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THE FINANCIAL WELLBEING OF DISABLED PEOPLE IN THE UK

September 2023

Jamie Evans,
Sharon Collard,
Ellen Fruijtier,
Hayley Dawson,
Luis Campos Ferreira,
Eric Harris

Personal Finance Research Centre, University of Bristol
Research Institute for Disabled Consumers

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Personal Finance Research Centre,
University of Bristol,
13 Berkeley Square,
Bristol BS8 1HB.

ABOUT THE AUTHORS

University of Bristol's Personal Finance Research Centre: **Jamie Evans**, Senior Research Associate. **Sharon Collard**, Research Director.

Research Institute for Disabled Consumers (RiDC): **Ellen Fruijtier,** Associate Director of Research. **Hayley Dawson**, Senior Researcher. **Luis Campos Ferreira**, Research Assistant. **Eric Harris**, Director of Inclusive Research.

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FOREWORD FROM THE DISABILITY POVERTY CAMPAIGN GROUP

The Disability Poverty Campaign Group (DPCG) is a coalition led by Disability Rights UK and Inclusion London. The group is made up of Disabled People's Organisations from across the country, national charities and allies, such as The Food Foundation, the Joseph Rowntree Foundation and The Trussell Trust.

The DPCG welcomes this important and timely research report from the University of Bristol and Research Institute for Disabled Consumers. It provides us with detailed new evidence about the financial situations and financial wellbeing of disabled people in the UK, based on methods that provide important new quantitative findings on differences by the number and type of a person's impairments. The findings will be of great use to all of us working in this area because they show how disabled people's problems accessing work, benefits and essential services, in addition to the extra costs of disability, all add up to create a financial 'disability trap' which can be highly complex to navigate and overcome.

The report augments the growing body of research into the structural dimensions and drivers of disability poverty in the UK. Greater Manchester Combined Authority's 2022 Greater Manchester Residents Survey data indicated that 40% of disabled residents were cutting the size of meals or missing a meal due to lack of money. May 2023 Citizens Advice cost-of-living dashboard data told us disabled people in debt are more likely than non-disabled people to have a negative budget, and that disabled people or people with a long-term health condition were 60% of those Citizens Advice provided with crisis support (food banks and charity support) in the period January 2022 - May 2023. MIND have data that directly links financial hardship to disabling levels of mental distress.

The findings will intensify the calls from our members for a parliamentary inquiry into the causes of disability poverty to provide expert policy recommendations on urgently needed responses from government. It shows how many disabled people in the UK are in situations of structurally produced and maintained poverty that prevent the building of any kind of longer-term financial safety net. One-in-three disabled households say ‘it is a constant struggle’ to meet their bills and credit commitments but in fact this figure is much higher - 43% - among people with mental health conditions and chronic fatigue-related impairments. For most disabled people, financial difficulties have some form of negative impact on their health and wellbeing outcomes, whether that’s avoiding going to the dentist because of the prohibitive costs, withdrawing from statutory non-residential social care services due to local authority charges, not being able to afford medication, medical equipment or medically-required diets, or cutting down on the use of disability-related equipment at home because of the running costs.

We must conclude that any of the systems that should provide a safety net for disabled people — who are disproportionately exposed to the risks and living experiences of poverty—are broken. In particular, the study shows that nothing about the UK benefits system works well for disabled claimants and their households and for many, engaging with that system is a disabling ordeal that, rather than being a rights-based provider of social security, in the documented worst cases leads to distress and self-harm.

The Disability Poverty Campaign Group will use these findings in our work as disabled people-led organisations and supporters to campaign and advocate for an immediate improvement in the response to disability poverty in the UK. That response must be informed by the social model of disability, a rights-based approach, intersectional awareness, and the 2019 findings of the UN Rapporteur on Extreme Poverty that the UK has violated its human rights obligations through sustained and widespread cuts to social support. We encourage all allies of disabled people in poverty to read this report and to encourage our elected representatives to immediately act upon its findings.

Helen Rowlands (Inclusion London)
Dan White (Disability Rights UK)
Co-Leads, Disability Poverty Campaign Group

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QUICK READ

The UK Money and Pensions Service says that "financial wellbeing is about feeling secure and in control. It's about making the most of your money from day to day, dealing with the unexpected, and being on track for a healthy financial future." Financial wellbeing is essential to delivering the United Nation's vision of "the equal right of all persons with disabilities to live in the community, with choices equal to others, and […] full inclusion and participation in the community".

In this study, we spoke to disabled people in the UK to find out what 'financial wellbeing' means to them and the difficulties they face in trying to improve their financial wellbeing. We used the information to help us measure the financial wellbeing of disabled people in a survey. The 815 disabled people who took part in the survey were members of a UK-wide research panel of approximately 3,500 people run by the Research Institute for Disabled Consumers (RiDC), which is broadly representative of the wider disabled population.

This study is important because it:

- Is designed with the help of disabled people so that it reflects their views, experiences and priorities for improving financial wellbeing (something that has not happened before).
- Looks beyond the generic label of 'disabled' to examine if and how financial wellbeing differs by demographic factors such as age and income as well as the number and type of impairments that someone has.

Key findings

Many disabled people in the UK are struggling financially, with some even finding it difficult to afford food and other basics:

- Three-in-ten (27%) disabled households are in serious financial difficulty, compared to one-in-ten (11%) of non-disabled households.
- Nearly one-in-three (29%) disabled people said that 'it is a constant struggle' to meet their bills and credit commitments.

- A third (33%) said they were struggling to pay for food or other necessary expenses.

Age, income and type of impairment all help explain the differences in disabled people's financial wellbeing. Working age disabled adults reported significantly worse financial wellbeing than those of pensionable age on all financial wellbeing measures. Disabled people on the lowest incomes, those in receipt of benefits and those not undertaking any paid work also had higher levels of financial difficulty.

In addition, our analysis shows that disabled people with the following impairments had significantly higher odds of financial difficulty than disabled people overall:

- Physical mobility impairments
- Learning difficulties
- Mental health conditions
- Multiple health conditions
- Conditions that affect one's appearance
- Disabilities acquired suddenly
- Chronic fatigue
- Non-visible conditions (inc. mental health and chronic fatigue)
- Memory-related conditions.

Lack of money is having serious negative impacts on disabled people's mental and physical wellbeing, when they are already living with often complex, multiple health conditions. In the last six months:

- A half (52%) of survey respondents had been unable to keep their home warm and comfortable.
- A third (32%) had avoided going to the dentist or receiving dental treatment as a result of the cost.
- A quarter (25%) had cut down or stopped receiving medical services that they had been paying for – such as counselling or physiotherapy.

As a result, 45% of disabled people said that their financial situation was making their mental health worse, while 40% said this was true of their physical health. For those on the lowest incomes, these figures rise further to 57% and 50% respectively.

What needs to happen

To help disabled people improve their financial situations, four things are needed:

- **Better access to employment for those who can work**: Three-in-ten (29%) working age disabled people felt they had been discriminated against by employers or potential employers because of their impairment. A quarter (26%) said that employers had failed to make reasonable adjustments for them.
- **A benefits system that provides a proper safety net**: Half (47%) of disabled people receiving Universal Credit were struggling to pay for food and other essentials, as were a third (35%) of those in receipt of Personal Independence Payment. Most (71%) disabled people who received benefits agreed that they had been made to feel guilty about applying for benefits, while 82% felt that uncertainty about benefits makes it harder for them to plan their future finances.
- **Targeted support to reduce the costs of disability**: Three-quarters of disabled people (75%) agreed that they have "particularly high costs" due to their impairment, such as high energy and water costs. These costs may amount to more than £1,100 per month, according to **research from Scope**.
- **Access to essential services and advice**: Half of disabled people (53%) reported difficulties getting to a bank branch; and four-in-ten (37%) said they had problems getting to or using a cash machine. Most of our survey respondents said they had accessed advice or information on financial matters, but only three-in-ten of them (29%) were satisfied with the quality of the advice or information that was available.

There are examples of positive changes already happening on some of these issues that can make a difference if they are widely available and disabled people know about them. Just as important is the need to change the public conversation about disability and disabled people in the UK – who make up nearly one-in-four (24%) of our total population - in order to challenge negative narratives and harmful stereotypes.

1 INTRODUCTION

"Financial wellbeing is about feeling secure and in control. It's about making the most of your money from day to day, dealing with the unexpected, and being on track for a healthy financial future." (Money and Pensions Service)[1]

There are an estimated 16 million disabled people in the UK. This represents nearly one-in-four of the total population (24%). The number of disabled people is expected to grow due to an ageing population and an increase in people living with chronic diseases.

Financial wellbeing is essential to delivering the United Nation's vision of "the equal right of all persons with disabilities to live in the community, with choices equal to others, and […] full inclusion and participation in the community."

But the evidence shows that, on average, disabled people in the UK have lower financial wellbeing than non-disabled people, which limits their choices and their ability to participate in society. Levels of poverty and material deprivation are higher among disabled people, who have been hard hit by cuts to social security benefits and public services. Many disabled people also face unavoidable extra costs and a lack of accessible housing. Less is known about how disabled people define financial wellbeing for themselves; and how financial wellbeing varies among disabled people, depending on factors like their age, income and type of impairment.

In this study, we spoke to disabled people to find out what 'financial wellbeing' means to them and the difficulties they face in trying to improve their financial wellbeing. We used the information to help us measure the financial wellbeing of disabled people in a survey and to

[1] The Money and Pensions Service is an arms-length body sponsored by the Department for Work and Pensions that provides free and impartial debt advice, money guidance and pension guidance to members of the public.

understand how it varies depending on factors like their age, income and type of impairment. The 815 disabled people who took part in the survey were members of a UK-wide research panel of approximately 3,500 people run by the Research Institute for Disabled Consumers (RiDC).

Figure 1.1 describes the main stages of the study, which took place between October 2022 and April 2023. This was a period of significant economic uncertainty in the UK (and in many other countries), but also a period of significant intervention from the UK Government via various energy support packages, including energy price subsidies and cost of living payments, totalling £78 billion between 2022 and 2024.

Figure 1.1 – The main stages of the study

Focus groups: 34 disabled people took part in eight online focus groups in October 2023. Each focus group lasted about two hours and discussed the impact of disability on financial wellbeing, the barriers and challenges disabled people face, and how financial wellbeing for disabled people can be better understood.

Community discussion forum: 23 disabled people took part in an online community discussion forum which was open for four weeks in November-December 2023. Participants discussed: costs of disability; housing; support and information; general wellbeing and future; benefits system and dependency on others; employment; and other issues.

Survey: We developed a survey to measure disabled people's financial wellbeing based on what panel members told us and on other previous studies. The survey was sent to all members of the RiDC research panel in April 2023 and 815 people completed the survey in full. The survey was predominantly conducted online; however, panel members could also complete the survey over the phone.

You can find out more about the study and the research panel in the Appendix.

This study is important because it:

- Is designed with the help of disabled people so that it reflects their views, experiences and priorities for improving financial wellbeing (something that has not happened before).
- Looks beyond the generic label of ‘disabled’ to examine if and how financial wellbeing differs by demographic factors such as age and income as well as the number and type of impairments that someone has.

The findings from the study are valuable because they:

- Can be used by disabled people and their advocates to campaign for policies and interventions to improve the financial wellbeing of all disabled people.
- Can be used by policymakers in government and regulators; practitioners working in financial wellbeing, advice and guidance; and commercial firms such as financial services providers to inform policy, practice and product design.
- Provide a springboard for future studies that look at practical ways of improving disabled people’s financial wellbeing.
- Offer a baseline measure against which the financial wellbeing of disabled people can be tracked over time.

The next chapter in this report describes how disabled people in our focus groups and discussion forum defined financial wellbeing. Chapter 3 uses data from our survey of disabled people to understand how they are managing financially and how this varies for different groups of people. Chapter 4 looks at four factors that affect the financial wellbeing of disabled people: employment, the benefits system, the costs of disability and access to essential services. Chapter 5 sets out our conclusions from the study, including what needs to happen to improve the financial wellbeing of disabled people.

In line with the Social Model of Disability, throughout the report we talk about ‘disabled people’ because we recognise that people are disabled by barriers in society, not by their impairment or difference. These barriers include the physical environment, people’s attitudes, the way people communicate, how institutions and organisations are run, and how society discriminates against people who are perceived as ‘different’. When describing the nature of someone’s condition, we use the term ‘impairment’.

It should also be noted that the focus of this report was on the financial wellbeing of disabled people, rather than that of carers. Recent research from JRF, however, finds that unpaid social-care givers, who care for someone sick, disabled or elderly, face an average pay penalty of nearly £6,000 per year. This is because many carers leave paid work or reduce their hours to provide care. Where carers are part of a disabled person’s household, this pay penalty may have knock-on impacts on the financial wellbeing of the disabled person.

2 HOW DO DISABLED PEOPLE DEFINE FINANCIAL WELLBEING?

“Everybody should be able to just exist without having to be stressed and worried about their basic bills and food and heating and all these things.” [2]

For the disabled people in our focus groups and discussion forum, financial wellbeing was about basic human rights and was shaped by what was happening in society and the economy.

In practical terms, financial wellbeing meant being able to manage their income and outgoings (or, as one person put it, ‘what's in your pocket’) so they could:

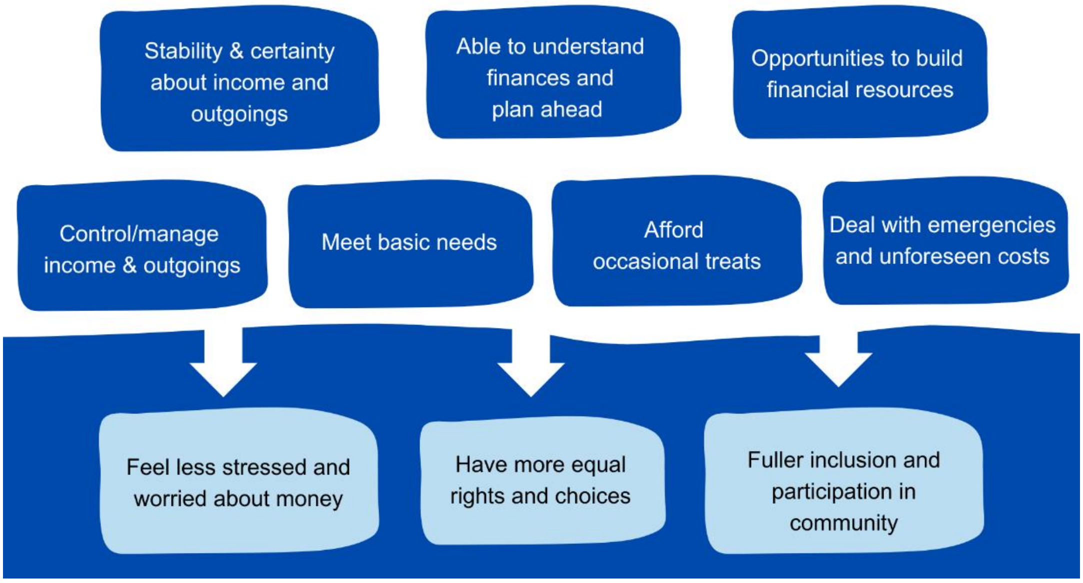
- Meet their basic needs,
- Have some extra money to enjoy the occasional treat, and
- Deal with emergencies or unforeseen costs.

To achieve this, disabled people felt it was important to have some stability or certainty about their income and outgoings. They also needed to understand finances, be able to plan ahead and have opportunities to increase their financial resources. If all these things were possible, disabled people would feel less stressed and worried about money and as a result feel more secure and comfortable.

Figure 2.1 summarises what disabled people felt ‘financial wellbeing’ meant to them.

