

## Worklessness in London

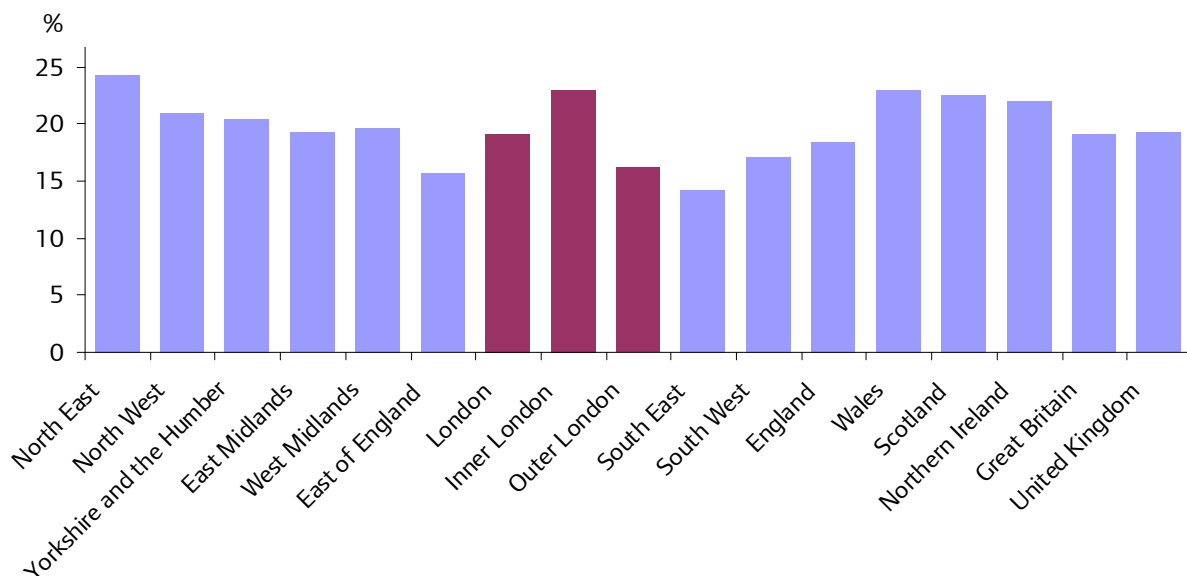
### Background

The Office for National Statistics recently published its 'Work and Worklessness Among Households' report for 2010. This *Update* looks at how worklessness in the capital compares with elsewhere in the UK and how levels of worklessness have varied over time. Results are broken down into three categories; workless households, people in workless households and children in workless households. A workless household is defined here as a household where no individuals aged 16 and over are in paid employment. There are two further types of household. A working household is one where all individuals aged 16 and over are in employment, though importantly this does include part-time and self employment. A mixed household is one where at least one person aged 16 and over is in employment and at least one other is either unemployed or economically inactive. Only households containing at least one individual aged 16-64 are included in these estimates.

### Workless households

Chart 1 shows that in the second quarter of 2010, 495,000 households in London were workless households, equivalent to 19 per cent and consistent with the Great Britain rate. The overall rate of worklessness in the capital hides considerable variation between inner and outer areas. Almost 23 per cent of households in Inner London were workless compared with just over 16 per cent in Outer London. The highest regional rate was the North East at 24 per cent, contrasting with 14 per cent in the South East – the lowest regional rate.

