

Statistical bulletin

# Working and workless households in the UK: 2015

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 . Main points

- Out of the 20.7 million households (where at least 1 member is aged 16 to 64), in April to June 2015, in the UK, 11.6 million (55.9%) were classed as working, a further 5.9 million (28.3%) were classed as mixed and 3.3 million (15.8%) were classed as workless
- The broad picture since 1996 is one of an overall increase in the share of working households and a declining share of workless households. There has also been an overall decline in the share of children aged 0 to 15 years old living in workless households since 1996
- Growth in the share of working households in the UK has been partly driven by increased proportions of lone parents working. The share of lone parents who were in employment has risen from 43.8% in 1996 to 64.4% in 2015
- Workless households contain adult members aged 16 years and over who are either unemployed or inactive. Inactive adults can include students in full-time education as well as those who are sick or disabled, looking after the family or home, or early retired. An analysis of inactive households across the UK for 2014 and earlier years is reported in *Workless households for the regions, 2014*

## 2 . Introduction

This bulletin provides statistics on the economic status of households in the UK and the people living in them. These statistics are from the Labour Force Survey (LFS), covering the period April to June 2015, and only include households where at least 1 person is aged 16 to 64 years old.

These statistics should be used to understand the latest picture, up to June 2015, of the economic status of households in:

- the UK as a whole
- England, Scotland, Wales and Northern Ireland
- regions of England

Due to the greater sample size at local level in the Annual Population Survey (APS), 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 2014 in the bulletin - [Workless households for regions across the UK 2014](#).

See Background notes for the differences between the LFS and APS.

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

### Acknowledgements

The author would like to acknowledge contributions from Maryam Baluch, James Cooper and Matt Bridge.

## 3 . Main definitions

This statistical bulletin uses a number of key definitions.

**Households:** For the purposes of this bulletin, estimates only include those households where at least 1 person is aged 16 to 64.

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

**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 or disability.

**Mixed households** contain both working and workless members.

**Other household** types refer to households which contain 2 or more family units, or 2 or more people belonging to separate family units.

### Data source

The source for the statistics in this bulletin is the Labour Force Survey (LFS) household datasets. These are available historically for the spring (April to June) and autumn (October to December) quarters since 1996. 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 Labour Force Survey is available at the [QMI for Labour Force Survey](#).

### How these data should be interpreted

The LFS household datasets should be used for analysis of family or household characteristics. This statistical 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

A more detailed breakdown of data at the local level within the countries of the UK is released alongside this bulletin in. The other release uses the Annual Population Survey 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 sub-groups of the population across the UK.

The [Workless households for regions across the UK](#) release covers the earlier period between January to December 2014.

## The main uses of the data, main users and why it's produced

Users of the data in this statistical 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 is available between April to June 1996 and April to June 2015.

These data can also be used to support government policy monitoring and evaluation. For example, it is proposed that a measure of children living in workless households is used to monitor the life chances of children in an amended Child Poverty Act<sup>1</sup>.

## Notes for Main definitions

1. The [Draft Welfare Reform and Work Bill \(2015\)](#) proposes that the Secretary of State must publish and lay before Parliament a report that includes data on children living in workless households and long-term workless households in England

## 4 . Recent changes in the UK

### Working households, children and people

#### Main points

- There was a rise of 177,000 working households (0.6 percentage points) in the UK between April to June 2014 and April to June 2015
- There was a 1.1 percentage point increase in the percentage of children aged 0 to 15 years living in working households between 2014 and 2015. This was the result of a 0.8 percentage point fall in the proportion of children living in workless households and a 0.3 percentage point fall in mixed households
- There was a 0.9 percentage point increase in the share of people aged 16 to 64 living in working households between 2014 and 2015. This was driven by a fall of 0.9 percentage points in people living in mixed households and no change in the share living in workless households
- There was a 1.4 percentage point increase in the share of 50 to 64 year olds in working households between 2014 and 2015, drawn from a fall in the share of this group in mixed households (down 1.0 percentage point) and workless households (down 0.3 percentage points)

