



Labour-market Earnings Recovery Following Permanent Impairment from a Work Injury

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Study Overview

Objective: To investigate the labour-market earnings recovery of injured worker with permanent impairments

Sample Frame: Injured workers with permanent impairments from Ontario with claims from 1986, 1994, and 1998

Outcome of interest: The trajectory of yearly labour market earnings of injured workers compared to uninjured peers

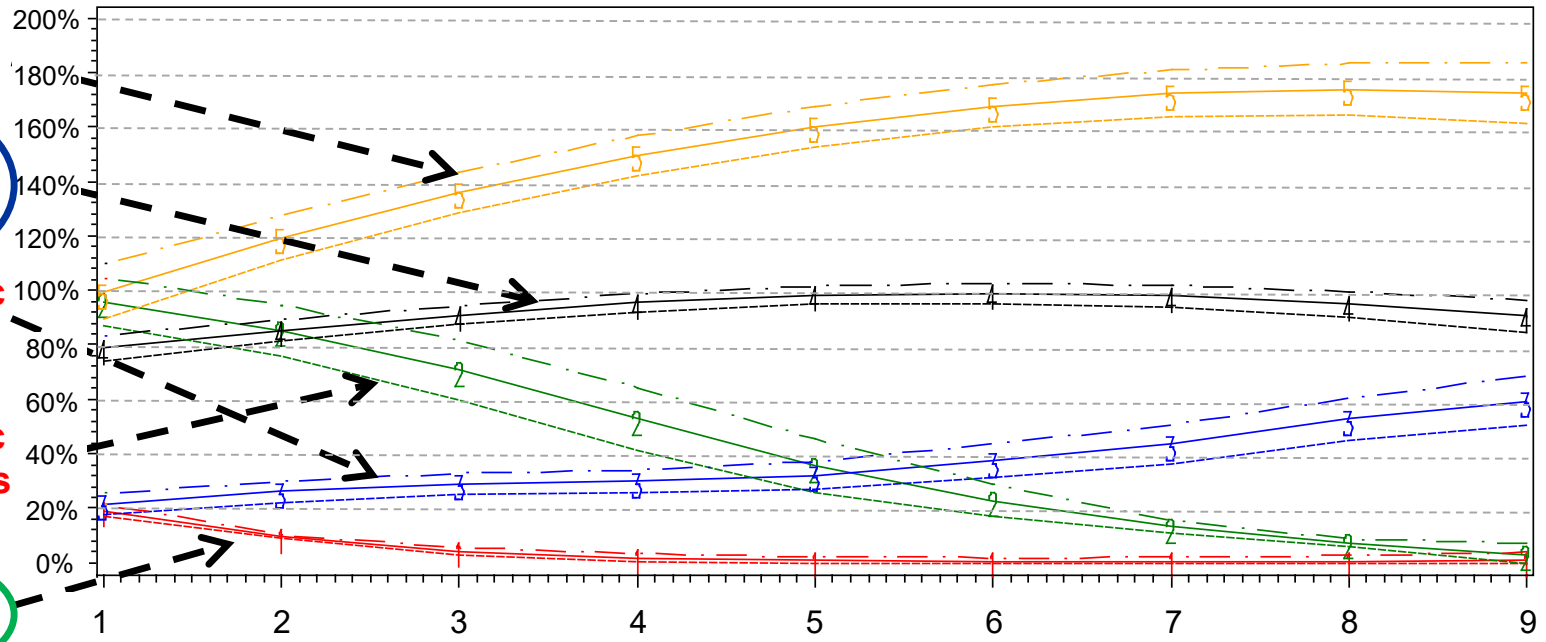


Earnings Recovery Trajectories

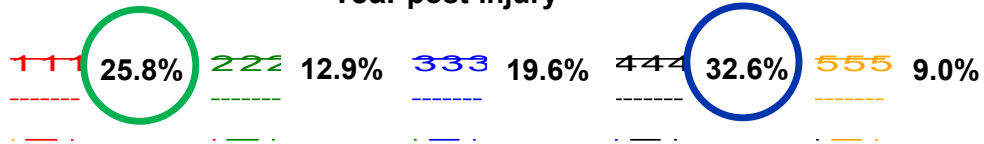
controlling for baseline characteristics and unemployment rate

Percentage of earnings recovery

- 5) highest trajectory
- 4) second highest trajectory
- 3) dramatic upwards spiral
- 2) dramatic downwards spiral
- 1) lowest trajectory



