FACING BARRIERS

Exploring the relationship between disability and financial wellbeing in the UK

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abrdn Financial Fairness Trust has commissioned YouGov to conduct a periodic cross-sectional tracker survey on the financial situation of UK households since the start of the coronavirus pandemic in early 2020. Using data from the sixth wave of abrdn Financial Fairness Trust's Coronavirus Financial Impact Tracker survey – conducted in May-June 2022 in the midst of the cost of living crisis – this briefing paper explores the financial wellbeing of UK households where someone is disabled.

The findings are based on responses from 5,716 UK households about their income, payment of bills, borrowing, debt, savings and ability to pay for other essentials such as food. Our focus is on the 18% of households (1,047) where someone is disabled. A team from the University of Bristol analysed the respondent data collected from YouGov's panel and produced these findings.

KEY FINDINGS

Households with a disabled person fare worse on a range of financial wellbeing indicators. They were more likely to report being anxious when thinking about their financial situation (69% vs 54%), have low levels of financial confidence (47% vs 28%), have no savings (38% vs 22%), find it a constant struggle to pay bills (30% vs 13%) and to owe money on a higher number of credit cards (11% vs 7%). Reflecting the impact of the cost of living crisis, disabled households were more likely to have received financial help from friends and family (15% vs 7% non-disabled households), borrowed for living expenses from formal lenders (19% vs 14%), pawned or sold possessions (9% vs 5%) or borrowed from illegal lenders (1.5% vs 0.6%).

At all ages, disabled households are more likely to be in serious financial difficulty. Over a quarter (29%) of disabled households are in 'serious financial difficulty', compared with 13% of non-disabled households, meaning disabled households are more than twice as likely to be in serious difficulty. For 60-69 year olds, those in a disabled household were four times as likely to be in difficulty (21% vs 5%). Overall, one-in-three households (34%) in serious difficulty have a disabled householder.

The rising cost of living is disproportionately impacting disabled households. Disabled households have taken more steps to reduce their energy usage in 2022 and have seen greater negative impacts on their quality of life. Nearly half of disabled households (48%) have struggled to keep their home warm and comfortable at some point this year, while 43% have eaten lower quality food than usual.

Debt advisers may be running out of ways to help disabled (and other) households. Only 21% of advice-seeking disabled households in financial difficulty received all the help or information they needed about their finances, compared with 29% of non-disabled households in difficulty. Where low incomes meet high essential spending, there may be limits to what advisers can do to help.

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University of BRISTOL

29%

of disabled households are in serious financial difficulty - compared with 13% of non-disabled households

47%

Almost half have low confidence in their financial situation in the next 3 months - compared with 28% of non-disabled households

Disabled households are disproportionately cutting back or doing without compared with non-disabled households

40% vs 20% have cut back overall spending

35% vs 17% don't spend on leisure or entertainment

rising to

74% vs 64%

42% vs 29%

among households in serious difficulties

31% vs 12% report rising costs negatively affecting the number of meals they eat.

While the quality of food has declined for **43%** vs 25%

Rising energy costs are hitting disabled households harder than non-disabled households

48% vs 30% have witnessed negative impacts on their ability to keep their home warm in 2022

44% vs 28% have reduced their use of the shower

48% vs 30% have reduced their use of the oven or cooker

Only a fifth of advice-seeking disabled households in serious financial difficulty received all the help or information they needed (vs 29%)

21%

INTRODUCTION

Financial wellbeing is essential to delivering the UN'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*'.[1] Over 14 million people in the UK have a disability and this number is expected to grow due to ageing and an increase in chronic diseases.

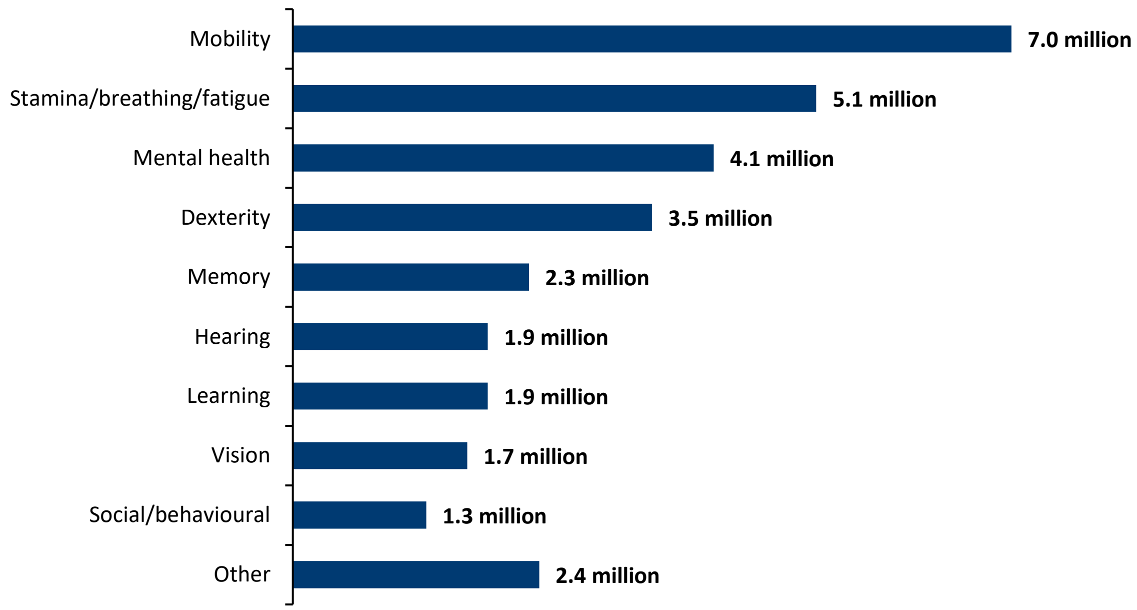
At an aggregate level, disabled people already had low financial wellbeing before 2020 which the pandemic exacerbated and will be made worse by the cost-of-living crisis.[2]

This briefing uses data from the sixth wave of the Coronavirus Financial Impact Tracker survey to provide an up-to-date picture of the financial wellbeing of disabled households. Overall, the survey reveals the largest decrease in financial wellbeing that we have seen throughout all six waves since the start of the pandemic. This decrease is especially pronounced for disabled households, compounding years of relative financial disadvantage.

The briefing starts by providing an overview of the financial wellbeing of disabled households in the UK compared to non-disabled households. It then looks at the factors that help explain disabled households' lower-than-average levels of financial wellbeing, notably levels and sources of income, spending, and the financial pressures created by the cost of living crisis. We conclude by looking at what the survey can tell us about disabled households' use of money guidance and advice, which shows a worrying gap between the information and help that disabled people want and what they are able to access.

There are over 14 million disabled people in the UK

Figure 1 – Number of people reporting different types of impairment (2019/20)



Data source: Family Resources Survey (2019/20). Sample size = 10,144. Figures taken from 2019/20 survey due to smaller sample size obtained in 2020/21. Figures do not add up to 14 million because people may be included under more than one category.

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[1] United Nations, Convention on the Rights of Persons with Disabilities. Article 19 – living independently and being included in the community.

[2] Collard, S, Collings, D and Cross, K (2021) The financial impact of the pandemic. A review of the literature. abrdn Financial Fairness Trust.

Explanatory notes on our methodology

The overall sample size of our survey is 5,716 UK households, including both households with and without a disabled householder.

We asked whether the survey respondent or anyone else in their household was disabled or living with a health condition lasting (or expected to last) at least 12 months and whether this limits their day-to-day activities. This reflects the definition of a disability in the 2010 Equality Act, which is generally considered a relatively wide definition of disability.

Using the above question, we identified 1,047 households in which someone (whether an adult or child) was living with a disability that limits their activities 'a lot'. This was equivalent to 18% of all households.

Throughout this report, we may use the term 'disabled households' to describe 'households in which someone is disabled'.

