

NDA Factsheet 2: Employment

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Údarás Náisiúnta Míchumais
National Disability Authority

NDA Factsheet 2: Employment and Disability

Introduction

This factsheet looks at disability and employment. Disability can be defined in different ways: self-reported disability (where a person describes themselves as having a disability) or by other objective criteria.

Employment can also be defined differently. Sometimes those working are compared to all those not working. Sometimes it is defined as people in the active labour force. Being active in the labour force means people who are working and people who are looking for work within the total population.

This factsheet begins by looking at how we define terms and characteristics that are important for understanding employment. For example, we discuss how unemployment is measured. We can then look at the employment situation of people with a disability in Ireland. Next, we compare the employment of people with a disability now and in the past. Finally, we look at the European Union to compare how Irish people with a disability compare to other Europeans.

Definitions

Age

Researchers use different age groups to look at employment. The International Labour Organisation and OECD usually use 15-64 years of age as the relevant age group. This is referred to as the 'working age' population. Both organisations calculate the rate of employment as the number of people aged between 15 and 64 who are employed.

However, in Ireland, using these ages is a bit problematic. Children aged 15 are still in education in Ireland and at the older end, people cannot collect the State Pension until 66 so may work beyond 64 years old. A better way of defining the working age in Ireland would be those aged 18 to 65 years old. However, the Central Statistics Office only reports people's ages in 5-year age bands to protect confidentiality, for example those aged 19-24, 25-29, and so on.

In this paper, we use the age grouping of 20-64 as this best allows us to look at employment.

Sometimes, we will look at those aged 15 to 64 to allow us to make comparisons with past times and other countries but we will tell the reader when we are using this age group.

Employment

Employment and unemployment are defined in different ways. It is important to understand these definitions - who they include and who they do not include - in order to accurately compare populations. This is particularly important for comparing people with and without a disability.

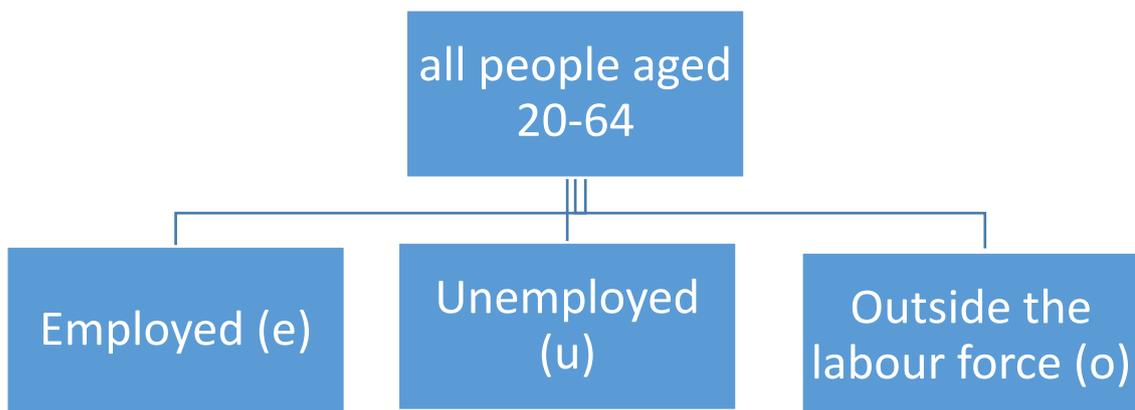
Based on the latest international standards set by the International Labour Organisation (ILO), the population of working age in a country can be divided into three separate groups:

- people in employment
- people in unemployment
- people outside the labour force (formerly called the economically inactive group).

People do many things in a given week - they might volunteer or study – so how can we tell what someone's economic status is? For example, is a student who works one night a week a member of the labour force or outside the labour force?

To make sure that each person is only given one economic status at any given time, we prioritise one hour that they spend in employment over these other activities, like studying. We also prioritise time given to job searching and their availability for work. This is called the priority rule. So if a person works (or is available to work), even a little, we can say they are a member of the labour force.

Figure 1: Defining Economic Status I



However, as clear as this definition is – it does potentially cause the

employment of people with a disability to be overstated – as even if people are employed for one hour a week they are counted as ‘employed’.

