GLAECONOMICS

Working Paper 15: Worklessness in London

Explaining the difference between London and the UK

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1. Introduction

In the winter of 2004/05, 31 per cent of the working age population in London was not in employment. This compares with 25 per cent in the country as a whole. Given the strong association between worklessness and poverty, and given the loss to the economy of the productive potential of workless people, this issue has been of concern both to the Government and to the Greater London Authority (GLA).

A report by the Prime Minister's Strategy Unit in July 2004[1] identified worklessness in London as a problem requiring attention. The report recommended that this issue should be explored further in order to identify the characteristics of the workless population in London to enable policies to be appropriately targeted. The Government is also concerned that its labour market policies have generally been less effective in London than they have been in the rest of the country. It is not clear whether this represents differences in need, or differences in behaviour.

The GLA is concerned that worklessness in London has been growing since 1999, when it has been falling in the country as a whole. The GLA has also identified the fact that the proportion of London children living in workless households has been growing, although the proportion in the country as a whole has been falling. A separate study[2] has been undertaken by the GLA's Data Management and Analysis Group into the composition and location of workless households in London.

This report aims to provide a starting point to enable further questions and policies to be addressed. It first considers: what is the incidence of worklessness among different sub-groups of the population in London, and does this differ from the incidence of worklessness among the same sub-groups in the rest of the country? It then looks at the issue the other way around: what are the characteristics of workless people in London, and do they differ from the characteristics of workless people in the rest of the country? It looks at the impact on the probability of worklessness of an individual having multiple disadvantages. Finally the report discusses the results of preliminary multivariate analysis aimed at establishing the extent to which differences in the incidence of worklessness between London and the rest of the country reflect the interaction of multiple sources of disadvantage.

[1] Prime Minister's Strategy Unit, 2004, London Project Report, London, Cabinet Office. View: www.strategy.gov.uk/downloads/files/london-report.pdf

[2] Spence, L, 2005, Workless Households in London, DMAG Briefing 2005-22, London, Greater London Authority. View: www.london.gov.uk/gla/publications/factsandfigures/factsfigures/poverty.jsp

2. Data

This report mainly draws on data for London residents from the Labour Force Survey for the period February 2002 to November 2004[3], and for comparison purposes data for the rest of Great Britain from the Labour Force Survey for September to November 2004. This is supplemented by administrative data on the numbers of benefit claimants from May 1995 to February 2005 (downloaded from NOMIS[4]).

[3] The Labour Force Survey data files were supplied to the GLA by the UK Data Archive. The data was collected and deposited with the archive by the Office for National Statistics. The procedure recommended by the Office for National Statistics to increase the sample size of small groups by combining data from the Labour Force Survey for each of the relevant quarters was followed. The combined data file includes all London residents for the quarter September-November 2004. Others are included only in the final (fifth) quarter in which they were surveyed. The combined data file has a sample of some 40,000 London residents.

[4] View: www.nomisweb.co.uk

3. The incidence of worklessness

Overview

London has a higher rate of worklessness than the rest of Great Britain. Among men and women aged 16-64, London has only 67.5 per cent in employment while the rest of the country has 73.4 per cent. The differences for men (74.6 per cent compared with 79.6 per cent) are slightly smaller than those for women (61.1 per cent compared with 67.7 per cent) but are nevertheless large.

Part of the difference relates to students. In London 6.7 per cent of the population aged 16-64 are economically inactive students, while in the rest of the country only 4.2 per cent are. (In addition 3.3 per cent of the London population and 3.2 per cent of the population in the rest of the country are full-time students who are in employment.)[5] Thus, London not only has a greater proportion of students than other parts of the country, but those students are less likely to be in paid work. Around 30 per cent of London students have paid jobs, while 40 per cent of students in the rest of the country do.

However, the proportion of the London population who are workless who are not students is also higher than in the rest of the country (25.7 per cent compared with 22.5 per cent). The difference for women (32.5 per cent against 28.3 per cent) is larger than the difference for men (18.4 per cent against 16.2 per cent). See Table 3.1

Table 3.1: Worklessness rates

Proportion of population aged 16-64

	Total		Males		Females	
	Rest of GB	London	Rest of GB	London	Rest of GB	London
In employment	73.4%	67.5%	79.6%	74.6%	67.7%	61.1%
Inactive students	4.2%	6.7%	4.3%	7.0%	4.0%	6.5%
Other workless	22.5%	25.7%	16.2%	18.4%	28.3%	32.5%
N=	69,871	36,525	33,576	17,425	36,295	19,100

Sources: London – Labour Force Surveys February 2002-November 2004; Rest of GB – Labour Force Survey September-November 2004

Note: N = Total number of sample

[5] In addition to economically inactive students, there were some full-time students who were classified as unemployed as they were actively seeking work. Throughout this report these students are included in the 'other workless' category together with other unemployed people.

Parenthood

Londoners who have no children are no more likely to be workless than childless people living in the rest of the country. For childless men and women, regardless of whether they live with a partner, the proportion who are workless is virtually identical between London and the rest of Britain. In other words, the problem of high worklessness in London is concentrated among parents.

Outside London eight per cent of fathers who have a partner and one child are workless, while this is true of 13 per cent of London fathers in the same position. Among mothers who have a partner and one child, 22 per cent are workless in the rest of Britain while the same is true of 34 per cent of London mothers. The same pattern follows when couples have larger numbers of children. The gap for mothers in couples between London and the rest of the country is consistently around 12 percentage points, and the gap for fathers in couples is consistently around five percentage points. See Table 3.2 for the breakdown of worklessness by marital stated and number of children.

Outside London a fifth of lone fathers with one child are workless, while in London a third are. Nearly a quarter of lone fathers with two children are workless outside London, while in London 42 per cent are. The gap among lone fathers with three or more children is much smaller, but the sample size outside London is only 58, so no strong conclusions should be drawn from this.

