

THE FINANCIAL WELLBEING OF DISABLED PEOPLE IN THE UK: BARRIERS TO EMPLOYMENT

Quick Read

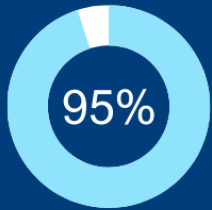
The UK has a big disability employment gap: Almost all (95%) of the working age disabled people who took part in our survey said their impairment has negatively affected their ability to do paid work. Three-quarters (77%) said it had ‘very negative’ impacts, and this proportion was considerably higher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

There are systemic barriers to employment for disabled people: Three-in-ten (29%) working age disabled people said 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. 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.

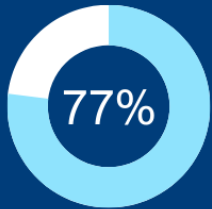
The government needs to do more: In March 2023, the government promised [£2 billion investment](#) over five years in employment support for disabled people and those with health conditions. Disabled People’s Organisations (DPOs), disability charities and others say that the government needs to do more, including further increasing employment support; 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.

The UK has a big disability employment gap

In early 2023, the employment rate for disabled people was 53.7% compared to 82.7% for people who are not disabled.



of working age disabled people in our survey said their impairment has negatively affected their ability to do paid work.



said their impairment had 'very negative impacts' - rising to 87% among respondents who acquired their disability suddenly.



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



Over half of those not disabled from birth had not been able to work since acquiring their disability, while half of all disabled people said they had to leave their job at some point because of their impairment.

Three-in-ten of all disabled people felt they had been discriminated against by employers or potential employers due to their impairment.



A quarter of all disabled people said that employers had failed to make reasonable adjustments for them.

The government needs to do more

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8 in 10

think that disabled people are not given the employment opportunities they need to thrive in society



7 in 10

think that disabled people are not given the educational opportunities they need to thrive in society

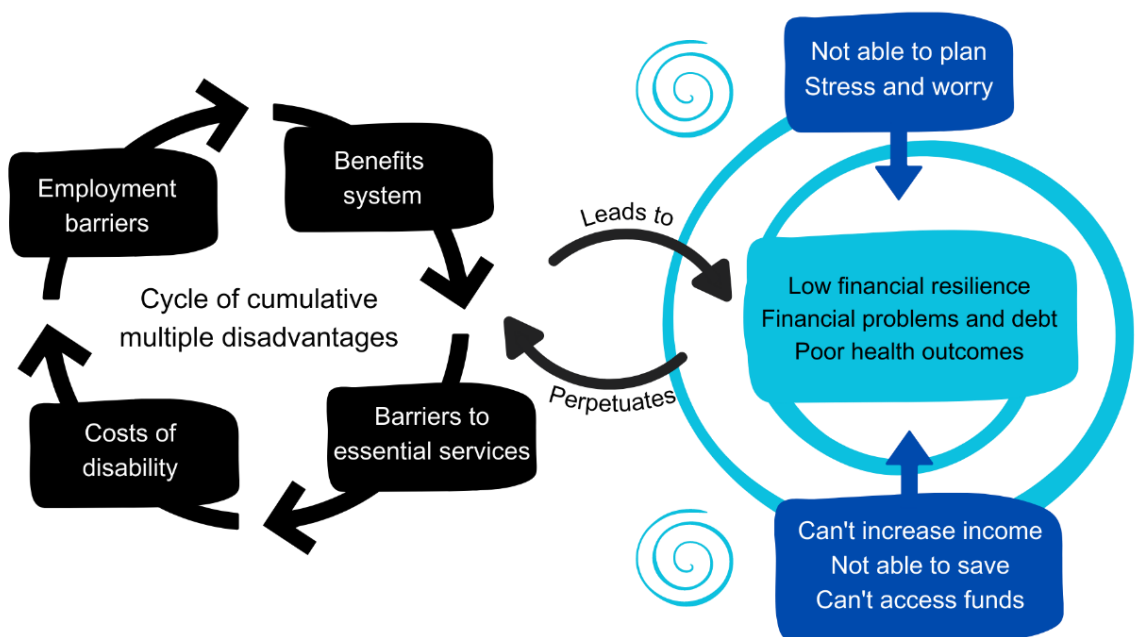
Introduction

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 September 2023, a research team from the University of Bristol and the Research Institute for Disabled Consumers published a report looking at the financial wellbeing of disabled people in the UK. The report is based on discussions with disabled people in the UK about what 'financial wellbeing' means to them and the difficulties they face in trying to improve their financial wellbeing. We used this 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.

