

Statistical bulletin

# Working and workless households in the UK: 2012

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. Between April to June 2012:

- The percentage of households where no adults work was 17.9 per cent, down 0.8 percentage points from a
  year earlier
- The percentage of households where all adults work was 53.0 per cent, down 0.3 percentage points from a
  year earlier
- Of the regions in England and countries of the UK, the North East had the highest percentage of workless households
- The number of households in which no adult has ever worked was 340,000, down 22,000 from a year earlier
- There were around 1.75 million children living in workless households, down 60,000 from a year earlier

## 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 where all members aged 16 or over are employed
- Workless households are households 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 contain both working and workless members

## 3. Summary

In April to June 2012 there were 3.7 million UK households with at least one member aged 16 to 64 where noone was currently working. This represented 17.9 per cent of households and was a fall of 0.8 percentage points, or 153,000 households, on a year earlier, the second consecutive fall. In all, 1.8 million children lived in these households, as did 5.0 million people aged 16-64.

As well as a fall in workless households there was also a fall of 36,000 in working households – those with at least one person aged 16 to 64 where all adult members are in work. In April to June 2012 there were 10.9 million such households, representing 53.0 per cent of all households. There was a rise of 246,000 in mixed households – those that contain some people in work and some who are not. The number of mixed households stood at 5.97 million, or 29.1 per cent of the total.

Since 1996, the earliest point a consistent series is available, the lowest estimate for both the number and percentage of workless households was in 2006, two years before the economic downturn hit the UK in 2008. The number of workless households was 233,000 lower than in 2012, at 3.4 million, and the percentage was 0.6 percentage points lower than in 2012, at 17.3 per cent.

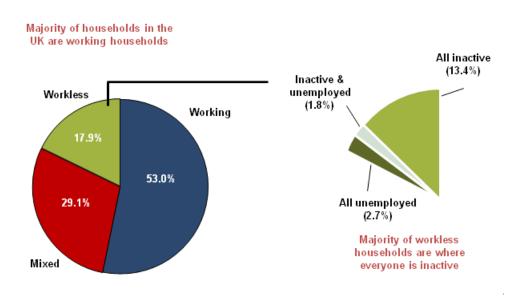
Over the past 15 years there has been a fall in the percentage of lone parent households with dependent children that are workless from 51.9 per cent in 1996 to 37.0 per cent in 2012. The first part of this fall happened between 1996 and 2006, the proportion then remained flat for a few years but fell by 2.2 percentage points between 2011 and 2012. Comparing lone parents and couple households, the latter have a much lower chance of being a workless household. In 2012 around 4.9 per cent of couple households with dependent children were workless, much lower than the 37.0 per cent for lone parent households, reflecting the ability for couple households to share childcare responsibilities.

### 4. Households

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

In April to June 2012 there were 20.54 million households in the UK. Of these households, 10.89 million (53.0 per cent) were classed as working, a further 5.97 million (29.1 per cent) were classed as mixed, and finally 3.68 million (17.9 per cent) were classed as workless.

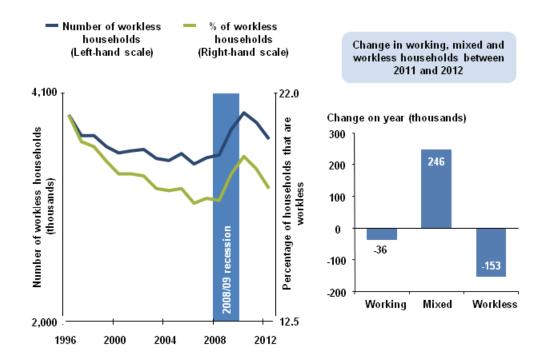
### Percentage of households that are workless, mixed and working, April to June 2012, UK



Source: Labour Force Survey - Office for National Statistics

Focusing on the workless households, the majority were such that all people within the household were inactive, these accounted for 13.4 per cent of all households in the UK. A further 2.7 per cent of households were where every person was unemployed and 1.8 per cent of households had a mixture of unemployed and inactive people.

#### Number and percentage of workless households, 1996 to 2012, UK



Source: Labour Force Survey - Office for National Statistics

Since 1996, the earliest point a consistent series is available, the lowest estimate for both the number and percentage of workless households was in 2006, two years before the economic downturn hit the UK in 2008. In 2006 the number of workless households was 233,000 lower than in 2012, at 3.4 million, and the percentage was 0.6 percentage points lower than in 2012, at 17.3 per cent.

