



Work and Worklessness among Households in Scotland 2009

An Official Statistics Publication for Scotland

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Contents

♦ Aims of Report	4
♦ 1. Summary	5
♦ 2. Work and Workless Households, comparisons between Scotland and UK	6
♦ 3. Work and Workless Households in Scotland	7
♦ 4. Children in Work and Workless Households	11

Annexes

♦ Annex A. Background Information and Reliability Measures	13
♦ Annex B. Concepts and Definitions	15

Further Information

♦ Scottish Government Statistician Group	16
♦ Correspondence and Enquiries	16

List of Web Tables

Available to download in Excel

Table 1: Working-age households by combined economic activity status of household members, Scotland, 2004-2008

Table 2: Working-age households by combined economic activity status of household members, UK, 2004-2008

Table 3: Working-age households by combined economic activity status of household, in each Local Authority area, 2004-2008

Table 4: Working-age households with dependent children by combined economic activity status, Scotland, 2004-2008

Table 5: Working-age households with dependent children by combined economic activity status, UK, 2004-2008

Table 6: Workless working-age households by type of household, Scotland, 2004-2008

Table 7: Workless working-age households by type of household, UK, 2004-2008

Table 8: Children living in working-age households by combined economic activity status of household members, Scotland, 2004-2008

Table 9: Children living in working-age households by combined economic activity status of household members, UK, 2004-2008

Table 10: Children living in working-age households by combined economic activity status of household members, in each Local Authority area, 2004-2008

Table 11: Children living in workless working-age households by type of household, Scotland, 2004-2008

Table 12: Children living in workless working-age households by type of household, UK, 2004-2008

Aims of Report

This is the first Scottish Government publication on Work and Worklessness among households in Scotland and it aims to provide information on the following:

- the distribution of working age households by economic activity across local authority areas;
- the number of children living in workless households (i.e. where no working age adult is in work) across local authority areas;
- comparisons between Scotland and UK;

All analyses in this publication are based on data from the Annual Population Survey (APS) household datasets which are designed specifically to provide labour market statistics at the household and family level. The APS combines results from the Labour Force Survey (LFS) and Labour Force Survey boosts. More information about the LFS, APS and household datasets are available from the LFS User Guides¹.

This publication includes high level comparisons between the UK and Scotland using the APS household datasets over the period 2004 to 2008, covering the period January to December each year. The APS household datasets are the recommended source for local area household analysis because they have larger sample sizes. More detailed up to date comparisons across Government Office Regions are available from the quarterly LFS household datasets, although the quarterly LFS household datasets have smaller sample sizes so cannot be used to monitor trends below Scotland-level. Analysis from the LFS April-June 2009 household dataset is available from the Office for National Statistics Statistical (ONS) Bulletin².

As data is based on survey data the estimates are subject to a degree of sampling error and this should be taken into account when making comparisons over time or across areas. Annex A provides more information.

This publication is aimed at a range of users with an interest in either the labour market or social justice. Web Tables will also be published alongside this publication. Further data or analysis is available on request, please contact labour-market.statistics@scotland.gsi.gov.uk.

¹ The LFS User Guides can be downloaded from the Office for National Statistics website at: <http://www.statistics.gov.uk/statbase/product.asp?vlnk=1537>

²Work and worklessness among households, ONS, <http://www.statistics.gov.uk/pdfdir/work0809.pdf>

1. Summary

This publication explores the economic activity status of households in Scotland and its local authorities since 2004 using data from the Annual Population Survey (APS) household datasets. There are three categories of households, as explained in Box 1 below.

Box 1. Key Definitions

Estimate on the economic status of households are for **only** those households that includes at least one person of working-age.

A **working household** is one where all individuals aged 16 and over are in employment.

A **mixed household** is one 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 one where no individuals aged 16 and over are in employment.

The latest APS data covers the period January to December 2008 so it is important to note that the APS household data for 2008 does not necessarily take into account the full extent of the economic downturn as Scotland officially entered recession from the third quarter of 2008³.

