In the aftermath of the pandemic, attention has turned to the rise of ill health in the labour market. Long Covid, despite being a relatively recent phenomenon, appears to be associated with poor labour market outcomes for those that suffer from it. More ill health in the labour market means that firms are thinking about how to support workers with long-term health conditions. This is, however, part of a much broader debate that existed prior to the onset of Covid-19, specifically the number of people in work who report having a disability.

---

1 For example, Bank of England research shows that inactivity due to long-term sickness has remained persistently higher than pre-pandemic levels and that the rate of participation for someone with a long-term health conditions is lower than the rest of the population. 2 Research from the Institute for Fiscal Studies highlights that as much as one-in-ten long COVID sufferers are likely to be out of work. It is thought to affect 1 million workers over the age of 16.
The definition of disabled refers to a broader population than the number of people with long Covid. Disability – as defined by the Equality Act (EA) of 2010 which superseded the Disability Discrimination Act (DDA) – refers to a health problem that last 12 months or is likely to last the rest of a person’s life and limits the ability to carry out day-to-day activities either a lot or a little. Self-reported long Covid officially means that someone experiences symptoms more than 4 weeks after first testing positive for Covid-19. Results from the UK COVID-19 Infection Survey shows that long Covid symptoms adversely affect the day-to-day activities of around three-quarters of people with self-reported long Covid. Still, the share of workers over 16 with a disability (16 per cent) is considerably larger than current estimates of the share of workers with long Covid (3 per cent). And while long Covid is still a new illness, with little known about how long it lasts, it seems plausible that it could one day be classified as a disability itself.

So, in this spotlight we focus on the broader and longer-term issue of the world of work for those with a disability. This is important because there has been a large increase in the number of working-age disabled people (up 2.3 million), with most of that driven by those in employment (1.9 million). Over half the increase in the number of disabled people in employment has been driven by more people with a disability, as opposed to an increase in the disability employment rate. The result, as shown in Figure 1, is that the share of the working-age employed population with a disability has grown from around 10 to 15 per cent between 2013 and 2022.

FIGURE 1: Disability in the workforce features more heavily now than in the past
Share of the working-age and employed population that have a disability, 16-64-year olds: UK

![Graph showing the share of the working-age population that classify as disabled](image-url)

NOTES: The disability questions on the LFS underwent changes in 2010 and 2013, which means that estimates from 2010 onwards are not directly comparable with previous ears. The estimates from 2013 onwards, which use the Equality Act 2010 definition, are not comparable with the periods 2010 to 2012 or for the pre-2010 periods. Here we focus on changes since 2013.


---

3 The definition of disabled also refers to a larger population than the number of people economically inactive because of long-term sickness, but there is significant overlap. Of the 2.3 million working-age people who identified as long-term sick in the first quarter of 2022, 97 per cent were also classified as disabled. Disability is broader than this measure of long-term sickness and includes those who are employed (4.8 million working-age), unemployed (340,000 working age) and the economically inactive who classify as disabled but not long-term sick (1.6 million working age).

4 The analysis presented throughout this Spotlight uses this official definition of disability from the Labour Force Survey (LFS).
Higher employment among the disabled is a long-standing policy objective for the UK government: the UK government set a goal in 2017 to see a million more disabled people in work by 2027, a goal which has been met five years early. Despite there being more disabled people in work, the difference between the employment rate of the disabled (54 per cent) and non-disabled (82 per cent) population is large, around 28 percentage points (as shown in Figure 2). What’s less clear is whether this is a positive or negative trend: it could reflect a worrying rise in the incidence of self-reported disability among workers or a genuine removal of barriers to work for disabled people.

**FIGURE 2:** Despite more disabled people in work, the disability employment rate gap remains large

Labour market status for the non-disabled and disabled population, 16-64-year olds: UK

![Graph showing employment status over time for non-disabled and disabled populations](image)

NOTES: The disability questions on the LFS underwent changes in 2010 and 2013, which means that estimates from 2010 onwards are not directly comparable with previous years. The estimates from 2013 onwards, which use the Equality Act 2010 definition, are not comparable with the periods 2010 to 2012 or for the pre-2010 periods. We use all three definitions here simply to provide a historical timeseries.


Mental health problems now affect a larger proportion of disabled workers

A key question is how much of the increase in employment for the disabled population is being driven by an overall larger disabled population or by an increase in employment rates for disabled people. As the right-hand panel of Figure 3 shows, there has been a significant increase in the proportion of working-age people reporting they have a disability (up five percentage points between 2013 and 2022). We can also observe that only mental health illnesses and ‘other’ health problems (which likely reflects reporting of Covid-19) have seen an increase in the share that they contribute to the overall disabled population since 2013. On the flipside, the share of the working-age disabled population accounted for by those with physical conditions has fallen by 10 percentage points over the same time period.

