

Statistical bulletin

# Working and workless households in the UK: October to December 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.



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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, 58.8% had all household members aged 16 years and over in employment during October to December 2020; down 1.9 percentage points compared with the same period last year.
- There was an estimated 27.7% of households with a mix of at least one working and one workless adult, up 1.8 percentage points compared with the same period last year.
- There was an estimated 13.6% of households where no member of the household was in employment, up 0.1 percentage points compared with the same period last year.

Labour Force Survey (LFS) responses are weighted to official population projections. As the current projections are 2018-based they are based on demographic trends that pre-date the coronavirus pandemic. We are analysing the population totals used in the weighting process and may make adjustments if appropriate. Rates published from the LFS remain robust; however, levels and changes in levels should be used with caution. This will particularly affect estimates for country of birth, nationality, ethnicity and disability.

# 2. Coronavirus and measuring the labour market

## **Coronavirus and Labour Force Survey estimates**

Because of the coronavirus (COVID-19) pandemic, all face-to-face interviewing for the Labour Force Survey (LFS) was suspended and replaced with telephone interviewing. This change in method for initial contact has changed the non-response bias of the survey, affecting interviews from March 2020 onwards. An article on Coronavirus and its impact on the Labour Force Survey gives more detail on this change.

LFS estimates presented for periods from January to March 2020 onwards were reweighted to account for this bias on 13 October 2020. Annual Population Survey (APS) estimates presented that include affected periods are now also reweighted to account for this.

LFS estimates presented in this bulletin are based on interviews that took place throughout the period from the start of October to the end of December 2020. All the interviews relate to the period after the implementation of coronavirus social distancing measures, the use of local restrictions, and government 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.

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.

We continually review all publications and data published as part of the labour market release; this has led to the postponement of some publications and datasets to ensure that we can continue to publish our main labour market data. This will also protect the delivery and quality of our remaining outputs as well as ensuring we can respond to new demands as a direct result of the coronavirus pandemic.

The article <u>Coronavirus and the effects on UK labour market statistics</u>, published on 6 May 2020 details some of the challenges that we have faced in producing estimates at this time. An article published on 11 December 2020 <u>compares our labour market data sources</u> and discusses some of the differences.

Our latest data and analysis on the impact of the coronavirus on the UK economy and population are available on our dedicated <u>coronavirus web page</u>. This is the hub for all special coronavirus-related publications, drawing on all available data. In response to the ongoing pandemic, we are working to ensure that we continue to publish economic statistics. For more information, please see <u>COVID-19</u> and the production of statistics.

## The Labour Force Survey and population estimates

Labour Force Survey (LFS) responses are weighted to official population projections. As the current projections are 2018-based they are based on demographic trends that pre-date the coronavirus pandemic. We are analysing the population totals used in the weighting process and may make adjustments if appropriate. Rates published from the LFS remain robust; however, levels and changes in levels should be used with caution. This will particularly affect estimates for country of birth, nationality, ethnicity and disability.

# 3. Working and workless household data

#### Households by combined economic activity status of household members

Dataset | Released 10 March 2021

Quarterly and historical data on UK households by combined economic activity status of household members.

#### People by age and combined economic activity status of household members

Dataset | Released 10 March 2021

Quarterly and historical data on people living in UK households by age and combined economic activity status of household members.

#### Children in households by combined economic activity status of household members

Dataset | Released 10 March 2021

Quarterly and historical data on children living in UK households by combined economic activity status of household members.

#### Employment rates of people by parental status: Table P

Dataset | Released 10 March 2021

Quarterly and historical data on employment rates of people in the UK by parental status.

# 4. 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 October to December 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 October to December 2020 with October to December 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 Workless households 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 the <u>Quality and methodology</u> 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

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, study, sickness or disability.

#### Mixed households

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

#### Other household types

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

#### Lone-parent households

Lone-parent households are 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 with October to December periods). Comparisons made in this release are between the latest available period, October to December 2020, and October to December 2019.

## 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. Data time series are available between April to June 1996 and October to December 2020.

A more detailed breakdown of data at the local level within the countries of the UK is available later in the year. Workless households for regions across the UK: 2019 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 <u>LFS QMI</u>.

## 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: 2019.

# 6. Quality and methodology

## End of EU exit transition period

As the transition period ends and the UK enters into a new Trade and Co-operation Agreement with the EU, the UK statistical system will continue to produce and publish our wide range of economic and social statistics and analysis. We are committed to continued alignment with the highest international statistical standards, enabling comparability both over time and internationally, and ensuring the general public, statistical users and decision-makers have the data they need to be informed.

As the shape of the UK's future statistical relationship with the EU becomes clearer over the coming period, the Office for National Statistics (ONS) is making preparations to assume responsibilities that as part of our membership of the EU, and during the transition period, were delegated to the statistical office of the EU, Eurostat. This includes responsibilities relating to international comparability of economic statistics, deciding what international statistical guidance to apply in the UK context and to provide further scrutiny of our statistics and sector classification decisions.

In applying international statistical standards and best practice to UK economic statistics, we will draw on the technical advice of experts in the UK and internationally, and our work will be underpinned by the UK's well-established and robust framework for independent official statistics, set out in the Statistics and Registration Service Act 2007. Further information on our proposals will be made available this year.

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 International Labour Organization (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 <u>margin of uncertainty</u>, as different samples give different results. For example, the estimate for the percentage of children in workless households is 9.8% with a sampling variability of plus or minus 1.0 percentage points. 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 8.8% and 10.8%.

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 April to June and October to December periods prior to 2014. More years' estimates will be required from January to March and July to September periods 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.