

Statistical bulletin

# Working and workless households in the UK: April to June 2020

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.



Contact: Bob Watson labour.supply@ons.gov.uk +44 (0)1633 455070 Release date: 26 August 2020 Next release: 25 November 2020

## **Table of contents**

- 1. Main points
- 2. Coronavirus and measuring the labour market
- 3. Things you need to know about this release
- 4. The proportion of working households was unchanged over the year
- 5. Links to related statistics
- 6. Quality and methodology

## 1. Main points

- Of the estimated 20.9 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 during April to June 2020.
- There were an estimated 5.7 million households (27.3%) with a mix of at least one working and one workless adult.
- There were an estimated 2.7 million households (13.1%) where no member of the household was in employment.

The data in this bulletin come from the Labour Force Survey, a survey of households. It is not practical to survey every household each quarter, so these statistics are estimates based on a large sample.

### 2. Coronavirus and measuring the labour market

Labour Force Survey (LFS) estimates presented in this bulletin are based on interviews that took place throughout the period from the start of April to the end of June 2020. All the interviews relate to the period after the implementation of coronavirus (COVID-19) social distancing measures. Interviews relate to the period following the government closure of schools, introduction of lockdown and announcement of measures aimed at protecting businesses and jobs.

The International Labour Organization (ILO) definition of employment includes those who worked in a job for at least one hour and those temporarily absent from a job. Workers furloughed under the Coronavirus Job Retention Scheme (CJRS) or who are self-employed but temporarily not in work have a reasonable expectation of returning to their jobs after a temporary period of absence. Therefore, they are classified as employed under the ILO definition.

## 3. 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 April to June 2020, 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 April to June 2020 with April to June 2019.

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 2019 in the bulletin <u>Workless households</u> for regions across the UK: 2019, published on 29 July 2020. This uses the Annual Population Survey (APS), which has a greater sample size at the local level.

As with any <u>sample</u> survey, estimates from the LFS are subject to a certain level of <u>uncertainty</u>. Please see <u>Section 6: Quality and methodology</u> 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

Student households are 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

Working households are households where all members aged 16 years or over are employed.

#### Workless households

Workless households are 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 sickness or disability.

#### **Mixed households**

Mixed households are households that contain both working and workless members.

#### Other household types

Other household types refers to households that contain two or more family units or two or more people belonging to separate family units.

#### Lone-parent households

Lone-parent households 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 only one parent of these children.

#### Employment

Employment is a measure of the number of people in work.

#### Unemployment

Unemployment is a measure of the number 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**

Economically inactive people are those 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 are unable to start work within the next two weeks.

#### Data source

The source for the statistics in this bulletin is the LFS household datasets. These are available historically for April to June periods from 1996 and October to December from 2004. In this release, estimates for July to September and January to March 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.

#### How the data should be interpreted

The LFS household datasets should be used for analysis of family or household characteristics. This bulletin 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, by comparing April to June periods with April to June periods or October to December periods). Comparisons made in this release are between the latest available period, April to June 2020 and April to June 2019.

Table 1: Summary of latest estimates by type of household Not seasonally adjusted, UK, April to June 2020

	Working households	Mixed Households	Workless Households	
Number of Households <sup>1</sup>	12,464 (59.6%)	5,710 (27.3%)	2,733 (13.1%)	
Number of People <sup>2</sup>	23,012 (55.6%)	14,763 (35.6%)	3,646 (8.8%)	
Number of Children <sup>3</sup>	8,005 (62.6%)	3,658 (28.6%)	1,123 (8.8%)	

Source: Office for National Statistics - Household Labour Force Survey

Notes

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

#### 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 April to June 2020.

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: 2019</u> uses the APS, which has a larger sample size than the LFS. This allows labour market analysis to be carried out on families and households at local-area levels and for small sub-groups of the population across the UK.

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the LFS QMI.

## 4. The proportion of working households was unchanged over the year

Out of the 20.9 million households in the UK in April to June 2020, there were 12.5 million (59.6%) classed as working, a further 5.7 million (27.3%) classed as mixed and 2.7 million (13.1%) classed as workless (Table 2). Within the 13.1% of workless households, 87.4% 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, 12.4 million (59.8%) were classed as working households, 5.7 million (27.4%) were classed as mixed and 2.7 million (12.9%) 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 11.3%, when excluding students compared with 11.4% for all households.