More generally, it is possible that London families with children have characteristics which differ from those of families with children in the rest of the country. London (particularly inner London) has a relatively low child density, and there is a long-established tradition of outward migration among families with children. Families who remain in London may not be typical of families generally. For instance, 38 per cent of children living in London are in poverty, compared with a national average of 29 per cent. Moreover, children in inner London are almost twice as likely as the national average to live in a poor household. More than half (55 per cent) of children in inner London are poor.[6] This suggests that London families are more likely than families living elsewhere to have parents with characteristics that put them at a disadvantage in the labour market.

[6] Department for Work and Pensions, 2004, Households Below Average Income. See Table 4.8.

Table 3.2: Worklessness by marital status and number of children; excluding students

Proportion of population aged 16-64

		Males		Females	
		Rest of GB	London	Rest of GB	London
Married/cohabiting					
	no child	17.7%	18.0%	30.4%	29.5%
		(12,011)	(4,918)	(13,332)	(5,317)
	1 child	8.0%	13.0%	22.0%	34.0%
		(4,108)	(1,902)	(4,177)	(1,911)
	2 children	6.6%	10.6%	26.4%	38.4%
		(4,173)	(1,806)	(4,196)	(1,848)
	3 or more children	13.0%	18.6%	44.8%	58.5%
		(1,502)	(794)	(1,505)	(813)
Non-married					
	no child	24.5%	24.4%	26.1%	26.6%
		(8,819)	(6,035)	(7,492)	(5,422)
	1 child	20.6%	34.3%	32.8%	46.0%
		(973)	(411)	(2,382)	(1,376)
	2 children	23.2%	41.6%	39.6%	57.0%
		(336)	(161)	(1166)	(730)
	3 or more children	40.0%	44.8%	56.9%	73.4%
		(58)	(168)	(497)	(394)

Source: London – Labour Force Surveys February 2002-November 2004. Rest of GB – Labour Force Survey September-November 2004

Note: Sample numbers are shown in brackets.

A third of lone mothers with one child outside London are workless, while nearly half (46 per cent) are in London. The gap between London and the rest of the country widens as the number of children increases. Outside London, 40 per cent of lone mothers with two children are workless, while in London 57 per cent are. This is the same as the proportion of workless lone mothers with three or more children outside London. Three-quarters of London lone mothers with three or more children are workless.

Ethnic origin

It has long been recognised that black and minority ethnic groups are more likely than White British people to experience disadvantage in the labour market, although the level of disadvantage varies between groups. Table 3.2 shows the proportion of men and women in different ethnic groups who are workless (excluding students). The table excludes groups (mainly of mixed origin) where there were fewer than 100 people in the sample.

For all groups, the worklessness rates for both men and women are higher than those of the White British group. In the rest of the country 91 per cent of the population are White British, whereas in London only 56 per cent are. Thus, London has a much higher representation of groups which have relatively high worklessness rates wherever they live. Perhaps the most striking figures are for those of Bangladeshi origin: in London four-out-of-ten men and more than three-quarters of women are workless. (The numbers in the rest of the country are too small to allow comparison.)

Significantly, White British men in London and the rest of the country are equally likely to be workless (16.7 per cent against 16.6 per cent). White British women living in London are slightly more likely to be workless than those in the rest of the country (29.5 per cent against 28.8 per cent) but the difference is small. Men and women of Pakistani origin are less likely to be workless if they live in London (27.2 per cent of men compared with 31.4 in the rest of the country and 67.8 per cent of women compared with 71.7 per cent in the rest of the country). However, for every other group for which there are sufficient numbers in both the London and rest of the country samples, people living in London are more likely to be workless than those living elsewhere.

Table 3.3: Incidence of worklessness by ethnic origin; excluding students
Proportion of population aged 16-64

	Males		Females	
	Rest of GB	London	Rest of GB	London
White British	16.6%	16.7%	28.8%	29.5%
	(29,491)	(9,553)	(31,949)	(9,923)
Other white	17.6%	20.3%	29.5%	33.4%
	(1,120)	(1,989)	(1,268)	(2,339)
Indian	16.2%	18.6%	33.3%	37.7%
	(358)	(1,074)	(351)	(1,179)
Pakistani	31.4%	27.2%	71.7%	67.8%
	(306)	(335)	(322)	(339)
Bangladeshi		39.8%		77.9%
		(334)		(367)
Other Asian	16.8%	22.3%	30.8%	42.7%
	(101)	(422)	(104)	(410)
Black Caribbean	24.3%	28.0%	22.6%	33.1%
	(144)	(653)	(146)	(940)
Black African	22.0%	25.9%	37.7%	41.8%
	(100)	(741)	(130)	(1,035)
Chinese		13.9%		36.4%
		(166)		(198)
Other	20.5%	29.3%	41.3%	54.3%
	(205)	(617)	(208)	(717)

Source: London – Labour Force Surveys February 2002-November 2004; Rest of GB – Labour Force Survey September-November 2004

Notes: Groups with fewer than 100 people in the sample have been excluded. Sample numbers are shown in brackets.

Time since arrival in Britain

People who have arrived in Britain recently are no more likely to be workless than those who were born outside Britain but have been here for some time. Very recent arrivals in London (those who have come since 2000) have a worklessness rate of 30 per cent, while those who arrived between 1960 and 1999 have a worklessness rate of around 35 per cent. Those who arrived before 1960 (who are inevitably more likely to be in older age groups) have a worklessness rate of 50 per cent. Rates in the rest of the country are lower, but show the same general pattern.

