

THE DISABILITY MANIFESTO 2009

# TACKLING DISABILITY POVERTY

Disability  
a chance

# The Disability Manifesto

Tackling Disability Poverty, December 2009. Written and published by Disability Alliance, a UK charity with the principal aim of breaking the link between poverty and disability.

## **SUPPORTING OUR AIMS**

The organisations that contributed to this manifesto include:

Action for Blind People  
Action for ME  
Alliance for Inclusive Education  
Carers UK  
Child Poverty Action Group  
Counsel and Care  
DeBRA  
Get Fair  
Leonard Cheshire Disability  
Mencap  
National Centre for Independent Living  
Prospect  
Radar  
RNIB  
Sense  
Spinal Injuries Association

## **ROUTES OUT OF POVERTY**

A summary of our recommendations is on page 23.

## **FURTHER INFORMATION**

For further information on this manifesto or how we will be pursuing our 17 recommended routes out of poverty, please visit our website: [www.disabilityalliance.org](http://www.disabilityalliance.org)

## **ALTERNATIVE FORMATS**

If you would like this manifesto in an alternative format please contact us.

## **ACKNOWLEDGEMENTS**

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## Overview

The UK experienced more than a decade of economic growth to 2008. In the same period governments throughout the UK have taken sustained action to tackle poverty. Despite the strong economy, targeted action and living in the sixth wealthiest nation in the world<sup>1</sup>, disabled people and their families remain at significant risk of poverty.

- Disabled people are twice as likely to live in poverty as other citizens<sup>2</sup>.
- 29% of disabled children live in poverty in the UK<sup>3</sup>.
- A third of disabled adults of working age live in poverty. There are more disabled adults of working age living in poverty than either children or pensioners living in poverty<sup>3</sup>.
- 50% of disabled adults of working age are not in paid work<sup>3</sup>.
- 29% of pensioners in households with one or more disabled adults who were not in receipt of disability benefits lived in poverty (compared to 11% receiving a disability benefit)<sup>4</sup>.

The UK is now experiencing recession. There is a risk that the economic downturn will lead to a reduction in action to tackle poverty – at exactly the time action is most needed.

But we also have an opportunity; 2010 is the European Year for Combating Poverty and Social Exclusion and the year of the next general election.

This is the first time the organisations supporting this manifesto have come together to request action specifically on disability poverty.

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1 The UK was the 6th richest nation by GDP according to the World Bank and IMF in 2008.  
 2 It is estimated that 30% of disabled people live in a household with income of less than 60% of median national income, compared to around 16% of other citizens, Leonard Cheshire Disability *Disability Poverty in the UK 2008*.  
 3 IPPR and Disability Rights Commission (DRC) *Disability 2020 2007* and DRC *Ending poverty and widening employment opportunity 2007*.  
 4 Joseph Rowntree Foundation and Disability Alliance *Disabled people's costs of living 2004*.

### WE BELIEVE

Now is the time for action. The recommendations for routes out of poverty we suggest in this manifesto could ensure that disabled people are able to benefit from the same life chances as other citizens.

In the 21st century – and irrespective of the overall performance of the economy – the UK should be able to ensure disabled people are not confined to a lifetime of poverty and degradation.

Ending the link between disability and poverty should be a priority across the political and social spectrum.

## Why tackling disability poverty is important

Over the last two decades, much has been achieved to improve disabled people's civil rights. This has largely been through legislation, including the Disability Discrimination Act (DDA 1995, as amended 2005) and Special Educational Needs and Disability Act (2001).

- The number of disabled people in work has increased; and the number of disabled graduates gaining employment is also increasing<sup>5</sup>.
- Under the current UK Government, we have seen the introduction of specific targets for cutting poverty. The Government is also legislating, through the Child Poverty Bill, to eliminate child poverty.
- Tackling older people's poverty has also been a focus of Government action, with Pensioner Tax Credits, free public transport, free TV licences and Winter Fuel Payments reducing older people's likelihood of living in poverty.

But far too many disabled people still experience poverty and economic exclusion – even using the general poverty measure (see page 7) which does not account for disabled people's lower earning potential and higher costs of living.

Families of disabled people share this poverty and diminished life chances. There are six million informal carers in the UK. Carers experience significant economic and social disadvantage based on their relationship with a disabled person.

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<sup>5</sup> Association of Graduate Careers Advisory Services *What happens next? A report on the first destinations of 2007 disabled graduates* 2009.



### **WE BELIEVE**

The UK cannot afford not to tackle disability poverty. We are due a general election by July 2010. We believe UK political parties should commit to tackling disability poverty.