Some of the main findings from the publication are:

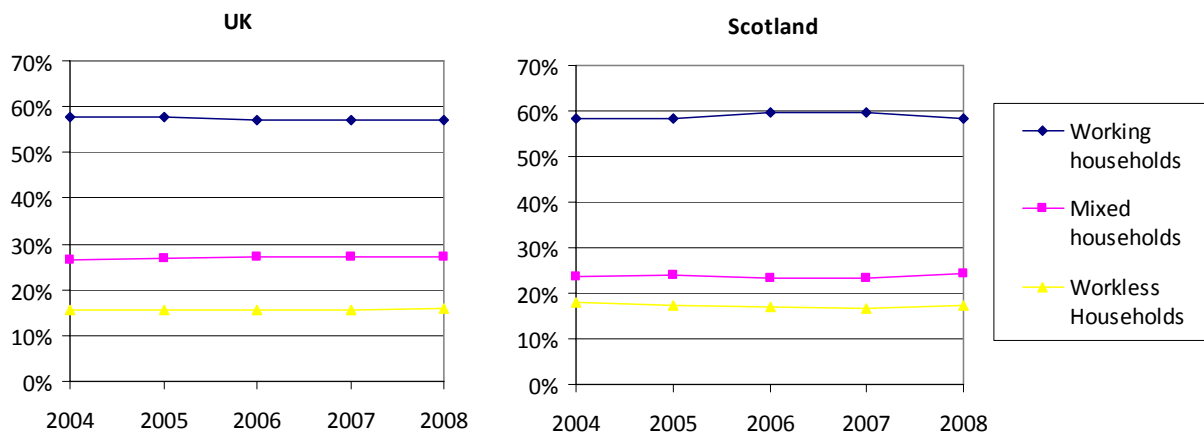
- In 2008, the *workless* household rate (where no adults in the household are working) in Scotland was 17.3 per cent, an increase of 0.5 percentage points over the year. This varied from 28.9 per cent of households in Glasgow being workless to 9.2 per cent in Aberdeenshire.
- The *working* household rate (where all adults in the household are working) was 58.5 per cent in Scotland in 2008, down 1.3 percentage points from 2007.
- The proportion of households in Scotland where some adults are working and some are not (*mixed* households) increased by 0.8 percentage points over the year and now stands at 24.2 per cent in 2008.
- In 2008, 13.7 per cent of children in Scotland (almost 1 in 7 children) living in *workless* households, a decrease of 1.2 percentage points over the year. In Glasgow, 24.5 per cent of children were in a *workless* household, almost 1 in 4 children.

³ The technical definition of recession is of two consecutive quarters of negative growth (GDP). This occurred in Q3 and Q4 2008.

2. Work and Workless Households, comparisons between Scotland and UK

- Since 2004 the economic activity of working age households in Scotland and the UK have remained broadly stable (see Chart 1).
- Compared to the UK the proportion of working age households in Scotland which are *mixed* is lower. In 2008 24.2 per cent of working age households in Scotland were *mixed* compared to 27.1 per cent in the UK.
- Compared to the UK the proportion of working age households in Scotland which are *workless* is higher. In 2008 17.3 per cent of working age households in Scotland were *workless* compared to 16.0 per cent in the UK.

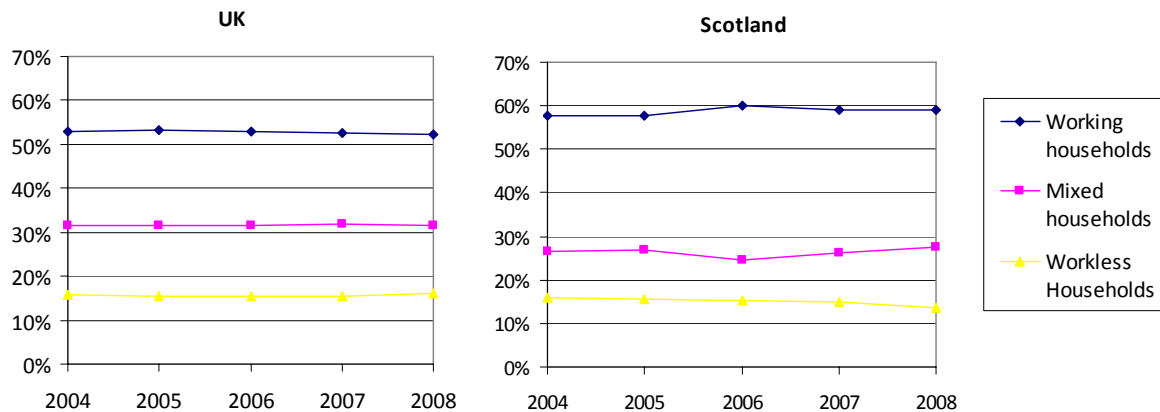
Chart 1. Percentage of working age households by economic activity of household members, UK and Scotland, 2004 - 2008