[2] All quotes are from participants in the research, unless otherwise stated.

Figure 2.1 – What 'financial wellbeing' means to disabled people



Here are examples of disabled people's views about financial wellbeing, in their own words:

"I think financial wellbeing is at the core of human rights, really. Everybody should have a certain level of being able to just exist without having to be stressed and worried about their basic bills and food and heating and all these things."

"It's about having a doorway to have more financial resources, but I think it can also be about making the best of the resources that you have available right now."

"Having the knowhow about how to manage your money so you do feel in control. I think that's a big factor for us to be able to feel we're in control with what we're spending, feel we can manage. And it's having that ability to feel comfortable day-to-day. Not to be stressed out, not to be more impeded by your disability would be wonderful."

2.1 What affects disabled people's financial wellbeing?

The disabled people in our focus groups and discussion forum told us about four main external factors that affected their financial wellbeing: work; the benefits system; the costs of disability; and access to essential services. We describe these four factors below and expand on them in Chapter 4.

Work: For many participants, the main way they felt they could increase their financial wellbeing was if they were enabled to work. While this was not an option for all the people we spoke to, some participants wished to work but felt they faced barriers. These barriers included perceived discrimination by employers, the cost of workplace adaptations, the cost or difficulty of transportation, and employers' lack of flexibility around working hours and workload. There were also fears about being worse off in work than on benefits due to loss of benefit income.

The benefits system: Participants felt the benefits system was not designed with an understanding of the complex reality of disability. They described experiencing the process of accessing benefits as punishing and humiliating. Having to fight to get financial support negatively impacted their physical and mental health. Participants who received benefits talked about the uncertainty of not knowing for how long they would continue to receive benefits, when they might be re-assessed and the outcome of reassessment in terms of the level of benefits they got.

The costs of disability: Participants spoke about the extra health-related costs they faced such as buying and maintaining equipment like hoists and assistive technology; special diets; home adaptations; transport; increased use of water and energy due to their impairment; and having to pay people to do household jobs for them. Cutting back on these costs could have an impact on people's health. There were often long waiting lists to get help with costs with people not knowing where they might get financial help from.

	Access to essential services: In participants' experience, not being employed and disclosing an impairment could lead to them being excluded from obtaining mortgages, loans and insurance. This could mean that disabled people had to access expensive loans or build up debt, especially when they had few options to increase their income. Participants also described the difficulty of keeping up with rising energy costs; and the importance of being able to access and use online services.

Participants described their individual resilience as another important factor in financial wellbeing. Cognitive impairments (that is, difficulties acquiring knowledge and understanding), pain or low energy, mental health could all limit someone's ability to manage their money and finances. Disabled people may depend on others for everyday tasks but also have fewer opportunities to build strong social networks. Health conditions can get worse, further reducing resilience and independence. We look at individual resilience in Chapter 3.

2.2 Designing a survey to measure the financial wellbeing of disabled people

We had three aims in mind when designing the survey:

- To compare the financial wellbeing of disabled people with the general population in the UK.
- To see how financial wellbeing varied among disabled people, for example by type of impairment and how long someone had had an impairment.
- To show the particular financial wellbeing needs and challenges that disabled people face.

Our focus groups and discussion forum showed that disabled people's ideas about financial wellbeing (as illustrated in Figure 2.1) were similar to survey measures that have been used in other studies of general populations. These studies typically include some objective measures of financial wellbeing like asking about people's income, expenditure, assets and debts. Most also have subjective measures of financial wellbeing that ask people about their opinions, beliefs and feelings, such as how well they are able to make ends meet. We included these types of questions in our survey, mainly drawing on the Financial Fairness Tracker Survey that has tracked household's financial wellbeing since the start of the pandemic in March 2020; the Money and

Pensions Services UK Adult Financial Wellbeing Survey; and the government's UK Disability Survey.

To understand how financial wellbeing varies among disabled people in ways other than their financial situations, we collected information in the survey about who people lived with; their housing tenure; how long they had been disabled; type of impairment;[3] and how they would describe their impairment, for example whether it was a progressive condition, and whether they had more than one type of impairment.

Finally, we asked questions in the survey about the particular financial wellbeing needs and challenges that disabled people face, based on the four external factors that people in the focus groups and discussion forum told us about, as described above: work; the benefits system; the costs of disability; and access to essential services.

We have provided an overview of the survey questionnaire and more details about the survey in the Appendix.

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[3] RiDC research panel members are asked for information about their impairments when they first join the panel. We added this information to our survey dataset.

3 WHAT IS THE FINANCIAL WELLBEING OF DISABLED PEOPLE IN THE UK?

This chapter uses data from our survey of disabled people to understand how they are managing financially, and how this varies for different groups of people.

3.1 Overall financial wellbeing

Our survey of disabled people focused on a range of areas of financial wellbeing that participants in the focus groups and discussion forum had raised. These included: how people were coping with their day-to-day financial commitments, their ability to meet their basic needs without borrowing, their ability to live an independent life, their freedom to have some extra money available to them for treats and other non-essentials, and their ability to build up a financial safety net in case of unforeseen expenses.

As Table 3.1 shows, a significant number of disabled people find it hard to manage financially day-to-day. Nearly one-in-three (29%) disabled people in the survey said that ‘it is a constant struggle’ to meet their bills and credit commitments. One-in-ten (10%) described their current financial situation as ‘very difficult’, with a further 17% describing it as ‘quite difficult’.

These financial pressures were leading to difficulties meeting basic needs: one-in-eight (13%) said they were struggling to pay for food or other necessary expenses, while a further 20% said this applies to them to some extent. A quarter (25%) of respondents said they ‘often’ borrow money (via a credit card, overdraft or other forms of borrowing) to pay for their essential expenses.

This lack of financial wellbeing has significant impacts on disabled people and their quality of life. Many in the survey felt their financial situation hampered their sense of control over their lives or their independence. A third (31%), for example, felt they had no control over their financial situation, while similar numbers (32%) felt their choice when buying things was severely limited by their financial situation (57% said this applies to them at least to some extent). Indeed, over a quarter (27%) did not have enough money to buy occasional treats for themselves or their family.

As a result of these day-to-day financial difficulties, it is hard for disabled people to build up any kind of longer-term financial safety net. Just 16% of disabled people in the survey were managing to put money into savings every month, with 44% either having no savings or ‘rarely’ managing to put away some money. Half (46%) felt that they wouldn’t be able to meet an unexpected bill of £500 in the next seven days, either from money they already have or money they could easily borrow in a way they consider affordable. This lack of financial resilience was summed up by one participant as follows:

“It’s like the ground’s ability to cope with rain when it’s already been chucking it down for two weeks. It’s very little for it then to become saturated to the point that you can’t cope with it. There’s always a pressure there. There’s always something you’re worrying about.”

As Table 3.1 highlights, the indicators of poor financial wellbeing varied a lot between different groups of disabled people. Working age disabled adults reported significantly worse financial wellbeing than those of pensionable age on all of these measures.

Disabled people on the lowest incomes, those in receipt of benefits and those not undertaking any paid work also had higher levels of financial difficulty. For example, 41% of low-income disabled adults described meeting their financial commitments as a ‘constant struggle’ (compared to 29% of all disabled adults) and 47% said they were struggling to pay for food or other essentials (compared to 33% overall). When looking at the gender of respondents, women were more likely to report that they had no money left each month after paying for food and other essentials (39%, compared with 31% of men) and were more likely to say they would be unable to meet an unexpected £500 bill within seven days (49%, compared with 40% of men).

Table 3.1 – Key indicators of poor financial wellbeing among disabled people, by key respondent characteristics. Blue shaded cells indicate lower percentages within a given row, while red shaded cells indicate higher percentages.

Category	Question	All disabled respondents	Pension age	Working age	Not low income	Low income	No benefits	Receives benefits	Not doing paid work	Does paid work	Women	Men
Day-to-day finances	A 'constant struggle' to meet bills and credit commitments	29%	19%	34%	26%	41%	20%	31%	32%	16%	31%	26%
	Current financial situation is 'very'/'quite difficult'	27%	19%	32%	23%	40%	21%	29%	30%	15%	29%	26%
Meeting basic needs without borrowing	Currently struggling to pay for food or other necessary expenses (to some extent)	33%	24%	39%	29%	47%	25%	35%	36%	23%	34%	32%
	Often borrow money to pay for essential expenses	25%	17%	29%	23%	28%	17%	26%	27%	12%	23%	26%
Ability to be independent	Feel they have no control over their financial situation	31%	21%	37%	30%	37%	23%	33%	34%	18%	31%	30%
	Feel that, when buying things, choice is severely limited by financial situation	32%	19%	40%	28%	47%	22%	35%	36%	18%	34%	31%
Discretionary spending	Don't have enough money to buy occasional treats	27%	17%	32%	24%	39%	18%	29%	30%	12%	27%	27%
	Don't have money left each month after paying for food or other necessary expenses	36%	21%	44%	31%	50%	22%	39%	38%	27%	39%	31%
Financial safety net	No money in savings or 'rarely' manages to put money into savings	44%	34%	50%	38%	60%	29%	48%	48%	27%	44%	45%
	Unable to meet an unexpected bill of £500 within seven days	46%	35%	52%	38%	62%	28%	50%	50%	29%	49%	40%
	Sample size	*815*	*289*	*526*	*422*	*230*	*153*	*662*	*662*	*153*	*476*	*325*

Notes: 'Low income' refers to those in the bottom two quintiles (i.e. the bottom 40%) of incomes (from all sources, equivalised to account for household size, before housing costs) within this sample. Benefit receipt includes: Universal Credit, Personal Independence Payment (PIP), Disability Living Allowance (DLA), Employment & Support Allowance, Carers Allowance, Housing Benefit, Income Support, Attendance Allowance, Tax credits, Jobseekers Allowance, & Pension Credit. Working age is <65.

3.2 How does the financial wellbeing of disabled people compare with others in the UK population?

While our survey sample is comprised entirely of disabled people (or family members/carers completing surveys on their behalf), we are able to produce some comparisons with non-disabled people because we have used questions that are asked in other surveys – such as the Financial Fairness Tracker. We are able therefore to produce an overall measure of financial wellbeing that is near-identical to that produced in the Tracker.[4]

This shows that disabled people are around twice as likely as non-disabled people to be in 'serious financial difficulty', indicating that they fared badly on most of the individual measures of financial wellbeing. Over a quarter (27%) of disabled people from the RiDC research panel responding to our survey in April 2023 were in 'serious financial difficulty' while just 18% were 'financially secure' – meaning they scored well on most of the individual measures. These findings are similar to the most recent Tracker survey, in April/May 2023, where 23% of households in which someone was disabled were in 'serious financial difficulty, while 16% were 'financially secure'.[5]

Comparing this with figures from the Tracker for households where no-one was disabled, we find just 11% of such households were in 'serious financial difficulty', while 30% were 'financially secure'.

Similarly, while the RiDC panel survey showed 29% of disabled respondents were finding meeting their financial commitments a 'constant struggle', this drops to just 11% for non-disabled households in the Tracker. A third (33%) of those in the RiDC survey reported finding it a struggle to pay for food and other necessary expenses, dropping to just 17% among non-disabled households in the Tracker. Lastly, looking at financial resilience, we find that 34% of non-disabled households have less than one month's worth of savings – while more than two-in-five (44%) of disabled respondents reported having 'nothing' in savings or 'rarely' putting money into savings.

[4] This measure is a score derived from several survey questions covering households' day-to-day financial situation and their longer-term financial resilience. For more information on the derivation of the score, please see the Appendix.
[5] It should be noted that government Cost of Living payments for those in receipt of disability benefits began being paid out towards the end of April 2023, which may have affected the Tracker results but not the RiDC panel survey.

3.2.1 Relative poverty among disabled and non-disabled people

The findings on disabled people's financial wellbeing tally with national statistics on rates of relative low income – meaning those with an income below 60% of the median household income.

As Figure 3.1 shows, in 2021/22, over a quarter (27%) of individuals in families where someone was disabled had a relative low income (after housing costs are accounted for) and this compares to a figure of 19% for those where no-one was disabled. As the chart demonstrates, for disabled people, this represents an increase of two percentage points in the rate of relative low income since 2012 (when the current definition of disability was first used in these statistics). Over the same period, there was a 0.7 percentage point *decrease* in the rate of relative low income for non-disabled households – meaning that the income gap between disabled and non-disabled people has widened in recent years.

Between 2004 and 2011, however, when a different definition of disability was in use,[6] there had been a two-percentage point decrease in the rate of relative low income among families where someone was disabled. This occurred despite the rate of relative low income among non-disabled people increasing by 1.4 percentage points over the same period.

It can be argued, however, that these figures under-estimate the level of poverty that disabled people face. This is because the definition of income used in the statistics includes money from benefits which are intended to cover the extra costs of disability (such as PIP), but the figures do not take account of the higher costs that disabled people may face. In reality, any income from such benefits is likely to be cancelled out by higher costs, meaning that the true poverty rate will be higher than reported.

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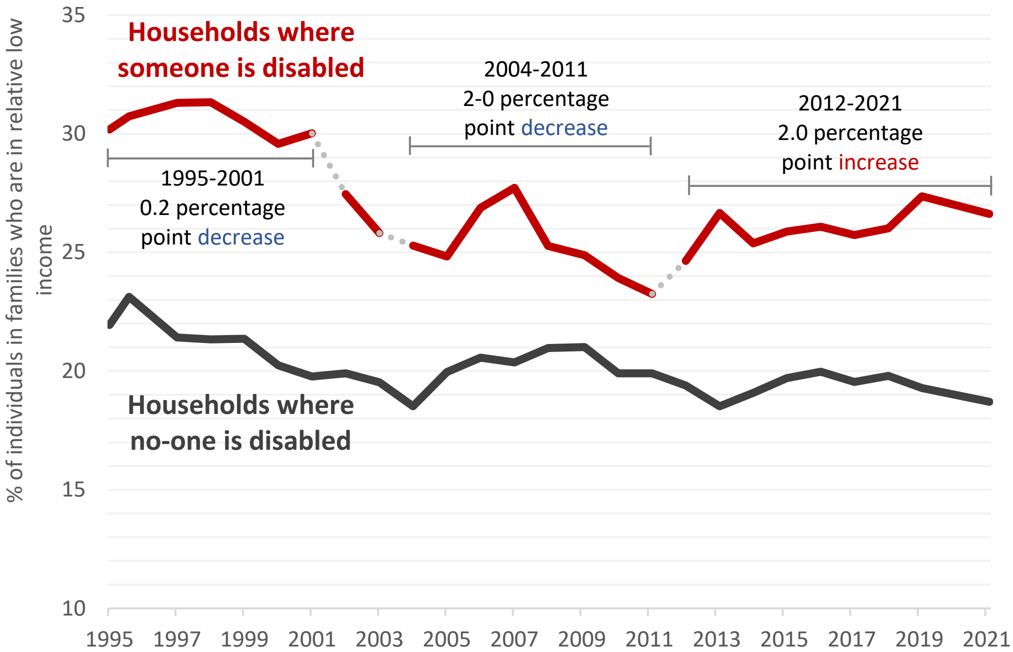
[6] Differences in disability definition used over time are explained in the HBAI quality and methodology information report: "Up until FYE [financial year end] 2002 all those who reported having a long-standing limiting illness were identified as having a disability. From FYE 2003, statistics are based on responses to questions about difficulties across a number of areas of life. Figures for FYE 2003 and FYE 2004 are based on those reporting substantial difficulties across 8 areas of life and figures from FYE 2005 to FYE 2012 are based on those reporting substantial difficulties across 9 areas of life. From FYE 2013…disabled people are identified as those who report any physical or mental health condition(s) or illness(es) that last or are expected to last 12 months or more, and which limit their ability to carry out day-to-day activities a little, or a lot."

