805	-8.72	-1.677	-5.86	-2.206	-11.71	-2.071	-9.53

age 35-44	0.059	0.42	0.129	0.58	0.050	0.57	-0.286	-1.78
age 45-54	0.339	2.35	0.179	0.80	0.260	2.94	-0.231	-1.35
age 55-64	0.541	2.53	-0.119	-0.37	0.249	2.03	-0.495	-2.33
educ med	0.042	0.37	-0.268	-1.38	-0.128	-1.71	-0.087	-0.59
educ high	-0.366	-2.30	-0.029	-0.10	-0.248	-1.71	-0.019	-0.11
marr/coh	-0.074	-0.58	-0.466	-2.01	-0.070	-0.74	-0.006	-0.03
hlth good	0.721	2.60	0.633	3.06	0.800	4.54	0.353	2.18
hlth fair	1.738	6.32	2.083	7.77	1.567	9.04	2.186	14.46
hlt bad/vb	2.794	9.17	2.960	0.00	3.069	14.99	3.334	15.15
Work disability (0: no; 1: yes)								
constant	-0.640	-5.83	-0.707	-4.83	-1.214	-12.27	-0.691	-5.68
age 35-44	0.096	1.66	-0.008	-0.08	0.048	0.72	0.171	2.27
age 45-54	0.043	0.66	-0.202	-1.77	-0.114	-1.42	-0.142	-1.59
age 55-64	-0.964	-10.42	-0.862	-6.28	-0.871	-8.54	-0.747	-6.71
educ med	0.216	4.04	0.331	4.32	0.820	13.58	0.131	1.94
educ high	0.549	7.87	0.880	7.59	1.585	13.67	0.739	7.90
marr/coh	-0.334	-5.86	-0.447	-4.46	-0.238	-3.67	-0.304	-3.33
hlth good	0.147	2.42	-0.101	-1.59	0.022	0.40	-0.057	-1.16
hlth fair	0.157	2.37	-0.362	-3.43	0.023	0.37	-0.109	-1.39
hlt bad/vb	-0.324	-3.04	-0.906	-2.43	-0.053	-0.45	-0.703	-5.22
1996	0.070	1.14	0.045	0.46	0.062	1.08	-0.116	-1.73
1997	0.050	0.86	0.245	2.38	0.014	0.21	-0.080	-1.25
1998	0.017	0.25	0.302	2.88	-0.002	-0.03	0.215	3.10
1999	0.062	0.85	0.254	2.43	0.095	1.46	-0.320	-4.57
2000	0.012	0.16	0.471	4.67	0.015	0.23	0.135	2.03

2001	0.135	1.83	0.227	2.12	0.004	0.06	0.068	1.01
lag dis	-0.186	-2.84	-0.073	-0.59	-0.116	-1.29	-0.047	-0.55
lag work	2.153	44.49	1.723	26.86	1.857	42.37	1.596	33.40
disab	-0.131	-1.83	-0.532	-3.70	-0.295	-2.71	-0.071	-0.71
Initial conditions								
constant	0.567	2.41	-0.177	-0.73	-0.642	-4.28	-0.268	-1.71
age 35-44	0.458	2.87	-0.783	-3.81	0.201	1.76	0.449	3.91
age 45-54	0.244	1.39	-0.779	-3.56	0.166	1.27	0.211	1.68
age 55-64	-0.352	-1.34	-1.273	-2.77	-0.343	-1.66	0.155	0.88
educ med	0.739	4.56	1.184	6.25	1.146	10.13	0.124	1.09
educ high	1.864	6.27	2.083	7.13	1.851	9.18	0.742	5.37
marr/coh	-0.716	-3.90	-0.497	-2.30	-0.220	-1.89	-0.248	-1.83
hlth good	0.346	2.21	-0.310	-1.85	-0.105	-0.91	-0.070	-0.74
hlth fair	0.097	0.55	-0.446	-1.76	-0.003	-0.02	-0.257	-1.93
hlt bad/vb	-1.175	-3.97	-0.718	-1.32	-0.161	-0.81	-0.481	-2.25
ie disab	0.739	17.15	0.596	8.15	0.752	15.96	-0.560	-10.87
ie dis->wk	0.067	1.11	0.113	0.93	0.647	8.46	0.182	1.67
ie work	0.670	9.39	0.797	9.86	1.215	14.47	1.337	18.76
ie dis-di0	0.780	9.21	0.538	3.38	0.089	1.63	-0.170	-1.52
ie wrk-di0	-0.113	-1.48	-0.074	-0.59	-0.102	-2.06	-0.098	-1.43
ie dis-wr0	0.187	1.52	-0.106	-0.51	0.809	7.00	0.424	3.30
ie wrk-wr0	2.031	6.13	1.308	6.62	1.791	14.08	1.222	13.79

WOMEN								
Work disability (0:no; 1: yes)								
	Spain		Portugal		Austria		Finland	
	par.	t-val.	par.	t-val.	par.	t-val.	par.	t-val.
constant	-2.672	-20.18	-2.509	-7.31	-2.944	-14.78	-2.416	-13.25
age 35-44	-0.079	-1.03	-0.082	-1.01	0.137	1.24	0.071	0.77
age 45-54	0.112	1.49	-0.059	-0.74	0.219	1.90	0.017	0.18
age 55-64	0.289	3.41	0.015	0.18	0.280	2.21	0.220	2.02
educ med	-0.116	-1.56	-0.184	-1.86	0.168	2.19	0.050	0.67
educ high	-0.423	-4.66	0.041	0.30	0.244	1.79	-0.001	-0.02
marr/coh	-0.166	-2.89	-0.169	-2.78	-0.147	-1.72	-0.011	-0.14
hlth good	0.446	3.77	-0.384	-1.14	0.951	6.49	0.924	7.82
hlth fair	1.636	13.74	1.045	3.17	2.200	14.22	2.003	15.42
hlt bad/vb	2.736	21.69	2.648	7.92	3.159	17.05	3.238	18.00
1996	0.020	0.29	0.403	5.86	0.028	0.00	0.028	0.00
1997	0.075	0.99	0.390	5.43	0.130	1.44	0.098	0.00
1998	0.119	1.60	0.292	4.15	0.024	0.25	0.160	2.18
1999	0.160	2.08	0.382	5.36	-0.036	-0.38	0.158	1.91
2000	0.051	0.65	0.348	5.06	0.036	0.36	0.224	2.61
2001	0.165	2.16	0.407	5.76	0.034	0.33	0.206	2.55
lag dis	0.796	16.27	1.037	23.61	0.916	13.15	0.887	13.65
lag work	-0.258	-3.77	-0.216	-3.62	-0.431	-4.54	-0.357	-4.05
Initial conditions								
constant	-2.576	-13.42	-2.282	-5.42	-2.685	-6.95	-2.802	-5.68

age 35-44	0.128	0.75	0.070	0.64	0.063	0.32	0.074	0.32
age 45-54	0.361	2.26	0.167	1.55	0.140	0.72	0.075	0.33
age 55-64	0.509	2.63	0.208	1.43	0.471	2.15	0.878	3.03
educ med	-0.261	-1.28	0.077	0.50	0.128	0.91	0.093	0.49
educ high	-0.511	-2.19	0.156	0.77	0.235	0.75	-0.194	-0.97
marr/coh	-0.090	-0.66	-0.119	-1.04	-0.333	-1.93	-0.244	-1.15
hlth good	0.318	1.95	0.628	1.57	1.075	3.95	0.959	3.58
hlth fair	1.623	12.17	1.656	4.16	2.350	8.20	2.669	7.42
hlt bad/vb	2.960	0.00	2.981	7.36	3.458	9.97	4.976	6.50
Work disability (0: no; 1: yes)								
constant	-0.716	-6.56	0.103	0.53	-0.462	-3.08	-0.118	-0.69
age 35-44	0.033	0.48	-0.123	-1.66	0.196	2.26	0.377	3.80
age 45-54	-0.106	-1.25	-0.416	-4.83	-0.083	-0.81	0.433	3.77
age 55-64	-0.775	-6.99	-0.712	-7.23	-1.371	-9.79	-0.558	-4.47
educ med	0.587	8.43	0.466	4.34	0.271	3.37	0.102	1.16
educ high	1.279	14.99	1.161	6.76	0.877	5.19	0.469	4.68
marr/coh	-0.811	-11.03	-0.207	-2.86	-0.350	-3.56	0.040	0.46
hlth good	0.001	0.01	-0.011	-0.06	-0.053	-0.82	-0.054	-0.60
hlth fair	0.057	0.84	-0.199	-1.16	-0.123	-1.18	-0.134	-1.20
hlt bad/vb	-0.284	-2.72	-0.503	-2.77	-0.548	-2.80	-0.284	-1.54
1996	-0.041	-0.68	-0.053	-0.87	0.233	0.00	0.233	0.00
1997	0.145	2.29	-0.012	-0.18	-0.068	-0.85	0.094	0.00
1998	0.185	2.78	-0.020	-0.30	-0.137	-1.62	0.211	2.69
1999	0.255	3.78	0.106	1.55	0.135	1.61	0.085	0.98
2000	0.300	4.60	-0.026	-0.39	0.057	0.69	0.220	2.52

2001	0.387	6.02	-0.081	-1.17	0.079	0.86	0.144	1.55
lag dis	-0.227	-2.92	-0.169	-3.01	-0.339	-2.76	-0.429	-4.65
lag work	1.229	27.91	1.797	39.09	2.055	27.31	1.466	19.73
disab	-0.225	-2.81	-0.142	-2.22	-0.338	-2.56	-0.401	-4.31
Initial conditions								
constant	-0.412	-2.56	0.621	2.36	0.482	2.32	0.691	2.83
age 35-44	0.331	2.84	0.079	0.70	0.132	0.90	0.564	3.94
age 45-54	0.049	0.35	-0.204	-1.72	-0.006	-0.04	0.795	4.56
age 55-64	-0.102	-0.42	-0.234	-1.37	-1.176	-5.00	0.147	0.70
educ med	0.630	4.57	0.656	3.57	0.474	3.41	0.002	0.01
educ high	1.483	10.11	2.063	6.38	1.028	3.77	0.425	2.59
marr/coh	-0.963	-7.73	-0.436	-3.45	-0.535	-3.14	-0.099	-0.64
hlth good	-0.073	-0.62	0.198	0.87	-0.074	-0.58	-0.037	-0.27
hlth fair	-0.028	-0.19	-0.162	-0.69	-0.183	-1.04	-0.380	-2.18
hlt bad/vb	-0.360	-1.80	-0.435	-1.75	-0.312	-1.05	-0.972	-3.60
ie disab	-0.513	-11.14	0.617	15.53	0.643	10.97	0.609	9.61
ie dis->wk	-0.073	-0.75	0.103	1.38	0.520	5.51	0.400	4.18
ie work	1.392	20.98	1.071	15.92	0.738	6.82	0.762	8.05
ie dis-di0	-0.463	-4.86	0.347	5.25	0.592	5.07	1.175	5.21
ie wrk-di0	-0.109	-1.65	-0.066	-1.26	-0.251	-2.22	-0.265	-1.48
ie dis-wr0	-0.114	-0.85	0.134	1.40	0.389	2.92	0.243	2.30
ie wrk-wr0	1.658	15.14	1.330	13.99	1.257	5.91	0.952	7.19

WOMEN				
Work disability (0:no; 1: yes)				
	UK		US	
	par.	t-val.	par.	t-val.
constant	-2.990	-20.62	-2.991	-20.29
age 35-44	0.175	2.01	0.152	2.22
age 45-54	0.453	5.27	0.443	5.51
age 55-64	0.774	7.87	0.555	5.21
educ med	0.032	0.44		
educ high	-0.100	-1.61		
yrs ed 12			-0.056	-0.65
y ed 13-15			0.031	0.34
y ed > 15			0.020	0.21
marr/coh	-0.106	-1.62	-0.064	-1.25
hlth v gd			0.756	9.00
hlth good	0.451	4.76	1.353	15.79
hlth fair	1.461	15.32	2.310	23.10
hlt bad/vb	2.306	21.85	3.413	22.66
1996	0.015	0.19	-0.021	-0.32
1997	0.096	1.14	0.009	0.13
1998	-0.043	-0.51		
1999	-0.264	-3.36	0.251	2.63
2000	0.065	0.78		
2001	0.191	2.27	0.252	2.59
2003			0.110	1.13

black			0.000	0.00
hispanic			0.000	0.00
lag dis	0.828	14.24	0.862	13.09
lag2 dis	0	0	0.634	9.24
lag work	-0.175	-2.54	-0.398	-5.30
lag2 work			-0.583	-8.25
ldis*lnwrk			0.000	0.00
ldis2*lnw2			0.000	0.00
Initial conditions				
constant	-3.238	-9.53	-3.453	-10.52
age 35-44	0.256	1.65	0.150	1.18
age 45-54	0.481	2.97	0.377	2.44
age 55-64	1.030	4.39	0.459	1.10
educ med	0.198	1.17		
educ high	0.048	0.32		
yrs ed 12			-0.025	-0.14
y ed 13-15			0.229	1.18
y ed > 15			-0.081	-0.37
marr/coh	-0.194	-1.30	0.067	0.56
hlth v gd			0.406	2.14
hlth good	0.663	2.50	1.360	6.69
hlth fair	1.941	7.08	2.653	9.87
hlt bad/vb	2.915	9.78	4.261	9.03
black			0.000	0.00
hispanic			0.000	0.00

Work disability (0: no; 1: yes)				
constant	-0.275	-2.99	-0.218	-2.45
age 35-44	0.149	2.68	0.148	3.13
age 45-54	0.088	1.32	0.188	3.22
age 55-64	-0.407	-5.15	-0.224	-2.85
educ med	0.039	0.62		
educ high	0.320	6.06		
yrs ed 12			0.519	7.57
y ed 13-15			0.608	8.23
y ed > 15			0.710	8.94
marr/coh	-0.173	-3.04	-0.216	-5.29
hlth v gd			-0.037	-0.85
hlth good	-0.009	-0.19	-0.039	-0.82
hlth fair	-0.087	-1.52	-0.344	-5.16
hlt bad/vb	-0.191	-2.62	-0.941	-7.86
1996	0.260	4.48	-0.056	-1.15
1997	0.140	2.23	-0.031	-0.60
1998	0.072	1.12		
1999	0.103	1.60	0.268	3.80
2000	0.146	2.44		
2001	0.051	0.86	0.180	2.51
2003			0.221	3.14
black			0.000	0.00
hispanic			0.000	0.00
lag dis	-0.075	-1.12	-0.055	-0.75

lag2 dis			-0.129	-1.92
lag work	1.453	37.61	1.340	28.65
lag2 work			1.026	18.76
disab	0.078	1.07	-0.664	-11.36
disab mild			0.000	0.00
ldis*lnwrk			0.000	0.00
ldis2*lnw2			0.000	0.00
Initial conditions				
constant	0.305	2.17	0.527	3.33
age 35-44	-0.066	-0.64	0.241	2.88
age 45-54	0.096	0.89	0.385	3.29
age 55-64	0.095	0.48	0.592	1.98
educ med	0.320	2.54		
educ high	0.754	7.42		
yrs ed 12			0.695	5.19
y ed 13-15			0.917	6.28
y ed > 15			1.277	7.68
marr/coh	0.178	1.65	-0.426	-4.74
hlth v gd			-0.075	-0.75
hlth good	-0.031	-0.30	-0.295	-2.81
hlth fair	-0.366	-2.87	-0.685	-4.15
hlt bad/vb	-0.703	-4.20	-1.385	-4.30
black			0.000	0.00
hispanic			0.000	0.00

ie disab	0.846	15.05	0.986	18.76
ie dis->wk	0.094	1.56	0.131	3.03
ie work	0.921	19.00	0.782	18.35
ie dis-di0	0.942	7.66	1.353	10.62
ie wrk-di0	-0.313	-3.37	-0.336	-4.11
ie dis-wr0	-0.213	-2.50	-0.029	-0.44
ie wrk-wr0	1.205	13.21	1.271	12.58

