

## Children in workless households in London 2007

### Key points:

- One quarter (25 per cent) of all London's children live in workless households, that is households with no adults in work (October-December 2007).
- London has, by far, the highest percentage of children living in workless households of all regions. Rates are exceptionally high in Inner London where around one third (32 per cent) of all children live in workless households. While the rate is lower in Outer London (21 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 1996-2007, the proportion of children in workless households in London has remained well above the rate in the rest of the UK.

### 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.

The GLA reports annually on the proportion of children living in workless households, as part of its monitoring programme in the areas of child poverty and corporate planning. This note presents the latest data and provides the basis for updating the monitoring.

Most data presented here are drawn from the UK Labour Force Survey (LFS) household level dataset for October-December 2007, 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

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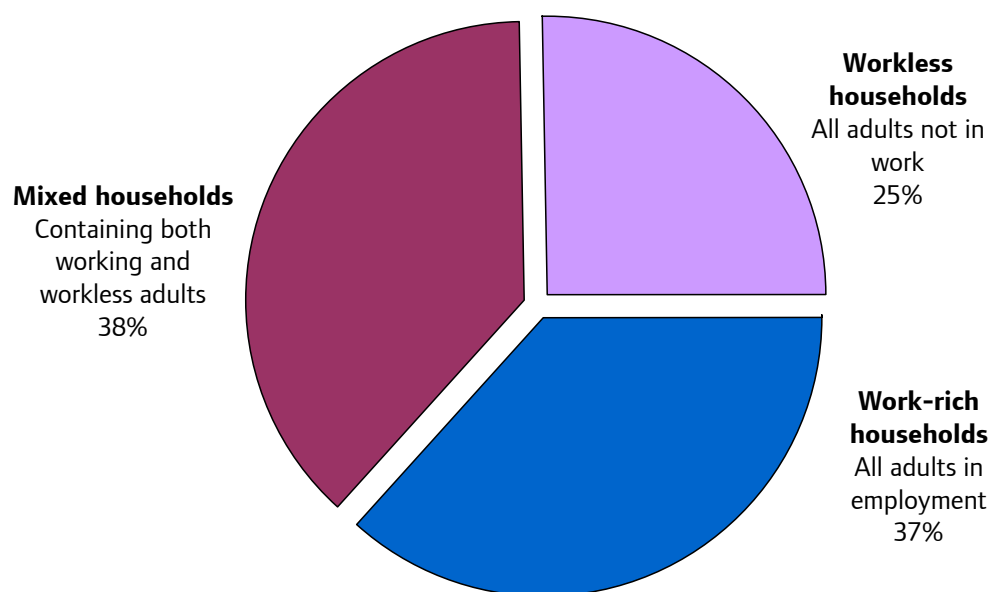
<sup>1</sup> Children are those aged 0-15.

<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 2007 suggest that one quarter (25 per cent) of all London's children live in workless households (ie households with no adults in work). 37 per cent of London's children live in work-rich households and the remaining 38 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, Oct-Dec 2007**



Source: Labour Force Survey Household dataset (Oct-Dec 2007).

Children living in lone parent households are far more likely to be living in workless households than those living in couple households. In London, 62 per cent of children living in lone parent households live in workless households relative to 8 per cent of those in couple households. Children in workless lone parent households account for 77 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 25 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 Wales where one in five children live in workless households (21 per cent).

Within London, rates are exceptionally high in Inner London where 32 per cent of all children live in workless households. While the rate in Outer London is far lower (21 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 (38 per cent compared with 29 per cent outside London). Within London, this percentage is high in both Inner and Outer London (both 38 per cent).

**Table 1 Percentage of children in working age households by combined economic activity status of household by region, Oct-Dec 2007**

	Work-rich households	Households containing both working & workless adults	Workless households	Total = 100%
UK	54	30	16	100
UK (Excluding London)	56	29	15	100
North East	55	28	17	100
North West	55	27	18	100
Yorkshire & the Humber	55	29	16	100
East Midlands	57	30	13	100
West Midlands	51	29	20	100
East of England	58	31	11	100
London	37	38	25	100
- Inner London	30	38	32	100
- Outer London	41	38	21	100
South East	58	32	10	100
South West	63	26	11	100
Wales	53	26	21	100
Scotland	61	24	15	100
Northern Ireland	50	36	14	100

Source: Labour Force Survey household dataset, Oct-Dec 2007

Consequently, the proportion of London's children who live in work-rich households is the lowest of all regions (37 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 30 per cent in Inner London and 41 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 2007 show that almost one third (32 per cent) of London's Black, Asian and minority ethnic (BAME) group children live in workless households relative to 19 per cent of White children. Of all children living in workless households in London, 61 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.