Group Percents



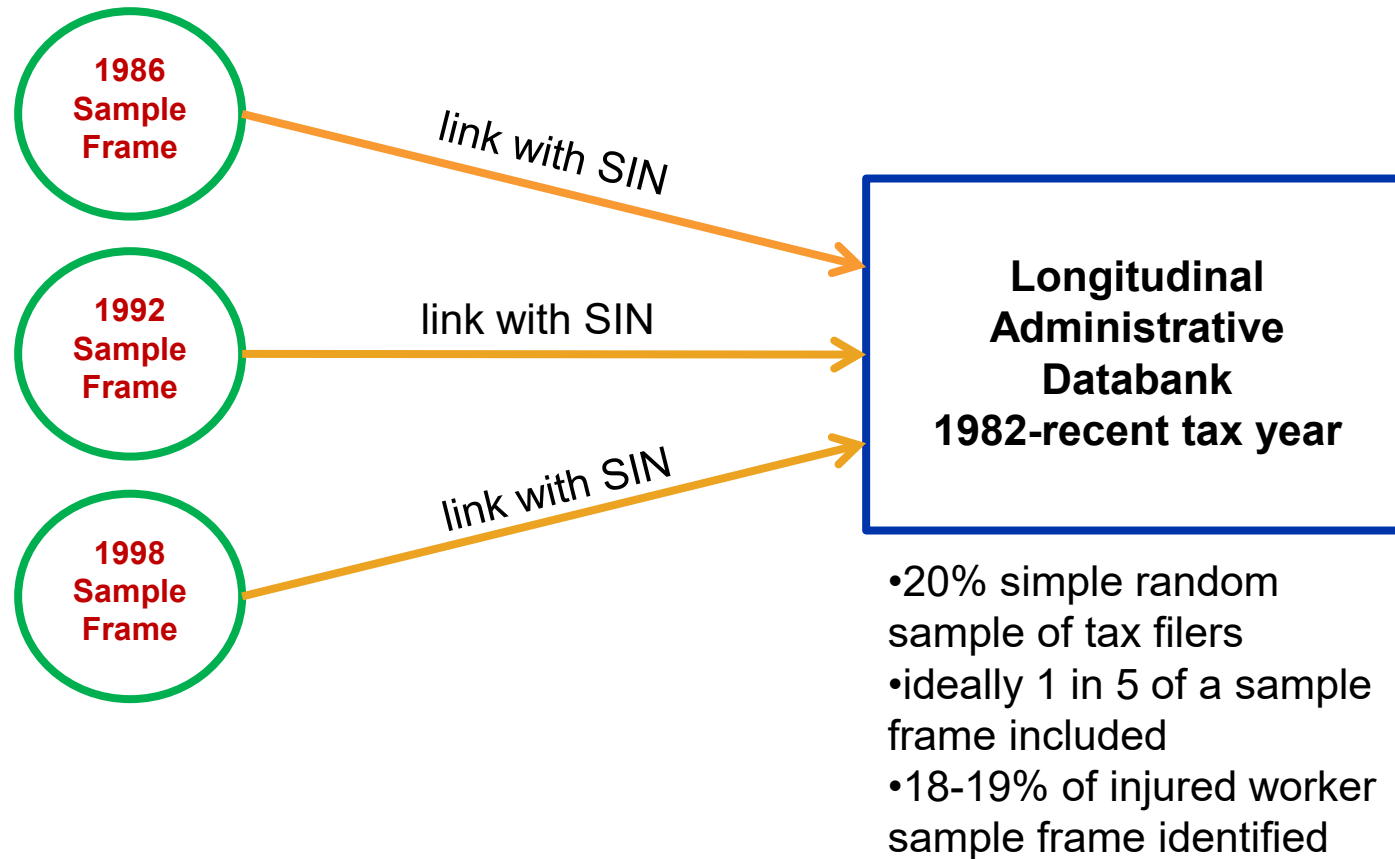


Summary Comparison of Three Programs

Key Characteristics	Pre-1990 (Bill 101)	Post-1990 (Bill 162)	Post-1998 (Bill 99)
Core benefit type	Impairment based	Loss-of-earnings capacity based	Loss-of-earnings capacity based
Duration of benefits	lifetime	Until no loss of earnings capacity assessed, or age 65	Until no loss of earnings capacity assessed, or age 65
Wage Replacement rate	90%	90%	85%
Other characteristics	Vocational Rehabilitation	Labour-Market Re-entry highly structured	Labour-Market Re-entry less structured Self-reliance
Sample size (20% of frame)	2,500	2,640	1,335