---

5 Mental health conditions include depression, bad nerves, anxiety, mental illness or nervous disorders. Physical conditions include problems or disabilities connected with the arms, hands, legs, feet, back or neck.
Figure 3: Mental health problems now affect a larger proportion of disabled workers

Employment and population changes by health problems of the disabled population, 16-64-year olds: UK, 2013 to 22

The left-hand panel of Figure 3 highlights that employment rates among almost all disabled groups (bar those with speech impediments) have risen. Most strikingly, the employment rates for those with depression and other mental illnesses, traditionally low employment rate groups, have surged - an increase of 21 and 13 percentage points respectively.

Increases in the employment rate for different types of disability – particularly depression - has driven up the employment rate of disabled people

There has been a shift in the composition of the disabled population towards health problems with lower employment rates. However, ‘within group’ increases in employment rates particularly for people with mental illnesses (particularly depression and anxiety) and to a lesser extent physical difficulty have more than offset this, meaning the employment rate has instead risen by around 10 percentage points.
Depression and other mental illnesses have played an especially large role in the rise of employment for disabled people

The analysis presented in Figure 3 and 4 looked at employment rates for people with disabilities by different types of health problems. Here, we flip to focus on absolute employment changes for people with disabilities by different health problems. Figure 5 shows that the number of disabled workers reporting a mental health issue has tripled since 2013, up to 1.1 million workers in 2022 (equivalent to 3 per cent of the total working-age population). Over the same period, the number of workers reporting physical problems (back, neck, arms, hands, legs or feet) has only increased by 12 per cent. Despite this large increase in the number of workers with mental health conditions there are still around 1.2 million disabled workers (27 per cent) whose main health condition is physical. Increases in the numbers of disabled workers with a mental health condition could be explained by increased awareness and more self-reporting in the LFS. But other sources such as the General Health Questionnaire (GHQ), which is generally viewed as more robust than the self-reporting of disability, show that this rise in mental illnesses for workers is a genuine long-term trend.6

6 Looking over the same time period as Figure 5 using the GHQ we can observe that mental health conditions have risen by 22 per cent for the working-age population. This is still a substantial rise but a significantly smaller rise than what we observe in the LFS. The GHQ measure of mental health conditions is, however, different to the LFS definition we use here as it is not restricted to the disabled population and uses a threshold for mental health conditions. The larger increase in the LFS might reflect substantial underestimates in previous years of the survey because of stigma attached the illness or a lack of awareness.
FIGURE 5: The number of disabled workers reporting a mental health issue has tripled since 2013

Employment by health problems of the disabled population, 16-64-year olds: UK

NOTES: For readability the chart groups health problems. The full categories are different to those presented above and are as follows: Arms, hands (includes arthritis & rheumatism), Sight (difficult in seeing while wearing spectacles or contact lenses), Depression (depression, bad nerves or anxiety), Other mental illness (mental illness or suffer from phobia, panics or other nervous disorder), Progressive illness (e.g. cancer, multiple sclerosis, symptomatic HIV, Parkinson’s disease, muscular dystrophy), Organ problems & internal illnesses (includes chest or breathing problems, asthma, bronchitis, heart blood pressure or blood circulation problems, stomach, liver kidney or digestive problems).


Previous Resolution Foundation work found that young people are substantially more likely to have a mental health problem than a decade ago, something which was exaggerated by the onset of the Coronavirus crisis. More disabled people in work has also led to a rise in the number of workers in receipt of disability benefits, driven most recently by the young and those with mental health conditions.

Despite fast rising employment for the disabled population, much more is needed to support people with disabilities in the labour market

Overall, then, the current focus on the labour market outcomes for sufferers of long Covid is clearly important, but this Spotlight reminds us that we should not forget about the longer-term growth in the employment of people with disabilities. The political energy that existed prior to Covid-19 needs to return to this important and increasingly endemic labour market issue. The first policy conclusion, then, given that the disability employment rate gap remains high, notwithstanding recent improvements, is that there is a continuing need to encourage disabled people into the workforce. Complementary to this, there is a greater need for employers to support their disabled workers when it comes to employment exits, improving support when in work, reforming sickness absence, expanding support to re-enter work and enhancing work incentives. Finally, there are broader questions about why mental health for the working-age population appears to have worsened so quickly and by so much, and what can be done to reverse this.
Lifting the lid | The picture across different groups and areas