Figure 3.1 – Estimated percentage of individuals in relative low income (after housing costs) for households where someone is disabled and households where no-one is disabled, 1995/96 to 2021/22. Dotted line indicates change in definition of disability.



Notes: Data source is '[Households below average income: for financial years ending 1995 to 2022]' (Table 1.7a).

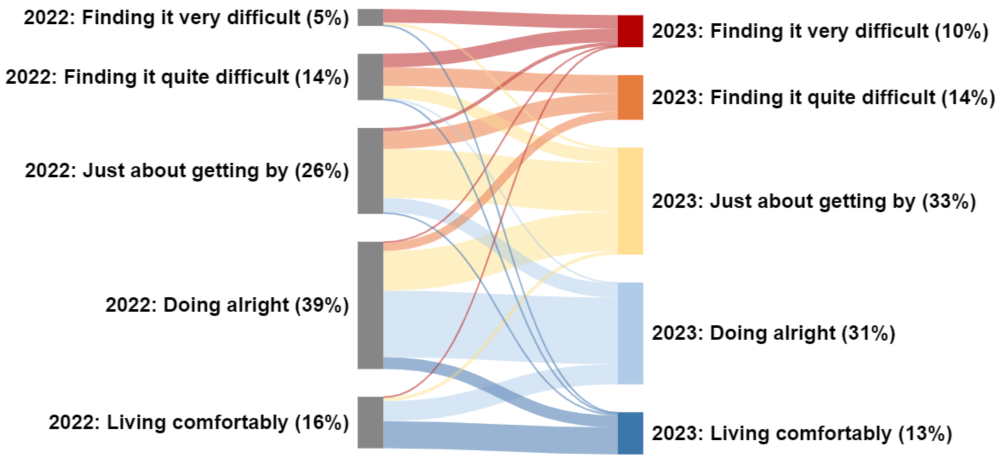
3.3 How has financial wellbeing changed in the past year?

Some of the disabled people who completed our survey in Spring 2023 took part in a similar survey with RiDC in Spring 2022. This means we can compare their answers to see how things changed for them over that year. Unsurprisingly given the cost of living crisis, many disabled people's financial situations had got worse.

As Figure 3.2 demonstrates, in Spring 2022 just 5% of disabled people reported that they were finding their financial situation 'very difficult', with a further 14% finding it 'quite difficult'. By Spring 2023, among the same respondents, this had risen to 10% for 'very difficult' with a further 14% still finding things 'quite difficult'.

Examining this in more detail, we find that just under half (47%) of respondents gave a different answer in 2023 to 2022. Of these, 33% were in a worse category than they had previously been – with 5% moving down two or more categories – while 14% had seen their situation improve. The most common change was that 12% of the 39% who had previously been 'doing alright' were now 'just about getting by'. 4% of the 14% finding it 'quite difficult' were now finding it 'very difficult'.

Figure 3.2 – Comparison between the financial situation of disabled people in Spring 2022 and Spring 2023 (for those completing both surveys). Lines indicate flow between 2022 and 2023.



Notes: Sample includes only those who had completed both the RiDC's survey in 2022 and the survey for this project in 2023. N=390. As a result, figures will differ to those presented elsewhere in the report. Diagram created with SankeyMATIC.

3.4 How does financial wellbeing vary by the nature of someone's disability?

Our survey shows there is considerable variation in indicators of financial wellbeing depending on the nature of someone's disability, with different types of impairment being connected to higher or lower financial wellbeing.

As Table 3.2 below demonstrates,[7] survey respondents with mental health conditions or chronic fatigue were most likely to describe their finances as a 'constant struggle' (43% for both), while those who were registered blind were least likely to do so (15%). Across other indicators of financial difficulty, people registered blind and those who describe their disability as 'just getting older' generally fare better than those with other impairments. People with behaviour-related impairments or learning difficulties were more likely to report borrowing money for essentials (33% for both), while 53% of those with behaviour-related impairments and 47% of those with chronic fatigue reported having 'no control' over their financial situation. Financial resilience was poor among most groups, but it was those with mental health conditions (64%) and chronic fatigue (59%) who would find it most difficult to meet an unexpected £500 bill within the next seven days.

Looking at other characteristics of someone's impairment,[8] we find that disabled people who acquired their impairment suddenly or over a short period of time (for example, as a result of an accident or sudden illness) were generally in a worse financial situation. Nearly two-in-five (37%) disabled people who acquired their disability suddenly were in a 'constant struggle' to pay their bills and 36% were unable to afford occasional treats for themselves or their family. This compares with 24% and 20% respectively for those who had been disabled since birth.

Survey respondents whose health fluctuates from day-to-day were also struggling and were more likely to feel like they had no control over their financial situation (40%). Those with multiple health conditions were struggling at a similar rate, with 37% feeling they have no control over their financial situation and 34% describing their finances as a 'constant struggle'. This tallies with various other pieces of research from the UK and across the world which demonstrate the financial burden of living with multiple conditions.

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[7] The impairment categories are those used by RiDC when disabled people sign up to the research panel. The analysis is therefore based on people's self-reported impairments.
[8] Of all survey respondents, 18% reported being disabled since birth; 38% reported having been disabled suddenly or in a very short period of time; 29% described having a fluctuating condition; and 57% reported having multiple health conditions.

Table 3.2 – Indicators of financial difficulty, by nature of disability. Figures in bold indicate the presence of a statistically significant relationship once factors such as age and gender have been controlled for. Blue shaded cells indicate lower percentages within a given column, while red shaded cells indicate higher percentages.

Nature of impairment	Constant struggle to meet bills	Often borrow to pay for essentials	No control over financial situation	Cannot afford treats	Unable to meet £500 bill	*Sample size*
Behaviour-related	39%	33%	**53%**	35%	53%	*80*
Communication-related	36%	31%	**45%**	**37%**	51%	*115*
Dexterity-related	31%	26%	33%	28%	46%	*345*
Physical mobility	**31%**	**26%**	**33%**	**29%**	**48%**	*721*
Sight-related	**22%**	**18%**	31%	**21%**	**39%**	*249*
Registered blind	15%	18%	18%	15%	35%	*40*
Hearing-related	27%	28%	**35%**	29%	44%	*203*
Just getting older	23%	20%	19%	19%	36%	*129*
Non-visible	**37%**	28%	**42%**	**36%**	**55%**	*243*
Mental health	**43%**	32%	42%	**39%**	**64%**	*130*
Chronic fatigue	**43%**	30%	**47%**	**40%**	59%	*86*
Learning difficulty	**41%**	33%	41%	33%	56%	*61*
Memory-related	**35%**	**30%**	**40%**	**33%**	51%	*250*
Affects continence	24%	22%	34%	28%	45%	*58*
Affects appearance	**40%**	30%	35%	**38%**	**58%**	*248*
Disabled since birth	**24%**	22%	**24%**	**20%**	**38%**	*147*
Disability acquired suddenly	**37%**	**30%**	**39%**	**36%**	**54%**	*306*
Progressive disability	29%	25%	33%	29%	46%	*421*
Condition fluctuates	33%	29%	**40%**	**36%**	**54%**	*239*
Multiple health conditions	**34%**	**28%**	**37%**	**31%**	**52%**	*467*
Total	29%	25%	31%	27%	46%	*815*

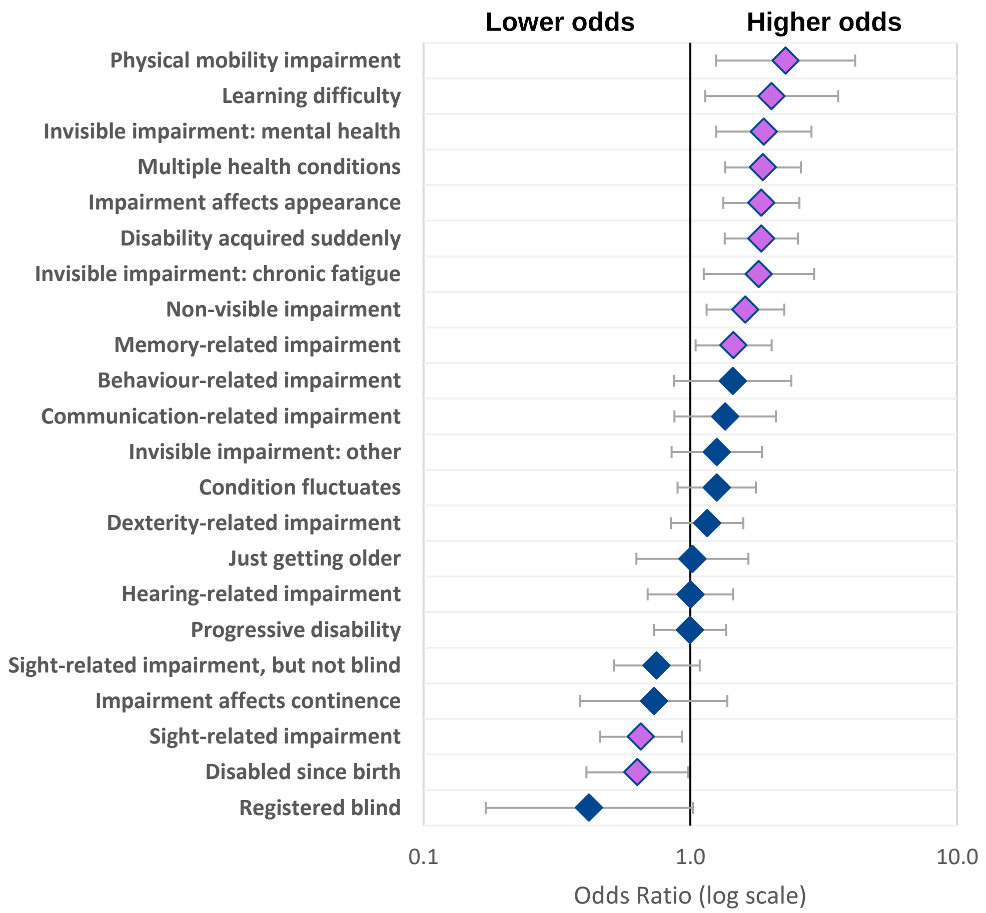
Notes: Statistically significant relationships have been identified using binary logistic regression models, which control for the age and gender of the respondent but also whether the survey was completed by a proxy or not. Each type of impairment was entered in a separate regression model, which essentially compares those with this type of impairment against everyone else. So a statistically significant result indicates higher odds of being in difficulty for those with a certain type of impairment when compared with all other survey respondents.

As also shown in Table 3.2 and below in Figure 3.3, many of these relationships remain statistically significant once other factors, such as respondent age and gender have been controlled for in regression analysis. This analysis shows that disabled people with the following impairments have significantly higher odds of financial difficulty than disabled people overall:

- Physical mobility impairments
- Learning difficulties
- Mental health conditions
- Multiple health conditions
- Conditions that affect one's appearance
- Disabilities acquired suddenly
- Chronic fatigue
- Non-visible conditions (inc. mental health and chronic fatigue)
- Memory-related conditions.

Those disabled since birth and with sight-related conditions have lower odds of such difficulty once age and gender are controlled for. In chapter 4, we explore some of the drivers that help to explain the patterns described in this section.

Figure 3.3 – Odds of describing meeting financial commitments as a 'constant struggle' once factors such as age and gender have been controlled for, by nature of disability. Pink diamonds indicate statistically significant differences.



Notes: Error bars indicate 95% confidence intervals for the odds ratio. Pink diamonds indicate statistically significant differences (where $p<0.05$). Binary logistic regression results, controlling for age, gender and whether survey was completed by proxy.

3.5 What other socio-demographic characteristics affect disabled people's financial wellbeing?

As Table 3.1 previously highlighted, there is considerable variation in indicators of financial wellbeing across different groups of disabled people, with those of working age, on low incomes, in receipt of benefits and out of work generally more likely to face financial difficulty.

Using regression analysis, we identify three other characteristics that are associated with significantly higher or lower likelihood of disabled people struggling with their finances: age, digital confidence and housing tenure. Proxy respondents, those living in Wales, London and Scotland, and those living with a partner all also had lower odds of struggling once other factors are controlled for; however, none achieve statistical significance (Figure 3.4).

3.5.1 Age

Our regression analysis shows that disabled people under 35 and those aged 65-74 fare better financially compared to other age groups.

Under 35s had nearly 60% lower odds of describing their financial situation as a constant struggle, while odds were 50% lower for the 65-74 age group.[9] For the under 35s, however, this effect is only statistically significant when we control for housing tenure. This appears to be driven mainly by a difference between homeowners and renters, with private renters aged under 35 generally faring better than private renters in older age groups.

Using raw percentages (not controlling for other factors), we see that 25% of disabled people under 35 were struggling, rising to a peak of 40% among the 45-54 age group, before falling to 20% among those aged 65-74 and 17% among those aged 75 plus.

3.5.2 Digital confidence

Our regression analysis shows that disabled people who find using digital devices easier fare better financially. Compared to those who find using digital devices 'fairly easy', those who find this 'very easy' have around 45% lower odds of struggling with their money. Conversely, those who find it 'difficult' to use such devices have around 45% *higher* odds of struggling.

[9] Compared to the reference category: 55-64 year olds.

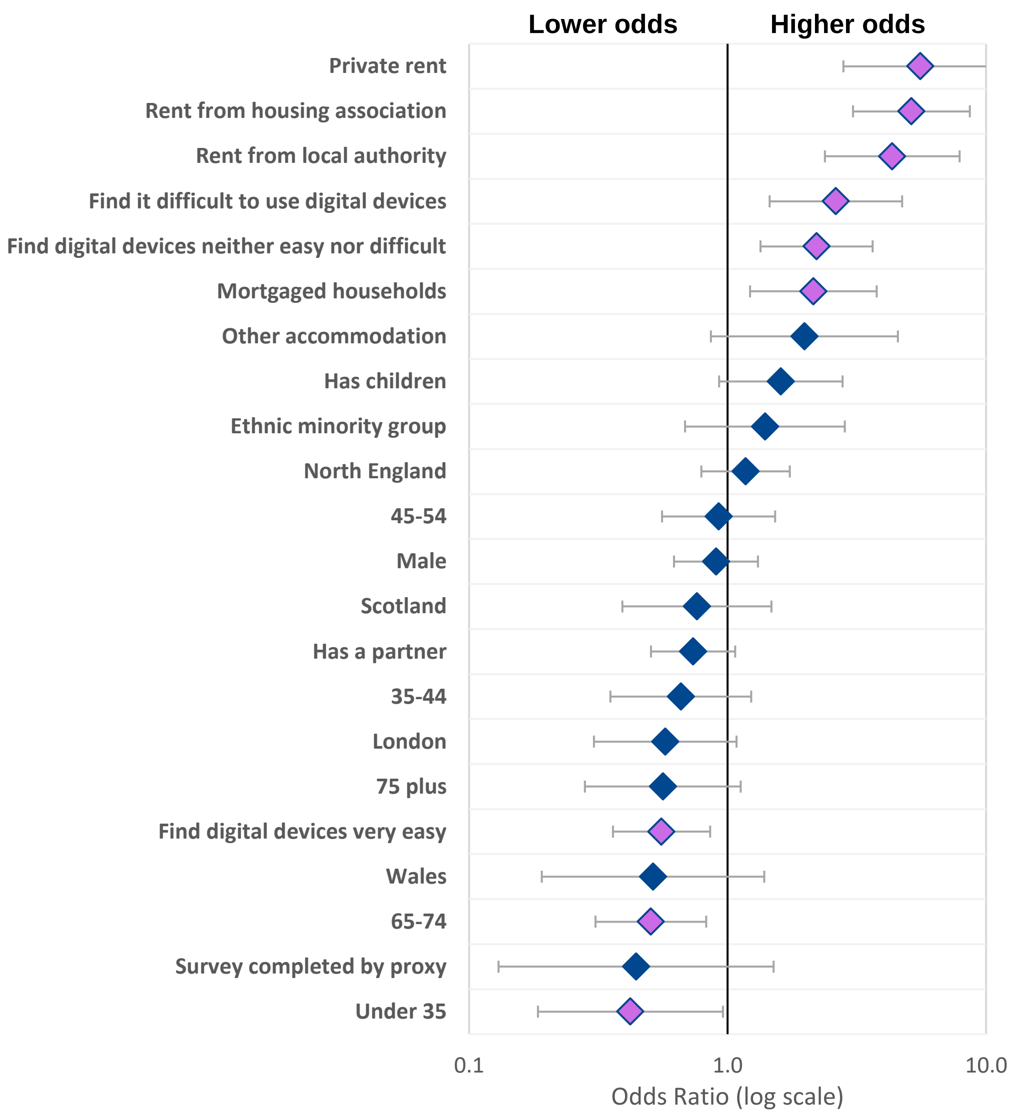
In raw numbers, we see that 46% of those who struggle with digital devices also struggle with their finances, while this falls to 18% among those who find using digital devices very easy.

