

Statistical bulletin

Working and workless households in the UK: 2013

Statistics on the economic status of households in the UK and the people living in them. Taken from the Labour Force Survey, covering only households where at least one person is aged 16 to 64 years.



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1 . In April to June 2013:

- 17.1% of all households with at least one person aged 16-64 were workless, down from 17.9% in the same period last year. This is the lowest percentage since comparable records began in 1996. The total number of workless households was 3.5 million
- The number of people aged 16-64 in workless households fell to 4.9 million, the first time it has been below 5 million since 2008
- The number of children in workless households was 1.6 million, or 14% of all children. Of these, 65% were living in single-parent households
- There were 297,000 households where no-one had ever worked, down 43,000 on the year. Excluding student households there were 224,000 households containing only people who have never worked, down 41,000 on the year
- The North East remained the area with the highest percentage of its households workless, at 23%, with the South East having the lowest at 13%

2. Main definitions

- This document is concerned with working, workless and mixed households in the UK for the period April
 to June in each year
- For the purposes of this bulletin, estimates only include those households where at least one person is aged 16 to 64
- Working households are households that contain at least one person aged 16 to 64, where all individuals aged 16 and over are in employment
- Workless households are households that contain at least one person aged 16 to 64, where no-one aged 16 or over is in employment. These members may be unemployed or inactive. Inactive members may be unavailable to work because of family commitments, retirement or study, or unable to work through sickness/disability
- Mixed households are households that contain at least one person aged 16 to 64, where at least one
 person aged 16 and over is in employment and at least one other is either unemployed or inactive

3 . Summary

An infographic explaining the key points is available on the Labour Market Theme Page.

In April to June 2013 there were 3.5 million UK households with at least one member aged 16 to 64 where noone was currently working. This represented 17.1% of households, the lowest since 1996, and was a fall of 0.7 percentage points, or 182,000 households, on a year earlier. In all, 1.6 million children lived in these households, as did 4.9 million people aged 16-64. Whilst this analysis considers households containing at least one person aged 16-64 which fell by 165,000, the number of households not containing anyone aged 16 to 64 increased resulting in an overall increase in the number of households. Focusing on the 182,000 fall in the number of workless households, the number of one person workless households fell by 130,000 with those aged 50-64 having the greatest fall. The number of one person workless households aged 65 and over increased over the period. Therefore, the overall fall in the number of workless households is partly due to some workless households moving from containing at least one person aged 16-64 to containing all people aged 65 and over and therefore not being included in the analysis.

As well as a fall in workless households there was also a fall of 98,000 in mixed households – those with at least one person aged 16 to 64 where some adult members are in work and others are not. In April to June 2013 there were 5.9 million such households, representing 28.8% of all households. There was a rise of 115,000 in working households – those where all adult members are in work. The number of working households stood at 11.0 million, or 54.0% of the total.

Comparing lone parents and couple households with dependent children, the latter have a much lower chance of being a workless household. In 2013 around 4.8% of couple households with dependent children were workless, much lower than the 36.3% for lone parent households with dependent children.

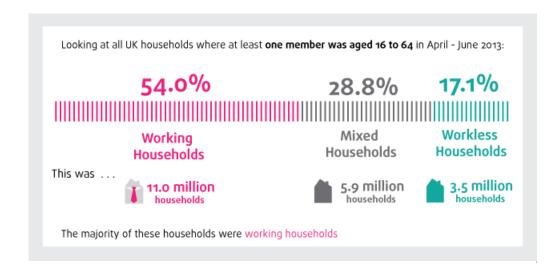
In 2013, there were 297,000 households in which no adult has ever worked, down 43,000 from a year earlier. In relation to all households in the UK containing at least one person aged 16 to 64 years, the percentage of households containing only people who have never worked was 1.5%, down 0.2 percentage points from a year earlier.