Here we explore a few of the most interesting developments for different groups of workers and different parts of the country. A comprehensive breakdown of each indicator is available online: resolutionfoundation.org/earningsoutlook

FIGURE 6: The UK has been slower to return to the office than some of its international peers
Change in workplace mobility since the start of the Covid-19 pandemic, local authorities with the smallest and largest changes, UK average and selected countries: 27 August 2022

Now that Covid-19 is largely behind us, we might expect that workers would have flooded back to the office. But as Figure 6 shows workplace mobility, according to data from Google, is still over a quarter (26 per cent) lower than pre-pandemic levels. This will partly reflect that workers will be taking time off during the summer. It is still striking, however, that the UK has been slower to return to work than some of its international peers: for example, in Germany trips to work at the end of August are only around 12 per cent below pre-pandemic levels. This reflects that the UK has been an outlier among most other advanced countries when it comes to homeworking, which is explained by its service-based economy meaning a higher share of work can be feasibly be done remotely. And, as Figure 6 highlights there is a distinct reluctance to return to the office in the capital: trips to work in five London boroughs are at least 40 per cent below pre-pandemic levels. These geographic patterns are likely due to a higher proportion of professional occupations in London and therefore more homeworking than elsewhere in the country.
FIGURE 7: There are around 320,000 fewer EU nationals working in the UK than at the start of 2020

Number of non-UK nationals working in the UK

It is now over 18 months since the UK left the European Union (EU), which has led to a fall in employment of EU nationals in the UK. As Figure 7 shows, there are around 320,000 fewer EU nationals working in the UK than at the start of 2020 (when the UK officially withdrew from the EU). Over the same period there has been an increase in the number of non-EU nationals working in the UK (around 240,000). The fall in EU employment stands in stark contrast to the fairly steady growth in employment of EU nationals until the early 2000s, followed by further large increases between 2004 and 2008 (after eight Eastern European countries joined the EU) and again between 2013 and 2017. As previous Resolution Foundation work has argued, the availability of EU workers (who tend to be more mobile than UK workers) had previously allowed the country to respond to shifting economic needs. Fewer mobile workers will limit the UK economy’s ability to adjust to change, but so long as the UK remains an economically attractive place to work migrant workers from across the globe will continue to flow.

7 There are some caveats to using the LFS to explore migrant data, even in normal times migrants are less likely to be picked up in official surveys and during the pandemic there were even larger uncertainties surrounding the migration figures. However, these are the best statistics that are available, which are used for example by the Migration Observatory and the Office for National Statistics has since reweighted the Labour Force Survey to account for changes observed over the pandemic.
In Autumn 2021, parliamentarians were in hot water after it emerged many of them had lucrative second jobs. More recently, the government announced major reforms to give the ‘lowest paid workers the choice to work multiple jobs if they wish’. The reforms are intended to widen the ban on exclusivity clauses for workers on or below the Lower Earnings Limit of £123 a week from working for multiple employers. As Figure 8 highlights, the lowest-paid employees (in the bottom quartile of the hourly pay distribution) are already slightly more likely to have a second job than employees across the rest of the distribution (around 4 per cent compared to 3 per cent). Figure 8 also shows that since the mid-1990s there has been a fall in the share of employees with multiple jobs (particularly for the lowest paid, from 6 to 4 per cent). Overall, having more than one job is not a mainstream feature of the labour market. It remains to be seen whether the proposed removal of exclusivity clauses creates more flexibility for some of the lowest-paid workers.
The labour force participation rate of 18-69-year-olds fell to 76.2% in Q1 2022. The latest rises in inactivity have been driven by long-term sickness.

Hourly productivity rose during the pandemic (likely for compositional reasons) but in Q1 2022 was down slightly on the year.

‘Off-the-job’ training has risen over the past two years, but this follows two decades of falls in such training – a potential drag on productivity.

The proportion of graduates in non-graduate roles (a measure of mismatched demand and supply of skills) has risen over the past year, but remains below pre-pandemic levels at 35.8%.
The Resolution Foundation is an independent research and policy organisation. Our goal is to improve the lives of people with low to middle incomes by delivering change in areas where they are currently disadvantaged.

We do this by undertaking research and analysis to understand the challenges facing people on a low to middle income, developing practical and effective policy proposals; and engaging with policy makers and stakeholders to influence decision-making and bring about change.

For more information on this report, contact:

**Charlie McCurdy, Economist**
0203 372 2960  | charlie.mccurdy@resolutionfoundation.org