Prioritising employment, job searching and availability for work means that we can gather important information and allows us to have a clear snapshot of the people who are of working age in relation to the people who are in the labour market.

Labour Force

The labour force is the total number of people in employment plus people in unemployment. In the graphic above, this is e plus u.

Outside the labour force

People who are not working and are not seeking work are said to be outside the labour force. It includes those working for their own production, doing voluntary work, or on an unpaid traineeship. This category of people used to be called ‘Economically Inactive Persons’. Some of the main reasons given for not looking for work include:

- They have an illness or disability
- They have family or other caring responsibilities, looking after children or incapacitated adults or other family or personal responsibilities
- They are in education or training
- They are retired
- They think no work is available
- Or they are waiting to be recalled to work (they have been temporarily laid off)

Unemployment Rate

The unemployed are those individuals of working age who are capable of work, and are actively looking for work, but who are not employed. To calculate the unemployment rate, we divide the number of unemployed people by the total number of employed and unemployed people. That is, we divide the number of unemployed people by the total number of people in the labour force. This gives us a percentage rate of unemployment.

We also calculate a labour force participation rate. This rate describes the total number of people who are currently employed or in search of a job. To calculate this rate, we divide the total number of people in the labour force (all those employed and unemployed) by the total number of people who fall into the working age (that is, all those employed, unemployed and people outside the labour force).

Finally, there is also a work rate. This is the percentage of people who are working. We calculate this by dividing the total number of employed people by all the people of working age (all those employed, unemployed and outside the labour force).

Disability employment gap

The 'disability employment gap' is the difference in the employment rate of people with disabilities and people without disabilities.

Measuring Unemployment

When the 'unemployment rate' is discussed in Ireland, it can be based on three different sources of statistics

1. The Live Register,
2. The Labour Force Survey,
3. The Census.

Each survey measures unemployment in different ways. This can often cause confusion so it is important to understand the differences between the surveys.

The '**Live Register**' is a count of the number of people claiming unemployment benefits. It is often called the claimant count. The Live Register counts the number of people currently registered for Jobseekers Benefit (JB), Jobseekers Allowance (JA) or for various other statutory entitlements at local offices of the Department of Social Protection and Employment Affairs. The Department provides this data to the CSO.

The Live Register is updated monthly. Because not all unemployed people claim benefits (or know they are entitled to them), the Live Register may not reflect the true level of unemployment in Ireland. This is particularly true for people married to someone who is working. Because they may have no entitlements to welfare, they may not register as unemployed. In addition, some people are put off registering, as they cannot prove they are looking for work. This is especially true of part-time employees who are much less likely to register as unemployed. While some individuals may fraudulently claim, it is generally recognised that the Live Register under-estimates actual unemployment levels.

The second survey of unemployment is the **Labour Force Survey (LFS)**¹. The CSO surveys a sample of 25,000 households and measures the unemployment rate based on the International Labour Organisation (ILO) definitions (employed, unemployed, outside the labour force). The survey of households and individuals in those households is taken every three months

¹ The LFS was called the Quarterly National Household Survey: also known as the QNHS until 2017.

(quarterly). All members of the EU must use the ILO standardised measure of unemployment.

For a person to count as unemployed in this survey: they have to meet three conditions:

1. The person has been out of work for 4 weeks.
2. The person is able to start work in the next 2 weeks - they must be readily available for work.
3. The person is available and looking for work for one hour per week. This means that part-time employed people who are looking for more hours are included as unemployed in this measure, even though these workers are unlikely to claim unemployment benefit. This tends to make the ILO unemployment numbers that are counted, much higher than the Live Register.

The Labour Force Survey is a more direct assessment of unemployment, rather than just counting those who claim benefits.

The final source of information we have on employment and unemployment is the five-yearly **Census**. In the Census, people self-declare their status as either employed or unemployed or other. This means that they don't have to be on the Live Register, or meet one of the three ILO criteria to be considered unemployed. The Census records how people think about their own status.