4. Households

Households by combined economic activity status of members (Table A)

In April to June 2013 there were 20.4 million households in the UK containing at least one person aged 16-64. Of these households, 11.0 million (54.0%) were classed as working, a further 5.9 million (28.8%) were classed as mixed, and finally 3.5 million (17.1%) were classed as workless.

Percentage of households that are workless, mixed and working, April to June 2013, UK

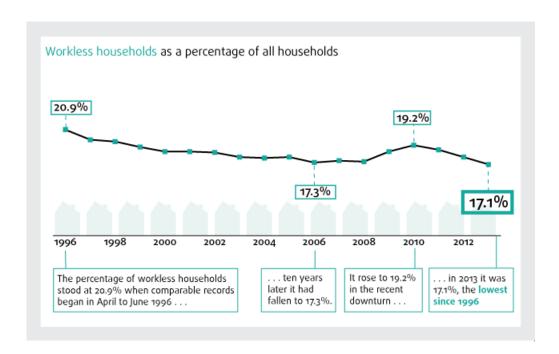


Source: Labour Force Survey - Office for National Statistics

Focusing on the workless households, the majority were households were everyone within the household was inactive, so either not looking for, or available to work. Overall, inactive workless households accounted for 12.7% of all households in the UK. A further 2.6% of households were where every person was unemployed and 1.9% of households had a mixture of unemployed and inactive people.

Looking at changes since 1996, the earliest point a consistent series is available, in that year the percentage of workless households stood at 20.9%. Ten years later in 2006, two years before the economic downturn hit the UK, it had fallen to 17.3%. During the recent economic downturn it rose to 19.2% in 2010. Since this peak it has fallen and in 2013 the percentage of workless households stood at 17.1%, the lowest since 1996.

Percentage of households that are workless, 1996 to 2013, UK



Source: Labour Force Survey - Office for National Statistics

Concentrating on the change between 2012 and 2013 the number of workless households fell by 182,000; the number of mixed households fell by 98,000 whilst the number of working households rose by 115,000.

The analysis only considers households containing at least one person aged 16 to 64, so excludes households where all adults are aged 65 and over. This is because this latter group consists of mainly retired people who are inactive and not looking to work within the UK labour market. The number of households containing at least one person aged 16 to 64 fell by 165,000 between 2012 and 2013 whilst the number of households not containing anyone aged 16 to 64 increased by 225,000. The shift in the demographics is partly down to the ageing of the post second world war baby boomers. Therefore when looking at changes in the levels between 2012 and 2013 it is important to understand that there are fewer households.

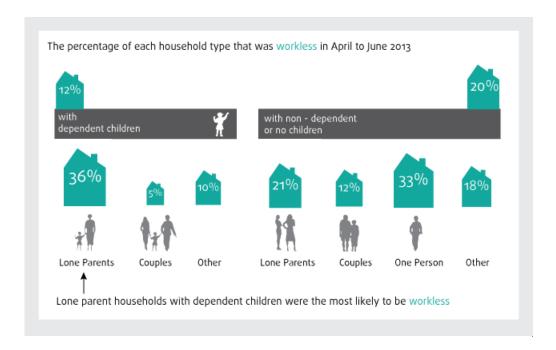
Focusing on the 182,000 fall in the number of workless households, the number of one person workless households fell by 130,000 with those aged 50-64 having the greatest fall. The number of one person workless households aged 65 and over increased over the period. Therefore, the overall fall in the number of workless households is partly due to some workless households moving from the 16 to 64 age group into the 65 and over group and therefore not being included in the analysis.

Households with and without dependent children by type of household and combined economic activity status of household members (Table B)

Workless households vary depending on the type of household. For example for those with dependent children, 12.2% were workless, and for those without dependent children, 20.2% were workless.

Looking firstly at households with dependent children, 36.3% of lone parent households were workless compared with just 4.8% of couple households. For the other household types with dependent children, 9.8% were workless, although other household types only comprise a small number of households.

