



# What explains the growth in 'never-worked' households?

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by Anna Rosso, Declan Gaffney and Jonathan Portes

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This report examines the rise in households in which no adult has ever worked and the reasons for it. It investigates what drove the substantial increase in 'never-worked' households between 1996 and 2005, and the subsequent stabilisation, after 2007, of the reported numbers.

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The number of homes where no one has ever worked has doubled in little more than a decade. But is this a sign of growing 'welfare dependency' or the result of other factors? This report looks at the characteristics of 'never-worked' households and considers the possible reasons for the increase.

## **This report shows that:**

- never-worked households are a relatively small and distinct group – only a little more than 1 per cent of non-student households – and are unlikely to be a good indicator of the level of 'welfare dependency';
- most never-worked household are lone parent households and younger single people; there is little or no evidence of a problem of 'intergenerational worklessness';
- never-worked households are highly concentrated in London and are disproportionately likely to be of (non-EU) immigrant origin, non-white and/or Muslim. However, a substantial majority of never-worked households are white, UK-born, and Christian/no religion;
- over the period, the proportion of never-worked households in London and some other big cities increased significantly;
- the recent fall in never-worked households may in part have been driven by a fall in the number of single person households that have never worked, possibly driven by slower household formation.

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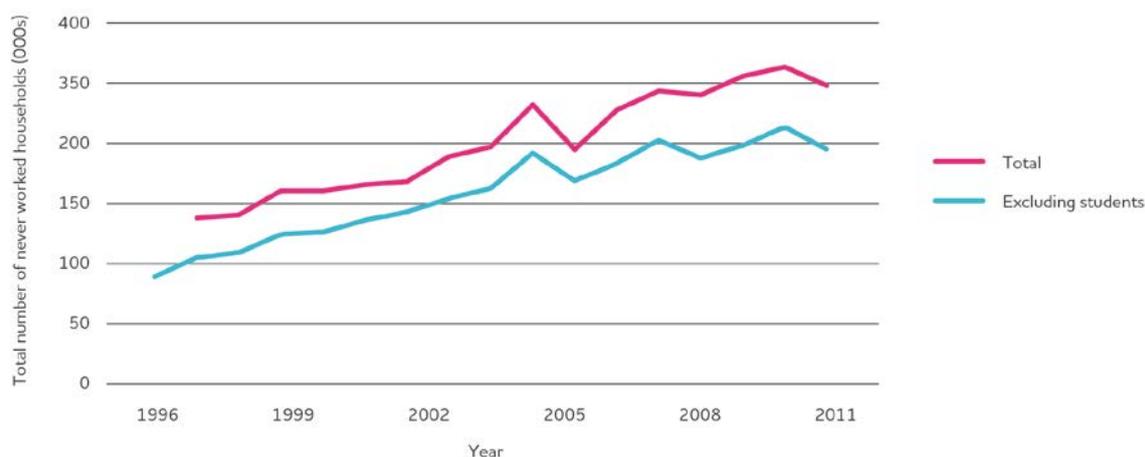
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# 1 Introduction

'The number of homes where no one has ever worked has doubled in little more than a decade.'<sup>1</sup> This statistic, often repeated in the press, and based on data from the Labour Force Survey and published by the Office for National Statistics (2014), is illustrated in Figure 1.

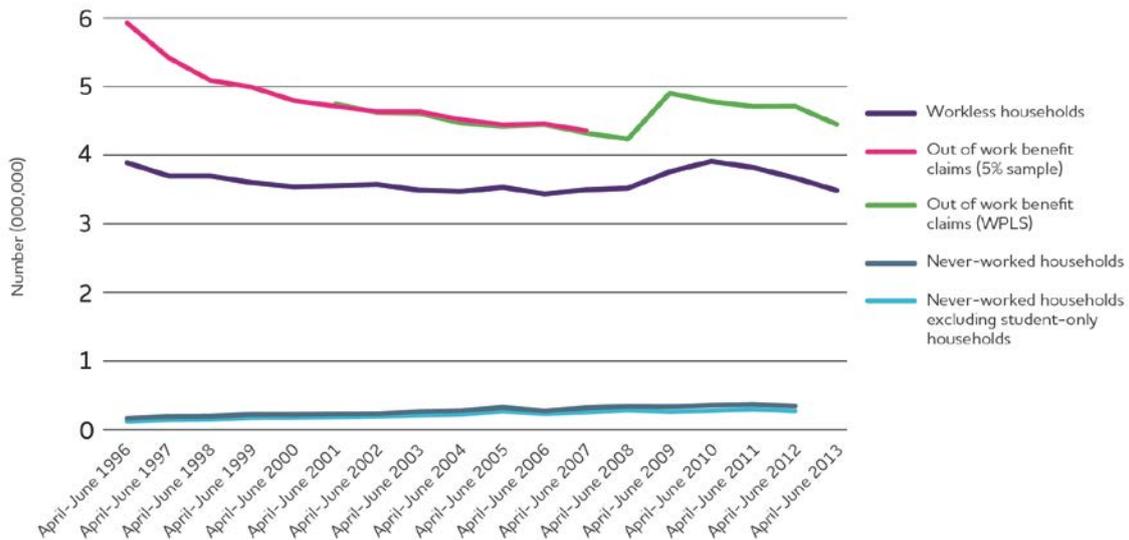
**Figure 1: Never-worked households 1996–2012**



Source: UK Labour Force Survey household datasets, quarter 2.

