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The earnings of people with a disability in Barcelona

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The current pay gap between people with and without a disability in Barcelona is 25%. This article, produced jointly by the Municipal Institute for Persons with Disabilities (IMPD) and the Municipal Data Office (OMD), examines this pay difference based on the statistical source of the Ongoing Sample of Working Lives (MCLV), which potentially provides an annually updated snapshot of the job market of the population of Barcelona. This is the first time the disability pay gap has been examined at this territorial level. Now the IMPD's goal is to monitor this gap annually and develop inclusion policies based on the information it provides.

Inserting people with a disability in the job market is a key factor in their inclusion in the community and is a public policy goal at all levels of government, including the municipal level in the case of Barcelona. However, considerable knowledge gaps remain about the employment of people with a disability. For example, the available employment figures for Catalonia do not allow us to differentiate between recruiting people in the ordinary market and recruiting them in protected environments (special work centres and work enclaves). In the same vein, no previous knowledge exists of the salary structure of people with a disability in large cities.

Given this situation, the Municipal Data Office (OMD) has started working with the IMPD to improve our knowledge of the salary structure of workers with a disability in Barcelona, publishing an initial report in 2016 entitled "The Earnings and Profile of Persons with Disabilities in Barcelona". This is an annual report and this article draws on the data from the 2017 report.

The aim of the OMD's report is to approach ³ the profile of wage earners with a disability in Barcelona, to analyse the variations in their pay depending on their age, sex, educational level and type of labour relationship, and to show differences in pay in the presence or absence of disability; in other words, to quantify the so-called "disability pay gap". As will be seen later, this gap stands at 25%.

The source of information is the Ongoing Sample of Working Lives (MCVL), a random data survey carried out by the Social Security which the OMD has used in previous studies on job insecurity and entrepreneurship. The data used are a representative sample of all the people who had a relationship with the Social Security in 2017, either through paying into the system or as

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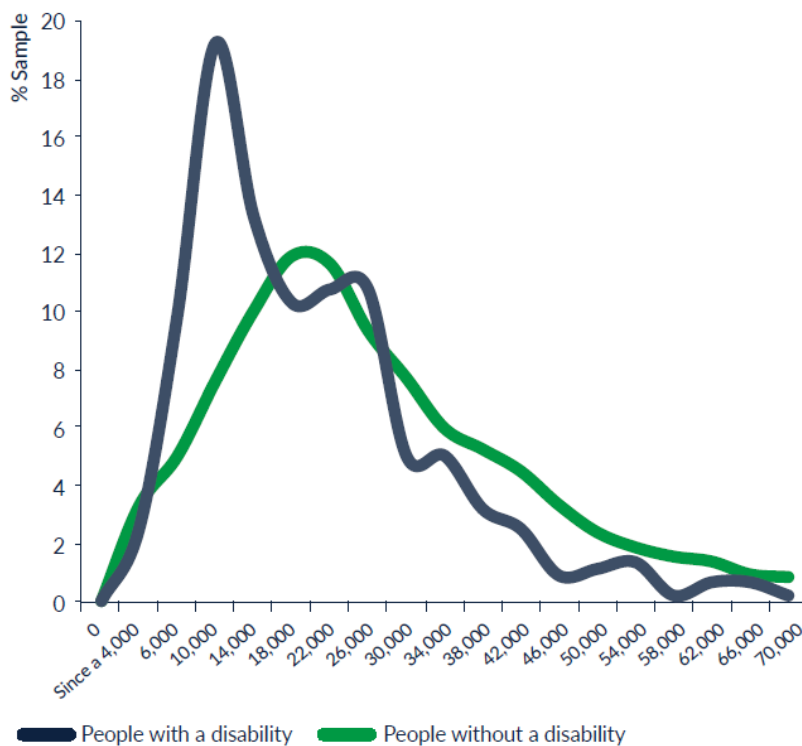
³ The National Statistics Institute (INE) has similar statistics for Spain as a whole: *The earnings of people with a disability*.

pensioners. On this occasion the MCVL worked with anonymous information for the city of Barcelona obtained from the Spanish Tax Office Form 190 on which a recognised disability of 33% or more is recorded. This sample potentially provides an annually updated snapshot of the structure of the job market for people with a disability in Barcelona and, therefore, enables the labour market to be analysed for when employment policies are developed.

Main results

- The average earnings of people with a disability in Barcelona was €22,767 a year, 25.2% less than the salary for people with no disability (€30,455). In daily wage terms, the gap is slightly higher (26.3%).
- The distribution of earnings is clearly different when comparing workers with and without a disability. Those with a disability are clearly concentrated in the lower wage bands, with a more marked, asymmetrical and dispersed distribution than that of workers with no disability.