All three sources of data are very interesting and tell us a lot about the numbers of people employed and unemployed. However, we would not expect the three sources of data to give exactly the same numbers. Text box 1 illustrates how the three different surveys might treat the same case differently.

Text box 1: the different ways employment is treated under the live register, LFS and Census

Mark is a 40-year-old married man who works for 5 hours a week doing accounts for a semi-state firm. The rest of the time, he minds his 2 children and studies for accountancy exams. He would like to work full time but is waiting for the right job to come along. Mark's wife is a high earner so Mark is not entitled to any state benefits.

Live register: Mark is not registered for benefits so is not counted as unemployed.

LFS: as Mark works 5 hours a week and is not actively looking for more work he is considered employed.

Census: when filling in the census Mark answered the question 'How would you describe your present principal status?' as 'Looking after home/family' so he is counted as being outside the labour force. However, he could have ticked the employed or student boxes instead.

Another problem with the surveys is that we cannot break the Live Register down into people with and without a disability. Therefore, the only sources of data we have for the employment and unemployment of people with a disability is the Census and the LFS.

Because the Census gives us the fullest breakdown, this analysis starts with looking at the Census results. Even though the figures are now two years old, they do allow multiple breakdowns. This makes it easier to understand how disability affects employment.

How many people have a disability?

The 2016 Census shows that 643,131 people had a disability – that is 13.5% of the population. This means that more than one in every seven people in Ireland has a disability. This was a small increase on the 2011 Census where 13% of the population self-identified as having a disability.

However if we just look at people aged 20-64 (approximately of working age), there are 331,145 with a disability - 11.8% of that age group has a disability.

Labour force participation

How do people with a disability compare to people without a disability when we look at employment?

Table 1: Labour force participation and unemployment rate by disability

	All	People with a disability	People without a disability
Total population (aged 20-64)	2,814,930	331,145	2,483,785
At work (Number)	1,928,523	120,775	1,807,748
Unemployed including looking for first regular job (Number)	279,764	43,776	235,988
Total in the Labour Force	2,208,287	164,551	2,043,736
Not in labour force including not stated (Number)	606,643	166,594	440,049
Labour force participation rate (% Rate)	78.4	49.7	82.3
Unemployment rate (% Rate)	12.7	26.6	11.5

Source: Census 2016

The labour force participation rate for people aged 20-64 is 82.3% for people without a disability and 49.7% for people with a disability. That means that half of the people with a disability, who are between 20 and 64 are not in the labour force. This compares with only 18% of people without a disability who are outside the labour force.

If we look at the rate of work (the number of people at work divided by the total population), we see that there are 120,775 people with a disability who are at work - 36.5% of the population of people with a disability. If we look at people who do not have a disability, the number of people at work is 1,807,748 or 72.8% of the relevant population. The work rate of people with a disability is half that of people without a disability. The 'disability employment gap' in 2016, was 36.3 percentage points (that is 72.8% minus 36.5%).

There are 43,776 unemployed people with a disability (including those looking for their first regular job). Therefore, the unemployment rate for people with a disability is 26.6% compared to 11.5% for people who do not have a disability. That is 2.3 times the rate for people with a disability compared to people without a disability.

People with a disability are less likely to be in the labour force. However, once in the labour force, they are more likely to be unemployed than people who do not have a disability.

People outside the labour force.

Table 2: What reasons do people give for not being in the labour force?

	People with a disability %	People without a disability %
Looking after home/family	15.7	45.9
Others not in labour force	1.8	2.1
Retired	8.7	13.2
Student or pupil	9.4	32.8
Unable to work due to permanent sickness or disability	64.5	6.0
All people outside the labour force	100	100

Source: Census 2016

For people who do not have a disability, most are out of the labour force because they are looking after home or family (45.9%) or because they are in education (32.8%). Some people do not report that they have a disability on the Census form but may still be unable to work due to permanent sickness or disability (6%). For people who report that they have a disability, the picture is very different – 65% are unable to work due to permanent sickness or disability, 16% are looking after a home or family, and 9.4% are in education.