The relationship between digital confidence and financial wellbeing is likely to be complex, however, and could be bi-directional. In other words, it could be the case that financial difficulty is a barrier to being online. Helping disabled people improve their digital skills and confidence could only ever be one small part of the much wider effort required to improve their financial wellbeing.

3.5.3 Housing tenure

Outright homeowners fare better financially – compared to those who own their home outright, mortgagors had double the odds of struggling. These odds rise to four times as likely to struggle among local authority renters and over five times as likely among housing association renters and private renters.

Figure 3.4 – Odds of describing meeting financial commitments as a ‘constant struggle’, by other socio-demographic characteristics. Pink diamonds indicate statistically significant differences.



Notes: Error bars indicate 95% confidence intervals for the odds ratio. Pink diamonds indicate statistically significant differences (where $p<0.05$). Based on binary logistic regression analysis using those variables shown in the chart, but does not control for nature of disability. Reference categories as follows: Tenure = Owned Outright; Region/Nation = South England (exc. London); Ease using digital devices = Fairly easy; Gender = Female; Age = 55-64. ‘Other accommodation’ includes living with family, in supported accommodation and any other forms of housing not already covered.

3.6 How does poor financial wellbeing affect disabled people and their quality of life?

Concerns around money have considerable knock-on impacts on disabled people's quality of life. While shopping around, buying cheaper brands and eating out less may be signs of good money management when money is tight, our survey shows that having to cut back for reasons of cost may also impact on disabled people's quality of life in potentially damaging ways.

In the past six months, as a direct result of money worries:

- 68% of our survey respondents had switched supermarket or switched to cheaper food products than they would normally buy (compared with 45% of non-disabled householders).[10]
- 63% had cut back on eating out or buying takeaways (cf. 47%).
- 54% had socialised less than usual or had cut down spending on their hobbies or pastimes (cf. 27%).
- 52% had been unable to keep their home warm and comfortable (cf. 21%).
- 26% had borrowed money for daily living expenses (cf. 23%).
- 21% had received some form of financial help from their family or friends (cf. 12%).
- 12% had received food from a foodbank or had received food vouchers (cf. 3%).
- 12% had sought debt or money advice (cf. 10%).

Six out of every seven (85%) disabled people had taken at least one of the above actions due to concerns around money. Figures rise even higher among working age disabled adults, with nine out of ten (90%) having taken at least one of the actions that the survey asked about. The rate of food bank use (or food voucher use) was as high as 17% among working age disabled people, compared with just 5% among those of pensionable age. Similarly, knock-on impacts were also common among those on lower incomes; for example, 65% of lower income disabled people had socialised less or cut back on hobbies and 63% reported being unable to keep their home warm and comfortable.

[10] Results for non-disabled households from April 2023 wave of the abrdn Financial Fairness Tracker survey.

3.6.1 Health impacts

Concerningly, three-in-five (61%) disabled people reported that financial difficulties had had some form of impact on their health in the last six months, with this rising to 68% among working age disabled adults and 75% among lower income disabled people.

Nearly a third (32%) of disabled adults had avoided going to the dentist or receiving dental treatment as a result of the cost, while a quarter (25%) had cut down or stopped receiving medical services that they had been paying privately for – such as counselling or physiotherapy. Around a fifth had either not been able to afford medication or medical equipment that they needed (21%) or hadn't been able to keep to a special diet needed for their condition as a result of cost (21%). A similar proportion had cut down on the use of medical equipment at home because of the running costs (19%), while 15% had avoided going to the doctor or other medical appointments because of the cost – for example, of getting to and from the appointments, paying for parking or because of the cost of missing work. Lastly, around 14% had cut down or stopped support that they had been receiving from carers. While cutting back on some of these things may reduce their financial costs, ultimately they may come with a hefty price tag in terms of the impact on disabled people's health.

When asked directly how they felt their financial situation was affecting their health, 45% of disabled people said it was making their mental health worse, while 40% felt this was true of their physical health. Among those in receipt of benefits, this rises to 49% for mental health and 43% for physical health. For those on the lowest incomes, these rise yet further to 57% and 50% respectively.

The impact of disabled people's finances on their health was a common theme in our focus groups and discussion forum. In one case, we heard from a paraplegic man (paralysed from the chest down) who had lost access to his usual carer as a result of issues with Carer's Allowance. He took on a range of household tasks that his carer would usually have done for him, but sadly this led to him becoming badly injured in a kitchen-related accident. This was a very direct example of how financial pressures could lead to worse health outcomes, which was bad for the individual concerned but also led to increased demand for already-stretched NHS services.

Other examples showed the range of ways that financial difficulty could have potential severe impacts on disabled people's health:

"I'm dependent on the background heating, because I also suffer from neuropathy. (…) But I've also got the disadvantage of having to have several showers a day, which I can't cut back on. I look at it and I think, well, can I actually miss out on one shower a day? Can I cut back? And it doesn't work."

"I used to shower every day because I do have problems with my bladder, but I've had to do that every other day [due to cost of living], which I'm hoping wouldn't have too much of an impact because I'm really prone to infections. But it's little things like that, that if then I get ill, then it just impacts everything else. It takes longer to get better usually with antibiotics. If I'm really not well, I have to go to the hospital."

3.6.2 Housing impacts

Nearly three-quarters (73%) of disabled people surveyed said that their impairment had affected their decisions about where to live. Nearly half (45%) had moved into a building that better suited their needs, while 17% had moved to a more suitable area. As the below quote highlights, housing could very quickly become unsuitable, causing severe problems:

"When my mobility drastically deteriorated, I was stuck in a privately rented flat and I could not leave my bedroom as doors were not wide enough for a wheelchair."

One-in-eight (13%) had moved closer to family or friends who care for them and 4% had moved closer to where they go for treatment. But financial situations also constrained a considerable proportion of disabled people, with 22% living in unsuitable accommodation because they could not afford somewhere more suitable, 10% moving somewhere cheaper because they could no longer afford their previous house and 7% living with family or friends for longer than they otherwise would have liked.

Some participants described the difficult compromises that they were forced into when making decisions about where to live:

“I live in non-wheelchair accessible house but don't have other option because I live near a rare accessible tube stop and I can afford the rent. To rent a wheelchair accessible flat I would likely have to move out of London and pay more than three-quarters of my monthly take home pay.”

“I must live in wheelchair accessible accommodation. I'd like to move to be close to family but am very unlikely to be able to do this.”

“Forced by council to move to better bungalow, but this is causing problems with mental health as due not being able to have my support network.”

“Restricted from moving area because my house suits my disability, even though the location is very rural, inaccessible, and isolated with no wheelchair accessible public transport.”

4 WHAT AFFECTS THE FINANCIAL WELLBEING OF DISABLED PEOPLE?

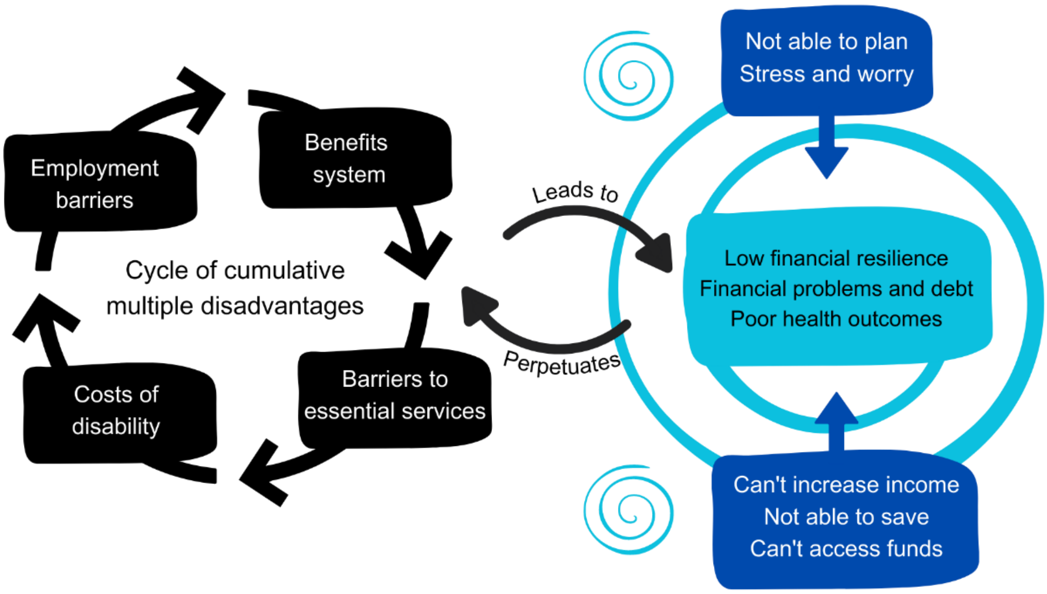
This chapter looks at four external factors that affect the financial wellbeing of disabled people: employment, the benefits system, the costs of disability and access to essential services.

4.1 The 'disability trap'

The information shared by disabled people in our focus groups and discussion forum indicates that disabled people are likely to face **multiple disadvantages** that impact on their individual resilience and financial wellbeing. The issues they face accessing work, benefits and essential services, in addition to the costs of disability, do not happen in isolation and their effects all add up. These cumulative impacts affect not only disabled people's current financial wellbeing but also their ability to take steps to improve their financial wellbeing in the future.

This can result in a 'disability trap' as shown in Figure 4.1, which risks negatively affecting disabled people's health and further disabling them in other areas of their lives. Our focus groups showed how these concerns can be different depending on people's age and life stage. Older disabled people might worry more about the drop in income resulting from retirement or having people to trust with organising their inheritance. Younger people might be more worried about securing their first job and training opportunities. Participants of all ages could be concerned about living independently or relying on care, although at a young age they might be concerned about a partner joining the household who could also be a carer; while at an older age, participants expressed worries that partners are no longer recognised as carers once they get older.

Figure 4.1 – The ‘disability trap’



In the rest of this chapter, we look at what our survey findings tell us about the external factors that affect disabled people’s financial wellbeing, starting with employment. We include real-life examples from our focus groups and discussion forum to illustrate key points from the survey. We also consider what needs to happen in each of these areas to improve disabled people’s financial wellbeing.

4.2 Employment

Official statistics show there were more working-age disabled people in employment in the first quarter of 2023 than a year before. However, there is still a significant ‘disability employment gap’ - the difference in the employment rate of disabled people and people who are not disabled. In January to March 2023, the employment rate for disabled people was 53.7%, compared to 82.7% for people who are not disabled, meaning the gap was 29.0 percentage points. The proportion of disabled people who are in employment also varies considerably depending on the type of disability and how many health conditions they have.

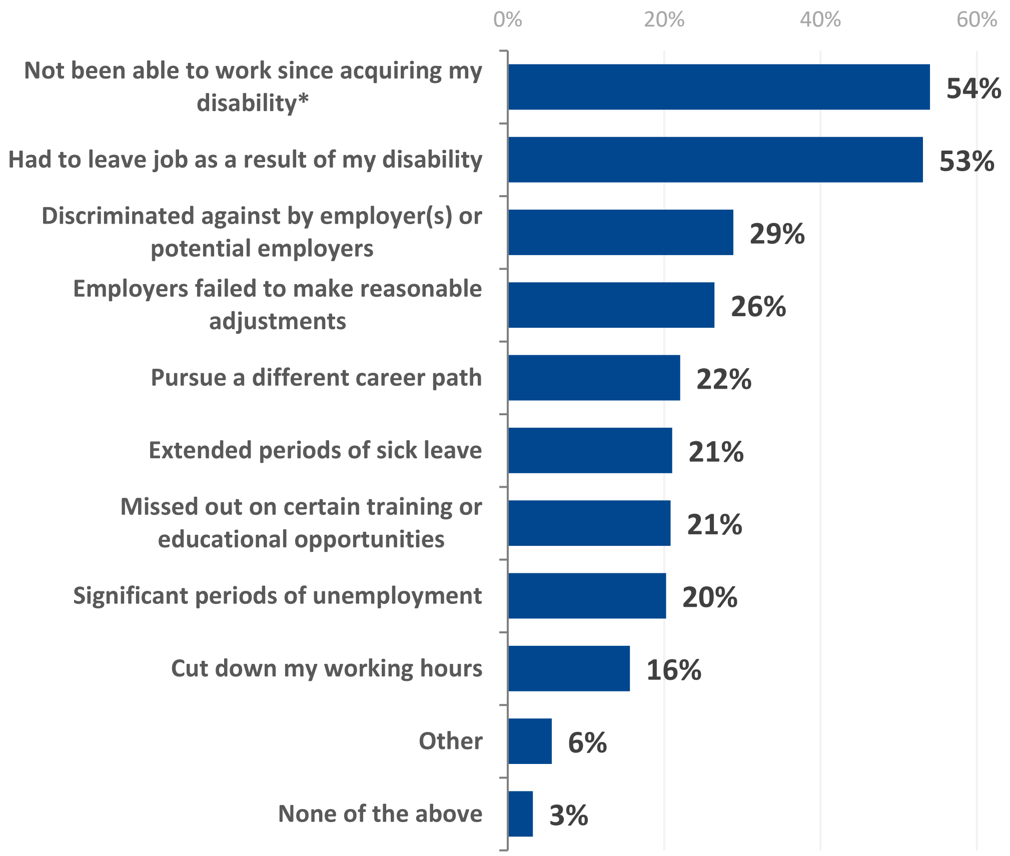
Almost all (95%) of the working age disabled people who took part in our survey said their impairment has negatively affected their ability to do paid work. Three-quarters (77%) of them said it had ‘very negative’ impacts, and this proportion was considerably higher (87%) among survey respondents who had acquired their disability suddenly.

Looking at specific impairment types in a regression model controlling for age and gender, we find that disabled people with the following impairments were significantly more likely to feel that their disability had had very negative work impacts (in descending order):

- Physical mobility impairments
- Chronic fatigue
- Dexterity-related impairments
- Mental health conditions
- Memory-related impairments
- Communication-related impairments

Those who had sight-related impairments or were ‘just getting older’ were less likely to report such impacts on their opportunities for work.

Figure 4.2 – Impact of impairments on disabled people’s ability to work



Notes: Working age adults only (N=526). * ‘not been able to work since acquiring my disability’ is based only on those who had not been disabled since birth (N=402).