Source: Annual Population Survey (Jan-Dec) Household Datasets

- Chart 2 shows that the proportion of children in *working* households in Scotland is consistently higher in Scotland compared to the UK.
- Since 2004 the proportion of children in *working* households in Scotland has increased by 1.3 percentage points compared to a decrease of 0.7 percentage points across the UK.
- The proportion of children in *mixed* households in Scotland is consistently lower in Scotland compared to the UK.
- In 2008 a lower proportion of children in Scotland were in *workless* households compared to the UK, 13.7 per cent in Scotland compared to 16.1 per cent in the UK. However, prior to 2008 the rates were similar in Scotland and the UK.

Chart 2. Percentage of children in working age households by economic activity of household members, UK and Scotland, 2004 - 2008



Source: Annual Population Survey (Jan-Dec) Household Datasets

3. Work and Workless Households in Scotland

- Table 1 shows that in 2008, 58.5 per cent of working age households were *working* (i.e. all adults of working age in the household work), 24.2 per cent of households were *mixed* (i.e. some adults are working and some are not) and 17.3 per cent of working age households were *workless* (i.e. no adults of working age in the household were in work).
- Between 2007 and 2008 the percentage of *working* households fell by 1.3 percentage points (a decrease of 20,400 households), while the percentage of *mixed* households increased by 0.8 percentage points (14,000 households) and the percentage of *workless* households increased by 0.5 percentage points (8,700 households).

Table 1. Percentage of working age households by detailed economic activity of household members, Scotland, 2004 - 2008

