

Submission to Work and Pensions Committee Disability Employment Inquiry

Prepared by: University of Bristol Personal Finance Research Centre, Research Institute for Disabled Consumers and abrdn Financial Fairness Trust

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In September 2023 University of Bristol's Personal Finance Research Centre (PFRC) and Research Institute for Disabled Consumers (RiDC) funded by abrdn Financial Fairness Trust published a report on the financial wellbeing of disabled people in the UK, based on in-depth research.

The research outputs are informed by a survey completed by 815 members of the RiDC's Consumer Panel in April 2023, as well as qualitative interviews and group discussions with Panel members. This put the experiences and views of a sample of disabled people, broadly representative of the UK's disabled population, at the heart of the work. Additionally, working in this way allowed the researchers to look 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.

Enclosed is a summary of the project's findings relevant to the Committee's inquiry questions. Previously published policy briefings as well as the full report can be found [here](#).

If the committee would like further information or contributions from those involved with the research, please contact jamie.evans@bristol.ac.uk or sharon.collard@bristol.ac.uk

[University of Bristol's Personal Finance Research Centre](#) is an interdisciplinary research centre exploring the financial issues that affect individuals and households. Combining multi-method approaches with specialisms drawn from social policy, human geography, psychology, and social research, their work is influential in shaping policy and practice.

[The Research Institute for Disabled Consumers](#) is an independent, national research charity working towards an inclusive and accessible life for all. A leading expert in inclusive research with disabled and older consumers, they support businesses, Government, and organisations to get the insight, knowledge and innovation they need to make their services and products accessible. We are run by and for disabled people and have a pan-disability consumer panel of over 3,500 people who shape and participate in all our research.

[abrdn Financial Fairness Trust](#) is an independent charitable foundation. The trust funds and commissions research, policy work and campaigning to improve the living standards and tackle the financial problems facing people on low-to-middle incomes.

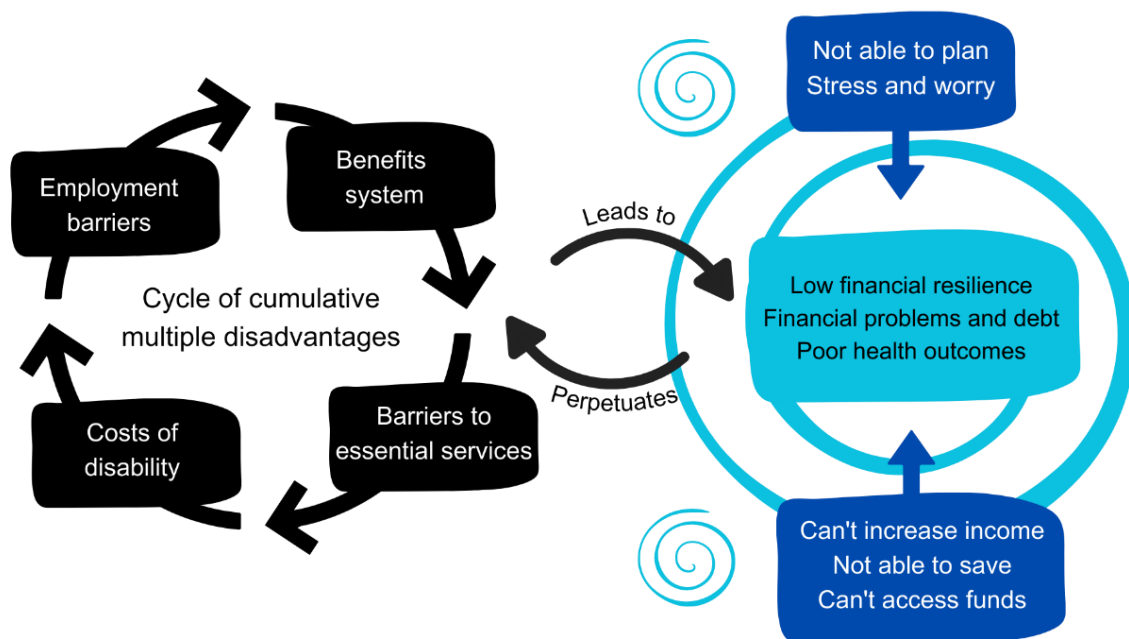
What progress has been made, especially since our 2021 report on the disability employment gap, on supporting disability employment?

[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 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.

Our research shows that disabled people can face **multiple disadvantages** that impact on their individual resilience and financial wellbeing, including accessing work, benefits and essential services, in addition to the costs of disability. This can result in a ‘disability trap’ as shown below, which risks negatively affecting disabled people’s health and further disabling them in other areas of their lives.

