

Disability and poverty

This *Findings* summarises our report, which brings together the latest evidence on the connections between poverty and disability in the UK. It shows why disability has to be at the centre of any wide-ranging programme of poverty reduction.

Key points

- 28% of those in poverty in the UK are disabled (3.9 million people) while a further 20% of people in poverty (2.7 million) live in a household with a disabled person. Nearly half of the poverty in the UK is therefore directly associated with disability.
- 31% of people in a family containing a disabled person are in poverty compared with 18% of people in a household with no disabled people.
- Two-thirds of disabled people living alone are in poverty. More than half of disabled private and social renters are in poverty. Meanwhile, 44% of disabled young adults are in poverty.
- Disability benefits reduce the chance that a low-income disabled person's household will experience material deprivation but their material deprivation is still higher than non-disabled households' material deprivation (33% compared with 23%).
- At 46%, the employment rate for disabled people is little more than half that for non-disabled people (80%). There is great variation in the disabled employment rate across the UK – yet barely any in the non-disabled rate.
- 73% of households containing a disabled person are working households but in nearly half of them, some of the working-age adults are not working. These 'part-working' households are the ones where the rate of poverty is highest.
- There is a big 'skills gap' between disabled and non-disabled people. 15% of disabled people have a degree compared with around 30% of non-disabled people. Meanwhile, 15% of disabled – but only 5% of non-disabled – 25- to 29-year-olds have no qualifications.
- Disabled people face many barriers to social participation. Work and accessibility outside the home are where the difference with non-disabled people is greatest. Most disabled people face barriers accessing leisure.

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Disabled people in the UK

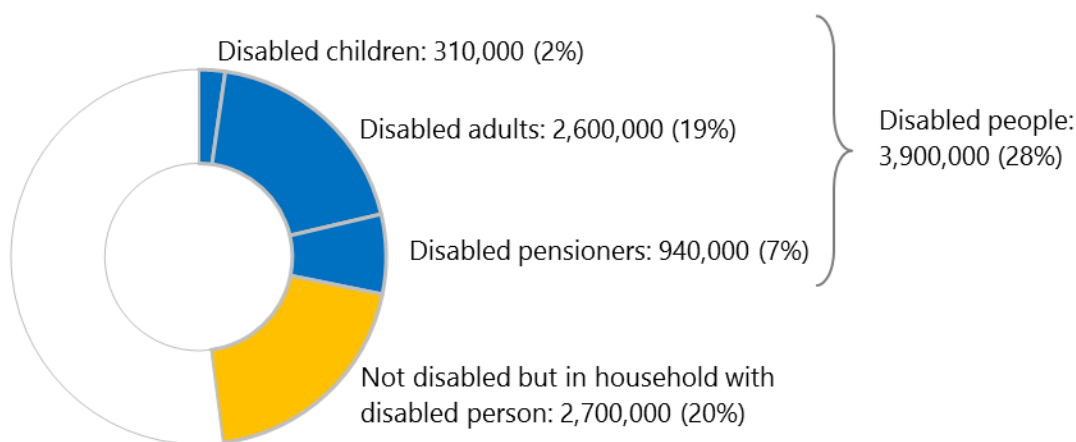
On the basis of the UK government’s Family Resources Survey, there are just over 12 million disabled people in the UK: 6.6 million working-age adults, 4.7 million pensioners and 740,000 children. Together, they make up 19% of the whole population.

How many people in poverty are disabled?

The poverty rates presented in this *Findings* are calculated based on incomes excluding the benefits that some disabled people receive to help meet their additional costs.

Twenty-eight per cent of individuals in poverty are themselves disabled, some 3.9 million people. This group is made up of 2.6 million working-age adults, 940,000 pensioners and 310,000 children (see Figure 1). A further 20% of those in poverty (2.7 million people) are not themselves disabled but live in a household with a disabled person.

Figure 1: Disabled people in poverty as a proportion of all people in poverty



Note: Disability definition used: Equality Act.

Source: NPI analysis of Households Below Average Income 2013/14, DWP

After housing costs, 31% of people in a household with a disabled person are in poverty compared with 18% of people in a household with no disabled people. This 31% poverty rate has increased in the past two years.

The poverty rate for disabled people varies according to circumstance. Disabled young adults have a particularly high poverty rate of 44%, and two-thirds of single

disabled people living alone are in poverty. Disabled renters also have high poverty rates: over 60% in the social sector and 56% in the private sector.

