

News

- Insights
- Events
- Financial World
- KnowledgeBank
- Podcasts
- Young Persons' Money Index
- Videos
- Webinars

View all blogs

Please select a topic

# Thought leadership: the case for disability on financial companies' boards

14 December, 2020 | Jacob J Meagher

**Despite moves to increase equality and diversity in banking and finance and on company boards, disabled inclusion has been largely overlooked. This is a missed opportunity for financial services companies, says Jacob J Meagher.**

As recently as December 2020, the NASDAQ is seeking authority from the US Securities and Exchange Commission (SEC) to require all firms listed on the exchange to disclose or explain why they do not have at least two board members who self-identify as:

- female, or,
- an under-represented minority, or
- lesbian gay bisexual transgender queer (LGBTQ).

Diversity was mooted as an 'enterprise risk management' (ERM) and an equality diversity and inclusion (EDI) issue in a [2012 white paper](#). But eight years later, there are currently no diversity requirements for listing or membership of the London Stock Exchange.

Only the [UK Corporate Governance Code](#), which is by no means mandatory, asks that boards have a policy on diversity and report on measurable objectives.



## How disability inclusion compares

Environmental, social and corporate governance (ESG) has become a major governance issue for banks and the industry at board level. This is primarily due to:

- the regulatory requirement for it to be a consideration, and,
- the increasing financial imperative and market opportunities that the area presents.

Many funds, pensions or otherwise, have 'green', ESG, or socially minded objectives, and the management and board make-up try to reflect this initiative.

Many studies prove that socially diverse boards and management structures are good for business – Black Asian and Minority Ethnic (BAME) – equality and diversity is to be encouraged.

That said, there is a consideration which is often left out, overlooked or ignored. This is 'disabled' or 'D'.

## Why disability inclusion makes good business sense

A [2018 KMPG report](#) estimated that the collective spending power of disabled people and their families was around £249bn.

It's also estimated that the government's direct disability payments – such as the Disability Living Allowance or the Personal Independence Payment, paid monthly to claimants – [will be £21.3bn and rising in 2020/21](#).

Yet, FTSE 100 and 250 companies have no clear policy on disability membership or targets. Disabled membership is often lumped in with any other protected characteristics under the [Equality Act 2010](#), or other BAME membership goals.

[Approximately 14 million people](#) – or 22% of the UK population – fall into the disabled category. But this is a narrow number, the [Business Disability Forum](#) puts the figure at 26 million which includes long-term health conditions

Within the banking and pensions sector, there is limited impetus for disability to be considered as an ESG or EDI requirement for board or senior management positions. But, based on sheer spending power, it should be a target audience.

While open banking and the increased use of mobile personal banking functionality have greatly increased the ease access for many disabled customers, lack of consideration is a big issue.

Currently there is no easy way for a person to direct a pension contribution from their government disability payment. One can directly lease a car, but not contribute to a private pension.

And yet, disability inclusion is good for business – and it's good for banking.



Jacob J Meagher is a Barrister and Partner at Aria Grace Law, Lecturer in Law at the University of Brighton and a Chartered Associate of The London Institute of Banking & Finance. He specialises in contentious matters and helping clients manage risk, often advising boards. You can contact him at [jacob.meagher@aria-grace.com](mailto:jacob.meagher@aria-grace.com) and [jj.meagher@brighton.ac.uk](mailto:jj.meagher@brighton.ac.uk).

## Related content

- [Why and how to promote diversity in the financial workplace](#)
- [Gender diversity: a sustainability issue](#)
- [Pride in banking and finance](#)

Find out more about our undergraduate degree programmes

Find out more about our professional qualifications in banking and finance



Go Back

**Financial skills for life**

- Financial Education Qualifications
- My Financial Career
- Teacher Development

**Look to the next level**

- Undergraduate
- Postgraduate

**Keep ahead of the curve**

- Professional Qualifications
- Centre for Digital Banking and Finance
- Centre for Sustainable Finance

**Be part of our community**

- Members
- Alumni
- Continuing Professional Development (CPD)
- Jobs board