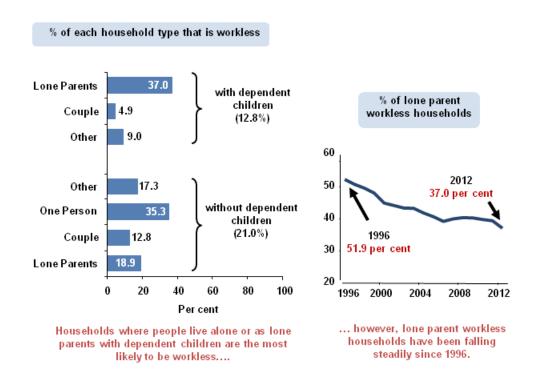
Concentrating on the change between 2011 and 2012, the number of workless households in the UK fell by 153,000 and there was also a fall in the number of working households, down 36,000. As a result of both falls and an overall 56,000 increase in the number of households in the UK, the number of mixed households rose by 246,000.

## 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, 12.8 per cent were workless, and for those without dependent children, 21.0 per cent were workless.

Looking firstly at households with dependent children, 37.0 per cent of lone parent households were workless compared to just 4.9 per cent of couple households. For the other household types with dependent children, 9.0 per cent were workless, although other household types only comprise a small number of households.

#### Percentage of each household that is workless, April to June 2012, 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 2012, at 35.3 per cent. The lowest percentage was for couples, at 12.8 per cent.

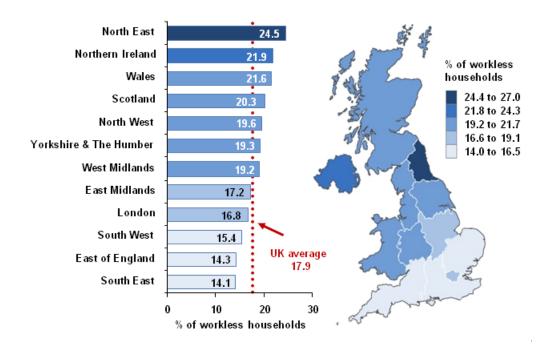
Note that the total number of people in each of these categories varies. The different population sizes will impact on the number of people living in workless households in each category

Over the past 15 years there has been a fall in the percentage of lone parent households with dependent children that are workless from 51.9 per cent in 1996 to 37.0 per cent in 2012. The first part of this fall happened between 1996 and 2006, it then remained flat for a few years and has fallen by 2.2 percentage points between 2011 and 2012.

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

For the UK as a whole in 2012, around 17.9 per cent of households were workless, but this varies greatly across the regions in England and countries of the UK. There were seven areas of the UK that were above the UK average with the remaining five below. The North East had the highest percentage of workless households at 24.5 per cent, while the South East had the lowest at 14.1 per cent.

### Percentage of workless households by region, April to June 2012, UK



Source: Labour Force Survey - Office for National Statistics

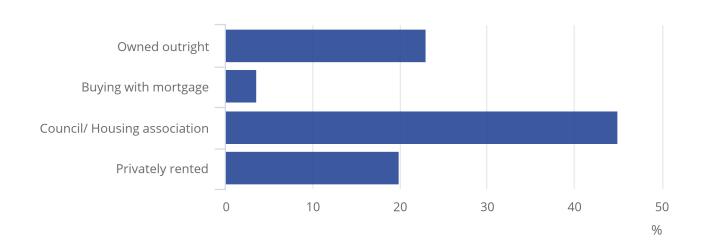
## Households by housing tenure by combined economic activity status of household members (Table D)

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 2012, 10.1 per cent of owner-occupied households were workless households and 31.1 per cent of those being rented or rent-free were workless.

For those households renting from a social landlord, almost half (45.0 per cent) were workless, compared with around a fifth (19.9 per cent) of those privately renting. For owner-occupied households, a much higher percentage of workless households owned their home outright, 23.0 per cent, compared with those buying their home with a mortgage, 3.6 per cent.