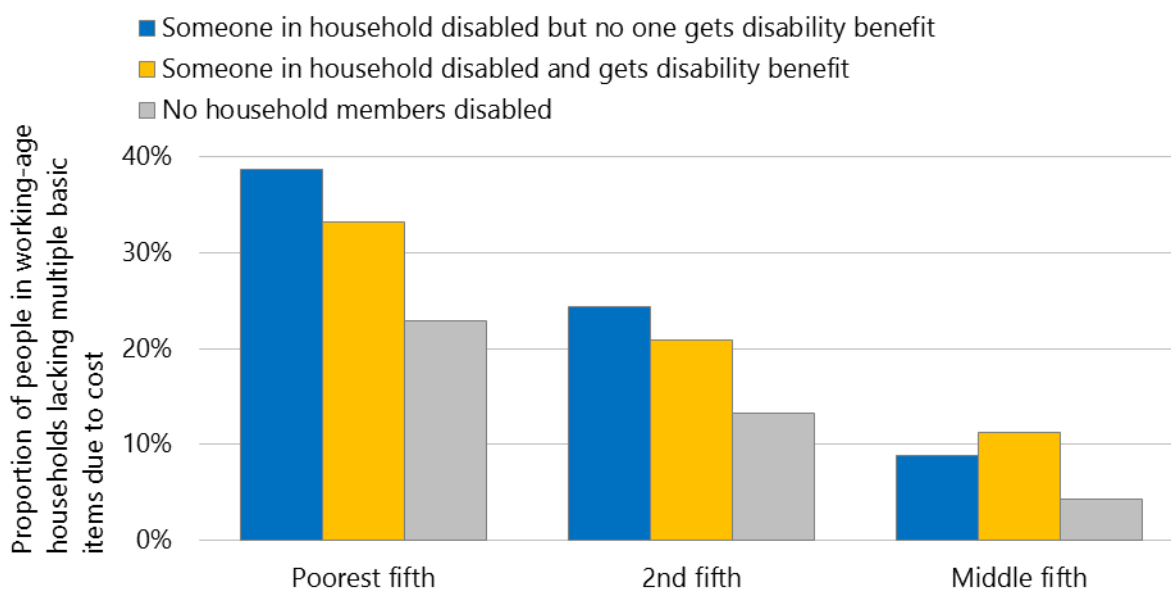
Material deprivation

Material deprivation is an indication of whether a household's income is sufficient to meet its basic needs. A household is counted as being materially deprived if, for reasons of cost, it lacks multiple items that most households are able to enjoy.

Of working-age disabled people, 18% are severely materially deprived, three times the rate for non-disabled working-age people.

Figure 2 shows that 23% of people in the poorest fifth of the income distribution in households where no one is disabled experienced some form of material deprivation. For those in a household where someone is disabled and they receive a disability benefit, the material deprivation level was higher at 33%. For people in households containing a disabled person but not receiving any disability benefits, the material deprivation rate was higher still at 39%.

Figure 2: Levels of material deprivation by income and disability



Note: Disability definition used: Equality Act.

Source: NPI analysis of Households Below Average Income 2013/14, DWP

That the rate of material deprivation is higher despite the receipt of disability benefits suggests that those benefits are insufficient to meet the additional costs of disability. That the rate is higher still among households containing a disabled person but not receiving those benefits underlines the importance of those benefits.

Households containing disabled people in the second fifth of the income distribution (and not in poverty) on average experience the same level of material wellbeing as households without disabled members in the bottom fifth (in poverty).

Drivers of poverty for disabled people

Disabled people are more likely than non-disabled people to be disadvantaged in multiple aspects of life. These are problems in themselves as well as factors that contribute to poverty.

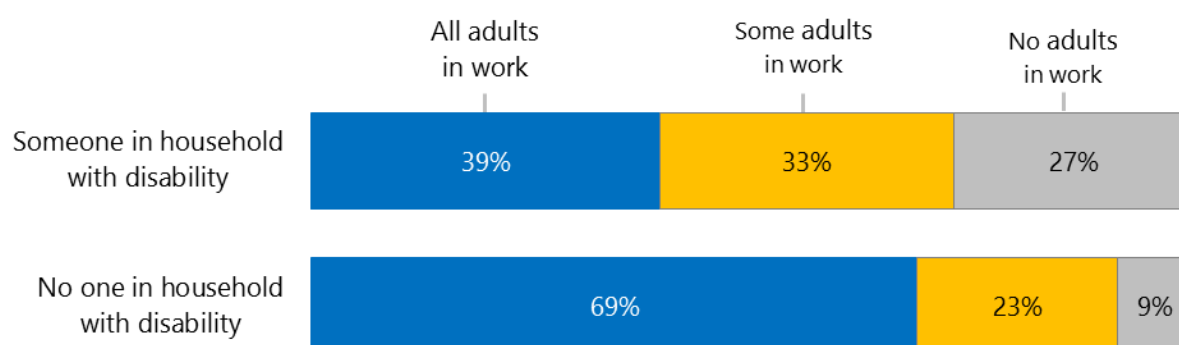
Employment

Of working-age disabled people, 46% are in employment, compared with 80% of non-disabled people. Unemployment is higher for disabled people than for non-disabled people, as is the proportion who are inactive but would like to work.