*“Child poverty is the scar that demeans Britain.”*  
(Gordon Brown, 3 March 2009). We believe disability poverty equally demeans Britain.

And the UK demographic profile is changing dramatically. We are an increasingly ageing society. Over the next two decades we will experience a significant growth in the number of older and disabled people and a demand for care and support<sup>6</sup>. More people are likely to live with health conditions or impairments, and be at greater risk of experiencing poverty. It is paramount that action is taken now.

The groundswell of public support for anti-poverty campaigns suggests the moral and social imperative for action. But action is also essential to tackle the negative economic impact of poverty.

There is a strong economic case for addressing disability poverty. The Social Market Foundation and Disability Rights Commission estimated that equalising the skills of disabled people (one root cause of poverty) by 2020 would boost the economy by £35 billion over the subsequent 30 years and make a significant contribution to tackling child poverty<sup>7</sup>. Leonard Cheshire Disability believe that ending disability poverty would mean more disabled people moving into the workplace, increasing net contributions to the Treasury through taxes, and reducing expenditure on out-of-work benefits. If a million disabled people moved into work, the Treasury would gain over £5 billion in income tax alone<sup>8</sup>.

Poverty undermines people's ability to fulfil their potential. Poverty reduces independence, choice and control, increases the likelihood of living in poor housing and limits life chances. Tackling poverty can also reduce preventable NHS use, poor educational attainment, decreased earning potential and pathways to crime.

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6 The King's Fund Wanless report *Securing good care for older people* 2006 estimated that, by 2026, the number of people aged 85 and over in England would increase by two-thirds, compared with a 10% growth in the overall population for example. And the Prime Minister's Strategy Unit emphasised that disabled children aged 0–16 are the fastest-growing group of disabled people in *Improving the Life Chances of Disabled People* 2005. Carers UK estimate, using Census 2001 analysis, we will need nine million informal carers by 2037.

7 SMF and DRC *Disability, Skills and Work: Raising our sights* 2007.

8 Leonard Cheshire Disability, *Disability Review* 2008.

## WE BELIEVE

Poverty is an issue of social justice and equality as well as impacting on a range of other mainstream government activities including social inclusion and sustainable economic policy.

The Conservative approach to tackle poverty was outlined by David Cameron (10 November 2009) as equalising opportunity and emphasising personal responsibility.

## Assessing disability poverty

Much has been written about tackling poverty in the UK. This manifesto draws together key evidence demonstrating the links between poverty and disabled people and promotes routes out of poverty.

Definitions are provided below to clarify who and what we're describing and to evidence the links between poverty and disability clearly.

### Disability

We use the term 'disabled people' to represent all the people who are likely to meet the definition of disability in the Disability Discrimination Act. This includes people with sensory and mobility impairments, learning difficulties, mental health problems and long-term health conditions such as diabetes, HIV, ME, multiple sclerosis and cancer.

Government research suggests that this term may apply to as many as one in five of the British population<sup>9</sup>.

### Poverty

The most commonly used measure of poverty in UK analysis is the 'Households Below Average Income' (HBAI) value, derived from the Family Resources Survey. This measure uses relative income on a 'before housing costs' and 'after housing costs basis' and adopts a 60% of median income as a proxy for the poverty line. The after housing costs measure provides the best indicator of disposable income.

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<sup>9</sup> DWP, *Family Resources Survey 2002/03* shows that 22% of GB adults have a 'long-standing limiting illness or disability'.

<sup>10</sup> It is estimated that 30% of disabled people live in a household with income of less than 60% of median national income, compared to around 16% of other citizens.

### EVIDENCE

Disabled people are twice as likely to live in poverty as other citizens<sup>10</sup>.

The latest year for which data is available is 2007/08<sup>11</sup> in which the 60% threshold was:

- £115 per week disposable income for a single adult with no dependent children.
- £199 per week for a couple with no dependent children.
- £239 per week for a single adult with two dependent children (aged 5 and 14).
- £322 per week for a couple with two dependent children (aged 5 and 14).

These sums of money are measured after income tax deductions, council tax and housing costs, where housing costs include rent, mortgage interest (but not the repayment of principal), buildings insurance and water charges. They represent what the household has available to spend on everything else it needs (eg food, heating, travel and leisure).

Whilst the UK poverty measure remains based on household income, the European definition has moved towards a more social and relative understanding of poverty. But the EU definition presents the UK with more significant challenges.

The European Union's working definition of poverty is:

'Persons, families and groups of persons whose resources (material, cultural and social) are so limited as to exclude them from the minimum acceptable way of life in the Member State to which they belong'.