In many ways, this is a surprising statistic. It has been cited by ministers as evidence of a growing problem of 'welfare dependency' under the last government; for example, Iain Duncan Smith described it as evidence of 'regression of the system', where people (including, oddly, the all-student households) who live in such households are 'people adrift from society. Some have fallen out of it – but others have never really been a part of it'.<sup>2</sup> But if there had been a dramatic increase in 'dependency', we would expect to see negative trends on other indicators. In fact, the number of people in receipt of the main out-of-work benefits (Jobseeker's Allowance, Income Support for people of working age and Incapacity Benefit) fell by 1.6 million between 1996 and 2007.<sup>3</sup> Over the same period, the number of working-age households in which no adult was in work at a single point in time (which is the standard definition of a workless household) fell and then remained more or less stable up to the onset of recession in 2008/9.

**Figure 2: Out-of-work benefit receipt, workless households and never-worked households**



Source: DWP benefits data 5 per cent sample; Work and Pensions Longitudinal Study (WPLS); ONS working and workless households 2013; our analysis of Labour Force Survey household data sets.

Given these trends, the rise in households in which no adult has ever worked is a puzzle. The aim of this short report is to investigate what drove the substantial increase in ‘never-worked’ households between 1996 and 2005, and the subsequent stabilisation, after 2007, of the reported numbers. There are four points which it is worth bearing in mind from the start. The first, as shown in Figure 2, is that the number of never-worked households is on a very different scale to the number of workless households. This is not to say that numbers are in any sense negligible, but households where no one has ever worked account for less than 10 per cent of total household worklessness.

The second point is that never-worked households (excluding student-only households) overwhelmingly contain only one adult. 80 per cent are either single person households or single parent households. This is not really surprising, as the chances of no adult ever having worked are obviously going to be higher if there is only one adult in the household (as indeed are the chances of every adult being in work).

The third point is that households are not permanent or unchanging entities: new households are formed and existing ones dissolved all the time. A household in which no adult has ever worked may therefore have been in existence for decades or for days, and the headline figures tell us absolutely nothing about this: consider, for example, a couple family with only dependent children where one partner has never been in formal employment and the other partner leaves or dies. Trends in never-worked households may be due to changes in the number of individuals who have never worked or to changes in the living arrangement of people who have never worked. And, as previous research has shown, there is little or no evidence – quantitative or qualitative – of ‘intergenerational worklessness’ or ‘cultures of worklessness’.<sup>4</sup> Finally, full-time students make up more than half of individuals who have never worked, and rates of post-16 educational participation have been rising. In this report, as in ONS’s presentation, we distinguish between households which are made up only of full-time students and ‘non-student’ households.

However, the effect of rising educational participation on the number of never-worked households will not be confined to student-only households. Not all students live in student-only households. Moreover, the effect of rising educational participation on whether someone has ever worked can extend beyond their period of study: the less time someone has been in the labour market, the more likely it is that if they are not *currently* working, they will *never* have worked.

Bearing these points in mind, there are many possible explanations for changes in the number of never-worked households. Is this the result, as often asserted in the press, of worklessness becoming ‘entrenched’ in some areas or communities? Does it reflect the growth in the number of students, or in

young people living alone? Or perhaps the increase in the ability of disabled people to live independently? How much is explained by employment status and how much by household structure? This report presents some descriptive statistics on the characteristics of 'never-worked' households, and how those have evolved over the period. We draw some very tentative inferences about possible explanations, although data limitations mean that these are necessarily very preliminary.

## 2 The data

The data used in the analysis is the UK Labour Force Survey (LFS) household dataset from 1996 to 2012, spring quarter. The household dataset is similar to the (more commonly used) individual level data, but contains some additional household level variables. Weights are representative of the household and family population in the UK. It is produced twice a year (April–June and October–December). Up to and including 2003 the autumn dataset was from September to November and up to and including 1996 the dataset for the spring quarter was from March to May. There is no information on how to harmonise across these periods, therefore only the spring quarter is used from 1996 in order to minimise the lack of month consistency across only one period. Data exists since 1992. The household weights for 2013 are misrecorded and the ONS is looking into this, therefore our analysis stops in 2012.

It is very important to note that while the Labour Force Survey is a large, long-running, and very high quality survey conducted to international standards, the fact that never-worked households are relatively rare means that the statistics reported here have, proportionally, quite large margins of error. For example, the standard error around the estimate of the proportion of never-worked households in 2012 – 1.7 per cent, as shown in Table 1 – is approximately 0.1 per cent. That means that the 95 per cent confidence interval for this estimate is 1.5 per cent to 1.9 per cent, meaning that recent small movements in this proportion are not necessarily statistically significant. In numerical terms, the number of never-worked households (excluding student households) in 2012 is estimated at 264,519 but sampling error alone means that the 95 per cent confidence interval is 242,000 and 287,000. Sample sizes, and hence proportional margins of error, are even smaller for the subgroup analyses reported below. It is therefore necessary to interpret the data with caution; our analysis and conclusions should be read in this light.

A household identifier is reported in each wave. The sample currently consists of around 41,000 responding (or imputed) households in Great Britain every quarter, representing about 0.16 per cent of the Great Britain population. Data on Northern Ireland is also collected on approximately 1,600 households.<sup>5</sup>

# 3 Descriptive statistics

## Aggregate trends

In Table 1, we report time series on the number of households where at least one individual works, the number of never-worked households (defined as a household where all the individuals in the household aged 16 or above report that they are currently not in employment and have never had paid work, with the exception of casual or holiday work). We also report the number of never-worked households excluding student households. We report the proportion of the corresponding sample, as the number of never-worked households over the total number of households (with at least one individual aged 16–64).

