

## Children in workless households in London 2006

### Key points:

- Almost one quarter (24 per cent) of all London's children live in workless households (households with no adults in work). Of these, 70 per cent live in lone parent households (Oct-Dec 2006).
- London has, by far, the highest percentage of children living in workless households of all regions. Rates are exceptionally high in Inner London where one third (33 per cent) of all children live in workless households. While the rate is lower in Outer London (19 per cent) it still remains well above rate in the rest of the UK (15 per cent).
- Children from certain ethnic groups face a very high risk of living in workless households. The 2001 Census found that 40 per cent of children from Bangladeshi groups lived in workless households. Children from Black ethnic groups also faced very high levels of household worklessness, all above 30 per cent. Rates were lowest for Indian (11 per cent) and White British children (20 per cent).
- During the period 1996-2006, the proportion of children in workless households in London has remained well above the rate in the rest of the UK. While rates in London did show a slight fall between 1996-2001, they have not kept pace with reductions nationally and London's relative position has worsened.

### Introduction

This update presents data about London's children<sup>1</sup> according to the labour market position of their parents and focuses on children living in 'workless' households – those households with no adults in work. These children face a very high risk of poverty relative to households that have one or more working parents.

Most data presented here are drawn from the UK Labour Force Survey (LFS) household level dataset for October-December 2006, recently released by the Office for National Statistics. The LFS is a sample survey so all data are estimates not precise measures and need to be interpreted with some care. Analysis relates to working age households<sup>2</sup>: those containing at least one person of working age (defined as 16-59 for women and 16-64 for men). Data refer to three groups of households: work-rich, mixed and workless households, defined as follows:

Work-rich households:	A household where all adults are in employment
Mixed households:	A household containing a mix of working and workless adults
Workless households:	A household where no adults are in employment

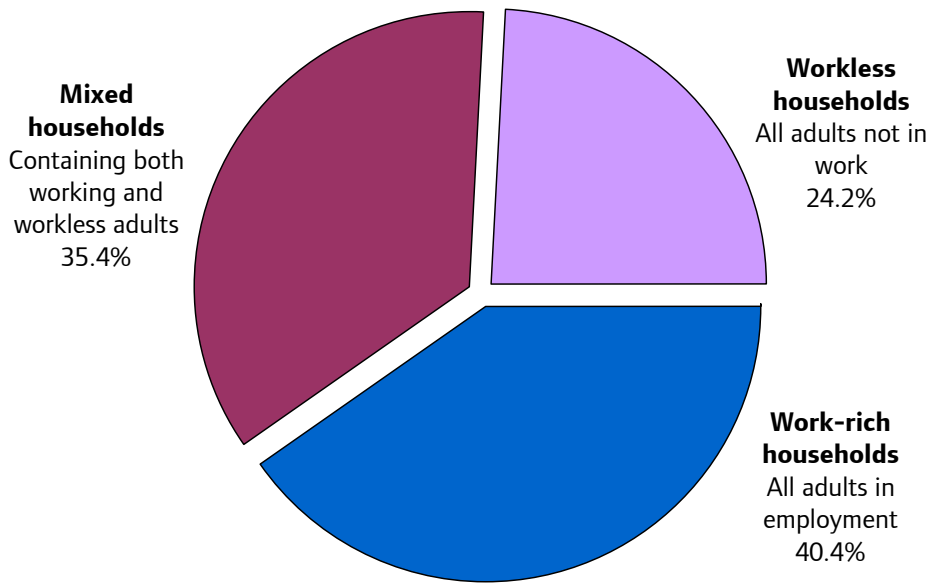
<sup>1</sup> Children are those aged 0-15.

<sup>2</sup> A household is a single person or a group of people living at the same address that have their address as their only or main residence, and either share one main meal a day or share the living accommodation or both.

### Children in workless households in London

LFS estimates for Oct-Dec 2006 suggest that around one quarter (24 per cent) of all London's children live in workless households (ie households with no adults in work). 40 per cent of London's children live in work-rich households and the remaining 35 per cent live in households containing a mix of working and workless adults.

**Figure 1 Children by combined economic activity status of adults in the household, Greater London, 2006 (Oct-Dec)**



Source: Labour Force Survey Household dataset (Oct-Dec 2006).

Children living in lone parent households are far more likely to be living in workless households than those living in couple households. In London, 60 per cent of children living in lone parent households live in workless households relative to 9 per cent of those in couple households. Children in workless lone parent households account for 70 per cent of all children in workless households.

### London's regional position

Compared with other regions, London has, by far, the highest percentage of children living in workless households. At 24 per cent, London's rate is considerably higher than the rate in the rest of the UK (15 per cent). The region with the second highest rate is the North East where one in five children live in workless households (20 per cent).

Within London, rates are exceptionally high in Inner London where 33 per cent of all children live in workless households. While the rate in Outer London is far lower (19 per cent) it still remains well above the national average. London also has a relatively high proportion of children living in households with a mix of employed and non-employed adults (35 per cent compared with 29 per cent outside London). Within London, this percentage is high in both Inner (36 per cent) and Outer London (35 per cent).