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<sup>11</sup> See [www.poverty.org.uk](http://www.poverty.org.uk) or [www.cpag.org.uk/povertyfacts/index](http://www.cpag.org.uk/povertyfacts/index) for further information on latest figures.

<sup>12</sup> Council of the EU *Joint Report on Social Protection and Social Inclusion* 2009.

## EU EVIDENCE

The EU has reported that, across Europe in 2009, the risk of poverty faced by people aged 65 or over ranges from 5% in the Czech Republic to 30% in the UK<sup>12</sup>.

The EU approach is now the most commonly used definition of poverty in the industrialised world. It recognises that poverty is not just about income, but how people living in poverty are excluded from ordinary living patterns, customs and activities. The EU definition complements the conventional income poverty concept with non-monetary indicators of deprivation and exclusion.

### Accurately assessing disability poverty

We support the use of a figure based on the EU model as it would better reflect disabled people's higher costs of living and the impact this has on broader opportunities to participate.

Living with an impairment or long-term health problem increases people's living costs – be it from adaptations to the home, equipment costs (eg a wheelchair) or higher bills (due to specific diets or heating needs). In recent studies, Leonard Cheshire Disability has highlighted the impact of higher costs on the likelihood of disabled people living in poverty: 63% of disabled respondents live in fuel poverty; and 50% of disabled respondents using social services and living in poverty pay towards the care they receive<sup>13</sup>.

Higher costs of living include what many describe as 'tax on ill-health' through, for example, hospital car-parking fees and prescription charges<sup>14</sup>.

### COALITION ON CHARGING EVIDENCE

The Coalition surveyed disabled people, older people and carers in 2008 about higher costs of living.

*"I have some help from family including with high food bills for special diet, supplements and with occasional osteopathy treatment (all essential for my health) ... I can't have the latter as often as I need ... Any 'extras' usually have to be paid for by family ... Meanwhile, essential costs like food, gas and electricity ... are constantly increasing"*

<sup>13</sup> Leonard Cheshire Disability *Disability and Fuel Poverty 2009 and Disability Review 2009*. Fuel poverty is defined as a household needing to spend more than 10% of its income on fuel to maintain an adequate level of warmth according to DEFRA; see *The UK Fuel Poverty Strategy 6th annual progress report 2008*.

<sup>14</sup> We acknowledge that it is now Government policy to end hospital car-parking charges for inpatients – and that prescription charges are to be phased out for people with a wider range of conditions.

These additional costs generally have to be met through disabled people's lower incomes. Disabled people experience higher unemployment rates. Disabled workers are also more likely to be lower paid than other similarly qualified workers (whether the job is full or part-time<sup>15</sup>). This 'disability pay gap' is almost 10% – a significant penalty considering the higher living costs<sup>16</sup>.

Current UK poverty statistics significantly underestimate the rate of disability poverty as they are based on income. This approach does not account for disabled people's additional costs of living.

Government statistics on income are adjusted to take account of variations in the size and composition of the household (a process called equivalisation) but no adjustment is made for disability-related extra costs. We believe there needs to be an 'equivalisation' for disability incorporated into current statistics.

As a first step, disability benefits paid to cover the additional costs of living disabled people experience should be excluded as income when measuring disability poverty and for assessments related to paying towards public services, like social care.

## ROUTES OUT OF POVERTY

- ▶ Measure disability poverty as a unique form of poverty<sup>17</sup>.
- ▶ Aim to eliminate disability poverty by 2025 through a coherent strategy<sup>18</sup>.
- ▶ Exclude disability benefits from 'income' assessments, or include the extra costs of living that disabled people experience.

<sup>15</sup> Joseph Rowntree Foundation and New Policy Institute *Monitoring poverty and social exclusion 2005*.

<sup>16</sup> The pay gap has reduced from 14% in 1998. Disability Rights Commission *Disability Briefing March 2006*.

<sup>17</sup> This could be done using the model of indicators set out in the Leonard Cheshire Disability *Disability Poverty in the UK* report 2008.

<sup>18</sup> 2025 is the year in which the Government has pledged to deliver disability equality, see Prime Minister's Strategy Unit *Improving the Life Chances of Disabled People* report 2005. We feel that equality and poverty are interlinked – and earlier targets exist for the eradication of child poverty and fuel poverty.

## Children and families

Despite sustained government action, disabled children and children of disabled parents disproportionately experience poverty. The costs of bringing up a disabled child and the lack of acknowledgement of higher costs of living are factors in children and families experiencing disability-related poverty. Disabled parents' employment levels also impact on their children's likelihood of living in poverty.