Gender

Gender does not make much of a difference to the disability employment gap in Ireland. Both men and women with a disability are about half as likely to be working as people without a disability of the same gender (table 3). 39% of men with a disability are employed compared to 78.4% of men without a disability. 34% of women with a disability are employed compared to 67% of women without a disability.

Table 3: employment rate by gender and disability status

	people with a disability	people without a disability
Male	39.0	78.4
Female	34.0	67.3

Source: Census 2016

Employment rates and disability type

Table 4: What are the employment rates for people with different types of disability?

	Persons at work %
All people with a disability	36.5
Deafness or a serious hearing impairment	47.3
Blindness or a serious vision impairment	36.2
Other disability, including chronic illness	35.4
Psychological or emotional condition	27.5
Difficulty in learning, remembering or concentrating	24.6
Difficulty in participating in other activities	20.0
A condition that substantially limits one or more basic physical activities	18.5
An intellectual disability	17.3
Difficulty in working or attending school/college	15.0
Difficulty in dressing, bathing or getting around inside the home	13.4
Difficulty in going outside home alone	10.9

Source: Census 2016

People who are deaf or who have a serious hearing impairment have the highest percentage of people at work when compared to other disability groups (table 4). People who are blind or have a serious vision impairment have about average employment, that is, average for people with a disability. All other groups are lower and the group with the lowest employment is people with an intellectual disability (17.3%). The Census records functional limitations (difficulties people might have doing certain things). The lowest of all employment is among people who have a difficulty in dressing, bathing or getting around inside the home, and people who have difficulty in going outside or staying home alone.

Unable to work and disability type

Table 5: People who are unable to work due to permanent sickness or disability.

Type of Disability	Unable to work due to permanent sickness or disability as % of total population
Deafness or a serious hearing impairment	21.4
Blindness or a serious vision impairment	32.5
Other disability, including chronic illness	36.5
Psychological or emotional condition	40.4
Difficulty in learning, remembering or concentrating	42.8
All people with a disability	49.3
A condition that substantially limits one or more basic physical activities	54.7
Difficulty in participating in other activities	55.6
An intellectual disability	57.3
Difficulty in working or attending school/college	60.9
Difficulty in dressing, bathing or getting around inside the home	65.4
Difficulty in going outside home alone	65.5

Source: Census 2016

Table 5 looks at those who are unable to work due to permanent sickness or disability by the percentage of the total population. So for instance 21.4% of people with deafness or a serious hearing impairment can not work for this

reason. The groups with the highest levels of non-work due to sickness or disability are those who have a difficulty;

- in working or attending school/college (60.9%)
- in dressing, bathing or getting around inside the home (65.4%)
- in going outside home alone (65.5%).

People with a disability are less likely to be professionals or managerial workers.

As mentioned in factsheet 1, people with a disability are much less likely than people without a disability to be professionals or managers.

Change in employment over time

Every few years the CSO asks a disability question in the Labour Force Survey.

As explained above, the Census and the Labour Force Survey measure slightly different groups of people because of how they gather data and how they define employment. So while in the 2016 Census 36.5% of people with a disability counted themselves as employed, the 2017 LFS counted only 27.7% as employed.

The gap for people with a disability between the two surveys is greater than for people without a disability. This suggests that people with a disability are more likely to report themselves as employed but do not meet the three conditions of the LFS that define employment.

Both sets of statistics show a similar pattern: employment of people with a disability has increased. For the Census, which covers 2006 to 2016, the rate of employment for people with a disability has increased by 4.3%. For the LFS that covers 2010 to 2017 it has increased by 5.7%.

Comparing the employment of people with a disability to people without a disability is more mixed. In the Census, the rates of employment between these two groups are moving towards each other. The rate of employment for people with a disability is increasing but at the same time, mainly due to the recession, there has been a big decrease in employment rates for people without a disability.

When we compare this to the LFS we can see that the rate of employment has very slightly widened. People without a disability were 2.3 times more likely to be employed in 2010 but in 2017, they were 2.5 times more likely.

Table 7: Employment rate aged 20-64 %

Data Source	People with a disability	People without a disability
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2006 Census	35	74
2011 Census	33	63
2016 Census	36.5	68.5
2010 LFS	26.2	61.1
2014 LFS	27.2	63.3
2017 LFS	27.7	68.3

Source: Both sources CSO. LFS data special tabulation supplied by the CSO. 2016?

