

Employment rates of parents in London 2006

Key points

- Parents living in London have far lower employment rates than those living in the rest of the UK, and differentials are most pronounced among mothers. Just over half of all London's mothers (56 per cent) are in employment relative to 69 per cent in the rest of the UK. Of London's fathers, 86 per cent are in work relative to 91 per cent in the rest of the UK (Oct-Dec 2006).
- The employment rate for lone parents living in London (45 per cent) is well below the rate for lone parents outside London (58 per cent). For mothers in couples, whose rates are generally higher, there is a similar differential in rates (60 and 73 per cent).
- The employment rate for mothers living in Inner London (46 per cent) is far lower than the rate for those in Outer London (62 per cent). The Inner and Outer London differential in rates is strongest for couple mothers: less than half (49 per cent) of all couple mothers in Inner London are in work relative to two thirds in Outer London and 73 per cent in the rest of the UK. Lone parents in both Inner and Outer London have very low employment rates (40 and 48 per cent) relative to lone parents in the rest of the UK (58 per cent).
- During 1995-2006, the employment rates of London's parents have remained well below those outside London and in the case of mothers, rates have shown significant divergence from national trends:
 - The employment rate for mothers in couples living in Inner London has fallen, while rates have increased for those living in Outer London and in the rest of the UK.
 - While the employment rate of London's lone parents has risen, the rise has been less pronounced than nationally, leading to the gap in employment rates between London and the rest of the UK doubling in size.

Data and definitions

The labour market position of London's parents is key to understanding the drivers of high child poverty rates evidenced in the capital. This Update profiles the employment rates of London's parents, compares them to rates for parents outside London and looks at trends over time.

The data presented here are drawn from the UK Labour Force Survey (LFS) household level datasets, supplied by the Office for National Statistics. These data are published for two quarters each year. The LFS is a sample survey so all data are estimates and have a degree of sampling variability attached to them. The analysis concentrates the employment patterns of working age parents with dependent children¹.

¹ Dependent children are children aged under 16 and those aged 16-18 who are never married and in full-time education. Parents are defined as fathers or mothers who have dependent children living with them (or those away at boarding school or halls of residence). Adoptive and step-parents are included but foster parents and those who live in a separate household from their children are not. Only parents of working age are included in the analysis (age 16-59 for women and age 16-64 for men).

Employment rates² of parents in Greater London

In Oct-Dec 2006, the employment rate for London's working age women was 63 per cent, considerably lower than the rate for men (76 per cent). The gender differential is mainly explained by the fact that women are more likely than men to take time out of the labour market to care for children. Employment rates of men and women without dependent children are close (71 and 69 per cent respectively) whereas the rate for mothers is 31 percentage points lower than the rate for fathers.

Table 1 Employment rates (%) by family status and gender, Greater London, Oct-Dec 2006

	Persons	Male	Female	Gender gap in rates
Persons working age	70	76	63	13
All parents	68	86	56	31
- In couples	74	87	60	27
- Lone parents	45	**	45	**
No dependent children	70	71	69	3

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

** Estimate not available due to small sample size

The data in Table 1 also illustrate how important family responsibilities are in understanding the employment patterns of both women and men. The employment rate for women with children is 56 per cent relative to 69 per cent for women without children. Conversely, the male employment rate is affected in the opposite way and men with children have a higher employment rate (86 per cent) than those without children (71 per cent).

For parents, employment rates are lowest for lone parents (45 per cent). Most lone parents are female so the rate for lone mothers is also 45 per cent (no estimate is available for lone fathers, due to small sample size). The employment rate for couple mothers (60 per cent) is far lower than the rate for couple fathers (87 per cent).

Employment rates of parents in London and the rest of the UK

The employment rate for working age Londoners is generally low (70 per cent)³ relative to the rate across the rest of the UK (76 per cent), but differentials are most pronounced among parents, especially women. Just over half of all London's mothers (56 per cent) are in employment relative to 69 per cent in the rest of the UK. The size of the differential between London and the rest of the UK is similar for both lone mothers and mothers in couples, though rates are much lower for lone mothers (45 and 57 per cent).

Within London, the employment rate for mothers living in Inner London (46 per cent) is far lower than the rate for those in Outer London (62 per cent). The differential in rates between Inner and Outer London is very wide for couple mothers (17 percentage points). Less than half of all couple mothers (49 per cent) in Inner London are in work relative to two thirds in

² The *employment rate* is a measure of labour market participation and expresses the number in employment as a percentage of the population – here all data relate to the working age population.