In reality, recent arrivals include both those with a very high propensity to be in paid work, such as those on work permits, and short-term migrants from developed countries such as Australia (see Table 3.4), alongside those with a low propensity to be in paid work, particularly asylum seekers and refugees. Since 2002, asylum seekers have not been permitted to do paid work until their case is determined. In the case of refugees, who have been given permission to remain in Britain, their integration into the UK labour market is complicated by the unfamiliarity of UK employers with overseas qualifications, the unfamiliarity of refugees with UK recruitment processes and a lack of work-related language skills.[7]

Country of birth

Among people who were born in Britain, those who live in London are no more likely than those who live elsewhere to be workless, (16.8 per cent for men in both cases, and 28.6 per cent for women in London compared with 28.9 per cent for women living elsewhere in Britain).

The lowest rates of worklessness are found among those born in Australia and New Zealand (6.1 per cent for men and 8.3 per cent for women in London) and for men among those born in the USA and Canada (6.9 per cent in London). However, women born in the USA and Canada have relatively high worklessness rates, both in London and in the rest of the country (37.4 per cent and 28.8 per cent respectively).

This tends to support the trailing spouse hypothesis (in this instance, some foreign-born women, particularly those living in London, maybe accompanying husbands on international assignments on work permits, and may not themselves be legally free to take paid employment). In London the worklessness rate of married women born in the USA and Canada is almost twice that for non-married women, whereas in the rest of the country the rates are similar. However, sample sizes are relatively small. This suggests that although London may have more non-working accompanying spouses, their contribution to the overall workless population is very small, compared with the contribution of groups born in more disadvantaged parts of the world.

[7] See Green, A E, 2005, Local integration of immigrants into the labour market: UK case study – The case of refugees in London, Paris: OECD and London: London Development Agency, for a fuller discussion about the issues relating to the integration of refugees into paid employment.

Table 3.4: Worklessness by country of birth; excluding students
Proportion of population aged 16-64

	Males		Females	
	Rest of GB	London	Rest of GB	London
GB	16.8%	16.8%	28.9%	28.6%
	(30,068)	(10,546)	(32,450)	(11,034)
Ireland	27.3%	32.7%	30.3%	38.8%
	(172)	(278)	(218)	(358)
Other EU15	9.4%	13.3%	27.8%	31.3%
	(287)	(622)	(407)	(770)
Other Western Europe		35.1%		55.8%
		(148)		(163)
Eeaster Europe	15.9%	29.0%	30.7%	42.8%
	(107)	(362)	(124)	(442)
Turkey		49.0%		74.8%
		(124)		(155)
Caribbean		30.0%		36.8%
		(260)		(419)
USA & Canada		6.9%	28.8%	37.4%
		(158)	(136)	(179)
Central & South America		22.8%		41.2%
		(118)		(148)
North Africa		33.3%		
		(111)		
West Africa		18.2%		31.1%
		(347)		(479)
Horn of Africa				85.1%
				(168)

Table 3.4 continued…

	Males		Females	
	Rest of GB	**London**	**Rest of GB**	**London**
Rest of Africa	12.5%	17.8%	29.9%	33.6%
	(312)	(837)	(338)	(920)
Middle East		29.6%		64.0%
		(213)		(178)
India	21.3%	19.4%	44.2%	48.9%
	(230)	(484)	(231)	(567)
Pakistan	32.9%	29.3%	84.1%	73.5%
	(167)	(191)	(170)	(185)
Bangladesh		35.0%		85.5%
		(345)		(345)
Other Asia	11.5%	21.5%	32.6%	40.4%
	(200)	(623)	(258)	(706)
Australia & NZ		6.1%		8.3%
		(228)		(266)
Total	16.9%	19.7%	29.4%	34.1%
	(32,139)	(16,002)	(34,825)	(17,643)

Source: London – Labour Force Surveys February 2002-November 2004; Rest of GB – Labour Force Survey September-November 2004

Notes: Groups with fewer than 100 people in the sample have been excluded. Sample numbers are shown in brackets. EU15 = The 15 member countries of the European Union before the 2004 expansion.

Among people born in Turkey living in London, half the men and three-quarters of the women are workless. (It is likely that some of this group may be asylum seekers.) For men, those born in the rest of the European Union (EU) – as it existed prior to the recent expansion – West Africa and the rest of Africa (ie excluding North African and the Horn of Africa), India and Central and South America and 'other Asia' have worklessness rates above those of people born in Britain, but not a long way above. Men born in Eastern Europe, Pakistan, Bangladesh, North Africa and the Caribbean all have worklessness rates of around 30-35 per cent. Many of these groups are only represented in London, but where they are also found elsewhere in the country their worklessness rates tend to be lower outside London. The exception is for those born in Pakistan.

Women born in some countries outside Britain have very high rates of worklessness. Among women living in London who were born in Bangladesh or the Horn of Africa, 85 per cent are workless. Nearly three-quarters of women who were born in Pakistan who are living in London are workless (although the rate in the rest of the country is 84 per cent), as are nearly two-thirds of women born in the Middle East. Nearly a third of women born in the EU who live in London are workless, compared with only 28 per cent of those living elsewhere. More than half (56 per cent) of the women living in London born elsewhere in Western Europe are also workless. To some extent, as with the USA and Canada, these groups might include accompanying spouses. Although EU citizens do have the right to work, some may choose not to, or might find it difficult to work in their usual occupation.

Age

The proportion of the population who are full-time students is higher in younger than in older age groups, so that looking at worklessness by age without taking account of this can be misleading. Table 3.5 therefore shows the proportion of men and women in each age group who are in employment, are inactive full-time students or are 'other workless'.

In almost all age groups the proportion of people in London who are inactive full-time students is higher than in the rest of the country. Among those under twenty, where the discrepancies are largest, nearly half (47 per cent of young London men and 46 per cent of young women) are full-time students without jobs, while this is true of only around a third of this age group outside London.