WOMEN

Work disability (0: no; 1: yes)

	Germany		Denmark		Netherlands		Belgium	
	par.	t-val.	par.	t-val.	par.	t-val.	par.	t-val.
constant	-2.938	-19.32	-1.938	-11.45	-2.638	-16.53	-3.290	-11.64
age 35-44	0.120	2.13	0.088	0.95	0.051	0.62	0.057	0.42
age 45-54	0.334	5.43	0.040	0.40	0.135	1.61	0.064	0.40
age 55-64	0.677	9.69	0.198	1.68	0.198	1.87	0.182	0.96
educ med	0.036	0.69	0.078	0.92	0.043	0.52	-0.141	-1.23
educ high	0.062	0.91	0.118	1.27	0.054	0.49	0.108	0.85
marr/coh	0.038	0.71	-0.163	-1.76	-0.190	-2.68	-0.058	-0.45
hlth good	1.013	7.82	0.923	11.95	0.721	7.06	0.726	4.63
hlth fair	2.291	17.59	1.902	21.27	2.426	21.47	1.946	12.09
hlt bad/vb	3.789	27.61	2.805	18.28	3.688	21.13	2.664	11.48
1996	0.028	0.00	-0.123	-1.20	0.073	0.96	-0.068	-0.50

1997	-0.025	-0.50	0.128	1.28	0.093	1.18	-0.192	-1.35
1998	-0.010	-0.20	0.031	0.31	0.096	0.97	0.376	2.80
1999	-0.017	-0.33	-0.097	-0.93	0.202	2.15	0.037	0.29
2000	-0.039	-0.76	0.062	0.63	0.217	2.19	0.174	1.35
2001	-0.051	-1.00	-0.063	-0.63	0.294	2.94	0.244	1.89
lag dis	0.582	16.00	0.826	13.29	0.920	18.62	0.964	10.49
lag work	-0.165	-3.18	-0.336	-3.55	-0.150	-2.18	-0.271	-1.87
Initial conditions								
constant	-2.835	-10.48	-1.489	-4.86	-2.057	-9.89	-2.647	-5.71
age 35-44	0.106	1.12	-0.042	-0.21	0.157	1.21	0.498	2.27
age 45-54	0.356	3.59	-0.187	-0.86	0.453	3.42	0.572	2.39
age 55-64	0.536	3.81	-0.404	-0.86	0.521	2.56	0.888	2.66
educ med	0.019	0.20	-0.329	-1.58	-0.041	-0.33	-0.408	-1.76
educ high	-0.046	-0.38	-0.242	-1.13	-0.034	-0.21	-0.334	-1.65
marr/coh	0.188	1.79	-0.381	-1.84	-0.104	-0.95	-0.382	-1.89
hlth good	0.881	3.56	0.771	4.30	0.589	3.46	1.021	3.17
hlth fair	2.250	9.09	2.083	8.75	2.065	11.46	2.046	6.02
hlt bad/vb	3.701	13.93	3.271	6.05	2.765	10.63	3.169	6.76

Work disability (0: no; 1: yes)

	Germany		Denmark		Netherlands		Belgium	
	par.	t-val.	par.	t-val.	par.	t-val.	par.	t-val.
constant	-0.157	-1.33	-0.446	-3.40	-0.353	-2.51	-1.209	-6.28
age 35-44	0.159	2.71	0.262	3.03	0.083	1.16	-0.109	-1.11
age 45-54	0.087	1.23	0.185	2.00	-0.063	-0.73	-0.462	-4.06
age 55-64	-0.706	-8.54	-0.368	-3.62	-0.778	-6.61	-1.426	-9.28
educ med	0.177	3.00	0.256	3.35	0.203	2.35	0.274	3.35
educ high	0.819	10.00	0.576	6.41	0.496	4.95	0.820	7.85
marr/coh	-0.269	-4.32	-0.020	-0.27	-0.619	-7.18	-0.173	-2.21
hlth good	0.000	0.00	-0.033	-0.46	-0.096	-1.67	-0.045	-0.61
hlth fair	-0.057	-0.72	-0.194	-1.90	-0.320	-3.87	-0.163	-1.71
hlt bad/vb	-0.312	-3.35	-0.861	-5.89	-0.807	-5.19	-0.215	-1.16
1996	0.233	0.00	-0.109	-1.15	0.078	1.01	0.304	3.48
1997	-0.026	-0.53	0.039	0.38	0.062	0.76	0.272	2.77
1998	-0.087	-1.63	0.125	1.22	0.393	3.82	0.337	2.98
1999	0.049	0.92	0.215	2.07	0.374	3.96	0.341	3.01
2000	-0.022	-0.41	0.018	0.18	0.505	4.89	0.469	4.65
2001	0.019	0.35	0.153	1.37	0.597	5.61	0.338	3.12
lag dis	-0.236	-5.17	-0.258	-3.11	-0.161	-2.29	-0.013	-0.08
lag work	1.409	33.13	1.748	25.32	1.827	37.30	2.380	32.62
disab	-0.150	-2.78	-0.268	-2.87	-0.226	-2.71	-0.331	-2.12

Initial conditions								
constant	0.804	4.63	-0.149	-0.45	0.403	1.92	3.326	2.31
age 35-44	-0.183	-1.93	1.290	3.27	-0.223	-1.71	-0.390	-0.60
age 45-54	0.229	-2.04	0.823	2.49	-0.501	-3.10	-3.229	-2.19
age 55-64	-0.353	-2.51	1.111	2.20	-0.908	-3.16	-4.578	-1.91
educ med	0.382	3.96	0.604	2.06	0.387	2.67	2.195	1.87
educ high	1.212	8.95	1.589	3.49	1.012	5.43	6.279	2.32
marr/coh	-0.395	-3.62	0.560	2.07	-0.614	-4.78	-1.289	-1.54
hlth good	-0.160	-1.23	-0.429	-1.69	-0.096	-0.70	-1.342	-1.98
hlth fair	-0.236	-1.73	-0.721	-1.80	-0.341	-1.91	-2.496	-2.35
hlt bad/vb	-0.448	-2.88	-2.237	-3.08	-1.210	-3.96	-3.000	0.00
ie disab	0.793	23.46	0.580	9.85	0.698	14.89	1.124	10.93
ie dis->wk	0.236	4.46	0.075	1.08	0.173	2.38	-0.085	-1.01
ie work	1.096	19.17	0.447	5.82	0.942	12.76	0.578	7.74
ie dis-di0	0.723	12.28	0.698	4.64	0.506	6.27	1.066	6.74
ie wrk-di0	-0.110	-2.13	-0.382	-2.44	-0.054	-0.80	-0.090	-0.65
ie dis-wr0	0.139	2.07	-0.125	-0.79	0.158	1.59	-1.196	-1.66
ie wrk-wr0	1.368	15.84	1.702	2.95	1.567	11.04	6.075	2.38

WOMEN

Work disability (0: no; 1: yes)

	France		Ireland		Italy		Greece	
	par.	t-val.	par.	t-val.	par.	t-val.	par.	t-val.
constant	-2.488	-16.84	-2.714	-13.81	-4.137	-6.80	-3.575	-19.88
age 35-44	0.018	0.24	-0.056	-0.39	-0.030	-0.35	0.125	1.03
age 45-54	0.287	3.84	-0.060	-0.42	0.102	1.16	0.032	0.25
age 55-64	0.445	4.98	0.066	0.41	0.129	1.33	-0.028	-0.21
educ med	-0.145	-2.50	-0.082	-0.87	0.025	0.39	-0.038	-0.46
educ high	-0.201	-2.95	-0.126	-0.92	-0.002	-0.02	0.045	0.42
marr/coh	-0.043	-0.71	-0.122	-1.19	-0.022	-0.30	0.036	0.43
hlth good	0.463	4.27	0.818	7.72	1.539	2.53	1.056	9.37
hlth fair	1.548	14.10	2.174	17.85	2.254	3.72	2.898	24.68
hlt bad/vb	2.764	22.09	3.490	14.79	4.023	6.55	4.224	28.40
1996	-0.048	-0.71	-0.054	-0.40	0.117	1.60	0.020	0.22
1997	-0.004	-0.06	0.132	1.08	0.046	0.58	0.111	1.13
1998	0.055	0.84	0.286	2.28	0.123	1.62	0.260	2.68
1999	-0.130	-1.88	0.014	0.10	-0.167	-2.04	0.170	1.82
2000	0.103	1.50	0.397	3.09	0.048	0.59	0.316	3.39
2001	-0.043	-0.64	0.229	1.76	-0.016	-0.20	0.375	4.23
lag dis	0.842	17.00	1.133	12.06	0.819	15.55	0.905	14.70
lag work	-0.245	-3.73	-0.030	-0.25	-0.449	-6.00	0.053	0.67

Initial conditions								
constant	-2.805	-8.72	-1.677	-5.86	-2.206	-11.71	-2.071	-9.53
age 35-44	0.059	0.42	0.129	0.58	0.050	0.57	-0.286	-1.78
age 45-54	0.339	2.35	0.179	0.80	0.260	2.94	-0.231	-1.35
age 55-64	0.541	2.53	-0.119	-0.37	0.249	2.03	-0.495	-2.33
educ med	0.042	0.37	-0.268	-1.38	-0.128	-1.71	-0.087	-0.59
educ high	-0.366	-2.30	-0.029	-0.10	-0.248	-1.71	-0.019	-0.11
marr/coh	-0.074	-0.58	-0.466	-2.01	-0.070	-0.74	-0.006	-0.03
hlth good	0.721	2.60	0.633	3.06	0.800	4.54	0.353	2.18
hlth fair	1.738	6.32	2.083	7.77	1.567	9.04	2.186	14.46
hlt bad/vb	2.794	9.17	2.960	0.00	3.069	14.99	3.334	15.15
Work disability (0: no; 1: yes)								
constant	-0.640	-5.83	-0.707	-4.83	-1.214	-12.27	-0.691	-5.68
age 35-44	0.096	1.66	-0.008	-0.08	0.048	0.72	0.171	2.27
age 45-54	0.043	0.66	-0.202	-1.77	-0.114	-1.42	-0.142	-1.59
age 55-64	-0.964	-10.42	-0.862	-6.28	-0.871	-8.54	-0.747	-6.71
educ med	0.216	4.04	0.331	4.32	0.820	13.58	0.131	1.94
educ high	0.549	7.87	0.880	7.59	1.585	13.67	0.739	7.90
marr/coh	-0.334	-5.86	-0.447	-4.46	-0.238	-3.67	-0.304	-3.33
hlth good	0.147	2.42	-0.101	-1.59	0.022	0.40	-0.057	-1.16
hlth fair	0.157	2.37	-0.362	-3.43	0.023	0.37	-0.109	-1.39
hlt bad/vb	-0.324	-3.04	-0.906	-2.43	-0.053	-0.45	-0.703	-5.22
1996	0.070	1.14	0.045	0.46	0.062	1.08	-0.116	-1.73

	France		Ireland		Italy		Greece	
	par.	t-val.	par.	t-val.	par.	t-val.	par.	t-val.
1997	0.050	0.86	0.245	2.38	0.014	0.21	-0.080	-1.25
1998	0.017	0.25	0.302	2.88	-0.002	-0.03	0.215	3.10
1999	0.062	0.85	0.254	2.43	0.095	1.46	-0.320	-4.57
2000	0.012	0.16	0.471	4.67	0.015	0.23	0.135	2.03
2001	0.135	1.83	0.227	2.12	0.004	0.06	0.068	1.01
lag dis	-0.186	-2.84	-0.073	-0.59	-0.116	-1.29	-0.047	-0.55
lag work	2.153	44.49	1.723	26.86	1.857	42.37	1.596	33.40
disab	-0.131	-1.83	-0.532	-3.70	-0.295	-2.71	-0.071	-0.71
Initial conditions								
constant	0.567	2.41	-0.177	-0.73	-0.642	-4.28	-0.268	-1.71
age 35-44	0.458	2.87	-0.783	-3.81	0.201	1.76	0.449	3.91
age 45-54	0.244	1.39	-0.779	-3.56	0.166	1.27	0.211	1.68
age 55-64	-0.352	-1.34	-1.273	-2.77	-0.343	-1.66	0.155	0.88
educ med	0.739	4.56	1.184	6.25	1.146	10.13	0.124	1.09
educ high	1.864	6.27	2.083	7.13	1.851	9.18	0.742	5.37
marr/coh	-0.716	-3.90	-0.497	-2.30	-0.220	-1.89	-0.248	-1.83
hlth good	0.346	2.21	-0.310	-1.85	-0.105	-0.91	-0.070	-0.74
hlth fair	0.097	0.55	-0.446	-1.76	-0.003	-0.02	-0.257	-1.93
hlt bad/vb	-1.175	-3.97	-0.718	-1.32	-0.161	-0.81	-0.481	-2.25
ie disab	0.739	17.15	0.596	8.15	0.752	15.96	-0.560	-10.87

ie dis->wk	0.067	1.11	0.113	0.93	0.647	8.46	0.182	1.67
ie work	0.670	9.39	0.797	9.86	1.215	14.47	1.337	18.76
ie dis-di0	0.780	9.21	0.538	3.38	0.089	1.63	-0.170	-1.52
ie wrk-di0	-0.113	-1.48	-0.074	-0.59	-0.102	-2.06	-0.098	-1.43
ie dis-wr0	0.187	1.52	-0.106	-0.51	0.809	7.00	0.424	3.30
ie wrk-wr0	2.031	6.13	1.308	6.62	1.791	14.08	1.222	13.79

WOMEN

Work disability (0:no; 1: yes)

	Spain		Portugal		Austria		Finland	
	par.	t-val.	par.	t-val.	par.	t-val.	par.	t-val.
constant	-2.672	-20.18	-2.509	-7.31	-2.944	-14.78	-2.416	-13.25
age 35-44	-0.079	-1.03	-0.082	-1.01	0.137	1.24	0.071	0.77
age 45-54	0.112	1.49	-0.059	-0.74	0.219	1.90	0.017	0.18
age 55-64	0.289	3.41	0.015	0.18	0.280	2.21	0.220	2.02
educ med	-0.116	-1.56	-0.184	-1.86	0.168	2.19	0.050	0.67
educ high	-0.423	-4.66	0.041	0.30	0.244	1.79	-0.001	-0.02
marr/coh	-0.166	-2.89	-0.169	-2.78	-0.147	-1.72	-0.011	-0.14
hlth good	0.446	3.77	-0.384	-1.14	0.951	6.49	0.924	7.82
hlth fair	1.636	13.74	1.045	3.17	2.200	14.22	2.003	15.42
hlt bad/vb	2.736	21.69	2.648	7.92	3.159	17.05	3.238	18.00
1996	0.020	0.29	0.403	5.86	0.028	0.00	0.028	0.00
1997	0.075	0.99	0.390	5.43	0.130	1.44	0.098	0.00
1998	0.119	1.60	0.292	4.15	0.024	0.25	0.160	2.18
1999	0.160	2.08	0.382	5.36	-0.036	-0.38	0.158	1.91
2000	0.051	0.65	0.348	5.06	0.036	0.36	0.224	2.61
2001	0.165	2.16	0.407	5.76	0.034	0.33	0.206	2.55
lag dis	0.796	16.27	1.037	23.61	0.916	13.15	0.887	13.65
lag work	-0.258	-3.77	-0.216	-3.62	-0.431	-4.54	-0.357	-4.05