**Table 1: Working, never-worked and student households, totals and shares**

	Never-worked households							
	1. All other households	2. All other households – excluding students	3. Never-worked households	4. Excluding student households	5. Student households	6. Share of total households	7. Share of total households, excluding student households	8. Share of total student households
1996	17,723,649	17,594,687	156,317	114,091	42,227	0.9%	0.6%	24.7%
1997	18,553,832	18,441,978	183,593	136,753	46,840	1.0%	0.7%	29.5%
1998	18,726,212	18,587,942	187,064	142,552	44,512	1.0%	0.8%	24.4%
1999	18,803,263	18,676,295	215,616	164,193	51,423	1.1%	0.9%	28.8%
2000	18,967,187	18,808,928	215,461	166,836	48,625	1.1%	0.9%	23.5%
2001	19,076,656	18,941,945	222,634	180,717	41,917	1.2%	0.9%	23.7%
2002	19,270,675	19,116,091	226,601	190,510	36,091	1.2%	1.0%	18.9%
2003	19,329,892	19,164,099	255,505	206,339	49,166	1.3%	1.1%	22.9%
2004	19,324,826	19,156,072	267,549	218,548	49,001	1.4%	1.1%	22.5%
2005	19,492,245	19,327,164	317,021	260,002	57,019	1.6%	1.3%	25.7%
2006	19,616,379	19,480,040	264,128	227,276	36,852	1.3%	1.2%	21.3%
2007	19,720,398	19,564,987	310,861	247,946	62,915	1.6%	1.3%	28.8%
2008	19,878,529	19,730,186	333,570	275,410	58,160	1.7%	1.4%	28.2%
2009	20,016,520	19,840,068	328,562	254,112	74,450	1.6%	1.3%	29.7%
2010	20,087,727	19,921,609	350,906	269,075	81,831	1.7%	1.3%	33.0%
2011	20,118,387	19,967,434	361,589	290,632	70,957	1.8%	1.4%	32.0%
2012	20,196,233	20,047,630	339,575	264,519	75,056	1.7%	1.3%	33.6%

Source: UK LFS Household datasets, quarter 2.

Note: Total number of households including at least one individual aged 16 to 64. If a household is made up of two individuals both of them above 64 (or below 16), the household is not included in the sample.

All other household: at least one person from the household is aged 16 to 64 and it includes students households.

Never worked household: ONS definition is used. 'A household is defined as having never worked if all members aged 16 years or more are currently not in employment and state that they have never had paid work (apart from casual or holiday work, or the job that they are waiting to begin).'

Student household: ONS definition used. "Student households" are households where all adults are aged 16-24 and in education.

Excludes households where all members are in education but some members are aged 25 years or more.'

The share of total households (5) is given by the number of never-worked households (column 2) over the total number of households with at least one individual ages 16 to 64 (1+2). The share of total households (6) is given by the number of never-worked households (column 3) over the total number of households excluding students households (not reported). The share of total student households (7) is given by the number of never worked student households (column 4) over the total number of student households (not reported).

It is clear that the number and proportion of never-worked households (excluding student-only households) increased from the start of our data in 1996 to about 2007–08, since when it has stabilised. The share of never-worked student households is obviously much higher, ranging between 18 and 33 per cent over the whole period; there does appear to have been an upward trend here, which may now have stabilised. However, we can immediately see that despite the increase in the number and proportion of student households who have never worked, this is by no means the only or even the primary explanation for the overall trend. Since it is the increase in never-worked non-student households that is of primary interest in policy terms, in what follows we generally restrict the analysis to them.

## Household type

What are the characteristics of never-worked households, and how have they changed over time? In reading what follows it is important to remember that sample sizes are relatively small, especially for small sub-groups, and therefore only significant trends allow us to draw even tentative conclusions. Table 2 shows the proportion of never-worked and other households by family type.<sup>6</sup> It can be seen that the growth in never-worked households occurred across all the major family types, although even for lone parent households, more than 95 percent are headed by someone who is either working or has previously worked.

**Table 2: Proportion of never-worked households by type of household**

	1996	2005	2012
1 person	1.17%	2.21%	2.41%
2 or more persons, all different family units	1.14%	2.39%	2.53%
Couple with children	0.09%	0.32%	0.18%
Lone parents with no other family units	3.07%	4.74%	4.43%
Other	0.04%	0.41%	0.31%

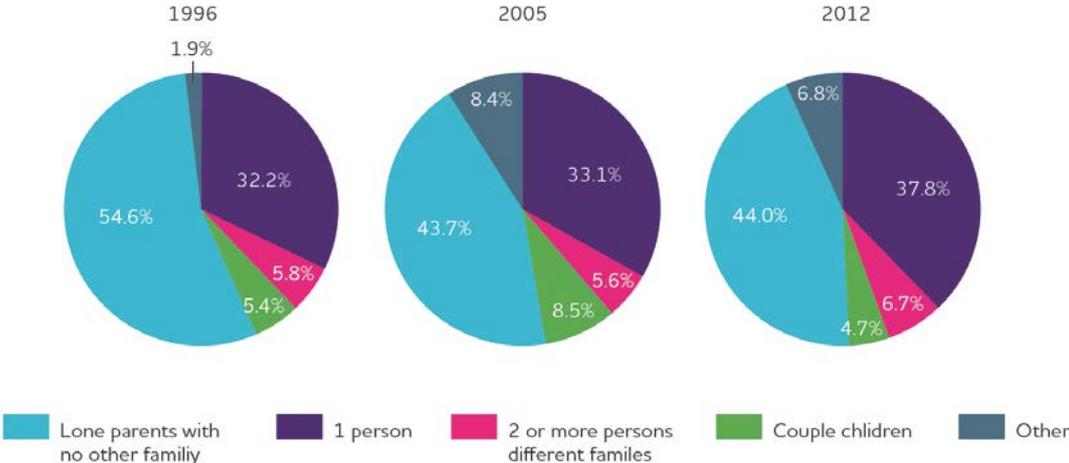
Source: UK LFS Household datasets, quarter 2.