### Workless households, children and people

#### Main points

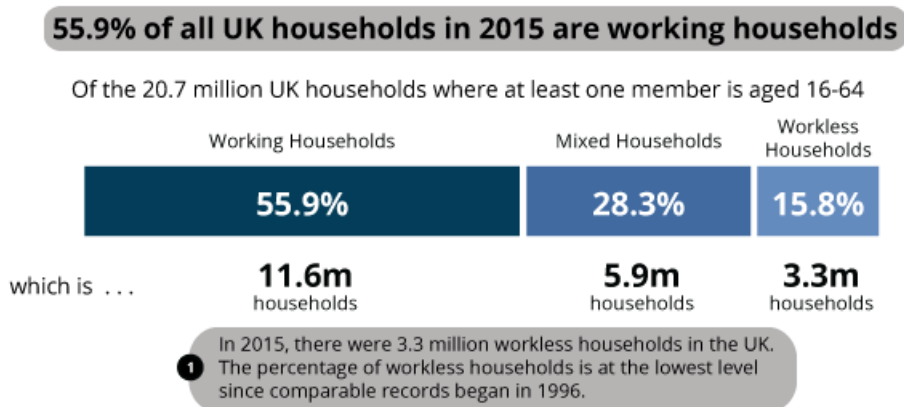
- There was a fall of 13,000 workless households (0.1 percentage point) between 2014 and 2015. This marginal change should be interpreted as the data remaining broadly flat between the 2 time periods. Over a longer time period, there is a downward trend in the share of workless households in the UK, from 20.9% in 1996 to 15.8% in 2015
- In 2015, there were around 1.4 million children aged 0 to 15 living in workless households, representing 11.8% of all children aged 0 to 15 in the UK. The number fell by 91,000 between 2014 and 2015, while the percentage was down 0.8 percentage points
- In 2015, there were around 4.5 million people aged 16 to 64 living in workless households, representing 11.1% of all people of that age in the UK. This percentage has remained unchanged between 2014 and 2015

## 5 . Households

### Households by combined economic activity status of members (Tables A and A2)

Out of the 20.7 million households in April to June 2015, in the UK, 11.6 million (55.9%) were classed as working, a further 5.9 million (28.3%) were classed as mixed and finally 3.3 million (15.8%) were classed as workless. Within the 15.8% total of workless households, the majority of households were inactive (no-one in the household participating in the labour market) at 80.9% of workless households.

**Figure 1: Percentage of households that are working, mixed and workless, April to June 2015, UK**



**Table 1: Trends in the share of working, mixed and workless households, and share of children aged 0 to 15 years old living in workless households, selected years 1996 to 2015, UK**

	Percent		
	1996	2014	2015
Working households	51.7%	55.3%	55.9%
Mixed households	27.4%	28.8%	28.3%
Workless households	20.9%	15.9%	15.8%
Percentage of children (aged 0 to 15 years) living in workless households	19.8%	12.7%	11.8%

Source: Labour Force Survey household datasets

As seen in Table 1 the broad picture since 1996 is one of an overall increase in the share of working households and a declining share of workless households. There has also been an overall decline in the share of children aged 0 to 15 years old living in workless households since 1996.

## Working households

Among working households, the proportion of couple households with dependent children increased by 1.5 percentage points from 2014 to 2015, the second largest increase since 1997. In addition, the proportion of working lone parent households without dependent children continued to see a strong increase, rising by 4.2 percentage points, the same as the previous year.

## Effect of student households

Workless households include student households; however, student households contain members who are not traditionally expected to be in employment. The number shown for households, people (by age) and children in households by combined economic activity status of households' members are also shown, excluding students (Tables A2, F2 and K2)

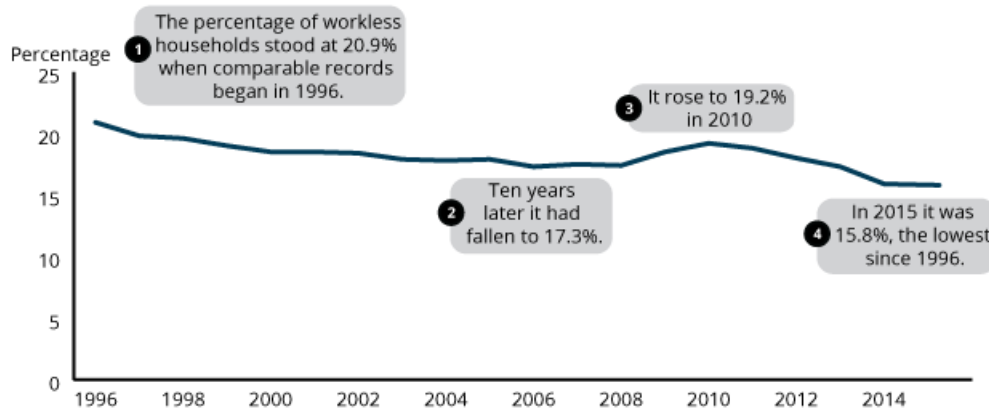
Excluding student households there were 20.4 million households. 11.5 million (56.3%) of these were working households, 5.8 million (28.3%) classed as mixed and finally 3.1 million (15.4%) as workless households. Student households are more likely to be inactive households; as a result the percentage of households that are inactive is lower at 12.4% when excluding students, compared with 12.8% for all households.

Overall, the proportion of workless households has been gradually falling since comparable records began, from 20.9% in 1996 to 15.8% in 2015, with the exception of between 2008 and 2010, when it rose due to the economic downturn.

**Figure 2: Percentage of households that are workless, 1996 to 2015, UK**

**In 2015, 15.8% of households in the UK were workless**

A household is classified as workless if it contains at least one person aged 16 to 64 and where no-one aged 16 or over is in employment. These members may be unemployed or inactive, for reasons including looking after the family/home, retirement, study or through sickness/disability.