Linkage Process



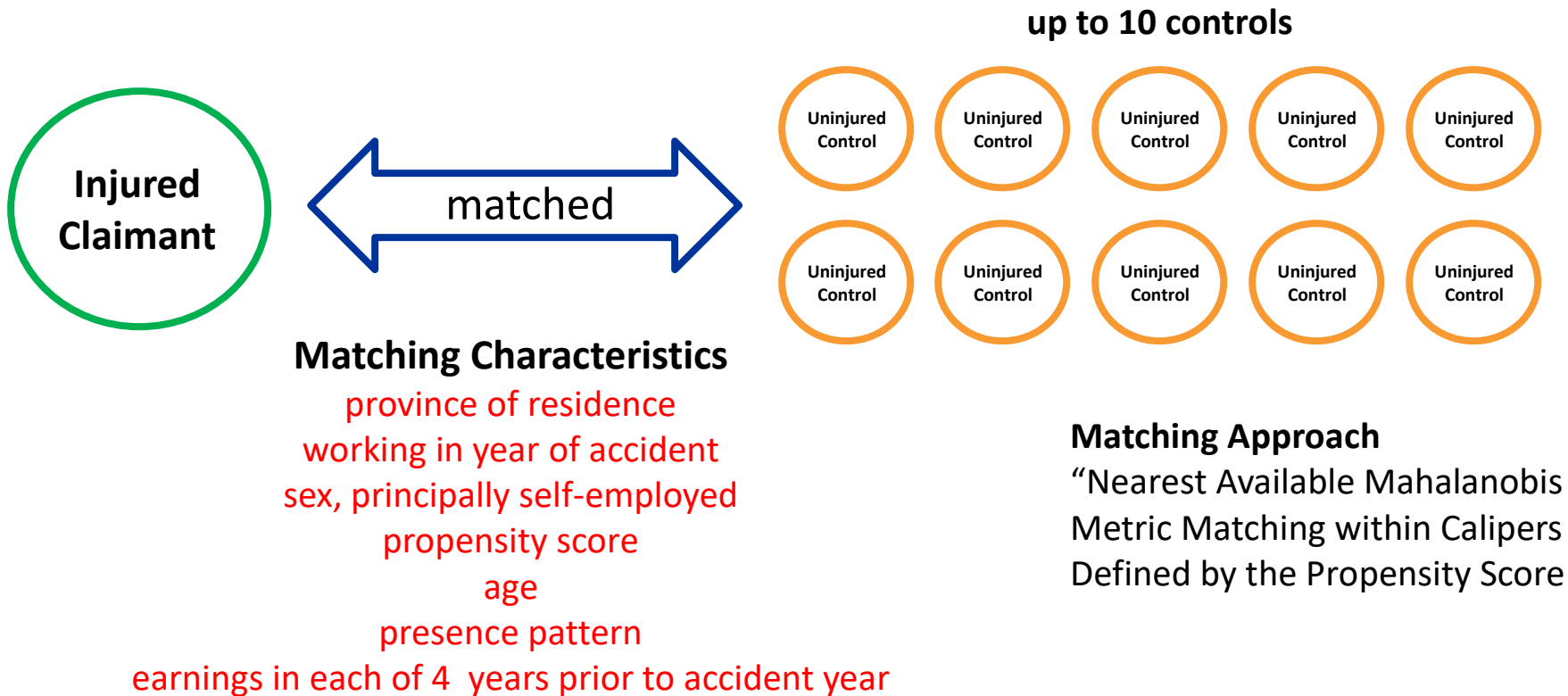


Linked Sample Characteristics

	1986	1992	1998
whole cohort	2,500	2640	1,335
females	26%	33%	32%
males	74%	67%	68%
age<=24 in injury year	6%	5%	5%
25<=age<=34 in injury year	25%	28%	21%
35<=age<=49 in injury year	42%	44%	51%
50<=age<=59 in injury year	26%	24%	23%
0%<impairment<=5%	25%	25%	19%
5%<impairment<=10%	30%	23%	20%
10%<impairment<=20%	32%	32%	35%
20%<impairment<=50%	11%	18%	24%
impairment>50%	2%	1%	2%
pre-injury income<\$20K	27%	30%	26%
\$20K<=pre-injury income<\$40K	42%	48%	46%
\$40K<=pre-injury income<\$60K	27%	19%	23%
pre-injury income>=\$60K	4%	3%	5%