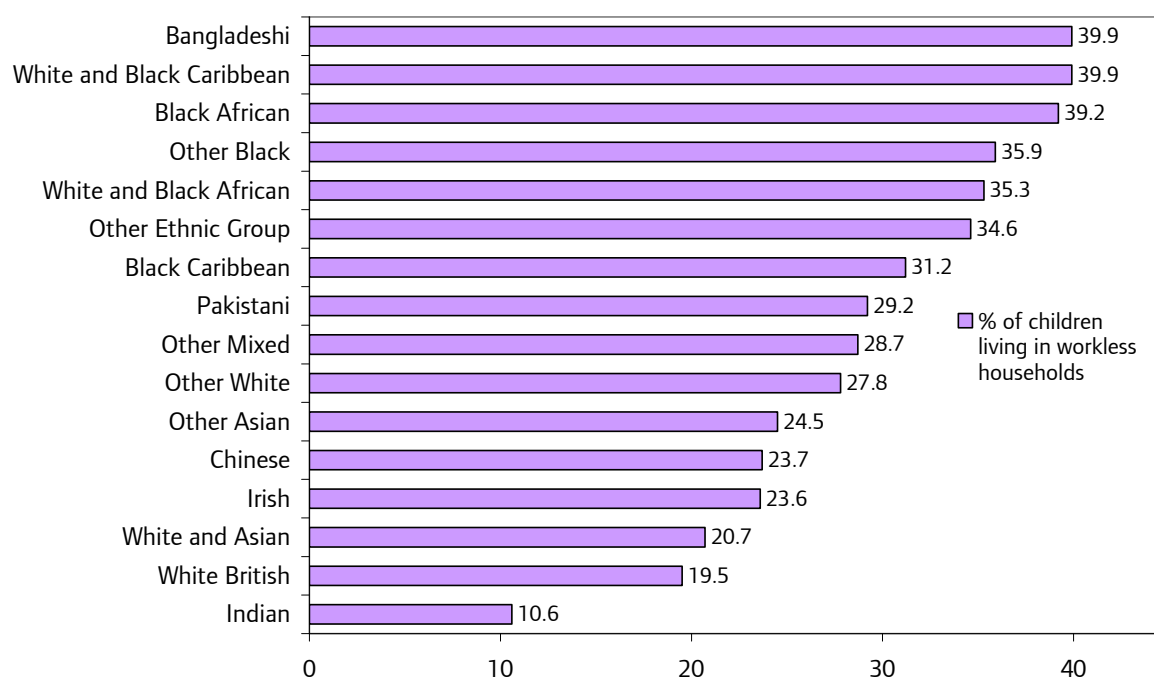
According to the 2001 Census, almost one quarter (24 per cent) of London's children were living in workless households, similar to the current LFS estimate. Rates range from as low as 11 per cent for

<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.

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 1996-2007

Figure 3 shows the percentage of children living in workless households over the period 1996-2007 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 1996-2007, 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>, driven by a fall in rates in Inner London. Rates in the rest of the UK showed an even stronger fall over the same period (from 18 per cent to 15 per cent).

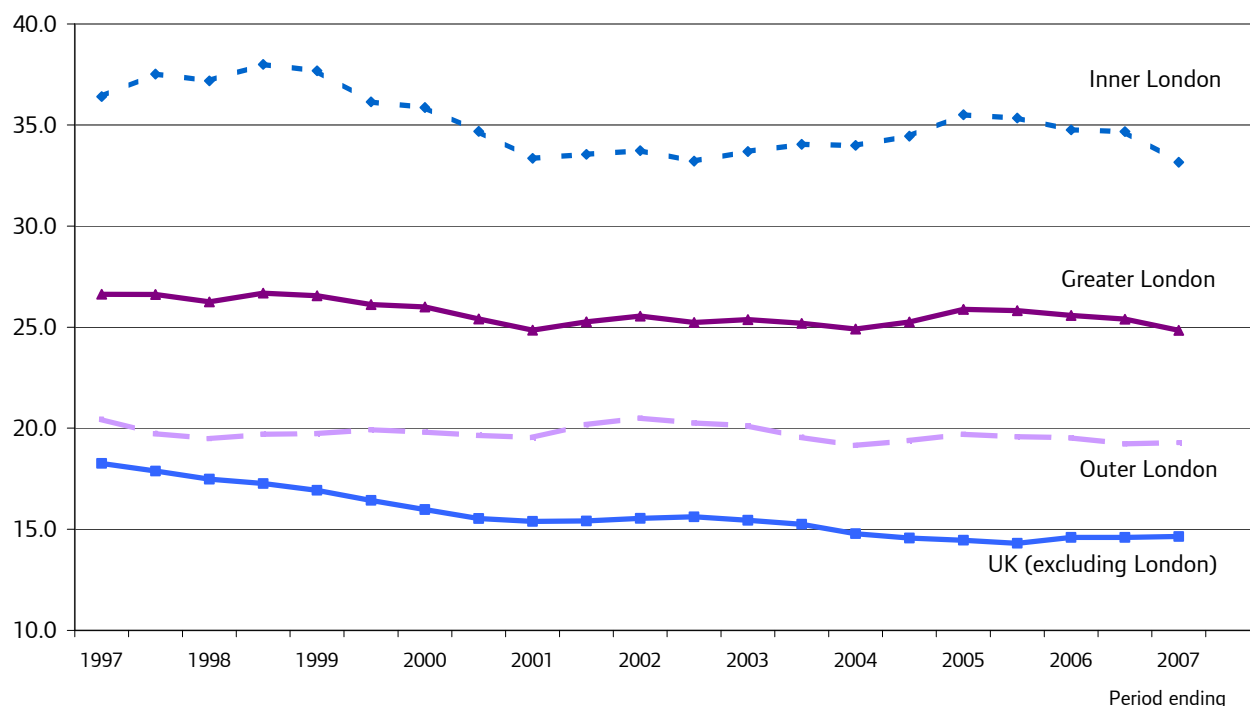
Since then, there has been less variation in rates. During 2004 and 2005, the London rate did rise marginally showing some divergence from the trend nationally, whereas the most recent survey data for 2006 and 2007 shows a slight fall in the London rate, indicating a slight improvement in

