The Role of Education in the Disability Employment Gap

Policy Brief

University of
Sheffield

Department of Economics

There is a large **Disability Employment Gap (DEG)** in the UK; this is the difference between the employment rates of non-disabled people and disabled people. In 2019, the DEG for people aged 25-64 stood at **33 percentage points**. This is caused by many factors and in new research we focus on how it is related to educational qualifications. In this Policy Brief we:

- Highlight **large discrepancies** in the **qualifications** of disabled and non-disabled people
- Show a **steep gradient** in the **size of the DEG** across qualification levels
- **Disentangle** the role of educational discrepancies from other barriers to employment
- Project the **potential changes** in the DEG under two alternative **policy scenarios**:
    i. equalising qualification levels
    ii. tackling other barriers to employment

Headline findings

- **Eliminating structural barriers** to the employment of disabled people would reduce the DEG by a lot more than equalising educational levels between disabled and non-disabled people.

- If we were to **invest in the education of disabled people** so that they had the same qualification levels as non-disabled people on average, then this would reduce the DEG to **29 percentage points**

- If we were to **eliminate all structural barriers** in the labour market so that disabled people were to have the same probability as non-disabled people of being in employment given their qualification levels, then this would reduce the DEG to **5 percentage points**

- The greatest reduction in the DEG could be achieved by removing structural barriers for **the least qualified**, such that disabled people with no qualifications have the same chance of employment as non-disabled people with no qualifications.

- Employment may not be suitable for all disabled people, and there is a smaller DEG of **16 percentage points** among people stating that they want to work; this could be reduced to **1 percentage point** by eliminating structural barriers

Defining disability
As defined in the Equality Act (2010), a person is disabled if they report having a mental or physical health condition lasting or expected to last 12 months or more which has an impact on their day-to-day life. About one in five people of working age in the UK is disabled.

Background

Education is an important determinant of employment. On average, **disabled people have lower levels of education** than non-disabled people. In 2019, only 24% of disabled people had a degree compared to 39% of non-disabled people. Moreover, 17% of disabled people had no formal qualifications compared to just 6% of non-disabled people. See **Figure 1**.

This disparity in educational attainment might explain why disabled people are much less likely to be in employment. However, even within the highest qualification groupings, disabled people are less likely to be employed.
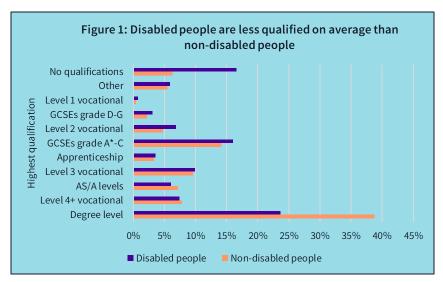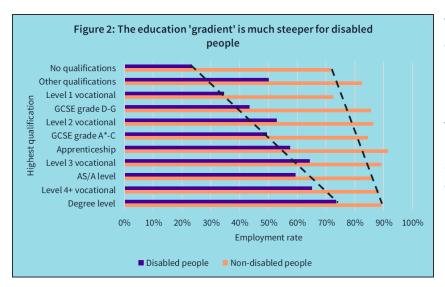

Figure 1: Disabled people are less qualified on average than non-disabled people

Figure 2 shows that a DEG exists for people of all education levels, but **the gap is much wider at lower levels of education**. This education 'gradient' is much less steep among non-disabled people. It seems that education is particularly important for disabled people to help them to find employment.

Figure 2: The education 'gradient' is much steeper for disabled people

These DEGs at each education level exist because of **structural barriers** whereby disabled people find it more difficult to access work even if they have the same levels of skill and employability as non-disabled people.

Where does our evidence come from?

We analyse UK data from the Annual Population Survey 2019 (the most recent year before the Covid pandemic). The sample comprises some 30,000 disabled people and 105,000 non-disabled people aged 25-64 (people of working age but expected to have completed full-time education).