**The number and percentage of workless households has continued to drop since 2010**



Source: Labour Force Survey - Office for National Statistics

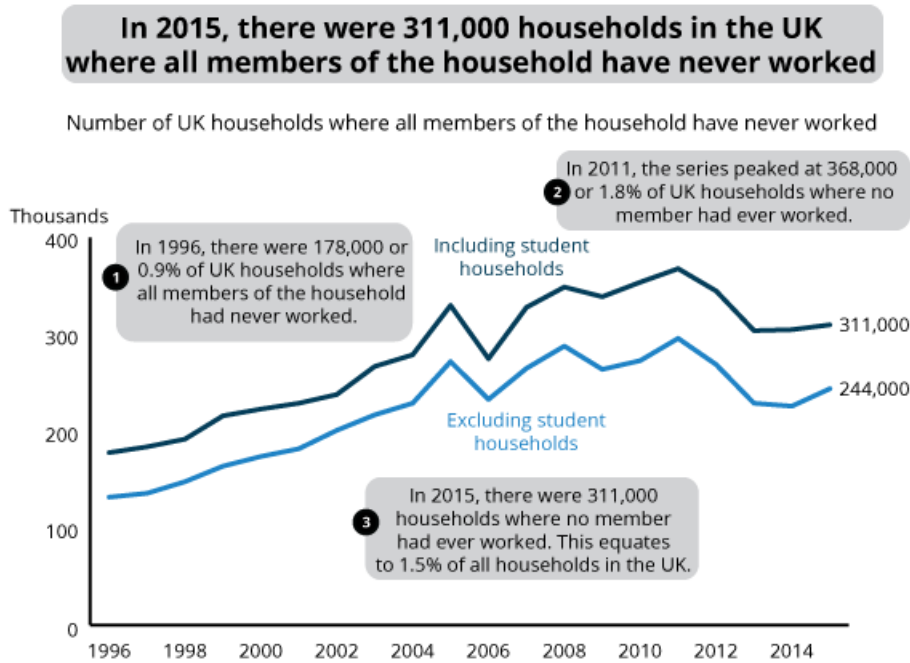
**Households where all members have never worked (Table E)**

In 2015, there were 311,000 households in which no adult has ever worked; this has remained relatively unchanged since 2014. In relation to all households in the UK containing at least 1 person aged 16 to 64 years, the percentage of households containing only people who have never worked was 1.5%, unchanged over the past 2 years.

Excluding student households, there were 244,000 households containing only people that have never worked, up 18,000 from a year earlier. This represents 1.2% of all non-student households in the UK.

The percentage of households in which no adult has ever worked has been increasing since comparable records began from 1996 when it was 0.9%. It fluctuated in the mid-2000s, but after falling in 2013, the percentage has remained at 1.5% of all households.

**Figure 3: Households where all members have never worked, 1996 to 2015, UK**



Source: Labour Force Survey - Office for National Statistics

## 6 . People

### People in households by combined economic activity status of household members (Table F and F2)

#### Working households

Of all the age groups, the 50 to 64 age group has seen the biggest change in the percentage of people in working households, rising from 38.1% in 1996 to 46.5% in 2015. After a decline between 2008 and 2011, it once again started to rise. Since 2011, there has been strong growth, with a 1.4 percentage point increase from 2014 to 2015. The increase could also be attributed to the policy changes in 2012 for the over 50s, the Default Retirement age being removed and changes to the female State Pension Age and a general change in the hours couples are required to work in order to claim Working Tax Credits.

On the other hand, the proportion of people aged 16 to 24 in working households saw a fall from 39.2% in 1996 to 32.5% in 2015. This may be due to an increase in participation in education. There has also been a fall in young people living in workless households and an increase in mixed households between 1996 and 2015. This pattern may be due to young people staying in education while they live with working parents or households with other working adults.

#### Workless households

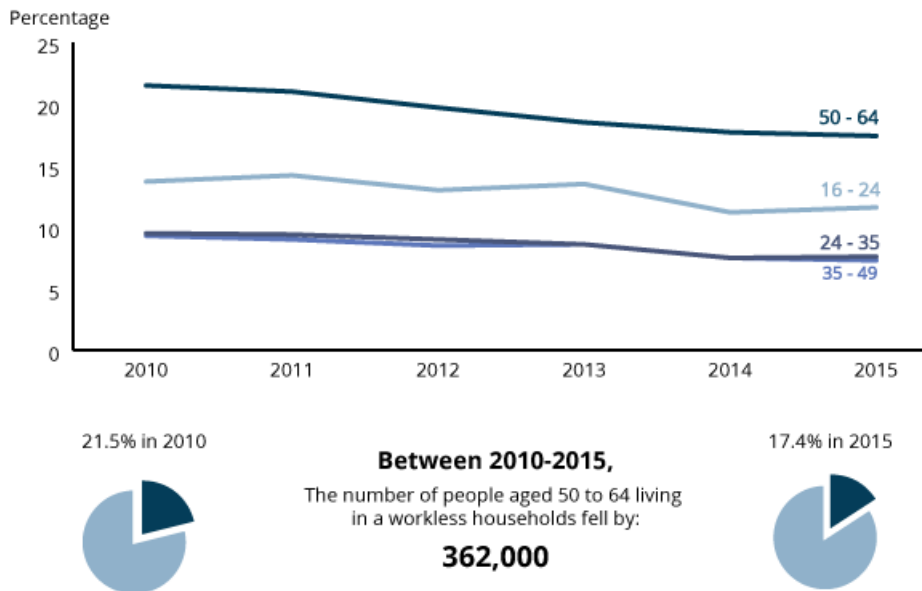
In 2015, there were around 4.5 million people aged 16 to 64 living in workless households, representing 11.1% of all people of that age in the UK. The number and percentage has remained broadly flat between 2014 and 2015.