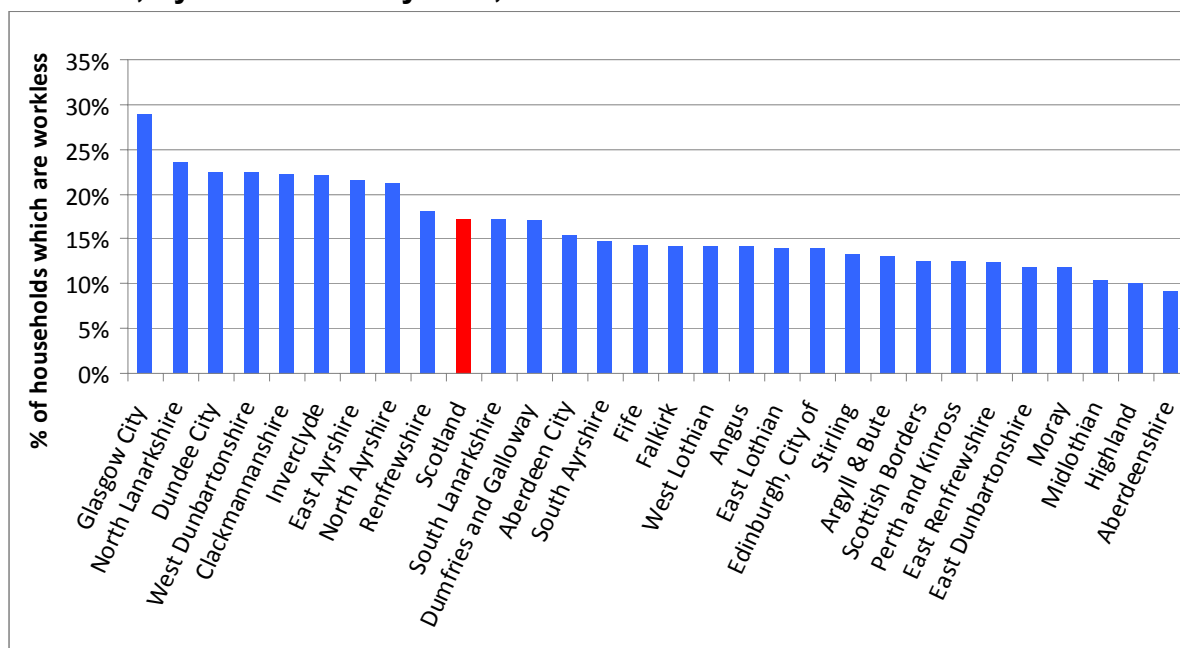
	<u>Working households</u>	<u>Households containing both working and workless members</u>			<u>All households containing both working and workless members</u>	<u>Workless households</u>			<u>All households</u>	
		Employed and unemployed	Employed and inactive	Employed unemployed and inactive		All unemployed	Unemployed and inactive	All inactive	<u>All workless households</u>	
<i>Per cent</i>										
2004	58.3%	3.0%	19.8%	1.0%	23.8%	2.2%	1.3%	14.4%	17.9%	100.0%
2005	58.5%	2.8%	20.4%	0.8%	24.0%	2.3%	1.3%	13.8%	17.4%	100.0%
2006	59.6%	2.8%	19.6%	0.9%	23.3%	2.1%	1.5%	13.4%	17.1%	100.0%
2007	59.8%	2.8%	19.8%	0.9%	23.4%	1.9%	1.3%	13.7%	16.8%	100.0%
2008	58.5%	3.1%	20.4%	0.7%	24.2%	1.9%	1.0%	14.5%	17.3%	100.0%
<i>Change on year</i>	-1.3%	0.3%	0.6%	-0.1%	0.8%	0.0%	-0.3%	0.8%	0.5%	0.0%
<i>Levels</i>										
2004	995,200	51,600	337,500	17,200	406,300	37,000	21,900	246,200	305,000	1,706,600
2005	995,300	48,300	347,300	13,000	408,600	39,000	22,800	234,300	296,100	1,699,900
2006	1,020,200	48,700	334,700	15,200	398,600	36,600	25,900	229,500	292,000	1,710,900
2007	1,017,500	47,500	336,600	14,700	398,800	32,300	21,600	232,600	286,500	1,702,900
2008	997,200	52,100	348,000	12,600	412,800	31,900	16,400	246,900	295,200	1,705,100
<i>Change on year</i>	-20,400	4,600	11,500	-2,100	14,000	-400	-5,200	14,300	8,700	2,300

Source: Annual Population Survey (Jan-Dec) Household Datasets

- Statistics from 'Poverty and Income inequality in Scotland'⁴ show that workless individuals are more likely to be in poverty than those in work. However, 6 per cent of individuals in Scotland were in in-work poverty in 2007/8.
- Across Scotland 412,800 working age households have a *mixed* economic activity, of these: 52,100 are employed and unemployed; 348,000 are employed and inactive; and 12,600 are employed unemployed and inactive.
- *Mixed* households are more likely to contain dependent children than working or workless households, suggesting that a number of these households are mixed due to one parent having childcare responsibilities.
- The total number of *workless* households in Scotland was 295,200 in 2008. 71,800 (24.3 per cent) of these workless households had dependent children, and of which 56,500 were lone parent workless households. Section 4 provides more information about the number of children living in workless households.
- Chart 3 shows that the proportion of working age households that are *workless* varies across local authority areas.
- In 2008, 28.9 per cent of households in Glasgow were *workless*, this equates to almost 1 in 3 households compared to 9.2 per cent in Aberdeenshire, less than 1 in 10 households.
- The proportion of working age households that are *workless* is highly correlated with the proportion of the population who are unemployed or inactive