### The evidence

Evidence about disabled children's specific experience of poverty is limited.

However, it is estimated that:

- In 2007/08 child poverty climbed to 32%<sup>19</sup>.
- Four million children live in poverty in the UK<sup>20</sup>.
- One in three children living in poverty in Britain has a disabled parent<sup>21</sup>.
- Disabled young people, 16-19 years of age are three times more likely not to be in employment, education or training (NEET) than other young people<sup>22</sup>.

The Government set a target of reducing the proportion of 16 to 18-year-olds that are NEET from 9.6% in 2004 to 7.6% by 2010. But the figure for the end of 2008 shows the proportion has risen to 10.3%. Separate data suggests that it may have risen further to 11.9% during the second quarter of 2009.



### WE BELIEVE

Measuring disability poverty should be deconstructed by age group.

### EVIDENCE

29% of disabled children live in poverty in the UK<sup>22</sup>.

<sup>19</sup> JRF 'Search' estimate, 2009: [www.JRF.org.uk/sites/files/JRF/search-summer-2009.pdf](http://www.JRF.org.uk/sites/files/JRF/search-summer-2009.pdf)

<sup>20</sup> For information on the 4 million figure visit: [www.endchildpoverty.org.uk](http://www.endchildpoverty.org.uk)

<sup>21</sup> Lyon, N., Barnes, M. and Sweiry, D. (2006) *Families with Children in Britain: Findings from the 2004 Families and Children Study*.

<sup>22</sup> Disability Rights Commission *Increasing life chances through learning and skills: creating an alternative future* 2007 based on DfES 2005 figures; and IPPR and DRC) *Disability 2020* 2007.

In English special schools for disabled children, 61% of pupils are not entered for any GCSE/GNVQs, compared to 4% of pupils in mainstream schools<sup>23</sup>. The Social Market Foundation estimated in 2007 that improving the skills of disabled people to world class levels by 2020 would boost the economy by £35 billion over the subsequent 30 years and help tackle child poverty<sup>24</sup>.

The majority of parents with disabled children would like to be in paid employment. However, barriers to work for this group of people include: inflexible employers; inflexible school hours; ill-health among parent-carers; frequent moves to seek appropriate housing or schooling; and day-time medical appointments.

Only 10% of childminders offer services for disabled children<sup>25</sup>. Barriers to accessing appropriate childcare include: discrimination, extra costs for disability-related support, and long-term childcare needs. Problems accessing childcare for parents of disabled children are often compounded by inadequate local authority service provision – which can result in work participation challenges for parents and poverty for the whole family.

Most social policy analysts believe that work is the best route out of poverty. But 60% of children living in poverty in the UK have one or both parents in work. The Joseph Rowntree Foundation (JRF) recently reported that there are as many children living in poverty in working families as in non-working families in Wales<sup>26</sup>. And reductions in child poverty have largely benefitted non-working families, rather than families with parents in work.

## CPAG EVIDENCE

Families with disabled children are:

- More likely to be single parents.
- Less likely to work.
- More likely to be in semi-skilled or unskilled manual jobs.
- More likely to be dependent on income support.
- Less likely to own their own home.

23 Scope and Demos *Disablist Britain: Barriers to independent living for disabled people in 2006*.

24 Social Market Foundation and *Disability Rights Commission Disability, Skills and Work: Raising our sights 2007*.

25 National Audit Office *Early Years: progress in developing high-quality childcare and early education accessible to all 2004*.

26 JRF *Monitoring Poverty and Social Exclusion in Wales 2009*.

The Government recognises that families with disabled children incur extra costs. Significant improvements to disability benefits for low-income families with disabled children have been introduced since 1997 and financial support for such families has risen by 103% in the last 12 years. For low-income families with a severely disabled child, the increase is 184%. This includes the Disabled Child Premium in Child Tax Credit doubling from £21.45 to £42.49, and the Carer Premium increasing from £13.65 to £25.55.

Disability benefits can reduce the risk of a child living in poverty. In households with a disabled child but no disabled adult incidence of poverty rises from 19% for those in receipt of disability benefits to 41% in households not in receipt of disability benefits<sup>27</sup>.

But carers feel the system does not fully recognise their needs, contribution, or higher costs of living when supporting a disabled person. Carer's Allowance is an earnings replacement benefit but is paid at a very low rate. Carers and their representative organisations believe it should match other long-term earnings replacement benefits. To raise Carer's Allowance to the same level as the basic state pension would improve recognition of the status of 'carer'<sup>28</sup>. This would also reduce the level of poverty disabled people and their families experience. Any raise should be reflected with an equivalent uplift in Carer Premium within Income Support.