³ This statistic may differ slightly from published employment rates for London for the same period, which are usually drawn from individual level LFS datasets, rather than the household level dataset used here.

Outer London and 73 per cent in the rest of the UK. Lone mothers in both Inner and Outer London have very low employment rates (40 and 49 per cent) relative to lone mothers in the rest of the UK (57 per cent).

Table 2 Employment rates of parents, London & UK, Oct-Dec 2006

	Employment rates (%), persons working age				Differential (percentage points, rounded)	
	Inner London	Outer London	Greater London	UK (excluding London)	London- RUK	Inner- Outer
All parents	59	73	68	79	-11	-14
All mothers	46	62	56	69	-14	-16
- Couple mothers	49	66	60	73	-13	-17
- Lone mother	(40)	49	45	57	-12	-(9)
All fathers	80	89	86	91	-5	-10
- Couple fathers	81	91	87	92	-4	-9
All lone parents*	40	48	45	58	-14	-8

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

*Estimate not available for lone fathers due to small sample size. Data based on relatively small samples (<100) are shown in brackets to emphasise their higher levels of sampling variability. All data rounded to the nearest percentage points.

The same patterns are evident for male parents but employment rates are generally far higher and differentials less pronounced. The employment rate for London's fathers (86 per cent) is lower than the rate for fathers in the rest of the UK (91 per cent). Fathers in Inner London have an employment rate of 80 per cent, 10 percentage points⁴ lower than for fathers in Outer London (89 per cent).

The gender gap in employment rates between mothers and fathers is strongest in Inner London – where the employment rates of fathers is 34 percentage points higher than the rate for mothers. Outside London, where rates are higher, the gender gap is 22 percentage points.

Employment rates of parents 1995-2006

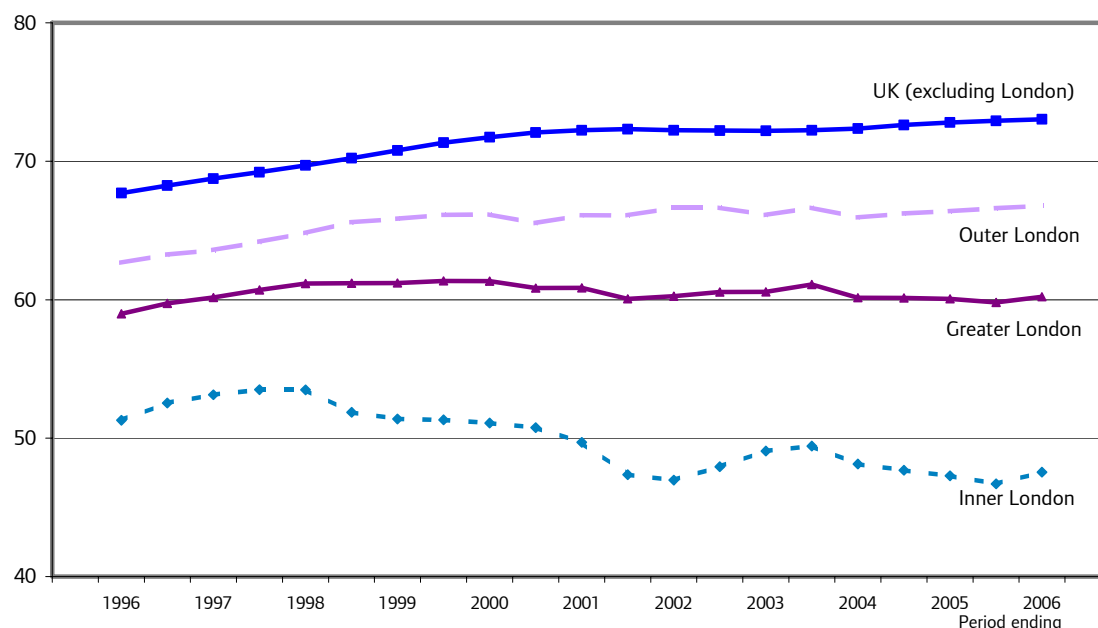
Figures 1 and 2 show the employment rate over the period 1995-2006 for couple mothers and lone parents. Rates in Greater London are compared to those in the rest of the UK, and rates across Inner and Outer London are also shown. ONS publish quarterly household LFS data twice a year⁵. As data are prone 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.

⁴ Data rounded to nearest percentage point.

⁵ 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).

