

Equality and Human Rights Commission  
Research report 107 | Pay gaps research

# The disability

# pay gap

## Executive summary

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# Executive summary

## Introduction

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This research report explores the disability pay gap, which is defined as the difference between the average hourly pay of disabled and non-disabled people, through a brief literature review followed by a statistical analysis. As well as looking at basic differences in pay, the research identifies the characteristics associated with those differences such as age, occupation and level of education. This analysis is intended to further debate and highlight areas where intervention may be needed.

## Key findings

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- Research consistently finds that disabled people are less likely to be in employment than non-disabled people and when employed they receive, on average, lower pay. The causes of the disability pay gap are complex. However, there is evidence that disabled people face barriers and discrimination in employment. There are also differences in the personal characteristics of disabled people and non-disabled people that have an impact on the pay gap. For example, lower levels of education or reduced ability to work continuously on a full-time basis can have a negative impact on pay.
- The overall employee rate<sup>1</sup> of disabled people was about 35% in 2014 for both disabled men and women. Among non-disabled people it was around 63% for men and 57% for women.
- Only around a quarter of men and women aged 16-64 with a disability that was both 'activity-limiting' and 'work-limiting' had a paid job. Those people whose disability was activity-limiting but not work-limiting had higher employee rates than other disabled people.
- The disability pay gap in the period 1997-2014 was 13% for men and 7% for women. Pay gaps among men are often larger than those among women.

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<sup>1</sup> Percentage of the population aged 16-64 in paid jobs, that is, as employees.

- The size of the pay gap varies depending on the exact nature of the disability. The pay gaps for those with neurological disorders, mental illness, learning difficulties or disabilities<sup>2</sup> tend to be large<sup>3</sup>:
  - Men with epilepsy experience a pay gap close to 40% (it is around 20% for women).
  - Men with depression or anxiety have a pay gap of around 30% and women have a pay gap of 10%. Men with mental illness, or suffering from phobia, panics or other nervous disorders, experience a pay gap of around 40% (the pay gap for women was not statistically significant).
  - Men with learning difficulties or disabilities have a pay gap of around 60% (the pay gap for women was not statistically significant).
- The pay gaps for those with physical impairments are also substantial. Men with physical impairments generally experience pay gaps in the range of 15% to 28%, depending on the nature of the disability. The difference between non-disabled women's pay and that of women with physical impairments ranges from 8% to 18%.
- The extent to which a disability affects daily activities and work also has a bearing on the size of pay gaps. Those with an activity and work-limiting disability tend to experience large pay gaps. Among men, the pay gap for this group is about a quarter for those with a physical (24%) or other type of impairment (23%) and 40% for those with a mental impairment. Among women it is 14% for those with a physical impairment and 19% for those with a mental impairment.
- The analysis looks at the intersectionality of disability and ethnicity. It finds that where ethnic pay gaps exist, they tend to become larger when disability is factored in, but the disability pay gap does not seem to vary by ethnicity. Disabled Bangladeshi and Pakistani men experience particularly large pay gaps of 56% and 36% respectively, and disabled Black African men a gap of 34% compared with White British non-disabled men. The pay gaps for disabled women from ethnic minorities were not generally found to be statistically significant.
- Certain characteristics tend to be associated with pay gaps across all disability groups and both genders, although their relative importance varies depending on the group. Disabled people are more likely to work part-time and such work pays less per hour, on average, than full-time work. They are also more likely than non-

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<sup>2</sup> This includes people with a wide range of disabilities, from dyslexia to severe intellectual impairments.

<sup>3</sup> Note however that these estimates have lower precision than others in this report, so the actual pay gaps may be substantially higher or lower than these estimates. See Chapter 6 for details.

disabled people to work in a low-paid occupation and less likely to have a qualification equivalent to NVQ Level 4 or higher.

- Again looking across all the disabled groups analysed, characteristics which help to reduce pay gaps for disabled people compared with non-disabled people include being older and having longer job tenure, which generally translate into higher pay.
- Finally, although the analysis goes some way to understanding the characteristics associated with pay gaps, the data only provide a partial explanation. Disabled people may face other barriers that have not been captured in this analysis but are identified in the literature review, such as discrimination.

## Background

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In 2015 the Equality and Human Rights Commission ('the Commission') commissioned research into the causes of, and potential solutions to, the gender, ethnicity and disability pay gaps. A suite of reports has been produced including a summary report of findings from the entire project. These are available on the Commission's website: [www.equalityhumanrights.com](http://www.equalityhumanrights.com).

The Commission holds the view that pay gaps reflect broader inequalities in society and tackling them is an important way to achieve a fairer society. The analysis in this report builds on its previous research on pay gaps and complements its extensive online guidance on fair and equal pay.

## Methodology and definitions

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Firstly a brief literature review was conducted to establish what is already known about disability pay gaps. The statistical analysis then followed, which is based on historical data from the Labour Force Survey (LFS) covering the period 1993-2014. The LFS is a quarterly household survey of the employment circumstances of the UK population and is administered by the Office for National Statistics (ONS).

This is used to measure pay gaps between disabled and non-disabled people and for different groups of disabled people.

The LFS data was used not only to establish the relative pay of different groups but also to identify the personal characteristics that are associated with differences in pay, such as level of education. These variables are referred to in the report as 'drivers' of pay gaps, although it is only possible to say that these are explanatory

factors rather than the cause of the pay gaps. This analysis identifies, based on the data available, how much of the pay gap can be explained and how much is left unexplained. For a full account of the methodology see Chapter 2.

The disability pay gap compares average pay for disabled people with that of non-disabled people. Pay is measured as hourly pay, based on gross weekly pay and total hours including paid and unpaid overtime. To avoid including the effects of gender in our measures, we compare pay of disabled men to pay of non-disabled men, and pay of disabled women to pay of non-disabled women.

Disabled people are all those with a health condition expected to last for at least 12 months which limits either their day-to-day activities (for the purposes of this research, this is referred to as 'activity-limiting') or the kind or amount of work they can do (this is referred to as 'work-limiting'). Non-disabled people are those without health conditions and those with health conditions which are neither activity-limiting nor work-limiting.

Disabled people are further divided into groups according to their type of health condition or impairment. In most cases this is into three groups: those with a physical impairment, mental impairment or other impairment.

Specifically we consider nine groups. Workers are first divided into three groups according to whether they have an impairment which is: activity-limiting only; work-limiting only; or both activity and work-limiting. Each of those groups is then divided into three for those with physical, mental, or other impairments. Further details can be found in Chapter 2 and Appendix A.

# Contacts

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