

Statistical bulletin

Working and workless households in the UK: July to September 2019

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



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1. Main points

- Of the estimated 21.0 million households (where at least one member is aged 16 to 64 years) in the UK, 12.5 million (59.6%) had all household members aged 16 years and over in employment, up 331,000 or 1.2 percentage points over the past year.
- There were an estimated 5.6 million households (26.9%) with a mix of at least one working and one workless adult, down 137,000 or 0.8 percentage points over the year.
- There were an estimated 2.8 million households (13.5%) where no member of the household was in employment, down 68,000 or 0.4 percentage points over the last year.

2. Things you need to know about this release

Introduction to working and workless households

This bulletin provides statistics on the economic status of households and the people living in them in the UK. These statistics are from the Labour Force Survey (LFS) covering the period July to September 2019, unless otherwise stated, and only include households where at least one person is aged 16 to 64 years.

All estimates are not seasonally adjusted and all comparisons are made on an annual basis, comparing July to September 2019 with July to September 2018.

The highest-quality statistics for the economic status of households at a local level within England, Scotland, Wales and Northern Ireland are available, up to January to December 2018, in the bulletin <u>Workless households</u> for regions across the UK: 2018 published on 31 July 2019. This uses the Annual Population Survey (APS), which has a greater sample size at local level.

As with any sample survey, estimates from the LFS are subject to a certain level of uncertainty. Please see the Quality and methodology section for an explanation of sampling variability.

Main definitions

Households

For the purposes of this bulletin, estimates only include those households where at least one person is aged 16 to 64 years.

Student households

Households where all adults are aged 16 to 24 years and in full-time education. The definition excludes households where all members are in education but some members are aged 25 years or over.

Working households

Households where all members aged 16 years or over are employed.

Workless households

Households where no one aged 16 years or over is in employment. These members may be unemployed or economically inactive. Economically inactive members may be unavailable to work because of family commitments, retirement or study, or unable to work through sickness or disability.

Mixed households

Households that contain both working and workless members.

Other household types

This refers to households that contain two or more family units, or two or more people belonging to separate family units.

Lone-parent households

This refers to households that contain at least one dependent child under the age of 19 years. There may be other non-dependent children present, that is, those aged 18 years or over, but there is only one parent of these children.

Employment

A measure of the number of people in work.

Unemployment

A measure of people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks.

Economically inactive

People who are not in employment but do not meet the internationally accepted definition of unemployment because they have not been seeking work within the last four weeks and/or they are unable to start work within the next two weeks.

Data source

The source for the statistics in this bulletin is the Labour Force Survey (LFS) household datasets. These are available historically for the April to June quarters from 1996 and October to December quarters from 2004. In this release, estimates for the July to September and January to March quarters are available starting in 2014 and 2015, respectively. They do not contain information on earnings. All members of the household are weighted equally in the household datasets.

Further information on quality of the data within the LFS is available in the <u>Quality and Methodology Information</u> (<u>QMI</u>) report.

How these data should be interpreted

The Labour Force Survey (LFS) household datasets should be used for analysis of family or household characteristics. This bulletin particularly focuses on the economic status of household members. For example:

- number of people in employment in the household
- number of people unemployed in the household
- number of people economically inactive in the household

All estimates in this release are not seasonally adjusted and all comparisons should be carried out on an annual basis, for example, comparing April to June periods with April to June periods, or October to December periods with October to December periods. Comparisons made in this release are between the latest available period, July to September 2019, and July to September 2018.