#### Percentage of workless households by housing tenure, April to June 2012, UK

## Percentage of workless households by housing tenure, April to June 2012, UK



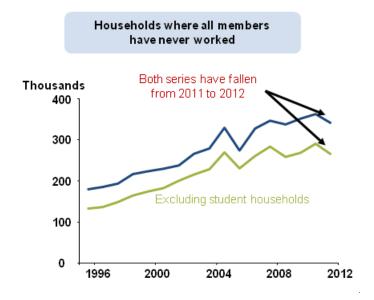
Source: Labour Force Survey - Office for National Statistics

### Households where all members have never worked (Table E)

In 2012, there were 340,000 households in which no adult had ever worked, down 22,000 from a year earlier. In relation to all households in the UK, the percentage of households containing only people who have never worked was 1.7 per cent, down 0.1 percentage points from a year earlier.

Excluding student households, where everyone is aged 16 to 24 and in full-time education, there were 265,000 households containing only people that have never worked, down 26,000 from a year earlier. This represents 1.3 per cent of all households in the UK, down 0.1 percentage points from a year earlier.

### Households where all members have never worked, 1996 to 2012, UK



Source: Labour Force Survey - Office for National Statistics

## 5. People

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

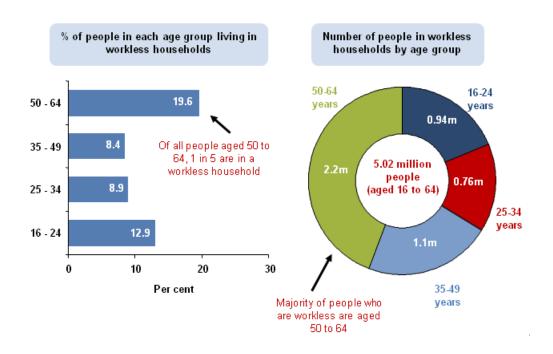
In 2012 there were around 5.02 million people aged 16 to 64 living in workless households, representing 12.5 per cent of all people aged 16 to 64 in the UK. The number fell by 332,000 between 2011 and 2012 while the percentage was down 0.8 percentage points.

Of the 5.02 million people in workless households, the majority were aged between 50 and 64. In 2012, 2.2 million were in this age group with a further 1.1 million aged 35 to 49, 938,000 aged 16 to 24 and 759,000 aged 25 to 34.

The total number of people in each of these age categories varies, for example there are 7.28 million people aged 16 to 24 and 13.06 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 that are living in workless households, around 19.6 per cent 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 35 to 49 age category, at 8.4 per cent.

## Percentage and number of people in workless households by age group, April to June 2012, UK



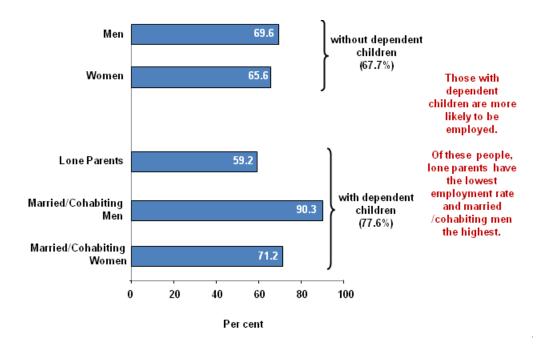
Source: Labour Force Survey - Office for National Statistics

### **Employment rates by parental status (Table P)**

In 2012, 77.6 per cent of people with dependent children were employed compared to 67.7 per cent 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, 59.2 per cent of lone parents were employed whereas the employment rate for married/cohabiting men was 90.3 per cent and for women, 71.2 per cent. The disparity in employment rates between men and women without dependent children was much smaller, at 69.6 per cent for men versus 65.6 per cent 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 2012, UK