Note: The denominator of the share is given by the total number of households of the same type (excluding students).

Figure 3 shows that the vast majority of never-worked households are either single person or lone parent households.

The slight fall in never-worked households since 2007–08 may have been driven in part by a greater than proportionate fall in the number of single person never-worked households, possibly reflecting lower rates of single person household formation in recent years (in turn reflecting economic conditions and the housing market). The stabilisation and recent slight fall in lone parent never-worked households is likely to reflect higher employment rates among lone parents overall, which in turn reflects changes to the welfare system which oblige lone parents with younger children to actively seek work. While this wouldn't directly affect the probability of a young person having a child before ever having worked (and hence becoming a lone parent never-worked household) it would speed up the point at which they entered the labour market and hence exited never-worked status.

**Figure 3: Household types for never-worked households**



Source: UK LFS Household datasets, quarter 2.

Notes: Results exclude student households. Couple with children also include married and cohabitating couples with both dependent and non-dependent children; lone parents include both dependent and non-dependent children; 2 or more family units includes both dependent and non-dependent children; other includes couple with no children and other, less common household types (e.g.multi-family).

## Age and gender

We look at the average age and the gender of the head of the households as shown in Table 3.

Unsurprisingly, given that half are lone parents, never-worked households are much more likely to be headed by a female. They are also much younger (even with student households excluded): about one in four never-worked households is headed by someone under 24, while only slightly over 3 per cent of all households are. However, although the share of female headed households has increased over the period, the proportion of never-worked households headed by a female has fallen slightly in recent years. Taken together with the analysis in the previous section, this suggests that the ‘never-worked’ phenomenon is very much one of life stages (rather than a permanent or persistent state) – that is, people find themselves in a never-worked household as a consequence of leaving home or college and not having a job, or because they are a lone parent who has never have a job. In neither case is this state likely to be permanent or even necessarily prolonged (even for lone parents, about 70 per cent of young lone parents repartner within 10 years), although in the case of a lone parent, it clearly has the potential to become so).<sup>7</sup>

**Table 3: Age and gender of head of household**

	All other households			Never-worked		
	Average age of head	Heads younger than 24 years old	Female heads: share of households	Average age of head	Heads younger than 24 years old	Female heads: share of households
1996	45	3.7%	19.4%	32	31.3%	73.7%
1997	45	3.7%	19.4%	33	26.3%	68.6%
1998	45	3.4%	20.0%	32	29.4%	71.8%
1999	45	3.2%	19.9%	32	27.2%	72.9%
2000	45	3.1%	19.7%	33	29.9%	68.2%
2001	45	3.3%	19.9%	34	21.5%	65.3%
2002	45	3.2%	20.5%	34	22.2%	68.7%
2003	45	3.3%	20.6%	34	23.1%	65.8%
2004	46	3.2%	20.6%	35	21.2%	62.7%
2005	46	3.1%	20.5%	36	17.6%	61.8%
2006	46	3.3%	20.7%	34	21.4%	68.0%
2007	46	3.2%	20.6%	36	19.5%	65.2%
2008	46	3.5%	20.9%	36	21.8%	63.2%
2009	46	3.2%	21.2%	36	19.9%	63.6%
2010	46	3.2%	21.4%	35	21.7%	61.4%
2011	46	3.1%	21.4%	34	26.5%	66.0%
2012	46	3.0%	21.5%	35	24.4%	65.1%

Source: UK LFS Household datasets, quarter 2.

Notes: Results exclude student households. The denominator of the share is given by the total number of households where head of household has the same condition (excluding students).

## Disability

Here we report the information on the disability of the head of household for never-worked and working households. The disability question in the LFS includes both Disability Discrimination Act (DDA) disabled (current disability) and work limiting.<sup>8</sup> Table 4 shows the proportion of never-worked households by type of disability for years 1998, 2005 and 2012. Unsurprisingly, disabled people, in particular those who are both DDA-disabled and have a work-limiting disability, are substantially more likely to be in never-worked households, although the proportions remain low – 4 per cent compared with 1 per cent. Figure 4 shows that there has been a noticeable increase in the proportion of never-worked households who are both DDA-disabled and have a work-limiting disability, but that this does not appear to account for a significant proportion of the overall increase.