Overall, 74% of adults without a disability in the 20 to 64 age group were employed in 2006 according to the Census figures. This compared with only 35% for people with a disability. The employment rate was particularly low for those with a physical disability (22%) and for those with a psychological or emotional disability (26%). People with a sensory disability did better – 47% were in employment.

How do we compare (Eurostat comparison of EU countries)?

For international comparisons of labour force data, the most complete source are labour force surveys. Even so, labour force surveys might not always contain information that can be easily compared to other countries or times. This is because some surveys might cover different things. For example, they might include different geographic areas or they may or may not count people who are conscripted to the military.

In addition, individual countries might define labour force status in different ways. For example, how some specific groups are counted, such as “contributing family workers” and “people not employed, available for work but not looking for work”.

Different ages groups used to look at the labour force may also make it hard to compare surveys. Some countries do not use the regular upper-age limits for inclusion in the labour force. These countries might count people up to 70 years old, instead of Ireland’s 64 years.

The differences in the average age of a country’s population can also affect comparisons. The graph below shows that, across European countries, there are big differences in the percentage of people in the population who say they have a limitation in work caused by a health condition or difficulty in a basic activity.

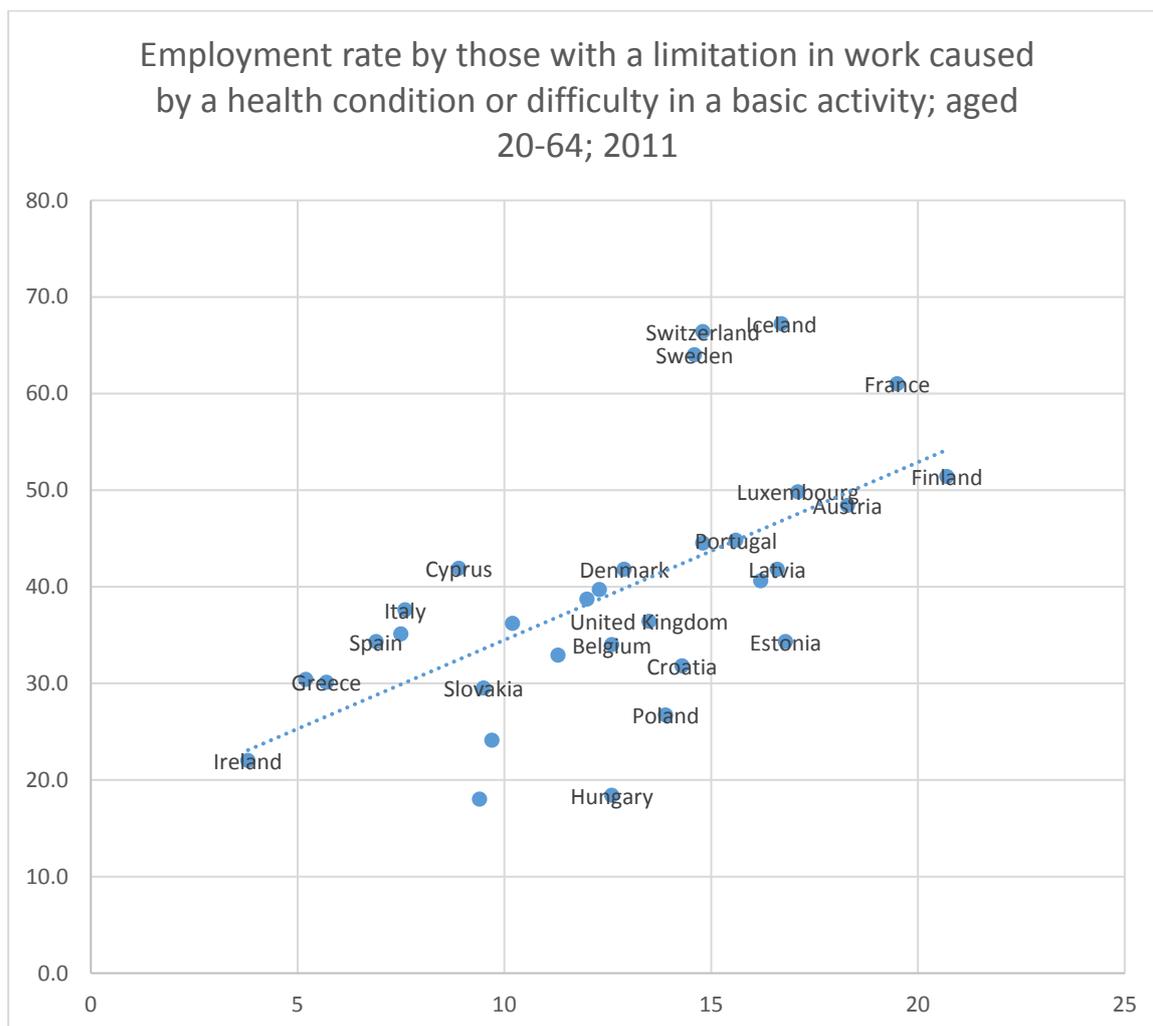
For example, when we look at all the people aged 20-64 in Ireland, we see that 5% say they have a limitation in work. In Finland, over 20% of people report this. Some of the difference between these percentages is due to average differences. For instance, the average age of people in Ireland aged 20 to 64 is 41.3 but in Finland, it is 42.3.² This age difference explains a small bit of the difference in how likely you are to define yourself as having this limitation.

