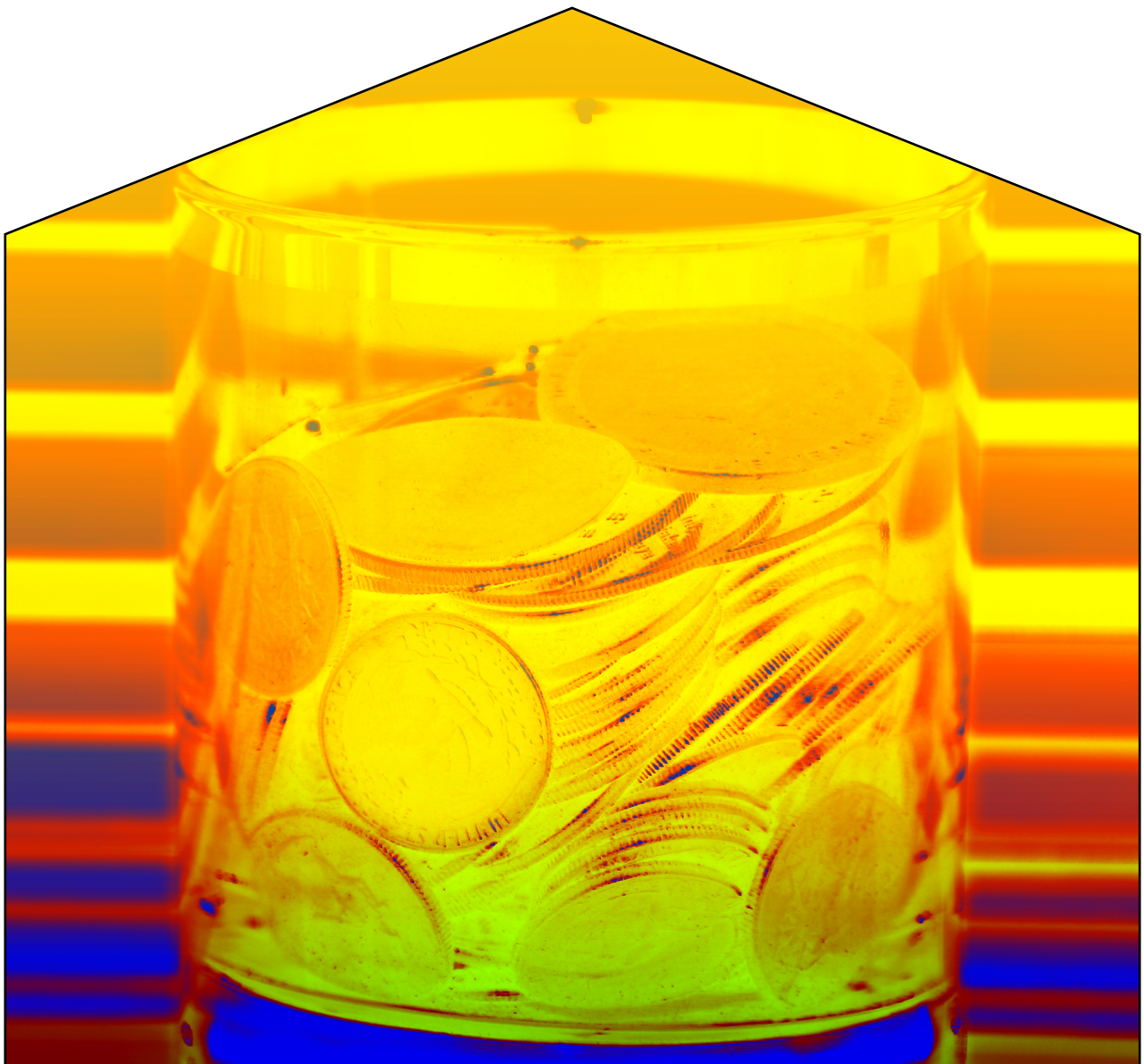


Costly differences

Living standards for working-age people with disabilities

Omar El Dessouky & Charlie McCurdy

January 2023



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This research uses data from an online survey of 10,470 adults aged 18+ conducted by YouGov, and supported by the Health Foundation. Here we just focus on working-age adults. The figures presented from the online survey have been analysed independently by the Resolution Foundation. The views expressed here are not the views of YouGov.

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Summary

The cost of living crisis has shone a harsh light on different groups' ability to deal with fast rising prices. Rising food and energy bills have affected some people's personal finances more than others. In this briefing note we focus on the living standards of people with disabilities, including results from a new survey of just under 8,000 working-age adults, over 2,000 of whom reported a long-term illness or disability, to offer insight into their experience of the current crisis.

We focus on people with disabilities for two good reasons. First, self-reported disability is on the rise in Britain. The share of working-age people who report a disability has risen from 17 to 23 per cent since 2013, a rise of over 2.6 million people. Second, people with disabilities are more vulnerable to rising costs of essentials because energy and food make up a greater share of their budgets, on average, than for the non-disabled, in part because of additional needs caused by underlying health problems.

Using incomes as an overall proxy for living standards, we highlight that wide gaps exist between the disabled and non-disabled population. The gap in median household income between adults with a disability (£21,405) and without (£27,766) was 30 per cent in 2020-21, but this comparison includes the income from disability benefits. If instead we exclude that income – on the grounds that it is intended to compensate for the additional costs of having a disability, even if only partially – then the gap rises to 44 per cent. In this briefing note, we focus on income excluding the income from these benefits, as it gives us a more like-for-like comparison between the disabled and non-disabled populations' disposable income.

Overall, there is a very clear relationship between disability and incomes, with people with disabilities having lower household income across the distribution. At the bottom end of the income distribution, income at the 25th percentile of disabled people (£11,915) is 34 per cent below income at the 25th percentile of non-disabled people (£18,146). This also means people with disabilities are especially likely to be at the bottom of the (whole-population) income distribution: around one-third (33 per cent) of adults in the lowest household income decile have a disability, compared to around one-tenth (9 per cent) of adults in the highest household income decile.

An important driver of lower incomes among the disabled working-age population is the relatively low employment rate: 54 per cent of disabled adults work, compared to 82 per cent of non-disabled adults. The raw income gap between the disabled and non-disabled working-age populations (£8,447) is more than twice the gaps we observe if we compare

the disabled and non-disabled populations who are in work (where the gap is £2,920) or out-of-work (the gap is £3,550, excluding disability benefits). But employment status explains only a third of the income gap between working-age disabled and non-disabled people. The remainder of which is likely explained by the kinds of jobs disabled people work in (including their typical pay and the number of hours worked).

Given the challenges in using income as a measure of living standards for disabled people, it's also useful to look at indicators of material deprivation, which try to capture whether a person is unable to afford essential goods or services. The share of disabled people who report being materially deprived (34 per cent) in 2020-21 is almost three times the share among the non-disabled population (13 per cent). Although material deprivation rates have fallen since 2013-14, the gap in material deprivation rates between disabled and non-disabled people has not changed.

Disabled people are also more likely to live in a cold home. Even before the current crisis, 9 per cent of disabled people (compared to 2 per cent of the non-disabled population) couldn't afford to keep their homes warm. By the end of November 2022, two-fifths of disabled people (41 per cent) in our survey said they couldn't afford to keep their homes warm, almost twice the share of the non-disabled population (23 per cent). This explains why, according to our survey, half (48 per cent) of disabled people have cut back on energy use, compared to 32 per cent among the non-disabled population.