**Chart 1: Workless households household rate, by region, April to June 2010**

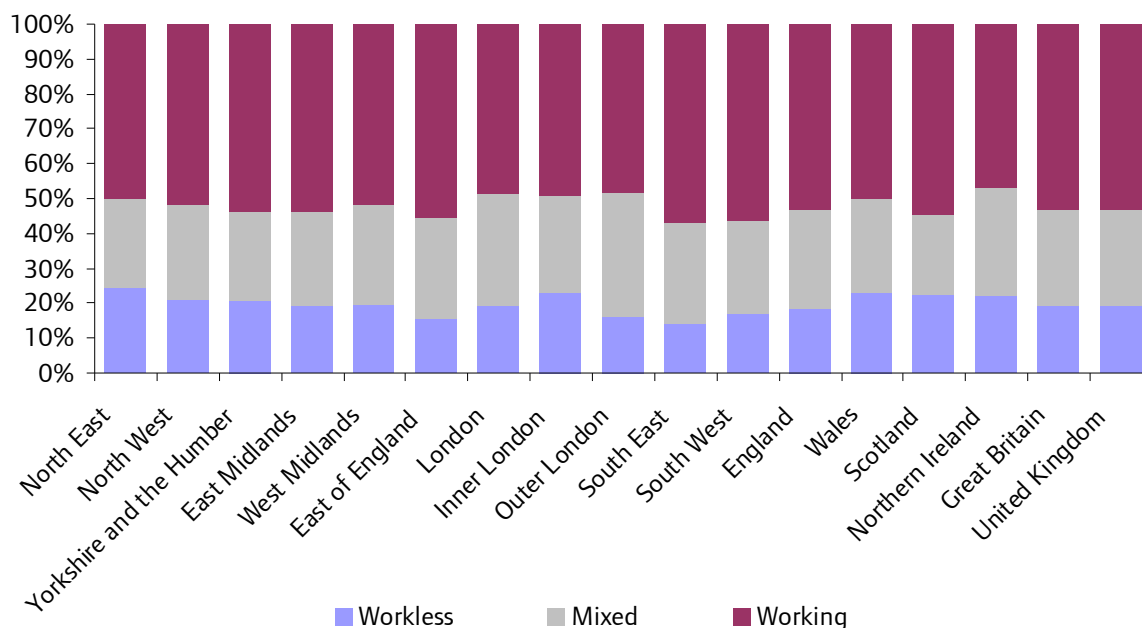


Source: Labour Force Survey, April-June 2010, Office for National Statistics

The percentage of households in London containing both an individual aged 16 and over in employment and another who is unemployed or inactive (mixed) is much higher in London than any other region at 32 per cent, rising to 35 per cent in Outer London. Chart 2 shows all households broken down by the three categories, working, workless and mixed. As a result of the high number of mixed households, London has the highest proportion of total households which are either workless or mixed at 51 per cent. This means more than half of all households in London contain an individual of working-age who is either unemployed

or inactive. The London rate is four percentage points higher than the Great Britain figure and eight higher than the lowest rate, that for the South East.

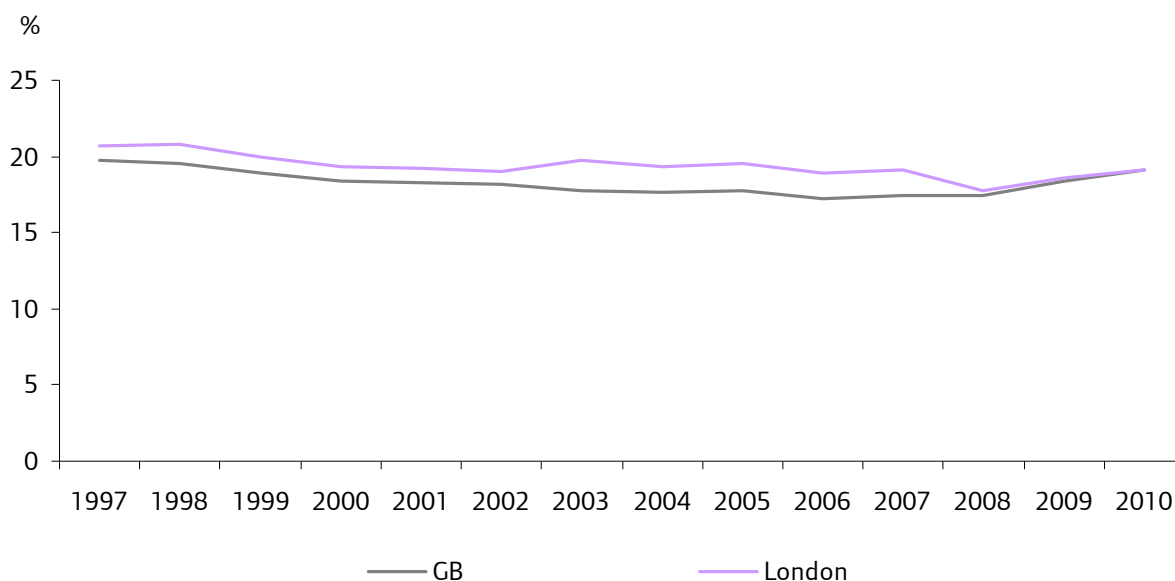
**Chart 2: Working, mixed and workless household rates, by region, April – June 2010.**



Source: Labour Force Survey, April-June 2010, Office for National Statistics

Since 1997, the proportion of households in London that are workless has fallen by 1.6 percentage points. During that period, the lowest rate occurred in 2008 at just less than 18 per cent, the result of a sharp decline on the previous year (see Chart 3). This decrease in London saw the capital’s rate of workless households fall into line with the Great Britain rate. Rates in London and Great Britain have since increased at a similar rate to the 2010 figure of 19 per cent.

**Chart 3: Workless household rate, London and Great Britain, 1997 - 2010<sup>1,2</sup>**



Source: Labour Force Survey, Office for National Statistics

1 All data are taken from the 2<sup>nd</sup> quarter (April-June) each year

2 It should be noted that these are estimates derived from a survey. As a result, a certain degree of sampling variability will be present. It is therefore important to use caution when looking at change over time.