Households are grouped into four financial wellbeing categories, depending on how they score from 0 to 100 on our financial wellbeing score. This score is based on a composite measure using four measures of financial strain (assessment of current financial situation; how much of a struggle to pay for food and other necessities; how much of a struggle to pay bills and other commitments; arrears including payment holidays on bills and household commitments) and three of financial resilience against income shocks (ability to cover an unexpected bill equivalent to a month's income; how long could make ends meet if experienced a fall in income of a third or more; amount held in savings).

For example, 81% of households in our 'in serious difficulties' category find it a 'constant struggle' to meet their bills, whereas 80% of households in our 'struggling' category say they 'struggle from time to time' – and this falls to 57% of those in our 'exposed' category.

For further details see the technical note at the end of this report.

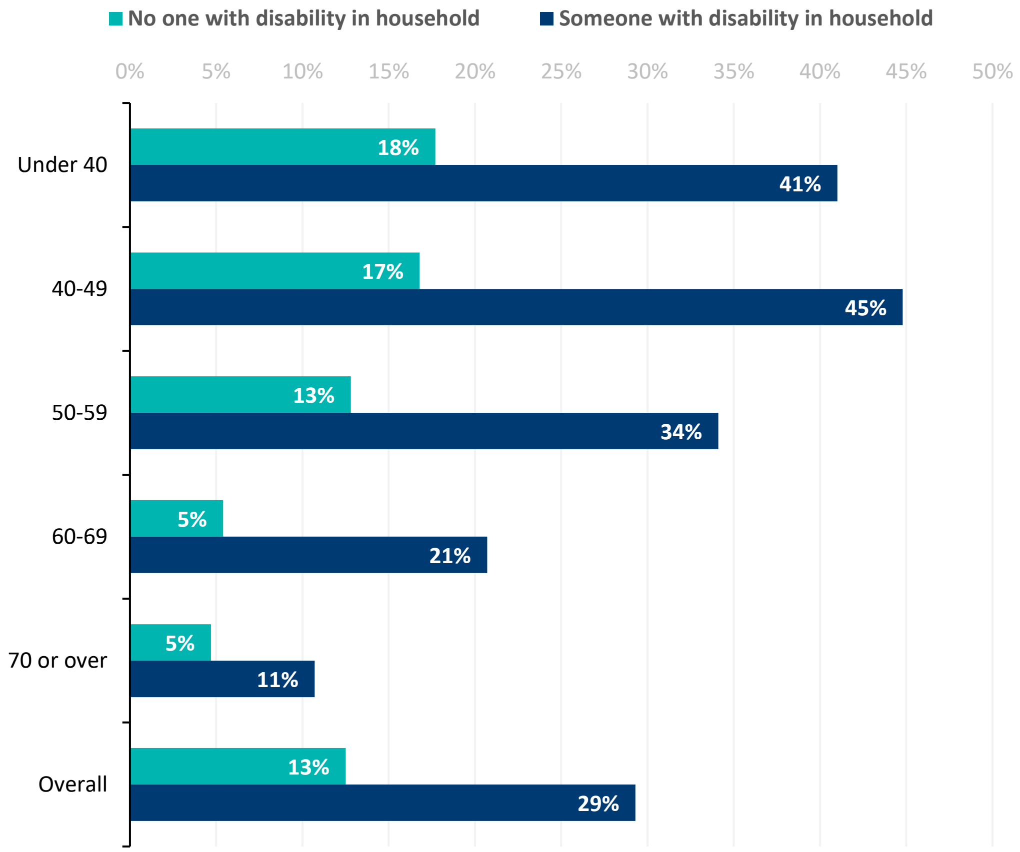
FINANCIAL WELLBEING AND DISABILITY IN UK HOUSEHOLDS

UK households in which someone is disabled are more likely to be in serious financial difficulty than those with no one disabled. Using our index of financial wellbeing, over a quarter (29%) of disabled households are in 'serious financial difficulty', compared with 13% of other households. This means that one-in-three households (34%) in serious difficulty have someone disabled – equivalent to 1.5 million households – despite disabled households accounting for less than one-in-five households overall (18%).

Disabled households are generally more than twice as likely to be in difficulty, across most age groups – as shown by Figure 2. For 60-69 year olds, however, those with a disabled householder were four times as likely to be in difficulty (21% vs 5%). This is particularly important given that disability becomes more likely with age: for example, 12% of households where the person who responded to the survey was under 30 were disabled, compared to 22% of households where the respondent was aged 60-69 and 24% of households where they were 70 or over.

At all ages, disabled people are more likely to live in households in financial difficulty

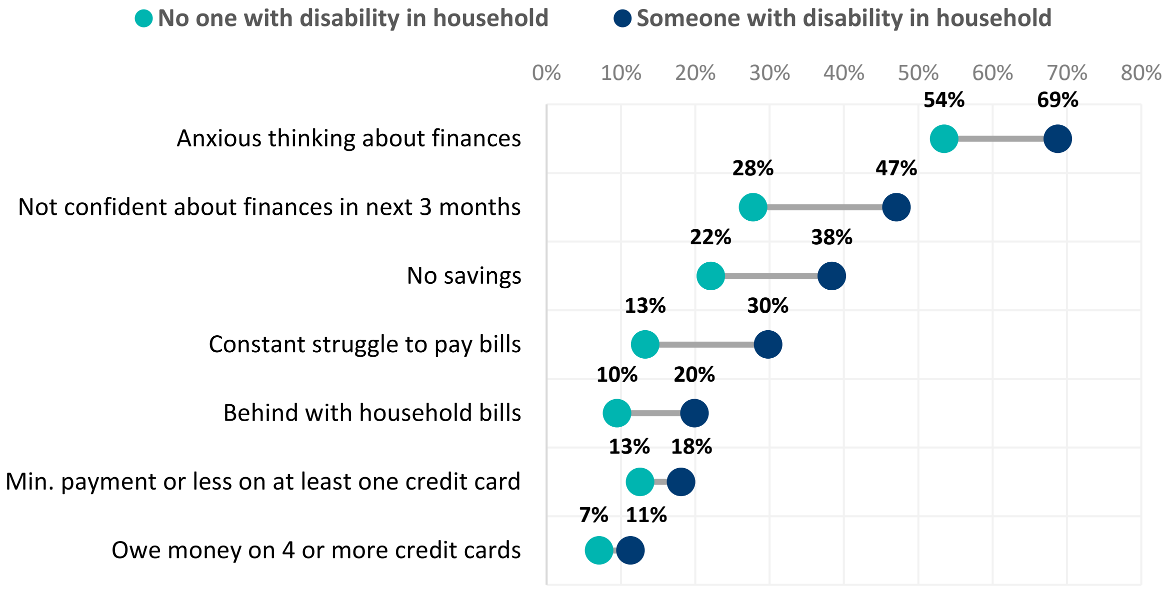
Figure 2 – Percentage of households in serious financial difficulty, by age of survey respondent and whether someone disabled lives in the household.



Sample sizes for disabled households: under 40=212, 40-49=170, 50-59=201, 60-69=244, 70 or over=219, overall=1,047.
Sample sizes for non-disabled households: under 40=1506, 40-49=850, 50-59=757, 60-69=861, 70 or over=696, overall=4,669.
Please note that this is based on the age of the respondent not necessarily the age of the person with a disability.