Table 1: Summary of latest estimates by type of household, July to September 2019, UK, not seasonally adjusted Working households Mixed Households Workless Households

| Number of Households ¹ | 12,500 (59.6%) | 5,639 (26.9%) | 2,821 (13.5%) |
|-----------------------------------|----------------|----------------|---------------|
| Number of People ² | 23,099 (55.9%) | 14,498 (35.1%) | 3,750 (9.1%) |
| Number of Children ³ | 7,733 (60.8%) | 3,830 (30.1%) | 1,149 (9.0%) |

Source: Office for National Statistics - Household labour force survey

Notes

- 1. Number of households where at least one person is aged 16 to 64. Back to table
- 2. Number of people aged between 16 and 64. Back to table
- 3. Number of dependent children aged 15 or under. Back to table

Main uses and users of the data, and why the data are produced

Users of the data in this bulletin include government departments, devolved administrations, independent research organisations and members of the media and general public. These data are used to understand how the economic status of households in the UK, countries of the UK and regions within England are changing. Time series are available between April to June 1996 and July to September 2019.

A more detailed breakdown of data at the local level within the countries of the UK is available later in the year. <u>Workless households for regions across the UK: 2018</u> uses the Annual Population Survey (APS), which has a larger sample size than the Labour Force Survey. This allows labour market analysis to be carried out on families and households at local-area levels and for small subgroups of the population across the UK.

3. The proportion of working households continues to rise over the year

Out of the 21.0 million households in the UK in July to September 2019, there were 12.5 million (59.6%) classed as working, a further 5.6 million (26.9%) classed as mixed, and 2.8 million (13.5%) classed as workless (Table 2). Within the 13.5% of workless households, 86.2% of those were economically inactive (with no one in the household participating in the labour market).

Excluding student households, which are more likely to be workless than the rest of the population, there were 20.8 million households. Of these, 12.5 million (59.9%) were classed as working households, 5.6 million (26.9%) were classed as mixed and 2.7 million (13.2%) were classed as workless households (Table 2). Student households are more likely to be economically inactive households; as a result, the percentage of households that were economically inactive was lower, at 11.4%, when excluding students, compared with 11.6% for all households.

| Table 2: Percentage of households by combined economic status, UK, not seasonally adjusted |
|--|
| July to September 2014, 2018 and 2019 |

| | All households | | | Excluding student households | | | |
|------------------------|----------------------------------|----------------------------------|----------------------------------|------------------------------------|----------------------------------|----------------------------------|--|
| | July to September 2014 (%) | July to September 2018 (%) | July to September 2019 (%) | July to September 2014 (%) | July to September 2018 (%) | July to September 2019 (%) | |
| Working households | 56.0 | 58.4 | 59.6 | 56.1 | 58.6 | 59.9 | |
| Mixed households | 28.3 | 27.7 | 26.9 | 28.5 | 27.8 | 26.9 | |
| Workless households | 15.6 | 13.9 | 13.5 | 15.4 | 13.6 | 13.2 | |

Source: National Statistics - Household Labour Force Survey

Working households increased by 331,000 or 1.2 percentage points compared with the same period a year ago, to stand at 12.5 million, or 59.6% of all households, for the period July to September 2019.

The proportion of workless households has been generally falling since comparable records began. Over the past year this has decreased by 0.4 percentage points to 13.5% of all households.

The number of households in which no adult has ever worked was down 30,000 over the year and now stands at 271,000. 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 1.3%, down 0.2 percentage points over the year.

In July to September 2019, the percentage of all households with dependent children that were workless, was 8.0% (641,000), down 0.2 percentage points on the same period a year ago.

4 . Number of people living in workless households falls over the year

For the period July to September 2019, there were an estimated 23.1 million people aged 16 to 64 years (55.9%) living in working households, up 1.1 percentage points over the year. A further 14.5 million people (35.1%) were living in mixed households, down 0.7 percentage points, and 3.7 million people (9.1%) were living in workless households, down 0.4 percentage points (Table 3).

Excluding student households which are more likely to be workless than the rest of the population, there were 23.0 million people aged 16 to 64 years (56.2%) living in working households, 14.3 million people (35.0%) living in households classed as mixed and 3.6 million people (8.8%) living in workless households (Table 3).