### People in workless households

In the second quarter of 2010, 698,000 people lived in workless households in London. Equivalent to 13 per cent of the population. This is close to the Great Britain proportion of 13.5 per cent. Again, rates varied within the capital with a far higher proportion (16.5 per cent) of Inner London residents living in workless households than Outer London residents (10.5 per cent). The proportion of London residents living in mixed households was 43.5 per cent, seven percentage points higher than the rate for Great Britain. Those living in a household where at least one person was unemployed or inactive (workless plus mixed), accounted for 56 per cent of the population in London, the second highest proportion of any region (see chart 4). The presence of a relatively large number of students and fewer part-time workers may contribute to higher levels of worklessness in London than in other regions.

**Chart 4: People in workless, mixed and working household rates, by region, Apr-Jun 2010**



Source: Labour Force Survey, April-June 2010, Office for National Statistics

Between 1997 and 2008 the proportion of people in London living in workless households was consistently higher than in Great Britain. In 2010, the London rate dropped below the Great Britain rate for the first time falling 0.7 percentage points to 13 per cent compared to 13.5 in Great Britain.

**Chart 5: People in workless households rate, London and Great Britain, 1997 - 2010<sup>3,4</sup>**



Source: Labour Force Survey, Office for National Statistics

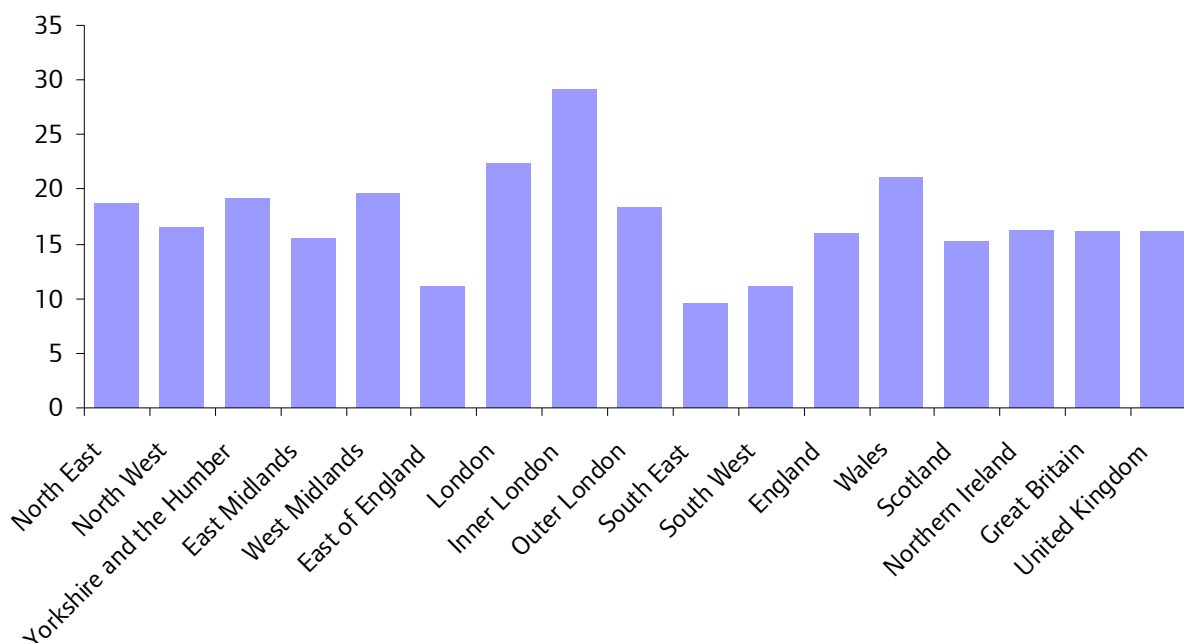
<sup>3</sup> All data are taken from the 2<sup>nd</sup> quarter (April-June) each year

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## Children in workless households

The UK has a higher proportion of its children living in workless households than any other EU country. It is almost twice that of both the EU average and that in France and Germany<sup>5</sup>. In the second quarter of 2010 1.9 million children in the UK lived in workless households equivalent to 16 per cent of all children. In London the problem is even more acute. Just over 22 per cent of children in the capital live in workless households. This increases to 29 percent of children in Inner London.