⁴ <http://www.scotland.gov.uk/Publications/2009/05/povertyfigures0708>

Chart 3. Percentage of working age households which are *WORKLESS* in Scotland, by local authority area, 2008

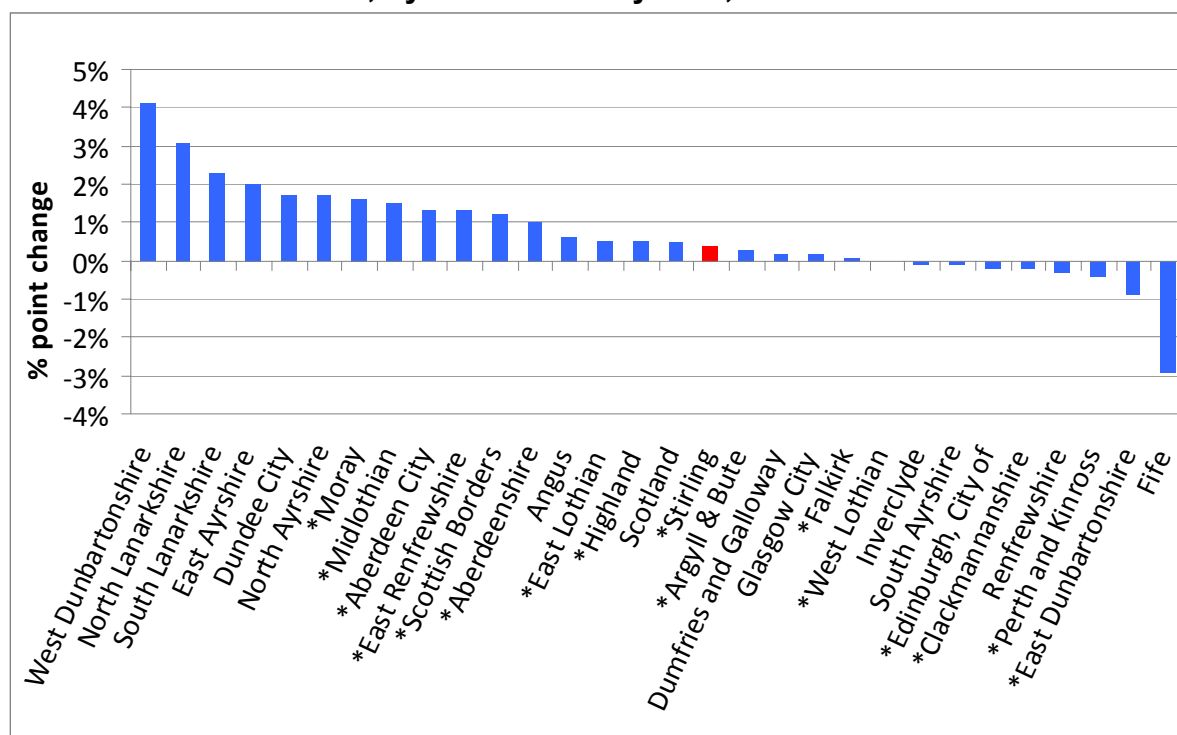


Source: Annual Population Survey (Jan-Dec) Household Datasets

Notes: Eilean Siar, Shetland Islands and Orkney Islands are not included as values are below the reliability threshold

- Between 2007 and 2008 the proportion of working age households which are *workless* increased by in excess of 2 percentage points in the following local authority areas: West Dunbartonshire; North Lanarkshire; and South Lanarkshire. Analysis from the Annual Population Survey person-level datasets show that these 3 local authorities also experienced increases in the proportion of unemployed and inactive people over the year.
- Between 2007 and 2008 the proportion of working age households which are *workless* decreased by in excess of 2 percentage points in Fife. The proportion of unemployed people in Fife remained unchanged over the year but the proportion of working age inactive people decreased by 1 percentage point between 2007 and 2008.

