

Jobs and pay monitor

Disabled workers Nov 2022

TUC

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Summary

We knew before the pandemic that disabled workers face both a disability pay gap and a disability employment gap.¹

The disability pay gap is the difference between the median hourly pay of disabled and non-disabled people, and the disability employment gap is the difference between the employment rates of disabled and non-disabled people.

This means that disabled workers are less likely to have a paid job and when they do, they earn substantially less than their non-disabled peers.

This note builds on our previous research into these gaps.

Disabled people face a higher unemployment rate and a lower employment rate than non-disabled people. The employment gap is 28.5 percentage points, and the unemployment rate for disabled workers is double what it is for non-disabled workers (6.8 per cent compared to 3.4 per cent). When disabled people are in work, they're paid less. Median pay for non-disabled employees is £2.05 per hour (17.2 per cent) higher than it is disabled employees.

We know everyone is struggling right now, but disabled workers are facing this crisis with less money in their pockets and often higher than average household costs². It's no surprise that disabled workers are finding it harder to pay their bills³.

Methodology

Our labour market analysis is based on the Labour Force Survey Q3 2021 to Q2 2022 (referred to as 2021/22). This period has been chosen as it makes use of the most recent data, and allows for comparison with our previous analyses. When relevant, we refer to quarterly data, but this data is not seasonally adjusted so comparisons can only be made between the same quarter in previous years.

Pay

The pay gap between disabled and non-disabled employees in 2021/22 is £2.05 per hour. This means that non-disabled employees are paid 17.2 per cent more than disabled employees.

This has widened slightly since 2020/21, when median hourly pay for non-disabled employees was £1.90 (16.5 per cent) higher than it was for disabled employees. However, as we explained last year, we are currently cautious about drawing conclusions from changes

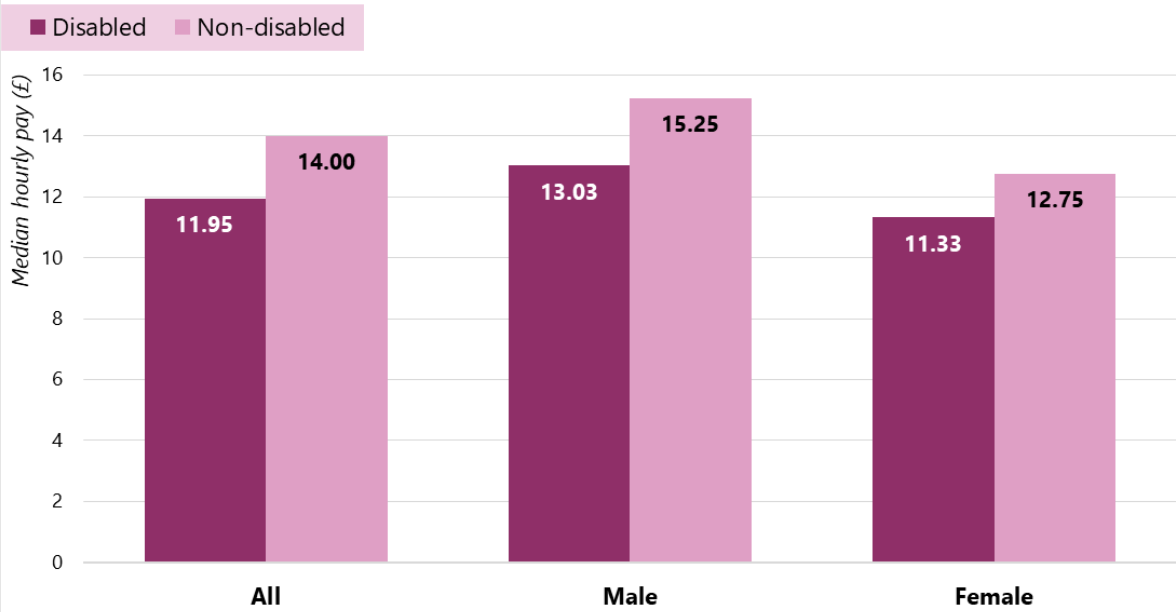
¹ The TUC has been monitoring disability pay and employment gaps since 2018. Our 2021 analysis can be found here, and includes links to our previous research from 2018, 2019 and 2020: <https://www.tuc.org.uk/research-analysis/reports/jobs-and-recovery-monitor-disabled-workers>

² <https://www.scope.org.uk/campaigns/extra-costs/>

³ <https://twitter.com/ONS/status/1584787318837153792>

in the gap due to issues with pay data during the pandemic, which likely affected some of last year's 2020/21 analysis.