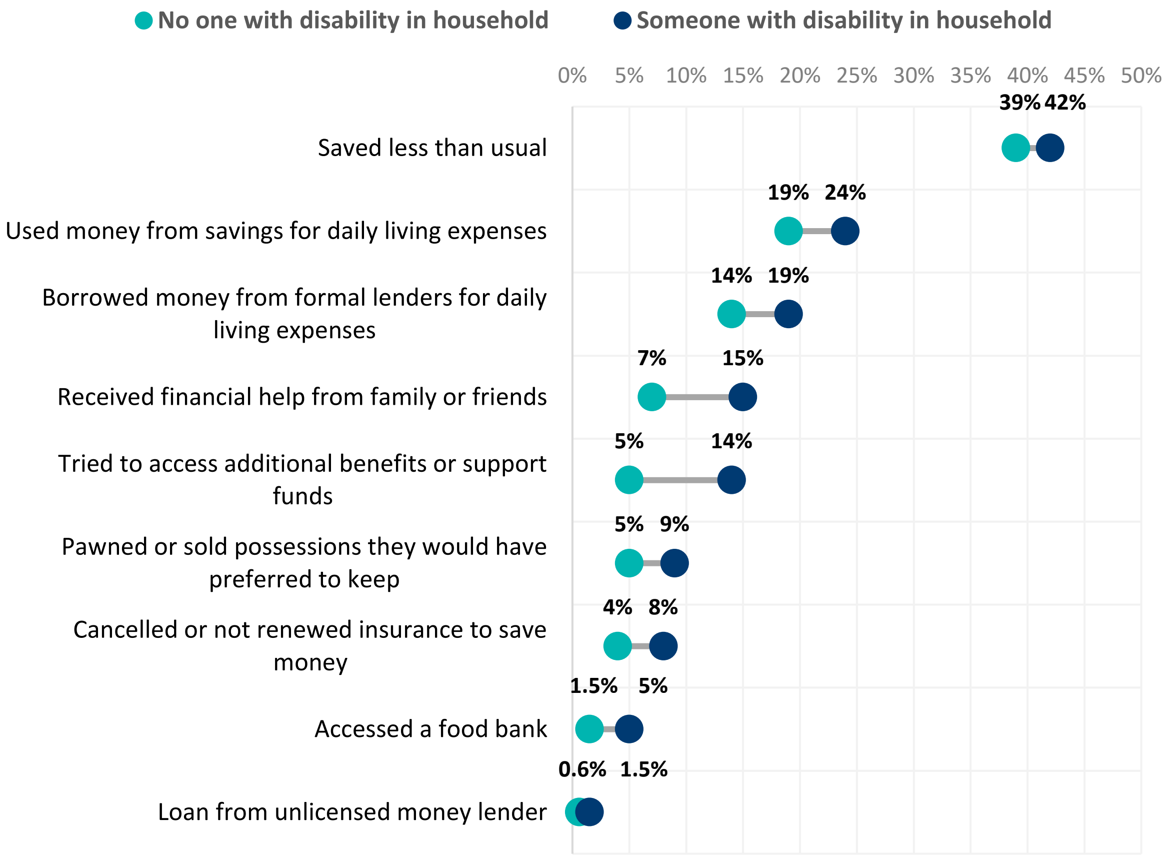
Households with a disabled person fare worse on a range of indicators of financial wellbeing

Figure 3 – Percentage of households experiencing financial difficulty in different ways, by whether someone disabled lives in the household



And disabled households are more likely to be taking actions to try and make ends meet

Figure 4 – Percentage of households who have taken the following actions within the last four weeks to try and make ends meet, by whether someone disabled lives in the household



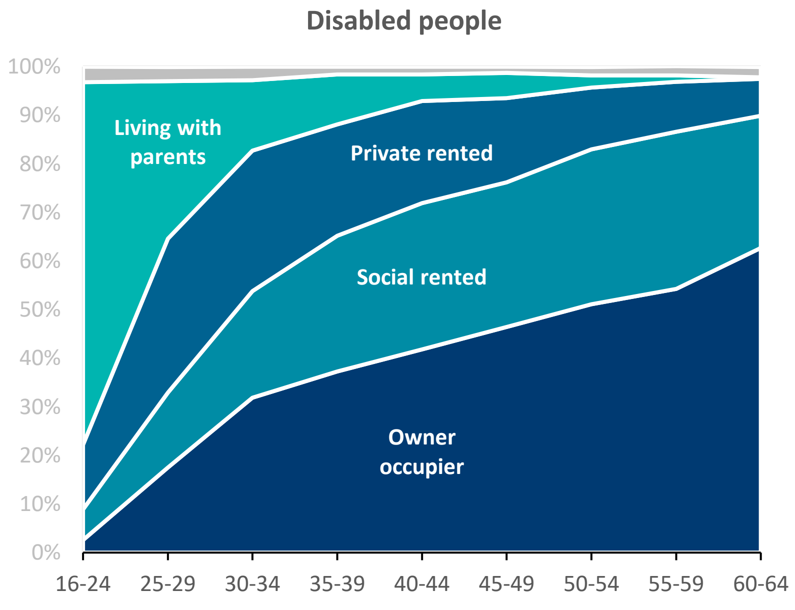
As Figure 3 illustrates, households where someone is disabled do worse on many indicators of financial wellbeing. They were more likely to: report being anxious when thinking about their financial situation, have low levels of financial confidence, have no savings, find it a struggle to pay bills and to owe money on a higher number of credit cards. In addition, as shown by Figure 4, disabled households were more likely to have taken action to try and make ends meet within the last four weeks, such as saving less than usual, borrowing more or seeking additional financial support in the form of benefits or support funds.

This tallies with recent analysis of the 2019/20 Family Resources Survey by the Joseph Rowntree Foundation, which shows that while just 4% of people in families where no one is disabled can't keep up with their bills, this rises to 19% of people in single adult disabled families.[3] Food insecurity and difficulty keeping their home warm were also found to be much worse among disabled families. The authors note that such problems are particularly bad for single disabled people due to their relative inability to pool resources compared to those living in a couple. Regardless of the recent economic turbulence, disabled households need to spend more on energy every year compared with the UK average.

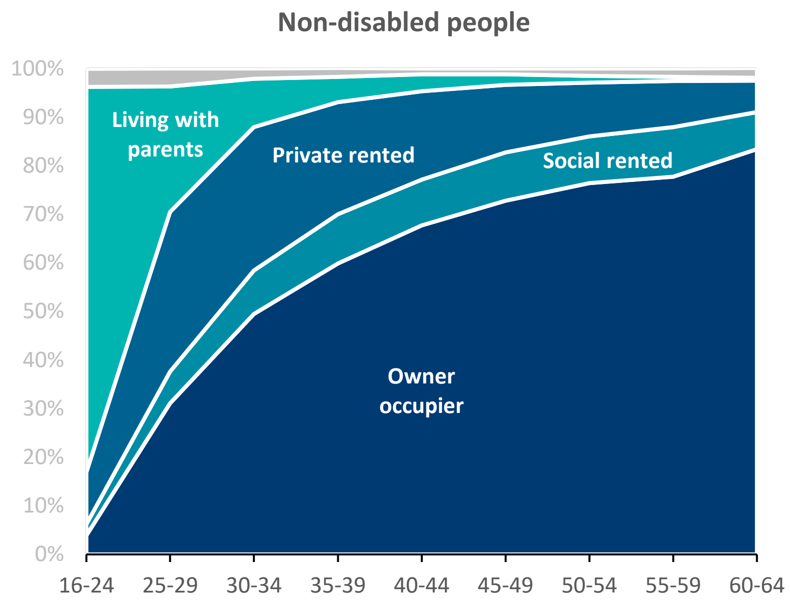
Many of these types of difficulty have been exacerbated by the cost of living crisis, the coronavirus pandemic and welfare reform throughout the 2010s. However, it is also evident that disabled households have been disadvantaged for decades. We see this starkly if we compare the level of housing wealth accrued by disabled and non-disabled households. ONS analysis – replicated in Figure 5 – shows that across all ages (except for 16 to 24 year olds) disabled people were less likely to own their own home than non-disabled people. The biggest gap between disabled and non-disabled people is at ages 45-49, where 46% of disabled people own their home compared with 73% of non-disabled people.

Those with disabilities are much less likely to own their home at all ages

Figure 5 – Housing tenure, by disability status and age group (working age adults only, ONS analysis)



[3] Clark & Matejic (2022) From disability to destitution. JRF.



Data source: ONS (2022) analysis of the Annual Population Survey.

ONS analysis suggests that the above pattern doesn't differ significantly across most impairment types; however, those with severe or specific learning difficulties or with autism were much more likely to be living with their parents and less likely to own their own home.

