

Data Management and Analysis Group

Workless Households in London

Summary of key findings



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For more information please contact:

Lorna Spence
Data Management and Analysis Group
Greater London Authority
City Hall (5 East)
The Queen's Walk
London SE1 2AA

Tel: 020 7983 4658
Lorna.spence@london.gov.uk

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Cover

The map on the front cover shows the percentage of households (with dependent children) that are workless by ward, that is those households with children where no adults are in employment. Data are from the 2001 Census. The dark red areas are those wards with high levels of household worklessness.

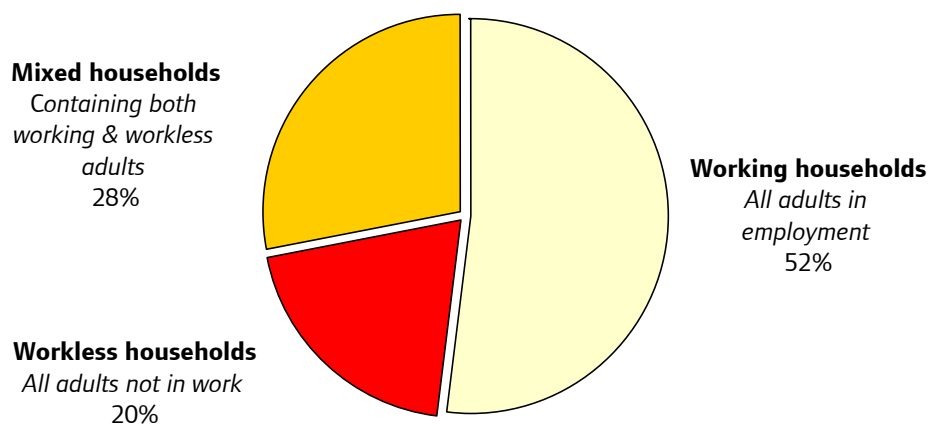
Summary of key findings

This Briefing examines the labour market position of Londoners within households by profiling the combined economic activity of different household members. The analysis aims to identify those household types and groups most at risk of being workless and explores the circumstances of children in such households. London households are also compared with those in other regions and differences between Inner and Outer London are highlighted. All estimates are based on the Labour Force Survey (LFS) household dataset for Autumn 2004.

The combined economic activity of London’s working age households

- In Autumn 2004, LFS estimates suggest that there were around 2.9 million households¹ in London. 81 per cent of these (2.4m) were working age households². LFS estimates of the number of households in London are lower than other demographic estimates.
- Of London’s working age households, one in five are **workless households** (ie they contain no working adults). 28 per cent are **mixed** households that contain both working and workless adults.
- The remainder, just over half (52 per cent), are **working** households where all adult members are in work.

Working age households by combined economic activity, Greater London, Autumn 2004



Source: Labour Force Survey household dataset, Autumn 2004

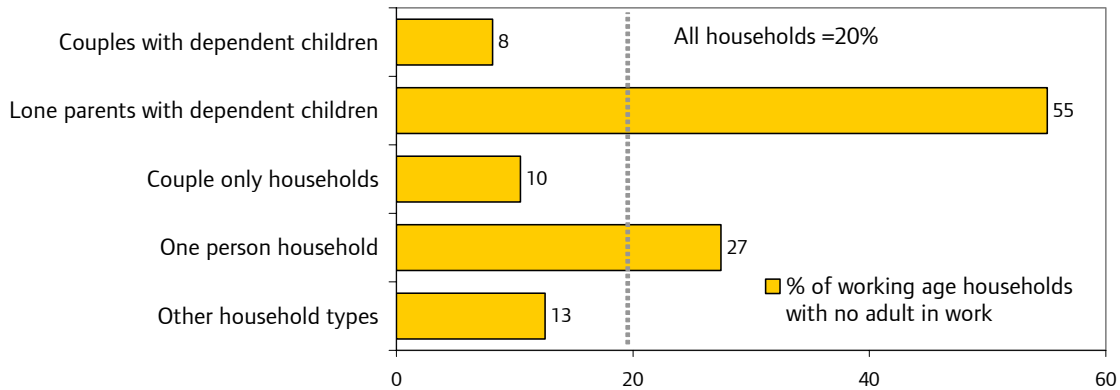
- Rates of worklessness vary by household type. Almost one quarter (23 per cent) of London households containing dependent children are workless. Within this group, lone parent households are far more likely than couple households with children to be workless (55 per cent and eight per cent). In terms of proportions, workless lone parent households make up over one third (36 per cent) of all workless households.
- Most couple households with children have at least one adult in work. Forty four per cent are households where all adults are in work and almost one half (48 per cent) are mixed households containing both employed and workless adults.

¹ In the LFS, a household is defined as a single person or a group of people living at the same address that have that address as their only/main residence, and either share one meal a day and/or share the living accommodation.

² Working age households are those containing at least one person of working age.