Median hourly pay for disabled and non-disabled employees



Source: TUC analysis of Labour Force Survey Q3 2021-Q2 2022

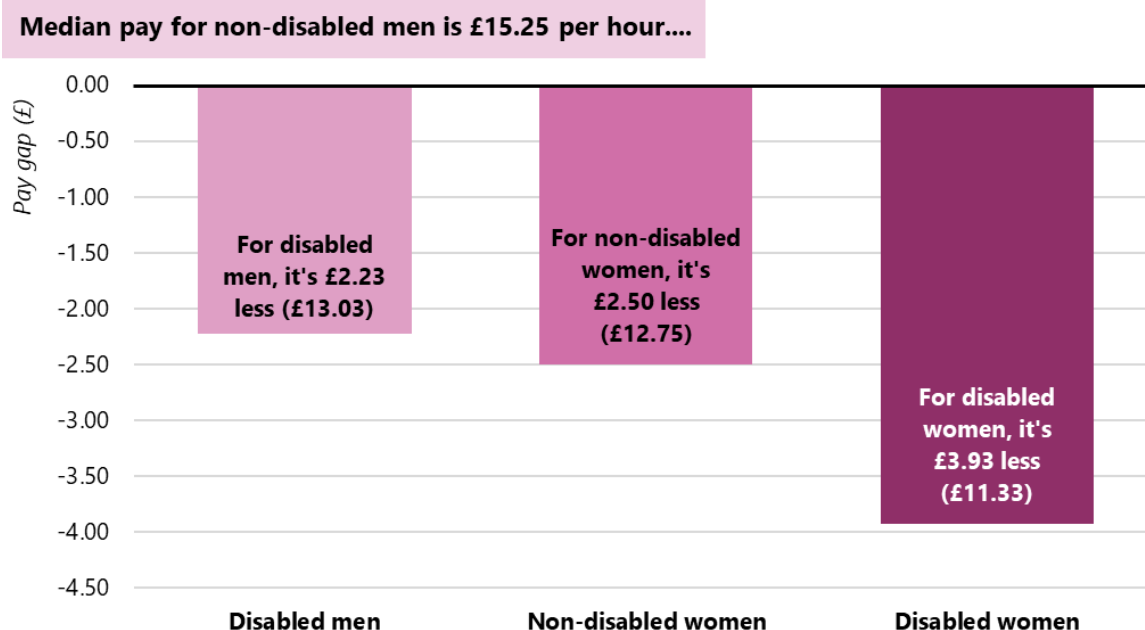
Alt text for graph: Bar chart of median hourly pay for disabled and non-disabled employees from TUC analysis of Labour Force Survey Q3 2021-Q2 2022 showing the difference in pay overall and broken down by gender. Data tables are included below.

The gap is narrower than it was in 2019/20, when it was 20 per cent. But it remains higher than it was in 2017/18 and 2018/19, when the gap was 15.2 per cent and 15.5 per cent respectively.

Gender and disability

The disability pay gap intersects with the gender pay gap, with the pay gap being wider among disabled women and non-disabled men. Median hourly pay for disabled women (£11.33) is £3.93 less than it is for non-disabled men (£15.25).

Pay gap compared to non-disabled men (£)



Source: TUC analysis of Labour Force Survey Q3 2021-Q2 2022

Alt text for graph: A bar chart of the median pay gap for disabled men, non-disabled women and disabled women from TUC analysis of Labour Force Survey Q3 2021-Q2 2022 showing disabled women have the widest pay gap. Data tables are included below.

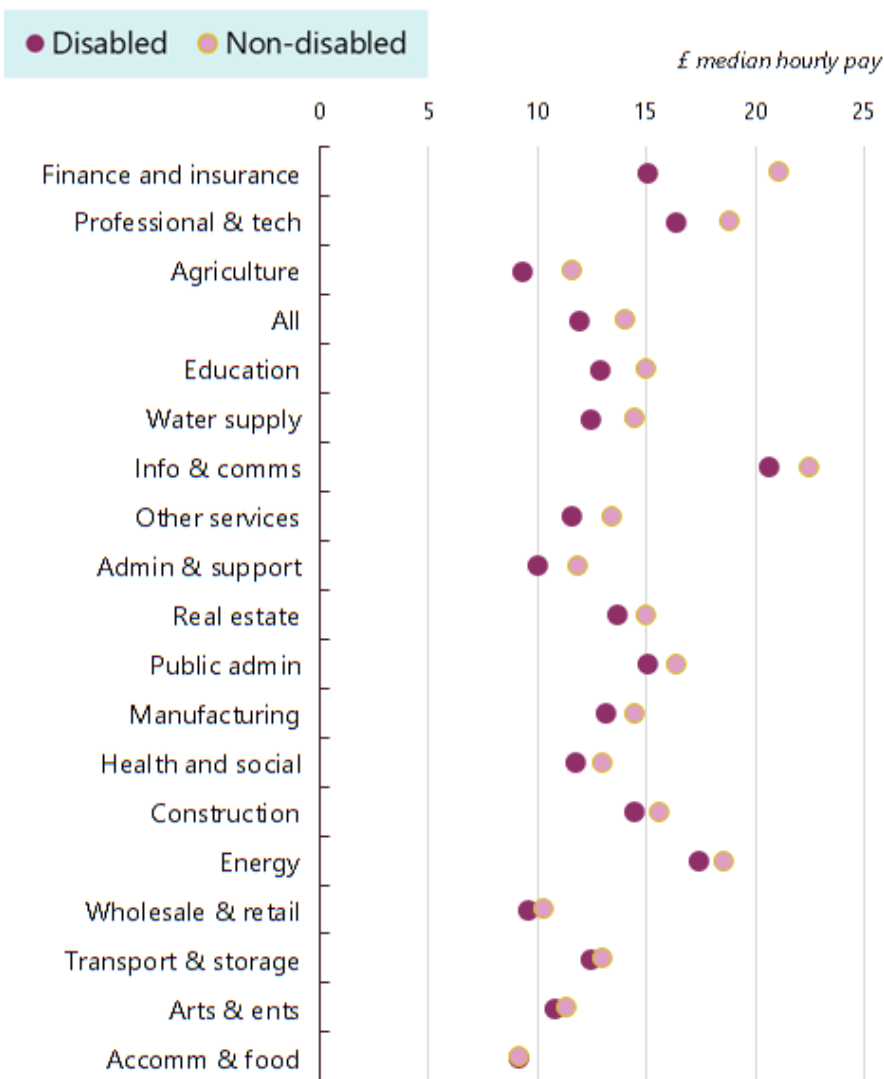
This is wider than last year, when median hourly pay for disabled women was £11.10, compared to £14.60 for non-disabled men – a pay gap of £3.50 per hour. Again, year-on-year comparisons should be treated with caution.