Such patterns may further exacerbate the challenges faced by disabled people because homeowners are often better able to adapt their accommodation to cater for a disabled person's needs. The ability to adapt housing is particularly important given that the Equality and Human Rights Commission (2018) has highlighted a real shortage of housing in Britain that is accessible for disabled people.[4] This may prevent some disabled people from entering the labour market: "*people with unmet need for accessible housing are estimated to be four times more likely to be unemployed or not seeking work due to sickness/disability than disabled people without needs or whose needs are met*".[5]

[4] Equality and Human Rights Commission (2018) Housing and disabled people: Britain's hidden crisis.

[5] Provan *et al* (2016) No place like an accessible home, page 4.

INCOME & DISABILITY

In this section, we consider what our survey evidence tells us about the incomes of households where someone is disabled. We begin by considering data on disabled people in employment, before exploring uptake of social security benefits.

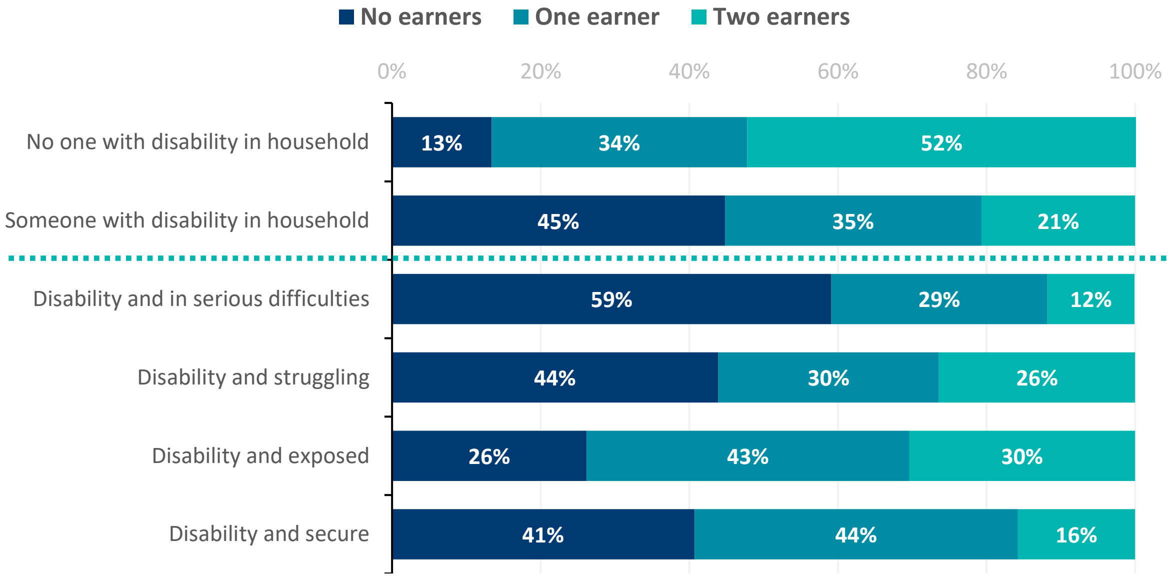
Employment

Data from the ONS highlights the employment gap between disabled and non-disabled people at an individual-, rather than household-, level. It shows that just 54% of disabled people aged 16 to 64 were employed between July and September 2021, compared with 82% of non-disabled people (with a larger gap between disabled and non-disabled men and for disabled people aged 45-49 or 55-59).[6] The ONS also present employment rates by type of disability (based on people's 'main impairment'); this shows that those with severe or specific learning difficulties were least likely to be employed (26% employed), followed by those with autism (29%) and those with mental illness or other nervous disorders (30%).[7]

The disability employment gap is evident in our survey data at the household-level. As shown in Figure 6, we find that working-age households with a disabled person are significantly more likely to have no earners (45%), compared to households where no one has a disability (13%). This rises further among disabled households that are in serious financial difficulty (59%).

Disabled people are more likely to live in households with no earners

Figure 6 – Percentage of households below retirement age* who have different number of earners, by disability status and financial wellbeing category**



*Please note that this is based on the age of the survey respondent, with only those aged under 66 included. Overall sample size=4,467 households.
**Number of earners is based on working status of the respondent and their partner (if applicable). This means that there may be other adults in the household who *are* in work, so the figure for 'no earners' should be treated as an over-estimate. The ONS estimate that the proportion of households where no working age adults are in work was 13% in January to March 2022.
Sample sizes as follows: No one with disability in household=3,702; Someone with disability in household=765; Disability and …in serious difficulties=276; …struggling=208; …exposed=183; secure=98.

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[6] ONS (2022) Outcomes for disabled people in the UK: 2021.

[7] These are the terms used by the ONS to describe type of disability.

It is interesting to note that working-age disabled households that we consider financially 'secure' were more likely to have no earners (41%) than those we consider to be financially 'exposed' (26%). While there were relatively few households in this group, the reason for this appears to be higher levels of people describing themselves as 'retired' within 'secure' disabled households (48% with at least one retiree) than in 'secure' non-disabled households (22%) – despite the survey respondent still being below retirement age. This may be related to the wider trend of older workers removing themselves from the workforce since the start of the pandemic, possibly due to concerns around contracting coronavirus[8]; or more generally due to difficulties related to their impairment.

At the other end of the financial wellbeing scale, disabled households who are in 'serious financial difficulty' were also likely to have no earners in the household (59%, compared with 18% of non-disabled households in difficulty). Of those in financial difficulty, 17% of disabled households had a householder who was unemployed and looking for work (compared to 12% of non-disabled households in difficulty) and 41% had at least one householder who was not working (and not looking for work) (compared to just 12% of non-disabled households in difficulty). Conversely, just 29% of disabled households in difficulty had one or more full-time workers, compared to two-thirds (68%) of non-disabled households in difficulty. This highlights the very different patterns of financial difficulty for disabled and non-disabled households: essentially the challenge for non-disabled households is more likely to be 'in-work poverty', whereas for disabled households it is more likely to be 'out-of-work poverty'.

That is not to say, however, that work guarantees disabled households will avoid serious difficulty. For example, we find that among disabled households with two full-time workers, 23% are still in serious financial difficulty, compared to 11% of non-disabled households.

Other research highlights the range of challenges that disabled people can face in the workplace. Many disabled people want to work and have positive experiences of doing so; however, most report facing discrimination, often in the form of employers failing to grant reasonable adjustments to working practices.[9] Some meanwhile may choose not to disclose their condition or feel that they need to portray themselves as an 'ideal worker' to avoid being replaced. Wages for disabled people may also lag behind those of non-disabled workers: the TUC, for example, calculated that disabled workers typically earn a fifth less than their non-disabled peers.[10] During the first three months of the pandemic in the UK, disabled workers were also more vulnerable to loss of working hours and higher levels of financial stress.[11]

Future employment prospects of disabled people may also be more limited. In our survey, where either the respondent or their partner was out-of-work, we asked about the likelihood of them seeking work in the next three months. While 48% of those aged 18-65 who didn't have anyone disabled in their household said it was 'very unlikely' they would seek work, this rose to two-thirds (67%) of working age households with a disabled person.

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[8] See, for example: ONS (2022) 'Movements out of work for those aged over 50 years since the start of the coronavirus pandemic.'

[9] Richards and Sang (2019) The intersection of disability and in-work poverty in an advanced industrial nation: The lived experience of multiple disadvantage in a post-financial crisis UK. *Economic and Industrial Democracy,* 40(3), pp.636-659.

[10] TUC (2020) 'Disabled workers earning a fifth less than non-disabled peers - TUC analysis reveals'.

[11] Emerson *et al* (2021) 'The impact of disability on employment and financial security following the outbreak of the 2020 COVID-19 pandemic in the UK'. *Journal of Public Health,* 43*,* pp.472-478.

Social security

Disabled people are more likely to engage with the welfare system – partly because of lower levels of participation in the labour market but also because there are non-means-tested benefits available to them to assist with the higher costs of living with a disability. Working age households in which someone is disabled are much more likely to be in receipt of at least one type of benefit (66%), compared with those where no one is disabled (18%). For those in serious financial difficulty, these figures rise to 73% for disabled households and 42% for non-disabled households respectively.