Employment rates for disabled people vary a lot across the UK, from 32% in Northern Ireland to 57% in the South West of England. Northern Ireland is an outlier in this – the next lowest rate being 40% in the North East – but the large variation here contrasts with a range of just four percentage points in the employment rate for non-disabled people.

For poverty, it is the work status of the household that matters. Households containing a disabled person tend to work fewer hours overall than households where no one is disabled (see Figure 3). Within households with a disabled person, those where all adults work is still the most common arrangement, and the least common is a household where no adults in work.

Figure 3: Work status of households with a disabled person



Note: Disability definition used: Equality Act.

Source: NPI analysis of Households Below Average Income 2013/14, DWP

Skills

There is a considerable 'skills gap' between disabled and non-disabled people when measured by qualifications. Only 15% of disabled people have a degree, compared

with 30% of non-disabled people. This is not purely due to the older age profile of disabled people: for example, 15% of 25- to 29-year-old disabled people have no qualifications, compared with 5% of non-disabled people in the same age range.

Low pay

Low pay rates are higher for disabled people than for non-disabled people, at 34% compared with 27%. This is the case at every level of qualification: for example, a disabled person with a degree is more likely to be low paid than a non-disabled person with a degree.

Costs

Disabled people face higher costs than non-disabled people: for example, the costs of equipment to manage a condition. This means that the same level of income secures a lower standard of living for a disabled person than it would for a non-disabled person. There is evidence, such as in Figure 2, that 'extra costs' benefits such as Disability Living Allowance (DLA) and the Personal Independence Payment (PIP) do not cover these extra costs fully.

Social security system

The social security system plays an important role in supporting those unable to work, whether temporarily or over a longer time period, as well as mitigating some of the extra costs of disability. It has been the focus of policy reform for a number of years, with a redistribution of support within the disabled population and a greater degree of conditionality. The former has produced winners and losers, whereas the latter saw a spike in sanctioning of disabled people that has now abated.

Social exclusion

Disabled people are more likely to face barriers to participating in a range of common activities, including paid employment, social contact and leisure activities.

Data from the Office for National Statistics' Life Opportunities Survey shows that people with ongoing impairments (over a period of at least four years) were far more likely to be restricted in terms of working, with 70% reporting a restriction compared with a quarter of people with no impairment. People with ongoing impairments also experienced problems with accessibility inside (17%) and outside the home (37%), whereas few if any of those with no impairments experienced such problems.

Most people in both groups faced restrictions on leisure activities (83% among those with impairments, 71% otherwise) but the reasons were different. For example, most of those with no impairments who reported a restriction to playing sport said being too busy or not having enough time was the main barrier faced, whereas less than one in ten people with ongoing impairments gave this as the reason. Those with

ongoing impairments were more likely than others to feel restricted in being able to visit friends or spend time with family members.

Conclusions

Reducing poverty among disabled people must be at the heart of attempts to reduce poverty in the UK overall. That is partly because disabled people face higher rates of poverty than the rest of the population. It is also because almost half of those in poverty are either disabled themselves or belong to a household in which a disabled person lives.

Action to reduce poverty for disabled people must include both increasing resources and reducing costs.

Increasing resources will come partly from higher employment, for example fulfilling the government's ambition to halve the disability employment rate gap. Some argue that the focus in employment should be on retention rather than re-entry to work. Regional differences in the employment rate among disabled people must be addressed.

Increasing resources is also about the social security system. This should ensure that disabled people unable to work are comfortably above the poverty line, after accounting for extra costs. The question of how disabled people in their roles as volunteers and carers could be better rewarded in the social security system should also be examined.

Higher costs are a driver of poverty among disabled people. Evidence from our report suggests the particular role of housing costs, with high poverty rates for disabled renters. High rates of material deprivation among disabled people suggest a failing of the social security system in mitigating costs.

Public policy must also consider how best to involve disabled people in guiding the decisions that affect them.

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