Of the 4.5 million people in workless households, 2.1 million (45.7%) were aged between 50 and 64. A further 943,000 (20.9%) were aged 35 to 49, 667,000 (14.8%) were aged 25 to 34 and 849,000 (18.6%) were aged 16 to 24.

**Figure 4: People in workless households by age group, April to June 2010 to 2015, UK**

**In 2015, 17.4% of people aged 50-64 lived in a workless household. This has dropped by over 4 percentage points since 2010**



Source: Labour Force Survey - Office for National Statistics

## Effect of student households

When student households are excluded, the number of people aged 16 to 24 falls from 7.3 million to 6.8 million. Of these, 2.3 million (34.1%) live in working households, 3.8 million (57.2%) live in mixed households and 579,000 (8.7%) live in workless households. Of all 16 to 64 year olds living in workless households, 13.6% of these were aged 16 to 24. When including student households this proportion increases to 18.6%.

## Employment rates by parental status (Table P)

In 2015, 79.8% of people aged 16 to 64 with dependent children were employed compared with 69.9% of people without. Those with dependent children make up 37.0% of all workers that were employed in 2015. Employment rate for married or cohabiting men was 91.8% and for women, 72.9%. The disparity in employment rates between men and women without dependent children was much smaller, at 71.8% for men versus 67.8% for women. This indicates that where couples had dependent children, men were more likely to be in employment than women.

There were around 2.0 million lone parents in the UK, or 4.8% of all people aged 16 to 64, out of which 64.4% were in employment. In 1996, 43.8% of the 1.6 million lone parents were in employment; this has increased by more than 20 percentage points in less than 20 years. Table 2 shows the change in employment rates for people with dependent children over selected years. This is at least in part influenced by recent policy initiatives aimed at lone parents explained in the section on children.

**Table 2: Trends in employment rates for people with dependent children by parental status, selected years April to June 1996, 2014 and 2015, UK**

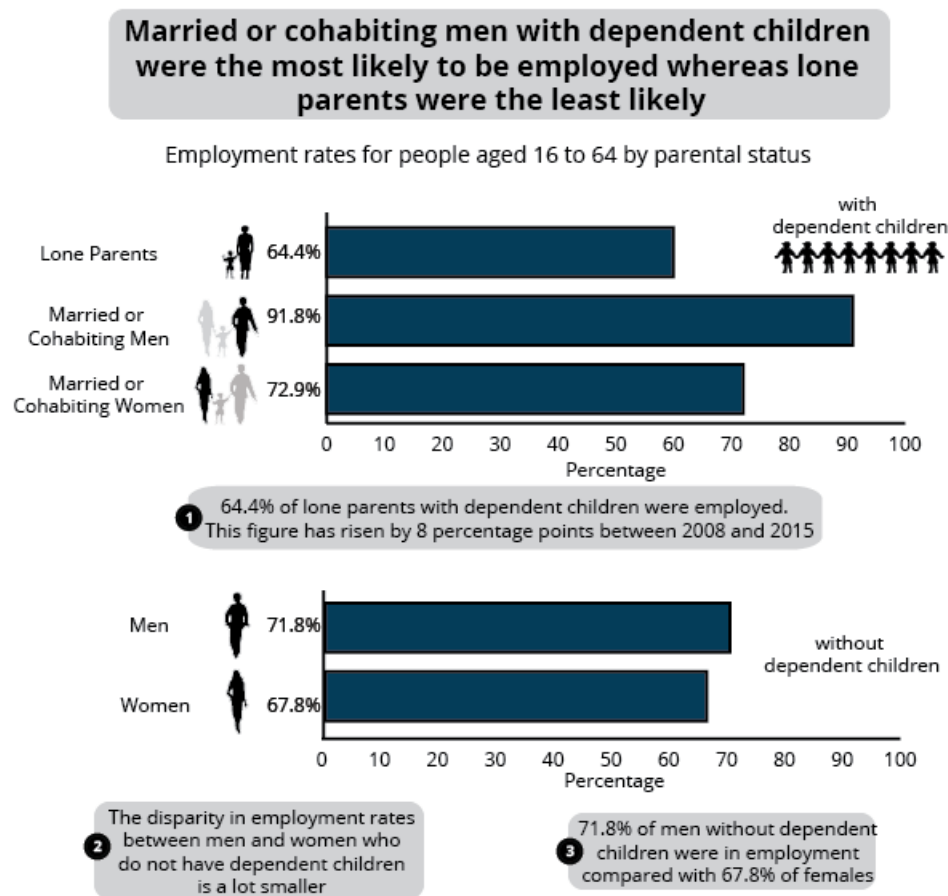
	Per cent		
	1996	2014	2015
Lone Parents	43.8%	63.4%	64.4%
Married or Cohabiting Men	87.5%	91.7%	91.8%
Married or Cohabiting Women	66.7%	71.9%	72.9%

