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**DISABILITY-RELATED EMPLOYMENT DISADVANTAGE:  
SOME INSIGHTS FROM DWP'S ANNUAL REPORT *DISABILITY AND  
EMPLOYMENT STATISTICS 2022***

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DWP published its annual statistical report on disability and employment in January 2023, [Employment of Disabled People 2022](#). This was its third report and is part of the Government's response to [Improving lives: The future of work health and disability](#) (2017) which identified a need for an annual statistics which describe employment-related disability disadvantage. The report is a really valuable source of national statistics setting out the evidence on changes in disability employment and employment gaps since 2013. It will be of interest to organisations which seek to monitor disability-related disadvantage in the labour market and to hold the government to account on its commitments to reduce this disadvantage. Disability@Work highlight key results and draw some conclusions in relation the ambition of successive governments to reduce disability-related labour market disadvantage.

Disadvantage is appropriately measured by the statistical concept of a 'gap' between outcomes achieved by disabled and non-disabled people (see [Wass and Jones 2017](#)). For example, an increase in the employment of disabled people reflects a narrowing of employment disadvantage only if the increase is greater than that for non-disabled people. If we are interested in measuring inequality or disadvantage, then we do so using an employment gap, a pay gap or a quality of work gap.

Conservative governments since 2010 have set two targets in relation to the employment of disabled people: a million more in employment over ten years (set in 2017) and halving of the disability employment gap (set in 2015 and reaffirmed in 2019). The DWP Report (2023) reports on both these measures with a focus on trends since 2013, reflecting the earliest point from which disability reporting is consistent.

This commentary provided by Disability@Work highlights a few key results from the latest DWP Report on disability and employment statistics and draws three important conclusions in relation the ambition of successive governments to reduce disability-related labour market disadvantage.

First, in relation to targets: the employment of disabled people has increased by 2.0 million between quarter three 2013 and 2022 (DWP 2023 Figure 1). The disability employment rate increased from 43.4% to 52.5% (DWP 2023 Figure 2). The disability employment gap narrowed from 34.2 percentage points to 29.6, a fall of 4.7 percentage points (DWP 2023, Figure 3). While this looks good for government and good for disabled people, on further exploration, including that undertaken by DWP, progress on disability employment disadvantage is much less than appears in these statistics. In a statistical decomposition exercise, DWP breakdowns the increase of 2.0 million disabled people in employment into four potential drivers of growth: increase in disability prevalence, employment growth, reducing disability disadvantage and growth in the working-age population. The results (DWP 2023 Figure 4) show that only 15% of the increase in employment of disabled people is accounted for by a decrease in the disability employment gap and therefore progress on disability inequality. The remainder is accounted for by growth in the number of working-age people (5%), growth in employment generally (20%) and through a very large increase in reporting of disability (60%), especially disability related to a mental health condition.

Looking more closely at that 15% contribution of the reduction in the disability employment gap, DWP offers an important qualification: “an increase in disability prevalence could impact the disability employment gap, even without any changes in employment, if prevalence increased faster among those already in work than among those out of work”. So, if disability reporting has increased faster among those in employment than those not in employment, the 15% improvement in inequality is an exaggeration. In its oral evidence to the House of Commons Work and Pensions Committee (2021) [Disability Employment Gap](#), the National Audit Office (NAO) found exactly this: that the increase in disability reporting is a particular feature of those in employment, “it is only people who are in employment where the trend has happened” and “it is a pretty staggering number” (para 19). The implication is that the measured improvement in disability employment disadvantage is simply an artefact of the increase in disability reporting. In these circumstances, a falling disability employment gap does not support a claim that equality for disabled people has improved in the area of employment. An alternative analysis undertaken by Disability@Work which accounts for the impact of the growth in disability reporting on the disability employment gap reaches the same conclusion (see [Wass and Jones 2020](#); [Wass 2022](#)).

Secondly, DWP provides statistics on employment flows, that is movements of disabled people into and out of work. These are useful in understanding changes and differences in the number of people employed at any one time. The size of employment depends on flows in and out of work. For this reason, it is instructive to look at the statistics on employment flows in and out of work reported by DWP (see DWP 2023, section 9 and Figure 25). Again, it is better to look at differences or gaps in flow rates if the interest is in inequality. On average between 2014 and 2021 disabled people moved out of work at a rate of 8.9%, nearly twice the rate of non-disabled people at 5.1%. They moved into work at 9.7% which is just over one-third of the rate for non-disabled people at 26.8%. These differences indicate that disabled people are more likely to leave employment and very much less likely to enter employment than non-disabled people.

Despite this inequality in terms of entry to and exit from employment, for the period 2014 to 2019, more disabled people moved into work (380,000 per year) than moved out of work (340,000 per year). However, this trend reversed sharply in 2020 and 2021 when an average of 420,000 disabled people moved out of work in each year compared to an average of 350,000 moving into work.

Thirdly, increasing in reporting of disability between 2013 and 2021 is reported in Figure 6. An additional 2.1 million people reported activity-limitation, including an additional 0.8 million reporting that they are limited a lot. The increase is substantial (30.7%) so that in 2021, 22% of the working-age population reported that they were disabled. It is important that we understand this increase and can measure the proportion which arises in response to a cultural and legal broadening of the definition of disability as opposed to functional reasons to do with ill-health. The report highlights the absence of data which would allow us to make this distinction referring only to the Psychiatric Morbidity Survey in 2014 which showed an increase in health conditions related to poor diet and levels of physical activity. We renew our calls to collect nationally representative data on functional limitations which might allow us to achieve this.

## References

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