Figure 4.2 shows the ways in which working age survey respondents' impairments had affected their ability to do paid work.[11] In particular:

- Over half (54%) of those who were not disabled from birth had not been able to work since acquiring their disability, while half (53%) of all disabled respondents said they had to leave their job at some point because of their impairment.
- Three-in-ten (29%) felt they had been discriminated against by employers or potential employers because of their impairment.
- A quarter (26%) said that employers had failed to make reasonable adjustments for them.

While legislation exists in the UK to prevent employers from discriminating again disabled people, those who took part in our focus groups and discussion forum did not feel it was working. In the words of one participant:

"I know there's the legislation and the laws that say you can't discriminate against someone who's disabled. But companies can find any other reason to be like 'oh, no, you're not a good fit' (…) It's rubbish. Companies will do whatever they can to avoid employing someone who's disabled. Because they have to then be asked to make adaptions."

Even if disabled people can get work, other research shows there is a significant pay gap between the average non-disabled and disabled workers of 17.2%, or £3,700 a year. The 'disability pay gap' is worse for disabled women, where the gap is 35% or over £7,000 a year. On top of this, the extra costs faced by disabled people can mean that work is even less likely to pay, even if it has other positive benefits. This is a good example of the 'disability trap', as one of our participants described when he took part in a focus group in winter 2022:

"I can work. I've been lucky in that. I don't earn very much, but I need to have that purpose for my psychological wellbeing. I earn too much to get benefits. However, because of my disabilities and impairments, I have to live somewhere, which is supported accommodation. So my rent is £450 a week. So basically, all I earn goes on rent and I simply can't afford heating. It's just so cold… So, because of your disability needs, you can end up having to pay more."

[11] Respondents could choose multiple answers to this question, so the proportions add up to more than 100%.

The employment and pay gaps experienced by disabled people can have serious implications in later life as well. Other research shows that disabled people feel they are not preparing adequately for retirement and are pessimistic about running out of money in old age.

4.2.1 What needs to happen?

The UK's progress towards ensuring equal opportunity and reducing inequalities of outcome, including for disabled people, has been assessed as "very poor and deteriorating."[12] The disabled people in our study felt that the legislation designed to protect them from discrimination by employers was not working. Working age respondents to our survey also felt strongly that disabled people in the UK are still not given the necessary opportunities they need to thrive in society:

- Eight-in-ten (80%) think that disabled people are not given the employment opportunities they need to thrive in society.
- Seven-in-ten (69%) think that disabled people are not given the educational opportunities they need to thrive in society.

Other research shows that closing even half of the gap between the UK and those countries with the highest employment rates would lead to over a million more disabled and older people in work and an employment rate above 80%.

Since 2017, the Conservative government has published various proposals and plans to support disabled people and people with health conditions into work and support those who are in work. In March 2023, it promised £2 billion investment over five years in employment support for disabled people and those with health conditions. The government also launched a consultation on its proposed Disability Action Plan in July 2023, with the intention to publish a final plan by the end of 2023.

Disabled People's Organisations (DPOs), disability charities and others feel that the government needs to do more. The Disability Employment Charter identifies areas of action that the government needs to tackle to reduce the disadvantage that disabled people face in finding and staying in work. These include: further increasing employment support for disabled people; reforming existing support programmes so they work better; improving workplace adjustments; and creating a 'one stop shop' portal to provide information, advice and guidance to employers

[12] Ensuring equal opportunity and reducing inequalities of outcome is one of the targets in the United Nations Reduced Inequalities Sustainable Development Goal. This includes eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action.

on recruiting and retaining disabled people, and to disabled people on their employment rights.

What's already happening: The Disability Confident scheme

The Disability Confident scheme is a government scheme that aims to help employers make the most of the opportunities provided by employing disabled people. It is voluntary and has been developed by employers and disabled people's representatives. Employers start by becoming Disability Committed (Level 1), they can then become a Disability Confident Employer (Level 2) and finally a Disability Confident Leader (Level 3).

As of August 2023, government figures show that 18,630 employers were signed up to the scheme[13], most of which were signed up at Level 1, Disability Committed (75%). Disability Confident Employers (Level 2) made up 22% of signatories; and Disability Confident Leaders (Level 3) made up 3% of signatories.

In addition, the Business Disability Forum's Great Big Workplace Adjustments Survey 2023 called on employers to:

- Simplify their workplace adjustments process.
- Provide more support for managers and the role they play in workplace inclusion.
- Develop a wider workplace approach to understanding the experience of having a disability and to removing disability-related barriers beyond focusing on workplace adjustments.

4.3 The benefits system

The disability employment and pay gaps mean that many disabled people (including those in low-paid work) must rely on the benefits system[14] for some or all their income.

Nearly all (85%) of working age disabled adults in our survey were receiving at least one type of benefit:

[13] For context, there are around 1.5 million organisations in the private sector which employ staff - of which, approximately 260,000 employ 10 or more employees.

[14] In this section, we typically refer to the 'benefits system' (rather than use terms like 'social security') because this was the term typically used by participants in our research.

- Benefits to cover the extra costs of being disabled – three-quarters (74%) were receiving Personal Independent Payment (PIP), while 14% were receiving Disability Living Allowance.
- Benefits for those whose ability to work is affected by their disability – four-in-ten (42%) were receiving Employment and Support Allowance (ESA).
- Benefits for carers – one-in-five (22%) lived in households where someone was receiving Carer's Allowance (CA).
- Non-disability-specific benefits – a quarter (25%) were receiving Housing Benefit (HB), while 17% were getting Universal Credit (UC) and 10% were in receipt of tax credits.

Disabled people in our study expressed strong views about the benefits system and our findings show it has clear links to people's financial wellbeing. The following sections look at benefit levels and financial wellbeing; people's views and experiences of engaging with the benefits system; and what needs to happen.

4.3.1 Benefit levels and financial wellbeing

There is already substantial evidence that benefit levels in the UK are not adequate to cover people's living costs, which will severely impact their financial wellbeing:

- A parliamentary report published in 2023 concluded that "the low rates of social security are pushing people into poverty and driving destitution."
- OECD figures show that the UK spends 1.3% of GDP[15] on incapacity,[16] which is the same as Greece and much lower than the average for all OECD countries (2.0% of GDP).
- Government-commissioned research found that people who did not have income outside of their disability benefit said they were often unable to meet essential day to day living costs such as food, rent and heating.

In our survey, three-quarters (76%) of working-age respondents disagreed with the statement "the government provides a good level of support to disabled people". This figure was even higher among respondents in receipt of UC (81%) and ESA (81%). There were also clear links between benefit receipt and financial wellbeing: 47% of survey respondents receiving UC were struggling to pay for food and

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[15] GDP is the measure of the size of a country's economy over a period of time. When GDP goes up, the economy is growing.
[16] Public spending on incapacity refers to spending due to sickness, disability and occupational injury. It includes disability cash benefits such as Personal Independence Payment.

other essentials, whereas the proportion for those receiving PIP was 35%.

For disabled people, financial wellbeing means having some stability or certainty about their income so they can manage their outgoings and plan ahead. The benefits system does not deliver this. In our survey, eight-in-ten (82%) of working age respondents agreed that uncertainty about benefits makes it harder for them to plan their future finances. As a disabled person receiving UC told us:

"What's even worse is the lack of control that you have over your own finances, especially if you're on benefits. It feels like these can be taken away at any time, and you're also reassessed every two to three years, based on your eligibility. And with Universal Credit, you don't know what you're going to get the next month."

People's impairments can also change over time in unpredictable ways often referred to as the dynamic of disability, meaning they have good and bad periods of health. Our survey shows that disabled people who have impairments that fluctuate significantly were more likely to be declined benefits (26% of working age applicants with a fluctuating condition, compared with 18% of those without).

Finally, the rules of the system mean that the income of partners or family members in the same household affects the amount of benefits that someone can receive. This can result in disabled people feeling financially dependent on others, because they cannot manage independently on the benefits they receive. In our survey, half (50%) of respondents living with partners or other family felt that the benefits system had made them feel more financially dependent on their partner or other family.

4.3.2 Engaging with the benefits system

Our study shows that many working age disabled people find the benefits system complex and hostile. Almost all (92%) of the disabled people in our survey who received benefits agreed that applying for benefits was a complicated process. It is argued that the system is designed to create barriers to access, such as complex assessments or the threat of sanctions for those receiving benefits if they don't meet various conditions.

In the focus groups and discussion forum, disabled people talked about three particular barriers to getting benefits they are entitled to which we then asked about in the survey.

The first barrier is not knowing what benefits you might be eligible for. In our survey, only two-in-ten (17%) of working age disabled adults who had engaged with the benefit system agreed that it was easy to know what benefits they were eligible for.

The second barrier is how disabled people feel they are treated by the benefits system, which may discourage them from applying for benefits or seeking any kind of help from benefits staff. The majority – 71% - of survey respondents who received benefits agreed with the statement "I have been made to feel guilty about applying for benefits."

Linked to this, the third barrier is the perceived lack of understanding about disability and the impacts of impairment among benefits staff. Six-in-ten (58%) of working age disabled adults in the survey who had engaged with the benefit system disagreed with the statement 'benefits staff that I dealt with showed good understanding of how my disability might affect me'. While only two-in-ten agreed that benefit staff showed a good understanding about their impairment, this suggests that better is possible.

These barriers aren't experienced in isolation by disabled people, meaning that they face hurdles at every stage which may put them off even applying, with knock-on negative impacts on their health and wellbeing. It is estimated that the total amount of unclaimed income-related benefits (such as UC) and social tariffs is £18.7 billion a year. This figure does not include the value of unclaimed disability benefits because no data is available on the severity of disabilities that would lead to benefit eligibility.

As a disabled person who received PIP and UC told us:

"The process is downright degrading from start to end, you feel like you're being judged and put in front of a jury and asked things that are so personal and intrusive. If you are not well enough to document and chase everything then I can see why you get refused or fall through the cracks, I am now really scared as my memory is getting bad and my husband struggles with writing complex messages, so I dread to think what is going to happen as things decline for me."

Government services, including the benefit system, are now typically 'digital-by-default' meaning that citizens have little choice but to do things online using digital devices. It is not surprising therefore that disabled people who reported finding it difficult to use the internet and/or digital devices were more likely to say it was difficult to know what benefits they were eligible for (83%, compared with 64% of those who find it 'very easy' to use digital devices) and to say that applying for them was a complicated process (100%, compared with 93% of those who find digital devices ‘very easy’). We return to the issue of digital exclusion in section 4.5.

The benefits system is partially devolved across the UK, with the Scottish and Northern Irish governments having devolved responsibility for administering disability-related benefits, while the DWP administers them for England and Wales together.[17] Regression analysis, controlling for the socio-demographic profile of respondents in each country,[18] suggests that disabled people in Scotland had nearly 70% lower odds of reporting that they had to wait an ‘excessively long time’ to hear the final outcome of their benefit application (odds ratio = 0.31, p=0.00) and nearly 60% lower odds of saying that ‘applying for benefits was a complicated process’ (odds ratio = 0.43, p=0.01).[19] While this finding should be treated with some caution given the relatively small sample size of respondents in Scotland, it may suggest that devolved nation’s differing approaches may result in an improved experience for disabled people.

4.3.3 What needs to happen?

There have been repeated calls on government to increase benefit levels and reform the benefit system to ensure that it provides an adequate safety net for people in low-paid work, looking for work, or not able to work, for example from the All Party Parliamentary Group on Poverty, the Commission on Social Security, and the UN Global Compact Network UK. Their recommendations include increasing benefit levels so at a minimum they cover essentials like food, utility bills and basic household goods; improving the way benefits are uprated every year so they keep pace with the cost of living; and changes to the system so that people are treated with respect and trust. To date, these recommendations have not been acted upon.[20]

The government does however propose to reform the disability benefits system as part of its plans to “help more disabled people and people with health conditions to start, stay and succeed in work”. Three of the main proposals are to:

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[17] For more detail on devolved social security powers in the UK, please see the House of Common Library’s briefing paper on the subject.
[18] Binary logistic regression analysis conducted, controlling for age group, gender, whether survey completed by proxy, whether has a partner, whether has children, housing tenure, ethnic group and ability to use digital devices. Includes only those with experience of the benefits system and with data for the control variables (N=524, of whom 45 were in Scotland).
[19] Odds ratios for Scotland were less than 1 for six different variables explored (looking at different aspects of the benefits system), but only achieved significance for the two mentioned.
[20] In 2023 there is also an ongoing inquiry into UK benefit levels by the House of Commons Work and Pensions Committee.

- Remove Work Capability Assessment so that Personal Independent Payment (PIP) assessment is the only health and disability assessment.
- Replace Universal Credit (UC) Limited Capability for Work and Work Related Activity (LCWRA) financial top-up with a new UC health element that will be awarded to people who receive standard UC and any PIP element.
- Introduce a new ‘personalised health conditionality’ approach for people who receive the UC health-related payment, where the requirements placed upon claimants will be varied according to their capacity to work and assessed on a case-by-case basis.

Disabled People’s Organisations, disability charities and others have raised concerns about these proposals and the potential negative effects on disabled people and those with health conditions. It is estimated that the 1 million people who currently receive health-related UC but not disability benefits could potentially lose £354 per month on average (because the new UC health element will only be paid to those who also receive PIP). As a result, more people may apply for PIP, putting greater pressure on the system.

If the new proposed ‘personalised health conditionality’ approach is implemented by Job Centre work coaches, it means that staff who may have limited understanding of people’s health conditions and impairments will make decisions about the job preparation requirements they have to fulfil. These decisions are important, because if people fail to comply with the requirements, they can have their benefits reduced or stopped. This effectively means that the Work Capability Assessment is devolved to Job Centre staff with the loss of important oversight and claimant protections such as the right to appeal decisions.

This situation is somewhat different in Scotland. The government’s proposals to reform disability benefits do not apply to Scottish disability benefits, where Adult Disability Payment replaced PIP in 2022 and Child Disability Payment replaced Disability Living Allowance for children in 2021. The changes proposed for UC will apply in Scotland, as these benefits remain the responsibility of the UK Government.

In addition, a new agency - Social Security Scotland - was set up by the Scottish Government in 2018 to deliver the devolved parts of the benefits system and was “created with people and not for them”. The new system “recognises social security is a human right and aims to treat people with dignity and respect” - which reflects what disabled people in our study wanted to see across the UK.

Social Security Scotland’s performance is assessed against the Social Security Charter, which sets out what people should expect from the system. In 2021/22, client surveys showed that 94% of respondents who had been in contact with Social Security Scotland agreed they were treated with kindness; and 90% who had applied for a benefit agreed that the application process was clear. This indicates that a human rights-based approach to social security can deliver what disabled people in our study felt was needed.

What's already happening: 'Claim What's Yours' campaign

In April and May 2022, the Welsh Government ran the 'Claim What's Yours' campaign to encourage people to take up benefits they are entitled to. The campaign delivered messages across TV, radio, social media and door drops. Over 8,000 people responded to the campaign's call to contact Advicelink Cymru and were helped to claim over £2.1m of additional income. Although the campaign is no longer running on media platforms, the Welsh Government has put together a toolkit of resources that organisations can use.

The disability charity Scope has also looked at how different messaging in media and communications can change people's attitudes to disability and published its findings about what does and does not work.

4.4 Costs of disability

In addition to often facing lower incomes as a result of difficulties working or with the social security system, a common theme that many disabled people spoke about in our research was the extra costs that they faced as a result of their impairment. These ranged from increased day-to-day costs – such as the need to follow a special diet, personal hygiene or use more energy to run medical equipment – to large one-off costs – such as making home adaptations or purchasing medical equipment or assistive technologies. Many of these costs were simply unavoidable:

"I've got to have hoists. I personally would choose not to have them, but you have to have them for carers to come in, for safety. So these are costs that you don't even choose to have."