Initial conditions								
constant	-2.576	-13.42	-2.282	-5.42	-2.685	-6.95	-2.802	-5.68
age 35-44	0.128	0.75	0.070	0.64	0.063	0.32	0.074	0.32
age 45-54	0.361	2.26	0.167	1.55	0.140	0.72	0.075	0.33
age 55-64	0.509	2.63	0.208	1.43	0.471	2.15	0.878	3.03
educ med	-0.261	-1.28	0.077	0.50	0.128	0.91	0.093	0.49
educ high	-0.511	-2.19	0.156	0.77	0.235	0.75	-0.194	-0.97
marr/coh	-0.090	-0.66	-0.119	-1.04	-0.333	-1.93	-0.244	-1.15
hlth good	0.318	1.95	0.628	1.57	1.075	3.95	0.959	3.58
hlth fair	1.623	12.17	1.656	4.16	2.350	8.20	2.669	7.42
hlt bad/vb	2.960	0.00	2.981	7.36	3.458	9.97	4.976	6.50
Work disability (0: no; 1: yes)								
constant	-0.716	-6.56	0.103	0.53	-0.462	-3.08	-0.118	-0.69
age 35-44	0.033	0.48	-0.123	-1.66	0.196	2.26	0.377	3.80
age 45-54	-0.106	-1.25	-0.416	-4.83	-0.083	-0.81	0.433	3.77
age 55-64	-0.775	-6.99	-0.712	-7.23	-1.371	-9.79	-0.558	-4.47
educ med	0.587	8.43	0.466	4.34	0.271	3.37	0.102	1.16
educ high	1.279	14.99	1.161	6.76	0.877	5.19	0.469	4.68
marr/coh	-0.811	-11.03	-0.207	-2.86	-0.350	-3.56	0.040	0.46
hlth good	0.001	0.01	-0.011	-0.06	-0.053	-0.82	-0.054	-0.60
hlth fair	0.057	0.84	-0.199	-1.16	-0.123	-1.18	-0.134	-1.20
hlt bad/vb	-0.284	-2.72	-0.503	-2.77	-0.548	-2.80	-0.284	-1.54
1996	-0.041	-0.68	-0.053	-0.87	0.233	0.00	0.233	0.00

	Spain		Portugal		Austria		Finland	
	par.	t-val.	par.	t-val.	par.	t-val.	par.	t-val.
1997	0.145	2.29	-0.012	-0.18	-0.068	-0.85	0.094	0.00
1998	0.185	2.78	-0.020	-0.30	-0.137	-1.62	0.211	2.69
1999	0.255	3.78	0.106	1.55	0.135	1.61	0.085	0.98
2000	0.300	4.60	-0.026	-0.39	0.057	0.69	0.220	2.52
2001	0.387	6.02	-0.081	-1.17	0.079	0.86	0.144	1.55
lag dis	-0.227	-2.92	-0.169	-3.01	-0.339	-2.76	-0.429	-4.65
lag work	1.229	27.91	1.797	39.09	2.055	27.31	1.466	19.73
disab	-0.225	-2.81	-0.142	-2.22	-0.338	-2.56	-0.401	-4.31
Initial conditions								
constant	-0.412	-2.56	0.621	2.36	0.482	2.32	0.691	2.83
age 35-44	0.331	2.84	0.079	0.70	0.132	0.90	0.564	3.94
age 45-54	0.049	0.35	-0.204	-1.72	-0.006	-0.04	0.795	4.56
age 55-64	-0.102	-0.42	-0.234	-1.37	-1.176	-5.00	0.147	0.70
educ med	0.630	4.57	0.656	3.57	0.474	3.41	0.002	0.01
educ high	1.483	10.11	2.063	6.38	1.028	3.77	0.425	2.59
marr/coh	-0.963	-7.73	-0.436	-3.45	-0.535	-3.14	-0.099	-0.64
hlth good	-0.073	-0.62	0.198	0.87	-0.074	-0.58	-0.037	-0.27
hlth fair	-0.028	-0.19	-0.162	-0.69	-0.183	-1.04	-0.380	-2.18
hlt bad/vb	-0.360	-1.80	-0.435	-1.75	-0.312	-1.05	-0.972	-3.60
ie disab	-0.513	-11.14	0.617	15.53	0.643	10.97	0.609	9.61

ie dis->wk	-0.073	-0.75	0.103	1.38	0.520	5.51	0.400	4.18
ie work	1.392	20.98	1.071	15.92	0.738	6.82	0.762	8.05
ie dis-di0	-0.463	-4.86	0.347	5.25	0.592	5.07	1.175	5.21
ie wrk-di0	-0.109	-1.65	-0.066	-1.26	-0.251	-2.22	-0.265	-1.48
ie dis-wr0	-0.114	-0.85	0.134	1.40	0.389	2.92	0.243	2.30
ie wrk-wr0	1.658	15.14	1.330	13.99	1.257	5.91	0.952	7.19

WOMEN

Work disability (0:no; 1: yes)

	UK		US	
	par.	t-val.	par.	t-val.
constant	-2.990	-20.62	-2.991	-20.29
age 35-44	0.175	2.01	0.152	2.22
age 45-54	0.453	5.27	0.443	5.51
age 55-64	0.774	7.87	0.555	5.21
educ med	0.032	0.44		
educ high	-0.100	-1.61		
yrs ed 12			-0.056	-0.65
y ed 13-15			0.031	0.34
y ed > 15			0.020	0.21
marr/coh	-0.106	-1.62	-0.064	-1.25
hlth v gd			0.756	9.00
hlth good	0.451	4.76	1.353	15.79
hlth fair	1.461	15.32	2.310	23.10
hlt bad/vb	2.306	21.85	3.413	22.66
1996	0.015	0.19	-0.021	-0.32
1997	0.096	1.14	0.009	0.13
1998	-0.043	-0.51		
1999	-0.264	-3.36	0.251	2.63
2000	0.065	0.78		
2001	0.191	2.27	0.252	2.59

2003			0.110	1.13
black			0.000	0.00
hispanic			0.000	0.00
lag dis	0.828	14.24	0.862	13.09
lag2 dis	0	0	0.634	9.24
lag work	-0.175	-2.54	-0.398	-5.30
lag2 work			-0.583	-8.25
ldis*lnwrk			0.000	0.00
ldis2*lnw2			0.000	0.00
Initial conditions				
constant	-3.238	-9.53	-3.453	-10.52
age 35-44	0.256	1.65	0.150	1.18
age 45-54	0.481	2.97	0.377	2.44
age 55-64	1.030	4.39	0.459	1.10
educ med	0.198	1.17		
educ high	0.048	0.32		
yrs ed 12			-0.025	-0.14
y ed 13-15			0.229	1.18
y ed > 15			-0.081	-0.37
marr/coh	-0.194	-1.30	0.067	0.56
hlth v gd			0.406	2.14
hlth good	0.663	2.50	1.360	6.69
	UK		US	

	par.	t-val.	par.	t-val.
hlth fair	1.941	7.08	2.653	9.87
hlt bad/vb	2.915	9.78	4.261	9.03
black			0.000	0.00
hispanic			0.000	0.00
Work disability (0: no; 1: yes)				
constant	-0.275	-2.99	-0.218	-2.45
age 35-44	0.149	2.68	0.148	3.13
age 45-54	0.088	1.32	0.188	3.22
age 55-64	-0.407	-5.15	-0.224	-2.85
educ med	0.039	0.62		
educ high	0.320	6.06		
yrs ed 12			0.519	7.57
y ed 13-15			0.608	8.23
y ed > 15			0.710	8.94
marr/coh	-0.173	-3.04	-0.216	-5.29
hlth v gd			-0.037	-0.85
hlth good	-0.009	-0.19	-0.039	-0.82
hlth fair	-0.087	-1.52	-0.344	-5.16
hlt bad/vb	-0.191	-2.62	-0.941	-7.86
1996	0.260	4.48	-0.056	-1.15
1997	0.140	2.23	-0.031	-0.60
1998	0.072	1.12		

1999	0.103	1.60	0.268	3.80
2000	0.146	2.44		
2001	0.051	0.86	0.180	2.51
2003			0.221	3.14
black			0.000	0.00
hispanic			0.000	0.00
lag dis	-0.075	-1.12	-0.055	-0.75
lag2 dis			-0.129	-1.92
lag work	1.453	37.61	1.340	28.65
lag2 work			1.026	18.76
disab	0.078	1.07	-0.664	-11.36
disab mild			0.000	0.00
ldis*lnwrk			0.000	0.00
ldis2*lnw2			0.000	0.00

Initial conditions

	UK		US	
	par.	t-val.	par.	t-val.
constant	0.305	2.17	0.527	3.33
age 35-44	-0.066	-0.64	0.241	2.88
age 45-54	0.096	0.89	0.385	3.29
age 55-64	0.095	0.48	0.592	1.98
educ med	0.320	2.54		
educ high	0.754	7.42		
yrs ed 12			0.695	5.19
y ed 13-15			0.917	6.28
y ed > 15			1.277	7.68
marr/coh	0.178	1.65	-0.426	-4.74
hlth v gd			-0.075	-0.75
hlth good	-0.031	-0.30	-0.295	-2.81
hlth fair	-0.366	-2.87	-0.685	-4.15
hlt bad/vb	-0.703	-4.20	-1.385	-4.30
black			0.000	0.00
hispanic			0.000	0.00
ie disab	0.846	15.05	0.986	18.76
ie dis->wk	0.094	1.56	0.131	3.03

ie work	0.921	19.00	0.782	18.35
ie dis-di0	0.942	7.66	1.353	10.62
ie wrk-di0	-0.313	-3.37	-0.336	-4.11
ie dis-wr0	-0.213	-2.50	-0.029	-0.44
ie wrk-wr0	1.205	13.21	1.271	12.58

Table A5b: Estimation Results for Men

MEN

Work disability (0:no; 1: yes)

	Germany		Denmark		Netherlands		Belgium	
	par.	t-val.	par.	t-val.	par.	t-val.	par.	t-val.
constant	-2.677	-16.50	-1.729	-8.67	-1.955	-9.71	-2.539	-9.81
age 35-44	0.088	1.48	-0.060	-0.54	0.249	2.56	0.277	1.77
age 45-54	0.294	4.71	-0.162	-1.43	0.179	1.65	0.204	1.20
age 55-64	0.535	7.61	-0.200	-1.37	0.139	1.13	0.418	2.09
educ med	0.028	0.45	0.078	0.75	-0.048	-0.39	-0.147	-1.32
educ high	-0.162	-2.29	-0.148	-1.31	-0.270	-1.99	-0.240	-1.92
marr/coh	0.053	0.95	0.133	1.39	-0.077	-0.86	-0.150	-1.15
hlth good	0.844	6.27	0.739	8.60	0.634	6.96	0.650	4.13
hlth fair	2.124	15.70	1.658	15.34	2.166	21.63	1.675	9.71
hlt bad/vb	3.550	24.68	2.730	13.01	3.531	18.50	2.840	10.89
1996	0.028	0.00	0.045	0.41	-0.102	-1.19	-0.186	-1.37
1997	0.063	1.28	0.249	2.11	-0.171	-1.82	-0.375	-2.38
1998	0.057	1.09	0.226	1.93	-0.093	-0.63	0.121	0.89
1999	-0.047	-0.89	0.185	1.64	-0.069	-0.50	-0.261	-1.94
2000	0.007	0.14	0.122	1.03	-0.039	-0.28	-0.064	-0.49
2001	0.064	1.25	0.359	2.81	-0.041	-0.30	-0.068	-0.46
lag dis	0.638	17.35	0.926	11.41	0.724	12.38	1.022	9.69

lag work	-0.268	-4.29	-0.837	-5.45	-0.738	-7.22	-0.296	-1.77
Initial conditions								
constant	-2.999	-6.07	-2.864	-4.13	-1.758	-8.44	-2.531	-6.62
age 35-44	0.292	2.80	0.372	1.17	0.092	0.65	0.037	0.14
age 45-54	0.318	2.91	0.159	0.49	0.090	0.58	0.285	1.00
age 55-64	0.679	5.09	0.295	0.42	0.359	1.45	0.958	2.38
educ med	-0.157	-1.41	-0.243	-0.78	-0.028	-0.18	-0.158	-0.66
educ high	-0.463	-3.62	-0.796	-2.01	-0.124	-0.69	-0.326	-1.41
marr/coh	-0.188	-1.75	-0.161	-0.51	-0.033	-0.24	-0.114	-0.43
hlth good	1.372	2.96	1.557	3.75	0.298	2.12	0.715	2.46
hlth fair	2.759	5.91	2.868	4.44	1.704	10.06	2.060	6.15
hlt bad/vb	4.275	8.78	3.000	3.76	2.530	6.28	3.609	6.08

Work (0:no; 1: yes)

	Germany		Denmark		Netherlands		Belgium	
	par.	t-val.	par.	t-val.	par.	t-val.	par.	t-val.
constant	0.158	1.31	0.157	0.70	0.025	0.13	-0.097	-0.35
age 35-44	0.057	0.89	0.107	0.82	-0.018	-0.15	-0.121	-0.77
age 45-54	-0.080	-1.20	-0.039	-0.26	-0.180	-1.45	-0.523	-3.19
age 55-64	-1.044	-13.75	-0.660	-3.94	-1.263	-9.85	-1.479	-6.94
educ med	0.150	2.63	0.188	1.60	0.377	3.30	0.103	0.89
educ high	0.514	7.56	0.356	2.68	0.458	3.29	0.376	3.07
marr/coh	0.228	4.06	0.445	4.28	0.324	3.33	0.226	1.86
hlth good	-0.059	-0.73	-0.117	-1.06	-0.039	-0.44	-0.010	-0.10
hlth fair	-0.047	-0.54	-0.188	-1.32	-0.150	-1.29	-0.371	-2.59
hlt bad/vb	-0.454	-4.51	-0.506	-2.17	-0.728	-3.61	-0.768	-2.72
1996	0.233	0.00	-0.097	-0.78	0.072	0.72	-0.375	-2.65
1997	-0.073	-1.31	-0.122	-0.80	-0.002	-0.02	-0.236	-1.55
1998	-0.108	-1.87	0.091	0.55	0.359	2.45	-0.248	-1.57
1999	0.042	0.70	0.065	0.41	0.483	3.21	-0.201	-1.31
2000	-0.046	-0.72	0.009	0.05	0.460	3.28	-0.238	-1.55
2001	-0.099	-1.63	-0.037	-0.23	0.471	3.31	-0.002	-0.01
lag dis	-0.311	-6.17	-0.383	-2.95	-0.323	-3.49	-0.135	-0.72
lag work	1.631	33.96	1.795	15.73	1.977	26.39	2.645	19.91
disab	-0.120	-2.01	-0.720	-4.81	-0.735	-6.81	-0.514	-3.00

Initial conditions								
constant	0.627	3.08	0.658	1.78	2.169	2.23	2.595	1.95
age 35-44	0.224	1.83	0.697	2.16	-0.352	-1.00	1.252	1.25
age 45-54	0.006	0.04	0.761	2.18	-0.605	-1.43	0.325	0.40
age 55-64	-0.750	-5.19	0.723	1.18	-1.805	-2.22	-3.748	-1.92
educ med	0.339	2.83	0.617	1.88	0.905	1.95	0.841	1.08
educ high	0.867	5.72	0.852	2.36	0.977	1.78	0.972	1.13
marr/coh	0.726	6.11	1.042	2.96	1.103	2.22	2.915	2.11
hlth good	0.278	1.73	-0.481	-1.70	0.184	0.65	0.372	0.50
hlth fair	-0.006	-0.04	-1.571	-3.03	-1.070	-1.94	-1.922	-2.12
hlt bad/vb	-0.343	-1.81	-2.146	-2.73	-3.477	-2.19	-3.000	0.00
ie disab	0.767	23.65	0.664	10.32	0.845	16.35	0.901	9.23
ie dis->wk	0.082	1.73	0.310	2.92	0.274	4.32	0.181	1.56
ie work	0.617	12.76	0.468	3.83	0.378	4.82	0.343	2.60
ie dis-di0	0.808	11.43	1.115	3.32	0.590	7.19	0.847	5.43
ie wrk-di0	-0.106	-1.56	-0.768	-2.04	-0.254	-2.19	-0.060	-0.36
ie dis-wr0	0.029	0.38	-0.236	-1.05	-0.369	-1.66	-0.297	-0.56
ie wrk-wr0	1.044	8.63	1.255	2.63	2.054	2.04	3.486	2.24

MEN

Work disability (0:no; 1: yes)