Unsurprisingly, disability-related benefits are among the most common benefits reported by disabled households in our survey: Personal Independence Payment (PIP) / Disability Living Allowance (DLA) was received[12] by 41% of disabled households, while Employment and Support Allowance (ESA) was received by 21% and Carer's Allowance by 15%. Universal Credit and Housing Benefit were also disproportionately common (19% and 14% respectively of disabled households, compared with 7% and 3% of non-disabled households).

Among those receiving benefits, disabled households were significantly more likely to be receiving more than one type of benefit: 39% received one type (cf. 72% of non-disabled households receiving benefits), 32% received two types (cf. 19%) and 29% received three or more types (cf. 9%).

A further important difference between households with and without someone disabled is whether or not they are in-work and in receipt of benefits. As Figure 7 shows, of those households receiving at least one type of benefit[13], 55% of disabled households of working age had no earners, compared to just 24% of households with no one disabled. In other words, nearly three quarters of non-disabled households who are receiving benefits have at least one worker, while this is the case for less than half of disabled households who receive benefits.[14] This is related to the rise of in-work poverty affecting many UK households[15], but suggests that different policies are required to help non-disabled households escape financial difficulty than for disabled households.

Another noteworthy point from Figure 7 is the fact that 25% of working age disabled households that are not receiving benefits live in households with no earners. While around a third of these appear to be retired, a similar proportion describe themselves as 'not working' (e.g. due to poor health). Many of these households may in theory be eligible for social security payments but for some reason are not accessing them. Other research finds that 'out of the most deprived 10% of the working-age population, almost a third (31%) are disabled but not in receipt of a disability benefit.'[16] It is suggested this may be due to ineligibility (e.g. condition not deemed serious enough) or people not claiming because they find the process unappealing or overly complex.[17]

Collectively, this leads to a situation where households in which someone is disabled are more likely to be in serious financial difficulty – especially where the household is in receipt of benefits, as Figure 8 shows. Two-in-five (40%) working age disabled households in receipt of at least one benefit are in serious financial difficulty, compared to a third (33%) of non-disabled households receiving benefits. Those not in receipt of any benefits unsurprisingly fare better, though over a quarter of disabled households (28%) not receiving benefits still find themselves in difficulty (compared to 10% of non-disabled households who aren't receiving benefits).

[12] All these statistics also include those who were 'waiting to receive' each benefit.

[13] Including UC, WTC, CTC, JSA, ESA, IS, HB, PC, PIP/DLA.

[14] DWP data suggests that as of December 2021, 42% of individual Universal Credit claimants were in employment.

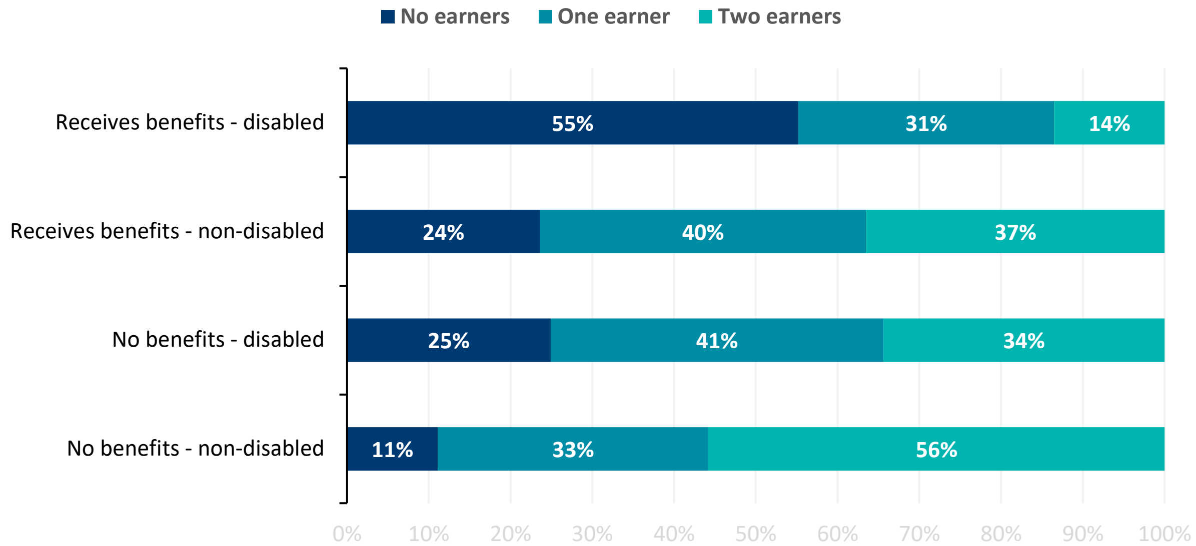
[15] See, for example, Bourquin *et al* (2019) 'Why has in-work poverty risen in Britain?'. IFS.

[16] Cribb et al (2022) Living standards of working-age disability benefits recipients in the UK. IFS.

[17] Waiting times for benefits (of around 20 weeks) were also mentioned by the IFS; however, as mentioned above, our definition of receiving benefits includes both those who had applied for benefits and those who were waiting to receive them.

Disabled households receiving benefits are more likely to have no earners

Figure 7 – Percentage of working age* households who have different number of earners, by disability and receipt of any benefits**

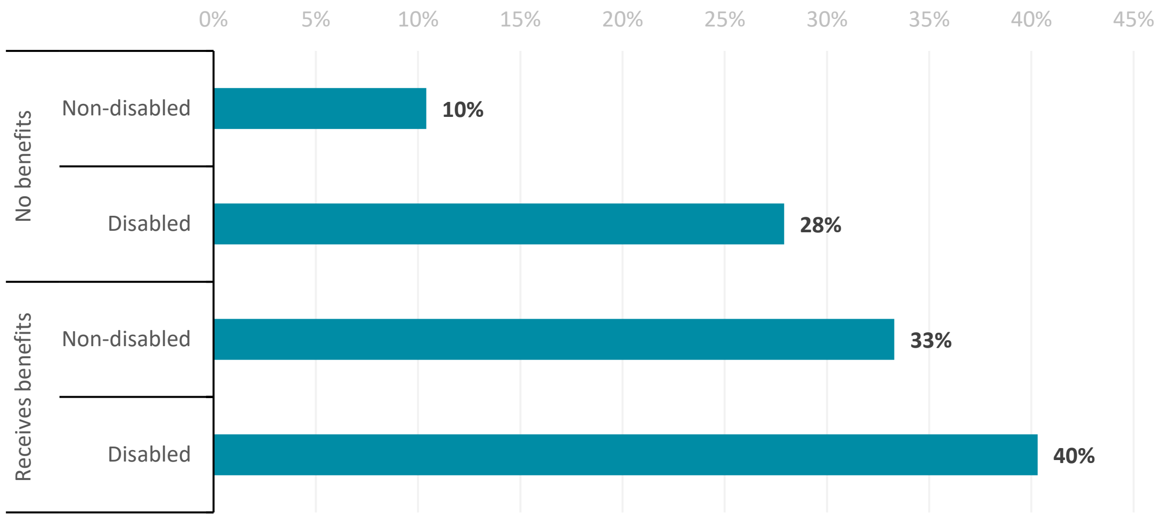


*Please note that this is based on the age of the survey respondent, with only those aged under 66 included. Overall sample size=4,467 households. Sample sizes for sub-groups: benefits & disabled=502; benefits & non-disabled=673; no benefits & disabled=263; no benefits & non-disabled=3029.

**Number of earners is based on working status of the respondent and their partner (if applicable). This means that there may be other adults in the household who *are* in work, so the figure for 'no earners' should be treated as an over-estimate. The ONS estimate that the proportion of households where no working age adults are in work was 13% in January to March 2022.

Disabled households receiving benefits are more likely to be in difficulty

Figure 8 – Percentage of working age* households in serious financial difficulty, by whether someone in the household has a disability and whether they receive at least one type of benefit or not



*Please note that this is based on the age of the survey respondent, with only those aged under 66 included. N=4,467 households. Sample sizes for sub-groups: benefits & disabled=502; benefits & non-disabled=673; no benefits & disabled=263; no benefits & non-disabled=3029.