Pay gaps by industry

The pay gap also varies substantially by industry. The highest pay gap, by far, is in the finance and insurance industry, where non-disabled employees earn £5.90 per hour more than disabled employees. Two other industries have pay gaps larger than £2.05 (the all-employee gap): professional, scientific and technical services (£2.35) and agriculture (£2.25).

In every industry except one, disabled employees are paid less than non-disabled employees. The exception to this is accommodation and food, where disabled employees are paid 5p per hour more. It's worth noting that pay in this industry is low for all employees, with median hourly pay of £9.18 for disabled employees and £9.13 for non-disabled employees.

Median hourly pay of disabled and non-disabled employees by industry



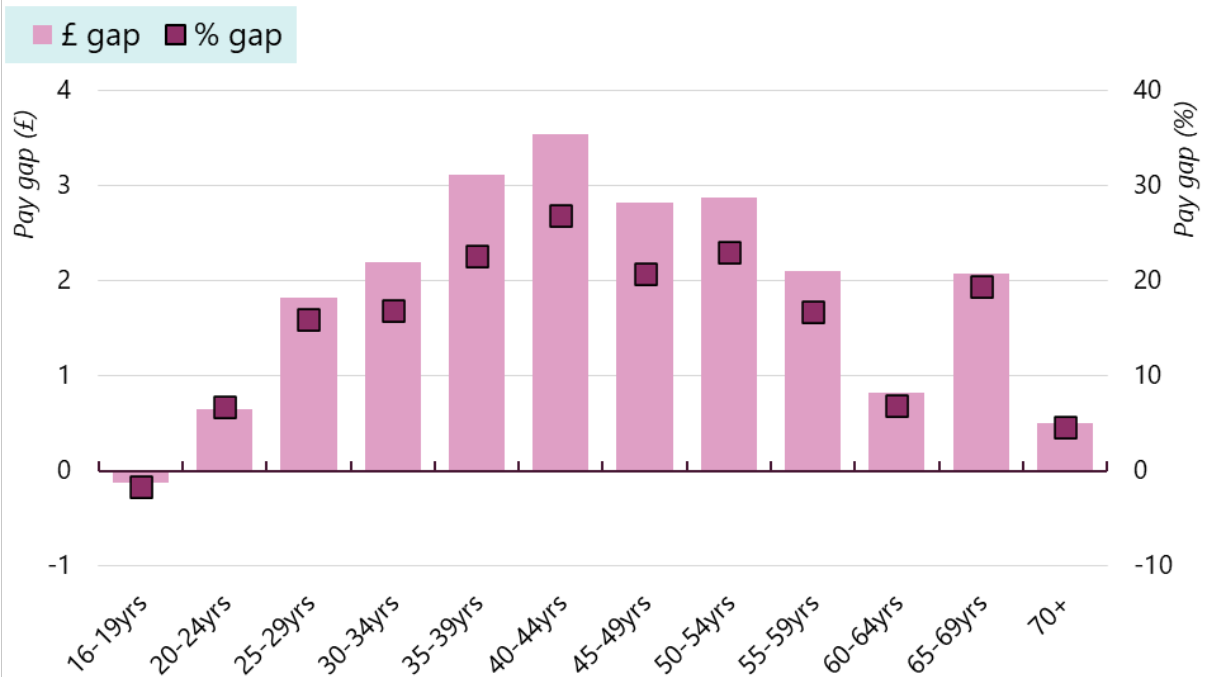
Source: TUC analysis of Labour Force Survey Q3 2021 - Q2 2022. Industries have been omitted if sample size is too small.

Alt text for graph: A scatter graph of the median hourly pay of disabled and non-disabled employees by industry from TUC analysis of Labour Force Survey Q3 2021-Q2 2022 showing finance and insurance have the widest pay gap. Data tables are included below.

Pay gap by age

The disability pay gap is present among all age groups aged 20 and over, and peaks among those aged 40-44 years old (£3.55).

