

Wellbeing boost from disability benefits outweighs cost

PBE's report using Understanding Society data shows annual wellbeing boost from disability benefits is worth an average £12,300 per person per year – meaning the £28 billion annual bill creates £42bn in positive effects.



Economic disadvantage

In the year to July 2024, there were 3.5 million people in the UK receiving disability benefits such as Personal Independence Payment (PIP) and Disability Living Allowance (DLA). The payments add up to £28 billion a year, and help disabled people to cover their extra living costs.

The [Department for Work and Pension's figures](#) show that 5.5m disabled people were working in the UK in the second quarter of 2024 – an increase of 310,000 on the same period in 2023. However, the disability employment rate was 53%, still considerably lower than the 81.6% figure for non-disabled people – and there remains a significant income gap of around 30%. On average, disabled people have around £6,300 less to spend per year than non-disabled people.

A [report from disability charity SCOPE](#) says that even after taking PIP into account, the average disabled household (one that includes at least one disabled adult or child) faces extra costs of £975 per month in order to have the same standard of living as an equivalent non-disabled household – a figure which rises to £1,122 when adjusted for inflation in 2022/23.

Even though employment figures for disabled people have risen, over half of people in poverty in the UK live in households with at least one disabled person – [nearly 8.6 million people in 2022/23](#).

Life satisfaction

It is perhaps unsurprising, then, that disabled people also experience higher levels of anxiety, and are seven times more likely to experience prolonged periods of low wellbeing than their non-disabled peers.

The research from PBE set out to examine whether disability benefits have a significant difference on the wellbeing of those who get them. The report, *More than money: The lifelong wellbeing impact of disability benefits*, used Understanding Society to look at changes in wellbeing over time in people who received disability benefits compared to others who did not get them even though they may have been eligible.

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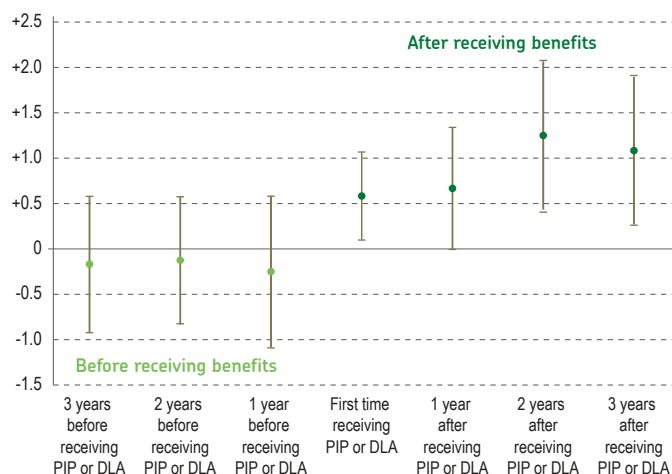
Findings from the data

On average, disabled people in the UK report lower life satisfaction than non-disabled people – [a difference of 1.22 points on a 10-point scale](#). However, PBE used Understanding Society data to compare the life satisfaction of people receiving disability benefits with a similar group who were potentially eligible but did not get benefits. They also looked at how life satisfaction changed after people began getting support.

The results showed that getting disability benefits improves life satisfaction significantly – by an average of 0.79 points, again on a 10-point scale. In addition, the effect “is dynamic and becomes stronger over time”. Life satisfaction increased by about 0.57 points on first receiving benefits, and rose to about 1.1 points after four years.

Getting disability benefits gradually improves life satisfaction over time

Average difference in self-reported life satisfaction score recorded by adults becoming recipients of disability benefits (PIP/ DLA) relative to adults who are eligible for these benefits but do not receive them, by time period before and after receipt begins



PBE modelling using Understanding Society, for full details, see *More than money: The lifelong wellbeing impact of disability benefits*, PBE, p12.

Varying with health

As well as the general improvement in wellbeing from disability benefits, there is also a difference in life satisfaction levels when self-rated health is taken into account. Disabled people who rated their health as ‘poor’ experienced a 1.2 point increase in life satisfaction (on a 0–10 scale) compared to what it might have been without disability benefits. For those reporting their health as ‘good’, though, the effect was statistically insignificant.

It may be that people with poor health have high healthcare costs and other expenses, leading to higher stress levels and anxiety, and that chronic health conditions also lead to higher rates of anxiety and depression. Benefits could help to pay for treatments and therapies that alleviate physical pain, and boost wellbeing.

Putting a value on wellbeing

HM Treasury produces [guidance on calculating a monetary value for wellbeing](#). Using this, PBE calculated the wellbeing benefits of (on average) a 0.79 point improvement in wellbeing represented the same as would be seen from an increase in income of £12,300. Multiplying this by the number of people currently receiving disability benefits (3.5 million) gave them an overall figure for wellbeing benefits of £42 billion.

Disability benefits cost an estimated £28 billion a year in 2024. As the PBE report says: “In other words, for every £1 spent on disability support, there is an economic benefit in the improved wellbeing of recipients which could be valued at as much as £1.48.”



Policy implications

The results highlight the different roles disability benefits play in improving the lives of the people who receive them. The report says benefits could also improve wellbeing “by removing the financial barriers that can hinder access to necessary resources, opportunities and social participation”. The improvements seen in life satisfaction could be a result of making people more able to engage with their community and socialise. “This is particularly crucial given that disabled people were more than four times as likely to report feelings of loneliness ‘often or always’ (15.1%) compared to non-disabled people (3.6%) in 2021.”

At a time when the government is reviewing disability benefits, and trying to reduce their cost to the Treasury, PBE says “if the government ... looks to restrict access including tightening the claiming process and restricting eligibility criteria, this would not go in the right direction”, potentially having a significant negative effect on physical and mental health, and overall wellbeing.

They conclude: “The government should instead focus on reforming access by a more streamlined and supportive process for accessing disability benefits, ensuring that those who require assistance can obtain it without unnecessary hardship and crucially, improving decision making.”

Karol Rodriguez Cabrera, PBE (formerly Pro Bono Economics), *More than money: The lifelong wellbeing impact of disability benefits*, January 2025



[Read the report](#)