Percentage of each household type that is workless, April to June 2013, UK



Source: Labour Force Survey - Office for National Statistics

For households without dependent children, those containing just one person were most likely to be workless in 2013, at 33.2%. The lowest percentage was for couples, at 12.4%.

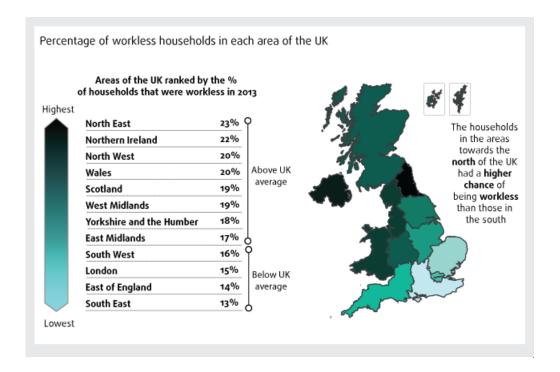
Note that the total number of people in each of these categories varies. The different population sizes will impact on the number of people living in workless households in each category.

Since 1996 there has been a fall in the percentage of lone parent households with dependent children that are workless from 51.9% in 1996 to 36.3% in 2013. The first part of this fall happened between 1996 and 2006 before remaining flat for a few years then falling again in the last two years. Between 2012 and 2013, this percentage fell by 0.7 percentage points.

Households by region and combined economic activity status of members (Table C)

For the UK as a whole in 2013, around 17.1% of households were workless, but this varies greatly across the regions in England and countries of the UK. There were eight areas of the UK that were above the UK average with the remaining four below. The North East had the highest percentage of workless households at 22.8%, while the South East had the lowest at 12.7%.

Percentage of workless households by region, April to June 2013, UK



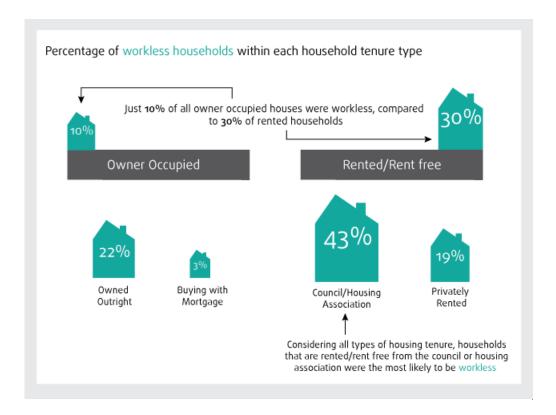
Source: Labour Force Survey - Office for National Statistics

Households by housing tenure by combined economic activity status of household members (Table D)

The percentage of households that are workless varies depending on the financial arrangement under which the house is occupied. The two most common types of arrangement are tenancy, in which rent is paid to a landlord, and owner occupancy. In 2013, 9.5% of owner-occupied households were workless households and 29.7% of households being rented were workless.

For those households renting from a social landlord, over two fifths (42.8%) were workless, compared with around a fifth (19.2%) of those privately renting. For owner-occupied households, 22.0% of households owned outright were workless compared with 3.1% of households bought with a mortgage.

Percentage of workless households by housing tenure, April to June 2013, UK



Source: Labour Force Survey - Office for National Statistics

Households where all members have never worked (Table E)

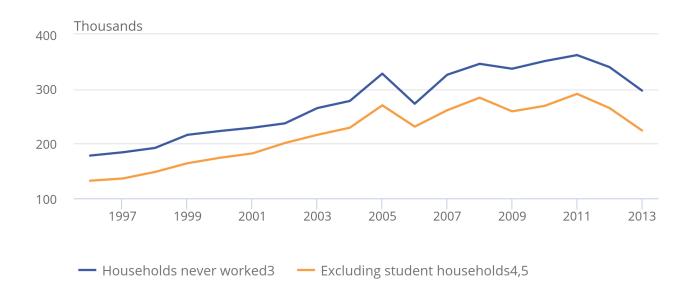
In 2013, there were 297,000 households in which no adult has ever worked, down 43,000 from a year earlier. In relation to all households in the UK containing at least one person aged 16 to 64 years, the percentage of households containing only people who have never worked was 1.5%, down 0.2 percentage points from a year earlier.