During 1995-2006, the employment rate of mothers in couples in London has remained well below the rate in the rest of the UK and the gap between the two has widened. During the period, the employment rate of couple mothers in London has remained around the 59-61 per cent mark whereas outside London employment rates of couple mothers have shown a steady increase from 68 to 73 per cent⁶ (most of which took place before 2001). Over this period, the gap in rates between London and the rest of the UK has increased from 9 to 13 percentage points.

Figure 1 Employment rates of couple mothers, London & UK, 1995-2006



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.

Data for Greater London disguise two distinct trends across Inner and Outer London. The employment rate for couple mothers in Outer London has increased from 63 to 67 per cent over the period, largely following national trends. Whereas, in Inner London, the employment rate of couple mothers has actually fallen from 51 to 48 per cent, which has driven London’s overall divergence from the national trend over the period.

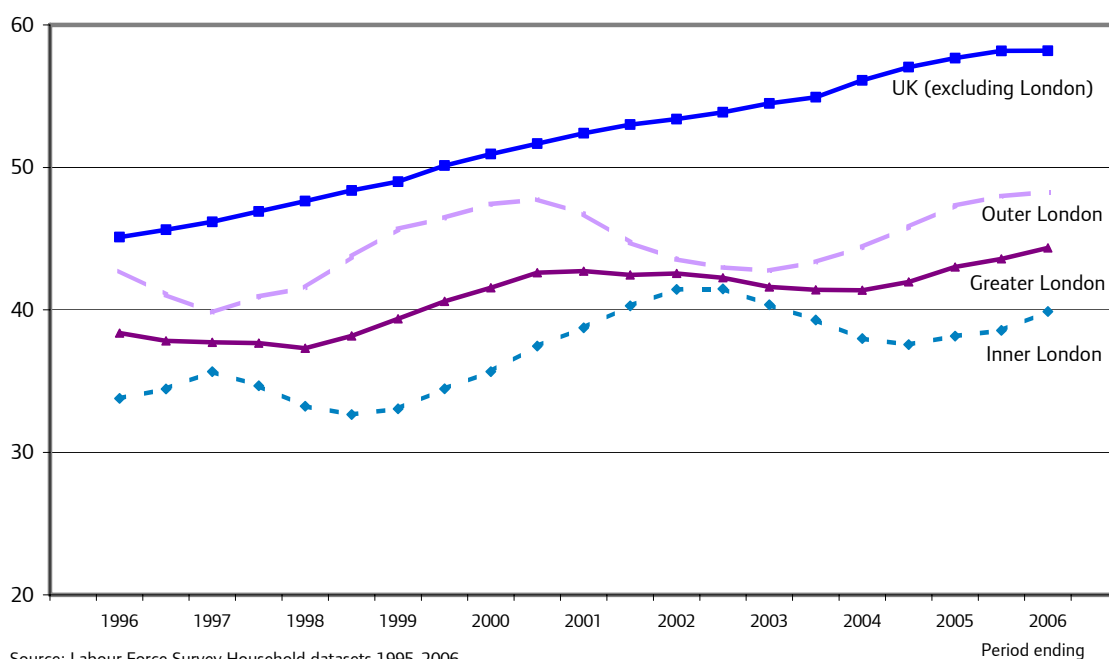
Figure 2 shows the employment rate of lone parents over the same period. Nationally, there has been a strong and steady increase in the employment rate of lone parents. The employment rate for lone parents who live outside London, in the rest of the UK, increased from 45 to 58 per cent between 1995 and 2006. In London, while rates have shown some improvement, it has been less dramatic. Over the period, the lone parent employment rate in London increased from 38 to 44 per cent. As a result, trends in lone parent employment rates in London have shown increasing divergence from national trends. Between 1995-2006, the gap in lone parent employment rates between London and the rest of the UK has doubled in size from 7 to 14 percentage points.

⁶ Change figures quoted relate to change between 1995/96 to 2005/06 (two year averages)

The improvement in rates in London was also less steady relative to national trends and between 2000/01 and 2003/04 the rate in London actually showed a marginal decline from 43 to 41 per cent. More recently, rates have recovered rising to a high of 44 per cent (2 year average 2005/06).

Trends in Inner and Outer London have been more volatile. It is quite possible these fluctuations are, to some extent, reflecting higher levels of sampling variability attached to the data. While the data are not robust enough to interpret with any degree of precision, both series appear to point to some departure from national trends over the period, but with a visible recovery in rates in recent years.

Figure 2 Employment rates of lone parents, London & UK, 1995-2006



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.

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