Table 3: Percentage of people aged 16 to 64 years living in households by combined economic status, UK, not seasonally adjusted July to September 2014, 2018 and 2019

| Suly to deptember 2014, 2010 and 2010 | | | | | | |
|---------------------------------------|----------------|-----------|-----------|------------------------------|-----------|----------------------------------|
| All I | All households | | | Excluding student households | | |
| | tember | September | September | September | September | July to September 2019 (%) |
| Working 52.4 households | 1 : | 54.7 | 55.9 | 52.5 | 55.1 | 56.2 |
| Mixed 36.8 households | 3 : | 35.8 | 35.1 | 36.9 | 35.8 | 35.0 |
| Workless 10.9 households |) | 9.5 | 9.1 | 10.6 | 9.1 | 8.8 |

Source: Office for National Statistics - Household Labour Force Survey

The number of people living in households where all members had never worked decreased by 69,000 over the last year and now stands at 369,000. Excluding student households, the number of people living in households where all members had never worked decreased by 54,000 and now stands at 286,000.

In July to September 2019, of those people aged 16 to 64 years living in households with dependent children, 5.7% were living in workless households, unchanged on the year. This compares with 11.6% of people aged 16 to 64 years living in households without dependent children who were in workless households.

Of those people aged 16 to 64 years living in households with dependent children, the percentage living in working households increased by 1.5 percentage points over the past year to 52.5%. This compares with 58.4% for people living in working households without dependent children.

The percentage of people aged 65 years and over living in working households increased by 0.5 percentage points over the year to stand at 12.1%. There was a decrease of 0.9 percentage points in the proportion of people in this age group living in mixed households.

5. Fewer than 1 in 11 children live in workless households

For the period July to September 2019, there were an estimated 7.7 million children (60.8%) living in working households, a further 3.8 million children (30.1%) living in mixed households, and 1.1 million children (9.0%) living in workless households in the UK (Table 4).

Table 4: Percentage of children living in households by combined economic activity status of household members, UK, not seasonally adjusted

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| | All households | | | Excluding student households | | |
|------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | July to September 2014 (%) | July to September 2018 (%) | July to September 2019 (%) | July to September 2014 (%) | July to September 2018 (%) | July to September 2019 (%) |
| Working households | 54.0 | 59.3 | 60.8 | 54.0 | 59.4 | 60.9 |
| Mixed households | 33.4 | 31.1 | 30.1 | 33.4 | 31.1 | 30.2 |
| Workless households | 12.7 | 9.6 | 9.0 | 12.6 | 9.5 | 9.0 |

Source: Office for National Statistics - Household Labour Force Survey

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The number of children living in workless households decreased by 58,000 or 0.5 percentage points, compared with the previous year, to 1.1 million or 9.0% of all children. The number of children living in working households increased by 262,000 or 1.5 percentage points, compared with the previous year, to 7.7 million or 60.8% of all children.

Children in lone-parent families were more likely to be living in workless households (33.6%) than children living in couple households (3.1%) or other households (3.7%). Lone-parent families accounted for 72.0% of all children in workless households.

The percentage of children in lone-parent families living in working households increased by 1.4 percentage points over the last year to 54.6%. Although lone-parent and one-person households have a higher proportion of workless households, these household types are more likely to be workless households as there is often only one person in the household that could be in work.

The number of children living in households where all members had never worked decreased by 58,000 over the year to 172,000, which accounted for 1.3% of all children.

6 . Employment rate for women increases as the age of the youngest dependent child increases

In July to September 2019, there were an estimated 1.2 million lone parents in employment in the UK, or 3.9% of all people in employment aged 16 to 64 years, down 6,000 on July to September 2018. This percentage has remained relatively constant since rising to 4.2% in 2015.

In the UK, the employment rate for men with dependent children has been consistently higher than for those without dependent children since comparable records began in 1996. The rates currently stand at 93.5% and 74.3% respectively for the period July to September 2019, a difference of 19.2 percentage points.