	France		Ireland		Italy		Greece	
	par.	t-val	par.	t-val.	par.	t-val.	par.	t-val.
constant	-1.929	-12.82	-2.118	-8.87	-4.010	-12.03	-2.918	-17.55
age 35-44	-0.076	-1.02	0.056	0.32	-0.026	-0.26	0.125	1.02
age 45-54	0.067	0.87	0.173	1.01	0.167	1.65	0.247	2.15
age 55-64	0.155	1.66	0.282	1.43	0.227	2.10	0.245	2.02
educ med	-0.111	-1.80	-0.285	-2.53	-0.041	-0.66	0.014	0.19
educ high	-0.357	-5.03	-0.278	-1.73	-0.204	-1.75	-0.013	-0.15
marr/coh	-0.109	-1.60	-0.068	-0.56	-0.067	-0.81	-0.041	-0.40
hlth good	0.383	3.79	0.681	5.62	1.405	4.54	0.882	10.98
hlth fair	1.436	14.16	2.141	15.10	2.162	6.90	2.424	28.28
hlt bad/vb	2.766	20.13	3.914	12.96	3.907	12.07	3.649	29.44
1996	-0.007	-0.10	-0.103	-0.69	0.102	1.31	-0.101	-1.03
1997	0.043	0.54	0.109	0.67	0.002	0.02	-0.081	-0.82
1998	0.060	0.82	0.142	0.95	0.060	0.74	0.106	1.11
1999	-0.002	-0.03	-0.104	-0.73	0.068	0.80	-0.003	-0.03
2000	-0.004	-0.05	0.222	1.56	-0.115	-1.21	0.175	1.76
2001	0.044	0.56	0.258	1.89	-0.045	-0.51	0.281	3.00
lag dis	0.778	14.76	0.906	9.91	1.036	17.95	0.944	13.78
lag work	-0.448	-5.67	-0.840	-6.09	-0.223	-2.48	-0.154	-1.71

Initial conditions								
constant	-1.883	-8.06	-2.018	-5.77	-2.287	-13.64	-1.917	-10.75
age 35-44	-0.067	-0.51	-0.112	-0.44	0.179	1.63	-0.130	-0.68
age 45-54	0.110	0.79	-0.082	-0.31	0.110	0.95	-0.078	-0.39
age 55-64	0.071	0.35	0.446	1.38	0.355	2.20	-0.184	-0.62
educ med	-0.158	-1.38	-0.053	-0.25	-0.103	-1.24	0.008	0.05
educ high	-0.565	-3.63	-0.331	-1.07	-0.227	-1.49	-0.167	-0.79
marr/coh	-0.193	-1.52	-0.112	-0.50	-0.023	-0.20	-0.510	-2.95
hlth good	0.406	2.29	0.541	2.33	0.578	3.83	0.662	3.72
hlth fair	1.302	7.09	2.013	7.18	1.638	10.86	2.297	11.52
hlt bad/vb	2.482	9.80	2.960	0.00	3.190	15.66	3.281	11.74
Work (0:no; 1: yes)								
constant	-0.421	-3.23	-0.135	-0.68	-0.450	-4.62	0.263	1.72
age 35-44	0.109	1.33	-0.151	-0.98	0.291	4.04	0.326	3.13
age 45-54	-0.116	-1.42	-0.348	-2.28	-0.187	-2.53	-0.183	-1.67
age 55-64	-1.206	-12.32	-0.744	-4.47	-1.035	-12.16	-0.914	-7.28
educ med	0.173	2.73	0.299	3.28	0.284	5.51	-0.025	-0.35
educ high	0.349	5.46	0.432	2.86	0.697	7.50	0.313	3.24
marr/coh	0.256	4.46	0.374	3.30	0.460	7.28	0.440	4.42
hlth good	0.151	2.33	-0.100	-1.20	-0.008	-0.13	-0.122	-1.97
hlth fair	0.154	2.01	-0.309	-2.03	-0.053	-0.86	-0.392	-4.13
hlt bad/vb	-0.347	-3.10	-0.480	-1.75	-0.446	-4.02	-1.208	-8.23
1996	-0.228	-2.55	0.151	1.29	0.177	2.83	-0.007	-0.08

	France		Ireland		Italy		Greece	
	par.	t-val	par.	t-val.	par.	t-val.	par.	t-val.
1997	-0.376	-4.48	0.209	1.67	0.023	0.38	-0.129	-1.43
1998	-0.268	-2.88	0.306	2.31	0.065	1.04	0.063	0.72
1999	-0.141	-1.41	0.498	3.82	-0.037	-0.57	-0.287	-3.21
2000	-0.221	-2.26	0.546	4.06	0.110	1.65	-0.121	-1.28
2001	-0.291	-3.02	0.343	2.51	0.055	0.79	0.001	0.01
lag dis	-0.216	-3.01	-0.291	-2.06	-0.152	-2.12	0.060	0.63
lag work	2.379	39.46	1.891	20.12	1.975	42.29	1.805	25.09
disab	-0.314	-3.73	-0.771	-4.53	-0.331	-3.53	-0.364	-3.46
Initial conditions								
constant	1.296	2.69	1.269	3.47	0.686	5.15	1.219	6.89
age 35-44	0.200	0.96	0.100	0.36	0.541	3.78	0.327	1.86
age 45-54	0.479	1.80	0.035	0.13	0.142	1.00	0.120	0.66
age 55-64	-1.723	-3.07	0.555	1.41	-0.723	-4.11	-0.291	-1.25
educ med	0.548	2.35	0.582	2.37	0.192	1.75	-0.049	-0.35
educ high	0.977	2.80	1.694	2.55	0.354	1.87	0.270	1.48
marr/coh	1.050	3.11	0.724	2.50	1.179	8.32	0.984	5.62
hlth good	0.135	0.64	-0.725	-2.90	-0.134	-1.10	-0.290	-2.07
hlth fair	-0.302	-1.17	-1.627	-3.92	-0.205	-1.52	-0.777	-4.07
hlt bad/vb	-1.577	-3.01	-2.934	-3.65	-1.209	-6.25	-1.988	-7.03
ie disab	0.757	16.60	0.782	9.23	0.729	14.37	-0.353	-5.52

ie dis->wk	0.120	2.16	0.329	3.08	0.062	0.91	0.163	1.38
ie work	0.267	4.03	0.639	5.43	0.745	13.28	0.710	9.43
ie dis-di0	0.662	7.77	0.568	3.70	0.435	5.93	-0.257	-1.60
ie wrk-di0	-0.305	-2.73	-0.304	-2.08	-0.063	-1.00	-0.110	-0.96
ie dis-wr0	-0.034	-0.25	0.222	1.13	-0.183	-1.61	0.383	1.87
ie wrk-wr0	1.520	2.43	1.520	3.58	1.130	9.62	0.850	5.29

MEN

Work disability (0:no; 1: yes)

	Spain		Portugal		Austria		Finland	
	par.	t-val.	par.	t-val.	par.	t-val.	par.	t-val.
constant	-2.296	-13.90	-2.851	-7.72	-2.926	-12.66	-2.357	-10.87
age 35-44	0.073	0.78	-0.075	-0.74	0.105	0.84	0.001	0.01
age 45-54	0.196	2.05	-0.045	-0.43	0.297	2.26	-0.014	-0.12
age 55-64	0.239	2.26	0.028	0.25	0.383	2.74	0.241	1.80
educ med	-0.155	-1.92	-0.157	-1.15	0.055	0.58	-0.229	-2.69
educ high	-0.373	-4.53	-0.268	-1.46	-0.161	-0.85	-0.371	-3.62
marr/coh	-0.204	-2.71	-0.296	-3.07	-0.165	-1.82	0.064	0.72
hlth good	0.610	4.46	0.078	0.21	1.226	6.87	0.903	5.96
hlth fair	1.692	12.48	1.594	4.32	2.483	13.50	1.900	11.67
hlt bad/vb	2.861	18.88	3.446	9.15	3.408	16.34	3.401	15.49
1996	-0.160	-1.84	0.151	1.83	0.028	0.00	0.028	0.00
1997	-0.089	-0.95	0.046	0.47	-0.023	-0.25	0.098	0.00
1998	0.015	0.17	0.118	1.33	-0.103	-1.01	0.022	0.26
1999	0.122	1.41	0.230	2.58	-0.256	-2.49	0.067	0.71
2000	0.036	0.40	-0.034	-0.39	-0.199	-1.95	0.114	1.24
2001	0.003	0.03	0.124	1.32	-0.121	-1.20	0.043	0.48
lag dis	0.720	12.31	1.113	19.81	0.867	11.84	0.841	10.38
lag work	-0.626	-7.61	-0.072	-0.72	-0.364	-3.15	-0.143	-1.07

Initial conditions								
constant	-2.112	-9.67	-1.978	-7.59	-3.402	-2.54	-2.604	-6.06
age 35-44	-0.038	-0.20	-0.051	-0.37	0.265	0.93	-0.048	-0.24
age 45-54	0.055	0.29	0.072	0.51	0.878	2.28	0.101	0.47
age 55-64	0.305	1.01	-0.110	-0.61	1.603	2.55	0.674	2.25
educ med	-0.493	-2.06	-0.159	-0.77	-0.179	-0.71	0.004	0.02
educ high	-0.526	-2.20	0.297	1.43	-0.477	-0.95	-0.177	-0.81
marr/coh	-0.471	-2.58	-0.064	-0.43	-0.566	-1.82	0.050	0.23
hlth good	-0.001	0.00	0.370	1.54	1.262	2.07	0.822	2.95
hlth fair	1.466	8.23	1.304	5.36	3.082	2.59	2.110	6.48
hlt bad/vb	2.960	0.00	2.912	10.83	4.222	2.62	4.356	5.04
Work (0: no; 1: yes)								
constant	-0.156	-1.60	0.125	0.53	-0.451	-2.27	-0.116	-0.56
age 35-44	0.199	3.02	-0.055	-0.49	0.343	2.67	0.055	0.37
age 45-54	0.032	0.44	-0.409	-3.43	0.118	0.93	-0.216	-1.39
age 55-64	-0.711	-8.76	-0.971	-7.39	-1.022	-8.30	-1.392	-7.42
educ med	0.132	2.00	-0.060	-0.53	0.040	0.44	0.156	1.46
educ high	0.427	6.08	0.028	0.15	0.480	2.30	0.453	3.62
marr/coh	0.431	6.33	0.350	3.55	0.011	0.13	0.472	4.45
hlth good	0.024	0.44	0.139	0.67	-0.222	-2.46	0.206	1.74
hlth fair	-0.084	-1.20	0.028	0.13	-0.464	-4.01	0.031	0.23
hlt bad/vb	-0.242	-2.37	-0.502	-2.14	-0.920	-5.89	-0.263	-1.17
1996	0.013	0.21	0.070	0.78	0.233	0.00	0.233	0.00

	Spain		Portugal		Austria		Finland	
	par.	t-val.	par.	t-val.	par.	t-val.	par.	t-val.
1997	0.093	1.38	-0.032	-0.34	0.113	1.12	0.094	0.00
1998	0.115	1.63	0.080	0.83	0.018	0.16	0.163	1.72
1999	0.147	2.05	0.064	0.63	-0.160	-1.42	0.164	1.35
2000	0.142	2.04	-0.004	-0.04	-0.140	-1.26	0.124	1.04
2001	0.123	1.70	-0.028	-0.28	-0.146	-1.39	0.129	1.05
lag dis	-0.560	-7.87	0.060	0.72	-0.282	-2.62	-0.249	-1.94
lag work	1.482	31.59	2.153	28.92	2.688	30.25	1.688	17.67
disab	-0.646	-7.83	-0.500	-5.10	-0.284	-2.23	-0.240	-1.91
constant	0.351	2.17	1.463	5.54	1.484	4.29	0.621	2.11
age 35-44	0.349	2.41	-0.110	-0.60	0.279	1.13	0.360	1.58
age 45-54	0.205	1.33	-0.457	-2.41	-0.333	-1.46	-0.048	-0.20
age 55-64	-0.246	-1.12	-0.837	-3.46	-1.280	-4.04	-0.522	-1.77
educ med	0.375	2.41	-0.110	-0.45	0.164	0.88	0.377	1.89
educ high	0.527	3.09	0.646	1.41	0.436	1.14	0.820	3.35
marr/coh	1.025	6.57	0.905	5.03	0.376	2.04	0.586	3.09
hlth good	0.270	2.05	0.034	0.14	0.148	0.76	0.216	1.05
hlth fair	-0.163	-1.01	-0.277	-1.10	-0.523	-2.26	-0.058	-0.23
hlt bad/vb	-1.087	-4.39	-1.346	-4.93	-1.413	-3.87	-0.619	-1.78
ie disab	-0.533	-10.75	0.686	13.77	0.632	9.52	0.709	9.43

ie dis->wk	-0.134	-1.93	-0.108	-1.37	0.104	1.12	-0.037	-0.29
ie work	0.654	11.68	0.688	8.05	0.055	0.51	0.730	6.29
ie dis-di0	-0.698	-4.64	0.355	4.51	1.092	2.44	0.974	5.73
ie wrk-di0	-0.321	-2.64	-0.151	-1.91	-0.770	-1.08	-0.109	-0.78
ie dis-wr0	0.140	1.06	-0.404	-3.72	0.017	0.12	-0.173	-1.14
ie wrk-wr0	1.237	7.06	0.782	6.44	0.543	1.26	1.271	5.02

MEN

Work disability (0:no; 1: yes)

	UK		US	
	par.	t-val.	par.	t-val.
constant	-3.391	-14.70	-2.407	-13.50
age 35-44	0.116	0.97	-0.026	-0.33
age 45-54	0.253	2.04	0.117	1.31
age 55-64	0.459	3.30	0.180	1.58
educ med	-0.211	-2.21		
educ high	-0.315	-3.68		
yrs ed 12			-0.080	-0.76
y ed 13-15			-0.112	-0.97
y ed > 15			-0.191	-1.65
marr/coh	-0.114	-1.31	-0.093	-1.60
hlth v gd			0.537	7.29
hlth good	0.842	5.76	1.088	13.55
hlth fair	1.714	11.75	1.879	19.67
hlt bad/vb	2.644	16.51	2.870	18.05
1996	0.133	1.14	0.016	0.19
1997	0.338	2.70	0.069	0.85
1998	0.298	2.37		
1999	-0.240	-2.15	0.443	2.80
2000	0.415	3.57		

2001	0.344	2.98	0.477	3.05
2003			0.419	2.66
black			0.000	0.00
hispanic			0.000	0.00
lag dis	0.913	11.83	1.047	13.33
Lag2 dis			0.719	9.28
lag work	-0.204	-2.05	-0.404	-3.41
lag2 work			-0.591	-6.26
ldis*lnwrk			0.000	0.00
ldis2*lnw2			0.000	0.00
Initial conditions				
constant	-2.986	-8.34	-3.948	-6.99
age 35-44	0.218	1.12	0.211	1.09
age 45-54	0.419	1.90	0.279	1.26
age 55-64	0.414	1.07	-0.008	-0.01
educ med	0.079	0.36		
educ high	-0.197	-1.10		
yrs ed 12			-0.388	-1.37
y ed 13-15			-0.399	-1.33
y ed > 15			-0.636	-2.01
marr/coh	-0.179	-0.94	-0.197	-1.02
hlth v gd			1.097	3.88
hlth good	0.165	0.70	1.849	5.69

	UK		US	
	par.	t-val.	par.	t-val.
hlth fair	1.536	6.34	3.261	6.77
hlt bad/vb	2.639	9.93	5.274	6.92
black			0.000	0.00
hispanic			0.000	0.00
Work (0: no; 1: yes)				
constant	0.357	2.95	0.440	3.17
age 35-44	-0.032	-0.41	0.018	0.25
age 45-54	-0.250	-3.05	-0.023	-0.29
age 55-64	-0.788	-8.65	-0.673	-7.36
educ med	0.035	0.46		
educ high	0.053	0.96		
yrs ed 12			0.329	4.03
y ed 13-15			0.316	3.64
y ed > 15			0.490	5.49
marr/coh	0.091	1.39	0.420	8.22
hlth v gd			-0.057	-0.97
hlth good	0.018	0.33	-0.117	-1.81
hlth fair	-0.066	-0.96	-0.429	-4.56
hlt bad/vb	-0.053	-0.60	-1.193	-8.61
1996	0.324	4.24	-0.052	-0.68
1997	0.286	3.28	0.054	0.64