Excluding student households, where everyone is aged 16 to 24 and in full-time education, there were 224,000 households containing only people that have never worked, down 41,000 from a year earlier. This represented 1.1% of all households in the UK, down 0.2 percentage points from a year earlier.

1996 to 2013, UK

Households where all members have never worked

1996 to 2013, UK



Source: Labour Force Survey - Office for National Statistics

Notes:

1. Both series have continued to fall since their peak in 2011

5. People

People in households by combined economic activity status of household members (Table F)

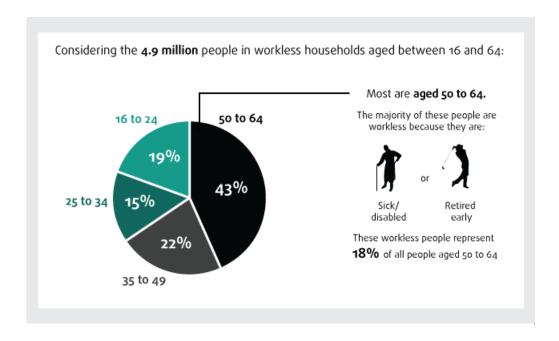
In 2013 there were around 4.9 million people aged 16 to 64 living in workless households, representing 12.2% of all people of that age in the UK. The number fell by 132,000 between 2012 and 2013 while the percentage was down 0.3 percentage points.

Of the 4.9 million people in workless households, 2.1 million (42.9%) were aged between 50 and 64. A further 1.1 million (22.4%) were aged 35 to 49, 954,000 (19.5%) were aged 16 to 24 and 744,000 (15.2%) were aged 25 to 34.

The total number of people in each of these age groups varies, for example there are 7.2 million people aged 16 to 24 and 12.9 million aged 35 to 49. The different population sizes will impact on the number of people living in workless households in each age group.

Looking at the percentage of people within each age group who are living in workless households, around 18.4% of all 50 to 64 year olds are in households where no-one works. The smallest percentage of people living in workless households was in the 25-34 and 35 to 49 age categories, both at 8.5%.

People in workless households by age group, April to June 2013, UK



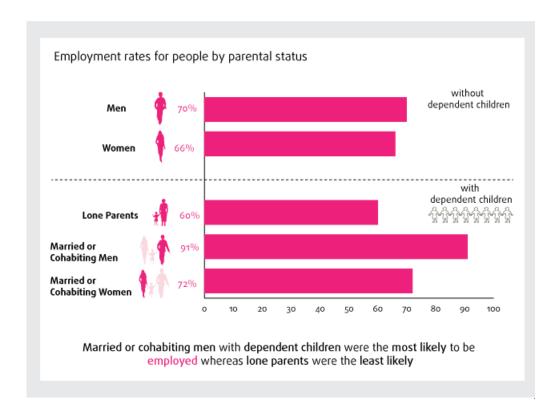
Source: Labour Force Survey - Office for National Statistics

Employment rates by parental status (Table P)

In 2013, 78.4% of people with dependent children were employed compared to 68.0% of people without. One reason for this could be that the majority of people without dependent children are older and therefore more likely to be retired or otherwise removed from the labour market.

For those with dependent children, 60.2% of lone parents were employed whereas the employment rate for married/cohabiting men was 90.7% and for women, 72.2%. The disparity in employment rates between men and women without dependent children was much smaller, at 70.0% for men versus 65.7% for women. This indicates that where couples had dependent children the men were more likely to be in employment than the women.