Disability pay gap by age group



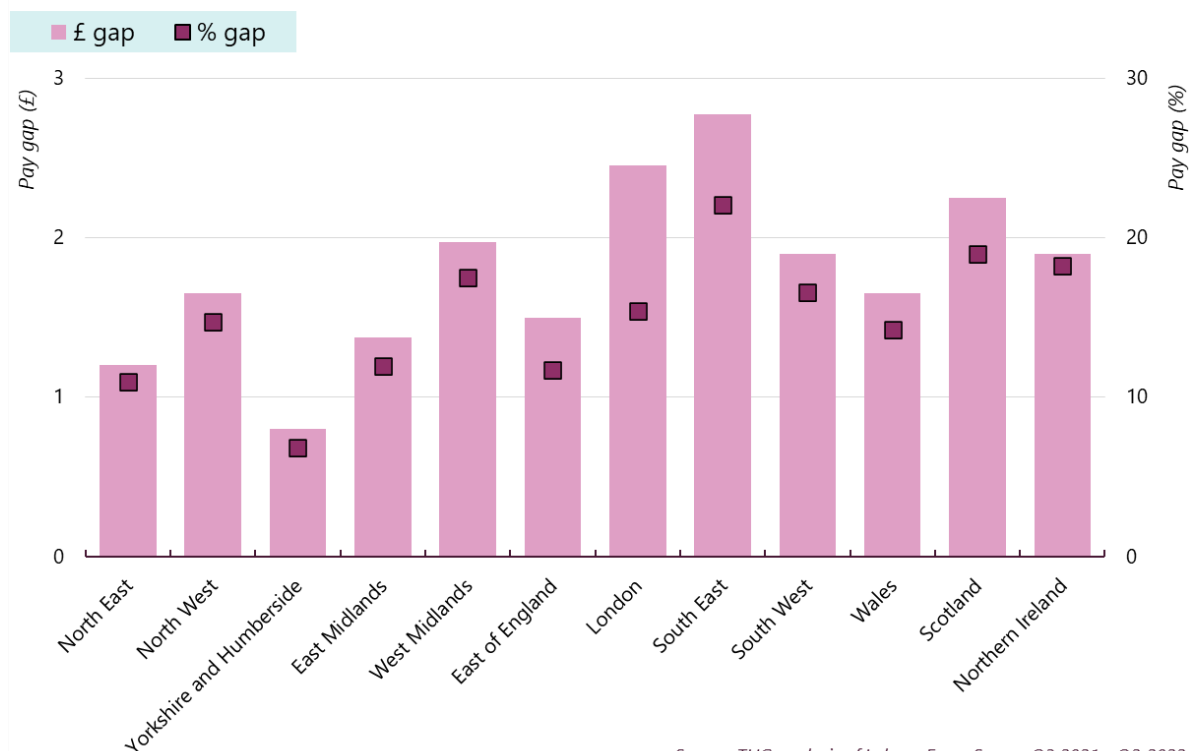
Source: TUC analysis of Labour Force Survey Q3 2021 - Q2 2022

Alt text for graph: A bar chart of the disability pay gap by age from TUC analysis of Labour Force Survey Q3 2021-Q2 2022 showing the pay gap peaks at 40-44 years old. Data tables are included below.

Pay gap by region

The disability pay gap exists in England, Scotland, Wales and Northern Ireland, as well as every region in England. The gap is widest in South East England, where median hourly pay for non-disabled employees is £2.78 (22 per cent) higher than it is for disabled employees.

Disability pay gap by region



Source: TUC analysis of Labour Force Survey Q3 2021 - Q2 2022

Alt text for graph: A bar chart of the disability pay gap by region from TUC analysis of Labour Force Survey Q3 2021-Q2 2022 showing the pay gap is widest in South East England. Data tables are included below.

Employment

Employment gap

The employment gap is the percentage point gap between the employment rates of disabled and non-disabled people.

In 2021/22, the employment rate for disabled people was 53.3 per cent, compared to 81.9 per cent for non-disabled people. This gives an employment gap of 28.5 percentage points (ppts). This is a very slight narrowing compared to last year (2020/21) when the gap was 28.7 ppts.

While the gap has plateaued for a few years, it is around four and a half ppts lower now than it was ten years ago. In Q2 2013, the employment gap was 33.1 ppts⁴.

As explained in last year's report, however, there is growing evidence that suggests that the narrowing in the disability employment gap since this time is heavily accounted for by the expansion in disability prevalence and not primarily by a reduction in underlying disability

⁴ *The employment of disabled people 2021*, DWP – GOV.UK (2022), Available at: <https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2021/the-employment-of-disabled-people-2021>. The DWP's analysis uses a quarterly employment gap rather than the annual average used in this report.

employment disadvantage⁵. Research by the Department for Work and Pensions (DWP) estimates that disability prevalence accounts for half of the increase in the number of disabled people in employment between Q2 2013 and Q2 2021⁶.