"On any given day, it's mandatory that I have power for: an electric bed (all night), an electric toilet (several times a day), an electric bath (once a day), an electric wheelchair (charged daily at nights), an electric hoist (used several times a day and permanently on charge), a lift (used frequently daily)… and

that's not including any 'normal' devices that folks use like kettle, internet, TV, heating and oven!"

At other times, people were left with near-impossible choices over whether to pay for something more expensive that was more suitable for their needs and would potentially reach them more quickly – or to wait for lower-cost or free support that might not be so suitable for them. This participant, for example, may have been able to receive crutches on the NHS but they would have been unsuitable:

"It's more expensive being disabled. I couldn't find the crutches I needed on the NHS. They wouldn't fund it. So I had to spend a considerable amount of money on my own crutches, which meant that I had to plan for it. It also meant I had to worry about it, and it means I can't relax into my disability. I can't just sit there. It means I'm always worrying that I can't change things."

In our survey of disabled people, there was considerable concern about the high costs of disability:

- 75% agreed that they have "particularly high costs" due to their impairment (comprised of 36% who 'strongly agreed' and 39% who 'agreed').
- 64% agreed that there are things they need to buy because of their impairment that they could not afford (comprised of 34% who 'strongly agreed' and 30% who 'agreed').
- 54% agreed that they needed to prioritise spending on their health over other types of spending (comprised of 19% who 'strongly agreed' and 35% who 'agreed').

People with certain types of impairment were more likely than others to feel that they had 'particularly high costs' as a result of their condition. Once controlling for age and gender, people with the following impairments were more likely to report these high costs:

- Physical mobility impairment (odds ratio = 5.15)
- Learning difficulty (2.31)
- Those with multiple health conditions (2.13)
- Impairment affects continence (2.01)
- Dexterity-related impairment (1.97)
- Impairment affects appearance (1.70)
- Hearing-related impairment (1.66)
- Disability acquired suddenly (1.50)
- Memory-related impairment (1.45)
- Fluctuating condition (1.39).

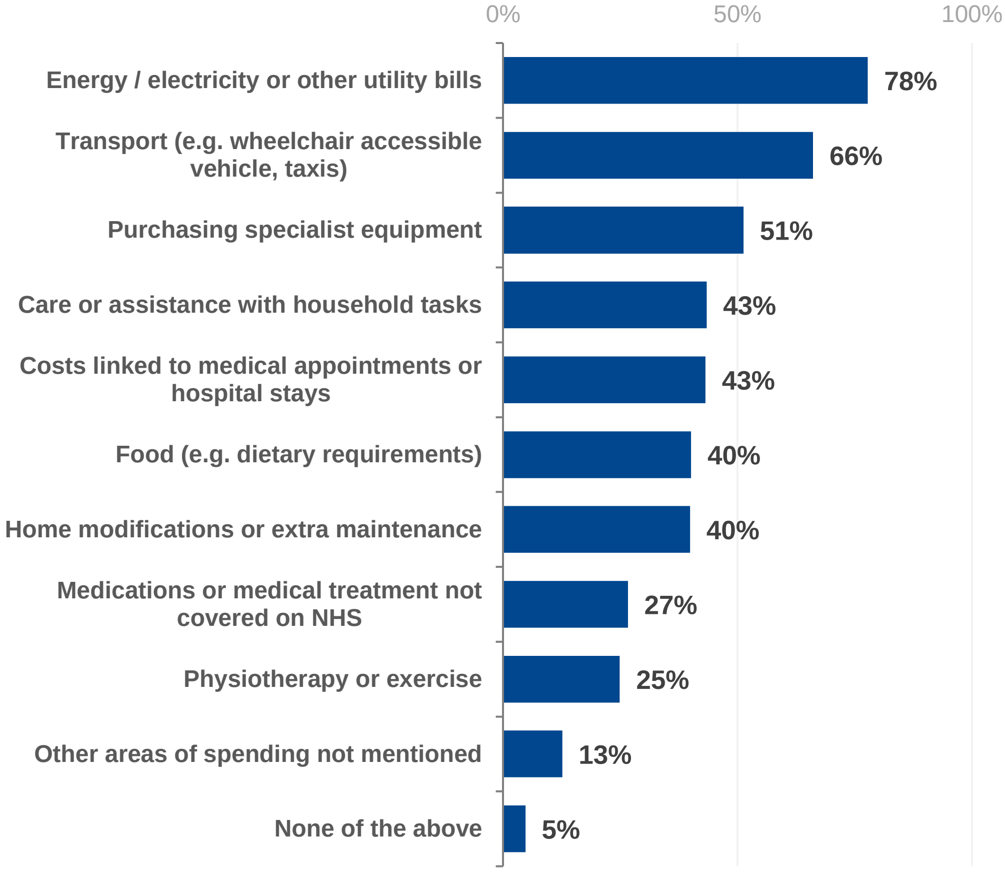
Figure 4.3 shows the kinds of extra costs that disabled people incurred. The most common was high energy or other utility bills (incurred by 78% of respondents), followed by transport costs – as a result of getting a wheelchair accessible vehicle or paying for taxis (66%) – and paying for specialist equipment (51%).

The cost of care or assistance with household tasks (43%), costs associated with medical appointments and hospital stays (43%), extra food costs (40%) and the cost of home modifications or extra maintenance (40%) were all incurred by around two-in-five disabled people. A quarter mentioned the cost of medications or medical treatment not available on the NHS (27%) and costs associated with necessary physiotherapy or exercise (25%). One-in-eight (13%) mentioned other areas of additional spending.

It was beyond the scope of this research to calculate a monetary figure for the additional costs that disabled people face. However, disability charity Scope estimates that the 'disability price tag' in 2023 is £1,122 per month. This relates to both "money that has actually been spent, but also to purchases and services that disabled households have to go without because their available income has been used up on the basics. In other words, not every disabled household is able to meet the extra cost of disability."

Other research for Macmillan in 2012 estimated that four-in-five people living with cancer were £570 per month worse-off on average, while research for the Cystic Fibrosis Trust in 2023 found that a typical family with CF will lose £560 per month – or £6,800 per year – as a result of additional costs and loss of income.

Figure 4.3 – Extra costs incurred by disabled people. Participants asked only to include extra costs that they consider meaningful and that had affected them in the last 12 months.



4.4.1 Getting a good deal

An additional way that disability could increase people's outgoings was by preventing them from getting a good deal or reducing their bargaining power when buying goods or services. This came in many forms, but there were many similarities regardless of the nature of someone's impairment, as the following quotes demonstrate:

Finding bargains

"If you have a visual impairment it affects you in just simple ways… like, I can't see all the wonderful offers that they've got in the windows to tempt you in. In a shop, I go around with someone generally, but they don't necessarily show you the more affordable versions first." (Visually impaired participant)

“Whatever type of impairment you’ve got, all these things that you’ve just discussed affect you. For example, for me, I know I’m going back to carers, but, say, for example, I want filtered milk, right? And I know that I can get a certain brand, two for £2.80. And then they’ll go, oh, I couldn’t find the one you wanted, so I bought you these, £2.25 each. And like you say, it’s not just that.” (Mobility impaired participant)

Bargaining power

“I tend to get cabs here and there. I can tell that they’ve gone the longest way. So they ask you for more. You don’t know what’s on the clock when you’re getting out.” (Visually impaired participant)

“Like, for taxis… [being unable to get a good deal] happens when you’re in a wheelchair [too] because… you haven’t got the same bargaining power somehow, because you needed that taxi. You had to get from A to B and you required that taxi in the way that you couldn’t have taken the bus. So they’re going to charge you anyway and they’ll put up with an argument if they have to.” (Mobility impaired participant)

Returning items bought online

“Even buying online, not realising that if you need to return… Because don’t forget, if you’re buying online, I can’t see that… and then having to pay to return it.” (Visually impaired participant)

“To return items, I’ve got to get a carer to parcel them up. I’ve got to take it to the post office. If a carer costs £24 an hour and it takes an hour to do that, then it’s cost £24 to send that thing back even if postage is free.” (Mobility impaired participant)

Issues faced by disabled people when returning items to retailers have been raised by Which? in research conducted with the Research Institute of Disabled Consumers. They found that one in two disabled respondents who had to make a return in the past year had experienced an issue when doing so, with one in five feeling that the retailer had failed to make reasonable adjustments to accommodate their disability. Problems included a lack of access at returns drop-off points, retailers asking customers to get someone else to return it for them, and being charged more for accessible ways of returning items. In the twelve months to March 2023, Citizens Advice also reported providing advice to over 2,000 people related to issues with disability aids, often because of defective goods or poor customer service when trying to return items.[21]

4.4.2 Covering costs

When asked how they cover the extra costs that they incur, the majority of our survey respondents were turning to money that they had saved from their income (61%). Three-in-ten (29%) were paying for them using credit, a loan or other borrowings, 21% were relying on friends or family to support them, 11% had received funding from a charitable organisation and 7% had received funding from a government organisation.

Others described how they often only afford these extra costs by cutting back on other forms of spending, including food and use of energy. Some disabled people were in very severe situations as a result:

“My house is 9 degrees because I am frightened to put the heating on. My sister is doing my washing because I am on a water meter and terrified my incontinence including night wetting will run my bills up too much. I don't let my family know but I also don't always eat. I have gone up to 7 days without eating.”

The costs of travelling to and from medical appointments can also add up. In previous research, we found that adults with cystic fibrosis typically incur a cost of £22 per month – or £264 per year – in medical trip-related expenses. This is an issue that has also been raised by the charity Young Lives Vs Cancer, who found that young cancer patients and their families were having to travel 350 miles per month to get to and from their treatment – leading 71% of these families struggling to afford their travel costs.

This led us to ask survey respondents about any support that they receive with the cost of travelling to and from medical appointments. We found that:

- 73% of respondents received free parking at appointments because they have a Blue Badge.
- 15% had used public transport for free to get to appointments.
- 5% had received a refund of the cost of their travel, such as via the Healthcare Travel Costs Scheme.
- 5% had used a form of voluntary community transport to receive free or discounted travel to appointments.

[21] Unpublished briefing. Citizens Advice (2023) Disability aids.

- 18% had not accessed any of the above support, with a further 2% who reported not needing any forms of support because they don’t typically drive or use public transport to get to appointments.

The Healthcare Travel Costs Scheme is designed to help lower-income households with the costs of travelling to and from non-routine healthcare appointments (including the cost of parking). There are questions about the effectiveness of scheme though, for example, surrounding awareness of the scheme among patients and healthcare professionals and the bureaucracy involved in accessing refunds. Just 9% of low-income respondents to our survey had accessed the scheme, despite many more potentially being eligible.

In some cases, participants mentioned still needing to pay for parking at appointments, despite having a Blue Badge, because the car park that they rely on is privately owned. Others described difficulties finding accessible parking spaces, sometimes as a result of other people using the spaces without having a Blue Badge.

4.4.3 What needs to happen?

Simply put, the extra costs linked to disability can be tackled in two ways, by ensuring that disabled people have sufficient incomes to cover such costs and by providing targeted support to reduce the cost of specific goods or services that a disabled person may need.

The issue of insufficient incomes is largely covered in the two previous sections on employment and social security. PIP, for example, is designed to cover the extra costs of living with a disability, but – as we learned from participants – the process of applying can be very difficult and stressful for some people, while benefit levels are often seen as insufficient to cover the full range of costs that some disabled people may incur. Many disabled people also feel a sense of stigma about applying for benefits, which may lead to some people not receiving the financial support they are entitled to.

Beyond the benefit system, there are a number of ways which disabled people can access discounted or free goods or services. In the case of costs that are incurred by a small number of people or on an infrequent basis, such discounts, free provision or reimbursement can be a more efficient / effective way to support people than income-side measures – see, for example, the details below of reimbursement of home dialysis costs. Targeted support to reduce costs may also include social tariffs for utilities such as water, energy and telecoms, as mentioned overleaf. In some cases, however, people may not be aware of such support or find that it is patchy – either with complex eligibility requirements or a 'postcode lottery', where people in some areas may receive more support than those in others.

What's already happening: Reimbursement of home dialysis costs

Following a campaign from Kidney Care UK, the NHS in England and Wales (and NHS Grampian in Scotland) have been taking action to ensure that patients who need home dialysis receive reimbursement for the extra costs they face as a result of this treatment. Depending on the type of dialysis required, patients may be able to receive reimbursement for extra electricity or water costs. Patients receive support regardless of whether they are in receipt of means-tested benefits or not. The patient, however, needs to be able to pay for the costs up-front first and there are variations in what is and isn't covered across different geographical areas.

The potential of social tariffs to help disabled people?

The issues of up-front payment and geographical variation have been raised in relation to the provision of (or potential provision of) social tariffs within the water, energy and telecoms sectors. Currently, in the water industry, each company provides its own version of a social tariff, resulting in low-income customers facing very different charges depending on where they live. According to the Consumer Council for Water (CCW), in some places those struggling will pay just 20% of their bill, while in other areas they face the full charge. And three-in-four (76%) are not aware if their water company provides any help of this kind or not. This has led to the water industry aiming to establish a single social tariff – or 'water affordability scheme' – aligned across all English and Welsh water companies.

The water industry also currently runs the WaterSure scheme, which caps the water bill for households in receipt of certain benefits who have high essential use of water because of a medical condition. Again though, support is patchy as some water companies offer the scheme to those on PIP or DLA, while others do not.

Social tariffs have been introduced within the telecoms industry to broadband and mobile phone customers; however, there are concerns that firms are 'burying cheaper deals' on their websites and that awareness of discount schemes for vulnerable groups is low. Currently, just 5.1% of eligible households are on such deals, leading both the Chancellor and Shadow Cabinet to call on firms to do more to promote the tariffs.

There have also been calls from leading charities, including disability charity Scope, for the introduction of social tariffs in the energy sector. This would primarily help to reduce the energy bills of those in receipt of benefits (including disability benefits). Campaigners also want to see the Government use data-matching between income data held by HMRC and energy company data to ensure that customers are automatically identified for support, with struggling customers *not* in receipt of benefits also being targeted for help. There is debate about certain elements of this proposal, with Policy in Practice, for example, arguing instead that "the best way to support low income households is through the welfare system" because incomes are insufficient to meet basic needs. In the absence of improved social security, however, a social tariff may be the next best option.

Given the risk of patchy support or low awareness of support schemes, a major challenge for policy-makers is how to create some kind of joined-up approach from all the individual schemes to ensure that no one is left behind. Projects such as The Children's Society's Coordinated Community Support (CCS) programme, which ran from 2020 to 2022 to provide emergency support to people facing financial crisis, offer potential models to consider, as they aim to improve the way that local partners (including local authorities and the voluntary and community sector) can work together to ensure that individuals in vulnerable situations access all of the support available to them. A variety of organisations – such as Pocket Power, described below – offer consumers help with accessing discounts. These may have particular relevance to disabled people.

What's already happening: Help to access discounts

A range of organisations offer consumers help with accessing discounts or reduced rates on their household bills. Pocket Power is an example of an organisation which does this, focusing particularly on people who may be digitally excluded and who find it harder to access the best deals. It helps people to access discounted water rates, the Warm Home Discount and broadband social tariffs, as well as helping with things like switching energy provider. In 2021, half of the households that it supported had someone disabled or living with a long-term illness.

4.5 Access to essential services and advice

This section focuses on disabled people's access and use of financial services which are an essential part of day-to-day life and can help us plan for unexpected events and for the future. Most disabled people in our survey faced some kind of problem accessing and using financial services (Figure 4.4). There are three themes: the changing face of financial services due to the closure of branches and cash machines; other issues that disabled people face accessing and using financial services; and information and advice about money matters.