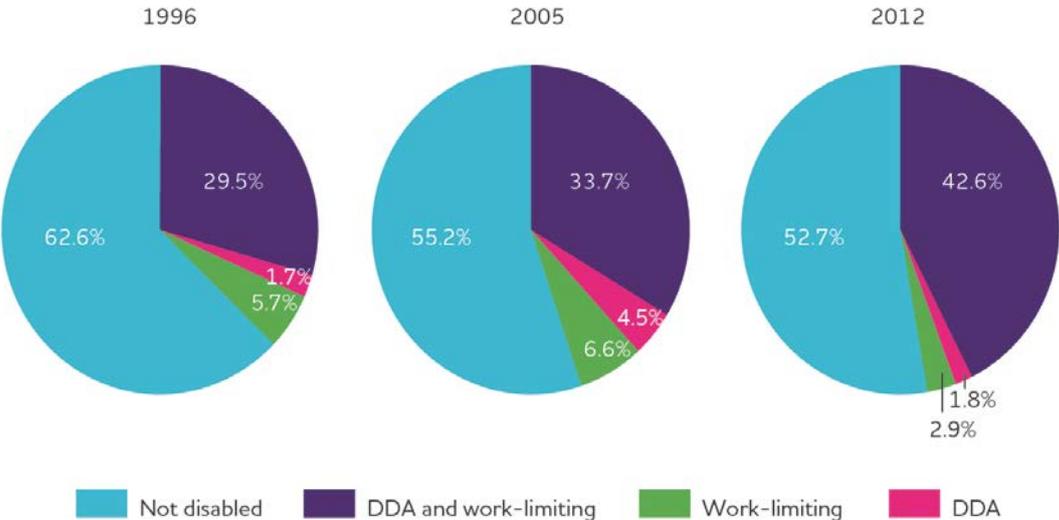
**Table 4: Proportion of never-worked households by disability of head of household**

	1998	2005	2012
DDA and work-limiting	2%	3%	4%
DDA	0%	1%	0%
Work-limiting	1%	3%	1%
Not disabled	1%	1%	1%

Source: UK LFS Household datasets, quarter 2.

Notes: Results exclude student households. The denominator of the share is given by the total number of households where head of household has the same condition (excluding students).

**Figure 4: Disability status of head of household of never-worked households**



Source: UK LFS Household datasets, quarter 2.

Notes: Results exclude student households. The variable on disability is only reported from 1998.

## Religion and ethnicity

We turn now to ethnicity and religion. The data includes two different measures of religion/ethnicity: the first is just the religion/ethnicity of the head of the household, while the second uses the mode (the most frequent within the household). We show results only using the former; they are not qualitatively different from the others. We report results for years 2002, 2005 and 2012 (before 2002 data on religion was not recorded in the UK LFS).

Heads of never-worked households are disproportionately likely to be non-white: all other ethnic groups are overrepresented among the never-worked households, with black or Asian-headed households three to seven times more likely to have never worked, as shown in Table 5 (the figures for Chinese reflect very small sample sizes, and, although students are excluded, it seems likely these results are distorted by the substantial proportion of Chinese people who are, or have recently been, students). This overrepresentation increased slightly over the period, although we should note that the small sample sizes for some ethnic sub-groups mean we should not put too much weight on this. However, as Figure 5 shows, throughout the period the overwhelming majority of never-worked households were white.

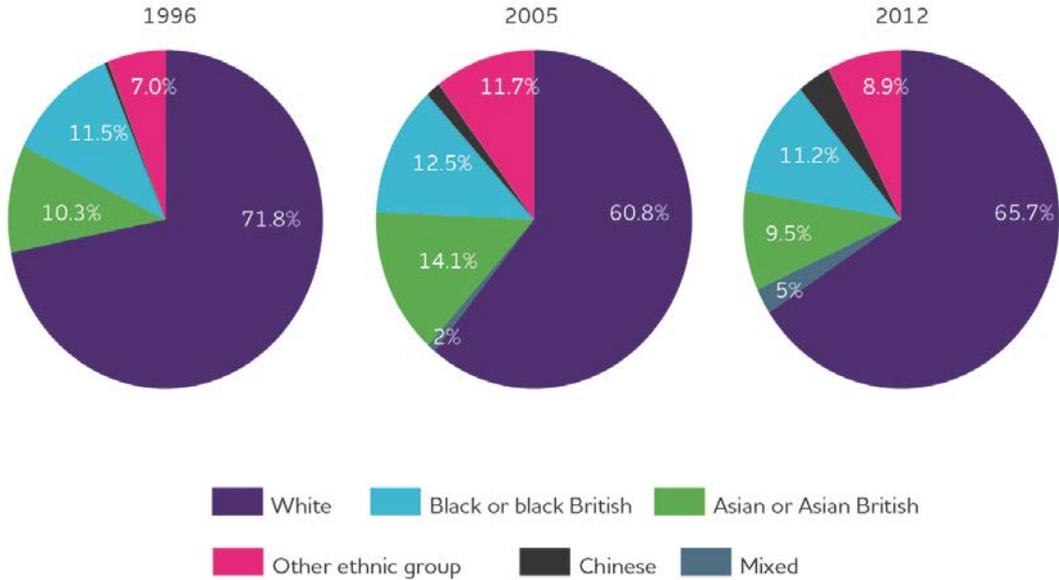
**Table 5: Proportion of never-worked households by ethnicity of head of household**

	1996	2005	2012
White	0%	1%	1%
Mixed		2%	5%
Asian or Asian British	3%	5%	3%
Black or Black British	4%	7%	5%
Chinese	1%	5%	11%
Other ethnic group	4%	10%	6%

Source: UK LFS Household datasets, quarter 2.

Notes: Results exclude student households. The denominator of the share is given by the total number of households where head of household has the same ethnicity (excluding students).

**Figure 5: Ethnicity of head of never-worked households**



Source: UK LFS Household datasets, quarter 2.

Notes: Results exclude student households.

Looking at religion, similar patterns emerge. Figure 6 shows the results for some religious groups (Buddhist, Hindu, Jewish, Sikh are not included as their share is very small and there are no main differences between never-worked and working households). Muslims, in particular, are overrepresented among the never-worked (see Table 6); this pattern obviously relates to ethnicity, but the impact appears to be stronger. We also see somewhat different household types: Muslim never-worked households are more likely to be couples with children, and less likely to be single person households (although again, small sample sizes mean we should be cautious with these results).