EXPENDITURE & DISABILITY

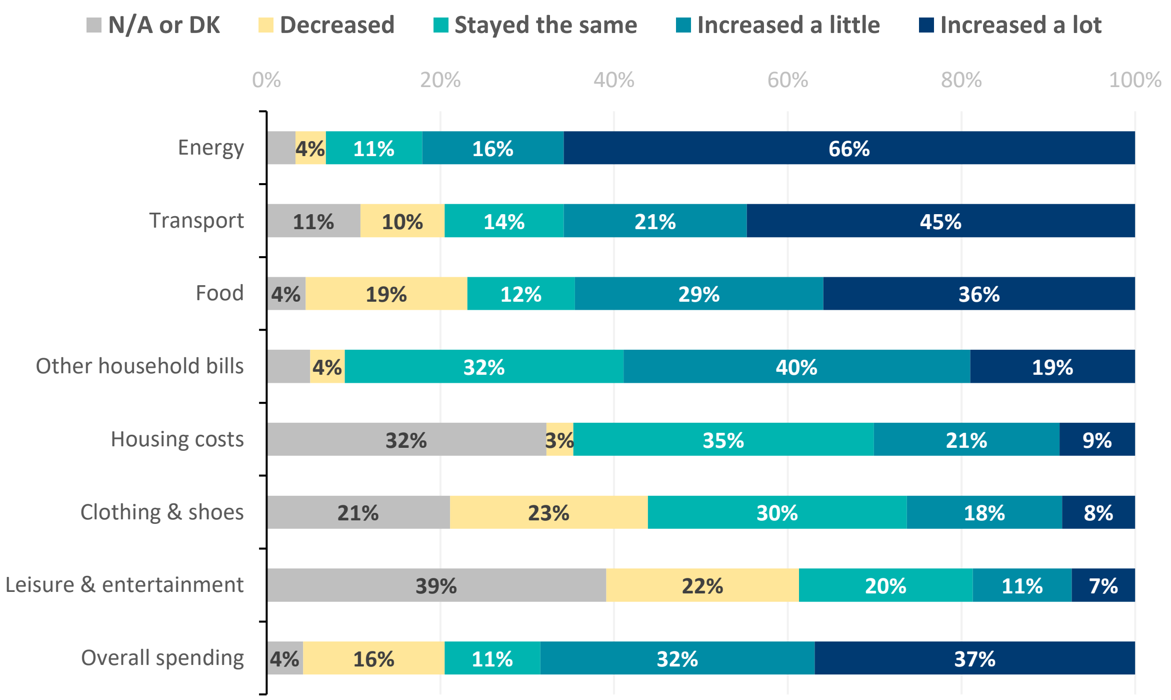
The fact that households with a disabled person are typically on lower incomes is made even more problematic by the added costs that many people who are disabled or have long-term health problems incur as a result of their condition(s). Such costs are often unavoidable and may include extra transport costs, such as travelling to and from hospital or GP appointments, extra energy costs to keep their home warm or run necessary equipment, and the costs of specialist equipment, clothing or specific diets. Disabled people who are unable to meet these extra costs may be faced with going without the items or forgoing other essentials - such as insurance, as we will see below - or taking on unsecured debt.

Research from the disability charity Scope estimates that the average additional costs faced by disabled people (prior to the pandemic) were £583 per month and a fifth of disabled people faced additional costs over £1,000 per month.[18] These costs are similar for both adults and children who are disabled. They show that disabled people's money doesn't tend to go as far: *"on average, £100 for a non-disabled adult is equivalent to just £68 for a disabled person"* (page 3). Costs for other types of health condition can also be high: the average cost of a cancer diagnosis has been estimated to be £450 per month, as a result of loss of income, hospital visits, prescriptions and other day-to-day costs.[19] Recent high levels of inflation are likely to have seen such costs increase yet further.

Our survey highlights how the rising cost of living is affecting households where someone is disabled. Like most households, those with a disabled householder have seen large increases in the cost of energy, transport, food and other household bills – as Figure 8 shows.

Households with disabilities have seen many types of cost increase in 2022

Figure 8 – Percentage of households with a disabled person who have seen their monthly expenditure change on different types of spending



[18] John *et al* (2019) The disability price tag 2019: policy report. Scope.

[19] Finney *et al* (2012) The financial impacts of cancer.

The extent of these increases, however, typically appears to affect a greater proportion of disabled households. For example, 36% of disabled households say their food costs have increased 'a lot', compared to 24% of non-disabled households; 66% of disabled households say their energy bills have increased a lot (cf. 60%); and 19% report their other household bills increasing a lot (cf. 11%).

Most of these differences diminish at least to some extent when we take into account the fact that disabled households tend to have lower financial wellbeing than non-disabled households. In other words, the added impact of the cost of living crisis on disabled households may be partly a result of them facing a general 'poverty premium' and partly them facing additional costs due to their disability. This being said, disabled households were still more likely to say food costs had gone up regardless of their financial wellbeing: 46% of those in difficulties said food costs had increased a lot (cf. 40% of non-disabled households in serious difficulty); with these figures being 36% and 29% for those struggling, 31% and 21% for those exposed, and 28% and 17% for those who were secure.

Also notable is the fact that disabled households were much more likely to say that certain types of spending were 'not applicable' to them, i.e. they don't spend money on those items. For example, 35% of disabled households said they don't spend money on leisure and entertainment, such as trips to the cinema or eating at restaurants, compared to just 17% of households where no one was disabled. For those in serious financial difficulties, these figures rise to 42% and 29% respectively for disabled and non-disabled households. Similarly, 17% of disabled households said that clothing expenditure didn't apply to them, compared to 10% of non-disabled households – and these figures increase with age (for example, 22% vs 12% for those in the 60-69 age group). This latter finding is illustrated by previous qualitative research with disabled people in in-work poverty:

> *"Yeah, I don't buy clothes or anything. I mean, luckily for me, I hate shopping anyway, but I tend not to buy clothes unless I really have to. I don't go out or anything so that helps with not meaning to buy clothes or anything because all I do is go to work and walk the dogs really."* (Sam, 40s, care worker, chronic condition – from Richards and Sang, 2019[20])

Our survey data illustrates the significant pressure that disabled households are under due to their financial situations. Nearly double the percentage of disabled households had cut back their overall spending 'a lot' (40%, cf. 22% of non-disabled households), with this rising to nearly three-quarters of disabled households in serious financial difficulty (74%, cf. 64%). As Figure 9 reveals, since the start of 2022, disabled households have also been significantly more likely to take steps to reduce their energy bill: for example, two-thirds (66%) of disabled households have avoided turning on their heating (compared to 58% of non-disabled households) and two-in-five (44%) have reduced the number of showers or baths they take (compared to just 28% of non-disabled households). Overall, nearly half of disabled households (47%) have taken four or more of the actions shown in Figure 9 since the start of the year, whereas the comparable figure for non-disabled households is 32%.