Disabled people have been stung not just by fast-rising energy prices but also by increasing food prices too. Our survey shows that 31 per cent of disabled people have reduced their expenditure on food compared to 18 per cent of the non-disabled population. Severe and moderate food insecurity has risen sharply too: experienced by 8 per cent of disabled people pre-pandemic, up to 20 per cent during the current crisis (compared to 5 per cent of non-disabled people).

The Government has recognised the financial precarity that disabled people find themselves in during this cost-of-living crisis. In the 2022 Autumn Statement, the Government announced that it would repeat the £150 Disability Cost of Living Payment in 2023-24 and that disability benefits will rise by CPI inflation from April 2023. These support measures will help the millions of people with disabilities who are struggling through the current crisis.

But policy makers shouldn't assume its job is done; this research shows both that disabled adults go into the cost of living crisis with weaker living standards, and are already having to make bigger adjustments than the rest of the population. Further measures should encompass a broader focus on lower living standards for the disabled population, and support for both those who wish to work, and those who cannot.

The gap in typical incomes between the disabled and non-disabled population is large

The current cost of living crisis has shone a harsh light on how some groups faced barriers to cope with crisis. In this briefing note we track the living standards of working-age people with disabilities, for two good reasons.¹

First, self-reported disability is on the rise: the share of working-age people who report a disability has grown from around 17 to 23 per cent between 2013 and 2022. Over this period the number of working-age people with a self-reported disability has increased by over 2.6 million. This may reflect an increase in genuine levels of impairment, or changes in the way that people report disability, or both – but either way, it is clear that a large minority of working-age people have disabilities.

Second, disabled people – and the households they live in – may be more vulnerable to rising costs, particularly of essentials.² This is partly because they already face additional cost, including, for example, specialist equipment and home adaptations, extra transport costs, medication, insurance and therapies. Data from the ONS shows that energy and food make up a disproportionate share of spending for disabled households.³ In the case of energy, this is partly because many disabled people say they need more heating to stay warm (for example, if they lack in mobility), and others use extra electricity to charge specialist equipment.⁴

A key analytical question is how to compare the living standards of disabled and non-disabled people given these additional costs.⁵ One approach might be to subtract these additional costs from a measure of disposable income, in the same way that the after-housing costs measure of income subtracts spending on housing costs. Indeed, some research has attempted to estimate these additional costs, but the estimates are uncertain, and do not reflect the wide variation in costs within the population.⁶

¹ Here we define disability following the 2010 Equality Act, which superseded the Disability Discrimination Act. In this definition, disability refers to a health problem that lasts 12 months or is likely to last the rest of a person's life, and which limits their ability to carry out day-to-day activities (either a lot or a little).

² N Smith et al, *Disabled people's cost of living*, Joseph Rowntree Foundation, October 2004.

³ ONS, *Household Costs Indices, UK: third preliminary estimates, 2005 to 2019*: July 2020.

⁴ B Wealthy, *Out in the cold*, Scope, March 2018.

⁵ R Fisher, *Extra costs commission*, Scope, June 2015.

⁶ L Schuelke, L Munford & M Morciano, *Estimating the additional costs of living with a disability in the United Kingdom between 2013 and 2016*, European Journal of Health Economics, 23, August 2021.

An alternative approach is to ignore the income from disability benefits (that are for extra costs) when making comparisons. If all people with disabilities received disability benefits, and if the value of disability benefits fairly reflected the additional costs of being disabled, then this would be an excellent analytical strategy. Clearly, neither of these is likely to be true in reality: there is a growing body of evidence that shows disability benefits are inadequate to deal with the extra costs faced by a disabled person⁷, and there are substantial barriers for disabled people accessing disability benefits, which is evidenced by the large backlog in Personal Independent Payment applications.⁸ In the real world, receiving a disability benefit is clearly improving the living standards of a person with disabilities compared to a situation where they did not receive it.

But when making comparisons across the population, our view is that we are more likely to get an accurate impression of the differences in living standards between disabled and non-disabled people if we use a measure of income that excludes income from the extra-cost disability benefits.^{9 10} (Specifically, to compare the living standards of disabled people to non-disabled people, we focus on median equivalised disposable household income (after housing costs) per working-age person).

Figure 1 shows that this more like-for-like comparison increases the gap in typical household incomes between those with disabilities and those without. The gap in household income including disability benefits between adults with and without a disability stands at around 30 per cent (£6,362) in 2020-21, which rises to around 44 per cent (£8,447) if we exclude disability benefits.¹¹ These gaps were even larger back in 2012-13, at 40 (£7,013) and 54 per cent (£8,686) respectively – possibly because the situation for disabled people has improved, but more likely is simply because more people are reporting a disability.¹²

⁷ E John, G Thomas & A Touchet, *Disability Price tag*, Scope, February 2019.

⁸ R Joyce, S Ray-Chaudhuri & T Waters, *The number of new disability benefit claimants has doubled in a year*, Institute for Fiscal Studies, December 2022.

⁹ Specifically, we exclude income from: Personal Independence Payment (PIP), Disability Living Allowance (DLA), War disablement pension, SDA, DWA, AA, Industrial injuries disablement benefit and incapacity benefit.

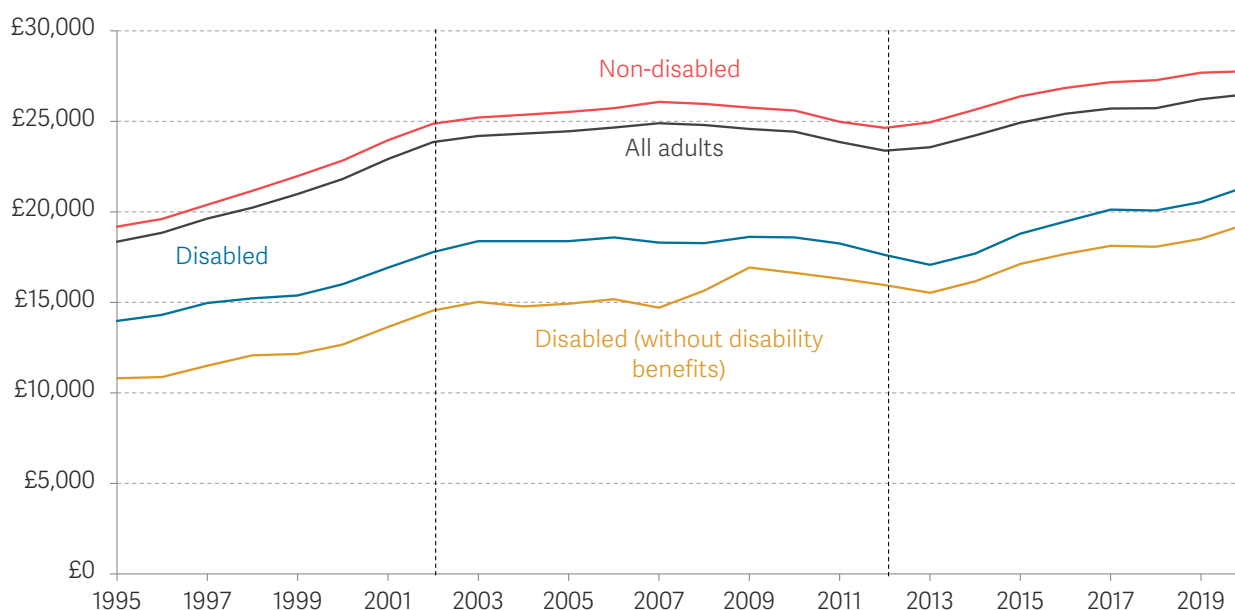
¹⁰ This has become a commonly used method to consider disabled people's income without considering the extra costs they face. See: T Clark & P Matejic, *From disability to destitution*, Joseph Rowntree Foundation, July 2022; J Cribb, H Karjalainen & T Waters, *Living standards of working-age disability benefits recipients in the UK*, Institute for Fiscal Studies, July 2022.