Table 2: Percentage of households by combined economic status

	Not seasonally adjusted, UK, April to June, 1996, 2019 and 2020							
	All households			Excluding student households				
	April to June 1996 (%)	April to June 2019 (%)	April to June 2020 (%)	April to June 1996 (%)	April to June 2019 (%)	April to June 2020 (%)		
Working households	51.7	59.7	59.6	51.9	60.0	59.8		
Mixed households	27.4	26.7	27.3	27.5	26.7	27.4		
Workless households	20.9	13.6	13.1	20.6	13.3	12.9		

Source: Office for National Statistics – Household Labour Force Survey

The percentage of working households was virtually unchanged compared with the same period a year ago at 59.6% of all households.

The proportion of workless households has been generally falling since comparable records began. Over the past year, this has decreased by 0.6 percentage points to 13.1% of all households.

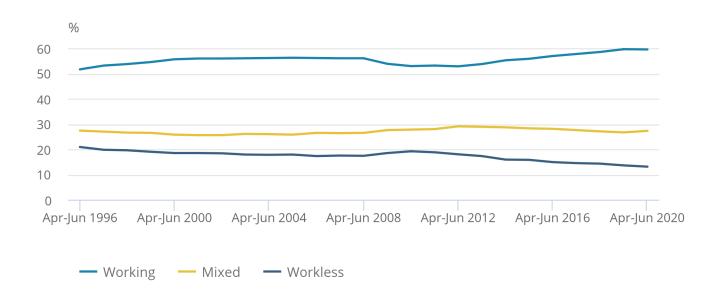
e

#### Figure 1: The percentage of workless households has been decreasing since 2010

Percentage of households by combined economic status of all household members, UK, between April to June 1996 and April to June 2020

## Figure 1: The percentage of workless households has been decreasing since 2010

Percentage of households by combined economic status of all household members, UK, between April to June 1996 and April to June 2020



Source: Office for National Statistics – Household Labour Force Survey

### 5. Links to related statistics

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

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

## 6. Quality and methodology

#### **Coronavirus (COVID-19)**

In response to the developing coronavirus (COVID-19) pandemic, we are working to ensure that we continue to publish economic statistics. For more information, please see <u>COVID-19 and the production of statistics</u>.

We have reviewed all publications and data published as part of the labour market release in response to the coronavirus pandemic. This has led to the <u>postponement of some publications and datasets</u> to ensure that we can continue to publish our main labour market data. This will protect the delivery and quality of our remaining outputs and ensure we can respond to new demands as a direct result of the coronavirus.

For more information on how labour market data sources, among others, will be affected by the coronavirus pandemic, see the <u>statement</u> published on 27 March 2020. A further <u>article</u>, published on 6 May 2020, detailed some of the challenges that we have faced in producing estimates at this time.

Our latest data and analysis on the impact of the coronavirus on the UK economy and population is available on our dedicated <u>coronavirus web page</u>.

#### After EU withdrawal

As the UK leaves the EU, it is important that our statistics continue to be of high quality and are internationally comparable. During the transition period, those UK statistics that align with EU practice and rules will continue to do so in the same way as before 31 January 2020.

After the transition period, we will continue to produce our labour market statistics in line with the UK Statistics Authority's <u>Code of Practice for Statistics</u> and in accordance with ILO definitions and agreed international statistical guidance.

#### 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.

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the LFS QMI.

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 LFS is the source for each estimate within this bulletin. The LFS is a <u>sample survey</u>; 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 <u>uncertainty</u>, as different samples give different results. For example, the estimate for the percentage of children in workless households is 8.8% with a sampling variability of plus or minus 0.8%. This variability gives a <u>confidence interval</u>, which is such that there is 95% certainty that the percentage of children in workless households lies between 8.0% 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 currently because the LFS household datasets were only produced for the April to June and October to December periods prior to 2014. More years' estimates will be required from the January to March and July to September periods before the series can be assessed to see if they exhibit any seasonal patterns.

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