However, even taking the proportion of full-time inactive students into account, in every age group, and for both men and women, Londoners are more likely to be workless than those living in the rest of the country. The only exception to this is for women aged 60-64, where 68 per cent of Londoners are workless, compared with 70 per cent in the rest of the country and for men aged 25-29 where the non-student workless proportions are almost identical (although five per cent of Londoners are students compared with two per cent of non-Londoners).

Table 3.5: Worklessness by age group
Proportion of population aged 16-64

		Males		Females	
		Rest of GB	London	Rest of GB	London
16-19	in employment	50.4%	30.4%	52.7%	34.6%
	inactive student	33.6%	47.3%	31.1%	46.4%
	other workless	16.0%	22.3%	16.3%	19.1%
20-24	in employment	75.2%	64.4%	67.0%	59.5%
	inactive student	12.2%	19.6%	12.1%	16.3%
	other workless	12.6%	16.0%	21.0%	24.3%
25-29	in employment	87.7%	83.8%	74.8%	69.9%
	inactive student	2.0%	5.5%	2.7%	4.4%
	other workless	10.3%	10.6%	22.5%	5.8%
30-34	in employment	89.3%	85.7%	74.1%	66.4%
	inactive student	0.6%	2.4%	1.3%	3.2%
	other workless	10.1%	11.9%	24.6%	30.4%
35-39	in employment	90.4%	85.3%	73.7%	65.3%
	inactive student	0.5%	1.4%	1.1%	1.9%
	other workless	9.0%	13.3%	25.2%	32.8%
40-44	in employment	89.1%	84.5%	78.5%	67.1%
	inactive student	0.3%	0.7%	1.0%	1.4%
	other workless	10.5%	14.8%	20.5%	31.5%
45-49	in employment	88.5%	83.4%	79.0%	68.7%
	inactive student	0.2%	0.3%	0.3%	0.7%
	other workless	11.3%	16.3%	20.7%	30.6%
50-54	in employment	84.25	79.9%	74.5%	68.0%
	inactive student	0.2%	0.5%	0.1%	0.5%
	other workless	15.6%	19.7%	25.4%	31.5%

Table 3.5 continued…

		Males		Females	
		Rest of GB	London	Rest of GB	London
55-59	in employment	75.2%	72.1%	61.3%	57.9%
	inactive student	0.1%	0.0%	0.1%	0.3%
	other workless	24.7%	27.9%	38.6%	41.8%
60-64	in employment	54.7%	53.4%	30.1%	32.1%
	inactive student	0.1%	0.25%	0.1%	0.0%
	other workless	45.3%	46.45	69.8%	67.8%
N=		35,576	17,425	36,295	19,100

Source: London – Labour Force Surveys February 2002-November 2004; Rest of GB - Labour Force Survey September-November 2004

Note: N = number in sample

In the 40-44 and 45-49 age groups, worklessness rates for both men and women in London are around 50 per cent higher than they are in the rest of the country. The discrepancies for older and younger age groups are narrower than this. Among men aged 40-44, 15 per cent of Londoners are non-student workless, while only 11 per cent of non-Londoners are. Among women in this age group, 32 per cent of Londoners are workless compared with 21 per cent of non-Londoners. The picture is similar for those aged 45-49.

Qualifications

As a general rule, the higher someone's qualifications, the less likely they are to be workless. As Table 3.6 shows, the lowest worklessness rates (excluding students) are found among those with a degree or equivalent. In London 8.1 per cent of men with degrees are workless (unusually, a lower rate than for men in the rest of the country where it is 9.2 per cent). Worklessness rates for men with higher education below degree level are 11 per cent in the rest of the country and 11.6 per cent in London. As qualifications levels fall, worklessness rates increase and are higher for those living in London than for those living elsewhere. The difference is particularly marked for men with GCSEs or equivalent. In London almost 19 per cent of this group are workless, while in the rest of the country only 14.6 per cent are. The penalty in London for having no qualifications also appears to be higher (46.2 per cent are workless in London, compared with 39.3 per cent in the rest of the country).

Unlike men, women with degrees in London are more likely to be workless (13.7 per cent) than those in the rest of the country (10.9 per cent). The differences between London

and the rest of the country are generally larger for women than they are for men at each qualification level. But perhaps the most striking feature about Table 3.6 is the very high worklessness rate in London for women with no qualifications. Almost two-thirds (64.3 per cent) of this group are workless in London, compared with half the group in the rest of the country.

Table 3.6: Incidence of worklessness by level of highest qualification; excluding students

Proportion of population aged 16-64

	Males		Females	
	Rest of GB	London	Rest of GB	London
Degree or equivalent	9.2%	8.1%	10.9%	13.7%
	(5,630)	(4,363)	(5,111)	(3,953)
Higher education below degree	11.0%	11.6%	13.5%	16.1%
	(2,629)	(860)	(3,363)	(1,214)
GCE A level or equivalent	13.2%	15.5%	16.8%	23.8%
	(9,556)	(3,241)	(5,593)	(2,368)
GCSE grades A-C or equivalent	14.4%	18.9%	23.7%	28.8%
	(6,002)	(2,157)	(9,328)	(3,175)
Other qualification	19.6%	20.9%	30.2%	38.9%
	(3,726)	(3,149)	(3,825)	(3,581)
No qualification	39.3%	46.2%	50.3%	64.3%
	(4,345)	(2,165)	(5,119)	(2,556)
Don't know	17.6%	19.6%	23.7%	
	(233)	(112)	(169)	
Total	16.8%	19.0%	24.4%	31.2%
	(32,121)	(16,047)	(32,508)	(16,945)

Source: London - Labour Force Surveys February 2002-November 2004; Rest of GB - Labour Force Survey September-November 2004

Notes: Groups with fewer than 100 people in the sample have been excluded. Sample numbers are shown in brackets.