The disability trap:



There is also a significant disability pay gap

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.”

What should be the priority actions to enable further progress with supporting disability employment for: i) employers; and ii) the Government?

What needs to happen to improve disabled people's access to employment?

[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”.¹ 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%) **disagreed** that disabled people are given the employment opportunities they need to thrive in society.
- Seven-in-ten (69%) **disagreed** that disabled people are given the educational opportunities they need to thrive in society.

[Research by the Commission on the Future of Employment Support](#), a project by the Institute for Employment Studies and funded by the Financial Fairness Trust, 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%.

Disabled People's Organisations (DPOs), disability charities and others say that the government needs to go beyond the current proposals, such as the Disability Action Plan. 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 on recruiting and retaining disabled people, and to disabled people on their employment rights.

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 population – to challenge negative narratives and harmful stereotypes.

¹ 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.

How can people with disabilities and health conditions be better supported to start and stay in work? Which disabilities are associated with the greatest barriers to work?

Disabled people's ability to work varies greatly depending on impairment type

Looking at specific impairment types in a 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 from most likely):

- 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.

Perceived barriers include employer discrimination and employers' failure to make reasonable adjustments

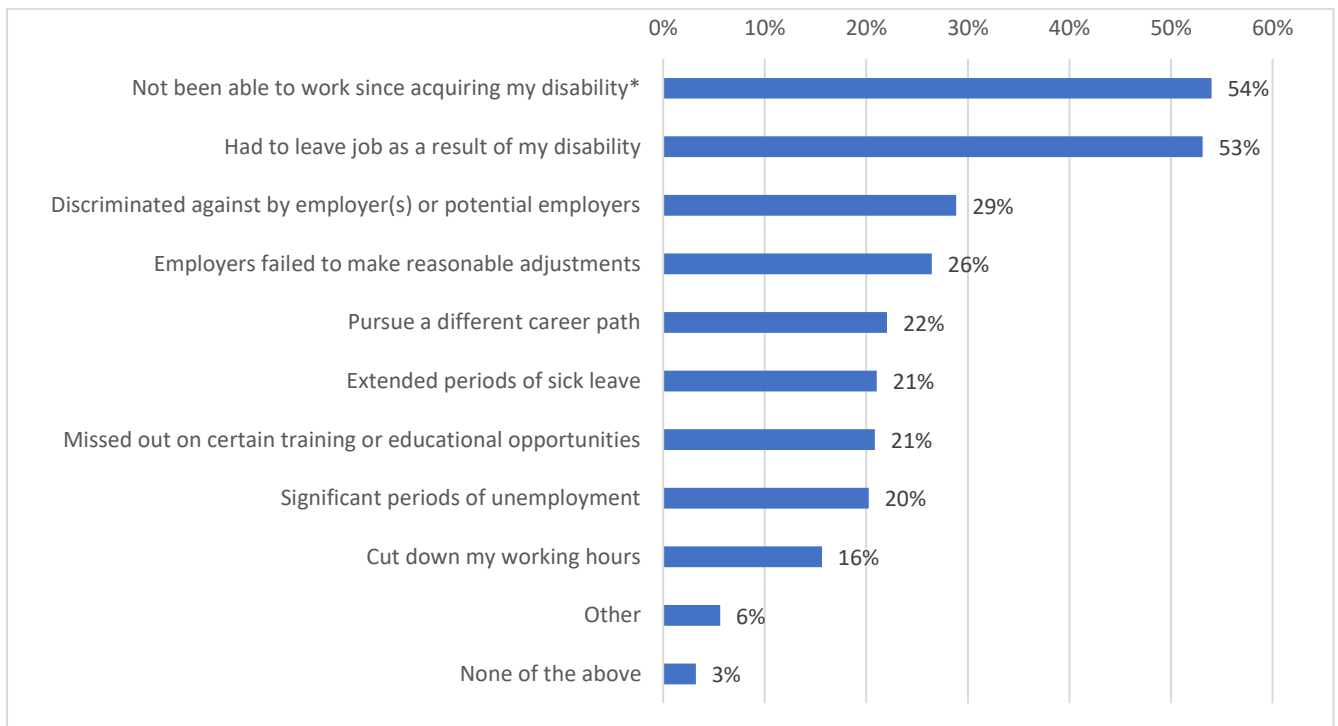
The chart below shows the ways in which working age survey respondents' impairments had affected their ability to do paid work². In particular:

- 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 against 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 adaptations."

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).

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.