

Untapped Potential: The Employment Reality for People with Intellectual Disability

Shara Turner
2026

Plain language summary





Cover:
Love Flowers
Katrina Hewett
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Above:
Skytech Megacorp Cat
Bastian Messenger
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Plain language summary

What is this report?

This report is made with government data from the Integrated Data Infrastructure (IDI) and interviews with seven people with intellectual disability (PWID).

We used data from:

1. The Administrative Population Census (APC) – 2024 working-age population

The APC brings together information from different government agencies to create a picture of the New Zealand population.

- Inland Revenue data is used to understand employment and income
- Ministry of Health data is used to look at the link between employment and health.

2. The Household Labour Force Survey (HLFS) – 2016 to 2024

The HLFS is run by Stats NZ every three months and provides New Zealand's official employment statistics. About 250 respondents each year from a total group of around 15,000 have an intellectual disability.

The survey includes information about:

- Whether people are working or not
- Hours of work
- Job type and job security
- How long people have been unemployed

3. Long-term APC data – 2006 to 2024

This dataset tracks the working-age population over time. It is linked to Inland Revenue data to understand how employment changes during economic downturns, and how people with intellectual disability are affected.

How was the analysis in this report done?

We tried to make any comparisons fair by using the following research methods:

Propensity score matching

Used to match people with and without intellectual disability on characteristics (in this case age, gender and ethnicity) to allow fair comparisons.

Regression modelling

Used to identify which factors are most strongly linked to being in work.

Age standardisation

Used to fairly compare outcomes between groups with different age compositions.

Key findings

For people with intellectual disability employment is low and often insecure, and there is very little career progression.

People with intellectual disability are much less likely to be in paid work.

- According to the HLFS only 26% of working aged adults with intellectual disability are employed
- 67% are not in the labour force at all, compared to 16% of people without intellectual disability, and 7% are unemployed, compared to 4% of people without intellectual disability

People are considered to be unemployed if they are available for work and have looked for work in the past four weeks.

They are considered to be not in the labour force if they are not working and are not actively seeking work.

Most people who are not working are considered to not be in the labour force rather than unemployed. This is especially true for people with intellectual disability.

For those PWID who do work, jobs are often insecure and low paid. People with intellectual disability are:

- More likely to be in casual or temporary work (10% compared with 1% of people without intellectual disability)
- More likely to have no formal employment agreement (13% vs compared with 5% of people without intellectual disability)

- More likely to work part-time (48% vs compared with 16% of people without intellectual disability)
- More likely to be underemployed (want more hours) (8% vs compared with 2% of people without intellectual disability).

Income is also lower:

- Over half (57%) of the population of people with intellectual disability who are working earn less than \$25 per hour and,
- Nearly 20% earn below minimum wage.



London Clock Tower
Axel Evans
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Employment and intellectual disability

Work is about more than income.

In our interviews with people with intellectual disability, they told us that having a job supports:

- Confidence and self-worth
- Social connection and belonging
- Skill development and independence
- Structure and purpose
- Contribution
- Socialisation
- Self-efficacy and self-determination
- Control
- Success and recognition
- Responsibility.

Without work, many people with intellectual disability experience:

- Isolation and boredom
- Anxiety and lack of routine
- Reduced wellbeing, including negative impacts on mental health and self-esteem.

Health and employment are linked

Employment is associated with better health outcomes for people with intellectual disability including:

- Lower rates of emergency department use and avoidable hospitalisations (PWID not working are 1.5 to 2 times more likely to visit the ED and be hospitalised for avoidable reasons)
- Better mental health outcomes, (58% of PWID not in paid work have a mental health issue compared to 39% in paid work)
- Lower smoking rates.

However, poor health can also limit access to work, creating a cycle.

What do employed people with intellectual disabilities look like?

Using statistical modelling we were able to determine the types of people with intellectual disability who are more likely to be employed. People with intellectual disability who are working are more likely to be:

- Aged 25–34
- Male
- Pākehā

- Living in a less deprived area.

It seems that for people with intellectual disability, employment is not strongly linked to region, suggesting systemic rather than geographic barriers.

People with intellectual disability are more likely to work in lower paid roles

People with intellectual disability are concentrated in a small number of industries:

- Administration and support services
- Retail
- Health care and social assistance
- Manufacturing.