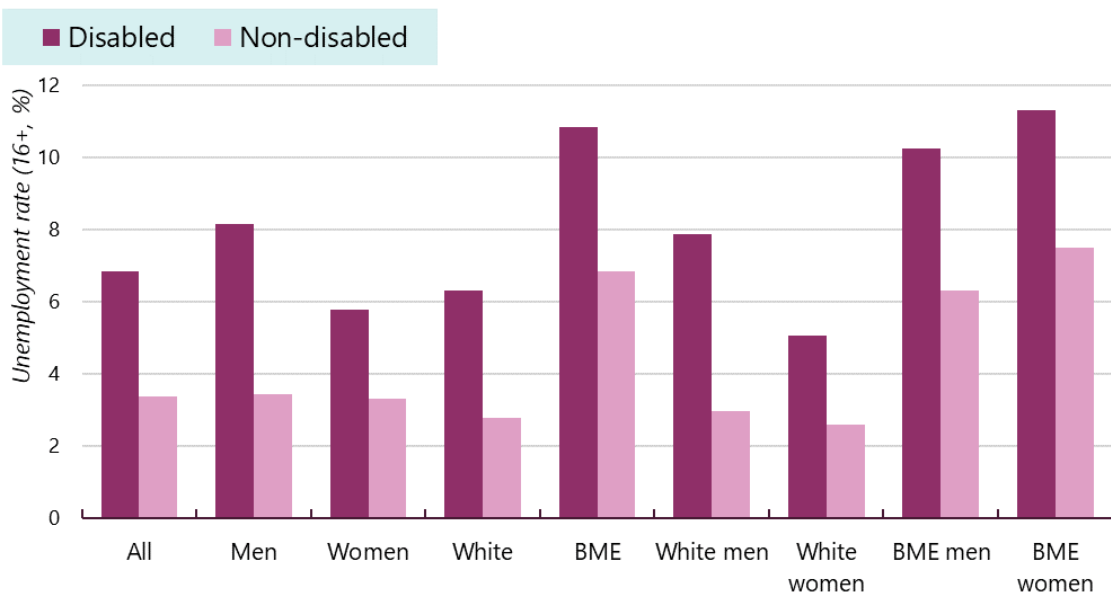
Unemployment gap

As well as a lower employment rate, disabled workers face a higher unemployment rate than non-disabled workers. In 2021/22, the unemployment rate for disabled workers is double what it is for non-disabled workers (6.8 per cent compared to 3.4 per cent).

Someone is considered unemployed if they are without a job, have been actively seeking work in the past four weeks and are available to start work in the next two weeks. A higher unemployment rate suggests that disabled workers who are actively seeking work are less likely to be employed.

Previous TUC analysis has looked at how Black and minority ethnic (BME) workers face a higher unemployment rate than white workers⁷. The chart below shows how the labour market inequalities for BME and disabled workers combine. Disabled BME workers face an unemployment rate almost four times higher than the unemployment rate for non-disabled white workers (10.9 per cent compared to 2.8 per cent).

Unemployment rate, by disability, gender and ethnicity



Source: TUC analysis of Labour Force Survey Q3 2021 - Q2 2022

Alt text for graph: A bar chart of the unemployment rate by disability, gender and ethnicity from TUC analysis of Labour Force Survey Q3 2021-Q2 2022 showing disabled BME people face a higher unemployment rate. Data tables are included below.

Disabled workers face a higher unemployment rate and lower unemployment rate in England, Scotland, Wales and Northern Ireland, as well as every region in England.

⁵ *Jobs and recovery monitor - disabled workers*, TUC (2021). Available at: <https://www.tuc.org.uk/research-analysis/reports/jobs-and-recovery-monitor-disabled-workers>

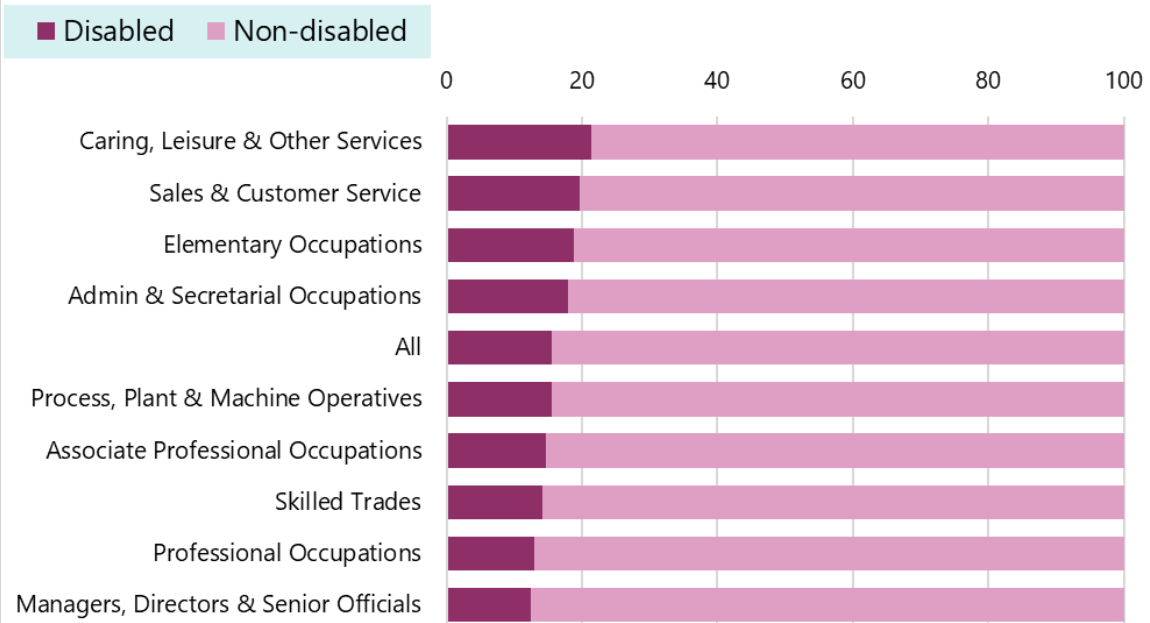
⁶ *The employment of disabled people 2021*, DWP – GOV.UK (2022), Available at: <https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2021/the-employment-of-disabled-people-2021>.

