

Chapter 2: People with disabilities



Disabled people are at greater risk of experiencing pay inequalities and therefore lower retirement incomes.

Of 14.1 million disabled people in the UK, just over 4 million are in work. Not only is there a high level of unemployment among the disabled – individuals are more than twice as likely to be unemployed as non-disabled people⁴ – but those who can work are often limited by the amount and type of work they can do and can be trapped in low paying or part-time jobs.

As a result, only 50% of disabled people are saving into a private pension and they have an average private pension wealth of £7,450 – just 9% of the UK average of £80,690.

Part-time working

One third (32%) of disabled workers are in part-time employment, compared to 22% of the total working population.

The pay gaps between disabled and non-disabled part-time workers are lower than those for full-time workers – see below graph. However, as disabled people are more likely to be working part-time than the general population, their overall incomes are substantially lower.

The pay gap between disabled and non-disabled groups is proportionately lower among part-time workers compared to full time workers

Average annual income by gender, disability and work-pattern, ages 16-64, 2018



⁴Scope.org.uk

Although the gap in rates of employment is smaller between disabled and non-disabled women than for men, disabled women are more likely to work part-time and their pay gap is more than double that of men. Similarly, while the disabled employment rate gap is smaller among ethnic minority groups compared to the average UK population, the pay gaps are greater.

Disabled people who are eligible for auto-enrolment have marginally higher participation rates than non-disabled employees.

83% of eligible disabled workers participate in auto-enrolment schemes, compared to 80% of non-disabled eligible employees. However, because they're less likely to meet the qualifying criteria (approximately 21%, or 800,000, disabled people in work don't qualify) as a group they still benefit less from automatic enrolment compared to non-disabled people.

However, people with disabilities are the only group for whom the average income from State Pension and benefits tops up private pension savings to a level equal to that of the population average, (page 29).



Expert opinion

Fazilet Hadi, Disability Rights UK's Head of Policy said:



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This research is yet more evidence that far too many disabled people are unemployed, in low paid jobs and living in poverty. Even though the finding that disabled people only have 9% of the average amount of private pension wealth is not surprising, it is still deeply shocking. It shows that not only will disabled people of working age be poor, but they will continue to be poor in older age.

“The government needs to take steps in its forthcoming Disability Strategy to increase employment rates, introduce mandatory disability pay gap monitoring and review the benefits system to truly meet the additional costs of disability.

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Policy proposals to close the gap



1. Removal of the £10,000 trigger would get 660,000 more people saving through auto-enrolment.



2. Pension contributions from the first £1 would increase pension wealth by 36%.