**Table 1 Percentage of children in working age households by combined economic activity status of household by region, Oct-Dec 2006**

	Work-rich households	Households containing both working & workless members	Workless households	Total = 100%
UK	54	30	16	100
UK (Excluding London)	56	29	15	100
North East	51	29	20	100
North West	54	27	19	100
Yorkshire & Humberside	54	28	18	100
East Midlands	61	27	12	100
West Midlands	52	31	17	100
Eastern	57	31	13	100
London	40	35	24	100
- Inner London	31	36	33	100
- Outer London	46	35	19	100
South East	58	31	11	100
South West	62	26	12	100
Wales	54	27	19	100
Scotland	61	24	15	100
Northern Ireland	54	34	13	100

Source: Labour Force Survey household dataset, Oct-Dec 2006

Consequently, the proportion of London's children who live in work-rich households is the lowest of all regions (40 per cent) and far below the rate in the rest of the UK (56 per cent). Within London, the percentage of children in work-rich households is 31 per cent in Inner London and 46 per cent in Outer London.

### **Ethnicity and worklessness**

Research<sup>3</sup> by the GLA has shown that children from certain ethnic groups face a very high likelihood of living in workless households. LFS estimates for Oct-Dec 2006 show that almost one third (31 per cent) of London's Black, Asian and minority ethnic (BAME) group children live in workless households relative to 18 per cent of White children. Of all children living in workless households in London, 59 per cent are from BAME groups. In Inner London, three quarters (74 per cent) of children living in workless households are from BAME groups.

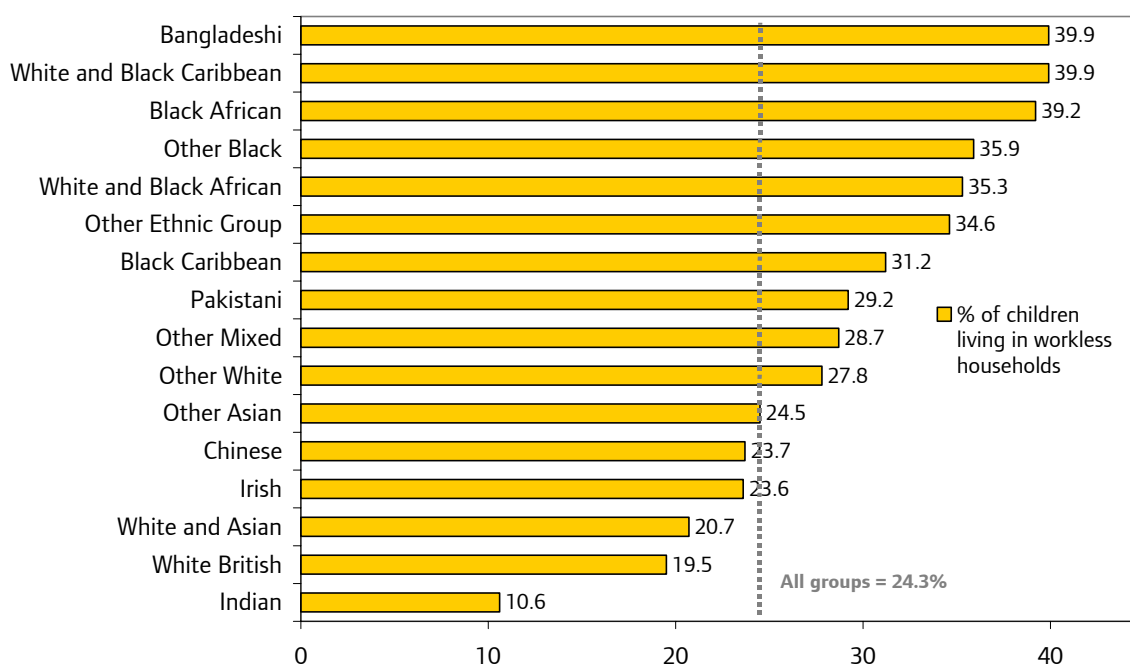
There is enormous diversity within London's BAME population which is best explored using 2001 Census data<sup>4</sup>, which provides more robust (albeit less up to date) estimates. Figure 2 shows the percentage of London's children living in workless households by ethnic group in 2001.

<sup>3</sup> DMAG Briefing 2003/21 Workless households with dependent children in London.

<sup>4</sup> Unlike LFS estimates, Census estimates relate to all households not just working age households. Further, Census estimates relate to dependent children (those aged 0 to 15 or a person aged 16 to 18 who is a full time student in a family with parents, whereas LFS estimates presented here relate to children aged 0-15.

According to the 2001 Census, almost one quarter (24 per cent) of London’s children were living in workless households. Rates range from as low as 11 per cent for Indian children up to 40 per cent for both Bangladeshi children and those from mixed White and Black Caribbean backgrounds. Indian children are the only group to have lower rates than White British children. Children from Black ethnic groups also faced high levels of household worklessness – all above 30 per cent: 39 per cent of Black African children and 31 per cent of Black Caribbean children lived in workless households.