Chart 4. Change in the percentage of working age households which are *WORKLESS* in Scotland, by local authority area, 2007- 2008



Source: Annual Population Survey (Jan-Dec) Household Datasets

Notes: * These authorities have larger relative standard errors (RSE), although the estimates are still considered acceptable. See Annex A for more information on RSEs.

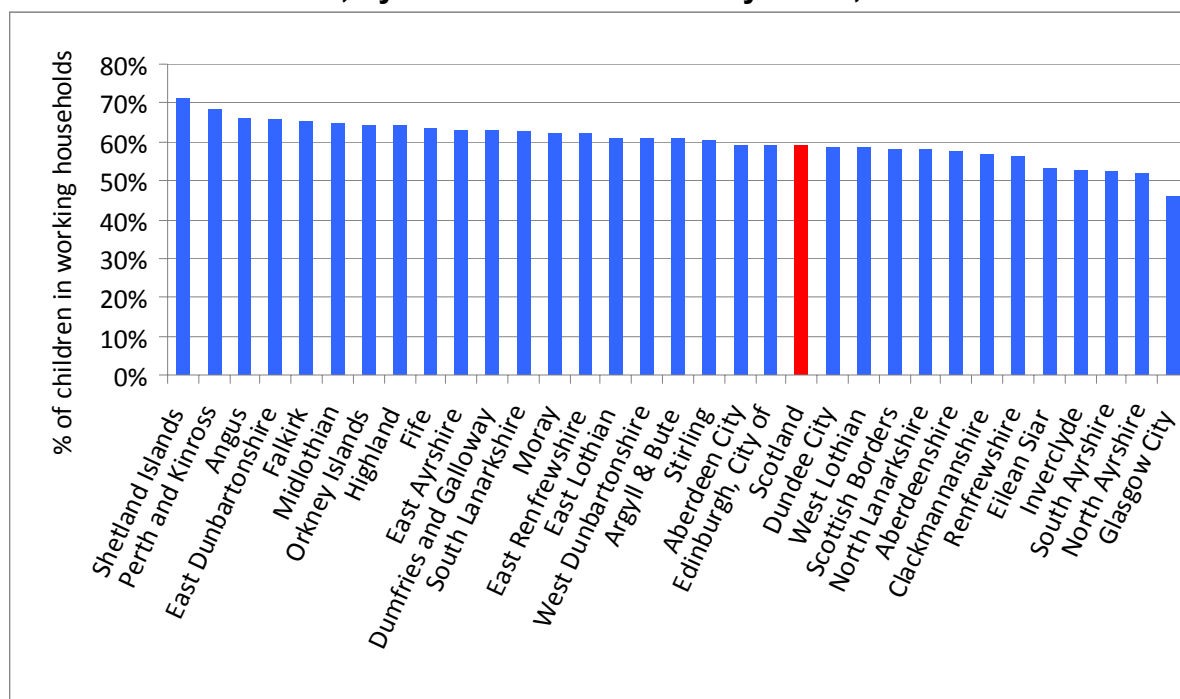
Eilean Siar, Shetland Islands and Orkney Islands are not included as values are below the reliability threshold.

- Time series data showing how the economic activity status of households has changed from 2004 for each local authority is available from the web tables.