Source: Office for National Statistics

Notes:

1. People aged 16 to 64
2. Dependent children are children under 16 and those aged 16 to 18 who are never-married and in full-time education

**Figure 5: Employment rates of people by parental status, April to June 2015, UK**



Source: Labour Force Survey - Office for National Statistics

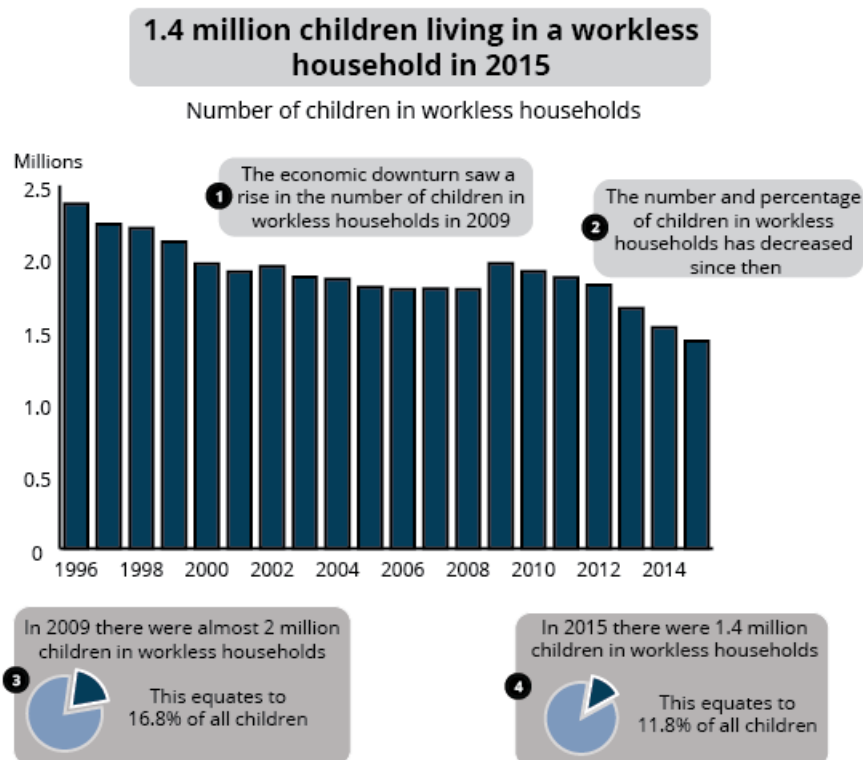
## 7 . Children

### Children in households by combined economic activity status of household members (Table K and K2)

In 2015, there were around 1.4 million children aged 0 to 15 living in workless households, representing 11.8% of all children aged 0 to 15 in the UK. The number fell by 91,000 between 2014 and 2015 while, the percentage was down 0.8 percentage points.

There has been a general decline in the number and percentage of children in workless households since 1996. In 1996, there were 2.4 million children in workless households, representing 19.8% of all children. Following the onset of the economic downturn in 2008, there was an increase in the number and percentage of children in workless households, but these values have fallen in recent years.