⁷ *Still rigged: racism in the UK labour market*, TUC (2022). Available at: <https://www.tuc.org.uk/research-analysis/reports/still-rigged-racism-uk-labour-market>

Disabled workers by occupation and industry

Disabled workers are over-represented in low-paid occupations and industries and under-represented in high paid occupations and industries.

Proportion of disabled workers by occupation



Source: TUC analysis of Labour Force Survey Q3 2021 - Q2 2022

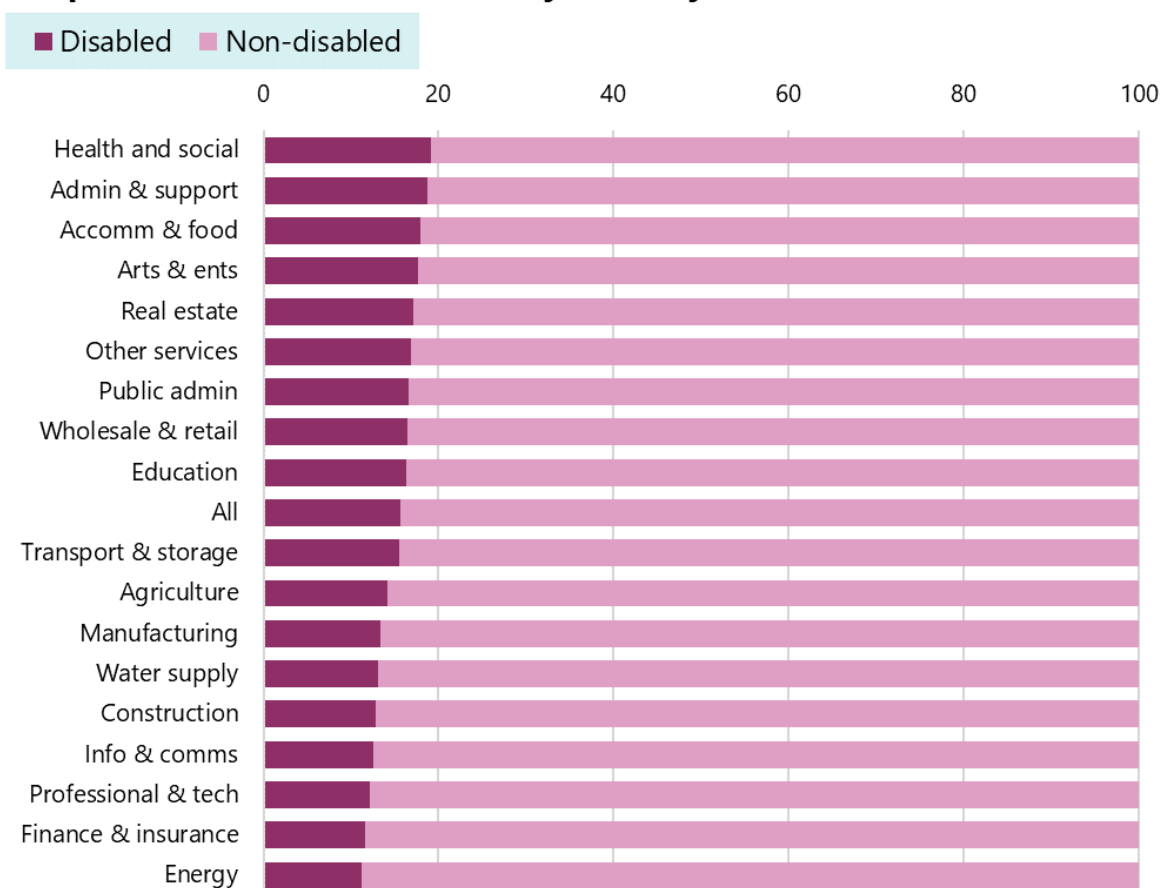
Alt text for graph: A horizontal bar chart of the proportion of disabled workers by occupation from TUC analysis of Labour Force Survey Q3 2021-Q2 2022 showing disabled workers are over-represented in low-paid occupations such as the caring, leisure and other services. Data tables are included below.