4.5.1 The changing face of financial services

There has been a large decline in the number of bank and building society branches in the UK, with the total number of branches falling by 40% between 2012 and 2022. In addition, some banks and building societies have significantly reduced branch opening hours and the services that branches offer. The number of cash machines – which provide access to cash, balance and account information and some other functions – also fell by 22% between July 2018 and Sept 2022.

There are multiple reasons for these changes, but the result is the same: individuals and businesses now have far less physical access to essential financial services than they did in the past and so less choice about how they transact. And there is no guarantee that the remaining branches and cash machines are accessible for disabled people. As Figure 4.4 shows, half of disabled people (53%) reported difficulties getting to a bank branch; and four-in-ten (37%) said they had problems getting to or using a cash machine. Similarly, some survey respondents also struggled with accessing or reading electricity or gas meters.

Branch-based financial services have been replaced by telephone and online services, but four-in-ten (44%) of our survey respondents said they found it difficult or confusing to deal with financial services customer service staff on the phone. Respondents explained the range of challenges they may face:

"[Call centre staff] do not understand disability and how it affects you. Trying to get through to a human is becoming more difficult which can make you more irate."

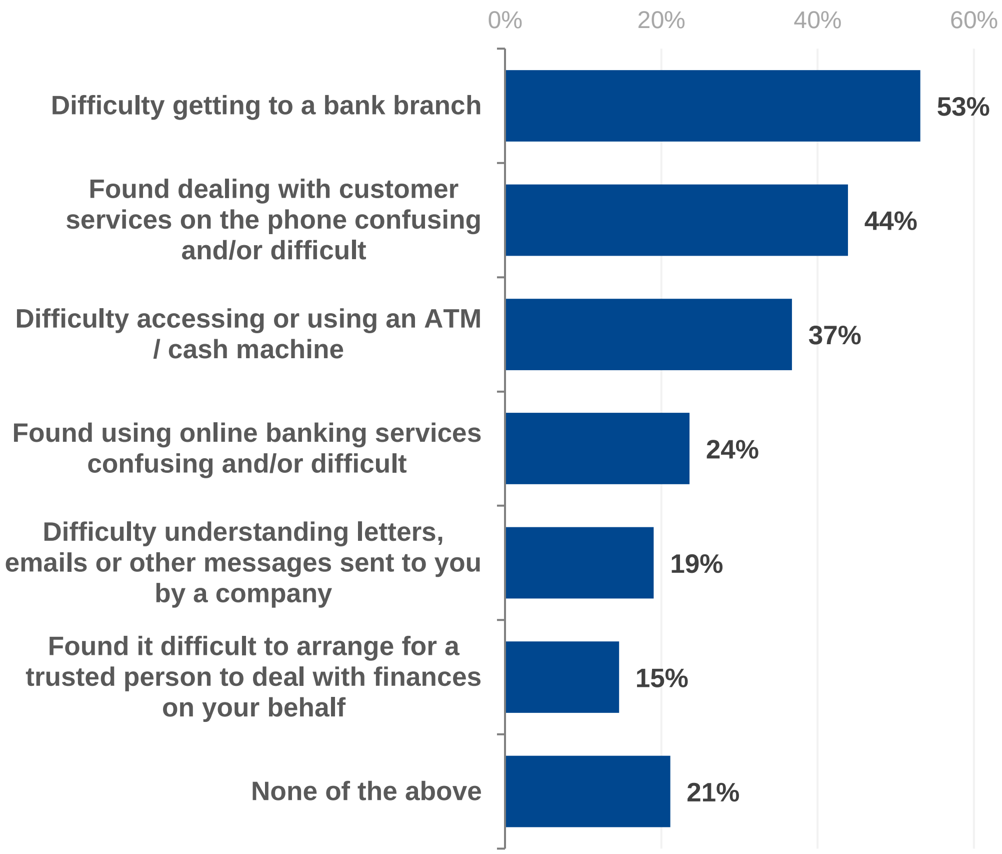
"The telephone system is unusable; long waits and ridiculously complicated security checks. The same goes for on-line shopping, too many additional security checks. Too many banks I cannot open an account with because they require you to have a mobile phone, there is no reception where we live."

A quarter (24%) reported similar problems with online banking services, unsurprisingly rising to 58% among those who find using digital devices difficult. Other research shows that disabled people make up a large proportion of internet non-users and are twice as likely to lack basic digital skills. This will severely limit their access to essential financial and other services (including government services), which may negatively impact their ability to manage their finances and exercise control over their financial situation, which are key components of financial wellbeing.

The nature of people's impairments can also affect how they feel about talking to essential service providers like banks and insurance companies, as one of our participants described:

"I have mental health conditions, and I feel like the anxiety and the way I feel about myself, and towards my financial wellbeing, impacts how I'm then able to communicate with people, and who I trust."

Figure 4.4 – Problems accessing financial services in the last two years

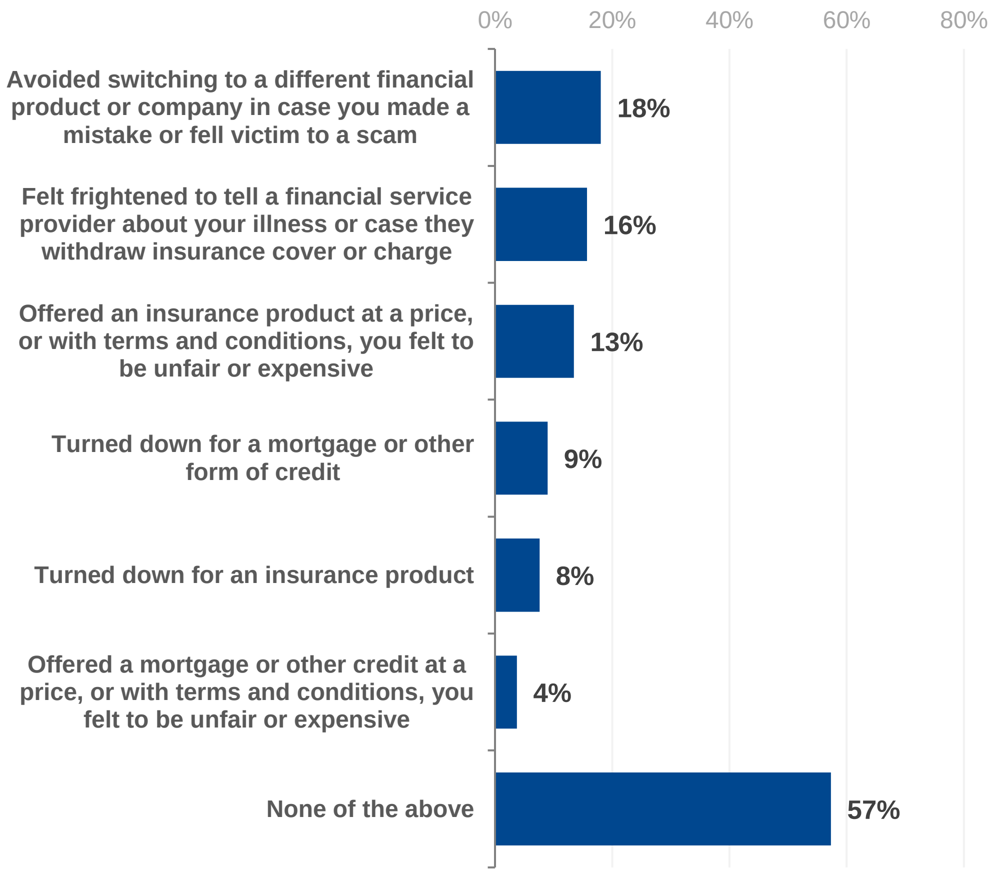


4.5.2 Access to financial products

In addition to physical barriers, disabled people reported a range of other issues with accessing financial services (Figure 4.5). Two-in-ten survey respondents (18%) feared switching products due to the risk of scams or making a mistake, which might leave them stuck with poor value or inappropriate products. A similar number (16%) worried about disclosing their impairment in case financial services firms withdrew insurance cover or charged them more. It was also not uncommon for disabled people to say they had been turned down for credit or insurance products or to be offered products on terms they felt to be expensive and/or unfair.

The experience of one participant highlights the interactions between work, income and access to financial services that can negatively impact disabled people: having worked all his adult life, he suddenly saw his mortgage interest rate skyrocket due to being unable to re-mortgage since he was no longer able to work.

Figure 4.5 – Problems dealing with financial services firms in the last two years



4.5.3 Information and advice about financial matters

Most of our survey respondents said they had accessed advice or information on financial matters,[22] but only three-in-ten of them (29%) were satisfied with the quality of the advice or information that was available. Respondents mentioned a wide range of areas where information was lacking, such as on guardianship, equity release and annuities for less common but life-shortening conditions, financial guidance for disabled teenagers, and accessing benefits.

This means that opportunities are being missed to help disabled people with money matters, particularly when a quarter of disabled people (23%) don't feel confident about managing their money. This figure is much higher for some types of impairment: for example half (48%) of people with a communication-related impairment felt unconfident about managing their money, as did a similar number (46%) of people with a behaviour-related impairment.

Participants in the focus groups and discussion forum also commented on how impairments could compromise their ability to understand, oversee or communicate their finances, including processing financial information and making financial decisions. As one participant told us:

"I think understanding [finances] is a big thing. I have ME [chronic fatigue syndrome] as well as fibromyalgia and I think constant chronic pain and brain fog can mean that, if you're told new information, it doesn't always get through to you the first time someone says it."

A quarter (24%) of survey respondents said they needed help with paperwork. Some groups of respondents were much more likely to need this type of help, including those with communication-related (46%) and behaviour-related (51%) impairments and people with learning difficulties (59%).

4.5.4 What needs to happen?

Like employers, financial services have a legal obligation to make reasonable adjustments to ensure that disabled people receive the same service as non-disabled people, as far as possible.

In addition, from July 2023 financial services firms that are regulated by the Financial Conduct Authority (FCA) must comply with a new

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[22] The survey question did not ask about specific sources of information or advice on financial matters. Sources could include information from financial services firms, independent financial advice, or information and advice provided by money guidance services or debt advisers.

Consumer Duty to “deliver good outcomes for retail customers”. These outcomes relate to the governance of products and services; price and value; consumer understanding; and consumer support – all things that disabled people in our study had experienced problems with. This is in addition to the regulator’s expectations that firms consider the needs of customers in vulnerable situations (including those with impairments) “when developing products and services, and across the entire customer journey.”

These new duties and expectations are meant to ensure that financial services firms treat all customers fairly, for example by using inclusive design in product development. But there are concerns that firms may simply stop serving some groups of customers altogether rather than risk not complying with the regulations. It is crucial therefore that the regulator closely monitors what firms do and the outcomes for consumers. Tied to this, there have been calls for government to give the FCA a new “must have regard to” requirement for considering financial inclusion across its work, to try and safeguard people’s access to financial services.

As we are all increasingly expected to access and use online and digital services, it is also important that people are equipped to do this safely. Recommendations made by a House of Lords inquiry into digital exclusion include government investment in basic skills and community-based digital inclusion hubs. As full digital inclusion is unrealistic, the inquiry concluded that “Accessible services and offline alternatives are essential to ensuring people are not left behind in an increasingly connected world.”

The inquiry also makes the point that digitally excluded groups, including disabled people, are likely to be poorly represented in some datasets that inform algorithmic decision-making. As a result, they face a growing risk of marginalisation given the increasing use of predictive machine learning tools in public services, which this is equally true of financial and other services. Wherever they are used, these tools should be kept under review.

Finally, the UK’s Financial Wellbeing Strategy 2020-2030 has a cross-cutting theme of mental health but no focus on disabled people or other impairments. This study shows that, at the very least, the cross-cutting theme should be changed to ‘mental health and disability’.

What's already happening: Support Hub

Experian (a large credit information firm) has collaborated with consumers, firms and charities to develop Support Hub, a free-to-use online service that allows consumers to share their support needs across multiple organisations in a transparent, standardised and consented way. For example, this could include telling organisations that you need statements in Braille or that you need more time to complete tasks. Consumers are updated as organisations confirm their support needs requests have been completed, and consumers can update or revoke their support needs via Support Hub information at any time. Support Hub is underpinned by an industry-standard taxonomy of support needs called Support List that has been designed by consumers.

5 CONCLUSIONS

The findings of this report are a stark reminder of the gap in financial wellbeing between disabled and non-disabled people living in the UK in 2023. The results illustrate how many disabled people face real difficulty juggling their day-to-day finances, let alone build any form of savings for the future. Difficulties with accessing employment, benefits and essential services, combined with extra costs, collectively mean that significant numbers of disabled people face a ‘disability trap’.

Disabled people feel that this is severely impairing their ability to live their life freely and independently. It also means that lots of disabled people are forced to make incredibly difficult decisions about what to prioritise spending on, often sacrificing things that keep them healthy.

The study also makes an important contribution to the evidence base because it provides new analysis by number and type of impairment as well as the socio-demographic characteristics of disabled people. At the same time, the limitations of the data, for example in relation to different minoritized ethic groups, reinforces calls to address the gaps in the quality, quantity and coverage of UK data on disability.

New insights based on granular analysis mean this research should be of interest to a variety of Government departments whose policymaking could make a positive difference to the financial wellbeing of disabled people, including the Cabinet Office’s Disability Unit, the Department for Work and Pensions, the Department for Business and Trade, and the Department of Health and Social Care. Other government bodies and regulatory bodies, such as the Financial Conduct Authority, Ofgem and the Money and Pensions Service, should also consider the implications of the findings for their sectors.

5.1 Policy change

Our findings highlight four key areas where policy change could improve disabled people’s financial wellbeing:

- **Better access to employment for those who can work**: Three-in-ten (29%) working age disabled people felt they had been discriminated against by employers or potential employers because of their impairment. A quarter (26%) said that employers had failed to make reasonable adjustments for them.

- **A benefits system that provides a proper safety net**: Half (47%) of disabled people receiving Universal Credit were struggling to pay for food and other essentials, as were a third (35%) of those in receipt of Personal Independence Payment. Most (71%) disabled people who received benefits agreed that they had been made to feel guilty about applying for benefits.
- **Targeted support to reduce the costs of disability**: Three-quarters of disabled people (75%) agreed that they have “particularly high costs” due to their impairment, such as high energy and water costs.
- **Access to essential services and advice**: Half of disabled people (53%) reported difficulties getting to a bank branch; and four-in-ten (37%) said they had problems getting to or using a cash machine. Most of our survey respondents said they had accessed advice or information on financial matters, but only three-in-ten of them (29%) were satisfied with the quality of the advice or information that was available.

We have given examples of positive changes already happening on some of these issues, as well as campaigns to bring about improvements in others. Such changes can only make a difference if they are widely available and disabled people know about them.

5.2 Changing the conversation

None of our findings will come as a surprise to disabled people, to their family and friends, or to the organisations that support them. We hope that the findings can be used to show decision-makers that change is needed. In particular, the findings highlight the importance of changing the public conversation that we have about disability and disabled people in the UK. There are too many examples of media reporting or Government narratives that focus on disability as a problem or treat people claiming disability or ill-health benefits with suspicion. This narrative has real-world consequences for the mental wellbeing of disabled people; it is simply wrong that nearly three-quarters (71%) of disabled benefit claimants should be made to feel guilty about the fact they were applying for benefits.

