

DISABILITY AND LONG-TERM CONDITIONS AND POVERTY

This study considers how poverty among disabled people is underestimated and explores the difficulty in escaping poverty through paid work. It presents recommendations for reducing poverty among disabled people.

Key points

- Poverty among disabled people is consistently underestimated. This study uses two different adjustments, each finding at least a ‘missing million’ people in poverty in households with a disabled person.
- Making society less disabling will reduce poverty among disabled people. Possible ways of doing this include improving affordability and accessibility of transport and housing, developing standards for consumer devices, better use of technology, and making markets for assistive technologies work more effectively.
- Disabled people are less likely to be working and more likely to be low-paid. There are four main ways that this could be tackled:
 - **the benefits system:** changes are needed so that the system doesn’t *stop* people from being able to work;
 - **specialist programmes** can help people return to work when they include personalisation rather than sharp targets;
 - **early intervention**, including better workplace practices and responsive health systems, as well as a healthy psychosocial work environment;
 - **employers** – many disabled people simply face limited opportunities. There is a common perception that employing disabled people involves extra costs, and there are limits to ‘reasonable’ adjustments. Stronger actions may therefore be necessary, including regulation and incentives.
- Disabled people stress that work is not always the solution; policies should resist the temptation to simplify the diversity of disability. It may be necessary to change the current public debate; the idea that ‘work is the best route out of poverty’ clearly cannot apply to all disabled people, and reducing the aim of poverty reduction to simply improved access to employment would be counterproductive.

The research

By Tom MacInnes and Adam Tinson, New Policy Institute; Declan Gaffney, independent policy consultant; Goretti Horgan, University of Ulster; Ben Baumberg, University of Kent

BACKGROUND

Most studies underestimate the levels of poverty among people with disabilities. This study shows the likely size of these underestimates, and explores the difficulty in escaping poverty through paid work.

Disability is a huge part of the poverty picture in the UK. Using the standard measure, one in three people in poverty live in a household with a disabled person. The headline poverty rate for disabled individuals is 23 per cent – slightly higher than the rate of non-disabled individuals of 21 per cent.

However, poverty is about whether someone's material resources *are sufficient to meet their needs*. Disabled people's needs are often greater – some estimates put this at £1,500 a week. This is due to both 'enhanced costs' (things everyone needs but which are more expensive for disabled people) and 'special costs' (things that only disabled people need).

Unfortunately it is impossible to *precisely* adjust for these extra costs – they differ too much between different disabled people. However, this review provides two estimates that adjust for this in different ways.

- **Excluding certain disability benefits from income:** nearly 7 million people live in a household where someone receives a benefit (Disability Living Allowance or Attendance Allowance) to meet some of the extra costs of disability. This is conventionally treated as 'income', even though a disabled person with £100 extra income and £100 extra needs is as poor as someone without a disability. When these benefits are excluded from income an extra 1 million people are found to be in poverty.
- **Estimating extra costs as a percentage of income:** one study found that the average disabled person had extra costs amounting to 24–35 per cent of their income (depending on household composition). Using these figures, the poverty rate among households with a disabled member rises from 25 per cent to 30–32 per cent, amounting to an extra 1.3 – 1.8 million people in poverty.

While these estimates are imprecise, we can reasonably say that the official poverty statistics cover up a 'missing million' people in poverty, in households with a disabled person; possibly the figure is even higher.

Reducing disability poverty by reducing the extra costs of disability

It is self-evident that making society less disabling will reduce poverty among disabled people. While there is little direct evidence on how to go about this, the literature and the author's policy workshop with disabled people suggested the following:

- greater levels of *suitable housing* could be provided, whether by changing policies in social housing, improving the standards of new-build homes, or helping disabled people own (and adapt) their own home;
- there could be greater enforcement of the 'reasonable adjustment' obligation in *public transport*, and the private transport Motability scheme could be made more widely available;
- disabled people are *legally discriminated against* in certain markets, such as insurance and other financial products. Government could legislate to make this discrimination illegal;
- *standards for consumer devices* (and government standards in contracts) could build in accessibility, without the need for separate markets specifically for disabled people;
- *technology* could be used to reduce costs. Prizes could encourage entrepreneurs to think of innovative ways of reducing costs, and government investment could be increased;
- *the markets for assistive technologies* could be made to work more efficiently through e.g. bulk buying and an online portal. There is also an argument for extending government support from 'Access to Work' to a new 'Access to Life' scheme.