1998	0.218	2.59		
1999	0.236	2.65	0.043	0.33
2000	0.201	2.35		
2001	0.160	1.98	-0.192	-1.51
2003			-0.120	-0.97
black			0.000	0.00
hispanic			0.000	0.00
lag dis	0.049	0.52	-0.182	-1.54
lag2 disl			-0.107	-1.17
lag work	1.449	26.11	1.254	14.71
lag2 work			1.087	12.85
disab	-0.069	-0.71	-0.846	-10.88
disab mild				
ldis*lnwrk			0.000	0.00
ldis2*lnw2			0.000	0.00

Initial conditions

	UK		US	
	par.	t-val.	par.	t-val.
constant	1.301	6.54	1.406	4.24
age 35-44	-0.034	-0.24	-0.031	-0.19
age 45-54	-0.310	-2.12	-0.116	-0.58
age 55-64	-0.642	-2.99	-1.000	-1.95
educ med	0.307	1.89		
educ high	0.368	2.93		
yrs ed 12			0.618	2.57
y ed 13-15			0.506	2.12
y ed > 15			1.353	4.64
marr/coh	0.441	3.09	0.810	4.65
hlth v gd			0.199	1.11
hlth good	0.039	0.29	-0.105	-0.55
hlth fair	-0.473	-2.64	-0.952	-2.94
hlt bad/vb	-1.395	-6.65	-2.255	-4.47
black			0.000	0.00
hispanic			0.000	0.00
ie disab	0.978	13.14	0.886	15.61
ie dis->wk	-0.108	-1.64	0.045	0.87
ie work	0.595	10.66	0.550	9.86
ie dis-di0	1.031	7.15	1.971	6.81

ie wrk-di0	-0.330	-2.47	-0.542	-3.12
ie dis-wr0	-0.564	-5.00	-0.603	-4.48
ie wrk-wr0	0.913	6.92	1.339	4.87

Table A6. Transition Probabilities and Equilibrium Distributions for Labor Force Status

	Men			Women		
	Doesn't work	Works	Relative freq	Doesn't work	Works	Relative freq
Germany			Actual			
Doesn't work	0.74	0.26	0.20	0.82	0.18	0.43
Works	0.08	0.92	0.80	0.15	0.85	0.57
Equilibrium	0.24	0.76	.	0.45	0.55	.
			Predicted			
Doesn't work	0.65	0.35	0.19	0.67	0.33	0.40
Works	0.09	0.91	0.81	0.23	0.77	0.60
Equilibrium	0.21	0.79	.	0.41	0.59	.
			Predicted, US coefficients			
Doesn't work	0.55	0.45	0.16	0.65	0.35	0.38
Works	0.09	0.91	0.84	0.23	0.77	0.62
Equilibrium	0.17	0.83	.	0.40	0.60	.
Denmark			Actual			
Doesn't work	0.70	0.30	0.11	0.73	0.27	0.23
Works	0.04	0.96	0.89	0.08	0.92	0.77
Equilibrium	0.12	0.88	.	0.23	0.77	.
			Predicted			
Doesn't work	0.54	0.46	0.07	0.69	0.31	0.20
Works	0.04	0.96	0.93	0.07	0.93	0.80
Equilibrium	0.07	0.93	.	0.19	0.81	.

			Predicted, US coefficients			
Doesn't work	0.39	0.61	0.06	0.59	0.41	0.17
Works	0.04	0.96	0.94	0.08	0.92	0.83
Equilibrium	0.06	0.94	.	0.16	0.84	.
Netherlands			Actual			
Doesn't work	0.77	0.23	0.12	0.86	0.14	0.52
Works	0.04	0.96	0.88	0.14	0.86	0.48
Equilibrium	0.14	0.86	.	0.50	0.50	.
			Predicted			
Doesn't work	0.70	0.30	0.09	0.75	0.25	0.47
Works	0.04	0.96	0.91	0.21	0.79	0.53
Equilibrium	0.12	0.88	.	0.45	0.55	.
			Predicted, US coefficients			
Doesn't work	0.50	0.50	0.07	0.63	0.37	0.38
Works	0.04	0.96	0.93	0.21	0.79	0.62
Equilibrium	0.08	0.92	.	0.36	0.64	.
Belgium			Actual			
Doesn't work	0.87	0.13	0.14	0.89	0.11	0.43
Works	0.04	0.96	0.86	0.10	0.90	0.57
Equilibrium	0.22	0.78	.	0.49	0.51	.

			Predicted			
Doesn't work	0.86	0.14	0.13	0.85	0.15	0.38
Works	0.04	0.96	0.87	0.09	0.91	0.62
Equilibrium	0.20	0.80	.	0.37	0.63	.
			Predicted, US coefficients			
Doesn't work	0.51	0.49	0.07	0.65	0.35	0.25
Works	0.04	0.96	0.93	0.11	0.89	0.75
Equilibrium	0.08	0.92	.	0.24	0.76	.
France			Actual			
Doesn't work	0.80	0.20	0.14	0.83	0.17	0.34
Works	0.05	0.95	0.86	0.09	0.91	0.66
Equilibrium	0.19	0.81	.	0.36	0.64	.
			Predicted			
Doesn't work	0.85	0.15	0.13	0.77	0.23	0.32
Works	0.04	0.96	0.87	0.11	0.89	0.68
Equilibrium	0.22	0.78	.	0.33	0.67	.
			Predicted, US coefficients			
Doesn't work	0.58	0.42	0.08	0.58	0.42	0.22
Works	0.05	0.95	0.92	0.12	0.88	0.78
Equilibrium	0.10	0.90	.	0.22	0.78	.
UK			Actual			
Doesn't work	0.54	0.46	0.12	0.75	0.25	0.34
Works	0.06	0.94	0.88	0.12	0.88	0.66
Equilibrium	0.11	0.89	.	0.33	0.67	.

			Predicted			
Doesn't work	0.41	0.59	0.09	0.56	0.44	0.30
Works	0.06	0.94	0.91	0.18	0.82	0.70
Equilibrium	0.09	0.91	.	0.29	0.71	.
			Predicted, US coefficients			
Doesn't work	0.35	0.65	0.08	0.52	0.48	0.28
Works	0.06	0.94	0.92	0.18	0.82	0.72
Equilibrium	0.08	0.92	.	0.27	0.73	.
Ireland			Actual			
Doesn't work	0.75	0.25	0.21	0.85	0.15	0.57
Works	0.06	0.94	0.79	0.16	0.84	0.43
Equilibrium	0.20	0.80	.	0.52	0.48	.
			Predicted			
Doesn't work	0.64	0.36	0.13	0.79	0.21	0.54
Works	0.05	0.95	0.87	0.21	0.79	0.46
Equilibrium	0.11	0.89	.	0.51	0.49	.
			Predicted, US coefficients			
Doesn't work	0.45	0.55	0.09	0.70	0.30	0.47
Works	0.05	0.95	0.91	0.23	0.77	0.53
Equilibrium	0.08	0.92	.	0.43	0.57	.

Italy			Actual			
Doesn't work	0.77	0.23	0.19	0.90	0.10	0.55
Works	0.06	0.94	0.81	0.12	0.88	0.45
Equilibrium	0.21	0.79	.	0.55	0.45	.
			Predicted			
Doesn't work	0.66	0.34	0.16	0.79	0.21	0.58
Works	0.07	0.93	0.84	0.29	0.71	0.42
Equilibrium	0.17	0.83	.	0.58	0.42	.
			Predicted, US coefficients			
Doesn't work	0.46	0.54	0.12	0.70	0.30	0.51
Works	0.07	0.93	0.88	0.30	0.70	0.49
Equilibrium	0.12	0.88	.	0.50	0.50	.
Greece			Actual			
Doesn't work	0.75	0.25	0.13	0.88	0.12	0.57
Works	0.05	0.95	0.87	0.16	0.84	0.43
Equilibrium	0.16	0.84	.	0.58	0.42	.
			Predicted			
Doesn't work	0.55	0.45	0.10	0.74	0.26	0.57
Works	0.05	0.95	0.90	0.35	0.65	0.43
Equilibrium	0.11	0.89	.	0.58	0.42	.
			Predicted, US coefficients			
Doesn't work	0.43	0.57	0.08	0.69	0.31	0.53
Works	0.06	0.94	0.92	0.35	0.65	0.47
Equilibrium	0.09	0.91	.	0.54	0.46	.

Spain			Actual			
Doesn't work	0.71	0.29	0.19	0.88	0.12	0.63
Works	0.07	0.93	0.81	0.18	0.82	0.37
Equilibrium	0.20	0.80	.	0.60	0.40	.
			Predicted			
Doesn't work	0.58	0.42	0.17	0.76	0.24	0.63
Works	0.09	0.91	0.83	0.39	0.61	0.37
Equilibrium	0.17	0.83	.	0.62	0.38	.
			Predicted, US coefficients			
Doesn't work	0.52	0.48	0.15	0.78	0.22	0.65
Works	0.09	0.91	0.85	0.39	0.61	0.35
Equilibrium	0.15	0.85	.	0.63	0.37	.
Portugal			Actual			
Doesn't work	0.78	0.22	0.13	0.79	0.21	0.36
Works	0.04	0.96	0.87	0.11	0.89	0.64
Equilibrium	0.16	0.84	.	0.34	0.66	.
			Predicted			
Doesn't work	0.63	0.37	0.10	0.68	0.32	0.36
Works	0.05	0.95	0.90	0.18	0.82	0.64
Equilibrium	0.11	0.89	.	0.37	0.63	.

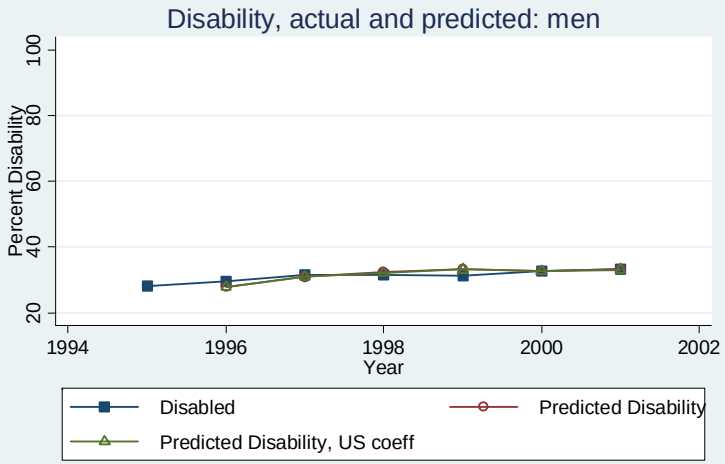
			Predicted, US coefficients			
Doesn't work	0.36	0.64	0.07	0.57	0.43	0.30
Works	0.05	0.95	0.93	0.19	0.81	0.70
Equilibrium	0.07	0.93	.	0.30	0.70	.
Austria			Actual			
Doesn't work	0.85	0.15	0.15	0.82	0.18	0.41
Works	0.05	0.95	0.85	0.12	0.88	0.59
Equilibrium	0.24	0.76	.	0.40	0.60	.
			Predicted			
Doesn't work	0.91	0.09	0.16	0.79	0.21	0.43
Works	0.04	0.96	0.84	0.15	0.85	0.57
Equilibrium	0.32	0.68	.	0.43	0.57	.
			Predicted, US coefficients			
Doesn't work	0.62	0.38	0.10	0.65	0.35	0.33
Works	0.05	0.95	0.90	0.17	0.83	0.67
Equilibrium	0.12	0.88	.	0.32	0.68	.

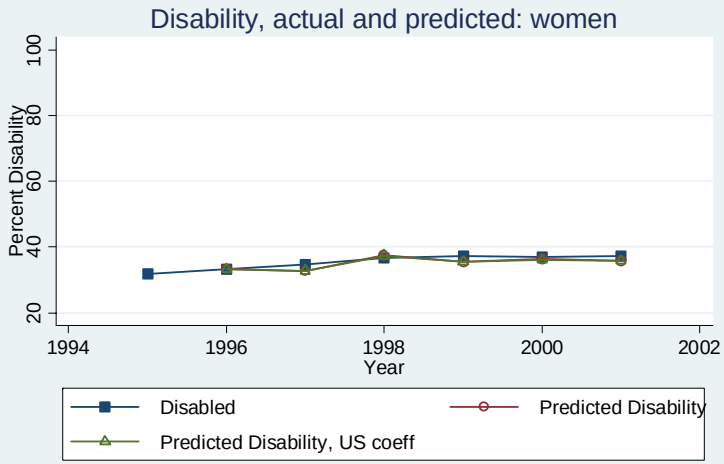
Finland						
			Actual			
Doesn't work	0.74	0.26	0.22	0.71	0.29	0.26
Works	0.08	0.92	0.78	0.11	0.89	0.74
Equilibrium	0.24	0.76	.	0.27	0.73	.
			Predicted			
Doesn't work	0.68	0.32	0.17	0.59	0.41	0.24
Works	0.07	0.93	0.83	0.12	0.88	0.76
Equilibrium	0.17	0.83	.	0.22	0.78	.
			Predicted, US coefficients			
Doesn't work	0.61	0.39	0.16	0.56	0.44	0.22
Works	0.07	0.93	0.84	0.12	0.88	0.78
Equilibrium	0.15	0.85	.	0.21	0.79	.

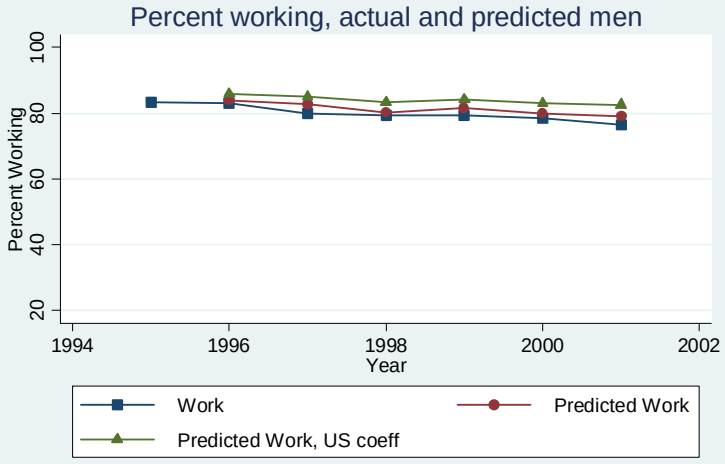
Appendix B: Simulated Time Paths of Mild and Severe Disability and of