Health problems

Londoners with a health problem that has lasted more than a year are more likely to be workless than people with health problems living outside the capital. In London 43 per cent of men with a health problem are workless, compared with 36 per cent elsewhere. Among women, 54 per cent of Londoners with a health problem are workless, compared with 49 per cent elsewhere.

Table 3.7: Incidence of worklessness by long-term health problem; excluding students

Proportion of population aged 16-64

	Males		Females	
	Rest of GB	**London**	**Rest of GB**	**London**
Have longstanding health problem	36.0%	42.5%	48.8%	54.3%
	(9,296)	(3,845)	(10,357)	(4,568)
Do not have health problem	9.0%	12.3%	21.1%	27.5%
	(22,790)	(12,271)	(24,389)	(13,127)
Total	16.9%	19.5%	29.4%	34.4%
	(32,086)	(16,116)	(34,746)	(17,695)

Source: London - Labour Force Surveys February 2002-November 2004; Rest of GB - Labour Force Survey September-November 2004

Note: Sample numbers are shown in brackets.

Table 3.8: Incidence of worklessness by current disability; excluding students

Proportion of population aged 16-64 (men) or 16-59 (women)[8]

	Males		Females	
	Rest of GB	**London**	**Rest of GB**	**London**
DDA disabled and work disabled	64.9%	68.3%	67.9%	70.6%
	(4,004)	(1,752)	(3,871)	(1,833)
DDA disabled only	11.8%	16.5%	18.0%	29.1%
	(1,423)	(460)	(1,548)	(619)
Work-limiting disabled only	24.6%	33.1%	35.4%	48.7%
	(1,162)	(508)	(936)	(503)
Not disabled	9.3%	12.1%	18.8%	26.2%
	(25,554)	(13,291)	(25,202)	(13,601)

Source: London – Labour Force Surveys February 2002-November 2004; Rest of GB – Labour Force Survey September-November 2004

Notes: Sample numbers are shown in brackets.

[8] Disability information is only consistently collected for people of working age in the Labour Force Survey, so this table excludes women over 59.

Disability

Londoners who are disabled are more likely than those living in the rest of the country to be workless. This applies to both men and women, to those who are disabled as defined by the Disability Discrimination Act (DDA), to those who have a disability that limits their ability to work, and to those who are both DDA and work disabled. However, it is clear from the table that it is having a work-limiting disability that is strongly associated with worklessness. People who have a disability as defined under the DDA without being limited in the kind or amount of work that they can do have worklessness rates that are not much higher than those of non-disabled people (and in the case of women outside London they are identical).

However, Londoners of working age are less likely to be disabled than those in the rest of the country. In London 17 per cent of the population of working age[9] are disabled, compared with 20 per cent of the population in the rest of the country.

Key points on the incidence of worklessness

- Many Londoners are no more likely to be workless than those in the rest of the country. This applies to people who are:
    - White British, or
    - born in Britain, or
    - have no children

- Conversely, some other groups have a much higher incidence of worklessness in London than they do in the rest of the country (or in some cases, the numbers in the group outside London are too small to make any comparison possible). The most important of these groups are:
    - Parents, particularly, but not only, lone parents.
    - People of Bangladeshi and Pakistani ethnic origin (and to a lesser extent, people or Caribbean or African origin).
    - People who were born outside Britain (with the exception of those born in Australia and New Zealand), including women (but not men) born in the USA, Canada and the rest of the European Union.
    - People (especially women) with no qualifications.
    - People who are disabled.

- London has an unusually high proportion of students in its working age population, especially in the younger age groups, and London students are less likely than those in the rest of Britain to have paid jobs. This tends to confuse the picture of worklessness, particularly for the 16-19 age group, since those who are not full-time students are an atypical sub-set of the population.

[9] See Green, A E, 2005, Local integration of immigrants into the labour market: UK case study – The case of refugees in London, Paris: OECD and London: London Development Agency, for a fuller discussion about the issues relating to the integration of refugees into paid employment.

- These findings suggest strongly that a key explanation for London's higher worklessness is the diversity of its population. In the rest of Britain, 90 per cent of the population is White British, born in Britain. In London this group accounts for only 52 per cent of the population. Half of Londoners are either British born people of black or minority ethnic origin or people who were born outside Britain. The half of the London population that resembles the 90 per cent of the population in the rest of the country has an incidence of worklessness which is similar to that elsewhere. But the remaining half of Londoners have higher worklessness rates, which drives up the London overall average.

4. Composition of the workless population (excluding students)

Parenthood

Given the higher incidence of worklessness among parents in London, it is not surprising that parents (particularly female lone parents) account for a higher proportion of the workless population in London than they do in the rest of the country. In London, 43 per cent of the workless population (excluding students) have children under 16, while in the rest of the country only 35 per cent do. The most important difference is with female lone parents (14 per cent of the London workless but only ten per cent in the rest of the country). But married and cohabiting parents, both mothers and fathers, also account for a higher proportion of the workless population in London than in the rest of the country.

Non-married people without children are also better represented among the London workless than they are in the rest of the country. Conversely, married or cohabiting men and women without children are a much lower proportion of the workless population in London than they are in the rest of the country.

Table 4.1: Composition of the workless population by gender, marital status and the presence of children under 16 in the family

Proportion of workless people aged 16-64, excluding students

			Rest of GB	London
Males	married/cohabiting	no children	13.6%	9.5%
		children	5.2%	6.4%
	non-married	no children	13.7%	15.7%
		children	2.1%	2.5%
Females	married/cohabiting	no children	25.8%	16.7%
		children	17.3%	19.7%
	non-married	no children	12.4%	15.3%
		children	10.0%	14.3%
N=			15,694	9,396

Source: London - Labour Force Surveys February 2002-November 2004; Rest of GB - Labour Force Survey September-November 2004

Note: N = Total number in sample

Ethnic origin

In the rest of Britain, 59 per cent of the workless population are White British women, and 31 per cent are White British men. The only other groups which account for more

than 0.5 per cent of the workless population are men and women of Indian origin (0.7 per cent and 0.6 per cent respectively), and men of Pakistani origin (1.5 per cent).