Source of all data: Office for National Statistics, Social Survey Division. (2021). Annual Population Survey Household, 2004-2020: Secure Access. [data collection]. 7th Edition. UK Data Service. SN: 6725, DOI: 10.5255/UKDA-SN-6725-7
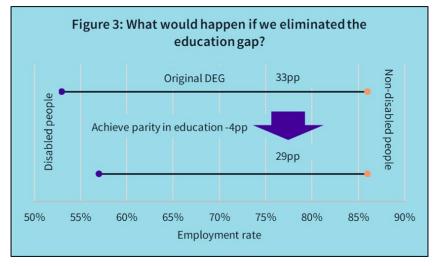

Implications for policy

Using statistical decomposition techniques, we can simulate what would happen hypothetically if different policy options were to be followed to reduce the DEG.

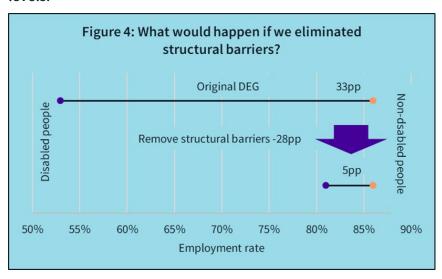## Policy scenario 1: Focusing on education

What would happen if policy were focused on **investing in the education of disabled people** such that disabled people were to have the same qualification levels on average as non-disabled people?

As shown in **Figure 3**, this would reduce the DEG by **4 percentage points**, and would be achieved mainly by decreasing the number of disabled people with no qualifications and increasing the number of disabled people with degrees.

Figure 3: What would happen if we eliminated the education gap?

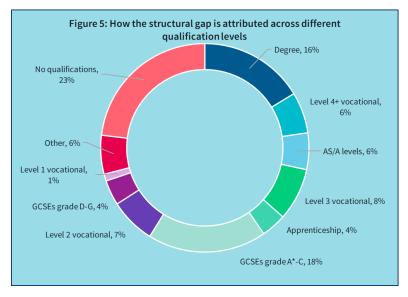## Policy scenario 2: Focusing on structural barriers

An alternative policy approach is to **tackle structural barriers**. This is a more difficult challenge, as structural barriers are particularly acute for disabled people with low education levels.

Figure 4: What would happen if we eliminated structural barriers?

However, if this was achieved to the extent that a disabled person with a given level of education and other characteristics had the **same probability of being in work** as a non-disabled person with the same level of education and other characteristics, then the DEG would be reduced by **28 percentage points**, as shown in **Figure 4**.

If a policy intervention were to focus only on eliminating structural barriers for people with no qualifications, such that disabled people with **no qualifications** had the same probability of employment as non-disabled people with no qualifications, then this alone would reduce the

overall DEG by **6 percentage points**. **Figure 5** shows that almost a quarter of the structural gap is attributable to people with no qualifications.

Figure 5: How the structural gap is attributed across different qualification levels

Degree, 16%
Level 4+ vocational, 6%
AS/A levels, 6%
Level 3 vocational, 8%
Apprenticeship, 4%
GCSEs grade A*-C, 18%
Level 2 vocational, 7%
GCSEs grade D-G, 4%
Level 1 vocational, 1%
Other, 6%
No qualifications, 23%

Some of the DEG is explained by **other differences in characteristics** between disabled and non-disabled people which are also related to the chances of being in employment (things like gender, age, ethnicity, marital status and where you live). Unlike education, these are characteristics that largely cannot be modified by policy.

What are structural barriers?

Some of these barriers may be related to **labour demand**. Employers may be inclined not to take on disabled people, even if they have the necessary qualifications, perhaps due to discrimination or an unwillingness to make reasonable adjustments.

Barriers may also be related to **labour supply**. Due to specific impairments, disabled people may be restricted in the types of work they can do and may find it harder to find suitable employment. Also some disabled people cannot work or have a preference not to work.

Taking account of preferences for work

We also propose an alternative DEG where we only consider people expressing a desire to work. This preference-based DEG is much smaller than the overall DEG (16 percentage points) and most of this gap is attributable to structural barriers (15 percentage points). This shows that addressing structural barriers is just as important for reducing the DEG among people with a preference for work. However, in this case reducing structural barriers among people with degrees would have the most impact (3 percentage points).

Nuffield Foundation