

Making self-employment work for disabled people

An agenda to make it happen

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About IPSE

IPSE, the Association of Independent Professionals and the Self-Employed, is the representative body for the UK's self-employed community, including freelancers, contractors, consultants and independent professionals.

About Community

Community is a modern trade union with over a hundred years' experience standing up for working people. With roots in traditional industries, Community now represents workers across the UK in various sectors, including the self-employed.

Working together to shine a light on disabled people in self-employment

As representatives of the self-employed, IPSE and Community work together to shine a light on poorly understood sections of this diverse and growing sector of the workforce. Given the large number of disabled people in freelancing, we feel it is important to raise awareness and understanding of this group as we have done with others, such as the vulnerable self-employed (see *Under Pressure*, 2017).

This report was written by Jonathan Lima-Matthews, Inna Yordanova and Chloe Jepps from IPSE and Kate Dearden from Community.

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Executive summary



Today, more people than ever before are self-employed in the UK. Since 2000, 50 per cent more workers have taken the leap into self-employment, driving numbers up to almost five million. And it is a trend that looks set to continue¹.

For most, making the move into self-employment was a positive choice that brought enviable perks such as more control over not only how they work, but also when and who for. An IPSE study of freelancers found that 84 per cent are satisfied with working for themselves, and two thirds (64%) intend to work as a freelancer for the foreseeable future².

One group in particular are choosing to work for themselves: disabled people. In fact, in the last five years, the number of self-employed disabled people has risen by 30 per cent. Disabled people now number over seven million nationwide, and they account for 14 per cent of the self-employed workforce – amounting to roughly 611,000 people³.

Despite the large number of disabled people in self-employment, however, very little is known about this group.

IPSE and Community have teamed up to answer some of the burning questions that have gone unanswered for too long, including:

- Who are the disabled self-employed?
- What are their motivations for entering self-employment?
- Are they enjoying self-employment? And if not, why?
- Where there are problems, what can IPSE, Community and others do to improve the situation?

‘Making self-employment work for disabled people’

finally answers these questions. For this report, we worked with our research partners ComRes to get the real views of disabled people, consulted experts from government, the charity sector and academia, and also analysed data from the Office for National Statistics to uncover more about this poorly understood group.

What we found was encouraging. The majority of disabled people we interviewed had a positive view of self-employment, they felt it met their needs where employment couldn’t, and intended to stay in it for the long-term. The data supports this, showing almost half (44%) of disabled people had spent 10 years or more in self-employment⁴.

Most of the problems that disabled self-employed people (alternatively referred to as disabled freelancers) experience are the same as the wider self-employed population. These include difficulty knowing how to set up their businesses, the scourge of late payment, keeping up to date with regulations, and the challenge of maintaining their businesses. Disabled and non-disabled people’s experiences diverge, however, when it comes to welfare support.

Experts, the testimonies of disabled people themselves – as well as other evidence – show that although the government is making efforts to improve the welfare system, there are significant problems with the support disabled people draw on. There are reports of disabled people struggling to access benefits through the Work Capability Assessment, a welfare system that does not understand mental health conditions adequately, and benefits which exacerbate financial issues such as Universal Credit. These are all challenges that make being disabled and self-employed more difficult.

In ‘Making self-employment work for disabled people’ we set out a bold and achievable policy agenda that, if acted on by government, the private sector, and support organisations, can ensure that all disabled people who are currently self-employed or considering it can make a success of this way of working.

1. Re-design the Work Capability Assessment (WCA):

Ensure disabled people with a broad mix of physical and mental health conditions and impairments are part of a process to co-produce a redesigned WCA. This should reduce chances of wrong decisions being made in the assessment process.

2. Increase powers of the Small Business Commissioner:

Give the Commissioner the power to fine late payers.

3. Increase New Enterprise Allowance (NEA) mentor and benefit support to two years:

NEA benefit and mentor support should be increased to reflect the length of time individuals need support whilst establishing their business.

4. Publicise Access to Work (ATW):

The DWP should publicise ATW more broadly in Job Centre Pluses and mandate Work Coaches to make all eligible people aware of ATW – it is the government’s best kept secret for supporting disabled people in work!



Re-design the Work Capability Assessment (WCA)



Increase powers of the Small Business Commissioner



Increase New Enterprise Allowance (NEA) mentor and benefit support to two years



Publicise Access to Work (ATW)

Defining the disabled self-employed

When this report uses the term “disabled self-employed people”, it refers to those in business on their own account and who are defined as disabled in the Equality Act 2010.

- These individuals could be running their own limited company, operating as a sole trader or working through a partnership.
- Disability is defined in the Equality Act 2010 as having “a physical or mental impairment that has a ‘substantial’ and ‘long-term’ negative effect on the ability to do normal daily activities”⁵.

¹ONS, 2018, Trends in self-employment in the UK. ²IPSE, 2017, To be or not to be a freelancer: job satisfaction and wellbeing. ³ONS, 2018, Labour Force Survey. ⁴Ibid. ⁵UK Government, 2010, Equality Act 2010.

Summary of recommendations



For a full breakdown of our recommendations see the Recommendations Section on page 21

Welfare

1. **Re-design the Work Capability Assessment (WCA):** Ensure disabled people with a broad mix of physical and mental health conditions and impairments are part of a process to co-produce a redesigned WCA. This should reduce the chances of wrong decisions being made in the assessment process.
2. **Efficiently managed migration from legacy benefits to Universal Credit (UC):** The Department for Work and Pensions (DWP) should ensure no one's legacy benefits are stopped or reduced when claimants begin the process of applying and moving to UC.
3. **Extend the start-up period for UC to two years:** The start-up period for UC should increase to two years to reflect the amount of time a person needs to establish their business.
4. **Reform the Minimum Income Floor:** Earnings should be considered on an annual basis rather than month-to-month. As Making Tax Digital is introduced, this should be moved to a quarterly basis.
5. **The Personal Independence Payment (PIP) assessment process should be transparent and expert-led:** While PIP continues to be assessed separately from other benefits, a copy of the assessment should be provided to all claimants as standard practice. Individual assessors should also be matched to the claimants in terms of expertise and experience, and more support should be provided throughout the application process.
6. **Publicise Access to Work (ATW):** The Department for Work and Pensions (DWP) should publicise ATW more broadly in Job Centre Pluses, and mandate Work Coaches to make all eligible people aware of ATW.
7. **GP referrals to Access to Work:** GPs should refer disabled people onto ATW and particularly focus on those with mental health conditions, who are currently underrepresented.
8. **Increase New Enterprise Allowance (NEA) mentor and benefit support to two years:** NEA mentor and benefit support should be increased to reflect the length of time people need support while establishing their business.
9. **More publicity of the New Enterprise Allowance:** The Department for Work and Pensions should publicise the NEA more broadly in Job Centre Pluses, and also mandate Work Coaches to make all eligible people aware of the NEA.
10. **Give Work Coaches more disability and self-employment awareness training:** More effort should be made to increase awareness of self-employment and disability, as the number of self-employed people – and particularly disabled self-employed people – has shot up in recent years.

Regulation

11. **Increase the powers of the Small Business Commissioner:** Give the Commissioner the power to fine late payers.
12. **Government should support the growth and establishment of workhubs:** Government should incentivise the creation of new workhubs through business rates relief. This would help to combat loneliness and encourage entrepreneurialism among disabled and non-disabled freelancers.

Help from support organisations

13. **Mentoring schemes should be more readily available to provide individualised and solution-focused support:** The Department for Work and Pensions and local government should partner with charities and organisations that support disabled people to enter and sustain self-employment.
14. **Disability charities should offer advice on self-employment:** This should include practical advice on setting up in self-employment, training opportunities and guidance on how to use the welfare system as a self-employed person.
15. **Trade associations and trade unions should offer tailored support for this group:** Organisations like Community and IPSE should identify practical ways to support the disabled self-employed.