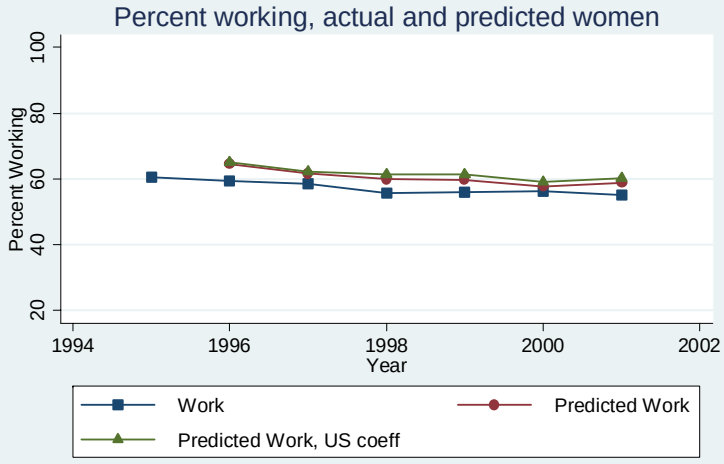
Labor Force

Simulated disability and work Germany



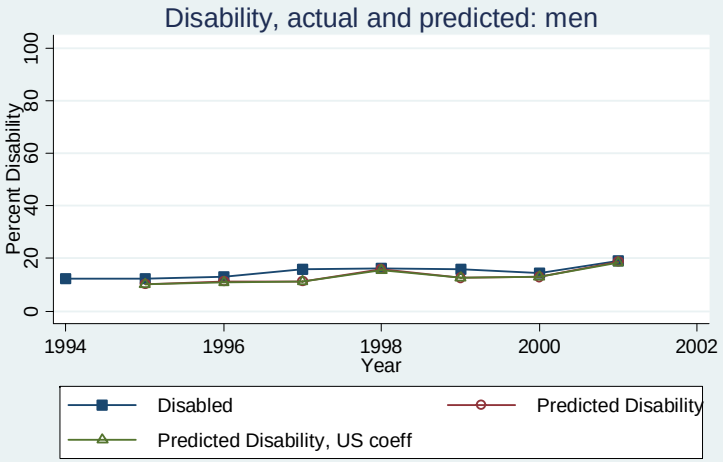


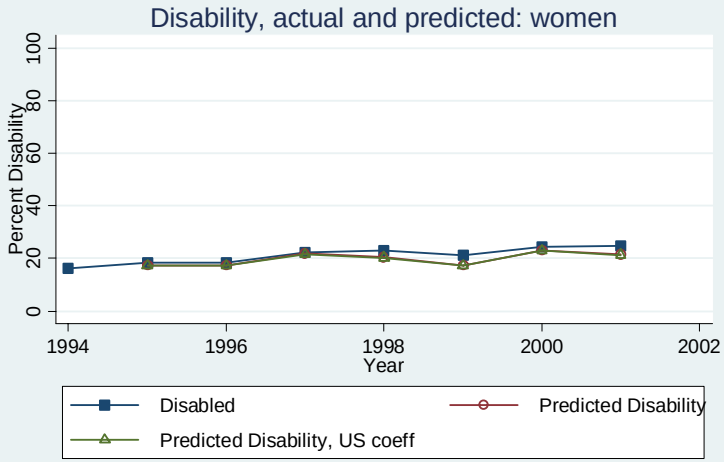


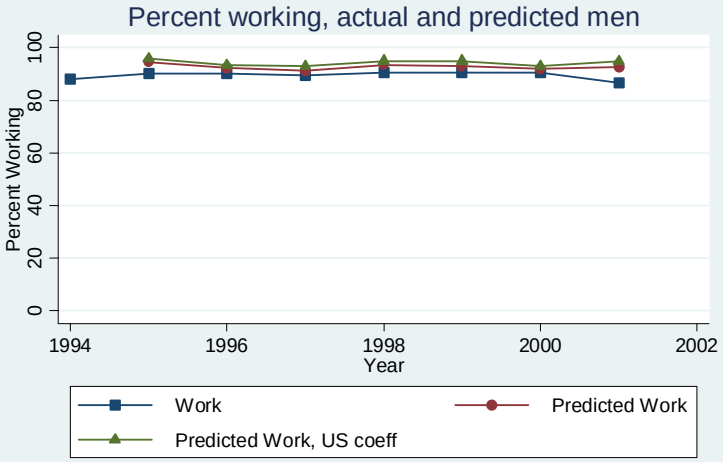


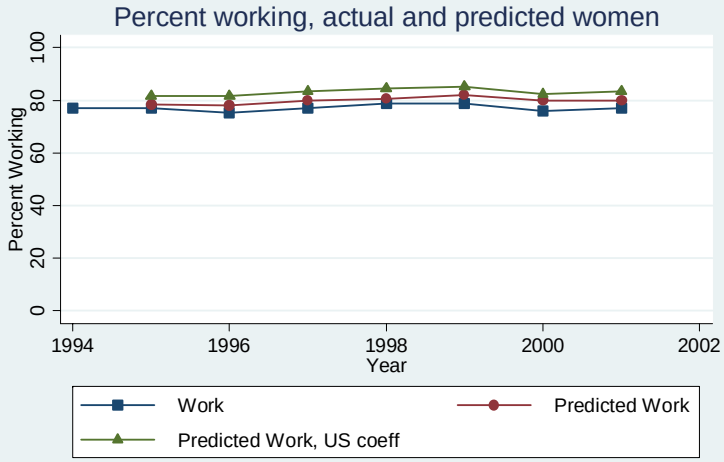
Status

Simulated disability and work Denmark

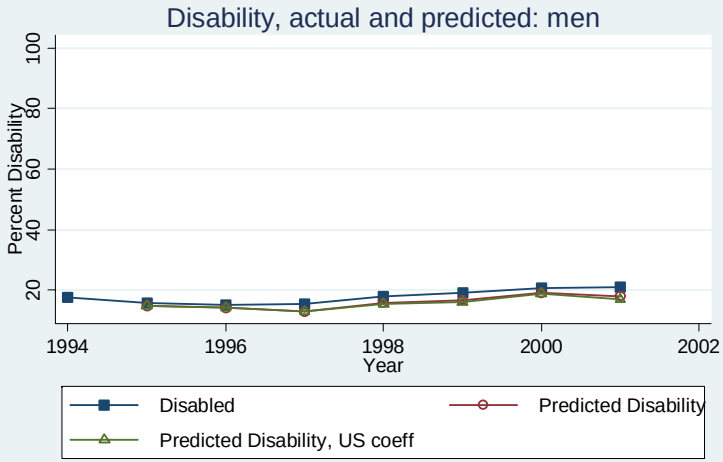


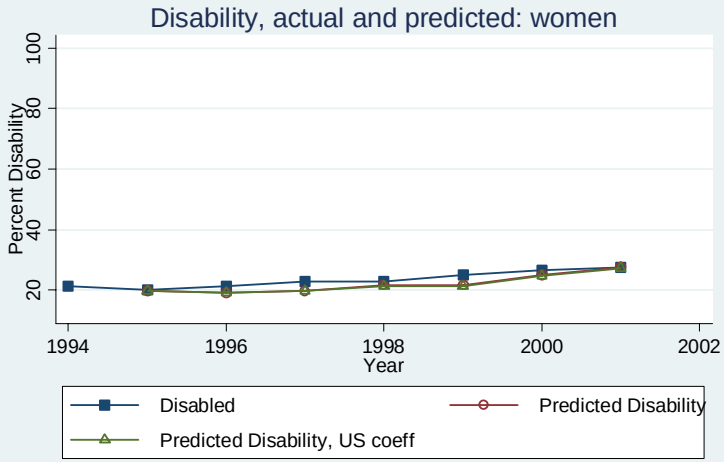


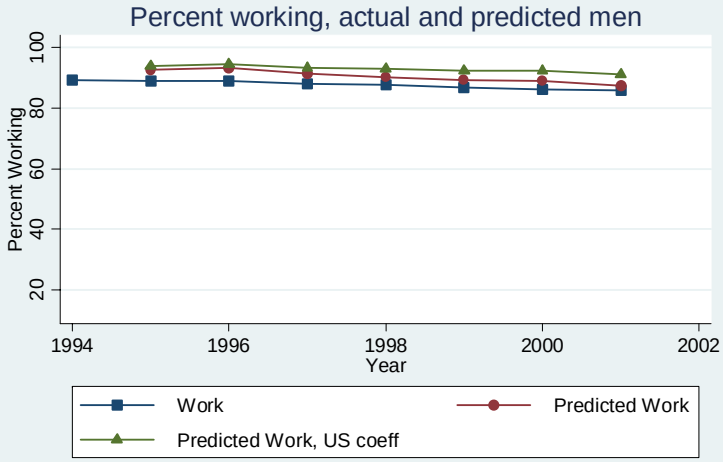


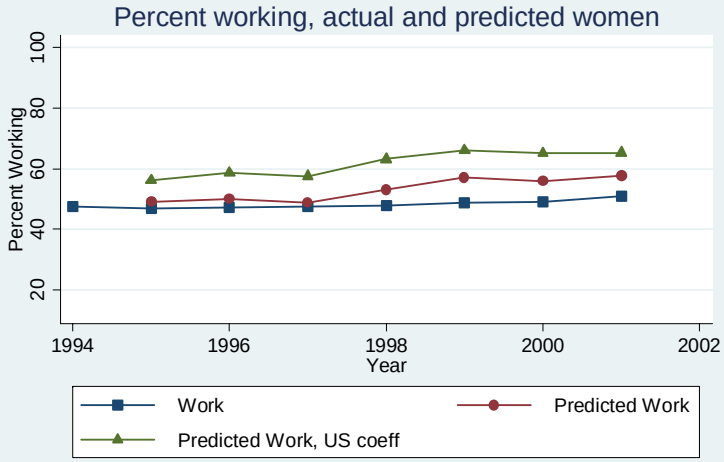


Simulated disability and work Netherlands

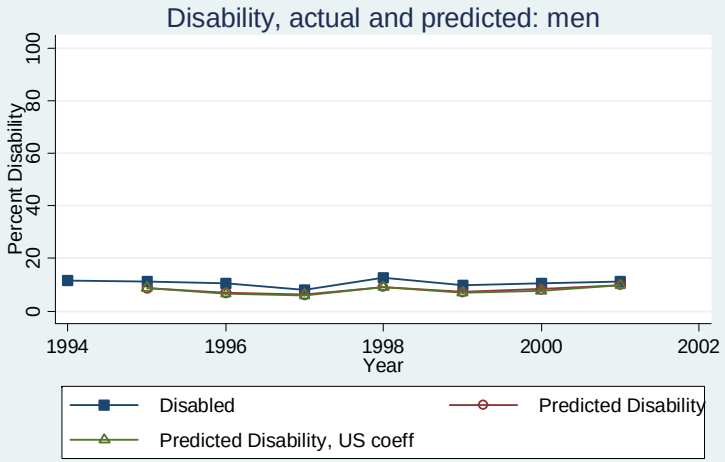


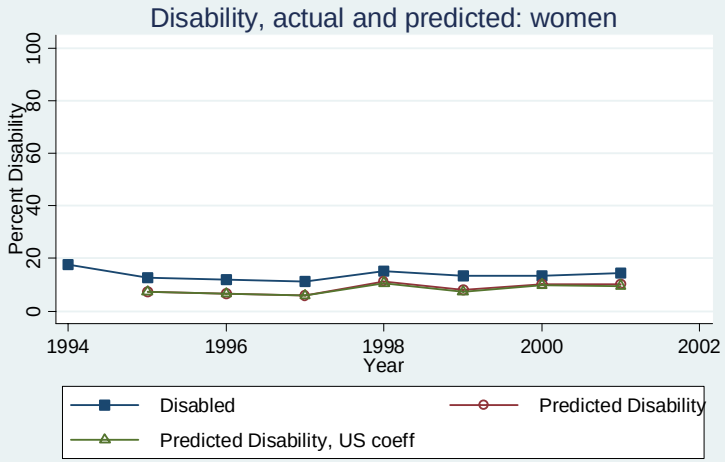


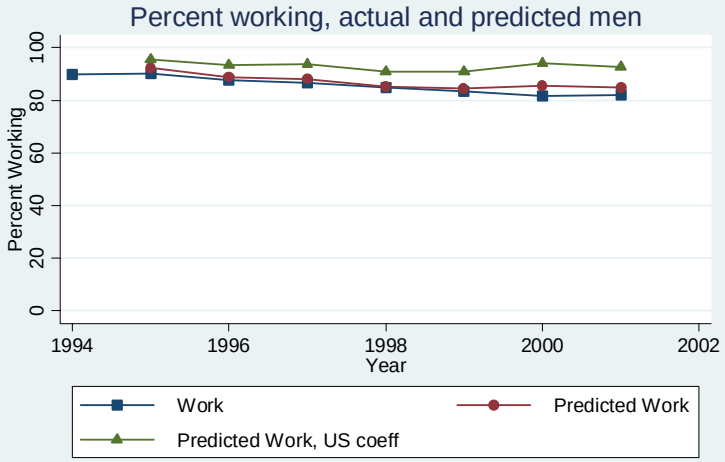


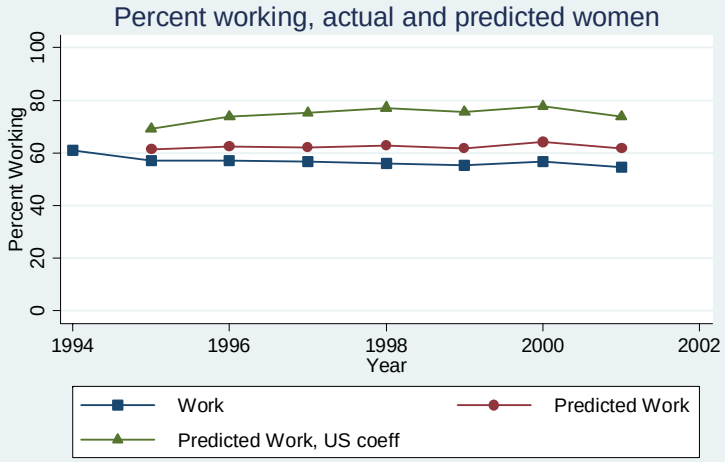


Simulated disability and work Belgium

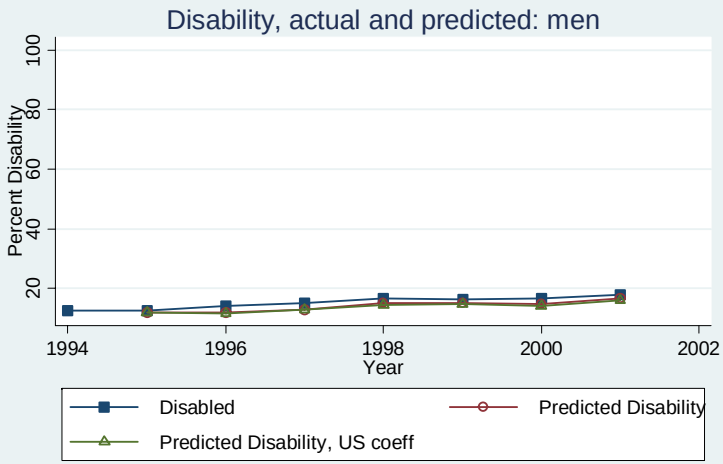


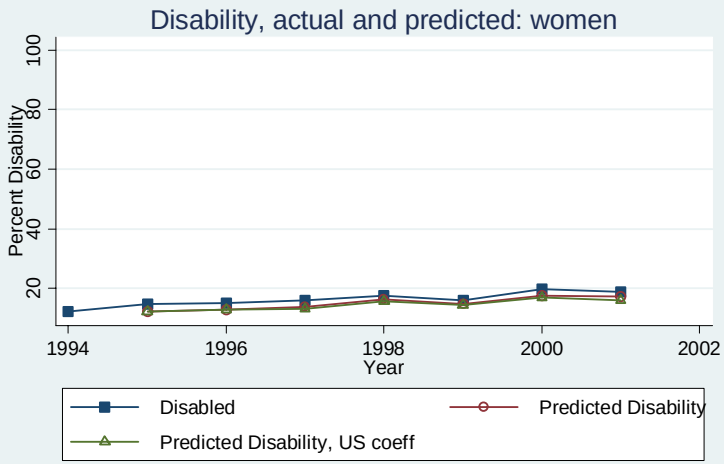