Figure 10 meanwhile reveals how the negative impacts that the rising cost of living has had on quality of life have disproportionately affected disabled households. Nearly half (48%) of disabled households have witnessed negative impacts on their ability to keep their home warm and comfortable since the start of the year, compared to 30% of non-disabled households. Quality of food eaten has also declined for 43% of disabled households (cf. 25% of non-disabled households). This tallies with research from Sense disability charity which found that two in five (40 per cent) disabled families say they will go without food to save money, with more than three quarters (77 per cent) saying the financial pressure is affecting their mental health.[21]

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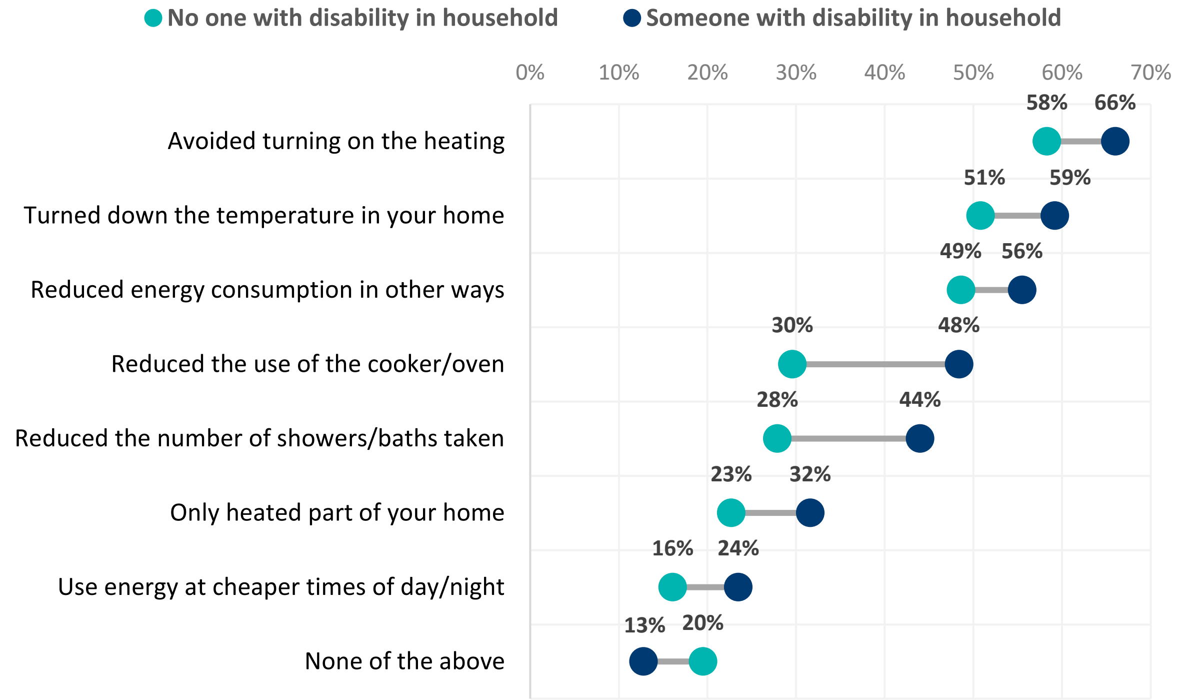
[20] Richards and Sang (2019) The intersection of disability and in-work poverty in an advanced industrial nation: The lived experience of multiple disadvantage in a post-financial crisis UK. *Economic and Industrial Democracy,* 40(3), pp.636-659.

[21] Sense (2022) 'Charity announces emergency financial support for disabled households, as four out of five families say the Government is not doing enough on the cost-of-living crisis.'

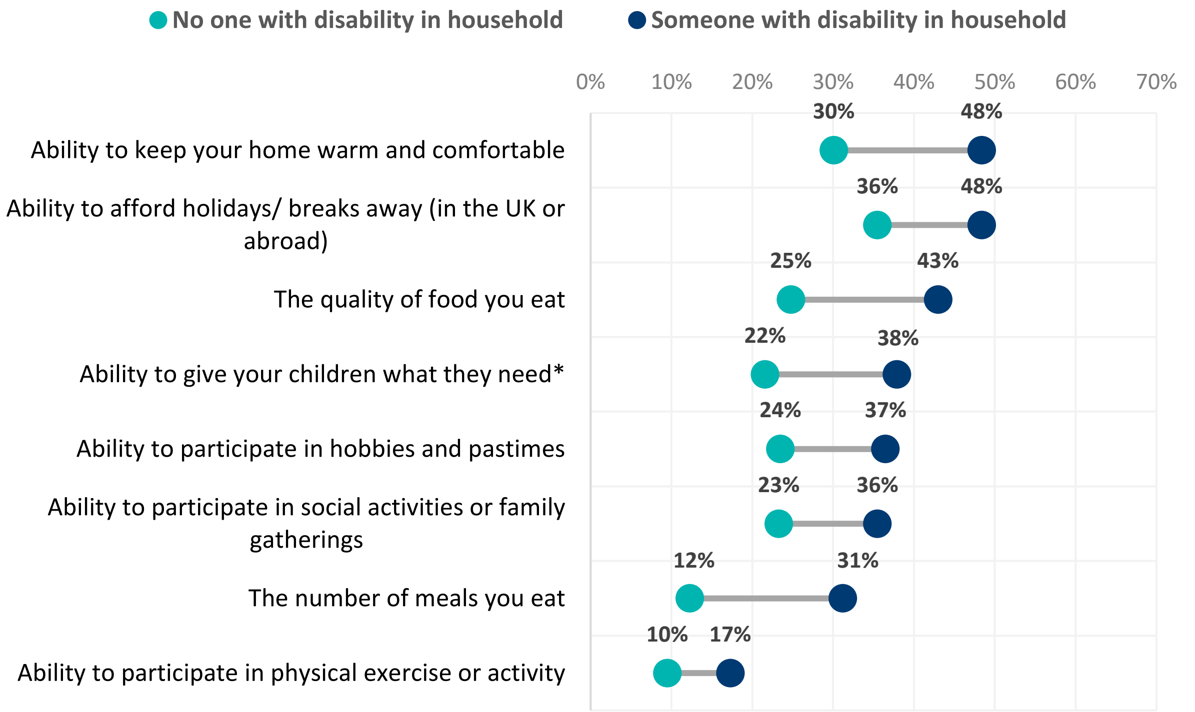
Disabled households are taking more steps to reduce energy usage

Figure 9 – Percentage of households with a disabled person who have taken different steps to help them afford their energy bills, since the start of 2022



The cost of living has disproportionately negatively affected disabled households

Figure 10 – Percentage of disabled households who report each of the following areas of quality of life having been negatively affected by the rising cost of living



*This has been re-based to include only households with children. Sample sizes: non-disabled=1,331; disabled=249.

ACCESSING SUPPORT

Access to support from organisations can be a challenge for disabled people. As qualitative research from the ONS demonstrates, disabled people may face a range of barriers when dealing with organisations across a wide range of sectors:

> *"Disabled people faced many different barriers, including: physical access, restrictive building layouts, inaccessible online services, poor information provision and inflexible design of customer services that do not consider accessibility for a broad range of needs.*
>
> *The experiences of online services was mixed among disabled people; for some experiencing digital exclusion, access and engagement was limited, and for others, online services facilitated access and helped mitigate some of the physical design barriers within day-to-day life.*
>
> *Extensive preparation and developing workarounds were some of the ways in which disabled people navigated interacting with difficult-to-access services, with some having to rely on family and friends for support.*
>
> *Extra effort in developing workarounds came at a physical, financial and emotional cost to disabled people."* [22]

This can mean that some disabled people face financial exclusion, leading to potential negative impacts on their financial wellbeing. Indeed, a 2017 House of Lords Select Committee on Financial Exclusion concluded that it was "*totally unacceptable that, over twenty years after the concept of reasonable adjustment was first introduced into law by the Disability Discrimination Act 1995, some financial services providers are still failing to make reasonable adjustments for disabled customers.*"[23]

Insurance is one example of a financial service that disabled people may find more difficult to access. Research from Scope indicates that a quarter of disabled adults (26%) felt they had been charged more for insurance – or denied cover altogether – because of their condition, with travel insurance being the product that disabled people found most difficult to access.[24] Other research found that 43% of people with mental health problems who tried to obtain travel insurance thought the price was unfair, with one in ten (13%) ending up travelling without insurance because it was too expensive.[25]

With this in mind, it is worrying in our survey householders with a disability were more likely to have cancelled or not renewed an insurance policy in the past four weeks to save money (8%, cf. 4% of those without a disability). This rises to 17% of disabled households in serious difficulty, compared with 12% of non-disabled households in similar difficulties.

Debt advice and money guidance

Our survey results indicate that households with a disabled person were more likely to have sought advice related to their financial situation since the start of 2022 – as shown in Table 1.