**Figure 6: Religion of head of never-worked households**



Source: UK LFS Household datasets, quarter 2.

Notes: Results exclude student households. The variable on disability is only reported from 2002.

**Table 6: Proportion of never-worked households by religion of head of household**

	1996	2005	2012
No religion	2%	1%	2%
Christian	1%	1%	1%
Buddhist	2%	4%	4%
Hindu	1%	2%	1%
Jewish	0%	1%	1%
Muslim	13%	13%	8%
Sikh	2%	1%	1%
Any other religion	1%	2%	1%

Source: UK LFS Household datasets, quarter 2.

Notes: Results exclude student households. The denominator of the share is given by the total number of households where head of household has the same religion (excluding students).

## Immigrant status

**Table 7: Proportion of never-worked households by immigrant status of head of household**

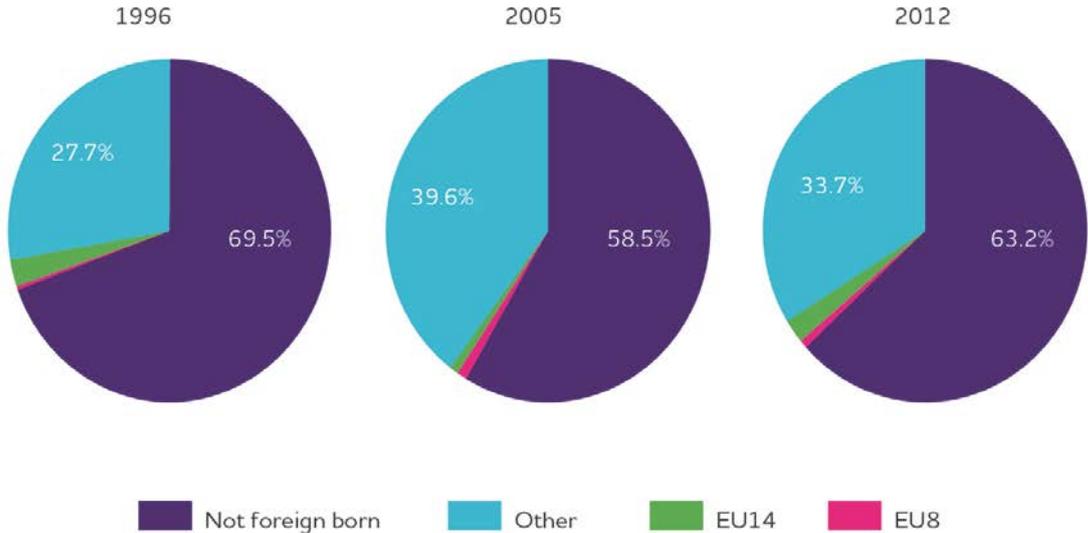
	1996	2005	2012
Foreign born	0%	1%	1%
EU8	2%	3%	1%
EU14	2%	1%	2%
Other	3%	6%	4%

Source: UK LFS Household datasets, quarter 2.

Notes: Results exclude student households. The denominator of the share is given by the total number of households where head of household has the same immigrant status (excluding students).

The results for ethnicity and religion suggest that immigrant status may also be relevant: Table 7 shows the proportion of never-worked households, according to the country of birth of the head of household<sup>9</sup>. Immigrants from outside the EU are clearly more likely to have never worked, with those born outside the EU four times as likely to have never worked in 2012, and there is some suggestion of an upward trend over this period. Figure 7 shows this overrepresentation, although the majority of never-worked households have a UK-born head of household. Never-worked status is relatively rare among EU migrants, especially those from the EU8.

**Figure 7: Country of birth of head of never-worked households**



Source: UK LFS Household datasets, quarter 2.

Notes: Results exclude student households.

## Regional distribution

We now turn to the regional distribution of never-worked households. Where, in the UK, do we find the highest concentration of never-worked households? In Table 8 we report this information. It is clear that London, both inner and outer, has a disproportionate number of never-worked households, with up to three times the national average – the same is true to a rather lesser extent of other metropolitan areas (West Midlands, Greater Manchester, Merseyside). In 2005 almost 40 per cent of all never-worked households lived in London, in particular inner London. It does appear as if both the increase in never-worked households and at least part of the fall since 2007–08 are attributable to developments in inner London.

**Table 8: Regional distribution and incidence of never-worked households**

	Panel A: Distribution			Panel B: Incidence		
	1996	2005	2012	1996	2005	2012
Tyne & Wear	1.8%	1.5%	2.6%	0.7%	1.0%	1.3%
Rest of Northern region	2.4%	2.0%	3.5%	0.6%	1.0%	1.6%
South Yorkshire	3.8%	1.7%	2.4%	1.1%	1.2%	1.8%
West Yorkshire	5.1%	3.7%	5.8%	0.8%	1.5%	1.5%
Rest of Yorks & Humber	1.8%	2.8%	2.2%	0.2%	1.1%	0.9%
East Midlands	5.0%	6.2%	6.3%	0.5%	1.1%	0.9%
East Anglia	1.6%	1.6%	1.4%	0.3%	0.6%	0.5%
Inner London	17.0%	24.5%	13.5%	2.5%	6.6%	3.4%
Outer London	8.5%	12.9%	7.5%	1.0%	2.4%	1.4%
Rest of South East	10.1%	6.6%	9.1%	0.3%	0.4%	0.6%
South West	6.0%	2.0%	3.8%	0.4%	0.3%	0.6%
West Midlands (urban)*	5.4%	5.5%	8.8%	0.8%	1.6%	2.6%
Rest of West Midlands**	1.4%	2.1%	2.2%	0.2%	0.6%	0.7%
Greater Manchester	7.1%	6.0%	5.1%	0.9%	2.0%	1.7%
Merseyside	2.1%	4.2%	3.5%	0.7%	2.5%	2.4%
Rest of North West	2.2%	1.8%	3.6%	0.4%	0.6%	1.2%
Wales	5.3%	5.6%	5.3%	0.9%	1.2%	1.5%
Strathclyde	3.5%	3.0%	5.2%	0.4%	0.9%	1.9%
Rest of Scotland	6.4%	2.6%	3.8%	0.3%	0.5%	1.1%
Northern Ireland	3.7%	3.8%	4.4%	1.1%	2.1%	2.3%
Total	114,09	260,00	264,51			
	1	2	9			