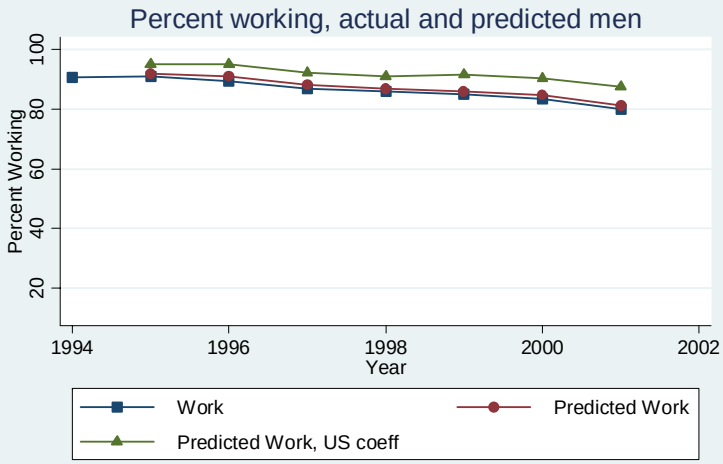


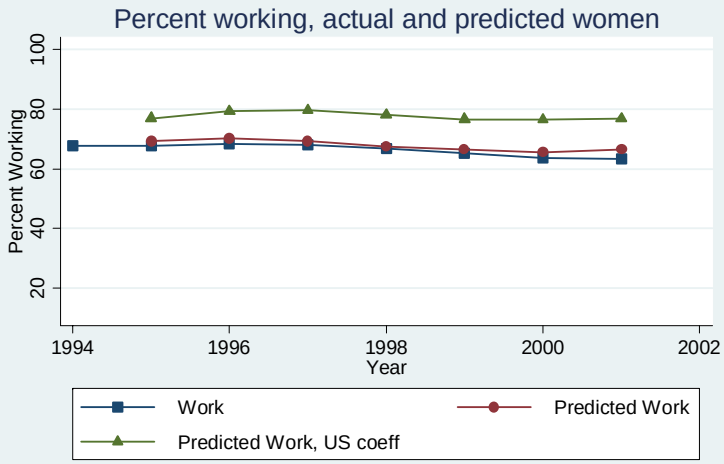


Simulated disability and work France

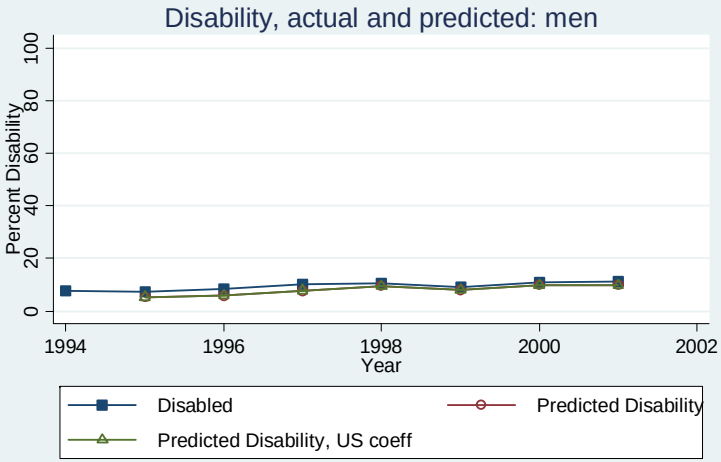


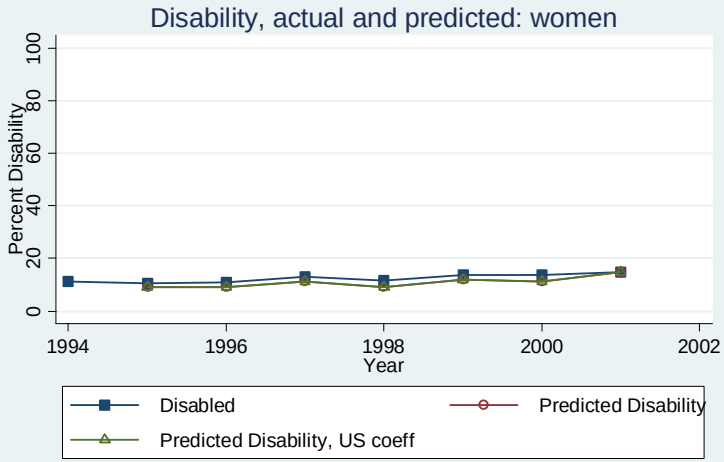


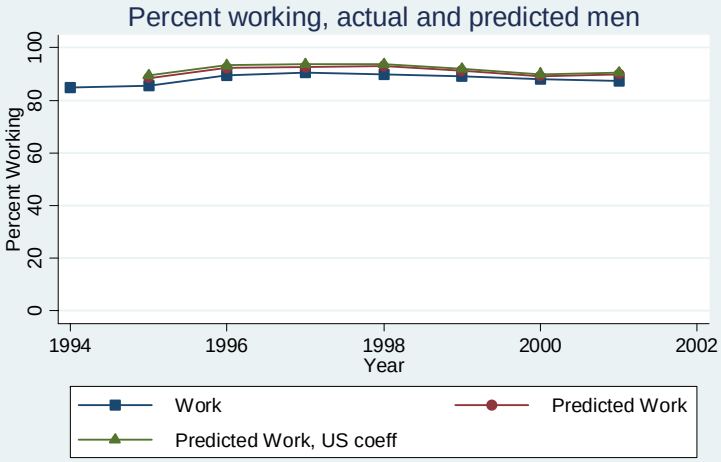


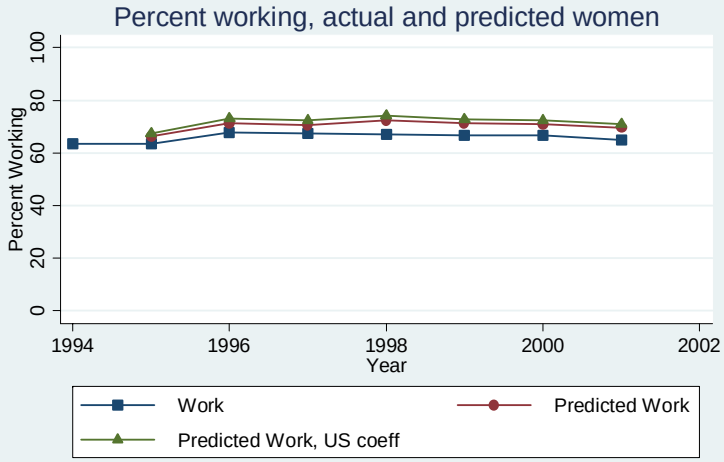


Simulated disability and work UK

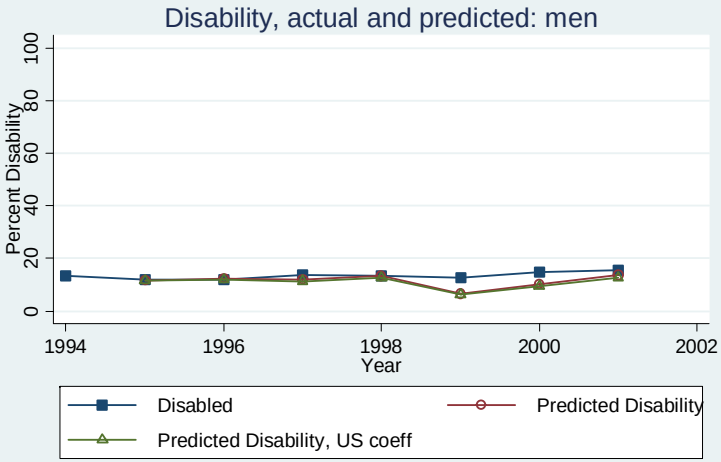


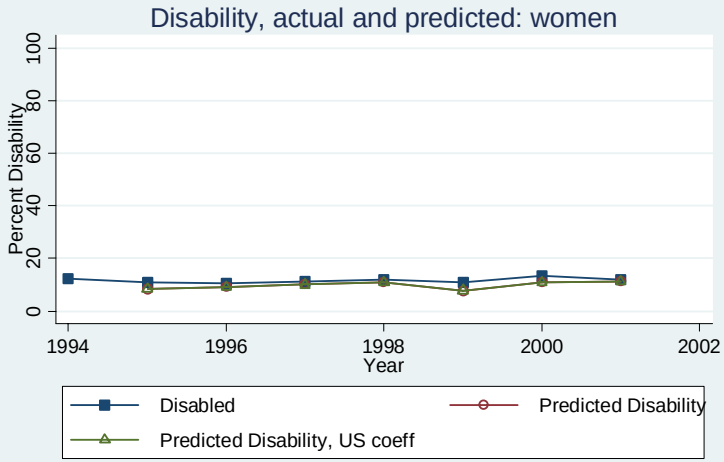


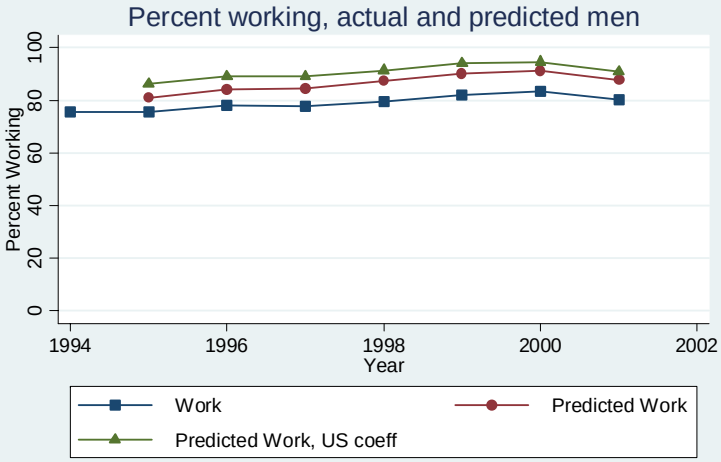


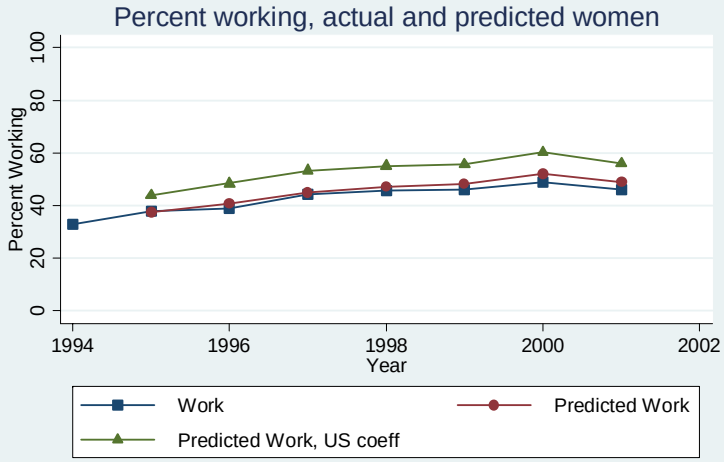


Simulated disability and work Ireland

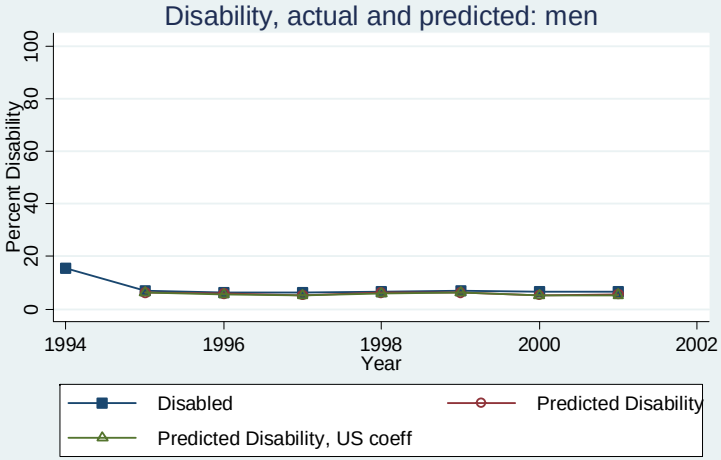


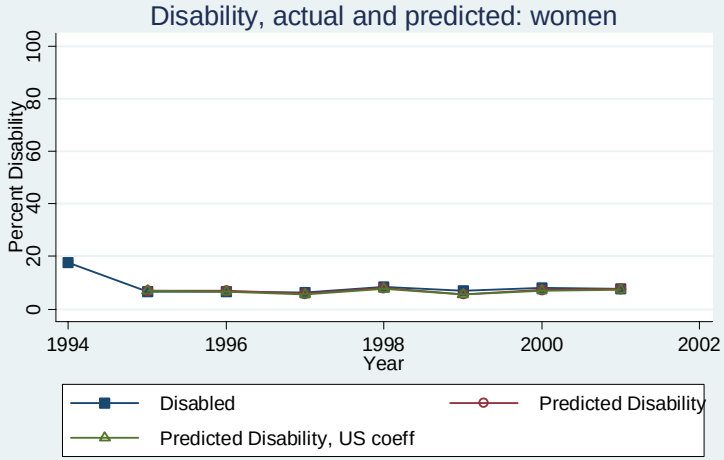


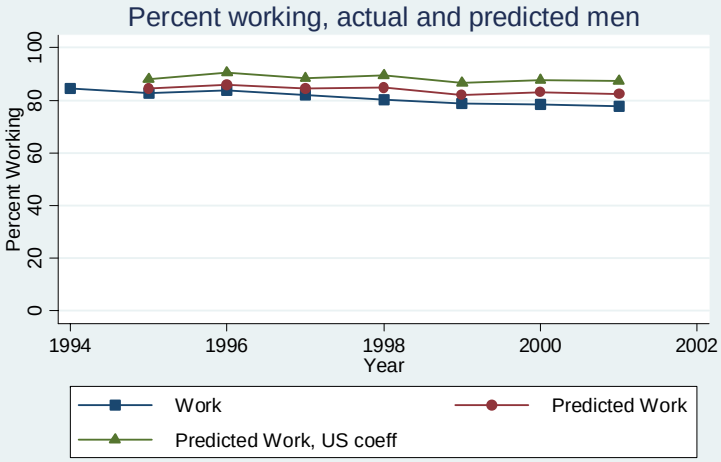


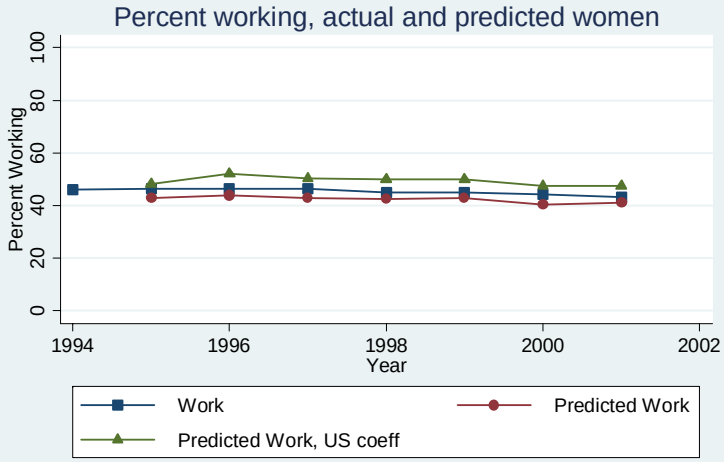


Simulated disability and work Italy

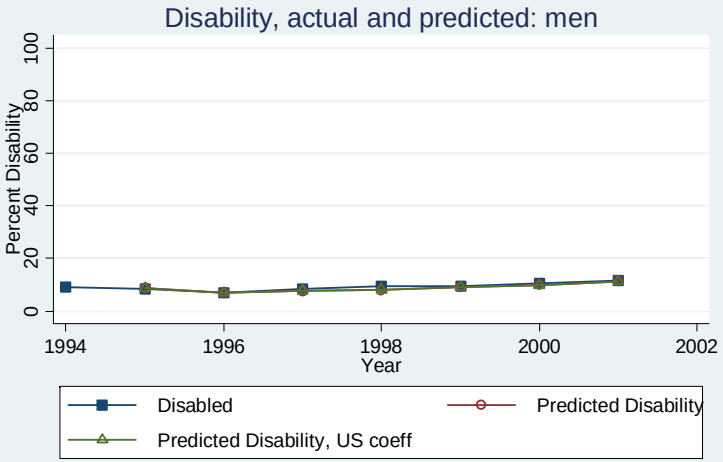


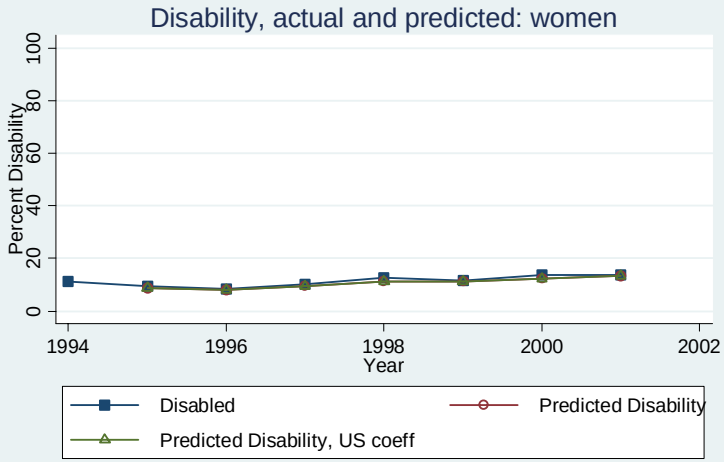