Common roles include:

- Supermarkets (7% of the working ID population work in supermarkets)
- Cleaning (5% of the working ID population work in cleaning)
- Cafés and restaurants (4% of the working ID population work in cafes and restaurants).

People with intellectual disability are heavily overrepresented in lower-paid, lower-skilled roles.

What makes work possible for people with intellectual disability?

People with intellectual disability consistently identify what works:

- Tailored, strengths-based support
- Flexible working arrangements
- Clear instructions and predictable routines
- Supportive colleagues and inclusive workplace culture
- Values-driven employers who prioritise inclusion.

Work is insecure and underpaid for people with intellectual disability

People with intellectual disability tend to spend either a very short or very long time in a job, and to work variable hours rather than standard full-time schedules.

People with intellectual disability who are in paid work are more likely to be in insecure and lower-quality employment:

- A higher proportion are in casual or temporary roles (10%, compared with 1% of people without intellectual disability)
- More are working without a formal employment agreement (13%, compared with 5%).
- Almost half are in part-time work (48%, compared with 16%).

Underemployment is a significant issue. People with intellectual disability are twice as likely to want more hours of work (24% compared to 12%). The underemployment rate, calculated from those in part-time work, is three times higher for people with intellectual disability at 12% compared with 4% for people without intellectual disability.

Earnings are also lower overall. More than half of workers with intellectual disability earn less than \$25 per hour, compared with less than a quarter of workers without intellectual disability. Nearly one in five earn below the minimum wage (around 20%, compared with 5%), indicating a clear overrepresentation in the lowest-paid jobs.

People with intellectual disability are employed for fewer months each year than people without intellectual disability. They work only around 28% as many months on average, reflecting ongoing exclusion from the labour market.

Regression analysis shows that, even when accounting for other factors, people with intellectual disability are more likely to lose their jobs. On average, they are 5 percentage points more likely to exit employment in any given year. This risk increases during periods of economic disruption, where they are 3 percentage points more likely to lose their jobs compared to others. COVID-19 is a notable exception, during which they were 3 percentage points less likely to lose employment compared to people without intellectual disability.

Other factors associated with a higher likelihood of job loss include being older, being Māori, and having shorter job tenure. Overall, this reflects a pattern where work is often flexible, but not reliably secure or adequately paid.

People with intellectual disability who work are more likely to spend 31-40 hours per week working (31%). For people without intellectual disability hours worked per week is clustered around full-time hours (more than 30 hours per week is considered full-time), for people with intellectual disability hours worked is more diverse:

- 21% work 1-10 hours per week
- 17% work 11-20 hours per week
- 16% work 21-30 hours per week
- 31% work 31-40 hours per week
- 16% work more than 40 hours per week.

Barriers to work

People with intellectual disability face barriers to employment at every life stage

The main issues before starting work:

- Poor transition from school into employment
- Limited access to practical job preparation
- Low expectations of their ability to work.

The main issues when finding work:

- Discrimination and ableism
- Lack of networks and opportunities
- Fragmented and ineffective employment services.

The main issues at work:

- Lack of appropriate support
- Workplaces that are inflexible or overwhelming
- Transport and accessibility barriers
- Lack of clear instructions
- Unpredictable routines
- Insufficient supervision or support.

People with intellectual disability who are not in the workforce

People with intellectual disability were much more likely to be outside the labour force, with 67% classified as "not in the labour force" compared with 16% of people without intellectual disability.

Many people with intellectual disability who are not in paid work are disconnected from the labour market in multiple ways:

- A large proportion have never worked (68%, compared with 21% of people without intellectual disability).
- Most are not actively looking for work (69%, compared with 30%).
- Fewer say they could start work if a job were available (19%, compared with 34%).
- Only a small proportion are out of work due to study (7%, compared with 29% of people without intellectual disability).

People with intellectual disability tend to leave jobs for different reasons than those without intellectual disability. If they leave a job, it is nearly twice as likely to have been due to being made redundant or laid off, and they are more likely to leave jobs due to health or disability reasons, or dissatisfaction with their work.

A large majority (82.6%) report that they cannot work due to health or disability. However, this figure should be interpreted with caution. It likely reflects not only impairment, but also

significant barriers to employment. In some cases, responses may also reflect the views of family members answering on behalf of the individual, rather than the person's own assessment of their ability to work.