¹¹ An alternative approach could instead be to focus on typical incomes based on the number of disabled people in a household. Taking that approach, highlights even starker gaps: for example, typical incomes per person when everyone in the household has a disability are around £16,377, 30 per cent lower than if that person is in a household with a mix of disabled and non-disabled people, and 43 per cent lower if that household contains no disabled people.

¹² See Geiger, Jones, Bryan & Wass 2021 *written evidence to the Work & Pensions Select Committee inquiry on the Disability Employment Gap*, following the oral discussion [here](#).

FIGURE 1: The gap in incomes between the disabled and non-disabled population is large

Median equivalised disposable household income after housing costs (2020-21 prices), for disabled, non-disabled and all adults: GB/UK



NOTES: The dashed lines represent changes in the definition of disability. Incomes are two-year averages. Disability benefits defined as: DLA (care & mob), PIP, War disablement pension, SDA, DWA, AA, Industrial injuries disablement benefit and incapacity benefit.

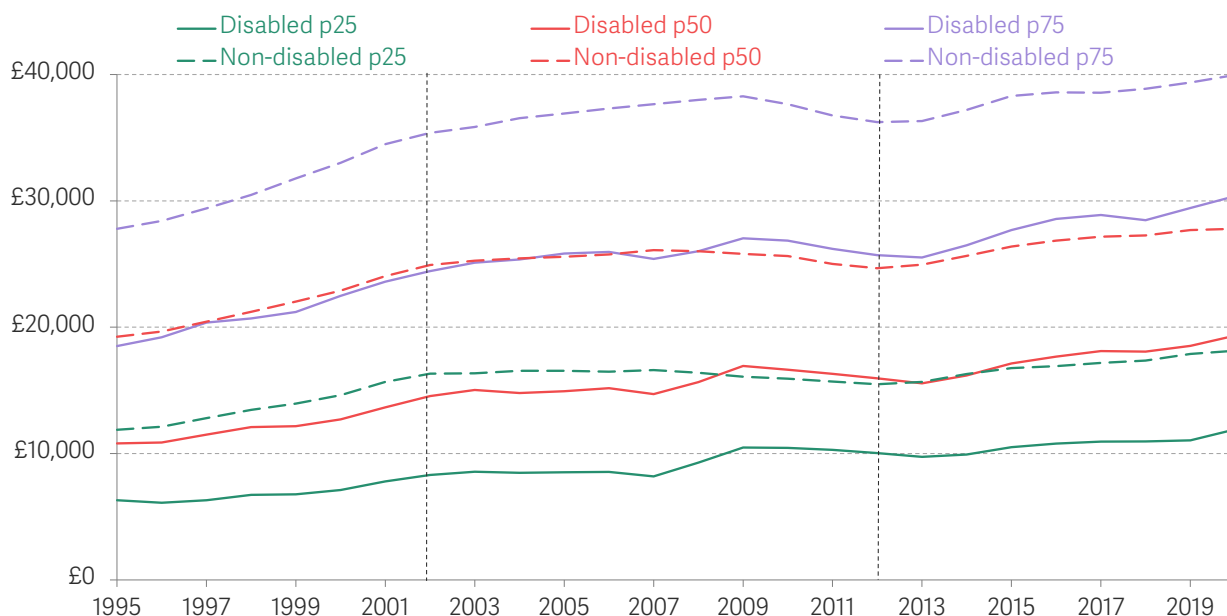
SOURCE: RF analysis of DWP, Household Below Average Income; DWP, Family Resources Survey.

Figure 2 takes this one step further and plots disabled and non-disabled people's typical income (excluding disability benefits) at different points of their respective income distributions. Typical disposable income at the 75th percentile of income among disabled people was £30,139 in 2020-21, 24 per cent below the 75th percentile of the non-disabled population (£39,967). Looking at the bottom end of the distribution, incomes for people at the 25th percentile of the disabled population (£11,195) were 34 per cent below 25th percentile of the non-disabled (£18,146) population in 2020-21.

What is also striking about the chart is that in 2020-21 median incomes for disabled people (£19,397) (excluding disability benefits) are remarkably similar to incomes at the 25th percentile among non-disabled people (£18,146). In a similar vein, the top end of income distribution (at the 75th percentile) for disabled people (£30,139) is only 9 per cent above the median income for the non-disabled population (£27,792).

FIGURE 2: Low income disabled people have incomes one-third below their non-disabled counterparts

Real equivalised disposable household income after housing costs, (2020-21 prices), disabled compared to non-disabled: GB/UK



NOTES: The dashed lines represent changes in the definition of disability. Income excludes disability benefits, defined as: DLA (care & mob), PIP, War disablement pension, SDA, DWA, AA, Industrial injuries disablement benefit and incapacity benefit. Incomes are two-year averages.

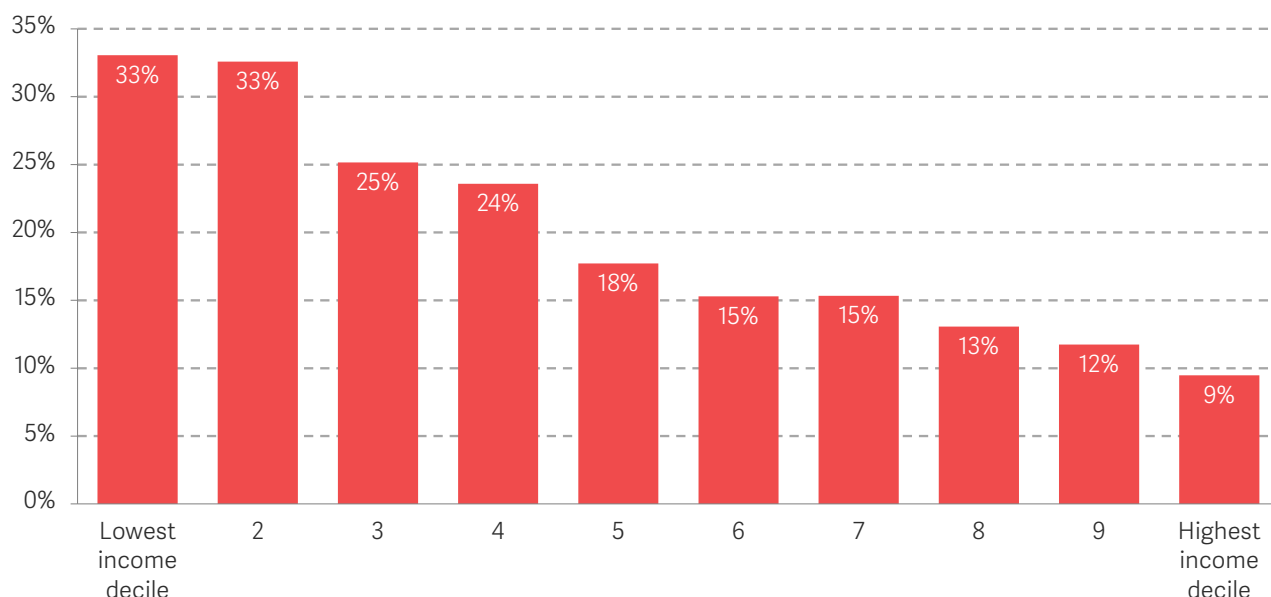
SOURCE: RF analysis of DWP, Housing Below Average Incomes survey.