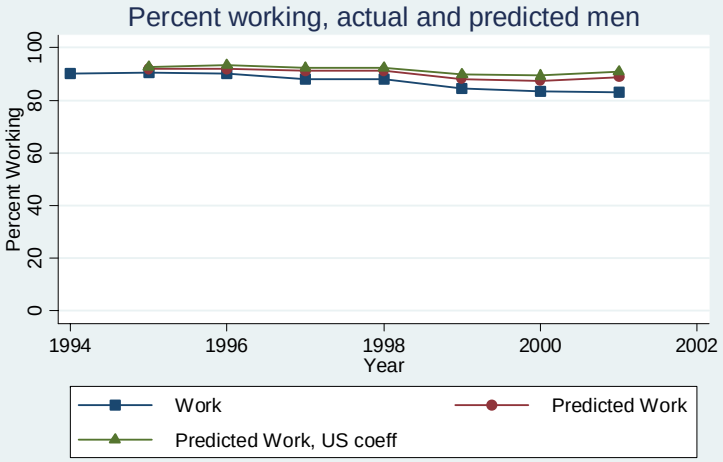


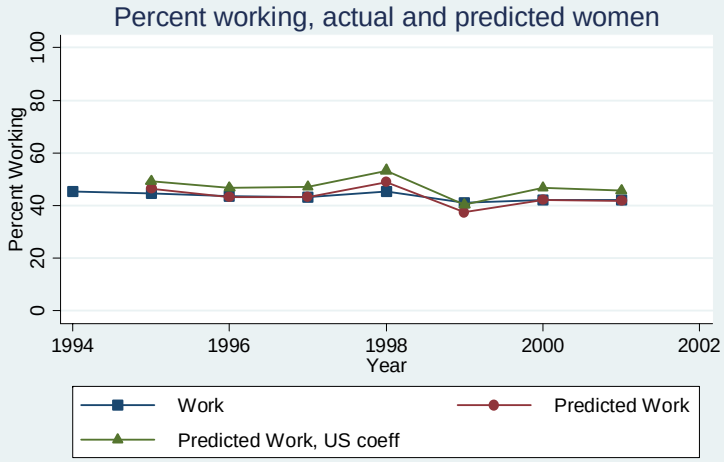


Simulated disability and work Greece

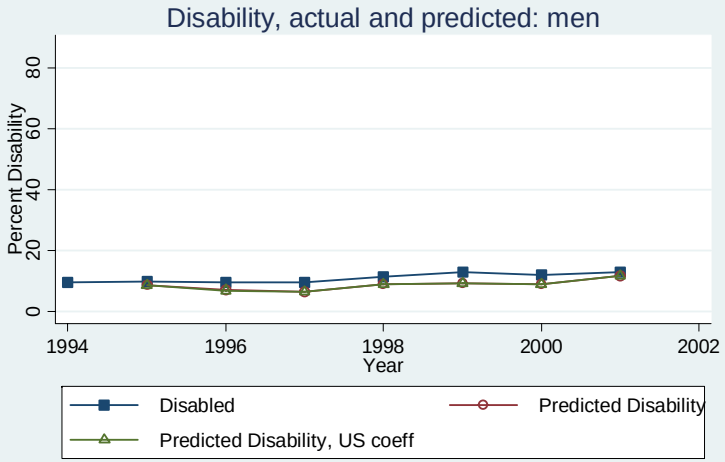


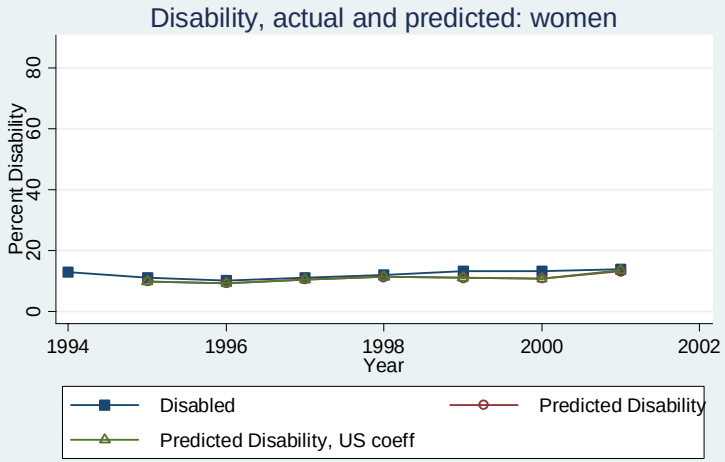


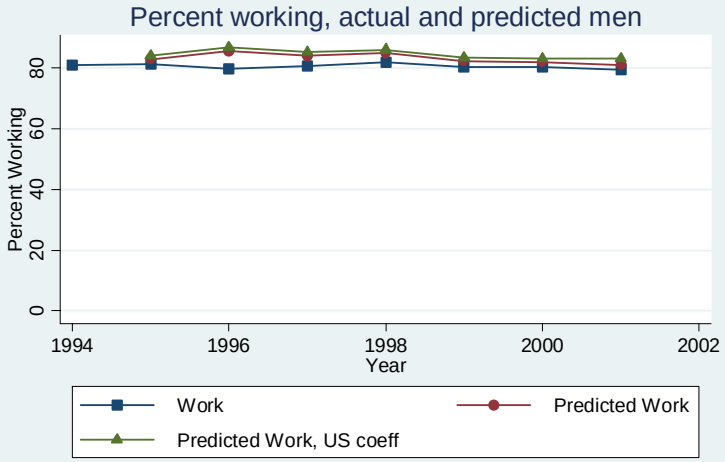


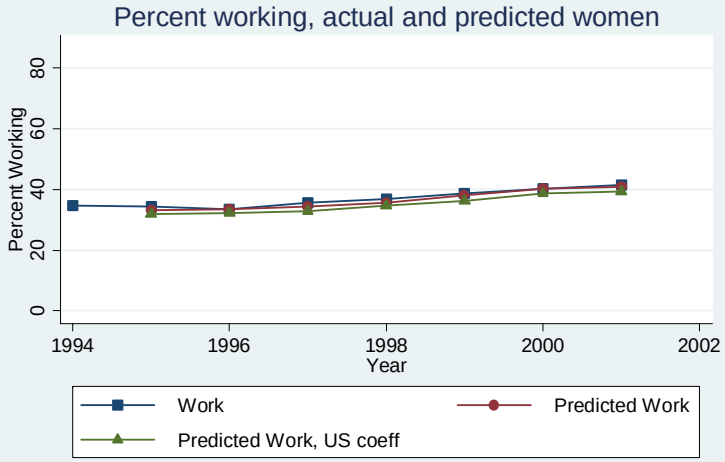


Simulated disability and work Spain

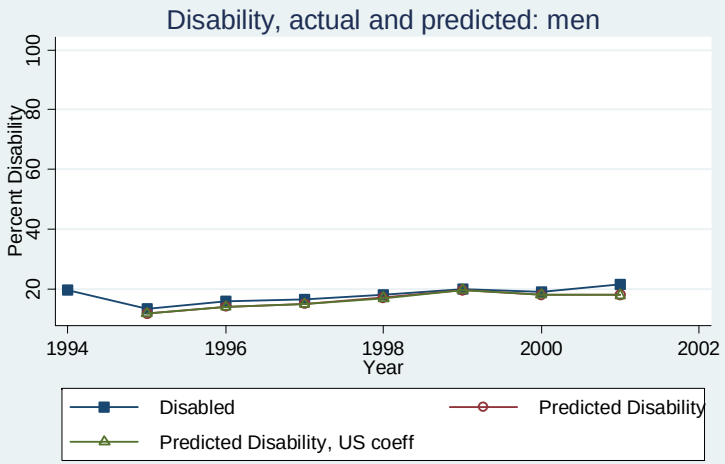


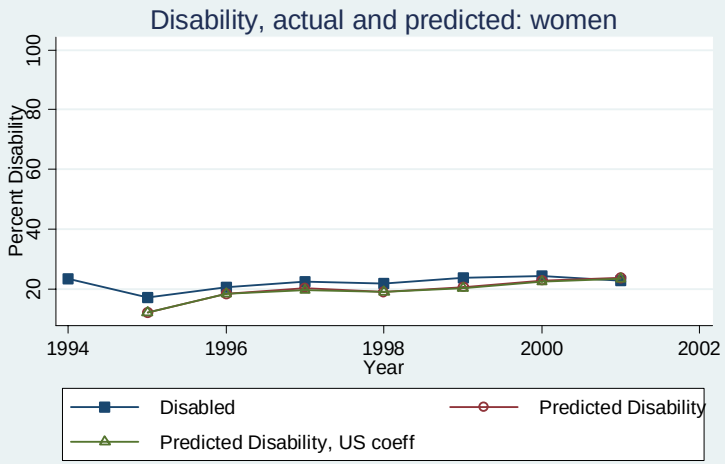


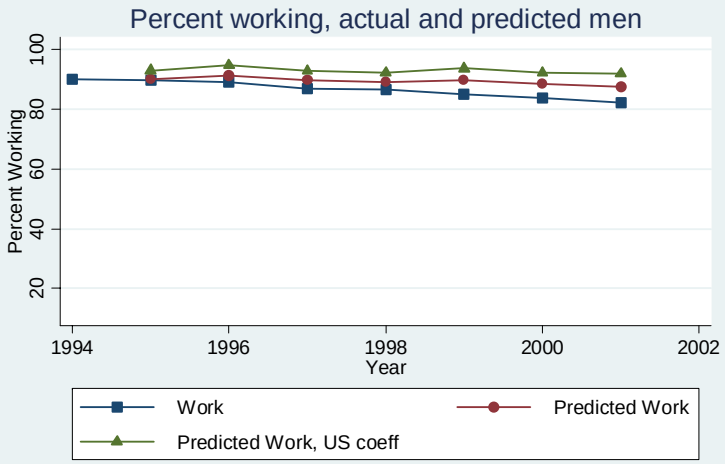


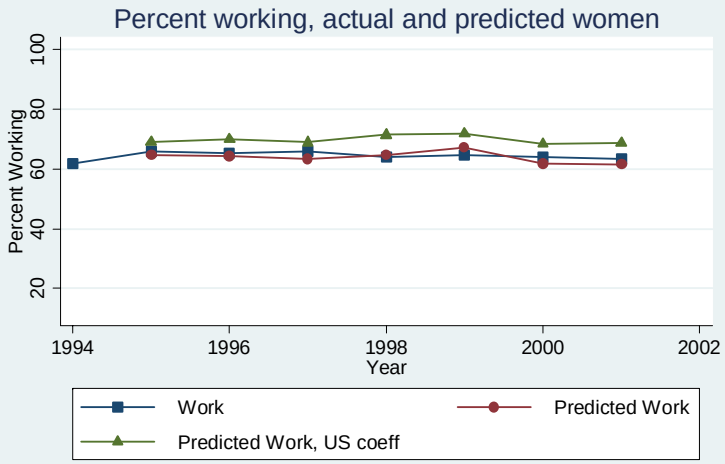


Simulated disability and work Portugal

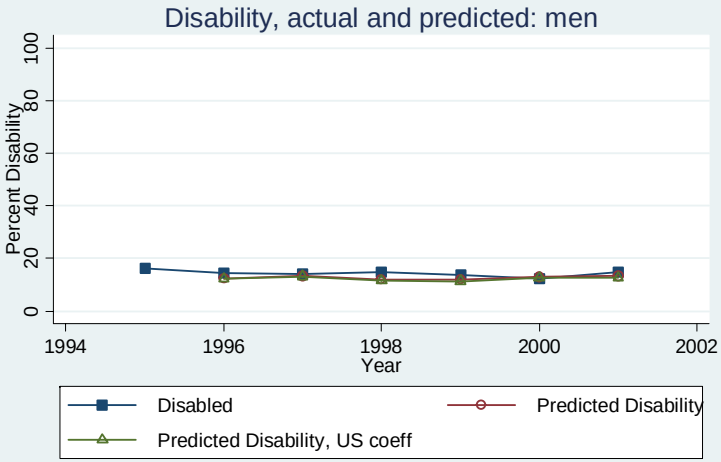


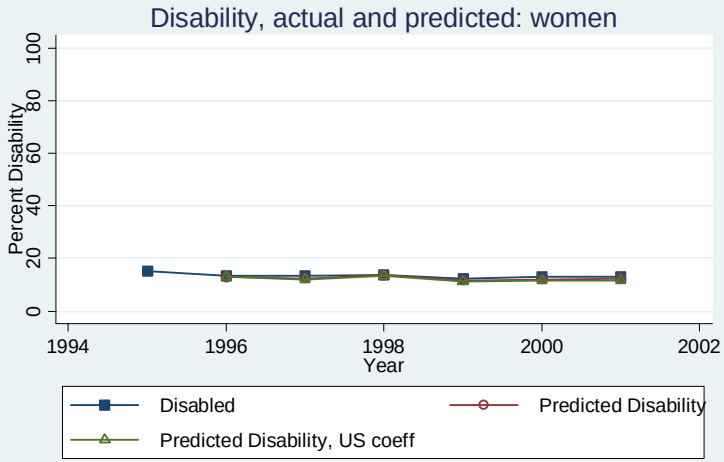


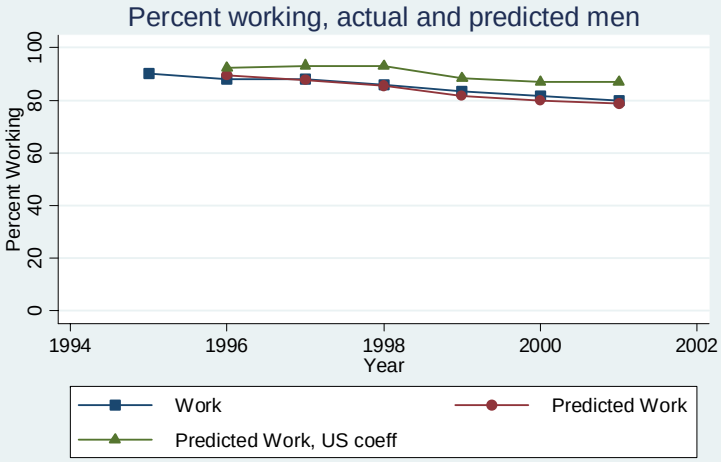


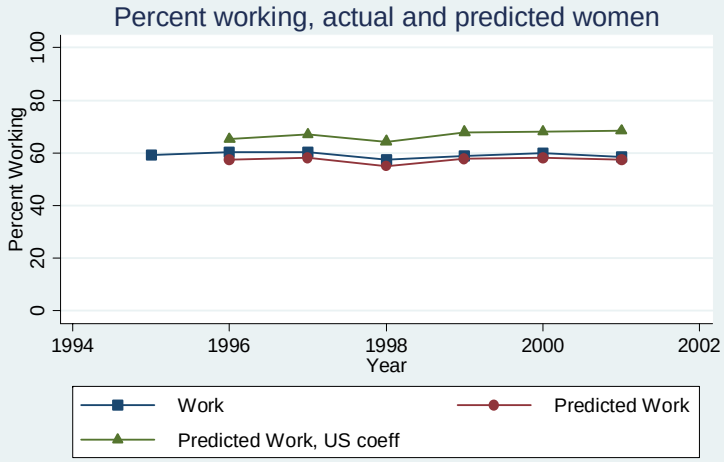


Simulated disability and work Austria









Simulated disability and work Finland