**Figure 6: Children in workless household, April to June 1996 to 2015, UK**



Source: Labour Force Survey - Office for National Statistics

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

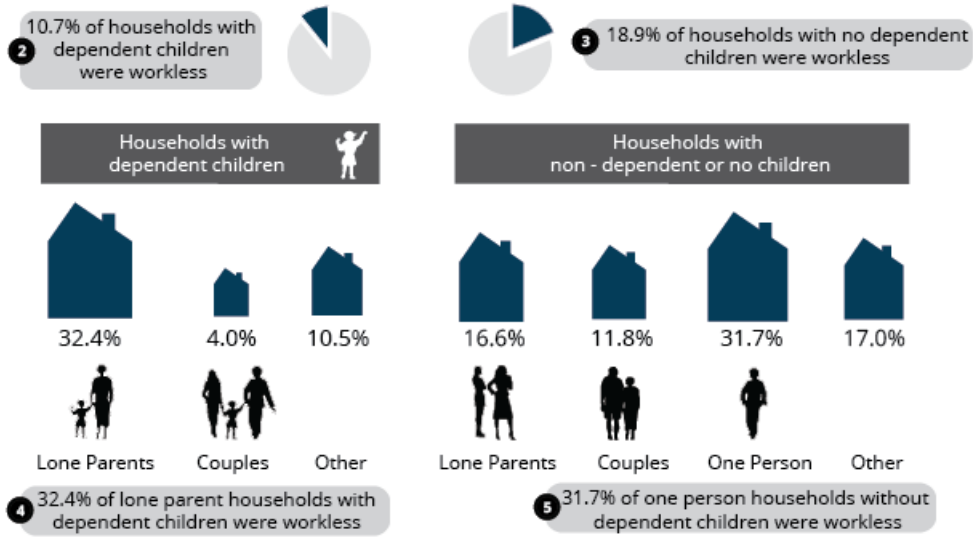
The percentage of households with dependent children that were workless has decreased by 0.3 percentage points compared with 2014, it is now at 10.7%. Among households without dependent children, 18.9% were workless. These households are more likely to include older age groups and more inactivity due to early retirement.

**Figure 7: Percentage of each household type that is workless, April to June 2015, UK**

**In 2015, of households with dependent children, lone parents were the most likely to be workless**

Proportion of households that are workless by type of household

1 Workless households vary depending on the type of household



Source: Labour Force Survey - Office for National Statistics

Although lone parent and 1 person households have a higher proportion of workless households, these household types are more likely to be workless households as there is only 1 person in the household that could be in work.

The percentage of households with dependent children that are workless has been falling since 1996 (17.2%). One reason for this fall was the large decrease in the percentage of lone parent households with dependent children that were workless, from 51.9% in 1996 to 32.4% in 2015.

**Lone parents with dependent children**

The increase in the percentage of working lone parent families may be attributed to a combination of general improvements in employment rates in the UK and policy initiatives introduced over the past 15 years that have aimed to help lone parents into work such as, from 1998 to 2011: New Deal for Lone Parents and 2008 onwards – Changes to Lone Parent Obligation.

When looking at workless households, the largest fall for lone parents with dependent children was seen between 2008 and 2009, from 68.1% to 64.8%. The Lone Parent Obligation Policy came into effect in November 2008 which meant lone parents with a youngest child aged 12 or over were no longer able to make a new or repeat claim for Income Support solely on the basis of their parental status. Existing lone parents on Income Support with a youngest child aged 12 or over had their eligibility removed over a period of time commencing 2 March 2009.

Further changes to the child age threshold were introduced through a phased approach, from October 2009 (if youngest child is aged 10 or over), October 2010 (7 or over) and May 2012 (5 or over).

From April 2014, certain lone parents and responsible carers claiming benefits are required to prepare for work when their youngest child is age 3 or 4. All three and four year olds are entitled to the equivalent of 15 hours per week of funded early learning, after it was increased from 12.5 hours per week in 2010.

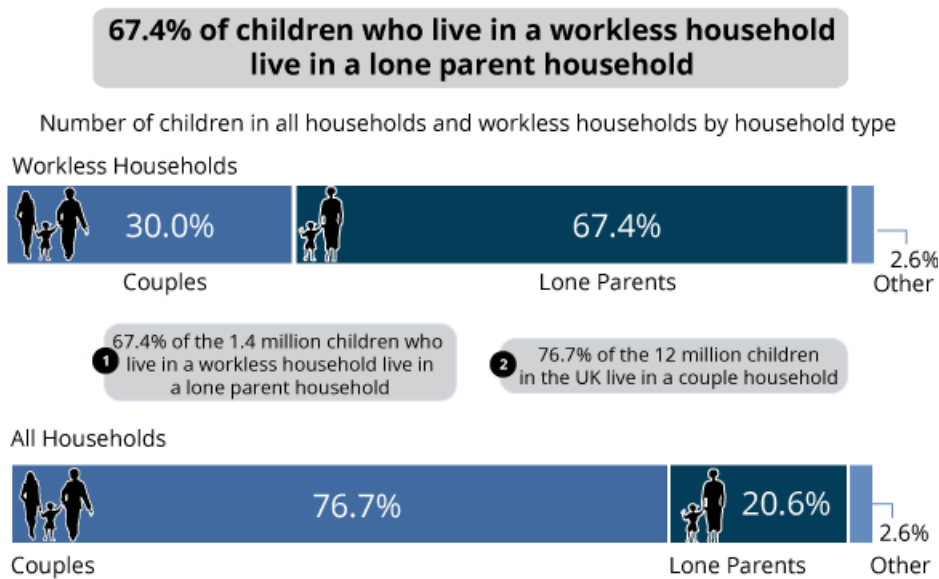
These changes could help explain why the increase in the percentage of working families in recent years has mainly been driven by lone parent families.

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

In 2015, there were 12.1 million children living in households with at least 1 person aged 16 to 64, in the UK. The majority, 9.3 million (76.7%) of these lived with a couple, 2.5 million (20.6%) lived with a lone parent and 319,000 (2.6%) were living in other household types.