Finance

16. **Offer the sidecar pension to the self-employed:** Pension providers should offer this more flexible retirement savings solution to the self-employed.
17. **Bank providers should be given self-employment and disability awareness training:** Lenders should understand the needs of these groups when considering lending decisions.

A high-angle, top-down photograph of a man and a woman sitting at a wooden table, working together on a silver laptop. The man, on the left, has a beard and wears glasses and a light blue button-down shirt. He is pointing at the laptop screen with a black pen. The woman, on the right, has short brown hair and wears a blue denim shirt. She is looking down at the laptop keyboard. The laptop is open, and the man's hand is on the keyboard. To the right of the laptop, there are some papers, one of which has a table with numbers and text. The background is a dark, textured wall. The word "Introduction" is overlaid in large, white, sans-serif font across the center of the image.

Despite the large number of disabled people in self-employment, relatively little is known about their experiences and views of this way of working. Given the high level of satisfaction among the wider self-employed population, there may be a tendency to assume disabled self-employed people are equally satisfied and are on an equal footing with the rest of the UK's freelancers. As **Making self-employment work for disabled people** uncovers, satisfaction is high among disabled self-employed people. However, previous research shows the playing field may not be level for this group. In this section we look at previous evidence and outline what others have uncovered on this subject.

A question mark hangs over the experience of disabled people in self-employment

In recent years, efforts have been made to answer major questions about the experiences of disabled people in self-employment. One study found that disabled people were less likely than non-disabled people to cite positive reasons such as the desire for independence or exploiting a market opportunity as reasons for becoming self-employed⁶. Their reasons included more so-called 'push' factors such as a lack of alternative opportunities.

Others argued that disabled people's motivations and experiences of self-employment depend on whether their condition or impairment is work-limiting or not⁷. For those with work-limiting conditions or impairments, one of the key factors that encourages them to become self-employed is the flexibility of work schedules and the ability to accommodate their conditions and impairments⁸. The same study also recognises that self-employment offers disabled people the opportunity to accommodate their impairment or condition, suggesting that regular nine-to-five employment may make it difficult to work around their conditions.

The issue with much of the research is that while it offers a valuable insight into this self-employed group, much of it is now out of date and does not provide insights from disabled people themselves.

In 2016, an inquiry by the All Party Parliamentary Group on Disability, a parliamentary group that focuses on issues that matter specifically to disabled people, explored what disabled people and disability experts think about employment as a whole⁹.

During their inquiry, they heard evidence that suggested self-employment was positive for disabled people. Many of the witnesses echoed what the academic research has shown: that freelancing enables people to work around their conditions or impairments, while employment is slow to adapt. Witnesses said employment was inflexible and unsupportive in many ways, and believed that disabled people face attitudinal barriers in employment. Others commented that they were more productive as a result of being in self-employment.

The APPG's report provides an invaluable initial insight into disabled people's experiences. However, as its focus was on the issue of the disability employment gap, it left some questions about self-employment unanswered. Most notably, it did not answer certain questions about how disabled people view the welfare system, access to training opportunities, support getting started in freelancing, as well as many other issues.

The income disparity between disabled and non-disabled self-employed people

Financial difficulties are tough on anyone, but a closer look at income data shows that, for disabled people, they can be even more difficult.

Previous research conducted by IPSE shows some of the greatest challenges people face in self-employment are related to their finances. When asked what concerns them most about self-employment, people mentioned irregularity of income (50%), not being able to work due to illness or injury (49%), not being financially prepared for retirement (46%) and not being paid on time by a client (39%)¹⁰.

A previous study has shown that disabled self-employed people are paid less than both disabled employees and non-disabled self-employed people. According to the Papworth Trust, disabled self-employed people who work full-time earn 23 per cent less than non-disabled self-employed people, and a staggering 42 per cent less than disabled employees¹¹. Therefore, disabled self-employed people are likely to be more affected by the challenges mentioned above.

This could potentially be explained by the lower education levels among disabled

people in general. For example, disabled adults are nearly three times more likely to have no formal qualifications as non-disabled adults¹².

A lack of training and qualifications may be holding disabled freelancers back financially

Training and qualifications have long been held as a key route to improving career outcomes and, by extension, living standards. The Social Market Foundation found that training and qualifications were especially important for low-paid self-employed people, as they allowed them to break through the trap of low pay¹³.

According to a recent Involvement and Participation Association (IPA) report, commissioned by IPSE, the relatively low level of formal training undertaken by the UK's self-employed is likely to be because training is expensive and means losing valuable work hours¹⁴. Around a third of the self-employed people (31%) said they did not want to spend time training when they could be earning instead, while 28 per cent said they did not have the time and 27 per cent said training cost too much.

The disabled self-employed are doubly disadvantaged because they face not only low pay, but also not being able to afford to pay for routes out of low pay, such as training and qualifications.

In the rest of this report, we will uncover more about this poorly understood group of the self-employed. Firstly, we offer a snapshot of disabled self-employed people through our analysis of the Labour Force Survey data. We then take a closer look at the experiences of disabled self-employed people through interviews with disabled people themselves, as well as comments from experts¹⁵. And in the Recommendations Section we lay out our achievable agenda to enable disabled people to make a success of self-employment.

⁶Boylan and Burchardt, 2002, Barriers to self-employment for disabled people. ⁷Those whose impairments or conditions may limit their ability to, or extent to which, they can work. ⁸Jones and Latreille, 2011, Disability and self-employment: evidence for the UK. ⁹APPG on Disability, 2016, Ahead of the Arc – a contribution to halving the disability employment gap. ¹⁰ComRes, 2017, Survey of the self-employed conducted on behalf of IPSE (Unpublished). ¹¹Papworth Trust, 2018, Disability: facts and figures. ¹²Papworth Trust, 2018, Disability: facts and figures. ¹³SMF, 2017, Tough gig: Tackling low paid self-employment in London and the UK. ¹⁴IPA, 2018 Working Well for Yourself. ¹⁵For full details of the methodology please see the Appendix on page 27.

A woman with blonde hair, wearing a white t-shirt and a blue and white striped apron, is looking up at a glass window. She is smiling and has her arms raised. The window has a large 'OPEN' sign and a smaller 'OPENING HOURS' sign. The background is a blurred street scene with warm lights.

Snapshot of the disabled self-employed

OPENING HOURS

MON-FRI am-3

SAT-SUN 8am-4

Disabled people are a significant and growing section of the UK's self-employment sector

- 14 per cent of all disabled people in work are self-employed, equal to 611,000 people.
- The number of disabled self-employed people has increased by 30 per cent in the last five years.
- More than seven million people (7,274,000) aged 16-64 in the UK are classified as disabled under the Equality Act 2010.
- Over four million (4,081,000 or 56%) of those classified as disabled are either employed or seeking employment.
- Around half (51%) are in employment, accounting for 3,723,000 people.

The gender breakdown for the UK's disabled self-employed is uneven

- 61 per cent are men and 39 per cent are women.
- Despite the shortage of disabled women in self-employment, there has been a surge in the number of disabled women choosing this way of work – numbers have increased by 48 per cent since 2013.

Disabled self-employed people tend to be in the higher age brackets

- 54 per cent are aged between 50-59 (28%) and 60+ (26%).
- A further quarter (24%) are aged 40-49.
- Although only seven per cent of disabled freelancers are aged between 16-29, this group has almost doubled with a 97 per cent increase since 2013.