Graph 1. Distribution of average salaries of the population with and without disabilities in Barcelona, 2017



Source: Ongoing Sample of Working Lives (MCVL) in Barcelona, 2017

- While for workers with no disability there is almost gender parity in terms of participation in the labour market, the participation of women with a disability is only 47.1%. The average pay of women with a disability is 20% lower than that of men with a disability (€20,387 and €24,889, respectively). Nonetheless, the disability pay gap is higher for men (27.4%) because the pay of women with no disability (€26,727) is 22% lower than that of men.
- Young people with a disability up to the age of 29 still have minority access to the job market (6.4%, much lower than the 14.2% for the population with no disability). Moreover, their average pay is the lowest of all the categories analysed (€10,615 a year). As can be seen in Table 1, the pay gap is very large in all the age bands, peaking at 38.3% for workers with a disability aged 30-44.

- The last profile variable analysed was educational level, which showed that while the difference in earnings for a level of education below school leaver is 6.5%, this difference shoots up for people with a Secondary School Certificate (25.7%) or a post-secondary or higher level of education (13.2%).

Table 1. Pay gap by worker profile: gender, age and educational level in Barcelona, 2017

		With a disability	With no disability	Gap (%)
Gender	Women	20,387	26,727	23.7
	Men	24,889	34,267	27.4
Age Group	Up to 29 years old	10,615	16,800	36.8
	30 to 44	18,217	29,549	38.3
	45 years old and over	25,654	35,946	28.6
Level of education	Below Secondary School Certificate	15,943	17,049	6.5
	Secondary School Certificate or equivalent	15,391	20,701	25.7
	Post-secondary, equivalent or higher	29,836	34,387	13.2
Average earnings	Barcelona	22,767	30,455	25.2

Source: Ongoing Sample of Working Lives (MCVL) in Barcelona, 2017

- The analysis of the professional categories shows the imbalance people with a disability have in accessing the labour market. For example, 62% of workers with a disability are found in the administrative assistant and similar categories, compared to 42.6% of the wage earners with no disability. Average earnings for this category are 15.2% lower, and 8.1% lower for higher categories.
- According to the sample analysed, the biggest companies are the ones that recruit more people with a disability⁴: 46.1% of wage earners with a disability are recruited by companies with over 200 workers, while this percentage drops to 38.8% for workers with no disability. Earnings in these companies are also higher (€25,897 a year), while in small and medium-sized businesses the average is €18,898, and in businesses with 50 or more workers the average is €20,981.
- With regard to economic sectors, 51.7% of wage earners with a disability are employed by public administrations and mixed provision services (education, health and social services) or personal services, while this percentage falls to 29.3% for people with no disability. Earnings in the public administration, commerce and professional sectors are about €21,658 a year. The industry and construction sector has few workers with a disability (only 9.3%) but their wages are higher (€34,422 a year).

Table 2. Average earnings by size of the work place and activity sector in Barcelona, 2017.

		With a disability	With no disability	Gap (%)
Size of the work place	1 to 49	18,898	24,650	23.3
	50 to 199	20,981	33,070	36.6
	200 and over	25,897	35,160	26.3
Activity sector	Industry and Construction	34,422	36,400	5.4
	Commerce, Hotel and Catering, Transport, Information and Communication	23,075	28,343	18.6
	Professional, Technical and Financial	19,151	31,744	39.7
	Public Administration, Education, Health, Social and Personal Services	21,658	29,511	26.6
Average earnings	Barcelona	22,767	30,455	25.2

Source: Ongoing Sample of Working Lives (MCVL) in Barcelona, 2017

⁴ For companies with a workforce of 50 or more, current legislation requires that 2% are people with a disability. They may be recruited directly or by means of a contract between a collaborating company and a Special Work Centre (CET) to carry out work and services (Royal Decree 290/2004 of 20 February).

- Last, the data provided by the Municipal Data Office also illustrate the pay gaps depending on the degree of disability: €23,481 per year for workers with a disability in the 33%-64% range and €19,481 for a disability of 65% or more (although in these groups there are few examples in the 2017 sample).

Conclusions

The analysis of the 2017 MCVL enabled us to make an initial quantification of the pay gap of people with a disability in Barcelona who were active in the job market in 2017. This pay gap widens when other variables are analysed such as gender, age and educational level, which will surely have to be considered in the coming years to facilitate progress in exercising the right to work under equal conditions, a right that is recognised in the United Nations Convention on the Rights of Persons with Disabilities.

Knowledge of the real situation regarding the work done by people with a disability should enable us to fine-tune public policies designed to get people with disabilities into work, a task carried out by specialised teams such as the IMPD's Work Advisory Team and the organisations that participate in the Barcelona Job Placement Network, with the aim of making the job market more inclusive.