Of the 1.4 million children who lived in workless households, the majority, 964,000 (67.4%) lived with a lone parent. A further 530,000 (30.0%) lived with a couple and the remaining 37,000 (2.6%) lived in other household types.

**Figure 8: Children in all households and in workless households by household type, April to June 2015, UK**



Source: Labour Force Survey - Office for National Statistics

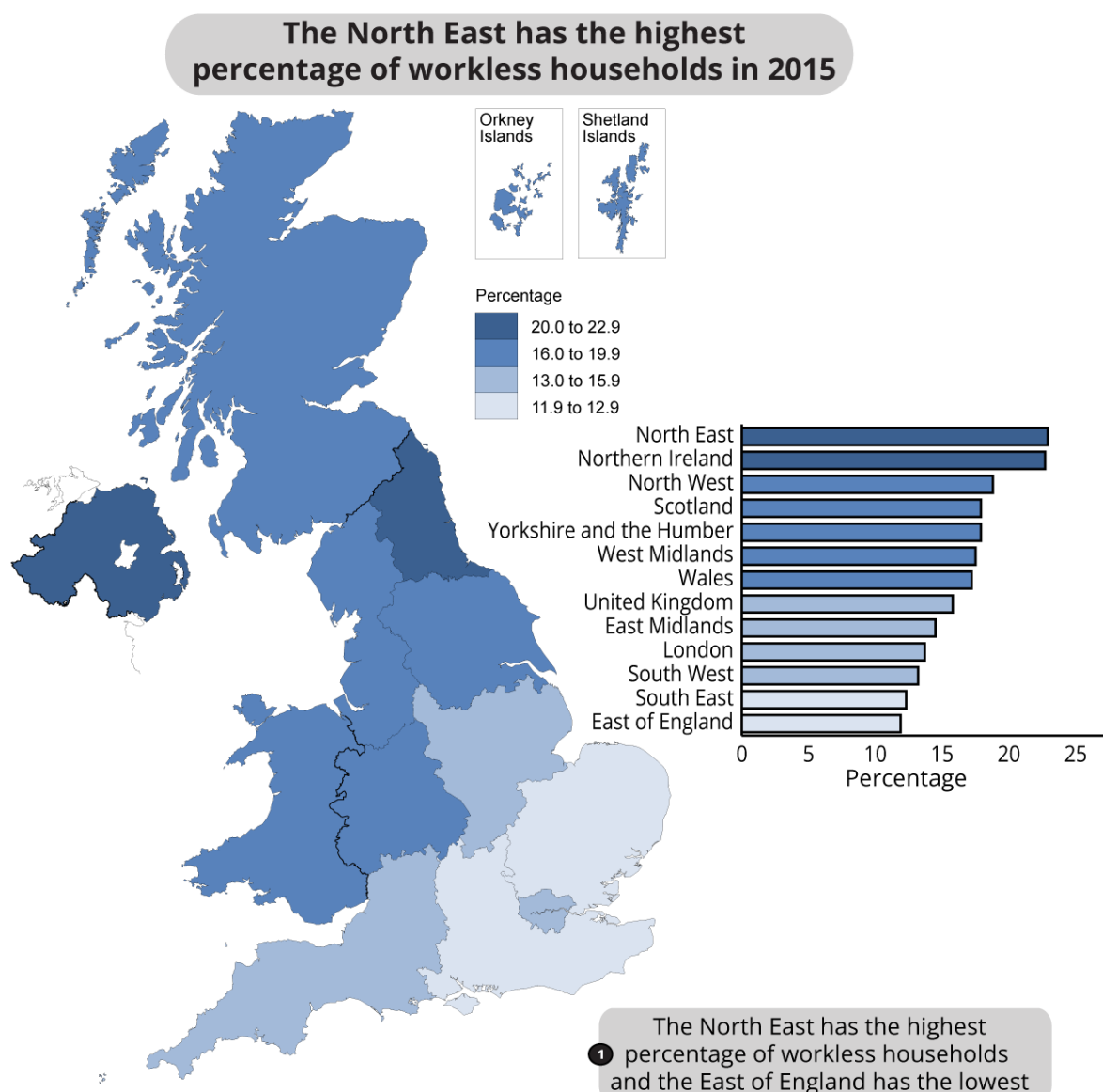
## 8 . Regions and countries of the UK

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

For the UK as a whole in 2015, around 15.8% of households were workless, this varies across the regions in England and countries of the UK. The North East had the highest percentage of workless households at 22.9%, while the East of England had the lowest at 11.9%. In addition, the percentage of working households in the East of England, now at 60.4% experienced the largest annual increase since comparable records began, of 2 percentage points.

A detailed breakdown at local level within [England, Scotland, Wales and Northern Ireland between January to December 2014](#) is available.