Many disabled self-employed people work in highly skilled jobs

- 42 per cent of the disabled self-employed are concentrated in the three most highly skilled occupational categories which includes jobs such as engineering and IT professionals, health and social care professionals, marketing professionals and many others.
- 26 per cent work in trades which include skilled roles in the agriculture, construction, textiles and printing trades.
- The lowest proportion can be found in the administrative and secretarial occupations (4%) and the sales and customer service occupations (3%).

Disabled people in self-employment are in it for the long run

- Nearly half (44%) of all disabled self-employed people have been in self-employment for ten or more years.
- Of this proportion who are self-employed for ten years or longer, more than a quarter chose this way of work because of better work conditions or job satisfaction and the nature of their job or chosen career (22%), followed by a desire to maintain or increase income (12%).
- 20 per cent of disabled freelancers have been self-employed for four to seven years, whilst a quarter (26%) have been in self-employment for less than three years.

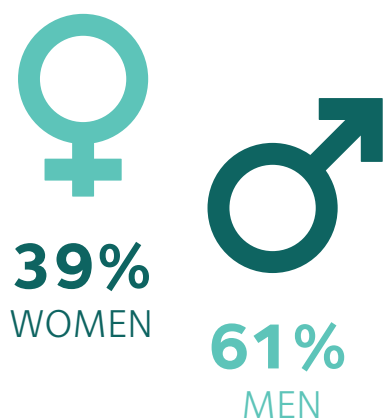
Highest level of education

- Over a quarter (27%) of the disabled self-employed are qualified to degree level or equivalent; and over a fifth (21%) are qualified to A level or equivalent.
- A further eight per cent have received a postgraduate qualification.
- One in ten (11%) disabled self-employed people have no formal education which is almost twice as high as the proportion of disabled employees with no qualifications (6%).

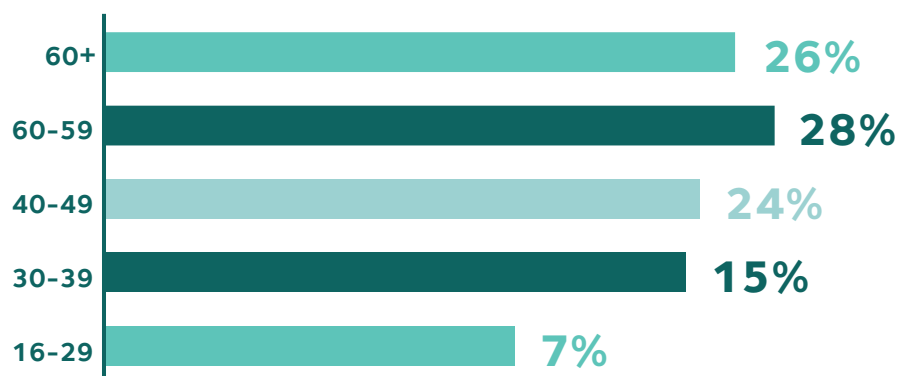
Sector size



Gender split

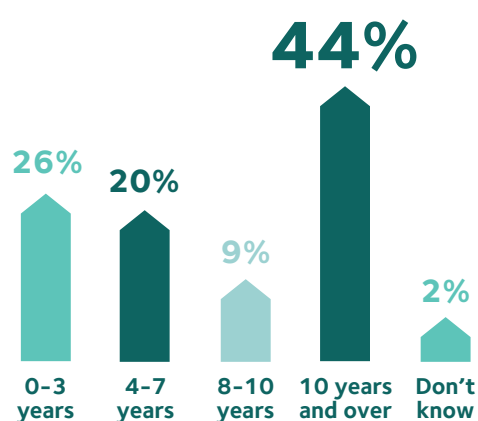


Age



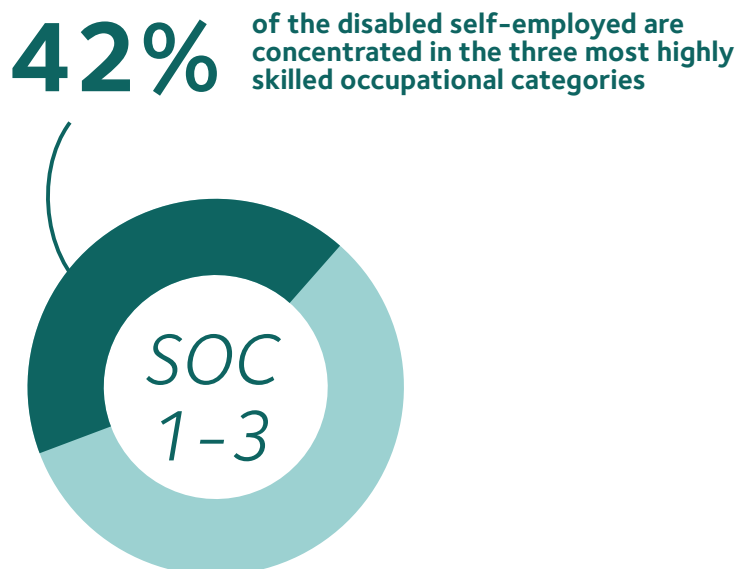
*Percentages do not sum up to 100 per cent due to rounding.

Length of time in self-employment

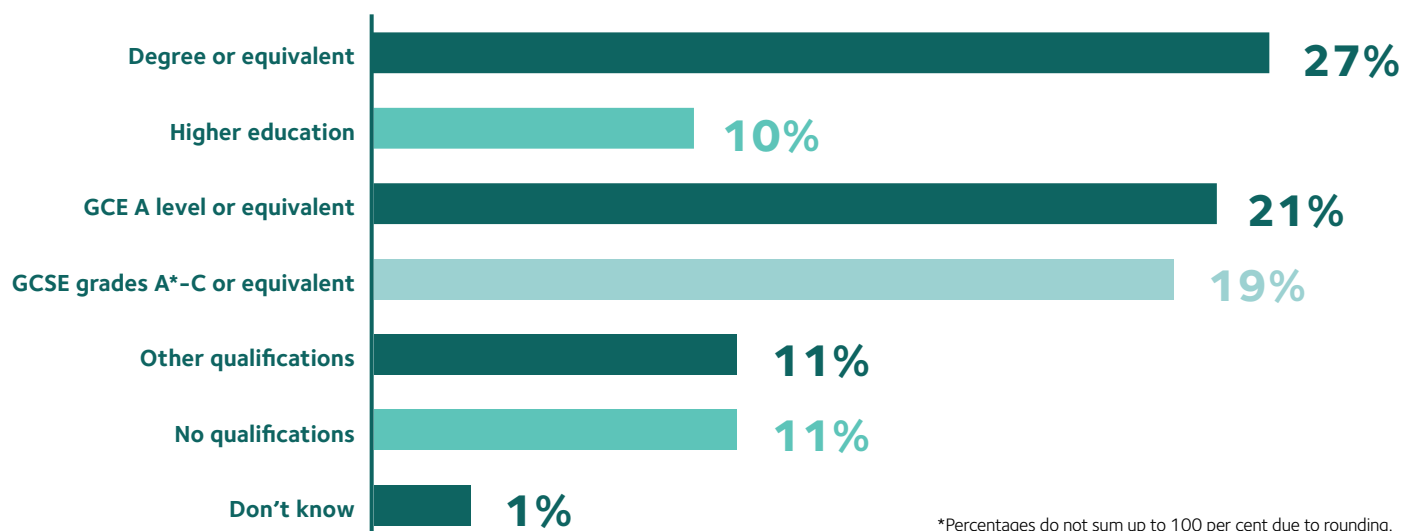


*Percentages do not sum up to 100 per cent due to rounding.

Occupations



Educational qualifications



*Percentages do not sum up to 100 per cent due to rounding.