- Of those households without dependent children, one person households are the most likely to be workless (27 per cent are workless). These households comprise almost one third of all workless households (32 per cent).

Percentage of workless households by household type, Greater London, Autumn 2004



Source: Labour Force Survey household dataset, Autumn 2004

Profile of adults living in workless households

- Whereas 20 per cent of working age households are workless, only 15 per cent of working age people live in workless households, reflecting the high levels of worklessness in lone parent and one person households, which tend to have fewer adults in them.
- Disabled Londoners of working age are over three times more likely (38 per cent) than non-disabled Londoners (11 per cent) to live in workless households. Disabled people comprise 42 per cent of the working age population living in workless households.
- Twenty one per cent of BME³ Londoners live in workless households relative to 12 per cent of White Londoners. BME Londoners are also more likely than White Londoners to live in mixed households which contain both workless and working members.
- BME Londoners represent around one third (33 per cent) of the working age population, and almost half (46 per cent) of those living in workless households but only 23 per cent of those in working households (those where all adults are in employment).
- Migrant⁴ Londoners are more likely to live in workless households (20 per cent) than UK-born Londoners (13 per cent). BME migrants are far more likely to live in workless households (23 per cent) than White migrants (13 per cent). BME migrants are also more likely to live in households containing a mix of working and workless members (45 per cent) than White migrants (33 per cent).
- Over one third (36 per cent) of working age Londoners with no qualifications live in workless households relative to six per cent of those with degree level qualifications. Those with no qualifications comprise over one third of those in workless households.
- Seven per cent of owner occupied households in London are workless compared with 38 per cent of rented households. Within the rental sector, worklessness rates are very high

³ BME (Black and minority ethnic) groups refers to all ethnic groups other than White groups.

⁴ The term 'migrants' refers to those born outside the UK.

for those in social rented accommodation (51 per cent). Almost two-thirds of all workless households occupy social rented accommodation (64 per cent).

Children in workless households

- Relative to adults, children are over-represented in workless households. One in four (25 per cent) of London's children live in workless households relative to 15 per cent of working age adults.
- Consistent with the household level analysis, children living in lone parent households are far more likely to be living in workless households than those living in couple households. In London, 61 per cent of children living in lone parent households live in workless households relative to nine per cent of those in couple households.
- Children in workless lone parent households account for 72 per cent of all children in workless households in London.
- Most children living in couple households live in households where all adults are working (44 per cent) or in mixed households where at least one adult is working (46 per cent).
- One third of London's BME children (33 per cent) live in workless households relative to 19 per cent of White children. Of all children living in workless households in London, 58 per cent are from BME groups.
- Of all London's workless households with children, 51 per cent are headed by someone who was born outside the UK.

London's regional position: households

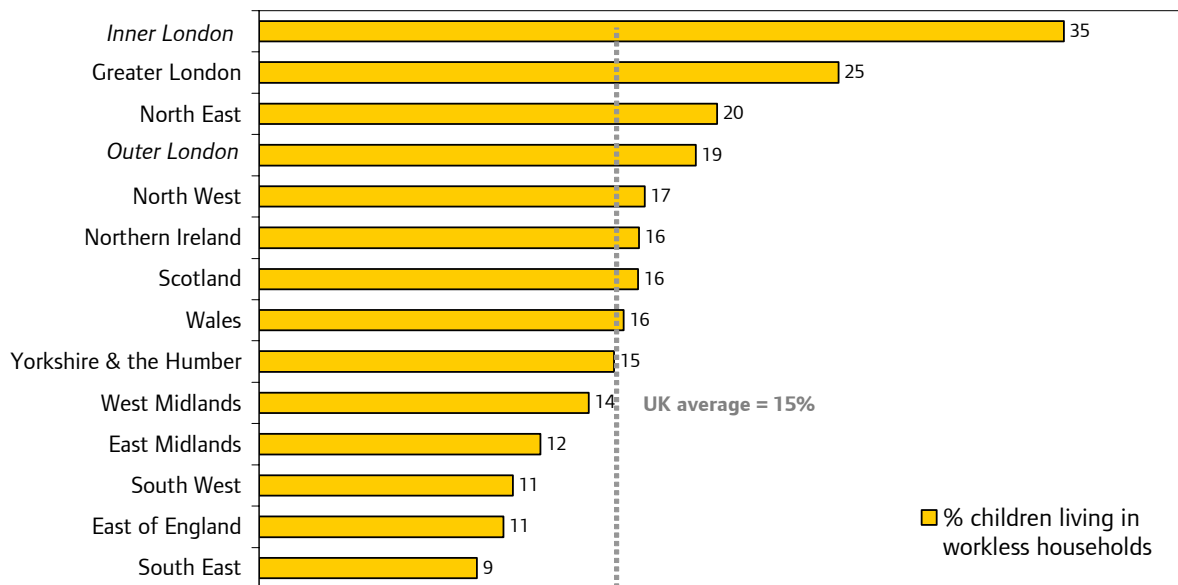
- The rate of worklessness among households in London (20 per cent) is higher than the UK average (16 per cent) and much higher than neighbouring regions: South East (11 per cent) and East of England (12 per cent). Within London, the percentage of workless households is far higher in Inner London (25 per cent) than Outer London (16 per cent), where the rate is the same as the national average.
- London's regional position is driven by high rates of worklessness among households with dependent children, 23 per cent of these households in London are workless. This is the highest regional rate and almost twice as high as the rate in the rest of the UK (12 per cent). Rates are higher still in Inner London where one third (32 per cent) of households with children are workless; almost double the rate in Outer London (17 per cent).
- The rate of worklessness among lone parent households in London (55 per cent) is significantly higher than for those in the rest of the UK (38 per cent). Rates are relatively high in both Inner (59 per cent) and Outer London (51 per cent).
- The percentage of couple households with children who are workless is eight per cent in London, twice as high as the rate for the rest of the UK (4 per cent). Within London, rates are almost three times higher in Inner London (14 per cent) than Outer London (5 per cent). London also has a high proportion of couple households with children that are mixed households (48 per cent) relative to those in the rest of the UK (36 per cent).