Employment rate of people by parental status, April to June 2013, UK



Source: Labour Force Survey - Office for National Statistics

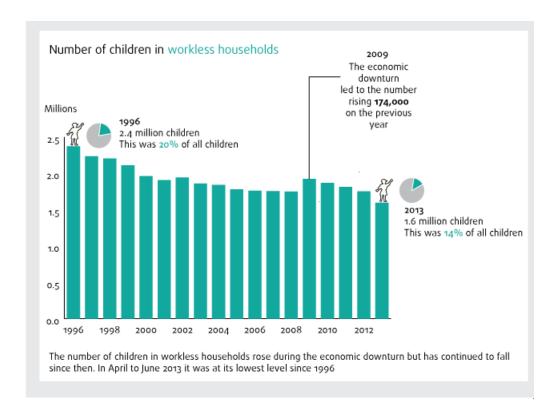
6. Children

Children in households by combined economic activity status of household members (Table K)

In 2013 there were around 1.6 million children aged 0 to 15 living in workless households, representing 13.6% of all children aged 0 to 15 in the UK. The number fell by 159,000 between 2012 and 2013 while the percentage was down 1.4 percentage points.

There has been a general decline in the number and percentage of children in workless households since 1996, the earliest point a consistent series is available. In 1996 there were 2.4 million children in workless households, representing 19.8% of all children. Within this period there was an increase in the number and percentage of children in workless households following the onset of the economic downturn in 2008,09 but these values have fallen in recent years.

Number of children in workless households, 1996 to 2013, UK



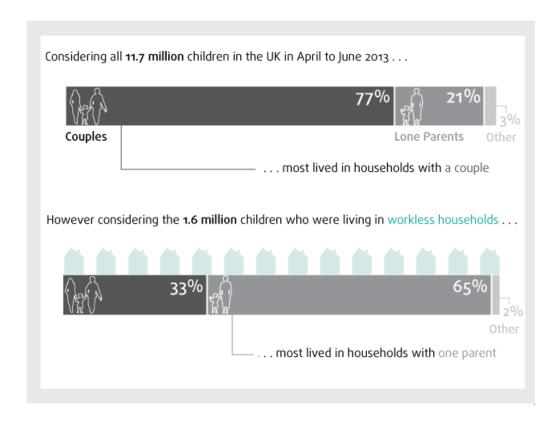
Source: Labour Force Survey - Office for National Statistics

Children by type of household by combined economic activity status of household members (Table L)

In 2013 there were 11.7 million children living in the UK. The majority, 9.0 million (76.9%) of these lived with a couple, 2.4 million (20.6%) lived with a lone parent and 298,000 (2.5%) were living in other household types.

However, focusing on the 1.6 million children who lived in workless households, the majority, 1.0 million (65.0%) lived with a lone parent. A further 524,000 (32.8%) lived with a couple and the remaining 34,000 (2.2%) lived in other household types.

Children in all households and in workless households by household type, April to June 2013, UK



Source: Labour Force Survey - Office for National Statistics

7. Index of tables

All 2013 working and workless statistical bulletin tables (481 Kb Excel sheet)

<u>Table A - Households by combined economic activity status of household members (42 Kb Excel sheet)</u>

<u>Table B - Households with and without dependent children by type of household and combined economic activity status of household members (63 Kb Excel sheet)</u>

<u>Table C - Households by region and combined economic activity status of household members (426.5 Kb Excelsheet)</u>

<u>Table D - Households by housing tenure and combined economic activity status of household members (59.5 Kb Excel sheet)</u>

Table E - Households where all members have never worked (35 Kb Excel sheet)

<u>Table F - People by age and combined economic activity status of household members (59.5 Kb Excel sheet)</u>

<u>Table G - People in households by type of household and combined economic activity status of household members (69.5 Kb Excel sheet)</u>

<u>Table I - People in households by housing tenure and combined economic activity status of household members</u> (59.5 Kb Excel sheet)

Table J - People in households where all members have never worked (35 Kb Excel sheet).