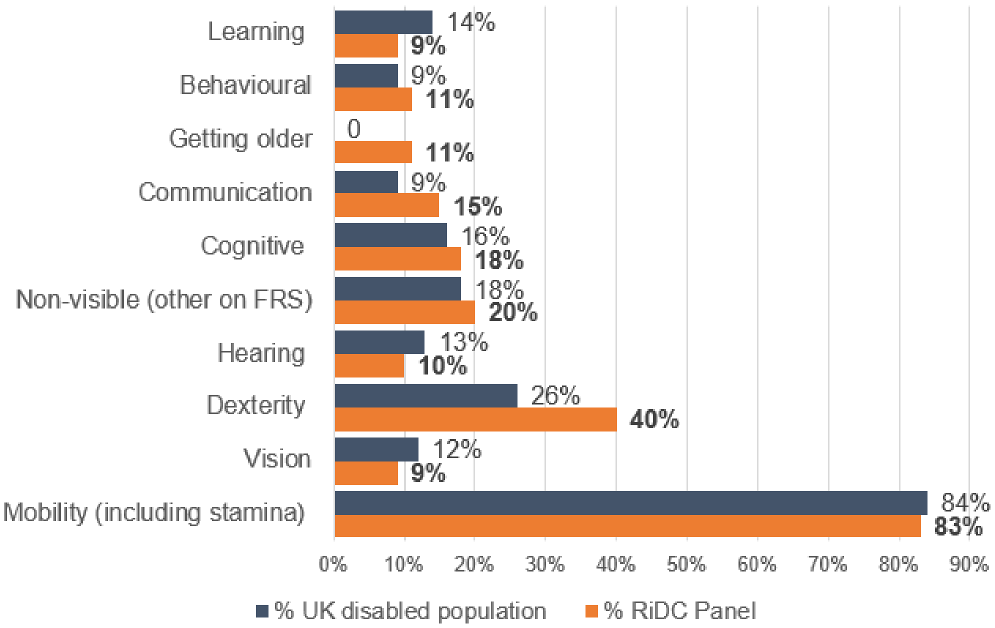
For a range of health reasons, many disabled people will not be able to work or will not work full-time. That is okay, and these people should not face financial hardship as a result. Others have great ambition to work or start their own business, but too often face barriers or discrimination. And, as national statistics show us, the majority (54%) of disabled people are already in some form of employment. All are equally valuable – and our public conversation needs to reflect that.

APPENDIX

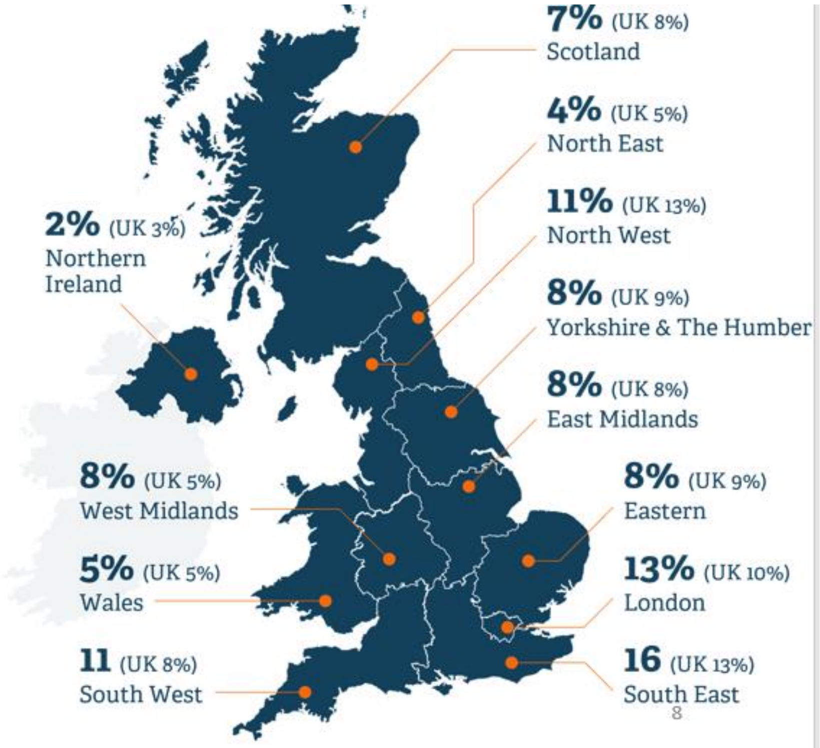
About the RiDC Research Panel

The Research Institute for Disabled Consumers (RiDC) is a UK charity providing independent research to create accessible and inclusive products and services. At the time of the research (October 2022 – April 2023), it had a panel of over 3,500 disabled and older people. Panel members can either sign up online or over the phone. Once signed up, they are invited to take part in a range of different types of research project, including focus groups, interviews, surveys and mystery shopping. Two thirds (66%) joined the panel because they wanted to make products and services more accessible.

In terms of representation of different types of impairment, the panel is similar (within two percentage points) to national statistics in terms of level of mobility, cognitive, non-visible and behavioural impairments. It over-represents those with dexterity-related and communication-related impairments, while slightly under-representing those with learning, hearing or vision impairments. The sample for the survey was broadly representative of the RiDC panel (for example, 40% of panel has a dexterity-related impairment, compared with 42% of the survey sample).



In terms of age composition, panel members slightly over-represent those aged 41-80 (80%, compared to a figure of 63% for the wider UK disabled population), while under-representing those aged 81 or over (4%, compared with 13%). The gender split of the panel is 58:42% female to male, compared with figures of 55:45% for the UK-wide disabled population. Geographical breakdown is shown below, illustrating reasonable representation across the country, but with some slight over-representation of disabled people in southern England.



Qualitative research

57 disabled participants from the RiDC panel took part in the qualitative research for this study:

- 34 participants took part in eight focus groups
- 23 participants left comments on the online community discussion forum that was open for four weeks.

Participants were screened to identify those who were interested and available to take part to. We aimed to ensure representation from across UK, and in terms of gender, age, disability type and additional vulnerabilities.

As Table A1 below shows, six of the eight focus groups were structured around key vulnerabilities that can impact financial wellbeing. These vulnerabilities were:

- Low digital literacy/not confident using the internet.
- A recent life event.
- Financial difficulties – getting by or finding it difficult.
- Financial difficulties – finding it very difficult.
- Low literacy/numeracy.
- English is not their native language or they do not feel confident speaking it.

The other two focus groups were with older and younger disabled people. Participants who could not make it to a focus group were invited to join the community discussion forum.

Table A1, Focus group composition

Focus group no.	Gender	Age (18+)	Disability	Vulnerability	Count
1	Mixed	Mixed	Mixed	Low digital literacy/not confident using the internet	5
2	Mixed	Mixed	Mixed	A recent life event	3
3	Mixed	Mixed	Mixed	Financial difficulties – getting by or difficult	5
4	Mixed	Mixed	Mixed	Financial difficulties – very difficult	4
5	Mixed	Mixed	Mixed	Low literacy/numeracy.	5
6	Mixed	Mixed	Mixed	English is not their native language and who don't feel confident to speak it	4
7	Mixed	65+	Mixed	Mixed	5
8	Mixed	18 - 35	Mixed	Mixed	4

Survey content and analysis

The survey questionnaire was designed to cover a range of subjects raised by participants in the qualitative research. It included questions on the following topics:

- Introductory module:
    - Whether survey was being completed by the disabled panel member or a proxy (e.g. a family member)
    - Nature of impairment, e.g. length of time been disabled, if disability acquired suddenly, progressive condition, fluctuating condition, multiple health conditions.
    - Ease of using digital devices.
    - Housing tenure.
    - Who lives with: partner; no. of children aged 14-18 and under 14; no. of other adult family members; no. of other adults.

- Current financial situation:
    - Subjective financial wellbeing
    - Whether any money left after paying for essentials
    - Whether struggling to pay for food and other essentials
    - How well meeting credit commitments and bills
    - Use of borrowing
    - How often puts money into savings
    - Level of savings
    - Biggest unexpected bill that could be met without borrowing
    - Confidence managing money
    - Feeling of control over financial situation
    - Ability to deal with financial matters or paperwork without help
    - Whether choice severely limited by financial situation when buying things
    - Whether has enough money to buy occasional treats
    - Whether financial situation is affecting physical health
    - Whether financial situation is affecting mental health
    - Confidence about household financial situation in next three months
- Sources of income:
    - Personal income sources
    - Whether currently doing any unpaid or voluntary work
    - Hours of paid/unpaid work done each week
    - Impact of disability on ability to work
    - Partner and other family members' income sources
    - Household net monthly income from work
    - Benefit receipt in household
    - Household net monthly income from benefits
    - Previous benefit applications / experiences, e.g. if declined for benefits
    - Experience of the benefit system.
    - Whether agree that the government provides a good level of support to disabled people.
    - Whether agree that disabled people are given the educational / employment opportunities they need to thrive in society
- Extra costs of disability:
    - Whether they feel they have particularly high costs due to their disability

  - Whether there are things they need for their disability but cannot afford
  - Whether they prioritise spending on health over other types of spending
  - Type of extra costs incurred
  - How pay for extra costs
  - Support used to pay for cost of travel / parking charges for medical appointments
- Impacts of financial situation
  - Impact of financial situation on choice of housing
  - Impact of financial situation on healthcare decisions
  - Coping strategies because of concerns around money
- Access to essential services
  - Experience of issues accessing financial services
  - Experience of issues accessing financial products
  - Satisfaction with advice and information on financial matters for disabled people

Survey responses were matched to other socio-demographic data held by RiDC, including age, ethnic background, gender, region and information about the nature of the respondents' impairment, as well as the results of a survey conducted in Spring 2022 which asked about their financial situation.

The survey took the median respondent 16 minutes to complete, but this rose to 27 minutes for participants who were registered blind. Those who reported finding digital devices 'very easy' to use completed the survey in 15 minutes, while those who found this 'very/fairly difficult' typically took 18 minutes.

A total of 899 responses were obtained; however, after data cleaning this was reduced to 815. This included removing those missing too many key financial wellbeing variables.

A financial wellbeing score running from 0 to 100 was computed for all respondents. This was designed to replicate the financial wellbeing index of the abrdn Financial Fairness Tracker. This involves recoding key financial wellbeing variables so that all run in the same direction, with low values representing 'poor' financial wellbeing and high values representing 'good' financial wellbeing. Confirmatory principal component analysis is then used to ensure that the grouping of variables form a coherent single underlying measure of 'financial wellbeing'. The variables grouped together here were: subjective financial wellbeing; whether struggling to pay for food and other essentials; how well meeting credit commitments and bills; level of savings; and biggest unexpected bill that could be met without borrowing. Factor scores are then estimated and re-scaled from 0 to 100. Scores below 30 are designated as being ‘in serious difficulties’; scores from 30 to 50 are ‘struggling’; scores 50 to 80 are ‘exposed’; and scores over 80 are ‘secure’.

An equivalised income measure was also derived using data collected on household monthly income from earnings and benefits, net of taxes and other deductions. Equivalisation adjusts household income to account for the number of people in the household, thereby acknowledging the fact that the more people there are in the household, the higher the income needs to be to achieve a good quality of life. Incomes were equivalised using the OECD-modified equivalence scale, based on data collected about household composition – namely the number of children aged under 14 and the number of children/adults aged 14 or over. The resulting equivalised income measure was then converted into quintiles for the purposes of analysis.

Cross-tabulations with z-score significance testing (at $p<0.05$) were then produced to identify statistically significant relationships between variables in the dataset. Binary logistic regression analysis was also conducted for several key outcome variables to enable better understanding of relationships between variables once other factors (such as age) had been controlled for.

Survey sample composition

All rows shown column percentages, except for the *Total N* row which gives the number of respondents in total for each column.

	Category	Total	Not working age	Working age	Not low income	Low income	No benefits	Receives benefits	Not doing paid work	Does paid work	Female	Male
Total	*Total N*	*815*	*289*	*526*	*422*	*230*	*153*	*662*	*662*	*153*	*476*	*325*
Survey completed by proxy	Not by proxy	97%	97%	97%	97%	97%	98%	96%	97%	97%	97%	95%
	By proxy	3%	3%	3%	3%	3%	2%	4%	3%	3%	3%	5%
Age group	Under 35	7%	0%	10%	8%	3%	5%	7%	5%	15%	7%	4%
	35-44	11%	0%	16%	12%	10%	7%	11%	9%	19%	12%	7%
	45-54	17%	0%	26%	19%	17%	15%	18%	16%	22%	18%	17%
	55-64	30%	0%	47%	28%	37%	24%	32%	30%	33%	30%	31%
	65-74	25%	70%	0%	24%	20%	31%	23%	28%	10%	24%	27%
	75 plus	11%	30%	0%	9%	13%	18%	9%	13%	1%	9%	14%
Gender	Female	58%	54%	61%	59%	53%	60%	58%	58%	62%	100%	0%
	Male	40%	45%	37%	39%	46%	37%	40%	41%	34%	0%	100%
Ethnic group	Asian / Black / Mixed race / Other ethnic background	7%	5%	7%	5%	8%	7%	7%	5%	14%	8%	5%
	White British/Irish/Other white ethnic background	93%	95%	93%	95%	92%	93%	93%	95%	86%	92%	95%
Household composition	Single, no children	36%	42%	33%	41%	30%	39%	36%	36%	37%	41%	30%
	Single, with children under 18	2%	0%	3%	1%	4%	1%	3%	2%	1%	3%	1%
	Single, living with adult family but no children under 18	9%	4%	11%	8%	7%	9%	8%	8%	9%	10%	5%
	Couple, no children	36%	47%	29%	35%	36%	42%	34%	36%	33%	31%	42%
	Couple, with children under 18	10%	2%	15%	9%	15%	4%	11%	9%	13%	9%	12%
	Couple, living with adult family but no children under 18	7%	4%	9%	6%	8%	6%	8%	7%	7%	5%	10%
Housing tenure	Own outright	35%	57%	23%	33%	37%	48%	32%	37%	27%	37%	34%
	Own with mortgage / part-own	20%	7%	26%	23%	16%	17%	20%	15%	41%	18%	22%
	Private rent	8%	8%	8%	9%	7%	5%	8%	8%	6%	7%	8%
	Rent from housing association	19%	16%	21%	20%	20%	10%	21%	20%	15%	23%	14%

	Rent from local authority	11%	7%	13%	9%	17%	10%	11%	13%	5%	9%	14%
	Live with family, in supported accommodation or other	7%	6%	8%	6%	4%	10%	6%	7%	7%	6%	7%
Respondent does paid work?	No paid work	81%	94%	74%	73%	96%	75%	83%	100%	0%	80%	84%
	Does paid work	19%	6%	26%	27%	4%	25%	17%	0%	100%	20%	16%
Anyone in household does paid work?	No one in household does paid work	63%	85%	51%	52%	83%	65%	62%	77%	0%	61%	67%
	Someone in household does paid work	37%	15%	49%	48%	17%	35%	38%	23%	100%	39%	33%
Benefit receipt	No benefits	19%	26%	15%	19%	17%	100%	0%	17%	25%	19%	18%
	Receives benefits	81%	74%	85%	81%	83%	0%	100%	83%	75%	81%	82%
Ease of using digital devices	Very/fairly difficult	10%	11%	9%	8%	13%	7%	11%	11%	5%	12%	7%
	Neither difficult nor easy	13%	14%	13%	10%	17%	10%	14%	14%	8%	14%	13%
	Fairly easy	46%	49%	44%	49%	42%	49%	45%	47%	42%	47%	45%
	Very easy	31%	26%	34%	32%	27%	34%	30%	28%	44%	28%	35%

Notes: ‘Low income’ here refers to those in the bottom two quintiles (i.e. the bottom 40%) of incomes (from all sources, equivalised to account for household size, before housing costs) within this sample. Benefit receipt includes: Universal Credit, Personal Independence Payment (PIP), Disability Living Allowance (DLA), Employment and Support Allowance, Carers Allowance, Housing Benefit, Income Support, Attendance Allowance, Tax credits, Jobseekers Allowance, and Pension Credit.

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