Overall, then, there is a very clear relationship between income and disability. We can see this even more starkly in Figure 3 when we plot the share of people with a disability in each decile of disposable household income. Around one-third (33 per cent) of adults in the lowest household income decile have a disability compared to around one-tenth (9 per cent) of adults in the highest household income decile – and even beyond these extremes differences exist. This finding reaffirms a well-established body of evidence that highlights the relationship between health and income.¹³

¹³ A Tinson, *Living in poverty was bad for your health long before COVID-19*, The Health Foundation, July 2020.

FIGURE 3: One-third of adults in the lowest household income decile have a disability

Share of people with a disability, by equivalised disposable household income decile: UK, 2019-20 to 2020-21 average



NOTES: Income excludes disability benefits, defined as: DLA (care & mob), PIP, War disablement pension, SDA, DWA, AA, Industrial injuries disablement benefit and incapacity benefit. Incomes are two-year averages.

SOURCE: RF analysis of DWP, Housing Below Average Incomes survey.

It is striking that even after accounting for employment status, over half of the income gap remains

Employment can explain some – but not all - of the overall income differences we observe. As previous Resolution Foundation research has highlighted, there is currently a 28-percentage point difference between the employment rate of the disabled (54 per cent) and the non-disabled (82 per cent) population.¹⁴

This difference in employment status explains some of the overall (working-age) income gap that we observe between disabled and non-disabled people. Figure 4 makes this strikingly clear. The income gap between the disabled and non-disabled working-age populations (£8,447) is well over twice the income gap we observe when comparing the disabled and non-disabled in-work (£2,920) or out-of-work populations (£3,550).¹⁵

We can formalise the effect employment status has on the disability income gap by running a quantile regression. Pooling the latest three-years of data, the disability income gap for working-age adults is around 30 per cent. If we impose the assumption that

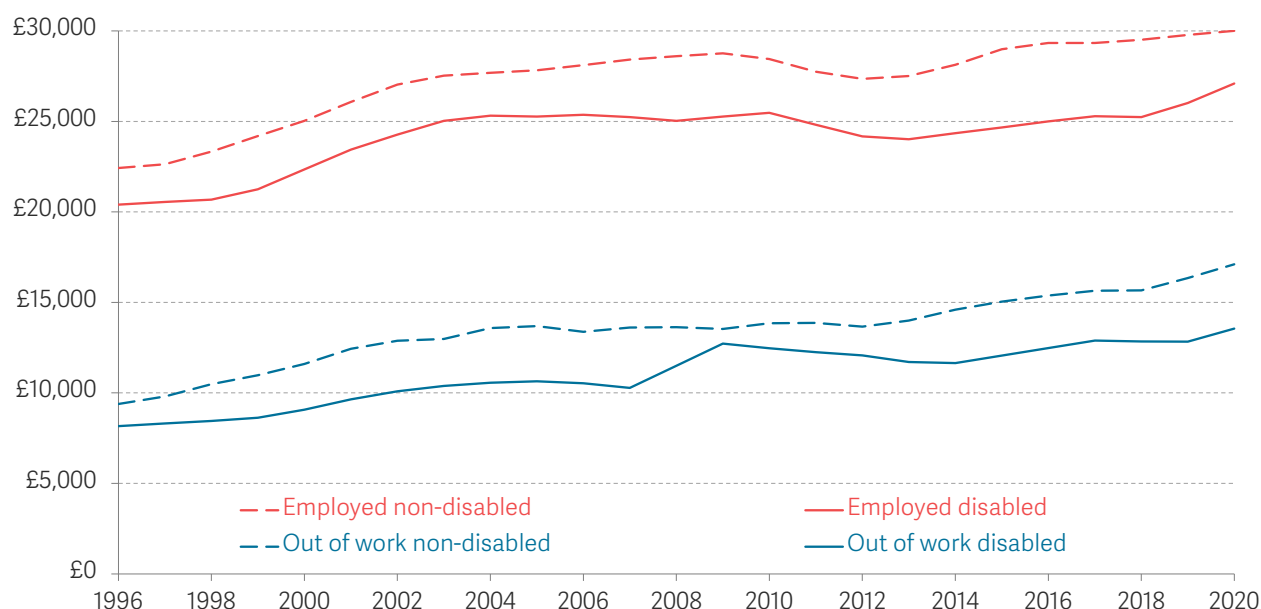
¹⁴ C McCurdy, *Labour Market Outlook Q3 2022*, Resolution Foundation, October 2022.

¹⁵ The relative gap (11 per cent) in typical income between the employed disabled and non-disabled population is similar to the pay gap found by the ONS (13.8 per cent). See: ONS, *Disability pay gaps in the UK: 2021*, April 2022.

employment rates for disabled and non-disabled populations are equal (i.e. if we hold employment status constant), this gap falls by one-third to around 20 per cent. There are, of course, other factors that will determine the disability income gap, such as geography, occupation of work, gender and age.¹⁶ For example, typical hourly pay for people with disabilities (£12.56) is 16 per cent lower than for people without disabilities (£14.90), and average weekly hours worked for disabled people (28.3 hours) are 14 per cent below the non-disabled population (32.2 hours).

FIGURE 4: The disability income gap is only partly explained by employment status

Median equivalised disposable household income after housing costs, according to employment status of disabled and non-disabled population: GB/UK



NOTES: The dashed lines represent changes in the definition of disability. Incomes are two-year averages. Income excludes disability benefits, defined as: DLA (care & mob), PIP, War disablement pension, SDA, DWA, AA, Industrial injuries disablement benefit and incapacity benefit.

SOURCE: RF analysis of DWP, Household Below Average Income; DWP, Family Resources Survey.

Disability benefit income helps to reduce income gaps between different health conditions, but this may just reflect differences in the additional costs of being disabled