An alternative option would be to make Carer's Allowance non-taxable. This would give it a basis equivalent to Severe Disablement Allowance and would allow for a more generous Child Tax Credit calculation.

### CARERS UK EVIDENCE

More than a million carers provide over 50 hours unpaid support every week to disabled people.

In December 2008 a Carers UK study revealed that:

- Two-thirds of carers were spending their own income or savings on care services.
- Three-quarters were struggling to pay essential utility bills.
- Half were forced to cut back on food to make ends meet.<sup>29</sup>

<sup>27</sup> HMSO *Households Below Average Income 1994/95-2007/08* 2008.

<sup>28</sup> Carers are known to experience disadvantage, including in work. A BMRB survey for the Equal Opportunities Commission in 2004 revealed that one in five carers has given up or been unable to take up work as a result of care responsibilities. Carers UK predict a rise from six to nine million carers to meet the needs of greater numbers of older and disabled people over the next two decades. The impact of carers' reduced availability for work will rise significantly.

<sup>29</sup> Carers UK *Carers in Crisis* 2008.

Families feel strongly that carers should be able to receive a payment for each person they care for, where this adds up to more than 35 hours per week. Currently, both members of a couple with two or more disabled children are able to claim Carer's Allowance if children receive the relevant disability benefits. But lone parents caring for two or three disabled children can only receive one Allowance which can exacerbate poverty. An additional payment for carers looking after more than one child – especially more than one disabled child where costs are even greater – would address this anomaly. This additional payment could also be reflected in a double Carer Premium for those families on Income Support.

### Current government policies

As well as the target to reduce the number of young people that are NEET the Government is introducing a Child Poverty Bill which aims to ensure all children are protected from poverty. The Government is also aiming, through the current Public Service Agreement 9<sup>30</sup>, to halve the number of children in poverty by 2010-11, on the way to eradicating child poverty by 2020. The national target is to reduce by a half the number of children living in relative low-income by 2010/11.

Other indicators of progress are:

- The number of children in absolute low-income households (ie median income fixed at 1998/99 levels in real terms).
- The number of children in relative low-income households (ie median income moving each year) and in material deprivation.

The National Carers strategy also commits the Government to ensuring that by 2018 no carer is in financial hardship because of caring.

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<sup>30</sup> Public Service Agreements (PSAs) are set across national Government in partnership with local government and other key bodies and are met through a Delivery Agreement and performance indicators.

### ROUTES OUT OF POVERTY

- ▶ Focus tackling 'NEET' on disabled 16-18 year olds.
- ▶ Target disabled 18-25 year olds for additional support to get and retain work.
- ▶ Remove lower age limit for accessing Disability Living Allowance (DLA) mobility component (currently 3 years of age) to support parents.
- ▶ Overhaul carers' benefits to simplify the system and support carers to combine caring with paid work.

## Working age adults

Working age disabled adults' disproportionately experience poverty due to a range of factors including: fewer skills; insufficient or inappropriate support to get and keep work; inadequate income (including from benefits); and higher costs of living.

### The evidence

- A third of disabled adults of working age live in poverty<sup>31</sup>.
- In the UK, disabled adults aged 25 to retirement are twice as likely to live in low-income households as other citizens of the same age: 30% compared with 16%.
- Disability affects work status more than gender or lone parenthood<sup>32</sup> and under half of all disabled people are in paid employment<sup>33</sup>.
- Only one fifth of people with mental health conditions and people with learning disabilities are in paid employment<sup>33</sup>.
- 40% of adults aged 45-64 on below-average incomes have a limiting longstanding illness or disability, more than twice the rate for those on above-average incomes<sup>33</sup>.
- Disabled people in work are paid less. In both full-time and part-time work, the proportion of disabled employees who are low paid is around ten percentage points higher than for other employees<sup>33</sup>.



### WE BELIEVE

Disabled people of working age should not disproportionately experience poverty. Lower incomes and higher costs of living are factors in working age poverty for disabled people but inadequate state support to level the playing field is also a factor.

31 Disability Rights Commission *Ending poverty and widening employment opportunity* 2007.

32 CPAG *A Route out of Poverty? Disabled people, work and welfare reform* 2006.

33 EHRC, *Disability Committee Priorities and work programme* 2009 using Disability Rights Commission *Disability Briefing* March 2006.