Reducing disability poverty through paid work

Disabled people are less likely to be working and more likely to be low paid than those without disabilities (even those with the same level of qualifications). The evidence review suggested four main areas for policy: benefits, return to work, prevention, and focusing on employers.

Despite an intense policy focus on reforming *disability benefit* systems over recent decades, improvements in employment for disabled people have often failed to materialise. There is no evidence at the national level that disability employment rates are improved by either reducing benefit generosity, tighter eligibility or stepping up activation policies (although these policies might reduce disability benefit caseloads). Disabled people themselves highlighted that the benefits system needs to allow people to move to areas where there are more jobs, and to create a system with fair criteria and processes.

Specialist programmes can also help people return to work – although the evidence mainly covers common physical health problems. Effective programmes include longer-term engagement and personalisation, and avoiding sharp work-focused targets that lead to 'cream-skimming' and 'parking'. Some specialist programmes seem more effective but only work with limited numbers of people. Supported employment that combines intensive long-term in-work support and employer subsidies – in particular, the Individual Placement and Support model – is one of the best ways of helping people with severe mental health conditions into sustained employment. However, this type of intervention needs to be properly resourced. Disabled people also highlighted that people may need help to reskill, where there is a mismatch between the jobs they are qualified or experienced and the jobs that their health or disability *allows* them to do.

Early intervention can stop people leaving work to begin with. Long-term worklessness due to mental health conditions and musculoskeletal disorders can be reduced through better workplace practices, while responsive health systems can reduce the risk of developing severe mental ill-health. Once sick leave starts to be taken, early healthcare and workplace interventions can help people with common health conditions to retain their jobs. Maintaining a healthy working environment is also crucial.

However, disabled people stressed that they often face limited opportunities in the labour market: it is crucial to ask ‘what should employers do differently?’ Individual managers can make a difference, and a radical improvement in advice and training to employers could help. Yet there is a common perception that employing disabled people involves greater cost (which can be true in some circumstances). Employers are also often reluctant to make adjustments as this can induce resentment among colleagues, or involve additional costs, even if these are lower than anticipated. Workplace adjustments could help more people to work, and it is a legal obligation for employers to make ‘reasonable’ adjustments. However the overwhelming majority of disabled people in work have jobs for which they do not need a particular adjustment – they just happen to be in a suitable job.

Disabled people suggested some stronger actions, including regulation (supporting disabled people to assert their existing employment rights) and incentives (targeted help to small companies, expanded access to work, personal budgets for employment support). A number of countries impose stricter job protection for sick or disabled workers. This reduces the risk of loss of employment for workers, but it may also mean employers avoid hiring disabled workers in order to maintain staffing flexibility.

Further recommendations from disabled people

The disabled people at our policy workshop stressed three further points:

- There is a need to challenge the assumption that paid work is the solution to poverty among disabled people. Some disabled people cannot work, nor is work what everybody wants when they have just found out about a serious health condition.
- ‘Disability’ and ‘sickness’ are diverse and complex. We should resist the temptation to make policies that falsely simplify the issues. Nor should policies be seen as a series of disconnected levers to be pulled – it is about creating a system that works as a whole.
- The current policy debate often seems to deny the legitimacy of social security benefits, and to deny that some people are simply not able to work. It will be hard to tackle poverty among sick and disabled people without fundamentally changing the debate.

About the project

This study drew on new data analyses using the Households Below Average Income (HBAI) data, supplemented by other surveys such as the Health Survey for England and international data from the OECD and Eurostat; reviews of published literature on ‘what works’; a policy workshop in October 2013 organised by Disability Rights UK.

Read the [full report](#).