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 in Figure 1, which risks negatively affecting disabled people's health and further disabling them in other areas of their lives.

Figure 1 – The 'disability trap'





We have produced four short briefings on the policy areas highlighted in the research. This briefing is on barriers to employment. The others look at the benefits system; the extra costs of disability; and access to essential services. [You can download the full research report and four briefing papers in PDF format from our website.](#)

The UK has a big disability employment gap

[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.

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

Figure 2 below shows the ways in which working age survey respondents' impairments had affected their ability to do paid work.¹ In particular:

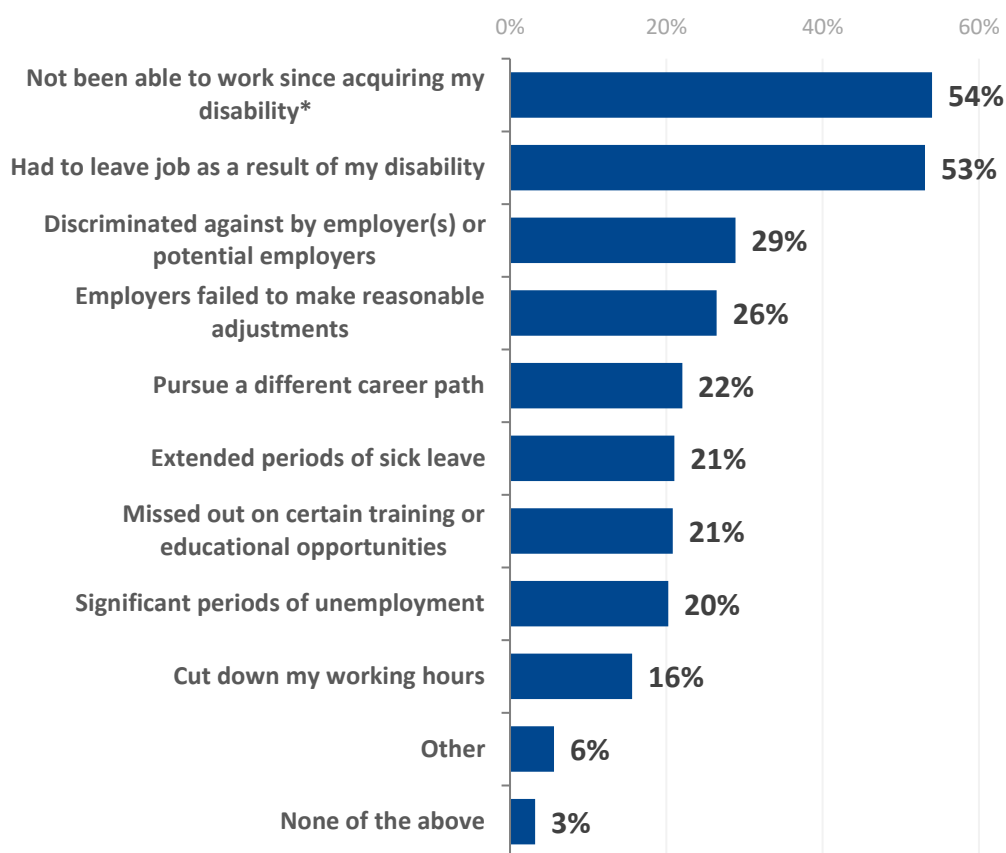
- Over half (54%) of those who were not disabled from birth had not been able to work since acquiring their disability, while half (53%) of all disabled respondents said they had to leave their job at some point because of their impairment.
- Three-in-ten (29%) felt they had been discriminated against 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.”

¹ Respondents could choose multiple answers to this question, so the proportions add up to more than 100%.

Figure 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).

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.”

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.

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”.² 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.

[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 UK 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 say that the government needs to do more. The [Disability Employment Charter](#) identifies areas of action that the government needs to tackle to

² 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.

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.

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 scheme³, 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.

³ 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.



About this research

This research was a collaboration between the University of Bristol's [Personal Finance Research Centre](#) (PFRC) and the [Research Institute for Disabled Consumers](#) (RiDC). It was funded by [abrdn Financial Fairness Trust](#).

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