



NUMBER OF BRITS OUT OF WORK THROUGH ILL HEALTH ON THE RISE

Millions of people in the UK would be unable to cope financially if they lost their job, warns a new report from the charity-led campaign Seven Families^[1]. The number of people out of work due to ill health has risen by 62,000 in the last year, meaning today, two million people in the UK are not seeking employment because of long-term illness^[2].

Despite this increasing number, many in the UK would be unable to cope financially if they were seriously ill. When asked how they would be affected if they were unable to work because of long-term illness or disability, 50 per cent of those in employment said they would be much worse off financially, equating to 15.4 million people^[3] being unable to cope.

The report highlights that people's financial vulnerability is largely due to having no financial safety net in place if they lost an income. Almost a fifth of the employed (19 per cent) are confident the state would provide enough financial support to maintain their lifestyle if they couldn't work, despite the benefits system being in decline. A further fifth (19 per cent) have never given any thought to whether the state would support them, while 61 per cent are unconfident they would be able to maintain their lifestyle through state benefits.

Almost a quarter in employment (22 per cent) also believe that the state has adequate resources and rehabilitation benefits to get them back to work if they were suffering from ill health or a disability, while over half (53 per cent) do not believe this would be the case.

Peter Le Beau of Seven Families commented: "It's alarming that even though the message is coming loud and clear from The Government that the benefits system is being cut back to balance the economy, some people have unwavering belief that they will always be looked after if they can't work. The reality is often that people would struggle to pay their mortgage, rent or the day-to-day bills if they suddenly had to rely solely on benefits."

Liz Sayce, chief executive of Disability Rights UK added: "It makes simple economic sense for the state to support people who have lost work due to ill-health and disability so they can return to work where possible, get new skills if needed and sustain independent living. Instead, many people are pushed into poverty and have their independence jeopardised. Many

wait a long time for essential support like housing adaptations, or payment to cover extra costs such as Personal Independence Payment. The right support can turn what seems like a catastrophic life change into recognition that life can still be fulfilling. People should have access to faster and better support and a choice over what suits them. In the long run that's more cost-effective for society and enables people to see a decent future ahead.”

When asked if they are aware of ways to protect their finances from being unable to work through long-term illness or disability, 80 per cent of people said they had heard of products like income protection, yet just ten per cent have taken cover to protect their income. This could be due to the fact that despite life and health insurance products paying out on 98 per cent of claims^[4] in 2014, Seven Families research shows that people believe they pay out just 51 per cent of the time on average, much lower than is the case in reality.

Peter Le Beau concluded: “With the number of people unable to work because of ill health rising significantly over the past year, it should stand as a warning to people that it can happen to anyone, and if it does, it's too late to safeguard your income at that point. Clearly people underestimate the value of having cover such as income protection, which can pay out around 50 to 60 per cent of your gross income tax free until you are well enough to return to work or reach retirement age. As importantly, it also offers people rehabilitation, emotional support and other services that they could otherwise struggle to access.

“Having a financial safety net in place can ensure people are able to maintain their home and lifestyle as much as possible if they are unable to work, and help people back to a productive life after suffering ill health.”

For further information go to www.facebook.com/7Families

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Notes to editors

[1] Research carried out online by ICM on behalf of Seven Families, amongst a nationally representative poll of 2019 people from 4th - 6th September 2015.

[2] ONS Labour market statistics September 2015

[3] Latest ONS figures (October 2015) show there are 30,850,000 people aged 18 and over in employment in the UK. 50% of those aged 18 plus in employment said they would be much worse off financially if they lost their job. 50% of 30,850,000 = 15,425,000 people.

[4] The Association of British Insurers statistics released in August 2015 show that 97.7% of all types of protection policy claims were paid in 2014.

Seven Families, in partnership with Disability Rights UK and the Income Protection Task Force, is providing a tax-free income for one year to seven families across the UK who have lost an income through ill health or disability. The campaign also provides the families with access to advice from a range of volunteering financial advisers to help with basic finances and budgeting, and they will also have the opportunity to benefit from independent living, rehabilitation and emotional support services. Each family is being put in the position they would have been had they taken out income protection. Each family's story can be seen at www.Facebook.com/7Families

About Seven Families

Seven Families is a charity led campaign to raise public awareness of the financial impact of long term illness or disability. It is administered by Disability Rights UK and The Income Protection Task Force (IPTF). Supporting companies: Aegon, AIG, Aviva, British Friendly, Canada Life, Cardif Pinnacle, Ellipse, Exeter Friendly, Fineos, Friends Life, Hannover Re UK Life, LV=, Royal London, Pacific Life Re, Vitality, RGA, Scor, Scottish Widows, Unum, Zurich.

About Disability Rights UK

Disability Rights UK is the leading charity of its kind in the UK. It is run by and for people with lived experience of disability or health conditions. It works with its members to influence national policy on independent living, benefits, education, employment, transport, human rights and other issues - shaping policy through direct experience and expertise. It also work with its local individual and organisation members to empower and to influence local policy and services.

About IPTF

Peter Le Beau is the Chairman of the Income Protection Taskforce, which was formed to promote awareness of Income Protection and long term disability amongst consumers and all parts of the life and health insurance industry.