**Figure 9: Percentage of workless households by region, April to June 2015, UK**



Source: Office for National Statistics licensed under the Open Government Licence v.3.0. Contains OS data © Crown copyright and database right 2015

Source: Labour Force Survey - Office for National Statistics

## 9 . Housing tenure

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

#### Working households

The percentage of households that are workless and working varies according to the financial arrangement under which the house is occupied. The 2 most common types of arrangement are tenancy, in which rent is paid to a landlord, and owner occupancy.

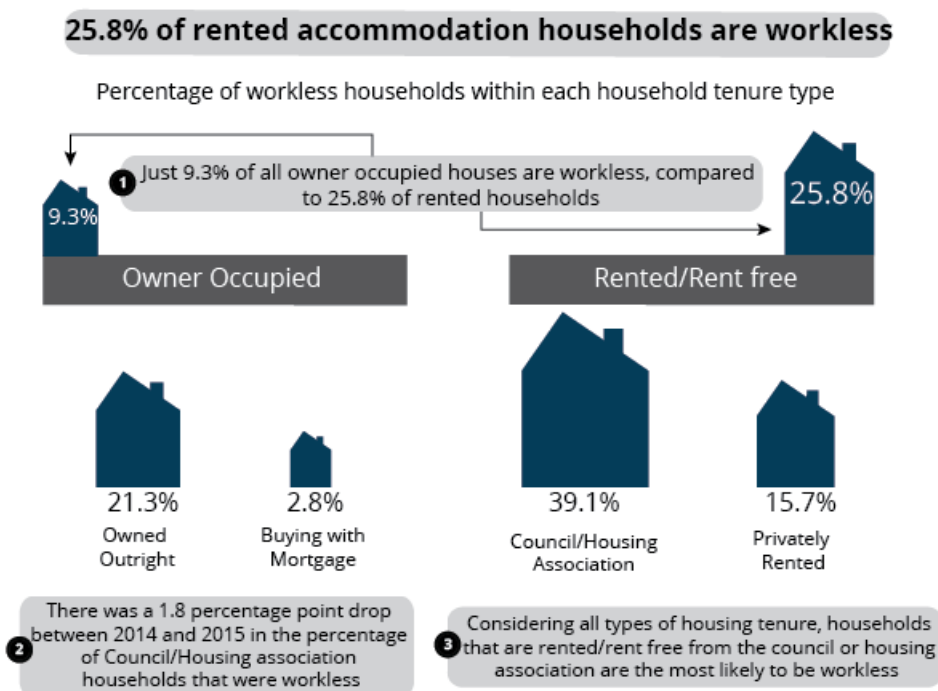
There has been an increase in the number of working households in council housing association and privately rented housing between 2014 and 2015 of 1.4 percentage points, with council housing experiencing the biggest increase of 2.0 percentage points since comparable records began in 1996.

#### Workless households

In 2015, 9.3% of owner-occupied households were workless and 25.8% of those renting were workless.

For those households renting from a social landlord, just under two-fifths (39.1%) were workless, compared with 15.7% of those privately renting. For owner-occupied households, 21.3% of households owned outright were workless compared to 2.8% of households being bought with a mortgage. This may be due to those owned outright containing older age groups which may have retired early.

**Figure 10: Percentage of households of each tenure type that are workless households, April to June 2015, UK**



Source: Labour Force Survey - Office for National Statistics

## Children in Council and Housing association (Table N)

Concentrating on council houses, 32.8% of all children are in workless households, down 4.3 percentage points, or 82,000. This figure has dropped 12.7 percentage points since 2010. The percentage of children in working households increased by 4.0 percentage points from 2014 to 2015. The children in working households percentage has fluctuated since 2010, but there has been a steady increase in the percentage of children in mixed households, from 2010 to 2015 of 6.9 percentage points.

## 10. Background notes

### 1. Household datasets

The figures in this statistical 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 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. We are 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. 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 11.8%, with a sampling variability of  $\pm 0.6\%$ . This variability gives a confidence interval, which is such that there is 95% certainty that the percentage of children in workless households lies between 11.2% and 12.4%.

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 Quarter 2 (April to June) and Quarter 4 (October to December) only. In order to carry out seasonal adjustment, data would have to be available for each quarter.

### 4. Concepts and definitions

- 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 1 main meal a day or share living accommodation (or both)
- A mixed household is a household that contains at least 1 person aged 16 to 64, where at least 1 person aged 16 and over is in employment and at least 1 other is either unemployed or inactive
- 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 2 or more family units, or 2 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 or cohabiting mothers, married or 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 or father includes biological mothers or fathers, step-mothers or fathers and adoptive mothers or fathers with dependent children that live in the same household as them. Foster mothers or fathers, women or men with non-dependent children and those whose children live in a separate household are not included

5. Working and workless households: [pre-release access list 2015](#).

## 6. Contact details

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7. Details of the policy governing the release of new data are available by visiting [www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html](http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html) or from the Media Relations Office email: [media.relations@ons.gsi.gov.uk](mailto:media.relations@ons.gsi.gov.uk)

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