Source: UK LFS Household datasets, quarter 2.

\*Cities of Birmingham, Coventry and Wolverhampton

\*\* Boroughs of Dudley, Sandwell, Solihull and Walsall

Notes: Results exclude student households. Incidence is given by the number of never-worked households over the total number of households (with at least one individual aged 16 to 64) by region.

## 4 Individuals who have never worked

Households where nobody has ever worked are, by definition, made up of individuals who have never worked and any children in the household. But most individuals who have never worked do not live in these households. So before concluding, we briefly analyse what the data tells us about never-worked individuals. In 20011/12, according to the Labour Force Survey, there were nearly 3.7 million adults aged 16–64 who had never worked in a paid job or employment scheme. The great majority, unsurprisingly, were under 25 years old, some 75 per cent of the total (see Table 9). This figure includes full-time students, who on the basis of DWP analysis can be assumed to make up about four-fifths of the total for under-25s<sup>10</sup>. Apart from the 16-24 group, the percentage of people in each age band who had never worked ranges from 6 per cent among the among the 25-34-year-olds to 1.6 per cent for 50–64-year-olds. Thus the chances of never having worked decline with age among the working-age group, as might be expected (Table 9).

**Table 9: Individuals aged 16–64 who have never worked**

<b>Individuals aged 16–64 who have never worked United Kingdom October 2011–December 2012</b>			
	<b>Never-worked number</b>	<b>Never-worked rate (%)</b>	<b>Never-worked composition (%)</b>
16–17	1,082,311	78.6	29.2
18–24	1,685,766	32.0	45.5
25–34	459,036	6.0	12.4
35–49	317,963	2.7	8.6
50–64	158,464	1.6	4.3
16–64	3,703,540	10.2	100.0
16–64 excluding full-time students	1,727,540	5.0	46.6

Sources: LFS (from PQ 060 (2013)); ONS mid-year population estimates 2011, 2012; Full Fact 'How many people have never worked in their lives?' at [https://fullfact.org/factchecks/never\\_worked\\_millions-28762](https://fullfact.org/factchecks/never_worked_millions-28762).

1.

There is no information in the Labour Force Survey on the reason(s) why people have never worked. There is, however, data on the reasons people who have never worked give for not being in work at the time of interview. This is not necessarily the explanation for never having worked: somebody who is currently not working because of disability, for example, may previously not have been working because they were studying.

By far the most common current reason for not working is full-time study, accounting for more than half the total. Among those who are not full-time students, unemployment is the most common reason at 37 per cent: the period covered (2011–12) is one of high unemployment and in particular of high youth unemployment, so this proportion may be high compared with earlier years. Caring responsibilities and disability account for 30 per cent and 19 per cent respectively of those not working (Table 10).

**Table 10: Current reason for not working among individuals who have never worked**

<b>Current reason for not working among individuals who have never worked aged 16+, excluding retired, United Kingdom October 2011–December 2012</b>			
	<b>Number</b>	<b>Composition</b>	<b>Composition excluding students</b>
Students	1,976,000	53.5	
Unemployed	638,000	17.3	37.1
Looking after home and family	514,000	13.9	29.9
Long-term sick or disabled	332,000	9.0	19.3
Other	235,000	6.4	13.7
Total	3,695,000	100	100

Source: Full Fact 'How many people have never worked in their lives?' at <https://fullfact.org/factchecks/never-worked-millions-28762>

Has there been an upward trend in the percentage of individuals who have never worked, as there has been in the percentage of never-worked households? Data from the 2001 and 2011 Censuses reported in Table 11, which is not strictly comparable to the Labour Force Survey data we have looked at so far, indicates that the answer is yes. These figures exclude full-time students and show an increase in the never-worked percentage in all age bands under 64, for both men and women. For the younger age bands (16-24 and even 25-34) high unemployment in 2011 compared to 2001, coupled with later entry into the labour market, may explain some of this increase, but these factors are less relevant for older age bands. What the increases in older age bands suggest is that the rise in the percentage of never-worked individuals has been going on for some time.