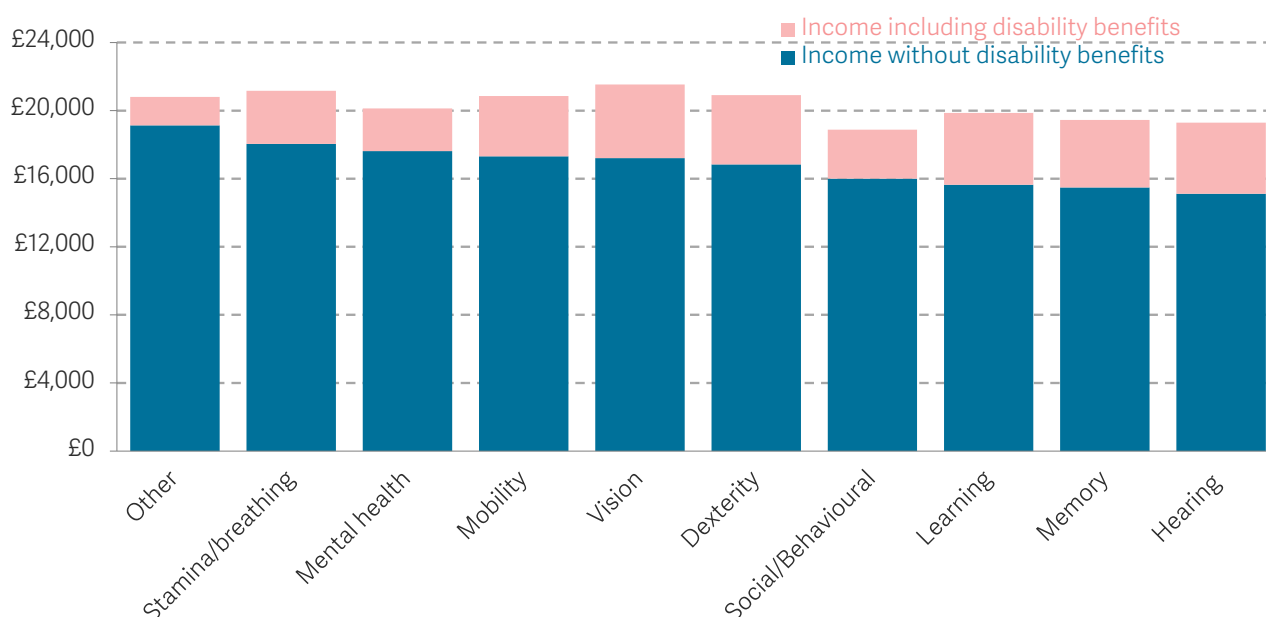
So far, we have grouped together the 9 million people who report a disability. But this group clearly includes people with very different circumstances. Figure 5 shows the typical household income (with and without disability benefits) for working-age disabled people across different health problems – and highlights that there are, indeed, significant differences.

¹⁶ For example, work by the ONS has shown that controlling for occupation contributed most to adjusting the pay gap with non-disabled employees. See: ONS, [Disability pay gaps in the UK: 2021](#), April 2022.

The first thing to note from Figure 5 is that incomes without disability benefits vary more than incomes with disability benefits; in other words, within the disabled population, disability benefit income does help to equalise incomes. But this may well reflect that the additional costs of disability vary between the different health conditions (and therefore lead to people being paid different amounts of DLA or PIP, for example), and so it remains the case that comparisons of income excluding that from disability benefits should be a better guide to differences in actual living standards than income including disability benefits. If we exclude disability benefit income, the differences between the highest ('other') and lowest (hearing) income health problem groups are almost twice (21 per cent) as large as when we include disability benefits. People with social/ behavioural problems are the health problem group with the lowest income if we include disability benefits (summing the blue and pink bars), 12 per cent lower than the group with the highest income (disabled people with dexterity, vision or sight problems).

FIGURE 5: Disability benefit income helps to reduce income gaps between different health conditions, but this may just reflect differences in the additional costs of being disabled

Median equivalised disposable household income after housing costs for disabled people with different health problems (2020-21 prices), 2019-20 to 2020-21 average: UK



NOTES: Disability benefit income defined as: DLA (care & mob), PIP, War disablement pension, SDA, DWA, AA, Industrial injuries disablement benefit and incapacity benefit.

SOURCE: RF analysis of DWP, Household Below Average Income; DWP, Family Resources Survey.

Material deprivation provides an alternative measure of living standards for people with disabilities

As discussed above, income alone may not provide a reliable guide to living standards of disabled people, and excluding income from disability benefits is only a partial solution to this.

An alternative measure of living standards is provided by the concept of material deprivation. Material deprivation (defined in more detail in Box 1) is calculated by measuring whether a person can afford basic items and activities. This approach to measuring living standards means we can sidestep the issue of estimating the additional costs of being disabled, and instead measure what disabled people are (or are not) able to afford given their additional costs.

BOX 1: Measuring material deprivation

Our approach to measuring material deprivation follows that used by the Department for Work and Pensions (DWP) and is based on questions that are part of the Family Resources Survey.¹⁷ There are nine questions used to calculate this measure, and we use 'prevalence weighting' to combine these into a single indicator.¹⁸ The principle here is to count how many of the nine items people cannot afford, but to give more weight to those items where more of the population say that

they can afford them. This weighted score is then rescaled so that the maximum score is 100 (where someone cannot afford any of the nine items), and we follow the DWP approach by setting a threshold of greater than 25 to indicate if someone is materially deprived or not. The benefit of this measure is that it reflects that the inability to afford a common item is more indicative of deprivation than the ability to afford a less common item.

Figure 6 shows the key results. One striking finding is that material deprivation rates fell sharply across the population as a whole between 2013-14 and 2020-21 (i.e. pre-cost of living crisis but including the Covid-19 crisis). The absolute gap in material deprivation between disabled and non-disabled people has changed, falling from 26 percentage

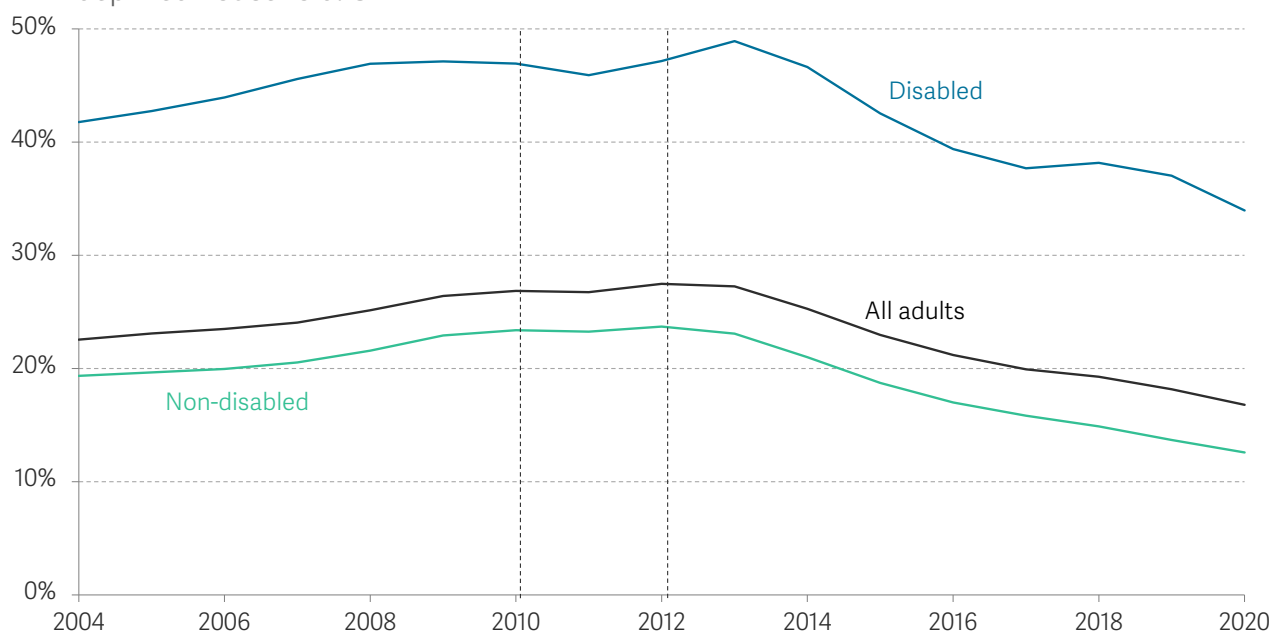
¹⁷ For further details on the material deprivation weighting method, see: Department for Work & Pensions, [Quality and Methodology Report](#), March 2022.

