

Has the boom in Incapacity Benefit claimant numbers passed its peak?

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3 December 2007

Abstract

Just over 2.5 million people of working age were on the Incapacity Benefit register in Great Britain in 2006, twice as many as 15 years ago, and we explore the factors contributing to that huge growth. Using a simple model linking 'inflow' to the size of the register via a pair of persistence parameters ('short' and 'long' term) we show that the principal driver of numbers up to the mid-1990s was inflow, but since then it has been the steep rise in 'average duration' from below 4 to more than 6 years. For women the lengthening time on the register mainly reflects a rise in short term persistence (survival on the register from 1 to 2 years), whilst for men the increase in long term persistence (survival on the register after 2 years) was more important. We also use the model to discuss the likelihood that the British government will achieve its target of reducing Incapacity Benefit numbers by 1 million over the next decade.

JEL: J65, J64, I18