Other factors are more important. There might be an objective difference in disability – there may be more disabled people in Finland and France than Ireland and Greece. However, there is not much evidence for this. Instead, it seems that in different cultures, people might be more open to defining themselves as disabled. In countries where there is less openness, people may set a higher bar for considering themselves as disabled or having a limitation.

The graph gives some support for this. The dotted line represents the average employment against the percentage of the population who have a limitation in work caused by a health condition or difficulty in a basic activity across European countries. We can see that when fewer people define themselves as having limitations in work, they are less likely to be in work. Ireland lies on this line. We do not do as well as Switzerland, Iceland and Sweden who have more people in work than you would expect and we do not do as poorly as Hungary who have fewer people in work with a disability than you would expect.

² Based on NDA calculations from CSO and StatisticsFinland (https://www.stat.fi/til/vaerak/tau_en.html).

Chart I: Employment rate by those with a limitation in work caused by a health condition or difficulty in a basic activity aged 20-64, 2011



Source: Eurostat 2011, downloaded from <https://ec.europa.eu/eurostat/web/equality/data/database> 2019

Stefons Grammenos of ANED – Academic Network of European Disability experts produced a report in May 2017 that looked at how employment and skills varied across EU counties³. One of the issues he looked at was the wage gap. At the EU level, in 2014, the annual gross employee cash income received by people with a disability was 11.0% less compared to the amount received by people without a disability. He did not take the effects of age into account. For Ireland, people with a disability are paid less - the wage gap is 21.3%. This is high by EU standards (table 8).

³ <https://www.disability-europe.net/theme/statistical-indicators>.

Table 8: Wage gap for people with disabilities, as a percentage of non-disabled's wage

Country	%
AT	11,8
BE	16,0
BG	22,8
CY	0,0
CZ	34,9
DE	16,7
DK	16,2
EE	25,4
EL	8,0
ES	11,8
FI	15,2
FR	18,0
HR	9,9
HU	30,6
IE	21,3
IT	9,5
LT	28,4
LU	10,2
LV	27,9
MT	22,8
NL	22,3
PL	16,0
PT	16,4
RO	10,7
SE	37,3
SI	17,6
SK	12,0
UK	19,6
EU	11,0

Source of data: Grammenos (2017)⁴ Statistics on Skills, Labour market, Benefits & Housing

Compared to other EU countries, the number of people with a disability in Ireland who are employed is about what you would expect given the rates of people defining themselves as disabled. However when in employment, people with a disability in Ireland seem to be worse off.

⁴ <https://www.disability-europe.net/downloads/872-european-comparative-data-on-social-pillar-themes-people-with-disabilities>