A man with glasses and a woman are sitting at a wooden table, looking at business documents. The man is pointing at a bar chart on a document labeled 'BUSINESS PLAN'. The woman is holding a pen and looking at the documents. There are coffee cups and a glass of iced coffee on the table. The background is a bright window.

Putting an end to guessing games

What disabled people really think about self-employment

In this section we outline disabled people's experiences in self-employment. As mentioned in greater detail in the Methodology, this section is informed by interviews ComRes undertook with disabled self-employed people on our behalf. In addition, IPSE and Community conducted interviews with experts from a wide range of organisations that support disabled people.

To build as complete a picture as possible, disabled people and experts were asked a comprehensive set of questions relating to a range of areas which affect the everyday working lives of disabled freelancers. We focused on:

- Motivations for entering self-employment
- Overall impressions of self-employment
- Welfare and support from government
- Challenges whilst in self-employment
- What they like about self-employment
- Training and career progression
- Support from government and non-governmental organisations



Motivations for entering self-employment: push vs pull factors

One of the leading academics regarding disability and self-employment, Professor Melanie Jones, described 'push and pull factors' that brought disabled people into self-employment. In other words, factors which compel disabled people into freelancing due to negative experiences in employment, and factors which draw disabled people in. A review of the testimony from disabled people and experts shows that this holds true, and although on balance disabled people's experience of freelancing is positive, it is important to acknowledge the positive and less positive sides to this way of working.

Looking at Labour Force Survey (LFS) data on the main reasons for disabled people choosing self-employment, the most common reason is better work conditions or job satisfaction as outlined by over a fifth (21%) of all respondents.

Other disabled people chose self-employment because of the nature of their job or chosen career (19%) or to maintain or increase their income (9%), suggesting that the larger proportion of respondents did so because of pull rather than push factors.

Six per cent of disabled people chose self-employment because they could not find

other employment, and a further six per cent did so because of redundancy. This finding is in line with the motivations of the wider self-employed population.

Over a fifth (22%) of the disabled self-employed respondents selected the 'other' category suggesting that the reasons for joining self-employment for disabled individuals might be far more diverse than the options presented in the survey and therefore we address this question in a greater detail in our qualitative findings below.

Push factors

- Many of the factors described to us that push disabled people into self-employment related to negative experiences of being disabled and in employment.
- Some described a lack of understanding in the workplace around a person's condition or impairment including from colleagues and employers.
- Our disabled interviewees also said they felt the presence of stigma in the workplace around their conditions or impairments.
- On the theme of conditions and impairments, many told us that traditional employment was inflexible in terms of supporting them to manage their conditions or impairments, for instance when it was necessary to seek treatment or take time off work. There was also an absence of part-time employment opportunities or flexible working hours.
- The perceived lack of other employment opportunities was also a key issue many people stated led them to self-employment.
- Those who had specific mental health conditions, such as those on the autism spectrum, felt the traditional office environment and nature of work was not conducive to a positive experience for them.
- A theme around inaccessibility of workplaces also emerged. This includes workplaces being inaccessible, either for wheelchair users, or for those who have difficulties getting to the workplace through public transport.



There are barriers in employment for disabled people such as fear and stigma, it is very difficult to fight prejudice. Employer attitudes towards mental health conditions, for instance, is a great issue – 56 per cent of employers wouldn't employ someone with a mental health condition because of fear and stigma from co-workers.



Gemma Hope, director of policy, Shaw Trust



I'm autistic, so I struggled to get a job where it's people-facing. I don't generally like talking on the phone, so I can't really work in a call centre because it would make me have panic attacks. Just having a normal job is not something I found easy.



Owen, disabled freelancer, works in graphic design

Pull factors

- There is a lot that pulls disabled people towards self-employment. Most of the feedback we received mirrored the factors that pull the wider population towards freelancing that IPSE and Community regularly hear in feedback.
- General flexibility around working arrangements such as working hours and working days was a key factor pulling people towards self-employment, and flexibility to work around an impairment or condition was a factor unique to disabled freelancers.
- Similarly to the wider freelancing population, greater control over work is seen as an important pull factor.
- Self-employment was also seen as a pathway to get greater fulfilment from their job, which helped boost self-worth and gave them a personal sense of pride.
- Lastly, disabled people feel that self-employment offered them an opportunity to pursue a personal passion or skill.
- There was also an indication some were pulled into self-employment because of a market demand, such as one individual who is a professional musician. Another indicated employment fatigue after ten years in the corporate world.
- Finally, work-life balance is a factor many cited as an attractive feature of self-employment.



Yes, the thing of you are your own boss is great. I like that. It's probably the greatest positive.



Leo, disabled freelancer, works as musician



Self-employment can provide a boost in self-worth.



Philip Connolly, policy manager, Disability Rights UK

Prince's Trust case study – Tom Fadden

Tom is self-employed and has worked for himself since October 2016. He previously had a part time job from 2017 – 2018.

Tom left his previous job due to a period of mental ill-health and now feels traditional methods of employment are not open to him. As a wheelchair user, in interviews when Tom was looking for work he could tell the employer was 'thinking around the issues of making work accessible for him'.

Tom has always wanted to work for himself, and following a family bereavement, he took the necessary steps and found the Prince's Trust Enterprise programme. Through the Enterprise programme, the Trust invited business owners from different sectors to share their experiences and help Tom

with his own business plan. Through the programme, the Trust also provided Tom with a mentor who continues to provide support and advice on issues such as chasing late payments.

"The knowledge gained on the Enterprise programme, along with the guidance from my mentor was invaluable in getting my business off the ground."

Since 2016, Tom has run his own disability consultancy which helps businesses better understand disabilities by providing disability awareness training at universities and within education.

Self-employment provides Tom with the autonomy in choosing what he does and what projects to take on, and with his disability Tom's energy levels can often fluctuate so he values the flexibility self-



employment provides. The dislikes and challenges for Tom in self-employment are the 'unknowns', as well as cash flows and not being paid on time. He has also experienced overpaying and underpaying with government support which meant he had difficulty planning with fluctuating finances.

Continuing challenges of self-employment for Tom is the lack of certain necessary skills, however he is not sure he could go back into traditional employment.

Overall verdict on self-employment

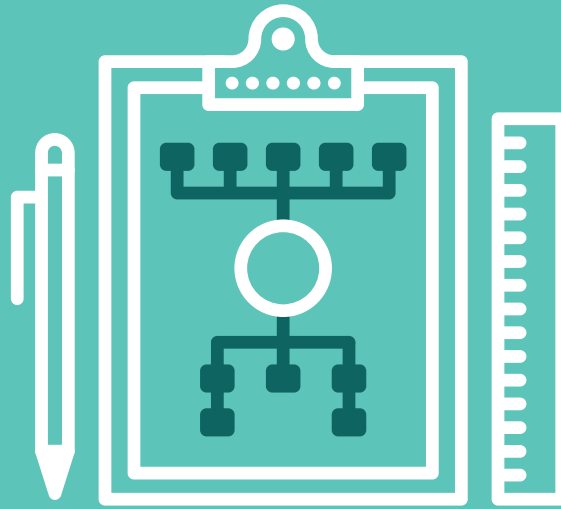
- All respondents had a positive overall view of self-employment, and while they acknowledged the challenges they faced within it, they were broadly happy and satisfied with their quality of life as a self-employed person.
- No matter whether they were pushed or pulled into self-employment, many reflected on how being self-employed had a positive impact on their lifestyle in light of their condition or impairment.
- For those with mental health conditions, this might mean taking time away from other people or being able to work in a way that suits them. For those with physical conditions or impairments, it might be the chance to take more regular breaks or look after their physical health more carefully.