¹⁸ Respondents are asked whether they can afford the following nine items: to keep home in decent state of decoration, go on holiday for at least one week a year, afford household contents insurance, make regular savings of £10 a month or more, replace any worn out furniture, repair or replace major electrical goods, have a small amount of money to spend each week on yourself, are able to keep accommodation warm enough and can keep up with bills and regular debt payments.

points in 2013-14 to 21 percentage points in 2020-21. However, the share of materially deprived disabled people (34 per cent) remains almost three times the share of the materially deprived non-disabled population (13 per cent). Just like the stubborn gaps in income between disabled and non-disabled people, material deprivation gaps remain large.

FIGURE 6: Three times the share of people with disabilities live in material deprivation compared to non-disabled people

Share of disabled, non-disabled and all working-age populations who are in a materially deprived household: UK



NOTES: The series starts in 2004-05 because that is when the FRS started using material deprivation questions. The first dashed line represents changes to the material deprivation questions that happened in 2010, when previous questions were erased in favour of the keeping up with bills question. The second dashed line represents changes in the definition of disability.

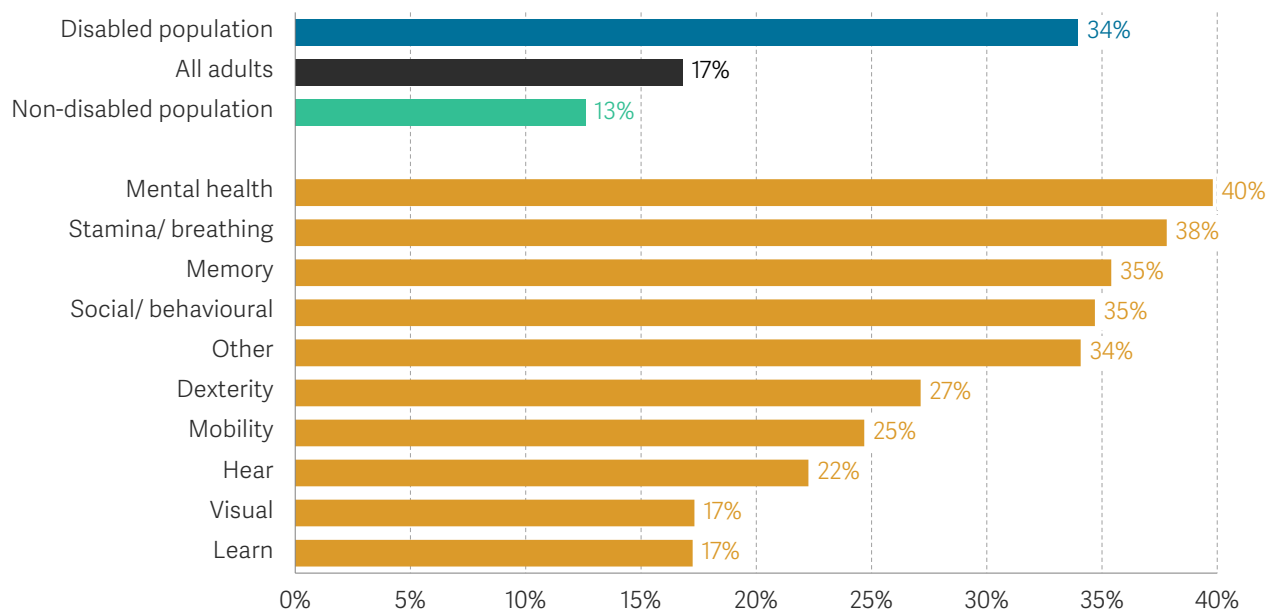
SOURCE: RF analysis of DWP, Household Below Average Income; DWP, Family Resources Survey.

As with income, we can also look at material deprivation rates within the working-age disabled population: see Figure 7. This highlights that large differences in material deprivation exist between different health problem groups. Two-in-five disabled people with mental health problems are living in materially deprived households compared to just one-in-five with hearing, visual or learning problems. This variation may reflect the different ways in which material deprivation and health interact. In particular, the

inability to afford common household items might well have psychological effects, such as shame, financial stress and anxiety about being unable to afford a decent standard of living.¹⁹ Living in, for example, a cold home has direct impacts on physical health too.²⁰

FIGURE 7: Two-in-five people with mental health problems are in materially deprived households

Share of people who are materially deprived by disability status and health problem, 2019-20 to 2020-21 average: UK



NOTES: Health problems are for those of the disabled population. We use two-year averages.

SOURCE: RF analysis of DWP, Household Below Average Income; DWP, Family Resources Survey.

Disabled people have faced a costly crisis so far

It is well known that the current cost of living crisis is a more serious problem for those on low incomes than those on high incomes. This is because the goods seeing the fastest rises in prices (principally energy and food) are essentials, so the price rises are hard to avoid. Spending on food and energy also takes up a larger fraction of the budget of low-income households, meaning there is less scope to create a buffer by cutting other areas of household expenditure. In addition, low-income households tend to have lower savings to fall back on.

¹⁹ F Zimmerman & J Bell, *Income inequality and physical and mental health: testing associations consistent with proposed causal pathways*, *Journal of Epidemiology & Community Health* 60(6), June 2006.

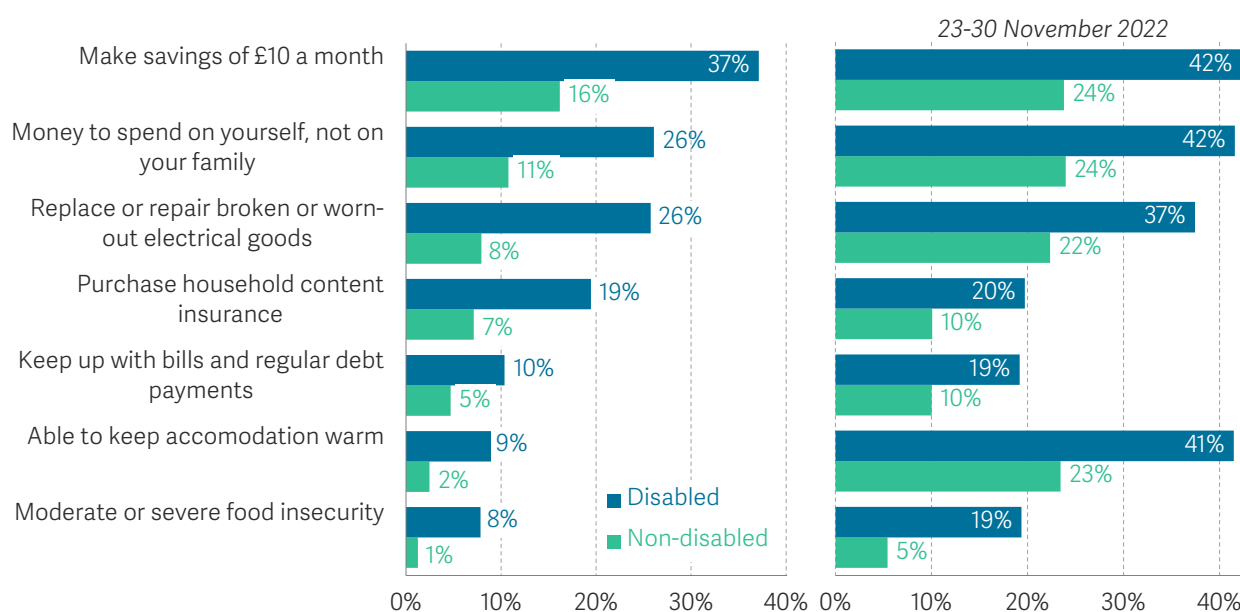
²⁰ A Lee et al, *Fuel Poverty, Cold Homes and Health Inequalities in the UK*, Institute of Health Equity, August 2022.