Disabled workers make up 16 per cent of all workers, but only 12 per cent of managers, directors and senior officials and 13 per cent of those working in professional occupations. In contrast, around one-in-five workers in low-paid occupations such as caring, leisure and other service occupations (21 per cent), sales and customer service occupations (20 per cent), and elementary occupations (19 per cent) are disabled.

The same trend is true when we look at an industry breakdown. Disabled workers are over-represented in relatively low-paid industries such as health and social care (19 per cent), admin and support services (19 per cent), hospitality (18 per cent) and arts and entertainment (18 per cent), and under-represented in higher paid industries such as energy, finance and professional services.

This is likely one of the reasons behind the disability pay gap, and improving pay in these occupations and industries would help to narrow the gap.

Proportion of disabled workers by industry



Source: TUC analysis of Labour Force Survey Q3 2021 - Q2 2022

Alt text for graph: A horizontal bar chart of the proportion of disabled workers by industry from TUC analysis of Labour Force Survey Q3 2021-Q2 2022 showing disabled workers are over-represented in lower-paid sectors such as health and social care. Data tables are included below.

Recommendations

Disabled people are always hit hardest, during the financial crisis, the pandemic and now the cost-of-living emergency. We need change now.

The trade union movement is calling on the Government to bring in mandatory disability pay gap reporting for all employers with more than 50 employees.

The legislation should be accompanied by a duty on employers to produce targeted action plans identifying the steps they will take to address any gaps identified. And we're calling for the same for gender, ethnicity and LGBT+ identities because we cannot end inequalities in pay for one group without ending them for all.

We also need to address the underlying causes of the pay gap. Disabled workers are more likely to be in part time work, in lower paid jobs and in insecure work, or excluded from the jobs market entirely. The pay gap is also linked to unlawful discrimination, a lack of access to flexible working, and employers failing to provide reasonable adjustments.

That's why we also demand:

- The National Minimum Wage to be raised to £15 an hour as soon as possible and a real pay rise for public sector workers.

- A ban on zero-hours contracts by giving workers a right to a contract which reflects their normal hours of work.
- A day one right to flexible working for all workers and a duty on employers to advertise possible flexible working options in job adverts.
- Specific ringfenced funding for the Equality and Human Rights Commission (EHRC) to effectively enforce disabled workers' rights to reasonable adjustments. The EHRC must update their statutory code of practice to include more examples of reasonable adjustments, to help disabled workers get the adjustments they need quickly and effectively.
- A stronger legal framework for reasonable adjustments including: ensuring employers respond quickly to requests, substantial penalties for bosses who fail to provide adjustments and for reasonable adjustment passports to be mandatory in all public bodies.
- That the United Nations Convention on the Rights of Disabled Persons (UNCRPD) be incorporated into UK law.
- An end to attacks on the right to strike so Disabled workers and all workers can defend and improve their pay and conditions.

The TUC has made additional recommendations on how to address the disability employment and pay gaps, which can be found in our 2019 report on disabled workers experiences in the pandemic⁸.

Improving the benefits system

While actions can be taken to help disabled people who want to work get into and stay work, some disabled people are unable to work. It's therefore important to have a supportive welfare system to support people out of work.

We do not currently have this. The welfare system has been worsened by the introduction of Universal Credit. We believe that the policy and design of Universal Credit is fundamentally flawed and have set out a replacement for the system⁹.

⁸ *Disability employment and pay gaps*, TUC (2019). Available at: https://www.tuc.org.uk/sites/default/files/2019-11/Disability%20doc%20%28003%29%20%28003%29_2.pdf

⁹ *A replacement for Universal Credit*, TUC (2022). Available at: <https://www.tuc.org.uk/research-analysis/reports/replacement-universal-credit>

Data tables for graphs

Employment and unemployment rates by ethnicity and gender, region and age.

	Employment rate		Unemployment rate	
	Disabled	Non-disabled	Disabled	Non-disabled
All	53.3	81.9	6.8	3.4
Men	53.5	84.9	8.2	3.4
Women	53.2	78.6	5.8	3.3
White	53.7	83.7	6.3	2.8
BME	50.5	72.3	10.9	6.9
White men	53.0	86.1	7.9	3.0
White women	54.2	81.2	5.1	2.6
BME men	57.1	78.6	10.3	6.3
BME women	46.2	66.0	11.3	7.5
Region				
North East	45.6	79.8	6.8	4.9
North West	49.6	81.6	7.6	3.6
Yorkshire and Humberside	51.1	80.5	7.5	3.5
East Midlands	54.4	82.6	5.3	2.6
West Midlands	56.7	80.3	7.4	4.1
East of England	57.8	83.9	6.3	2.7
London	56.5	79.6	7.5	4.6
South East	59.3	82.8	6.9	3.0
South West	58.7	84.7	4.8	2.5
Wales	48.1	82.4	6.2	2.8
Scotland	49.1	83.4	7.9	2.8
Northern Ireland	33.6	80.4	6.9	2.7
Age groups				
16-19yrs	24.7	37.0	23.8	15.8
20-24yrs	49.9	72.9	13.7	7.6

25-29yrs	60.3	89.2	9.5	3.2
30-34yrs	63.5	89.8	6.2	2.7
35-39yrs	64.4	90.5	5.6	2.2
40-44yrs	64.7	91.6	4.1	2.1
45-49yrs	59.6	91.5	5.8	2.2
50-54yrs	58.2	90.5	4.8	2.0
55-59yrs	48.4	83.5	5.6	2.3
60-64yrs	36.6	63.0	6.3	3.2
65-69yrs	16.1	30.0	4.8	2.1
70 and over	3.1	8.4	1.8	1.0

Disability pay gap by ethnicity, region and age.