**Chart 6: Children in workless households rate, by region, April – June 2010**



Source: Labour Force Survey, April-June 2010, Office for National Statistics

Table 1 shows the proportion of all children living in each type of household. Almost two fifths of children in London live in mixed households, compared with a third in Great Britain. Further, more than 60 per cent of children live in either a mixed or workless household in the capital, 13 percentage points higher than the GB rate and 22 percentage points higher than the lowest region – the South West. The mixed group includes those who are inactive through choice including parents, students and any other individual who does not actively seek employment – they may therefore be workless for reasons other than being unable to find work. This is particularly relevant when looking at children in mixed households as the household may well have mixed economic status purely because a parent chooses to stay at home and is therefore economically inactive. A separate issue concerns the inclusion of three-generational households in the dataset. These may include an adult who has retired and is therefore workless, areas where there are higher numbers of three-generational households may well therefore have a higher number of mixed economic status households.

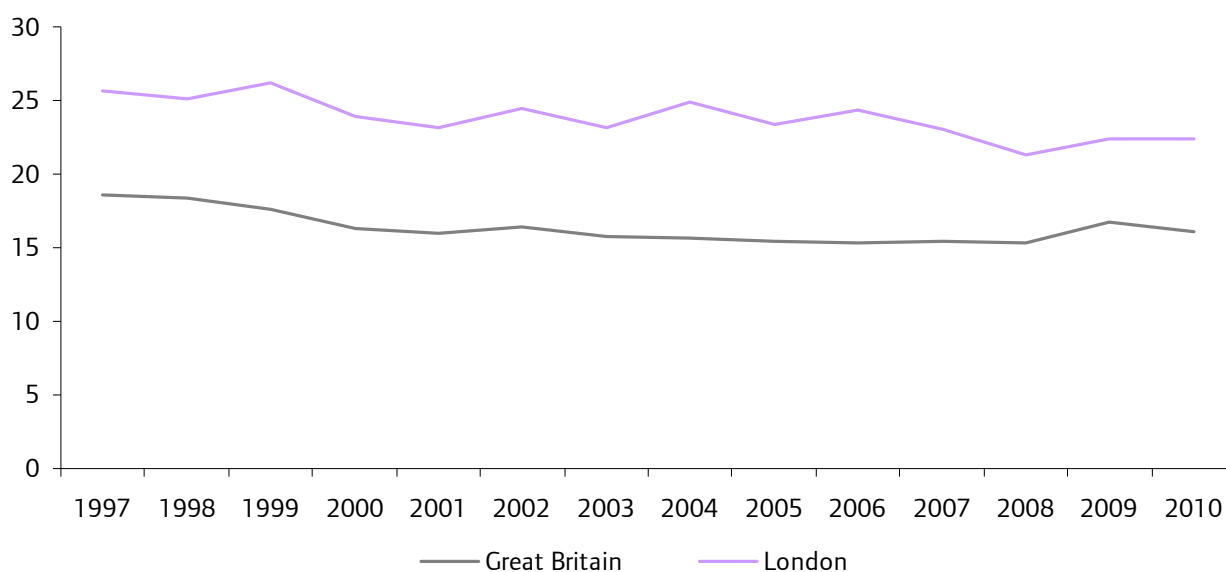
Since 1997 the proportion of children living in workless households in London has seen an overall decline of 3.2 percentage points, compared with 2.5 in Great Britain. The difference between the two rates has varied considerably during this period peaking at over nine percentage points in 2004 and reaching a low of just under six percentage points in 2009. The gap currently stands at 6.3 percentage points (see Chart 7).

<sup>5</sup> [www.poverty.org/18/index.shtml?2](http://www.poverty.org/18/index.shtml?2) – accurate as of 21/09/10

	Working households	Households containing both working and workless members	Workless households
North East	50.8	30.5	18.8
North West	51.2	32.3	16.5
Yorkshire and the Humber	52.5	28.3	19.2
East Midlands	51.8	32.6	15.5
West Midlands	47.2	33.2	19.6
East of England	53.9	34.9	11.2
London	38.0	39.6	22.4
Inner London	34.7	36.2	29.1
Outer London	40.0	41.7	18.3
South East	55.9	34.7	9.5
South West	59.8	29.0	11.2
England	50.6	33.5	15.9
Wales	52.8	26.2	21.1
Scotland	57.9	26.8	15.3
Northern Ireland	52.4	31.4	16.2
Great Britain	51.3	32.6	16.1
United Kingdom	51.3	32.6	16.1

Source: Labour Force Survey, April-June 2010, Office for National Statistics

**Chart 7: Children in workless households rate, London and Great Britain, 1997 - 2010<sup>6,7</sup>**



Source: Labour Force Survey, Office for National Statistics

For more information on this topic and to access the tables please visit:  
<http://www.statistics.gov.uk/statbase/product.asp?vlnk=8552>

<sup>6</sup> All data are taken from the 2<sup>nd</sup> quarter (April-June) each year

<sup>7</sup> It should be noted that these are estimates derived from a survey. As a result, a certain degree of sampling variability will be present. It is therefore important to use caution when looking at change over time.

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