

Debt and Disability: The impact of debt on families with disabled children. Contact a Family & Family Fund.

Summary

This research employed two methods of data collection: completion of a 'pop-up' questionnaire by families visiting the Contact a Family website; and response to the same questionnaire administered by interviewers to families applying to the Family Fund and visited at home. The questionnaires were completed in early summer 2004. 1,843 families participated in the survey: 1,007 families were drawn from the Family Fund and 836 completed the questionnaire on the Contact a Family web-site.

Age group of child

The largest group of respondents have children aged under 6, representing 49.1% of the entire sample. The second largest group has children aged between 6 and 11 (32.8%).

Child age group	n	%
Under 6	904	49.1%
6-11	605	32.8%
12-17	315	17.1%
Not stated	19	1.0%
1,843		

Ethnicity

Ethnic group	n	%
Asian	103	5.6%
Black African	66	3.6%
Black Caribbean	32	1.7%
White	1,559	84.6%
Other	61	3.3%
Not stated	22	1.2%
1,843		

14.2% of respondents are from a BME group. The largest such group is Asian (5.6%). These proportions are comparable to levels found in the Family Fund database (15.2%) and are above Census 2001 levels (7.9%).

Employment status

The majority of families have main carers who are not in paid employment (65.2%). Just 14.1% have main carers employed full-time and 16.7% are employed part-time.

Employment status	n	%
Full-time	260	14.1%
Part-time	307	16.7%
Self-employed	49	2.7%
Not in paid work	1,201	65.2%
Not stated	26	1.4%
1,843		

Family finances

Families were asked to indicate which of the following statements most closely described their family finances –

Financial situation	Count	%
We are comfortably off & can afford to save for the future	110	6.0%
We manage OK but don't have much left for treats or saving for the future	730	39.6%
We are scraping by and rob Peter to pay Paul	510	27.7%
We are struggling financially and have debts that are beginning to worry us	322	17.5%
We are in very serious financial difficulty	149	8.1%
No response	22	1.2%
	1,843	

Only 6.0% of families reported that they were 'comfortably off' with, 92.8% reporting some form of financial difficulty.

Debt levels

Most families owed between £500 and £10,000 (51.7%), with the largest group of families owing between £1,500 and £5,000 (22.6%). 15.7% said that they had no debt. However, an equal proportion reported debts in excess of £10,000 (excluding mortgage payments). Compared to a study on debt by Kempson in 2002, families with disabled

Debt amount	Count	%
No debt	289	15.7%
Owe under £500	214	11.6%
Owe between £500 and £1500	357	19.4%
Owe between £1500 and £5000	416	22.6%
Owe between £5000 and £10000	235	12.8%
Owe over £10000	289	15.7%
No response	43	2.3%
	1,843	

children are four times as likely to owe in excess of £10,000 (15.7% as compared to 4.0%). Conversely, 53.0% of those in Kempson's study reported that they owed nothing – only 15.7% of families with disabled children said that they had no debt.

Types of debt

The most common form of debt is credit card debt, with 4 in ten families reporting this. 599 families (32.5%) had a loan from

Type of debt	Count	%
Bank/Building society loan	492	26.7%
Loan from elsewhere	599	32.5%
Overdraft	370	20.1%
Credit card	741	40.2%
Mortgage/rent arrears	258	14.0%
Catalogue shopping	434	23.5%
Council tax or utility arrears	289	15.7%
Other form of debt	368	20.0%

somewhere other than a bank or building society (family or friends, a student loan or Social Fund are examples). 14.0% had mortgage or rent arrears, and 15.7% had Council Tax or utility bill arrears.

Compared to Kempson's 2004 study, debt on all types of credit facility is higher amongst our sample. Credit card debt is double (40.2% of our families in credit card debt, as compared to 19.0%) as is use of an overdraft(20.1% compared to 9.0%). Nearly a

quarter of the families, 23.5%, are in debt to catalogues/mail order, as compared to 17.0% in Kempson's study. 26.7% have a bank or building society loan – nearly double the 15% in Kempson's sample.

Number of credit facilities used

The majority of families use at least one credit facility (82.9%), such as bank loans, credit cards, catalogues and HP, with most using two or more (55.0%). Two of the families serviced all eight of the credit facilities listed in the questionnaire. On average, our families were using 1.92 credit facilities each.

Number of facilities used		
used	Count	%
0	315	17.1%
1	514	27.9%
2	443	24.0%
3	302	16.4%
4	155	8.4%
5	71	3.9%
6	33	1.8%
7	8	0.4%
8	2	0.1%
1,843		

Our families tend to use more credit facilities than those in Kempson's research. Those having no current credit commitments account for 17.1% of the sample, compared to 53.0% in Kempson's sample. However, 55% had multiple credit commitments, as compared to 25.0% in Kempson's¹ study.

Additional expenses

	Count	%
Agree	1,123	60.9%
Disagree	242	13.1%
Does not apply	478	25.9%
1,843		

We asked families whether they agreed or disagreed with the statement '*Some of my debts are due to having additional expenses arising from my disabled child*'. The majority of families (60.9%) agreed with this

statement. This is unsurprising given that Dobson and Middleton in their 'Paying to Care'² study concluded that it cost over three times more to raise a disabled child as compared to raising a child without a disability. Just 13.1% disagreed. For about a quarter of the families this question did not apply, possibly because they were in debt prior to the birth of their disabled child.

Dealing with debt

Families were asked whether they agreed or disagreed with the statement, '*It is hard to get advice about dealing with debt in my area*'. The responses indicate that about 45.0% of families have possibly sought advice or considered doing so. Only one in five families disagreed with this statement. Possibly the most disturbing feature of these responses

	Count	%
Agree	483	26.2%
Disagree	353	19.2%
Don't know	1,007	54.6%
1,843		

¹ See table 2.1 Kempson 2002 pp9

² Dobson, B. & Middleton, S. (1998) Paying to Care: The cost of childhood disability. York: YPS.

is that 54.6% of families don't know whether it is hard to get advice in their area, indicating that they either they feel that they do not need advice, or that they haven't sought advice. This is significant, given that 84.3% of the sample reported being in debt and 52.3% describe their family financial situation as on one of the following - 'Scraping by and robbing Peter to pay Paul', 'Struggling and having debts that are beginning to worry them', or as having 'very serious financial difficulties'.

Benefits and tax

Families were asked whether they agreed or disagreed with the statement, *'Families with disabled children should get increased benefits even if tax has to go up to pay for it'*.

Only 4.8% of families disagreed outright with this statement, with 47.2% in agreement. 48.0% were not sure of their response.

	Count	%
Agree	870	47.2%
Disagree	88	4.8%
Not sure	885	48.0%
	1,843	

A copy of the full report is available priced £5 from Contact a Family on 020 7608 8700.