People with intellectual disability who don't work are not doing much in their day

People with intellectual disability who are not in paid employment don't have busy days. The main daily activity reported by this group are:

People with intellectual disability:

- 32% free time
- 33% own care
- 12% household chores
- 9% studying

Compared to the population without intellectual disability:

- 28% caring
- 25% studying
- 14% household chores
- 13% own care

Jack and Jill

Gabrielle Ashdown

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Economic vulnerability and intellectual disability

People with intellectual disability are more seriously affected by downturns, experiencing higher levels of economic vulnerability

Since 2008, people with intellectual disability have been consistently around 2.5 times more likely to leave paid work, indicating ongoing instability regardless of broader economic conditions. People with intellectual disability are then also disproportionately affected by economic conditions, particularly during downturns:

- Following the Global Financial Crisis, people with intellectual disability experienced a slower recovery, taking around three years longer than people without intellectual disability to return to pre-downturn employment patterns.
- In contrast, during and after COVID-19, outcomes were relatively more stable, with faster recovery and a lower relative risk of job loss during the disruption period.

Overall, these findings indicate that people with intellectual disability face greater employment instability and require targeted policy responses to support resilience during economic shocks.

IHC response

People with intellectual disability want to work and can work. This report shows they are far less likely to have jobs, and when they do, those jobs are often low paid, insecure, and offer limited hours. This leads to high levels of hardship and fewer opportunities to build a stable and meaningful life.

IHC is concerned about the finding that 67% of people with intellectual disability were classified as "not in the labour force", compared with just 16% of people without intellectual disability. This highlights a significant barrier to economic and social inclusion. People who are outside the labour force are not counted as unemployed because they are not actively seeking or available for work. As a result, traditional employment statistics substantially understate the extent of employment exclusion experienced by people with intellectual disability.

Many of these people are outside of the labour force because of disability and health concerns but a significant number have become discouraged after repeated barriers to finding work or have never been given meaningful opportunities to enter the workforce. Low expectations from schools, families, employers, and society, inaccessible recruitment processes, a lack of transition support, concerns about losing income support, and limited availability of suitable jobs may all contribute to people disengaging from the labour market altogether.

The high level of exclusion from the employment market is made worse by the fact that people with intellectual disability are already experiencing some of the highest levels of

poverty and hardship in New Zealand. They are twice as likely to live in hardship in early adulthood and nearly three times as likely in middle age, while hardship decreases for others over time (Beltran-Castillon, McLeod & Stone, 2025). Severe hardship is also much higher, and nearly half would be unable to pay an unexpected bill without borrowing. Many go without essentials, like food and heating, and are far more likely to live in rented, crowded, or poor-quality housing, including social housing (Beltran-Castillon, McLeod & Stone, 2025; Beltran-Castillon & McLeod, 2026).

Against this backdrop, it is difficult to justify systems such as the Minimum Wage Exemption, which allows people with intellectual disability to be paid less than minimum wage. When people are already significantly more likely to experience deprivation across every measure, paying them less entrenches poverty rather than alleviating it. Removing barriers to fair pay, including the Minimum Wage Exemption, is a necessary step toward reducing hardship and ensuring that work provides the security and dignity it is intended to deliver.

Work is critically important for income, but also for confidence, belonging, and wellbeing. When people are excluded from fair and secure work, the impacts are felt across all parts of life. With the right support and the right workplaces, people with intellectual disability can succeed in employment.

Line and Wash of a Washing Line
Stephen Bell-Cummings
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IHC Recommendations

For Government

Employment support

- Strengthen the transition from school to employment.
- Provide ongoing employment support that continues after a person starts work, rather than ending once they are placed in a job.
- Ensure employment support includes practical assistance such as transport, communication, workplace skills, and job coaching.
- Expand targeted support for employers to recruit, train, and retain employees with intellectual disability.
- Measure the success of disability employment services by sustained employment outcomes, job quality, and career progression, rather than job placements alone.
- Ensure people with intellectual disability, families, employers, and disability employment providers are actively involved in the design, review, and evaluation of employment support services.

Employment policy

- Investigate targeted wage subsidies for people with intellectual disability, particularly during periods of economic downturn, to encourage recruitment and retention.
- Review income support settings to ensure benefit abatement rates do not discourage or penalise people with intellectual disability who work part-time or increase their hours.
- Develop a plan to phase out the Minimum Wage Exemption.