In London the overall male-female split (66 per cent female, 34 per cent male) is similar to that in the rest of the country, but the workless population has much more diversity in terms of ethnic origin. People of White British origin account for only 48 per cent of the workless population in London, compared with 90 per cent of the workless in the rest of the country. Women of Black African and Indian origin each account for more than four per cent of workless Londoners. Women of Pakistani, Bangladeshi and Black Caribbean origin each account for around three per cent of the total. Men of Indian, Black Caribbean and Black African origin each account for around two per cent of the total.

Table 4.2: Ethnic origin of workless population (proportion of workless population excluding students aged 16-64)

		Rest of GB	London
White British	males	31.2%	17.1%
	females	58.7%	31.3%
Indian	males	0.7%	2.1%
	females	0.6%	4.7%
Pakistani	males	1.5%	1.0%
	females	..	2.5%
Bangladeshi	males	..	1.4%
	females	..	3.1%
Other Asian	males	..	1.0%
	females	..	1.9%
Black Caribbean	males	..	2.0%
	females	..	3.3%
Black African	males	..	2.0%
	females	..	4.6%
Chinese	males	..	..
	females	..	0.8%
Other	males	..	1.9%
	females		4.1%
Total	males	34.6%	34.0%
	females	65.4%	66.0%
N=		15,675	9,375

Source: London - Labour Force Surveys February 2002-November 2004; Rest of GB - Labour Force Survey September-November 2004
Notes: .. = less than 0.5 per cent. N = total number of sample.

Table 4.3: Country of birth of workless population (proportion of workless excluding students aged 16-64)

	Males		Females	
	Rest of GB	**London**	**Rest of GB**	**London**
GB	93.0%	57.7%	91.5%	52.3%
Ireland	0.9%	3.0%	0.6%	2.3%
Other EU15	0.5%	2.7%	1.8%	4.0%
Other Western Europe	..	1.7%	..	1.5%
Eastern Europe	..	3.5%	..	3.1%
Turkey	..	2.0%	..	1.9%
Caribbean	..	2.6%	..	2.6%
USA & Canada	..	..	..	1.1%
Central & South America	..	0.9%	..	1.0%
North Africa	..	1.0%	..	0.8%
West Africa	..	2.1%	..	2.5%
Horn of Africa	..	1.1%	..	2.4%
Rest of Africa	0.7%	4.9%	1.0%	5.1%
Middle East	..	2.1%	..	1.9%
India	0.9%	3.1%	1.0%	4.6%
Pakistan	1.0%	1.8%	1.4%	2.3%
Bangladesh	..	3.9%	0.6%	4.9%
Other Asia	..	4.4%	0.8%	4.7%
Australia/NZ	..	..	..	..
Other	..	0.5%	..	0.6%
Total	100.0	100.0	100.0	100.0
N =	5,430	3,044	10,254	6,020

Source: London - Labour Force Surveys February 2002-November 2004; Rest of GB - Labour Force Survey September-November 2004

Notes: .. = less than 0.5 per cent. N = total number of sample.

Country of birth[10]

In the rest of Britain, 93 per cent of workless men and 92 per cent of workless women were born in Britain, whereas in London only 58 per cent of workless men and 52 per cent of workless women are British born. One-in-ten of London's workless women were born in Africa, as were one-in-twelve workless men in London. People born in Africa account for only one per cent of the workless population in the rest of the country.

Around six per cent of workless men and women in London were born in the rest of the EU, whereas they only account for around one-and-a-half per cent of workless people outside London. Otherwise, outside London only a small number of countries of birth are represented among the workless population, and they typically account for one per cent or less.

Among female workless Londoners, one-in-twenty were born in Bangladesh, and similar proportions were born in India and the rest of Asia. Six per cent were born in the rest of the EU, and one per cent were born in the USA or Canada. Among male workless Londoners, six per cent were born in the rest of the EU.

Age

Londoners who are workless tend to be younger than those in the rest of the rest of the country. Workless men and women in London are more likely to be in their twenties and thirties than those in the rest of the country. Conversely, they are much less likely to be over 50. In the rest of Britain, 61 per cent of workless men and 46 per cent of workless women are over 50. In London only 45 per cent of workless men and 30 per cent of workless women are over 50.

The age distribution of the workless in London is not surprising given the greater preponderance of people with children under 16 and of people of black and minority ethnic origin, since both these groups tend to be younger than the population as a whole.

[10] A more detailed analysis of the relationship between country of birth and labour market status in London can be found in Spence, L, 2005, Country of Birth and Labour Market Outcomes in London, DMAG Briefing 2005/1, London: Greater London Authority

Table 4.4: Age of workless population (proportion of workless population excluding students aged 16-64)

	Males		Females	
	Rest of GB	**London**	**Rest of GB**	**London**
16-19	8.5%	9.7%	4.4%	4.3%
20-24	6.5%	9.6%	6.0%	7.8%
25-29	5.0%	7.9%	6.9%	10.8%
30-34	6.4%	9.5%	9.0%	13.3%
35-39	6.6%	9.9%	10.8%	14.1%
40-44	7.9%	9.5%	9.0%	11.3%
45-49	7.7%	8.6%	8.1%	8.8%
50-54	10.0%	8.5%	9.1%	7.8%
55-59	16.7%	11.1%	14.5%	9.5%
60-64	24.8%	15.7%	22.3%	12.4%
Total	100.0%	100.0%	100.0%	100.0%
N=	5,434	3,409	10,260	6,024

Source: London - Labour Force Surveys February 2002-November 2004; Rest of GB - Labour Force Survey September-November 2004

Note: N = total number of sample.