	Disabled	Non-disabled	£ gap	% gap
All	11.95	14.00	2.05	17.2
Male	13.03	15.25	2.23	17
Female	11.33	12.75	1.43	13
White	11.95	13.93	1.98	17
BME	12.13	14.45	2.33	19
North East	10.90	12.10	1.20	11
North West	11.18	12.83	1.65	15
Yorkshire and Humberside	11.63	12.43	0.80	7
East Midlands	11.50	12.88	1.38	12
West Midlands	11.30	13.28	1.98	17
East of England	12.78	14.28	1.50	12
London	15.90	18.35	2.45	15
South East	12.58	15.35	2.78	22
South West	11.45	13.35	1.90	17
Wales	11.60	13.25	1.65	14
Scotland	11.85	14.10	2.25	19
Northern Ireland	10.40	12.30	1.90	18
16-19yrs	7.75	7.63	-0.13	-2
20-24yrs	9.65	10.30	0.65	7
25-29yrs	11.43	13.25	1.83	16
30-34yrs	13.05	15.25	2.20	17
35-39yrs	13.78	16.90	3.13	23

40-44yrs	13.20	16.75	3.55	27
45-49yrs	13.60	16.43	2.83	21
50-54yrs	12.50	15.38	2.88	23
55-59yrs	12.48	14.58	2.10	17
60-64yrs	12.00	12.83	0.82	7
65-69yrs	10.70	12.78	2.08	19
70+	10.68	11.18	0.50	5

Disability pay gap by industry

Industry	Disabled	Non-disabled	£ gap	% gap
A Agriculture, forestry and fishing	9.35	11.60	2.25	24
B Mining and quarrying	16.28	19.23	2.95	18
C Manufacturing	13.15	14.40	1.25	10
D Electricity, gas, air cond supply	17.48	18.53	1.05	6
E Water supply, sewerage, waste	12.50	14.45	1.95	16
F Construction	14.53	15.60	1.08	7
G Wholesale, retail, repair of vehicles	9.60	10.28	0.68	7
H Transport and storage	12.53	12.98	0.45	4
I Accommodation and food services	9.18	9.13	-0.05	-1
J Information and communication	20.65	22.48	1.83	9
K Financial and insurance activities	15.13	21.03	5.90	39
L Real estate activities	13.73	15.00	1.28	9
M Prof, scientific, technical activ.	16.43	18.78	2.35	14
N Admin and support services	10.08	11.85	1.78	18
O Public admin and defence	15.13	16.40	1.28	8
P Education	12.93	14.93	2.00	15
Q Health and social work	11.78	12.98	1.20	10
R Arts, entertainment and recreation	10.85	11.28	0.43	4
S Other service activities	11.60	13.40	1.80	16
T Households as employers	x	x		
U Extraterritorial organisations	18.98	19.15	0.17	1
V Total	11.95	14.00	2.05	17

Proportion of disabled workers by industry

	Disabled	Non-Disabled	Total	N=
Agriculture	14	86	100	259655
Mining	7	93	100	132734
Manufacturing	13	87	100	2720378
D Electricity, gas, air cond supply	11	89	100	188804
E Water supply, sewerage, waste	13	87	100	262017

F Construction	13	87	100	2174726
G Wholesale, retail, repair of vehicles	16	84	100	3697438
H Transport and storage	15	85	100	1547922
I Accommodation and food services	18	82	100	1613450
J Information and communication	13	87	100	1615415
K Financial and insurance activities	12	88	100	1393918
L Real estate activities	17	83	100	406947
M Prof, scientific, technical activ.	12	88	100	2706413
N Admin and support services	19	81	100	1427325
O Public admin and defence	17	83	100	2445699
P Education	16	84	100	3394007
Q Health and social work	19	81	100	4529843
R Arts, entertainment and recreation	18	82	100	862182
S Other service activities	17	83	100	870904
T Households as employers	20	80	100	50827
U Extraterritorial organisations	9	91	100	66941
Total	16	84	100	32367544

Proportion of disabled workers by occupation

	Disabled	Non-Disabled	Total	N=
Managers, Directors And Senior Officials	12	88	100	3248481
Professional Occupations	13	87	100	8293872
Associate Professional occupations	15	85	100	4749388
Administrative And Secretarial Occupations	18	82	100	3379113
Skilled Trades Occupations	14	86	100	2881182
Caring, Leisure And Other Service Occupations	21	79	100	2655512
Sales And Customer Service Occupations	20	80	100	2188873
Process, Plant And Machine Operatives	16	84	100	1882313
Elementary Occupations	19	81	100	3118559
Total	16	84	100	32397292