Knowing what I know now... I'd have done it sooner. I didn't realise the implications it would've had, just in terms of being stuck in an office environment, you can exercise more regularly, live a better lifestyle, and that's had some real positive implications on my health. So, as much as it wasn't a factor when I did it, knowing what I know now, I would've done it sooner.



George, disabled freelancer, works as an accountant



Challenges

Disabled freelancers do face a set of challenges in self-employment. But, it is important to note that, whilst many of these problems will feel very real for those going through them, they can be overcome, and solutions are addressed in the Recommendations section. The remainder of the Challenges section outlines the issues that face disabled self-employed people, and find that in some cases, such as the issue of late payment, disabled and non-disabled freelancers share the same problems.

Trouble getting started

A common theme that emerged during interviews was that disabled people face some difficulties when starting out in self-employment. These issues, for the most part, are common amongst all self-employed people, and with a little help and guidance from bodies such as IPSE, Community and other support organisations, more disabled self-employed people can get the help they need to overcome such issues.

- Much like the wider self-employed population, disabled self-employed people found keeping track of their finances difficult especially at the beginning, mainly through a lack of knowledge around accounting or bookkeeping.
- They also found it challenging when it comes to compliance with the tax and legal regulations, such as what kind of business model to adopt or how to comply with HMRC.
- For some, these issues were exacerbated by a lack of appropriate information and support in accessible formats, particularly for people with learning disabilities.
- Others who suffer from issues such as social anxiety suggested their conditions make it difficult to build their client base – a key skill in successful freelancing.
- Freelancing often means having to be able to master a variety of skills so you can keep your business going, and when it came to business skills such as sales, marketing and accountancy, our disabled freelancers told us they would benefit from more support and advice in this area.



In terms of the challenges, it's that setting up everything to make sure you're doing things correctly in terms of income, expenditure, salary, PAYE, tax requirements, VAT requirements... so the challenges were finding out how to maintain or to start the business so it was set up correctly, legally, from the tax point of view.



**Charles, disabled freelancer,
works in finance and property**

Loneliness

- While the disabled respondents interviewed cherished the control and flexibility that comes with working from home, loneliness and isolation were identified as key challenges they faced in their self-employed experience.
- Some respondents reflected on missing the interaction with colleagues they may have been used to on a day to day basis.



In terms of being self-employed, a lot of people don't talk about how lonely it can be sometimes, depending on what the profession is.



Hugh, disabled freelancer, works in retail

Late payment makes fluctuating income worse

Late payment is the scourge of the UK's self-employed, with the average freelancer spending 20 days a year chasing late payments¹⁶. For 40 per cent of freelancers, this results in no payment being made at all¹⁷. When these factors are coupled with the issue of fluctuating income it can have greater consequences on some disabled self-employed people.

- Experts were nearly unanimous in telling us fluctuating income and seasonality of earnings in some sectors created more acute problems amongst some disabled self-employed people.
- In some cases they said this has led to increased feelings of depression or low-mood.
- It was suggested that a factor that made this worse in some cases was late-pay, where clients do not pay freelancers on time.



We now do quite well, but there were times where if we hadn't been paid in two or three months' time then we would have started to run out of money and that is very stressful.



Charles, disabled freelancer, works in finance and property

Skills and training

Continuing training and development is important for all self-employed people to keep ahead of technological, professional and regulatory changes. This claim could be even more relevant for the disabled self-employed who are more likely than average to have no educational qualifications. But, too often disabled freelancers find they are priced out of training opportunities or are unaware of what's on offer.

According to our LFS data analysis, there are large differences in the number of disabled self-employed and disabled employees reporting job-related training in the previous three-month period¹⁸.

Less than one in seven (13%) of the disabled self-employed reported undertaking job-related training in the last three months, compared to more than twice as many disabled employees (27%) who had done so.

This trend raises questions about whether the UK's disabled self-employed engage in enough learning and training opportunities to support their skill development needs. It also poses questions over the potential impact on their career progression, income levels and accessing more or higher quality work opportunities.

- The main reason disabled people chose not to take up training was because of a lack of knowledge of what is out there.
- The perceived steep costs of training courses were also off-putting.
- For others it was simply that they were experienced enough and were less receptive to take up training opportunities, as they may be planning for retirement or feel they know what they need in order to get their job done effectively.
- According to the experts interviewed, accessibility could be another obstacle preventing the disabled self-employed from seeking training.
- As reflected earlier, some of the key areas disabled freelancers sought training include developing their sales and marketing skills, as well as training on tax and finance management and book-keeping – the essentials of any successful business.

Confidence in negotiating day rates

Many experts recognised the fact that disabled people in self-employment are more likely to be less confident in negotiating higher rates in pay than the wider self-employed. According to them, in some cases this is associated with difficulty finding a client or a job, while in other cases disabled people are not aware of how much they can charge for a product or a service and end up undervaluing their work.

Experts suggested access to mentoring and networking opportunities, as well as good guidance on setting day rates as key for boosting income through improved self-confidence.



Disabled self-employed people are less confident in negotiating rates in pay. One way to solve this is to run courses to increase confidence and thus increase pay. Such courses already exist for women in line with plans to decrease the gender pay gap.



Robert Gill, senior policy advisor, Scope

Disabled freelancers face challenges when it comes to their finances

As with all businesses, disabled self-employed people may require financial assistance from time-to-time, or will need to divert some of their earnings for other things such as preparing for retirement. At times they can feel unsupported in this area, either by banks that don't understand their needs or personal circumstances and pension providers whose products are inflexible, amongst other areas.

- Most of the experts interviewed agreed that disabled self-employed people tend to face significant difficulty in accessing loans from banks and investors. One disabled person's account focused on the personal background and circumstances they have in relation to the impact of their condition or impairment such as not having any savings, being in debt and having poor credit history.
- What emerged as common between disabled and non-disabled self-employed people is that banks often lack the understanding of their background and personal circumstances, and don't take this into consideration in their decision of whether to provide a loan or not.
- Some raised the issue that they felt there is a lack of a security net, namely around pensions, where freelancers have to make their own arrangements. IPSE found this is a common issue amongst the self-employed, where 69 per cent not currently paying into a pension.

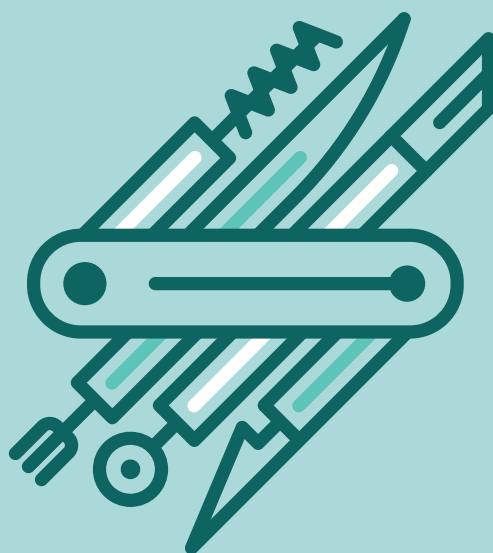


There is an element of financial exclusion. Many disabled self-employed don't have capital or have poor personal credit history which makes it harder for them to access finance through banks.



Chris O'Sullivan, head of business development and engagement, Mental Health Foundation

¹⁶IPSE, 2017, Administrative obligations associated with operating a freelance business. ¹⁷IPSE and IPA, 2018, Working well for yourself: what makes for good self-employment? ¹⁸Source: Labour Force Survey, (Q2 2018), Reasons for becoming self-employed for the UK's disabled self-employed. Self-employment refers to solo self-employed with no employees in main jobs only.