For women, the employment rate has only been consistently higher for women with dependent children since 2008. It now stands at 76.6%, compared with 70.6% for those without dependent children, for the period July to September 2019; this is a difference of 6.0 percentage points. Prior to 2008, the employment rate was generally higher for women without dependent children than for those with dependent children.

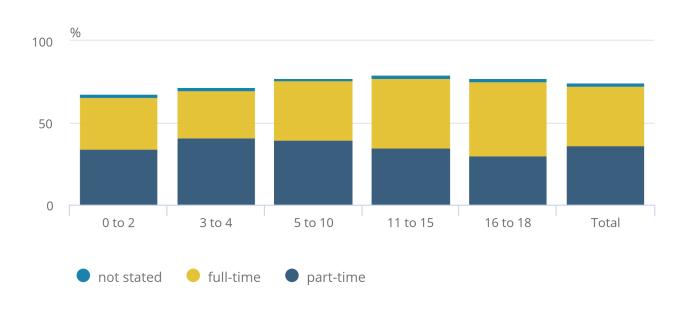
In the latest period, July to September 2019, the employment rate for women generally increases as the age of the youngest dependent child increases, from 67.8% where the youngest dependent child is aged 0 to 2 years, to 79.5% where the youngest dependent child is aged 11 to 15 years. Most of those women in employment also work part-time until the youngest dependent child is aged 11 to 15 years. For men, the employment rate remains relatively constant, regardless of the age of the youngest child.

Figure 1: Employment rate for women increases as the age of the youngest dependent child increases

Employment rate of mothers with dependent children by age of youngest child, UK, July to September 2019

Figure 1: Employment rate for women increases as the age of the youngest dependent child increases

Employment rate of mothers with dependent children by age of youngest child, UK, July to September 2019



Source: Office for National Statistics - Household Labour Force Survey

Conversely, the economic inactivity rate for women generally decreases as the age of the youngest dependent child increases. The economic inactivity rate for those stating that they are looking after family or home decreases from 27.0% where the youngest dependent child is aged 0 to 2 years, to 10.1% where the youngest dependent child is aged 1 to 15 years or 16 to 18 years.

7. Links to related statistics

For details on working and workless households for local authorities, please see <u>Workless households for regions</u> across the UK.

For details on children living in long-term workless households, please see <u>Children living in long-term workless</u> households in the UK: 2018.

8. Quality and methodology

Household datasets

The figures in this bulletin come from the Labour Force Survey (LFS). Each month we issue many estimates of the labour market using the LFS person datasets, designed to provide estimates of people. The estimates within this 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.

The Labour Force Survey Quality and Methodology Information (QMI) report contains important information on:

- the strengths and limitations of the data and how it compares with related data
- uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data

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 bulletin go back to 1996, which is the first year a consistent time series, on a calendar quarter basis, is available.

Sampling variability

The Labour Force Survey (LFS) is the source for each estimate within this bulletin. The LFS is a sample survey; all estimates from it are subject to sampling variability. Sampling variability is dependent on several factors, including the size of the sample, the size of the estimate as a proportion of the population, and the effect of the design of the sample on the variable of interest. Therefore, 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 9.0%, with a sampling variability of plus or minus 0.6%. This variability gives a confidence interval, which is such that there is 95% certainty that the percentage of children in workless households lies between 8.4% and 9.6%.

Sampling variability tables for other estimates in this statistical bulletin are available in the <u>quality measures</u> <u>dataset</u>.

Seasonal adjustment

The data in this bulletin cannot be seasonally adjusted at the present time because the Labour Force Survey household datasets were only produced for Quarter 2 (Apr to June) and Quarter 4 (Oct to Dec) prior to 2014. More years' estimates will be required from Quarter 1 (Jan to Mar) and Quarter 3 (July to Sept) before the series can be assessed to see if it exhibits any seasonal patterns.

Details of the policy governing the release of new data are available through the UK Statistics Authority.