Understanding changing disability-related employment gaps in Britain 1998-2011

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Biggest gap, littlest research

Biggest gap

- Berthoud (2006) (DWP) and (2008) (40 percentage points)
- Parekh et al (2010) (JRT)
- NEP (2010)

Littlest research

- Berthoud (2008)
- Foster and Wass (2011)
Employment gaps – magnitude and trends

- Berthoud’s penalty (2006) HDS 1997 40 percentage points
- Berthoud’s penalty (2011) GHS 1974-2005 penalty increases from 15 percentage points to 30 percentage points
1. Chart trends 1998 to 2010 using two definitions
2. Unpick the change

Potential drivers of change
1. Change inter-group composition of other employment-related characteristics
2. Change in nature of impairment
3. Trends in inflow/outflows (recession)
4. Change in employment structure
Definitions and questions

Impairment

*Do you have any health problems or disabilities that you expect will last for more than a year?*

Disability

*Does this health problem affect the KIND of paid work that you might do? or the AMOUNT of paid work that you might do?*

*Does this (do these) health problem(s) or disability(ies), (when taken singly or together) substantially limit your ability to carry out normal day to day activities? If you are receiving medication or treatment, please consider what the situation would be without the medication or treatment.*
Prevalence and employment rates

- Impairment rate increased from 23% to 30%
- Impaired employment rate increased from 52% to 61%
- Non-impaired employment rate decreased from 79% to 77%
- Disability rate increased from 11.3% to 11.6%
- Disabled employment rate increased from 28% to 33%
- Non-disabled employment rate decreased from 78% to 77%
Gaps and Penalties

Standard employment probit with sex, age, education, region, marriage, children, ethnicity and impairment or disability

• **Gap** is the coefficient on impairment/disability

• **Penalty** is the coefficient on impairment/disability with controls
Disability
Type of impairment

• 11% of impaired individuals report mental ill health in 2010 (up from 8.5% in 1998)

• More than one condition is reported for 47% of impaired individuals in 2010 (down from 50% in 1998)

• More than two conditions is reported for 26% of impaired individuals in 2010 (down from 29% in 1998)
Effect of mental impairment

[Graph showing data over years with two lines representing men gap and men pen]
Transitions

- Exit rates increase for the non-impaired from 2009
- Exit rates for impaired and disabled stable/falling
- Entry rates increase for the impaired and non-impaired
- Entry rates fall for the disabled
Public sector employment

![Graph showing public sector employment over years.](image-url)
Full-time work and flexible work
## Change in occupational structure

<table>
<thead>
<tr>
<th>SOC</th>
<th>impairment 2001</th>
<th>impairment 2010</th>
<th>disability 2001</th>
<th>disability 2010</th>
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<tr>
<td>Man &amp; S. Officials</td>
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</tbody>
</table>
Key points

1. Despite large and enduring employment gap, this is a neglected area of study

2. Gap has narrowed over time (more so for the impaired than the disabled) but it is still big

3. Penalties are preferred measure. 2010 disabled penalties 46 percentage points for men and 44 for woman

4. Characteristics and behaviour have both reduced the gap

5. Occupational disadvantage has reduced, disproportionate benefit from public sector growth and flexible hours