Support

In any industry, support from trade unions like Community and bodies like IPSE, as well as through the government provide vital access which can help disabled people make a success of self-employment. We explore the available support options and highlight areas for improvement.

Welfare support for disabled freelancers is welcome – but there's room for improvement

For many disabled people, the welfare system is an essential lifeline to support them through periods they are in or out of work, or when they need extra support to accommodate their condition or impairment and a range of government-provided benefits help to that end. There are a number of different benefits that currently exist:

- Employment and Support Allowance (ESA) is a benefit for those seeking work and provides extra support to those who need it. It is gradually being superseded by Universal Credit (UC).
- Access to Work (ATW) provides additional support for people who are either about to re-enter work or are in work and require additional support to aid with their condition or impairments, such as transport to get to work, specialist equipment or mental health support.
- Disabled people are also able to access Personal Independent Payments (PIP) for the extra costs associated with their condition or impairment, such as for the cost of a wheelchair or the cost of getting a taxi to work where public transport is inaccessible, amongst other things.
- The New Enterprise Allowance (NEA) provides additional support for new businesses and access to a local businessperson who acts as a mentor.

All these benefits have been the subject of varying levels of criticisms over the past few years, however, much of the criticism revolves around the execution of them and not the principles behind the ideas.

Employment and Support Allowance (ESA)

ESA is a good example of a benefit that divides many. For disabled recipients, the benefit creates two separate groups:

- **The Work-Related Activity Group (WRAG):** For those that have a condition or impairment and are expected to be able to work within 12 months¹⁹.
- **The Support Group:** This is for people whose impairment or condition means they are unlikely to work in the future and there is no requirement for them to seek work²⁰.

A key issue with ESA is not necessarily with the creation of these two groups, it is generally with, at times, the unfair placement of ESA recipients into the wrong group. The assessment process for ESA, the Work Capability Assessment (WCA), has been criticised for placing individuals unable to work into the WRAG group which has led to views that the assessment is unfair. Feedback reveals that it does not feel as if the WCA was co-designed with disabled people and that it misunderstands certain conditions or impairments^{21,22}.



The actual questions that you fill out are not geared towards people with extreme mental [health conditions]. And so, therefore, when I applied, I initially got rejected, and it had to go to where an independent person came in.



**Natalie, disabled freelancer,
works in the creative industry**

¹⁹The Work Foundation, 2016, Is welfare to work working well? ²⁰Ibid. ²¹The Resolution Foundation, 2016, The Retention Deficit ²²The Work Foundation, 2016, Is welfare to work working well?

Universal Credit (UC)

Universal Credit has been the subject of heavy criticism since it has gradually been implemented. UC will eventually supersede a range of benefits, including ESA, and will mean many millions will migrate onto the benefit over time. The issues associated with UC affect disabled and non-disabled recipients in equal measure, though given salaries for disabled self-employed people have been found to be lower than for non-disabled self-employed, it could be argued that it penalises disabled recipients more²³. These relate to two core issues:

- **The Minimum Income Floor (MIF):** The MIF is an assumed level of earnings that is used to calculate a person's UC entitlement. If a claimant earns more than the MIF in any given month, they will receive less, and when a person earns less they will not be offered more money to top up the loss. The key issue is that when calculating payments, the system does not take into account fluctuations in earnings between months. This is unfair for the self-employed, who in general have much more fluctuating incomes than employees.
- **The start-up period:** This is where a newly established business is exempt from the MIF for the first 12 months of trading after which the MIF kicks in. Businesses, including the self-employed, that are older than one year do not qualify for the start-up period. As many businesses take at least two to three years to comfortably establish themselves, the short start-up period is unhelpful.

These issues in turn can exacerbate the already present issue of fluctuating income that some self-employed people must manage²⁴.



It changes every month how much I get, I feel like it should be a standard amount no matter how much you earn. Obviously if it's over a certain amount then it should be less, but one month I could earn £300, one month I could earn £200, one month I could earn £500. If it's over £300 I don't get any Universal Credit. I think it should just be a standard amount.



Owen, disabled freelancer, works in graphic design

Personal Independence Payments (PIP)

Personal Independence Payments (PIP) are a welcomed benefit that supports disabled people with their extra costs. Many criticisms have centred around a gruelling application process that applicants have to go through, in addition to the Work Capability Assessment they must go through to apply for in-work benefits. In March 2019, the Secretary of State for Work and Pensions announced a trial to combine PIP and WCA processes by 2021, and we cautiously applaud the government in their efforts to make this a less stressful and cumbersome process for disabled people^{25, 26}.

Access to Work (ATW)

For some, Access to Work (ATW) is thought of as one of the best kept secrets in welfare support^{27, 28}. In addition to the benefits mentioned earlier, ATW offers disabled people access to job coaching and training support which are welcome and should help with skills gaps amongst disabled freelancers. Keith Bates of Mutually Inclusive suggested there is potential for ATW to be extended to cover personal assistant payments for those who need extra support

with accounting and invoicing, and should place less responsibility on the individual to find the support structures. Much of the criticism, however, refers to the relatively low take-up rates for the benefit which indicates the relevant authorities are not making enough people aware of ATW, such as within the Job Centre Plus system. The latest statistics provided by the Department for Work and Pensions indicate only just over 33,000 people are in receipt of the benefit, and a strikingly low proportion of them identify as having a mental health condition (less than 5%)²⁹.

ATW is not without its supporters, however. Seema Flower of the Blind Ambition charity argued ATW is "the best thing the government does to support disabled people in work."



Access to Work does make a huge difference for people's lives but requires people to act and takes so long to come through. It's not promoted widely enough. You can find it on gov.uk but you wouldn't find it unless you know it's there.



Gemma Hope, director of policy, Shaw Trust

The New Enterprise Allowance (NEA)

The New Enterprise Allowance (NEA) is a benefit which disabled people are eligible for, to assist them with setting themselves up as a business. They can receive an additional £1,274 over 26 weeks on top of any benefits they receive and the support of a local business mentor. Experts we have consulted argued the NEA is in theory a good means of supporting disabled people to get the support they need when setting up as self-employed, however in practice there are some limitations, namely:

- **The NEA only offers support for up to six months:** The NEA does not recognise that businesses will need continuing support after their six months of trading³⁰.
- **The NEA is not widely publicised:** Despite the NEA being a useful means of support for disabled people starting out in self-employment, the relatively low take-up overall would suggest it is not being widely publicised enough. Just over 120,500 businesses have been set up through the scheme since 2011, and only one in four of those individuals running said businesses self-declare as disabled³¹.

Job Centre Plus (JCP)

Job Centre Plus (JCP) are a network of offices which individuals can go to apply for a range of benefits and get support to find work. In interviews with a range of experts, many told us that in the wake of JCPs withdrawing Disability Employment Advisers, the centres now lack the depth of in-house expertise around disability. The knock-on effect means many of the Work Coaches who are responsible for dealing with all JCP customers do not have sufficient knowledge of the needs of disabled customers and this can lead to poor outcomes at the assessment process and beyond. Further evidence from the interviews IPSE and Community conducted suggests there is a lack of awareness and understanding around self-employment as an option. Given JCPs are an essential point of contact for disabled people to get the support they need to sustain their self-employed careers, it is vital this is reconciled.

²³Papworth Trust, 2018, Disability: facts and figures ²⁴Citizens Advice, 2018, Universal Credit and modern employment ²⁵Rt Hon Amber Rudd MP, 2019, Closing the gap between intention and experience ²⁶Scope, 2019, Amber Rudd's speech on welfare benefit reforms, what does it mean? ²⁷The Resolution Foundation, 2016, The Retention Deficit ²⁸The Work Foundation, 2016, Is welfare to work working well? ²⁹DWP, 2018, Access to Work statistics: April 2007 to March 2018 ³⁰RSA, 2017, The entrepreneurial audit ³¹DWP, 2018, New Enterprise Allowance statistics

Prince's Trust case study – Jayne Tapp

Jayne has been self-employed for over two years and runs her own online retail business creating personalised wooden artwork, cards and gifts. Prior to this, Jayne was in employment and after a few months of working had to leave due to ill-health.