In 2008, JRF published the first 'minimum income standard for Britain'<sup>34</sup>, based on the level of income members of the public thought people need to achieve a socially acceptable standard of living. A year later, and in changing economic circumstances, the standard has been updated for inflation. The view of members of the public is that a single person in Britain needs to earn at least £13,900 a year before tax in order to afford a basic but acceptable standard of living. For a couple with two children this figure rises to £27,600.

But in April 2008 the Office of National Statistics reported that the median gross annual earnings were £23,908 for full-time employee jobs on adult rates. Disabled people are more likely to be lower paid and less likely to reach the national median, placing them further below the basic standard. Disabled people on benefits are even worse off compared to the national median.

For most families, the cost of a minimum household budget has risen by about 5% in the past year. This is well above the general inflation rate<sup>35</sup>, because someone on a minimum income spends a greater than average portion of their budget on food, domestic fuel and public transport, where prices have risen by 7-12%. The minimum budget also doesn't include a mortgage or running a car – which has seen a fall in costs and reduced the general inflation rate.

Working-age people on benefits remain well below the minimum income standard. Even though benefit rises in April 2009 exceeded the inflation rate, they were similar to the rise in the cost of a minimum household budget. People on benefits are no closer to reaching an acceptable standard; and benefits do not reflect disabled people's actual costs of living.

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<sup>34</sup> JRF, *A minimum income standard for Britain: what people think* 2008.

<sup>35</sup> General inflation was 1.5% at October 2009 according to the National Statistics Office: [www.statistics.gov.uk/cci/nugget.asp?ID=19](http://www.statistics.gov.uk/cci/nugget.asp?ID=19)

<sup>36</sup> Carers UK *Real change, not short change – time to deliver for carers* 2007.

### CARERS UK EVIDENCE

According to one study, half of all carers subsidise the costs of the disabled person they support because of inadequate disability benefits<sup>36</sup>.

### WE BELIEVE

Benefits should reflect a minimum income standard and disabled people's higher costs of living.

The official poverty line is set relative to average incomes, which have stopped growing. People on low incomes whose benefits are still rising may appear to improve their position relative to this poverty line. However, this does not take account of their increased costs, which mean their living standards may not have improved.

The trade union Prospect believes that disabled people are more likely to incur job losses or pay cuts during recession – and more likely to be out of work for greater lengths of time. This is partly due to employer discrimination in recruitment and partly through lower skills. With more people currently losing work, maintaining a minimum acceptable income has become more important than ever.

However, the general public have provided views on a minimum income irrespective of circumstances (even during recession). Exploratory JRF research, asking members of the public about their attitude to ‘essentials’ in light of recession, suggests that people continue to believe that a minimum standard of living should allow people in Britain not just to survive, but to play a full part in society.

The JRF study shows that the cost of a minimum living standard rose by about 5% in the year to April 2009, even though prices fell overall. Fortunately for people on the lowest incomes, benefits rose by a similar amount, because the rise was based on an earlier inflation figure. But some people losing their jobs still have to survive on less than half of the income level suggested by members of the public as adequate to achieve an acceptable standard of living.

## ROUTES OUT OF POVERTY

- ▶ Implement a national benefit take-up campaign, particularly for parents of children with a special educational needs statement.
- ▶ Offer ‘benefit prescriptions’ to working age adults likely to meet DDA definition of disability, highlighting potential support (eg DLA).
- ▶ Pay a revised form of DLA to all disabled people based on the level of costs associated with the impairment or health condition experienced.
- ▶ Reflect inflationary rises in living costs in out of work benefits and in-work income support (Tax Credits, Housing Benefit, Council Tax Benefit).

Routes into work also require substantial national government focus. Disabled people should be able to access personalised, expert support to facilitate (re)entry to work. This could be offered through Pathways to Work. Operationally however, Pathways to Work would need to better meet the needs of the numbers of disabled people who are either moved from Incapacity Benefit onto Jobseeker's Allowance or unable to claim Employment and Support Allowance.

Improving the employment rate of disabled people to the UK average through skills and better support to secure and retain work would boost the economy by £13 billion<sup>37</sup>.

### Current government policies

There are no indicators or targets for working-age poverty.

The Government aspires to an 80% employment rate, which would include disabled people. The Government has also pressed its case for welfare reform on tackling benefit dependency and supporting disabled people into work.

Some disability organisations that welcomed welfare reform are now concerned that the pace and rigidity of change has meant many disabled people are unable to access the tailored support and higher benefits available to Employment and Support Allowance claimants. This was contrary to expectations.