<u>Table K - Children in households by combined economic activity status of household members (41 Kb Excelsheet)</u>

<u>Table L - Children in households by type of household and combined economic activity status of household</u> members (57.5 Kb Excel sheet)

<u>Table M - Children in households by region and combined economic activity status of household members (279 Kb Excel sheet)</u>

<u>Table N - Children in households by housing tenure and combined economic activity status of household members (56 Kb Excel sheet)</u>

Table O - Children in households where all members have never worked (34.5 Kb Excel sheet)

Table P - Employment rates of people by parental status (42.5 Kb Excel sheet)

8. Background notes

1. Household datasets

The figures in this statistical bulletin come from the Labour Force Survey (LFS). Each month ONS issues many estimates of the labour market using the LFS person datasets, designed to provide estimates of people. The estimates within this statistical bulletin differ as they combine responses of all people within households. This is to provide estimates involving all the labour market characteristics of the people within the household.

Household datasets are weighted differently to person datasets, in that each person in a household is given the same weight. This ensures that weighted estimates at the household level are consistent. When using the household datasets to give estimates of the total number of people the different weighting procedure will give marginally different estimates to those from the person datasets.

Estimates in this statistical bulletin go back to 1996, which is the first year a consistent time series, on a calendar quarter basis is available. ONS is currently investigating calendar quarter household datasets for the period 1992 to 1995, to allow for a longer consistent time series.

2. Sampling variability

The LFS is the source for each estimate within this statistical bulletin. As a sample survey, it is subject to a margin of uncertainty, as different samples give different results. For example, the estimate for the percentage of children in workless households is 13.6 per cent, with a sampling variability of ± 0.7 per cent. This variability gives a confidence interval, which is such that there is 95 per cent certainty that the percentage of children in workless households lies between 12.9 per cent and 14.3 per cent.

Sampling variability tables for other estimates in this statistical bulletin are available in the quality measures spreadsheet.

3. Seasonal adjustment

The data in this statistical bulletin cannot be seasonally adjusted because the LFS Household datasets are produced for Q2 and Q4 only. In order to carry out seasonal adjustment data would have to be available for each quarter.

4. Concepts and definitions

- Estimates within this statistical bulletin only cover households that contain at least one person aged 16 to 64
- A household is defined as a single person, or a group of people living at the same address who have the address as their only or main residence and either share one main meal a day or share living accommodation (or both)
- A working household is a household that contains at least one person aged 16 to 64, where all individuals aged 16 and over are in employment
- A mixed household is a household that contains at least one person aged 16 to 64, where at least one person aged 16 and over is in employment and at least one other is either unemployed or inactive
- A workless household is a household that contains at least one person aged 16 to 64, where no-one aged 16 or over is in employment
- Children refer to all children under 16
- Dependent children are children aged under 16 and those aged 16 to 18 who have never married and are in full-time education
- The other household types columns in tables B, G and L refer to households which contain two or more family units, or two or more people belonging to separate family units
- The household reference person is the householder who: a) owns the household accommodation, or b) is legally responsible for the rent of the accommodation, or c) has the household accommodation as part of their job, or d) has the household accommodation by virtue of some relationship to the owner who is not a member of the household. If there are joint householders the household reference person will be the one with the higher income. If the incomes are the same, then the eldest householder is taken
- Parental status refers to three groups of parents; married/cohabiting mothers, married/cohabiting fathers and lone parents, defined as people with dependent children who are resident in their household. Those whose children live in another household are not included
- Mother/father includes biological mothers/fathers, step-mothers/fathers and adoptive mothers/fathers
 with dependent children that live in the same household as them. Foster mothers/fathers, women
 /men with non-dependent children and those whose children live in a separate household are not
 included
- 5. Working and Workless Households, 2013: Pre-release access list (23 Kb Pdf)

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