Given that disabled people tend to have lower incomes than non-disabled people, then we would expect the cost of living crisis to have more of an impact on them. Below, we explore this using new evidence from a survey we commissioned that was in the field in late November 2022.²¹

Figure 8 shows that, even before the current crisis, 9 per cent of disabled people – compared to 2 per cent of the non-disabled population – couldn't afford to keep their homes warm.²² Fast forward to the end of November 2022, and two-fifths of disabled people in our survey said they couldn't afford to keep their homes warm, which is almost twice the share of the non-disabled population (23 per cent).

FIGURE 8: Two-fifths of disabled people can't afford to keep their homes

Share of disabled and non-disabled people who cannot afford certain goods and services and experience food insecurity: UK, 2020-21 (left) and 23-30 November 2022 (right)



NOTES: Base is all working-age adults aged 18-65. Disabled population (n=2156) and non-disabled population (n=5563). These figures have been analysed independently by the Resolution Foundation. Food insecurity is assessed using six standardised questions which are aligned internationally with the United States Department of Agriculture (USDA) and with the DWP Family Resources Survey. YouGov survey questions were designed to be consistent with FRS questions.

SOURCE: RF analysis of DWP, Household Below Average Income; DWP, Family Resources Survey; YouGov, Cost of Living Crisis, November 2022 wave.

Similarly, our survey shows that half (48 per cent) of disabled people – compared to one-third (32 per cent) of people without a disability – have cut back on energy use (Figure

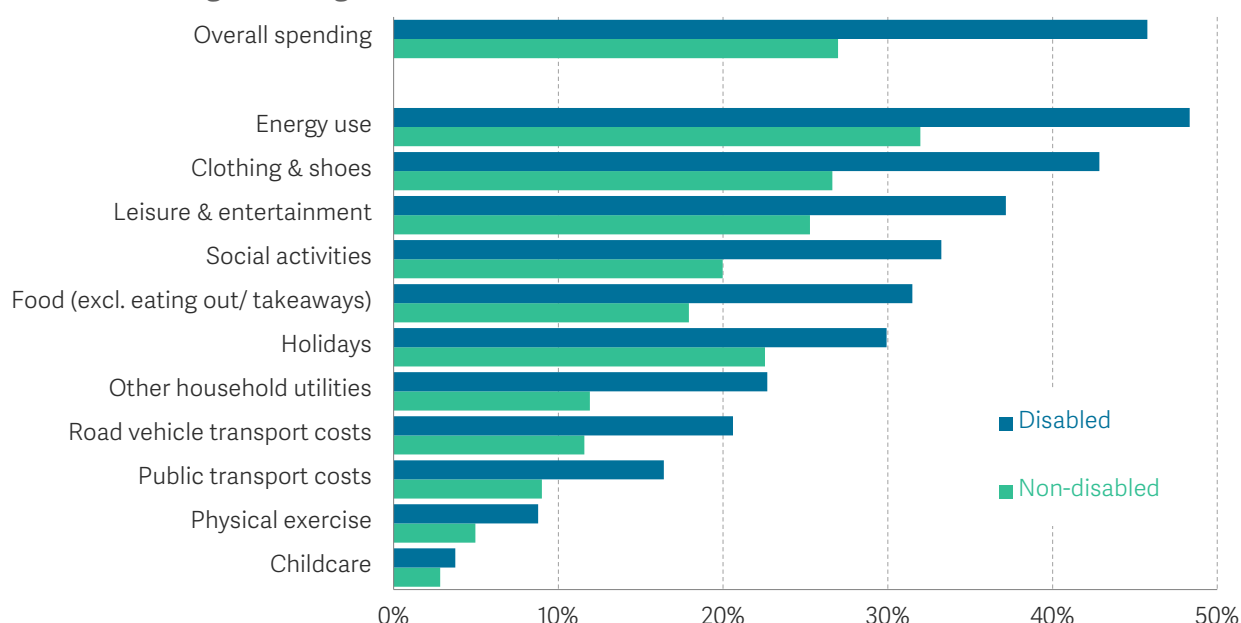
²¹ The impact of the cost of living crisis is also explored in: T Weston, *Cost of living: Impact of rising costs on disabled people*, House of Lords Library, December 2022.

²² This is in line with findings from Scope that disabled people are more likely to live in a cold home. See: B Wealthy, *Out in the cold*, Scope, March 2018.

9).²³ This will, of course, affect different illnesses in different ways. People with mobility problems, for example, may need to spend large amounts of time at home, spending more to keep their home warm. Cancer patients might also need to keep their homes warm as a result of their treatments and to help them cope with the side-effects of treatment.²⁴

FIGURE 9: Half of disabled adults have cut back on energy use

Share of the disabled and non-disabled population who have tried to cut back spending over a range of categories: UK, 23-30 November 2022



NOTES: Base is all working-age adults aged 18-65. Disabled population (n=2156) and non-disabled population (n=5563). These figures have been analysed independently by the Resolution Foundation. SOURCE: RF analysis of DWP, Household Below Average Income; DWP, Family Resources Survey; YouGov, Cost of Living Crisis, November 2022 wave.

Figure 9 also highlights that disabled people have cut back on all expenditure more than their non-disabled counterparts: 31 per cent of disabled people have reduced their expenditures on food compared to 18 per cent of the non-disabled population.²⁵ Figure 8 adds that severe and moderate food insecurity has risen sharply: experienced by 8 per cent of disabled people pre-pandemic, up to 20 per cent during the current crisis (compared to 5 per cent of non-disabled people). ONS survey data tells a similar story, showing that over half of disabled people are in debt, and one-third are skipping meals to help make ends meet during the current crisis.²⁶ Other research has shown that disabled

²³ These are similar reported rates to those found by the ONS when asked whether people are struggling to afford energy bills. See: ONS, [Impact of increased cost of living on adults across Great Britain: June to September 2022](#), October 2022.

²⁴ Macmillan Cancer Support, [Everything in our power](#).

²⁵ This challenge of food insecurity is reflected in disabled people's disproportionate reliance on food bank. See: T Weekes, [The state of hunger: it's not right that disabled people are being forced to turn to food banks](#), The Trussell Trust, June 2021.