### ROUTES OUT OF POVERTY

- ▶ Review the impact of the introduction of ESA on disabled people's poverty and address if reform has delivered unintended consequences.
- ▶ Simplify benefits to increase take-up and avoid appeals; and provide the equivalent of ESA support to all disabled people.
- ▶ Provide specialist support to disabled people to (re)enter work, including through Jobcentre Plus and an increase in the budget and promotion of Access to Work<sup>38</sup>

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<sup>37</sup> Social Market Foundation and Disability Rights Commission *Disability, Skills and Work: Raising Our Sights* 2007.

<sup>38</sup> Access to Work is a government initiative to support disabled people to get and keep work. Further information is available at: [www.direct.gov.uk/en/DisabledPeople/Emplimentsupport/WorkSchemesAndProgrammes/DG\\_4000347](http://www.direct.gov.uk/en/DisabledPeople/Emplimentsupport/WorkSchemesAndProgrammes/DG_4000347)

## Older people

Despite significant government action, older disabled people remain at higher risk of living in poverty. Costs to use public services, lower benefit payments and poor take-up and awareness of benefits impact on older people's experience of disability-related poverty.

### The evidence

Official figures show that the proportion of pensioners living in low-income households had been falling throughout the last decade, from 29% in 1996/97 to 19% in 2006/07.

The Work and Pensions Select Committee investigated pensioner poverty in 2009<sup>39</sup> and reported that overall, pensioners are now less likely to live in poverty (18%) than the population as a whole (23%).

But an estimated two million older people live in relative poverty<sup>39</sup> (ie below 60% of contemporary median income) overall and this figure is higher for disabled older people.

DWP has stressed that Pension Credit ensures that no pensioner (whether living with disability or not) should live on less than £130 per week in 2009-10<sup>39</sup>. This compares to the guarantee of £69 per week in 1997 for pensioners relying on Income Support, an increase of one third in real terms.



### JRF/DA EVIDENCE

29% of pensioners in households with one or more disabled adults who were not in receipt of disability benefits lived in poverty<sup>40</sup>.

<sup>39</sup> House of Commons Work and Pensions Select Committee *Tackling Pensioner Poverty* 2009. Including DWP evidence to the Committee.

<sup>40</sup> JRF and Disability Alliance (DA) *Disabled people's costs of living* 2004. In pensioner households where disability benefits were claimed, the figure was 11%.

DWP also believes that, as a result of changes in the tax and benefit systems:

- pensioner households are on average £1,600 a year (£31 per week) better off than they would have been under the 1997 system.
- poorest pensioner households are around £2,200 a year (£42 per week) better off.

But Age Concern and Help the Aged identified that in 2008 the oldest and poorest pensioners were hit hardest by rising costs of living, especially the price of food and fuel. With recession, people in their 50s and 60s are fearful of working life ending prematurely, at a time when they can least afford it.

Older people are also less likely to be aware of some forms of support available. The Get Fair Coalition revealed in 2009 that millions of older people still do not claim benefits to which they are entitled, with up to £5 billion going unclaimed annually. Get Fair suggest that automatic payment of Pension Credit and Council Tax benefit would take more than 500,000 older people out of poverty<sup>41</sup>.

One issue relevant to disabled people and their families across the age spectrum is the charges levied for the use of public services required solely on the basis of impairment or long-term health condition. This issue affects older people disproportionately. Care needs increase with age. Earnings are disregarded for working age disabled people using care services, but pensions – which are deferred earnings – are taken into account by councils when calculating the charges payable for using care services. In addition, disability-related costs are poorly accounted for by local authorities leaving disabled people at greater risk of poverty<sup>42</sup>.

41 Older disabled people's lack of support to access benefits is compounded by higher costs of living, the end of earnings disregards if using social services and the possibility of paying too much tax – see National Audit Office for further information: [www.nao.org.uk/publications/0809/dealing\\_with\\_the\\_tax\\_obligatio.aspx](http://www.nao.org.uk/publications/0809/dealing_with_the_tax_obligatio.aspx)

42 See Coalition on Charging *Charging into Poverty?* 2008 for further information on inadequate council assessments of disability related expenditure.

43 Age Concern England *Older People in the United Kingdom – Key Facts and Statistics* 2008.

### AGE CONCERN EVIDENCE

Age Concern suggest that 25% of people aged 85 and over live in poverty across the UK<sup>43</sup>.

### COALITION ON CHARGING EVIDENCE

29% of disabled people do not feel their essential expenditure (related to impairment/health condition) is taken into account in local authority financial assessments to pay charges to use care services.