**Figure 2 Percentage of dependent children living in workless households by ethnic group, Greater London, 2001**



Source: 2001 Census (Theme Table TT012)

### Trends in worklessness 1996-2006

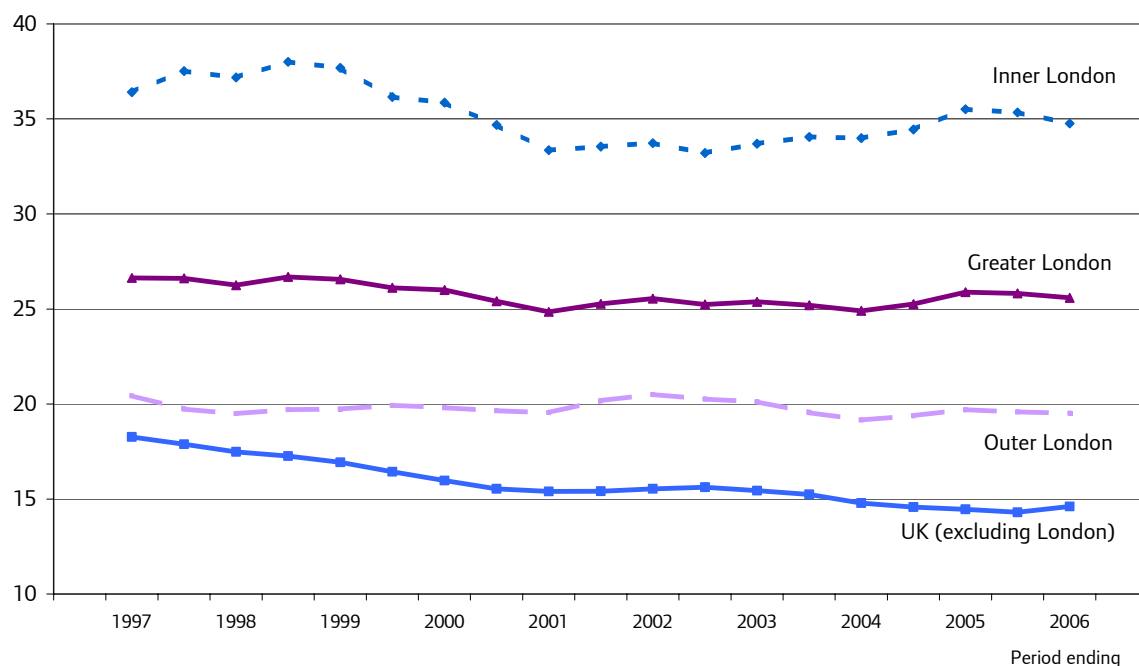
Figure 3 shows the percentage of children living in workless households over the period 1996-2006 for London and the rest of the UK. ONS publish quarterly household LFS data twice a year<sup>5</sup>. As the data are prone to large confidence intervals, the analysis uses two year rolling averages (using four estimates over each two year period) to improve the reliability of trend data.

Throughout the period 1996-2006, the percentage of children who live in workless households in London has remained well above the rate in the rest of the UK and rates across Inner London have remained exceptionally high. In line with national trends, London rates did show some improvement over the period 1996/97 to 2000/01, falling from 27 per cent to 25 per cent<sup>6</sup>. Rates in the rest of the UK showed an even stronger fall over the same period (from 18-15 per cent). Rates remained relatively stable until 2004 when London’s rate began to increase slightly, showing further divergence from national trends.

<sup>5</sup> Data are produced for two calendar quarters each year: April-June and October-December. Prior to 2006, LFS household data were based on seasonal quarters: Spring (Mar-May) and Autumn (Sept-Nov).

<sup>6</sup> Two year averages relating to 1996/97 and 2000/01

**Figure 3 Percentage of children living in workless households, London & UK, 1996-2006**



Source: Labour Force Survey Household datasets 1995-2006.

Notes: Data are two year moving averages. Household data are produced twice per year so each average is based on four survey estimates.

The most recent survey data for 2006 suggests a very slight improvement in London's position. However, due to the nature of the survey data, which is prone to sampling variability, it is too early to tell whether this is evidence of real improvement.

Considered over the long term, the gap in rates between London and the rest of the UK has not only persisted but has in fact widened from 8 to 11 percentage points. This divergence is even stronger if one considers how much higher the London rate is relative to the GB rate. In 1996/97, the worklessness rate in London was 46 per cent higher than the rate nationally. By 2005/06, the London rate was 75 per cent higher than the GB rate.

The improvement in London rates up till 2000/01 was largely driven by a fall in worklessness in Inner London where the percentage of children living in workless households fell from an average of around 38 per cent during 1998/99 down to 33 per cent during 2000/01. Rates have since increased again to average around 35 per cent during 2005/06. In Outer London, rates have remained fairly constant over the period (19-20 per cent).

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