<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

London's relative position. Over the period 1996/97 to 2005/06, the differential in rates between London and the rest of the UK increased from 8 to 11 percentage points. The latest data for 2006/07 show a slight narrowing of the gap to 10 percentage points. However, the nature of the survey data, which are prone to sampling variability, make it difficult to draw firm conclusions about whether these short term changes are evidence of real or sustained improvement.

**Figure 3 Percentage of children living in workless households, London & UK, 1996-2007**



Source: Labour Force Survey Household datasets 1996-2007.

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

### Date of next Update

The GLA will be monitoring this indicator on an annual basis. The next update is planned for May 2009.

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## A1 Children living in workless households, London & UK, 1996-2007

		Children living in workless households as % of all children in households								
		Quarterly estimates				2 year averages (period ending)				
LFS quarter:		Inner London	Outer London	Greater London	UK (exc. London)	Inner London	Outer London	Greater London	UK (exc. London)	Difference (London -Rest UK)
Spring	1996	35.7	20.8	26.6	19.1					
Autumn	1996	37.0	20.8	27.1	18.6					
Spring	1997	35.0	20.0	25.8	17.8					
Autumn	1997	38.0	20.3	27.1	17.6	36.4	20.4	26.6	18.3	8.4
Spring	1998	40.1	17.9	26.5	17.6	37.5	19.7	26.6	17.9	8.7
Autumn	1998	35.6	19.8	25.7	16.9	37.2	19.5	26.2	17.5	8.8
Spring	1999	38.2	20.8	27.5	16.9	38.0	19.7	26.7	17.3	9.4
Autumn	1999	36.8	20.4	26.6	16.3	37.7	19.7	26.6	16.9	9.6
Spring	2000	34.0	18.7	24.7	15.6	36.1	19.9	26.1	16.4	9.7
Autumn	2000	34.5	19.3	25.2	15.1	35.9	19.8	26.0	16.0	10.0
Spring	2001	33.5	20.2	25.1	15.1	34.7	19.6	25.4	15.5	9.9
Autumn	2001	31.4	20.0	24.3	15.7	33.3	19.5	24.8	15.4	9.5
Spring	2002	34.8	21.2	26.4	15.7	33.5	20.2	25.3	15.4	9.9
Autumn	2002	35.2	20.6	26.3	15.6	33.7	20.5	25.5	15.5	10.0
Spring	2003	31.5	19.2	23.9	15.5	33.2	20.3	25.2	15.6	9.6
Autumn	2003	33.4	19.4	24.9	15.0	33.7	20.1	25.4	15.4	9.9
Spring	2004	36.2	19.0	25.7	14.9	34.0	19.5	25.2	15.2	9.9
Autumn	2004	34.9	19.0	25.2	13.8	34.0	19.1	24.9	14.8	10.1
Spring	2005	33.3	20.2	25.3	14.6	34.4	19.4	25.3	14.6	10.7
Autumn	2005	37.6	20.7	27.4	14.5	35.5	19.7	25.9	14.5	11.4
April-June	2006	35.5	18.5	25.4	14.3	35.3	19.6	25.8	14.3	11.5
Oct-Dec	2006	32.6	18.7	24.2	15.0	34.8	19.5	25.6	14.6	11.0
April-June	2007	33.0	19.0	24.6	14.6	34.7	19.2	25.4	14.6	10.8
Oct-Dec	2007	31.5	21.0	25.2	14.7	33.2	19.3	24.8	14.6	10.2

Source: Office for National Statistics, Labour Force Survey household datasets

Notes: Data relate to children aged 0-15 living in working age households (those containing at least one adult of working age). From 2006 onwards, data relate to calendar quarters (eg April-June) as opposed to seasonal quarters (Spring: March-May). All data are subject to a considerable degree of sampling variability, particularly data for Inner and Outer London which are based on relatively small samples. For this reason, 2 year averages are also presented which provide more reliable trend data.