*“My wife having Alzheimer’s makes it really annoying at the unfairness of having to pay for care for this illness. The real problem is the artificial boundary between health care and social care<sup>42</sup>.”*

In 2009 it was revealed that, of disabled people living in poverty and using local authority social services, more than 50% were paying for some or all of their care<sup>44</sup>.

Charges also have an impact on the take-up of services. Where charges are imposed for support, people often avoid using formal services, relying on informal carers instead. Some people only access services when they reach crisis point. Delayed access to care services can increase the nature and cost of eventual support from councils and the NHS.

### Current government policies

The Government aimed to pay Pension Credit to at least 3.2 million pensioner households by 2008, maintaining a focus on the most disadvantaged by ensuring that at least 2.2 million of these households are in receipt of the Guarantee Credit.

Tackling poverty and promoting greater independence and well-being in later life are targets within Public Service Agreement 17. There are no national targets but other indicators of progress include:

- Reducing the percentage difference between the employment rate of people over the age of 50-69 and the general employment rate.
- Tackling pensioner poverty.
- Increasing healthy life-expectancy at age 65.
- More people over 65 supported to live independently.

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<sup>44</sup> Leonard Cheshire Disability *Disability Review 2009*.

### ROUTES OUT OF POVERTY

- ▶ End the mandatory retirement age.
- ▶ Implement a benefits take-up campaign targeting disabled older people.
- ▶ End care service charges for disabled people of all ages.

## A society free from disability poverty

We have identified 17 routes which we believe would, if followed, help tackle the poverty that blights disabled people and their families' lives.

Implementing an appropriate measurement would be the first step to developing a coherent strategy to end disability poverty. This should be coupled with prioritising benefit take-up and providing support to access entitlements. Every year more than £7 billion of benefits remain unclaimed that could help tackle disability poverty<sup>45</sup>.

Ending disability poverty would not just meet the social and moral obligation to end the disproportionate poverty disabled people experience; disabled people and their families would have the opportunity to participate as equal citizens in society.

We recognise that there are costs to tackling disability poverty. But the recommendations laid out in this manifesto would also deliver cost-savings to the Treasury. Supporting disabled children to gain appropriate skills, and better supporting disabled adults into work could achieve savings of over £40 billion. Through tackling poverty, ill-health would also be addressed leading to a reduction in avoidable NHS costs, further increasing potential savings.

We believe tackling disability poverty should be a priority issue. Each political party should identify how it will prioritise our recommended routes out of poverty before the next general election.

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<sup>45</sup> Radar *Doing money differently* 2009.



## Recommended routes out of poverty

### ASSESSING DISABILITY POVERTY

- ▶ Measure disability poverty as a unique form of poverty.
- ▶ Aim to eliminate disability poverty by 2025 through a coherent strategy.
- ▶ Exclude disability benefits from 'income' assessments, or include the extra costs of living that disabled people experience.

### CHILDREN AND FAMILIES

- ▶ Focus tackling 'NEET' on disabled 16-18 year olds.
- ▶ Target disabled 18-25 year olds for additional support to get and retain work.
- ▶ Remove lower age limit for accessing Disability Living Allowance (DLA) mobility component (currently 3 years of age) to support parents.
- ▶ Overhaul carers' benefits to simplify the system and support carers to combine caring with paid work.

### OLDER PEOPLE

- ▶ End the mandatory retirement age.
- ▶ Implement a benefits take up campaign targeting disabled older people.
- ▶ End care service charges for disabled people of all ages.

### WORKING AGE ADULTS

- ▶ Implement a national benefit take up campaign, particularly for parents of children with a special educational needs statement.
- ▶ Offer 'benefit prescriptions' to working age adults likely to meet DDA definition of disability, highlighting potential support (eg DLA).
- ▶ Pay a revised form of DLA to all disabled people based on the level of costs associated with the impairment or health condition experienced.
- ▶ Reflect inflationary rises in living costs in out of work benefits and in work income support (Tax Credits, Housing Benefit, Council Tax Benefit).
- ▶ Review the impact of the introduction of ESA on disabled people's poverty and address if reform has delivered unintended consequences.
- ▶ Simplify benefits to increase take-up and avoid appeals; and provide the equivalent of ESA support to all disabled people.
- ▶ Provide specialist support to disabled people to (re)enter work, including through Jobcentre Plus and an increase in the budget and promotion of Access to Work.



**Disability  
alliance**



Universal House, 88-94 Wentworth Street, London E1 7SA  
Tel: 020 7242 8776 (textphone available) Fax: 020 7247 8765  
E-mail: [office@disabilityalliance.org](mailto:office@disabilityalliance.org) [www.disabilityalliance.org](http://www.disabilityalliance.org)