Matched Each Injured Workers with Similar Controls





Percentage Earnings Recovery Analysis

- Considered injured worker's yearly labour-market earnings post-injury compared to average of match controls (***percentage of earnings recovery***)
- Labour-market earnings=wages & salaries + other employment income + net self-employment earnings
- Used statistical modeling techniques to cluster earnings recovery trajectories into groups based on similarity of trajectories
- Specialized application of latent class finite mixture modeling that identify clusters of individuals following similar progressions over time of some outcome

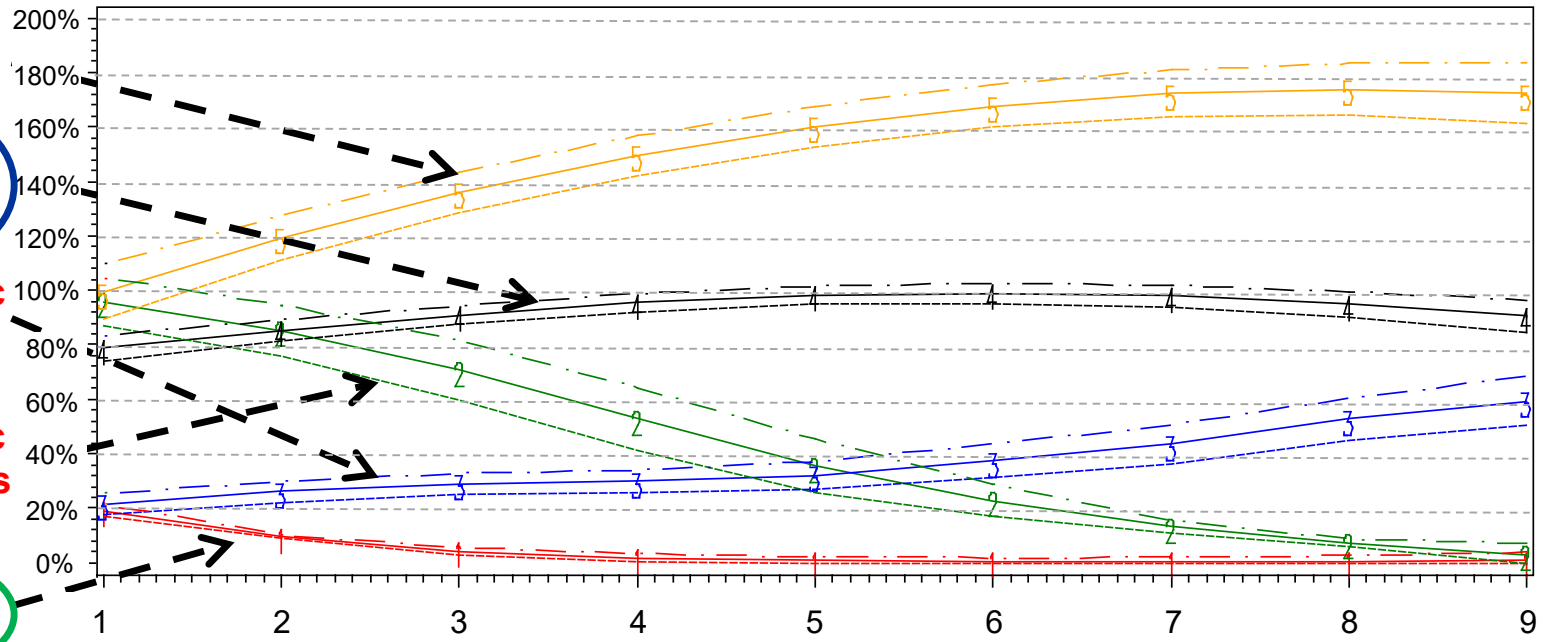


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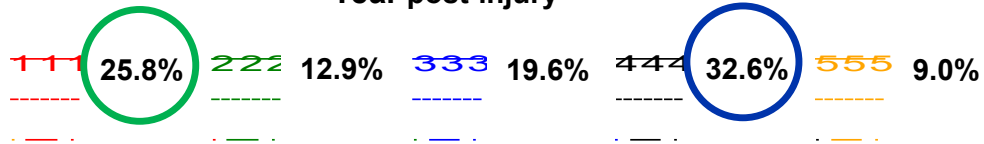
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