4. Children in Work and Workless Households

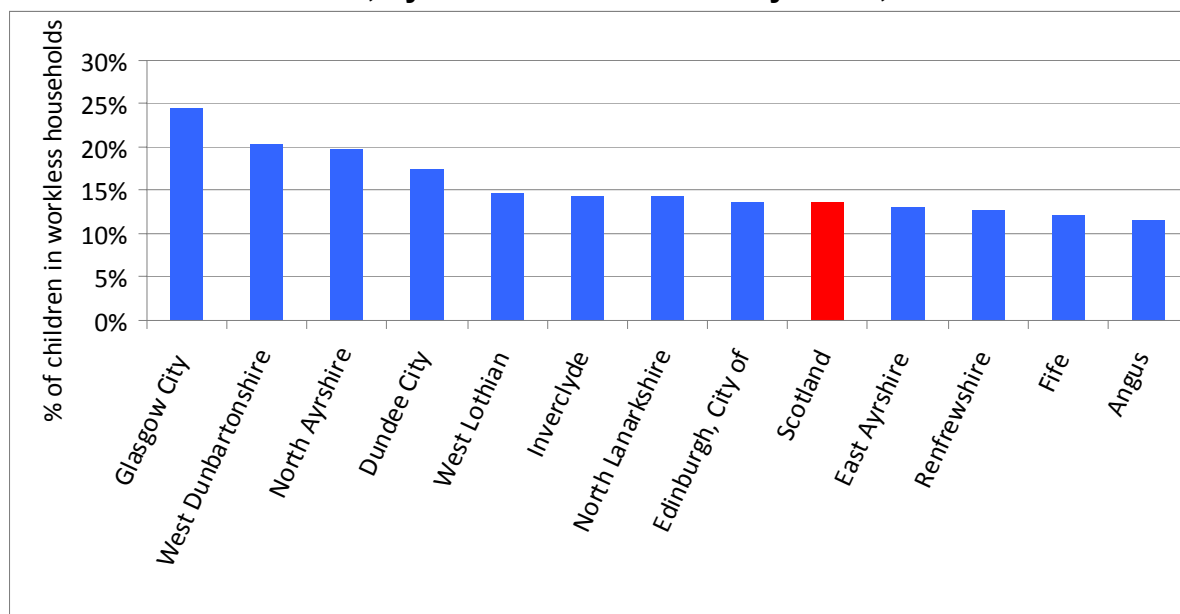
- In 2008, 46.2 per cent of children in working age households in Glasgow were in a *working* household, compared to 58.9 per cent of children across Scotland (see Chart 5).
- Almost 24.5 per cent of children in working age households in Glasgow were in a *workless* household, this equates to almost 1 in 4 children. This compares to 13.7 per cent of children across Scotland (almost 1 in 7 children).
- In 2008, the total number of children living in *workless* households in Scotland was 120,700, down 11,300 over the year. Of the 120,700 children, 73.7 per cent (88,900) live in a lone parent household.

Chart 5. Percentage of children in working age households which are *WORKING* in Scotland, by selected local authority areas, 2008



Source: Annual Population Survey (Jan-Dec) Household Datasets

Chart 6. Percentage of children in working age households which are *WORKLESS* in Scotland, by selected local authority areas, 2008



Source: Annual Population Survey (Jan-Dec) Household Datasets

Notes: Only local authorities where the values are above the reliability threshold are shown.

Figures on the percentage of children living in mixed households by local authority are available from the web tables.

Annex A. Background Information

1. The APS household datasets are produced annually and are available from 2004 covering the period January to December of each year.
2. The APS household datasets are designed specifically to provide family and household labour market statistics for local areas and for small sub-groups of the population across the UK. The household datasets are different to the APS cross-sectional (person) datasets which provide labour market statistics at an individual / person level.
3. The APS household datasets include all the variables on the LFS and APS person datasets, except for the income variables. They also include key family and household level derived variables. These variables allow for an analysis of the combined economic activity status of the family or household.

Reliability Measures

4. As the APS is a sample survey of households, the estimates are subject to a degree of error. The difference between an estimate and its true value is the sampling error. The actual sampling error for any estimate is unknown but we can estimate, from the sample, a typical error, known as the standard error. This provides a means of assessing the precision of an estimate. The lower the standard error, the more confidence there is that the estimate is close to the true value.
5. One way to express the standard error is as a percentage of the estimate itself. This is referred to as the relative standard error (RSE) of the estimate. Larger sample sizes represent more of the population and tend to have smaller RSEs, and the smaller the RSE, the more reliable the estimate. As the sample size gets smaller, estimates tend to have higher standard errors and are therefore less reliable.
6. Table B1 provides an outline of the reliability of APS household estimates for different types of working-age households by local authority. No actual estimates or standard errors are given as the aim is purely to assess reliability of estimates and give an idea of which estimates can be used at which geographical level. Estimates are colour-coded and scored accordingly:

1	Light Green	$0 \leq RSE < 5$	Estimates are considered precise
2	Dark Green	$5 \leq RSE < 10$	Estimates are considered reasonably precise
3	Amber	$10 \leq RSE < 20$	Estimates are considered acceptable
4	Red	$RSE \geq 20$	Estimates are not considered reliable for practical purposes

Table B1: Ready Reckoner for reliability of key household series by local authority

	A (Working)	B (Mixed)	C (Workless)	D (Children in working)	E (Children in Mixed)	F (Children in workless)
Aberdeen City	1	2	3	2	3	4
Aberdeenshire	1	2	3	2	3	4
Angus	1	2	2	2	3	3
Argyll & Bute	1	2	3	2	3	4
Clackmannanshire	2	3	3	3	4	4
Dumfries & Galloway	1	2	2	2	3	4
Dundee City	1	2	2	2	3	3
East Ayrshire	1	2	2	2	3	3
East Dunbartonshire	1	2	3	1	3	4
East Lothian	1	2	3	2	3	4
East Renfrewshire	1	2	3	2	3	4
Edinburgh, City of	1	2	3	2	3	3
Eilean Siar (Western Isles)	2	3	4	3	4	4
Falkirk	1	2	3	2	3	4
Fife	1	2	2	2	3	3
Glasgow City	1	2	2	2	3	3
Highland	1	2	3	2	3	4
Inverclyde	1	2	2	2	3	3
Midlothian	1	2	3	2	3	4
Moray	1	2	3	2	2	4
North Ayrshire	1	2	2	2	3	3
North Lanarkshire	1	2	2	2	3	3
Orkney Isles	2	3	4	2	4	4
Perth & Kinross	1	2	3	2	3	4
Renfrewshire	1	2	2	2	3	3
Scottish Borders	1	2	3	2	3	4
Shetland Isles	2	3	4	2	4	4
South Ayrshire	1	2	2	2	3	4
South Lanarkshire	1	2	2	2	3	4
Stirling	1	2	3	2	3	4
West Dunbartonshire	1	2	2	2	3	3
West Lothian	1	2	3	2	3	3

Source: Annual Population Survey (Jan-Dec) Household Datasets

Notes:

A: Working-age households where all members aged 16 or over are in employment

B: Working-age households containing both working and workless members

C: Working-age households where no one aged 16 or over is in employment

D: Children living in a working-age household where all members aged 16 or over are in employment

E: Children living in a working-age household containing both working and workless members

F: Children living in a working-age household where no one aged 16 or over is in employment

1 (Light Green): $0 \leq RSE < 5$. Estimates are considered precise

2 (Dark Green): $5 \leq RSE < 10$. Estimates are considered reasonably precise

3 (Amber): $10 \leq RSE < 20$. Estimates are considered acceptable

4 (Red): $RSE \geq 20$. Estimates are not considered reliable for practical purposes

Annex B. Concepts and Definitions

1. A **working-age household** is a household that includes at least one woman aged 16 to 59 or one man aged 16 to 64.
2. 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).
3. A **working household** is one where all individuals aged 16 and over are in employment.
4. A **mixed household** is one where at least one person aged 16 and over is in employment and at least one other is either unemployed or inactive.
5. A **workless household** is a household that includes at least one person of working-age, where no-one aged 16 or over is in employment.
6. **Children** refer to all children under 16.
7. **Dependent children** are children aged under 16 and those aged 16 to 18 who have never-married and in full-time education.
8. The household reference person is the householder, i.e. the person who:
 - owns the household accommodation, or
 - is legally responsible for the rent of the accommodation, or
 - has the household accommodation as part of their job, or
 - 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 income is the same, then the eldest householder is taken.

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Our Aim

To provide relevant and reliable information, analysis and advice that meet the needs of government, business and the people of Scotland.

For more information on the Statistician Group, please see the Scottish Government website at www.scotland.gov.uk/statistics

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Ref no.	Title	Last published	Price
Web only	Local Area Labour Markets in Scotland : Statistics from the Annual Population Survey 2008	29 Jul 2009	Nil

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