

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE
PROGRAM9. *Economic effects*

The economic aim of the State-Federal vocational rehabilitation program is to enable disabled persons to participate in the Nation's economic activity to the greatest possible degree. Although the effect on the economy as a whole due to vocational rehabilitation may not be great because of the relatively small number of persons involved, the economic gains to rehabilitated persons are nevertheless considerable. Some of these economic gains realized by the rehabilitation of 138,583¹ persons in the regular State-Federal program and through research and demonstration projects during fiscal 1965 are as follows:

The annual rate of earnings of these 138,583 rehabilitated persons at the time they were accepted for vocational rehabilitation was \$50 million. By the time of rehabilitation closure the earnings rose to \$300 million—a sixfold gain.

These successful clients were contributing at acceptance 40 million man-hours of work to the economy on an annual basis and 190 million man-hours at closure—nearly a fivefold increase.

More than 100,000 of these persons were not working at the time of acceptance. This group constituted nearly three-quarters of all rehabilitated persons in fiscal 1965.

The State agencies created State-managed business enterprises for about 500 persons while another 100 persons who needed rehabilitation were already in such enterprises at acceptance.

The number of those who were self-employed rose from 3,100 at acceptance to 8,400 at closure.

There were about 24,000 persons who, at acceptance, were either on public assistance or were residing in tax-supported public institutions. About 6,700 of these persons were residing in tax-supported public institutions. The cost of their support is estimated to be about \$16 million. The remaining 17,300 persons were drawing public assistance payments at an annual rate of \$20 million. At closure, 7,200 persons were on public assistance, drawing \$7 million. Thus, a net savings of about \$13 million was effected.

The persons rehabilitated in fiscal 1965 are expected to pay in taxes a little over half a billion dollars to the Federal Government during the course of their working lives. Since the Federal Government spent nearly \$100 million on the entire program in fiscal 1965, the eventual return in taxes by last year's rehabilitated persons is thus about \$5 for every \$1 expended. In addition, the return in income taxes to State and local governments by these persons over their working lives is estimated to be about \$35 million.

¹ Of these 138,583 persons, 134,859 were rehabilitated under the State-Federal vocational rehabilitation program and the remainder through research and demonstration projects.