**Table 11: Percentage of individuals who have never worked**

<b>Census 2001 and 2011: percentage of individuals who have never worked, excluding full-time students, England and Wales</b>						
	<b>All</b>	<b>All</b>	<b>Male</b>	<b>Male</b>	<b>Female</b>	<b>Female</b>
Age	2001	2011	2001	2011	2001	2011
16–24	4.4	6.2	3.6	6.1	5.2	6.4
25–34	3.7	4.5	2.3	2.9	5.0	6.2
35–49	2.6	3.4	1.4	2.2	3.7	4.6
50–64	2.3	2.5	1.0	1.4	3.5	3.6
16–64	3.1	3.9	1.9	2.8	4.2	5.0

Source: Census 2002, 2011

## 5 Discussion and conclusion

What can we conclude from these descriptive statistics about the increase in never-worked households and the subsequent slight fallback? With caveats, the following points seem to emerge:

- Most never-worked households are lone parent households and younger single people; this hasn't changed significantly over the period. The increase in never-worked households does not appear to be driven primarily by changes in family structure, but rather by a somewhat greater proportion of these two key groups being 'never-worked'.
- More recently, the fall in never-worked households may in part have been driven by a fall in the number of single person households that have never worked. This could (but this is speculation) reflect in part slower household formation – bluntly, since the recession, and given wider trends in the housing market, it has been harder for single people without a job to leave the family home and live independently.
- The increase in the proportion of never-worked households in metropolitan areas – above all inner London, but also some other big cities – is particularly notable. This seems likely to explain a significant proportion of the increase up to 2007–08. This is probably the most reliable compositional result from our analysis.
- Never-worked households are highly concentrated in London and are disproportionately likely to be of (non-EU) immigrant origin, non-white and/or Muslim. All these factors are highly correlated. All of these groups are significantly younger than the population average, which may provide part of the explanation, and their overall numbers grew sharply in the relevant period. However, it is important to note that throughout the period a substantial majority of never-worked households are white, UK-born, and Christian/no religion.

It is worth noting that explanations of the growth (or more recent fall) in the number of never-worked households that refer to a 'culture of worklessness' or 'intergenerational worklessness' are not consistent with this analysis (or indeed common sense). Previous research by JRF and others has shown that 'intergenerational worklessness' is vanishingly rare, whether measured quantitatively or examined using qualitative analysis (Macmillan, 2011; Shildrick, *et al.*, 2012).

Our analysis suggests that the phenomenon of 'never-worked' households largely reflects life stages (younger single person households, and lone parents, probably with young children) rather than being a persistent state. Growth of never-worked households in the early 2000s may have been driven in large part by trends specific to inner London and some other cities, best addressed with specific policies (relating for example to the integration of certain groups into the UK labour market); the stabilisation, and recent slight fall, may reflect slower rates of single-person household formation, combined with greater labour market participation among single parents.

All the above analysis requires a number of caveats; we have not, given data availability and quality, attempted any sort of multivariate analysis of the determinants of never-worked household status; nor do we have appropriate longitudinal data to examine transitions out of never-worked household status, which clearly would be of interest.

# Notes

- 1 For example: [www.dailymail.co.uk/news/article-2032599/Households-EVER-worked-doubled-297-000-14-years.html](http://www.dailymail.co.uk/news/article-2032599/Households-EVER-worked-doubled-297-000-14-years.html)
- 2 Iain Duncan Smith, Keith Joseph memorial lecture, March 2011  
*conservativehome.blogs.com/files/ids-speech.pdf*
- 3 Source: DWP 5% sample data downloaded from Nomis: claims for Income Support, JSA, Incapacity Benefit and Severe Disablement Allowance alone or in combination with other benefits, third quarter.
- 4 [www.bristol.ac.uk/cmpo/publications/papers/2011/wp278.pdf](http://www.bristol.ac.uk/cmpo/publications/papers/2011/wp278.pdf) and [www.jrf.org.uk/sites/files/jrf/worklessness-families-employment-full.pdf](http://www.jrf.org.uk/sites/files/jrf/worklessness-families-employment-full.pdf)
- 5 We acknowledge the help received from the ONS Labour Market Statistics team in providing us the SPSS code for quarter 4 to implement the same definition they used. We extended it to quarter 2.
- 6 Here and in what follows we use 'proportion' of never-worked households to mean the number of never worked households in a subgroup of the population, divided by the total number of households in that subgroup.
- 7 The changing demography of lone parenthood in the UK, Berrington, A, Centre for Population Changes Working Paper 48, April 2014.
- 8 From the LFS User Guide - Volume 3: Details of LFS variables Q1 2013 we report the definition of what DDA and work limiting include. DDA disabled (current disability) includes those who have a long-term disability which substantially limits their day-to-day activities. Work-limiting disabled includes those who have a long-term disability which affects the kind or amount of work they might do. Current disability includes people who have a physical or mental impairment which has a substantial and long-term adverse effect on a person's ability to carry out normal day-to-day activities, and people with a progressive condition (e.g. cancer, multiple sclerosis) from the moment any impairment resulting from it first has some effect on their ability to carry out normal day-to-day activities.
- 9 EU8 immigrants were born in one of the following countries: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia. EU14 are all the countries which were part of the European Union before the 2004 accession: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden.
- 10 Based on a figure of 600,000 16 to 24-year-olds who had never worked and were not full-time students in DWP ad hoc analysis of individuals who have never worked (2010)  
[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/223233/Individuals\\_who\\_have\\_never\\_worked.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/223233/Individuals_who_have_never_worked.pdf)

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Office for National Statistics (2014) *Working and workless households, 2014 - statistical bulletin*. Available at: [www.ons.gov.uk/ons/rel/lmac/working-and-workless-households/2014/stb-working-and-workless-households-2014.html](http://www.ons.gov.uk/ons/rel/lmac/working-and-workless-households/2014/stb-working-and-workless-households-2014.html) (accessed on 2 August 2015)

Shildrick, T., MacDonald, R., Furlong, A., Roden, J. and Crow, R. (2012) *Are 'cultures of worklessness' passed down the generations?* Available at: [www.jrf.org.uk/sites/files/jrf/worklessness-families-employment-full.pdf](http://www.jrf.org.uk/sites/files/jrf/worklessness-families-employment-full.pdf) (accessed on 2 July 2015)

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