For the Education System

- Increase opportunities for practical work experience and work-based learning for people with intellectual disability before they leave school.
- Promote positive expectations about employment for people with intellectual disability in schools, ensuring students, families, teachers, and careers advisers see employment as an achievable and expected pathway.

For Employers

Recruitment and job design

- Support employers to design jobs that match people's strengths and abilities through job customisation and task redesign where appropriate.
- Encourage employers to adopt flexible working arrangements, including part-time roles, job sharing, phased entry into employment, and other "bite-sized" work opportunities that reflect individual capacity and preferences.

- Reduce unnecessary complexity in employment arrangements by simplifying recruitment processes, workplace documentation, and employment policies, and ensuring information is available in Easy Read and other accessible formats.

Inclusive workplaces

- Promote inclusive workplace practices that enable people with intellectual disability to succeed, including clear communication, accessible information, predictable routines, and reasonable accommodations.
- Promote workplace cultures that value diversity, foster belonging, and provide equal opportunities for career development and progression.
- Ensure workplace technologies, systems, and training materials are accessible and easy to understand.

Workplace support

- Encourage employers to provide mentoring, buddy systems, and regular check-ins to support successful onboarding and long-term employment.
- Increase the availability of workplace training for managers and colleagues on intellectual disability, inclusive communication, and reasonable accommodations.

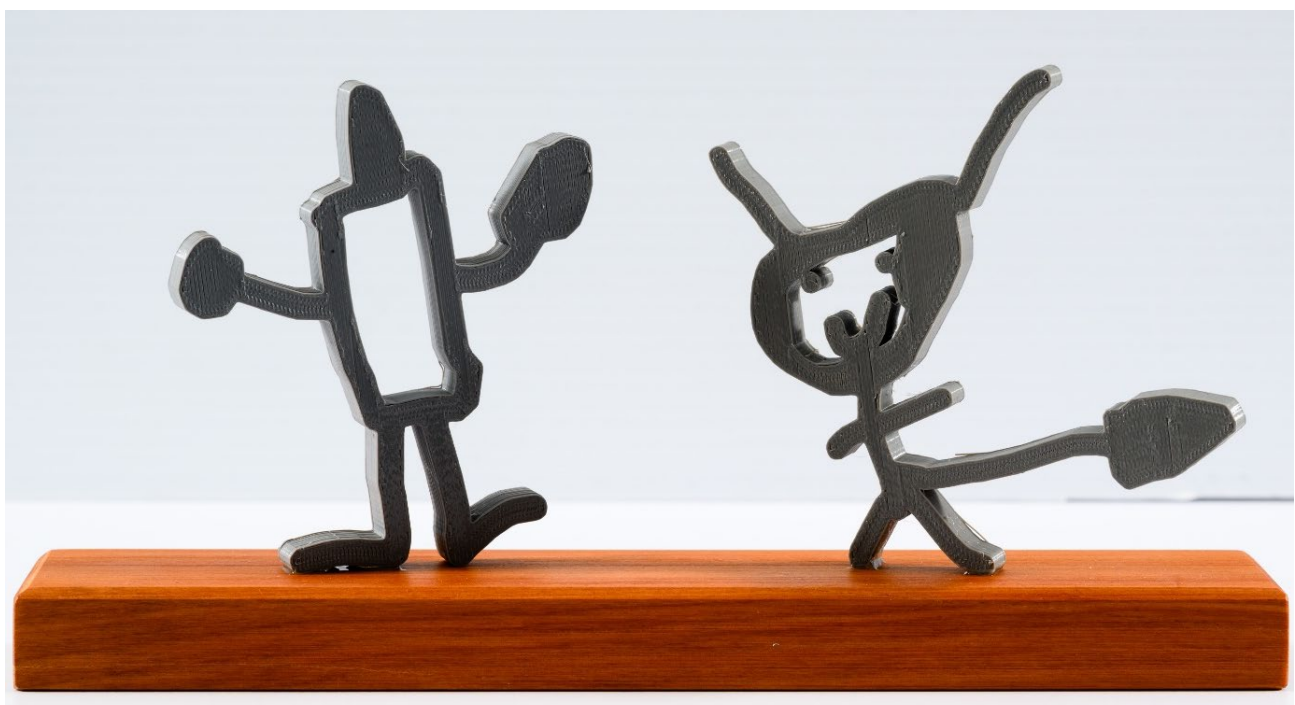
Campaigns

Deliver a national public awareness campaign that promotes the skills, contributions, and value of employing people with intellectual disability.