Jayne was diagnosed with a long-term health condition which resulted in three years of unemployment. Jayne did try to go back into employment, and looked for part-time work, however her experience didn't often result in getting to the interview process. She felt this was due to her previous unemployment and disclosing to the employer about her illness.

Following this, Jayne wanted an independent life again, to use her own skills to support herself and have the freedom to do so, through the Prince's Trust Enterprise programme.

Jayne attended a four-day course based around the required skills and knowledge to start her own business. Following this,

Jayne was provided with a mentor who has supported her since.

"My mentor and advisor helped me feel empowered and helped me to continue to dream of living a life no longer defined by my illness."

Jayne likes that she is 'in control of everything' in self-employment and can plan everything from her own house when she feels well enough to. However, Jayne would like to be part of a team and dislikes the lonely and isolating side to self-employment. Furthermore, the seasonal work that comes with Jayne's business requires her to budget her spending more rigorously which she finds challenging.

In the future, Jayne would like to remain in self-employment, but would also want the option to go into employment however doesn't feel that option is available to her due to her health condition.



Support organisations

Organisations such as trade associations like IPSE, trade unions including Community, and the wide variety of charities that meet the various needs of disabled people are just as important in enabling this group to have a positive experience of freelancing. According to interviews with disabled people in self-employment, there is variable access to support from membership organisations and charities. Those who did access such services generally found them helpful, especially in relation to gaining understanding of advice on transitioning into self-employment. The majority of the experts interviewed also felt there is a real support gap, and a growing space for charities and commercial organisations to fill in this gap in terms of providing specialised advice and support, as well as products and services.

- Experts highlighted that information relevant to disabled people in self-employment is either lacking or difficult to find.
- Our interviews showed many disabled freelancers often do not know what support they can access or are eligible for, and

in the cases when they do, they often find it hard to access appropriate advice or find going through disability assessment hugely challenging. This underscores an opportunity for support organisations to improve their signposting to such support.

- Some experts pointed to the need for greater mentoring support from support organisations, especially around freelancing as most work advice is aimed at employment.
- A need for more flexible and affordable support packages to help disabled people whilst in self-employment was also identified. These include tackling the loneliness aspect of self-employment by providing access to networking events and the need for business development and training support.
- Discounts on legal and accountancy services, as well as mortgage and other financial products, were seen as essential, especially for those who might find the financial and time cost of accessing these particularly challenging.



A woman with short brown hair and glasses, wearing a dark top and a brown apron, is seated in a wheelchair. She is leaning forward, interacting with a dark-colored dog that is partially visible in the foreground. The setting appears to be a cafe or a similar indoor space, with a counter and various items visible in the background. The lighting is warm and focused on the woman and the dog.

Recommendations

In this section we outline a series of recommendations to enable and support disabled people to make a success of self-employment. The recommendations we have developed have been informed by the experiences of disabled people themselves, the advice of experts working in this area, and the literature.

Welfare

1. Re-design the Work Capability Assessment

The WCA has been described as a difficult process for many of the disabled people who have to go through the process in order to obtain welfare support. Evidence on this area suggests that some assessments result in wrongful decisions because of the way the WCA is structured. We welcome the government's commitment to reforming the WCA, and we believe a revised WCA that considers disabled people with a variety of physical and mental health conditions and impairments will go some way to resolving this issue.

Our recommendation:

Ensure disabled people with a broad mix of physical and mental health conditions and impairments are part of a process to co-produce a redesigned WCA.

2. Efficiently managed migration from legacy benefits to Universal Credit

Thousands of disabled people will be transitioned from legacy benefits, such as ESA, onto the newer Universal Credit. Concerns have been raised that this will cause distress for some, by having to go through the assessment process again, and for others may result in the loss of benefits due to individuals being unaware of application deadlines or even the requirement to reapply at all. To ensure all existing claimants are protected we call on the government to continue existing benefits until individuals are migrated onto UC.

Our recommendation:

The Department for Work and Pensions should ensure legacy benefits are continued whilst individuals are going through the process of applying and moving onto UC regardless of application deadlines.

3. Extend the start-up period of UC to two years

For self-employed people, UC can do more harm than good. It does not recognise that businesses, such as those set up by self-employed people, more often than not take over a year to get off the ground. This is the nature of starting a business. We believe UC needs to reflect this reality.

Our recommendation:

UC should increase the start-up period to two years to reflect the amount of time a person needs to establish their business.

4. Reform the Minimum Income Floor

An additional element of UC requiring reform is the Minimum Income Floor. For self-employed people, the MIF can exacerbate fluctuating incomes, which some self-employed people are exposed to. Reforming the MIF will smooth out this punishing element of the benefit.

Our recommendation:

Earnings should be considered on an annual basis rather than month-to-month and with the introduction of Making Tax Digital this should move to a quarterly basis.

5. Personal Independence Payments

PIP is a lifeline for many disabled people, but concerns have been raised around the transparency of the assessment process, and whether assessors have an adequate enough understanding of various impairments or conditions to be able to make a correct assessment about someone. In March 2019, the Secretary of State for Work and Pensions announced trials to bring together PIP and other benefit assessments to reduce the burden on disabled people. Until this is

the case across the country, we encourage a copy of the assessment to be provided to all claimants as standard practice, and individual assessors should be matched to the claimants in terms of expertise and experience, and more support should be provided throughout the application process.

Our recommendation:

The PIP assessment process to be transparent and expert-led: a copy of the assessment should be provided to all claimants as standard practice, individual assessors should be matched to the claimants in terms of expertise and experience, and more support should be provided throughout the application process.

6. Publicise Access to Work

Access to Work is one of the best kept secrets in welfare support. It allows disabled people the support they need to get back into or stay in work by offering financial support for adaptations or transport, as well as mental health support. However, given the relatively low take-up of ATW, not enough people are benefitting from it. Increased numbers of people using ATW could improve the retention of disabled people staying in work by giving them the support they need.

Our recommendation:

The DWP should publicise ATW more broadly in Job Centre Pluses and mandate Work Coaches to make all eligible people aware of ATW.

7. GP referrals to Access to Work

One of ATW's core functions is to provide support for disabled people dealing with physical and mental health conditions and impairments. However, GPs are not currently

able to refer to this service. It is also noted that less than five per cent of those using ATW identify as having a mental health condition. Given this low number, it would suggest that in addition to few people knowing about ATW, the pathways onto ATW are not being offered by those in the know. This is a missed opportunity for many who require this support. Given GP's are a first port of call for many disabled people, it would be wise for them to offer patients referrals onto ATW to ensure individuals are being given the support they need.

Our recommendation:

GP's should be able to refer disabled people onto ATW if they need extra support.

8. Increase NEA benefit and mentor support to two years

The NEA is seen as a great source of support for people starting out their own business, by linking new business owners with established ones and offering some additional financial support. However, mentoring and benefits only last for 26 weeks, which for many is too short.

Our recommendation:

NEA benefits and mentor support should be increased to two years to reflect the amount of time it could take a new business to establish itself.

9. More publicity of the NEA

Given the low numbers of people taking up the NEA, and the evidence we have collected that many newly self-employed people would benefit from the support of a mentor whilst establishing themselves, we feel there is a gap in awareness of the NEA. It is incumbent on the government to raise awareness of this benefit to ensure more can make a success of their business.