Source: Labour Force Survey - Office for National Statistics

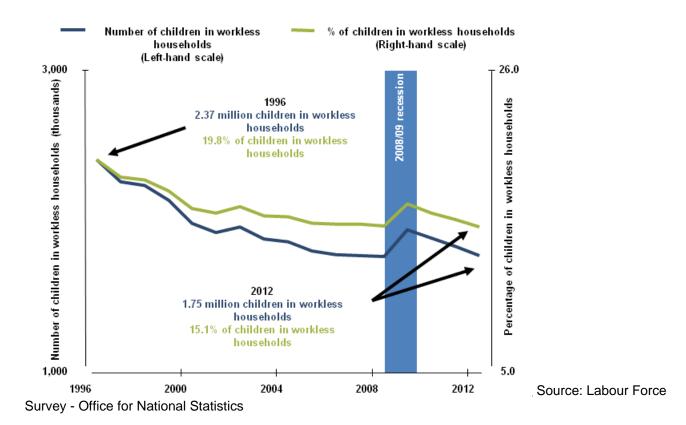
## 6. Children

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

In 2012 there were around 1.75 million children aged 0 to 15 living in workless households, representing 15.1 per cent of all children aged 0 to 15 in the UK. The number fell by 60,000 between 2011 and 2012 while the percentage was down 0.6 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 2.37 million children in workless households, representing 19.8 per cent of all children. Within this period there was an increase in the number and percentage of children in workless households following the onset of recession in 2008/09 but these values have fallen in recent years.

### Percentage and number of children in workless households, 1996 to 2012, UK

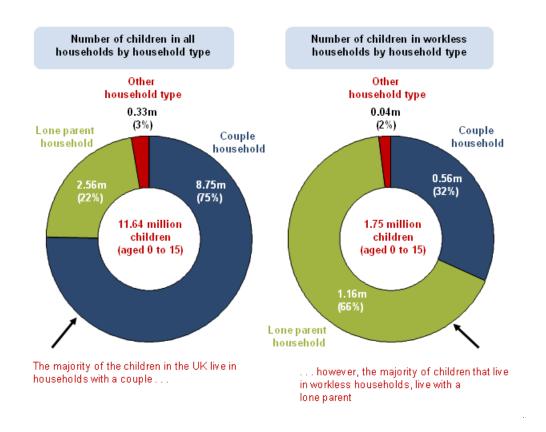


## Children by type of household by combined economic activity status of household members (Table L)

In 2012 there were 11.64 million children living in the UK. The majority, 8.75 million (75.2%) of these lived with a couple, 2.56 million (22.0%) lived with a lone parent and 330,000 (2.8%) were living in other household types.

However, focusing on the 1.75 million children who lived in workless households, the majority, 1.16 million (66.2%) lived with a lone parent. A further 556,000 (31.7%) lived with a couple and the remaining 36,000 (2.0%) lived in other household types.

## Children in all households and in workless households by household type, April to June 2012, UK



Source: Labour Force Survey - Office for National Statistics

## 7. Index of tables

All 2012 working and workless statistical bulletin tables (379.5 Kb Excel sheet)

Table A - Households by combined economic activity status of household members (37 Kb Excel sheet)

Table B - Households with and without dependent children by type of household and combined economic activity status of household members (53.5 Kb Excel sheet)

<u>Table C - Households by region and combined economic activity status of household members (346.5 Kb Excelsheet)</u>

<u>Table D - Households by housing tenure and combined economic activity status of household members (47.5 Kb Excel sheet)</u>

Table E - Households where all members have never worked (33.5 Kb Excel sheet)

Table F - People by age and combined economic activity status of household members (47.5 Kb Excel sheet)

<u>Table G - People in households by type of household and combined economic activity status of household members (53.5 Kb Excel sheet)</u>

<u>Table I - People in households by housing tenure and combined economic activity status of household members (48 Kb Excel sheet)</u>

Table J - People in households where all members have never worked (34 Kb Excel sheet).

<u>Table K - Children in households by combined economic activity status of household members (36.5 Kb Excelsheet)</u>

<u>Table L - Children in households by type of household and combined economic activity status of household</u> members (49.5 Kb Excel sheet)

<u>Table M - Children in households by region and combined economic activity status of household members (199 Kb Excel sheet)</u>

<u>Table N - Children in households by housing tenure and combined economic activity status of household members (48 Kb Excel sheet)</u>

Table O - Children in households where all members have never worked (34 Kb Excel sheet)

Table P - Employment rates of people by parental status (38.5 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 15.1 per cent, with a sampling variability of  $\pm 0.7$  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 14.4 per cent and 15.8 per cent.

Sampling variability tables for other estimates in this statistical bulletin are available in the <u>quality measures</u> <u>spreadsheet (666.5 Kb Excel sheet)</u>.

#### 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

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