- Of all regions, London has the lowest proportion of working households with children (those where all adult members are working). In London, 39 per cent of households with children are working households relative to 56 per cent in the rest of the UK. The rate is very low in Inner London (29 per cent).
- Couple only households (with no children) in London have lower levels of worklessness (10 per cent) than those living in the rest of the UK (14 per cent).
- The two household types most likely to be workless (lone parent and one person households) are over-represented in the capital, particularly in Inner London. While this helps explain London’s regional position, it only explains some of the differential as regional disparities persist across most household types.

London’s regional position: children

- In London, 25 per cent of children in working age households live in workless households. This is the highest, by far, of all regions and significantly higher than the national average of 15 per cent. Within London, rates are exceptionally high in Inner London where more than one third (35 per cent) of children live in workless households.

Percentage of children living in workless households by region, Autumn 2004



Source: Labour Force Survey household dataset, Autumn 2004

- London’s BME children are more likely to live in workless households (33 per cent) than those living in the rest of the UK (25 per cent). Rates are very high in Inner London where 42 per cent of BME children live in workless households (42 per cent). Of all children living in workless households in Inner London, 70 per cent are from BME groups.
- In London, those households with children headed by migrant Londoners are twice as likely to be workless than migrant headed households in the rest of the UK (28 per cent and 14 per cent). In Inner London, one third of such households are workless (34 per cent).

London's regional position: adults

- Rates of household worklessness in London and outside London have been compared for people by age, gender, ethnicity, country of birth, disability and qualifications. For most groups, rates of household worklessness are persistently higher in Inner London relative to those living in Outer London and those living in the rest of the UK. This holds true for all groups except those with degree level qualifications who have consistently low and stable levels of household worklessness within and outside London (5-6 per cent).
- Almost half (48 per cent) of the disabled working age population in Inner London live in workless households, relative to 32 per cent across Outer London, where rates are closer to those in the rest of the UK (29 per cent).
- While BME residents are more likely than White residents to live in workless households both in and outside London, the gap between the two groups is most pronounced in Inner London (28 per cent and 16 per cent).
- In Inner London, 43 per cent of those with no qualifications live in workless households relative to 31 per cent of those living in Outer London, where rates are closer to the rate in the rest of the UK (27 per cent).
- In London, women (18 per cent) are more likely than men (13 per cent) to live in workless households, whereas in the rest of the UK, men are as likely as women to live in workless households (both 11 per cent). In Inner London, women are twice as likely (24 per cent) than women in the rest of the UK to live in workless households.
- While rates of worklessness are higher in London than the rest of the UK across all age groups, they are particularly high for young people aged 16-24 living in Inner London; 28 per cent of this group live in workless households. Even when students are excluded from the analysis, rates remain high for this age group (25 per cent).

Students and regional disparities in worklessness

- London has a proportionately larger student population than the rest of the UK, and full-time students in London are less likely to be in employment than students outside London. London's students are almost twice as likely as those outside London to live in workless households (27 per cent and 14 per cent).
- Excluding households with students from the analysis, leads to the proportion of workless households in London falling from 20 per cent to 19 per cent and the regional differential between London and the rest of the UK reducing from 5 to 3 percentage points. However, the differential in rates between Inner and Outer London is largely unaffected when students are excluded and remains wide (8 percentage points).

Future work

- This *Briefing* is part of a wider programme of GLA research that aims to investigate patterns of labour market participation at the household and family level. Future work is planned that will explore the employment patterns of London's parents in detail. The GLA has also commissioned special Census tables to enable more refined analysis of household employment patterns by ethnicity. These analyses will be reported in future DMAG *Briefings*.