For example, 38% of disabled households had accessed any kind of advice – including advice charities, local authority / housing association, fee-charging advice organisations, DWP / other government bodies and consumer advocates, such as Which? or MoneySavingExpert – rising to 57%

[22] ONS (2022) Disabled people's experiences with activities, goods and services, UK: February to March 2022.

[23] House of Lords (2017) Select Committee on Financial Exclusion. Tackling financial exclusion: A country that works for everyone?, page 4

[24] Scope (2017) Improving access to insurance for disabled people.

[25] Holkar, M (2018) Travel insurance and mental health: A turbulent journey Money and Mental Health Policy Institute.

of disabled households in serious financial difficulty. This compares with 25% of non-disabled households and 42% of non-disabled households in serious financial difficulty. These trends persist even when excluding advice from the DWP or other Government bodies who disabled people might be more likely to contact about disability benefits. It is also notable that disabled households were significantly more likely to have *only* accessed advice over the phone, rather than via online methods. This appears unrelated to the older age profile of disabled people, with telephone advice being significantly more likely among disabled people of all ages from 30-59.

Households with disabilities were more likely to access advice, especially over the phone

Table 1 – Percentage of households who had sought advice for their finances since beginning of 2022, by disability status and financial wellbeing

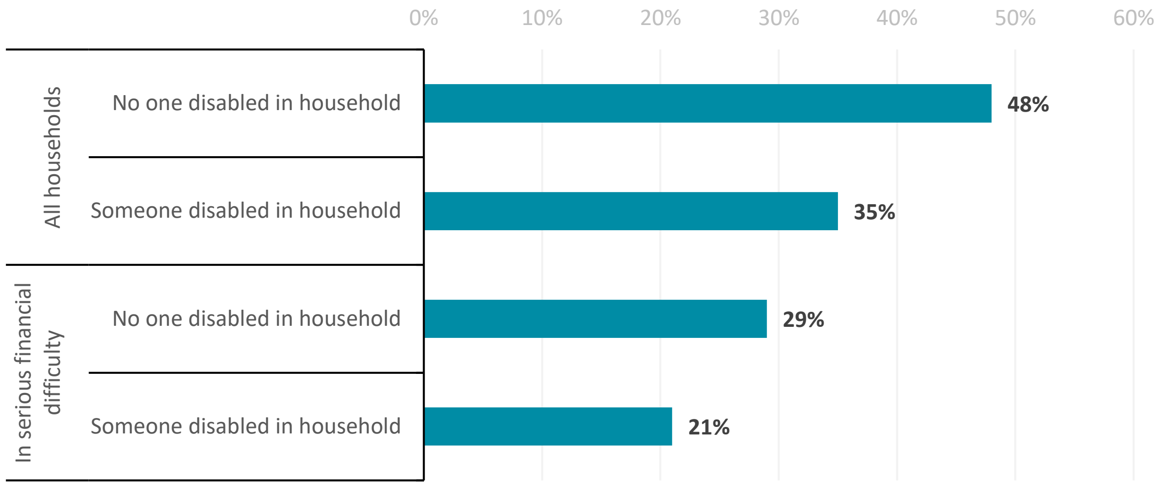
	All households		In serious financial difficulty	
	No one disabled in household	Someone disabled in household	No one disabled in household	Someone disabled in household
Any kind of advice	25%	38%	42%	57%
Any kind of advice (exc. DWP)	24%	35%	38%	53%
Online advice	21%	26%	29%	37%
Telephone advice	6%	18%	17%	33%
Face-to-face advice	2%	5%	5%	9%
Webchat advice	4%	9%	9%	13%
ONLY online advice	17%	17%	19%	18%
ONLY telephone advice	1%	4%	3%	9%

We also asked about what types of organisation households have been seeking advice from. This shows that one-in-five (19%) disabled households in 2022 turned to the websites of consumer advocates (such as Which? or MoneySavingExpert) for money guidance. This is similar to the 18% of non-disabled households who have done the same. In terms of advice over the phone, the DWP was the most common port-of-call for disabled households (8%), followed by Citizens Advice, local authorities or housing associations (6%), other advice charities (4%) and fee-charging advice organisations (2%).

It is worrying that, generally, most households do not receive all the help or information they needed regarding their financial situation – but this picture is even worse for disabled households. As Figure 10 shows, only one in five (21%) of disabled households in serious financial difficulty received all the help or information they needed, compared with three in ten non-disabled households (29%). This raises important questions about why advice and guidance services are falling so far short of people's needs. The answer is likely to be multi-dimensional and may relate to the difficulty of obtaining information (especially online) about complex situations and benefit arrangements, a lack of accessible advice which meets people's various support needs, or a lack of solutions which will actually help them given the gravity of their financial problems.

Disabled households are less likely to get the help they need when seeking advice

Figure 10 – Percentage of households who report receiving all of the help or information needed when seeking advice, by disability – all households and only those in serious financial difficulty



*Sample includes those who have sought advice or guidance. Sample sizes: all non-disabled advice-seekers=1,186; all disabled advice-seekers=397; non-disabled advice-seekers in financial difficulty=243; disabled advice-seekers in financial difficulty=174.

Technical note

The survey was undertaken by YouGov between 25 May and 6 June 2022 for the abrdn Financial Fairness Trust and was conducted online. It is the sixth in a series of cross-sectional surveys tracking the financial impact of the coronavirus pandemic on UK households, by asking key questions repeated at several time points. In each wave, these key questions are supplemented by new questions that aim to capture and reflect the evolving situation.

The sample for this report consists of 5,716 respondents randomly recruited from YouGov's online panel. It includes booster samples for Scotland, Wales and Northern Ireland, that have been weighted back to their correct proportions for the tables in this report. The base for analysis is people who are responsible for the household finances. Non-householders who are responsible only for their own personal finances (most of whom were aged under 25 and lived at home with their parents) are not included in the analysis for this report. From the data, we identified 1,047 households in which someone was living with a disability that limits their activities 'a lot'. This was equivalent to 18% of all households. In the report, we refer to these households as disabled households or households with a disabled person.

The segmentation of households into four categories is based on scores from a principal component analysis of seven survey questions that cover the extent to which households could meet their financial obligations and the resources they had for dealing with an economic shock. Those with a score of less than 30 out of 100 were deemed to be in serious financial difficulty; scores of 30-49 were taken as indicative of struggling to make ends meet and scores of 50 to 79 of being potentially exposed financially. Full details of the methodology employed can be found in Kempson, Finney and Poppe (2017) Financial Wellbeing: A Conceptual Model and Preliminary Analysis. The estimation of households' future outlook for the next three months was also based on scores from principal component analysis in the same way. This analysis is based on six questions relating to income shocks experienced or anticipated in the next three months, financial resilience and expected ability to meet financial obligations over the next three months.

All analysis was tested for statistical significance. This report only covers findings that were found to be statistically significant (at least $p<.05$ chisq), unless otherwise stated.

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Accessibility

This report has been tested for accessibility, but please note that some PDFs cannot be made fully accessible to all screen reader software. If you need this document in a different format email: pfrc-manager@bristol.ac.uk.

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Our thanks to the team at YouGov, and to the members of their online panel who answered the questions willingly and honestly. We hope that this report accurately reflects the situations they are experiencing.

There are also many people whose input was important to this report. First, thanks to Nick Smith who helped to design the questionnaire, to Christian Poppe and Elaine Kempson who have been crucial in designing and setting-up the study, and to David Collings who helped prepare this report. Our thanks also to Mubin Haq, Charlotte Morris, Karen Barker and the team at abrdn Financial Fairness Trust for their ongoing input, feedback and support. Thank you all of you.

About the Personal Finance Research Centre (PFRC)

PFRC is an interdisciplinary research centre specialising in social research across a diverse range of personal finance issues, mainly from a consumer perspective.

www.bristol.ac.uk/geography/research/pfrc/

About abrdn Financial Fairness Trust

abrdn Financial Fairness Trust is an independent charitable foundation supporting strategic work which tackles financial problems and improves living standards. Its focus is improving the lives of people on low-to-middle incomes in the UK.

www.financialfairness.org.uk/