Square Man and Art Demon

Jaxon Bellve

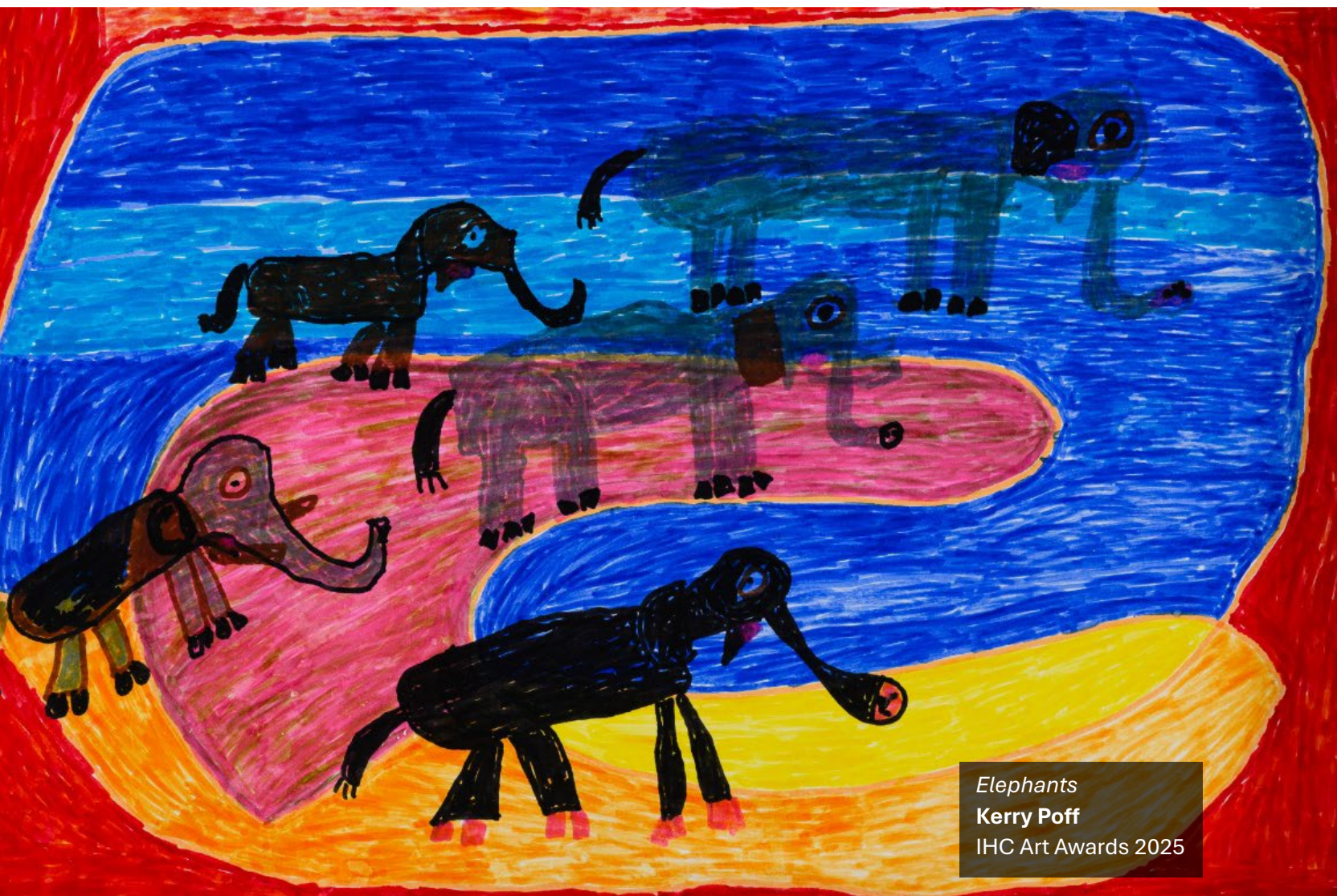
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Elephants
Kerry Poff
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