Our recommendation:

The DWP should publicise the NEA more broadly in Job Centre Pluses and mandate Work Coaches to make all eligible people aware of the NEA.

10. Give Work Coaches more disability and self-employment awareness training

It is often felt by disabled people and experts that Work Coaches have an insufficient understanding of disability or freelancing. This can result in poor support from Work Coaches and, on occasion, poor decisions during the assessment process for benefits. A heightened awareness of these areas through robust training should result in better outcomes for disabled Job Centre Plus customers.

Our recommendation:

The DWP should offer all Work Coaches disability and self-employment awareness training.

Regulation

11. Increase powers of the Small Business Commissioner

It is common for freelancers to be paid late, and in some cases, not at all. In work IPSE did with the Involvement and Participation Association (IPA), we found self-employed people had spent an average of 20 days a year chasing late payments, and a staggering 43 per cent had gone unpaid at some point in their career^{32, 33}. The government established the Office of the Small Business Commissioner in 2016 to tackle this issue, but to date has not been successful in creating a shift in poor payment culture.

Our recommendation:

The government should give the Small Business Commissioner the powers to fine persistent late payers and pursue its planned traffic light system to shine a light on worst offenders and celebrate prompt payers, so that freelancers can make more informed decisions about which clients to work with and those to be avoided.

12. Government to support the growth and establishment of workhubs

Previous research has shown that co-working spaces can play a significant part in combating isolation and loneliness. This can also lead to increased co-operation among self-employed people and encourage the sharing of ideas and resources.

The government should promote co-working opportunities and explore ways to incentivise the establishment of new co-working spaces. For example, the business rate relief that already exists for small businesses should be extended to workhubs to ensure freelancers are also effectively incentivised to develop and grow their business.

Our recommendation:

Government to extend business rates relief to workhubs.

³²IPSE, 2017, Administrative obligations associated with operating a freelance business. ³³IPSE and IPA, 2018, Working well for yourself: what makes for good self-employment.

Help from support organisations

13. Mentoring schemes should be more readily available to provide individualised and solution focused support

Mentoring can be a helpful way of ensuring those starting out in self-employment are able to get the essentials right from day one, such as accounting, and other soft skills like networking and promoting their business. Too often, disabled people reported they struggle with this and experts suggested a gap exists for mentoring support.

Our recommendation:

The DWP and local government should partner with charities and organisations that support disabled people to enter and sustain self-employment such as existing schemes like the Work and Health Programme.

14. Disability charities to offer advice on self-employment

While engaging with third sector experts we found amongst some interviewees, there was a lack of institutional awareness around self-employment. In some instances, this means that they are not able to proactively provide support to disabled people entering, or who are currently in, self-employment should they need it. There is then a gap to fill to ensure disabled customers of charities who need support relating to self-employment can be properly catered for, in order to make a success of their self-employment. This should include practical advice on setting up as self-employed and how to use the welfare system as a self-employed person.

Our recommendation:

Disability charities to provide tailored support related to self-employment.

15. Trade associations and trade unions to offer tailored support to this group

Trade associations and trade unions are an invaluable source of support and advice for self-employed people. After researching this report, we reflected on the new evidence and found there is more that we can do to support the disabled self-employed. The journey we have taken to identify their needs has helped us to begin the process of working out how we can best support them. Over the course of this year, we will develop plans to make sure the disabled self-employed feel they are supported by us to make the most of self-employment, and we hope equivalent organisations will follow suit.

Our recommendation:

Organisations like Community and IPSE to identify practical ways to support the disabled self-employed and to work with disability charities and organisations that provide support to those who are disabled and in self-employment.

Finance

16. Offer the sidecar pension to the self-employed

Many self-employed people, disabled or non-disabled, opt to not save for their later lives. In a study IPSE undertook, 69 per cent of self-employed people said they do not have a pension. They told us this was not for lack of wanting to save, but primarily because of a perception that pension offerings are inflexible and do not meet their needs, particularly for those with lower earnings, who are unable to make regular payments. In addition to this, research by Community showed 55 per cent of self-employed members did not pay into a pension and did not believe that their pension will provide an income they can live on during retirement (65%). Furthermore, the majority of Community members suggested they do not pay into a pension because they can't afford to. This has demonstrated there is a niche for a more flexible pension option that meets the needs of this group. The 'sidecar' is this solution as it provides two savings pots, one for a rainy day, to draw upon penalty free in case of an emergency, and a longer-term savings pot for retirement.

Our recommendation:

Pension providers should offer a sidecar pension.

17. Banks and lenders to be given self-employment and disability awareness training

Evidence from experts we consulted strongly suggests banks and other lenders do not understand self-employment or disability issues as well as they could. Greater training for their staff on these areas should lead to better outcomes for disabled freelancers in accessing finance for their work.

Our recommendation:

Lenders should understand the needs of these groups when considering lending decisions.



Conclusion

Disabled people are a vital and growing section of the self-employed community. In fact, their numbers have risen by 30 per cent in the last five years alone. They now make up 14 per cent of the total self-employed workforce, and this extraordinary growth shows no signs of slowing.

The disabled self-employed are part of an already diverse and thriving sector, and their varied perspectives and lived experiences do much to enrich the professions they work in. In return, while many of the disabled people we spoke to said employment had done little to support them, self-employment had allowed them to work more flexibly around their conditions and impairments.

When IPSE and Community set out to answer our key question, 'is self-employment a positive choice for disabled people?', we were encouraged to find the answer was, for the most part, 'yes'. We found many of the factors that pull disabled people into self-employment – flexibility, greater control over their work and who they work for – are the same as those that pull non-disabled people into it. The key area where disabled and non-disabled people diverged was push factors. Many see employment as inflexible for disabled people, who have to manage physical or mental health conditions and impairments. Self-employment, however, offers them an opportunity to work around these.

It is important to recognise, however, that despite the overwhelmingly positive message from disabled people about self-employment, for some there are very real challenges that deserve our attention and call for solutions.

For people who receive welfare benefits, there is a strong feeling that at times the system works against them. Where this is the case, it crucial that the Department for Work and Pensions works to resolve this.

Just like their non-disabled counterparts, disabled people are also not immune from the scourge of late payment, and we urge the Small Business Commissioner and the Department for Business, Energy and Industrial Strategy to tackle this by fining the worst offenders.

When disabled people need support getting themselves set up or adapting to new regulations or innovations in their sector, organisations like IPSE and Community will also do our best to help them make a success of self-employment.

Methodology

Our report is informed by a wide range of research activities to ensure a richer understanding of disabled people's experiences in self-employment, and to inform policy based on robust qualitative and quantitative data.

We focused on answering the following research questions:

- What are the key motivations of disabled people to choose self-employment?
- Is self-employment a positive choice for disabled people? If not, why not?
- What are the key challenges disabled people face when entering and sustaining self-employment?
- What actions can government, the private sector and support organisations take to better support disabled self-employed people?

The research methods we used to answer these questions include:

- Data analysis based on the Office for National Statistics (ONS) Labour Force Survey (LFS) – the largest household study in the UK covering the employment circumstances of the UK population.
- Qualitative interviews conducted by ComRes, an independent specialist research agency, with 15 self-employed people who identify as disabled. The sample included people with a range of physical and mental conditions and impairments, and were drawn from different age, gender and Standard Occupational Classification (SOC) bands³⁴.
- An additional set of three qualitative interviews with self-employed people who identify as disabled and were supported by the Prince's Trust charity when entering self-employment.
- Twelve third-party interviews with independent experts from government, the charity sector and academia.

³⁴SOC is the system the UK government uses to classify different occupations by skill level for the purposes of data analysis.

