Trends in the employment of disabled people in Britain

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General Lifestyle Survey User Meeting
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Number of working age claimants of benefits on grounds of incapacity for work, 1972-2010
Changing benefits

• Invalidity Benefit: 1971 - 1996
• Incapacity Benefit: 1996 - 2008
• Employment and Support Allowance: 2008 - ?

• Non-Contributory Invalidity Pension
• Housewives’ Non-Contributory Invalidity Pension
• Severe Disablement Allowance

• Supplementary Benefit (disabled)
• Income Support (disability premium)
• IB ‘credits only’
Claimants of three types of benefit on grounds of incapacity, 1972-2008
Incapable of work – or denied a job?

- The *medical* model of disability: impairments reduce productivity

- The *social* model of disability: employers’ working practices exclude impaired people from participation

‘Impairments’ labels the things someone cannot do because of their physical or mental condition.

‘Disability’ labels the fact that people with impairments are disadvantaged (in the labour market or other spheres of life)
General issues 2:

People are either capable of work, or not

Distribution of employment disadvantage associated with disability

Difference in employment probability (percent)
Research:

• Analysis of General Household Survey, 1974-2005:
  – 360,000 adults aged 20-59,
  – harmonised variables

• Logistic regression equation predicting probability of being in work (pseudo R2 = 28%), controlling for
  – Gender and family structure
  – Age
  – Educational qualifications
  – Ethnic group
  – Regional unemployment rate
  – Stage in the business cycle
  – Disability (limiting long standing illness)
Prevalence of limiting long-standing illness, 1974-2005
Disability employment penalty:

A measure of how much less likely disabled people are to have a job, compared with other people with the same characteristics.
Employment penalties, 1975-2004
Limiting long-standing illness

1.51 if LLI

‘Disability impact score’

0.66 if LLI
+ 0.30 x the number of conditions if LLI
+ 0.54 if ‘other’ conditions of the circulatory system and LLI
+ 1.32 if mental illness
+ 0.56 if ‘other’ conditions of the nervous system
+ 0.45 if cancer
+ 0.29 if arthritis
Disability impact score

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+0.56 if ‘other’ conditions of the nervous system
+0.45 if cancer
+0.29 if arthritis

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent of total</th>
<th>Mean impact score</th>
<th>Percent in work</th>
<th>Logistic coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>81.5</td>
<td>0</td>
<td>77%</td>
<td>0</td>
</tr>
<tr>
<td>‘Minimal’</td>
<td>1.9</td>
<td>0.44</td>
<td>70%</td>
<td>-0.33</td>
</tr>
<tr>
<td>‘Low’</td>
<td>6.6</td>
<td>0.96</td>
<td>63%</td>
<td>-0.87</td>
</tr>
<tr>
<td>‘Moderate’</td>
<td>3.2</td>
<td>1.26</td>
<td>53%</td>
<td>-1.13</td>
</tr>
<tr>
<td>‘High’</td>
<td>3.5</td>
<td>1.57</td>
<td>43%</td>
<td>-1.67</td>
</tr>
<tr>
<td>‘Severe’</td>
<td>3.2</td>
<td>2.44</td>
<td>27%</td>
<td>-2.45</td>
</tr>
</tbody>
</table>
Comparing severity of disadvantage

Distribution of grades of disability

Employment penalties by grade
Comparing the rise in prevalence of disability with the increase in the disability employment penalty
Number of working age claimants of benefits on grounds of incapacity for work, 1972-2010
Numbers of disabled people disadvantaged in employment: GHS estimates compared with incapacity benefits in payment

Men

Disadvantaged
Benefits

Women

Disadvantaged
Benefits

Thousands

Conclusions

• The prevalence of disability
• The disability employment penalty
• Severe vs minor sets of impairments
• The operation of the benefits system
R. Berthoud, ‘Trends in the employment of disabled people in Britain’, ISER WP 2011-03, University of Essex

http://www.iser.essex.ac.uk/publications/working-papers/iser/2011-03