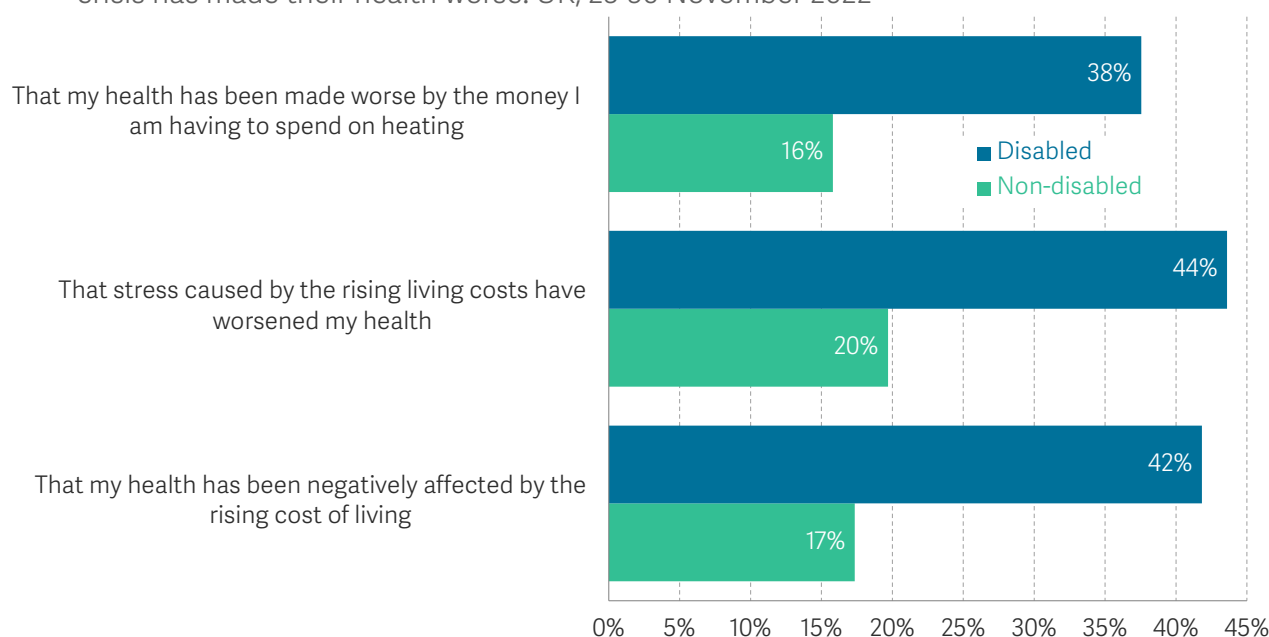
²⁶ Source: RF analysis of ONS, Opinions and Lifestyle Survey.

people have turned to consumer credit and family and friends for support over this cost of living crisis (more so than non-disabled people).²⁷

The rising cost of living is having a negative impact on disabled people's health too (more so than the non-disabled population). Figure 10 shows the share of the disabled and non-disabled population who report that the crisis has made their health worse. Over twice the share of disabled people compared to non-disabled people state that their health has been made worse because of money spent on heating (38 per cent vs 16 per cent); the stress caused by rising living costs (44 per cent vs 20 per cent); and the rising cost of living negatively affecting health (42 per cent vs 17 per cent).

FIGURE 10: People with disabilities are more likely to say the cost of living crisis has made their health worse

Share of the disabled and non-disabled population who report that the cost of living crisis has made their health worse: UK, 23-30 November 2022



Notes: Base is all working-age adults aged 18-65. Disabled population (n=2156) and non-disabled population (n=5563). The survey question asked whether a doctor had confirmed in the last three months the three statements made in the chart. These figures have been analysed independently by the Resolution Foundation.

Source: RF analysis of YouGov, Cost of Living Crisis, November 2022 wave.

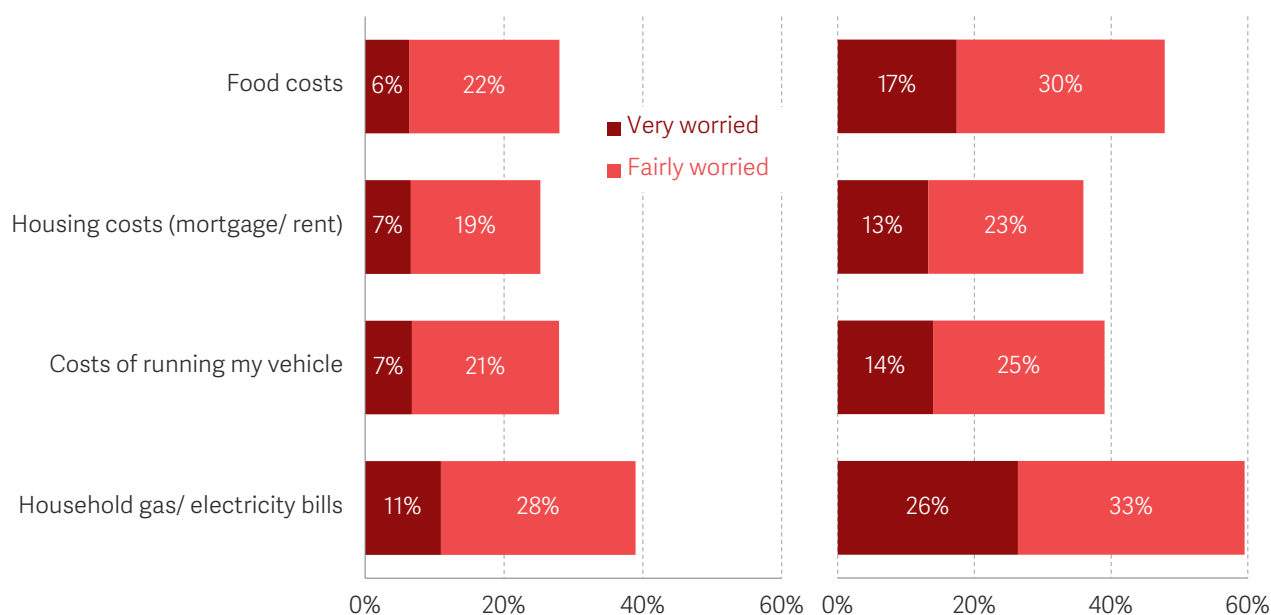
The rate of inflation may well have peaked, but that does not mean that essentials are going to become any more affordable: indeed, the cost of energy to households is set to be 40 per cent higher for the typical household in 2023-24 than it was in 2022-23.

²⁷ J Evans & S Collard, *Facing barriers: Exploring the relationship between disability and financial wellbeing in the UK*, abrdn Financial Trust, September 2022.

Unsurprisingly, a very high share of disabled people remain very or fairly worried about the costs of essential items, such as food (47 per cent), housing (36 per cent), vehicle (39 per cent) and energy costs (59 per cent) (see Figure 11).

FIGURE 11: Disabled adults are particularly worried about rising costs

Share of the disabled and non-disabled population who are either very worried or worried about a range of costs: UK, 23rd - 30th November 2022



Notes: Base is all working-age adults aged 18-65. Disabled population (n=2156) and non-disabled population (n=5563). These figures have been analysed independently by the Resolution Foundation. Source: RF analysis of YouGov, Cost of Living Crisis, November 2022 wave.

Conclusion

This note has shown that the living standards of disabled people are significantly lower than the non-disabled population and, even before the cost of living crisis, a far higher share of disabled people reported living in materially deprived households than people without disabilities. The Government has recognised this financial precarity; in the Autumn Statement 2022, the Government announced a repeat of the Disability Cost of Living Payment in 2023-24 and that disability benefits will rise by CPI inflation from April 2023. These support measures are welcome and will help millions of disabled people who are struggling through this crisis. But policy makers shouldn't assume their job is over. This report has shown that people with disabilities are already cutting back on energy use and the amount they spend on food this winter, by a greater degree than those without disabilities. People with disabilities are more likely to be worried about the cost of essentials and to say that the crisis is making their health worse. Disabled

adults also went into the cost of living crisis with already weak living standards. Central government – and local governments, through the Household Support Fund (or equivalent programmes outside England) – must consider how to provide more help for people with disabilities through the remaining months of winter. We will outline our policy recommendations for an overall cost-of-living support package in our forthcoming Living Standards Outlook report. Further measures should ideally encompass a broader focus on lower living standards for the disabled population, and support for both those who wish to work, and those who cannot.

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.

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