Qualifications

Table 4.5: Qualifications of workless population: Proportion of workless population, excluding students aged 16-64

	Males		Females	
	Rest of GB	London	Rest of GB	London
Degree or equivalent	9.6%	11.7%	7.0%	10.2%
Higher education below degree	5.3%	3.3%	5.7%	3.7%
GCE A level or equivalent	23.3%	16.4%	11.8%	10.7%
GCSE grades A-C or equivalent	16.0%	13.5%	27.9%	17.3%
Other qualification	13.5%	21.6%	14.5%	26.4%
No qualification	31.5%	32.9%	32.5%	31.1%
Don't know	0.8%	0.7%	0.5%	0.6%
Total	100%	100%	100%	100%
N=	5,412	3,049	7,938	5,281

Source: London - Labour Force Surveys February 2002-November 2004; Rest of GB - Labour Force Survey September-November 2004

The proportion of workless people who have no qualifications is similar in London and in the rest of the country. In London both men and women with degrees represent a slightly higher proportion of the workless than they do in the rest of the country, but people with higher education below degree level are a lower proportion. People with other qualifications, which includes many overseas qualifications that are difficult to classify into British categories, account for 22 per cent of workless men and 26 per cent of workless women in London, while they account for 14 per cent and 15 per cent respectively in the rest of the country.

Although there are some differences between London and the rest of the country in terms of the qualifications of the workless population, the overall picture is quite similar. Around 14 per cent have higher qualifications, around 32 per cent have no qualification, and the remainder have intermediate qualifications.

Disability

Disabled people make up a higher proportion of the workless population outside London than they do in the capital. In London, 38 per cent of the workless population have some form of disability, whereas in the rest of the country 47 per cent do.

Key conclusions on the composition of the workless population

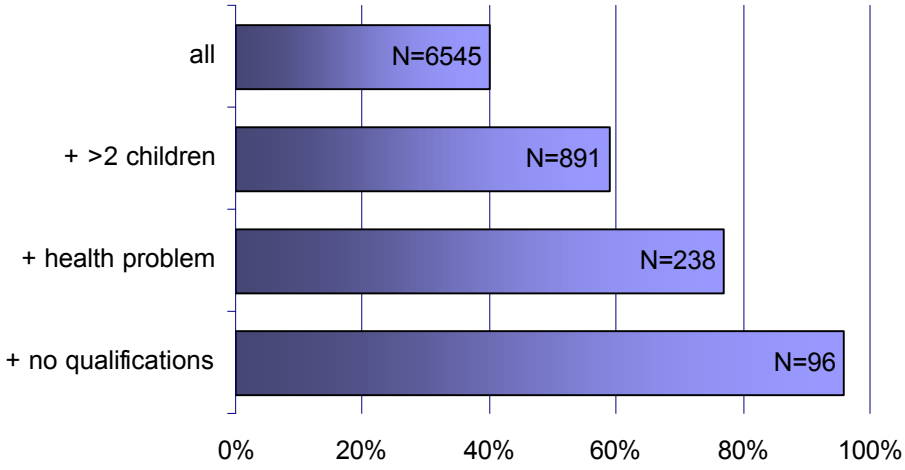
- The gender balance of the workless population is similar in London to that in the rest of the country.
- The workless population in London is much more diverse than the workless population in the rest of the country. Four-out-of-ten workless Londoners were born outside Britain and a similar proportion are of black or minority ethnic origin.
- Workless people in London are markedly younger than those in the rest of the country and they are much more likely to have dependent children.
- The qualifications of workless Londoners are broadly similar to the qualifications of workless people in the rest of the country.
- Workless Londoners are less likely to be disabled than are workless people in the rest of the country.

5. The impact of overlapping characteristics

This section provides some illustrations of the interaction of different personal characteristics, and how this affects the overall levels of worklessness within particular groups. These are shown in Figures 5.1 to 5.8. The figures show the proportion of a particular group who are workless (excluding students in all cases from both the numerator and the denominator) and how that proportion increases as we move through particular sub-groups by varying another characteristic. Previous research by Richard Berthoud[11] has shown that in general labour market disadvantages are additive, and someone who has multiple disadvantages will usually experience the full effect of each. These figures are based on combining the Labour Force Survey data for Londoners and those living in the rest of the country, and calculating the weighted average proportions in each category who were workless.[12]

Figure 5.1 relates to female lone parents (N=6,545). Of this total, 40 per cent were workless. There was a subset of 891 female lone parents who had three or more children. Among this subset, 69 per cent were workless. Of those with three or more children, 238 had a long-standing health problem, and in this sub-group, 77 per cent were workless. Finally, among this group with three or more children and a long-standing health problem, 96 people also had no qualifications, and 96 per cent of this group were workless.

Figure 5.1: Worklessness among female lone parents (1)



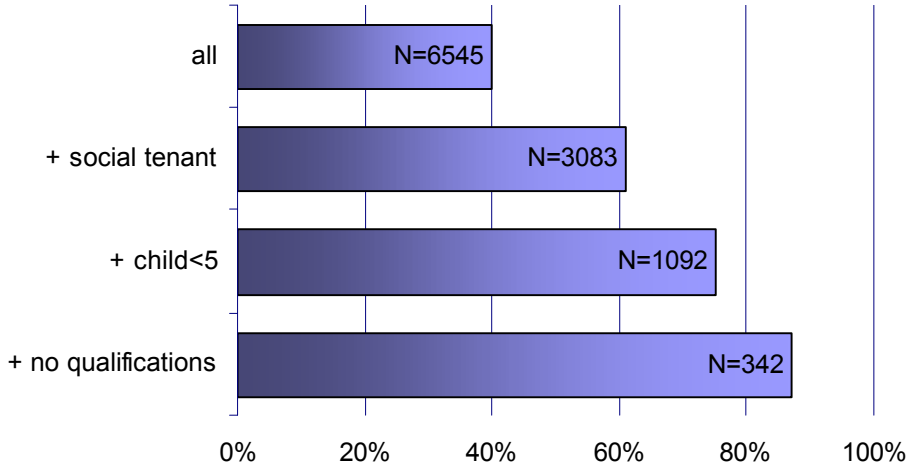
Source: Weighted proportions derived from combined Labour Force Survey September-November 2004 boosted by Labour Force Surveys February 2002-August 2004 for London only. All London data reweighted back to September-November 2004 sample size.

[11] Berthoud, R, 2003, Multiple Disadvantage in Employment: A Quantitative Analysis, Joseph Rowntree Foundation, Work and Opportunity Series No 31

[12] The weighting ensures that the data is not distorted by the over-representation of London residents, but provides greater reliability by providing larger sample numbers for smaller groups. The sample numbers quoted are the unweighted samples.

Figure 5.2 also relates to female lone parents, but considers a different subset of characteristics. It starts from the same point as Figure 5.1, with 40 per cent of all female lone parents being workless. Among those in this group who were also social tenants (N=3,083) 61 per cent were workless. If they also had a child under five (N=1092) 75 per cent were workless, and if they had no qualifications as well (N=342) 87 per cent were workless.

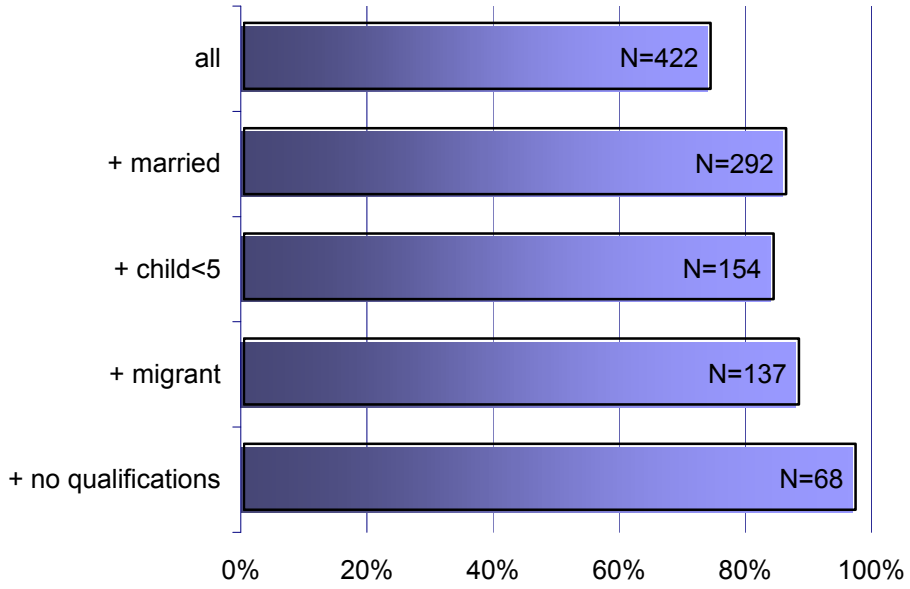
Figure 5.2: Worklessness among female lone parents (2)



Source: Weighted proportions derived from combined Labour Force Survey September-November 2004 boosted by Labour Force Surveys February 2002-August 2004 for London only. All London data reweighted back to September-November 2004 sample size

Figure 5.3 illustrates worklessness among women of Bangladeshi origin. There were 422 in total in the combined sample, of whom 74 per cent were workless. Among this group the addition of further potentially disadvantageous characteristics did not always increase the worklessness rate. Of the 422 in the sample, 292 were married and in this group 86 per cent were workless. However, having a child under five did not make a difference (84 per cent workless). Almost all those with children under five were born outside Britain (137 of the 154 in the sample), and the proportion workless increased only by a small amount (to 88 per cent). Among this sub-group around half (N=68) had no qualifications, and of this group, 97 per cent were workless.

Figure 5.3: Worklessness among women of Bangladeshi origin

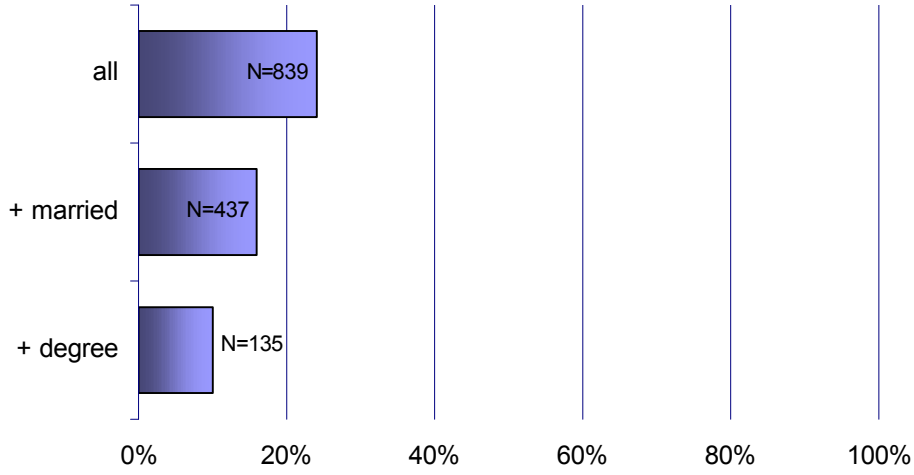


Source: Weighted proportions derived from combined Labour Force Survey September-November 2004 boosted by Labour Force Surveys February 2002-August 2004 for London only. All London data reweighted back to September-November 2004 sample size

Figure 5.4 takes a potentially disadvantaged group (men of Black African origin) and illustrates the impact of removing disadvantageous characteristics. There were 839 men of Black African origin in our sample, and of these 24 per cent were workless (excluding students). However, among those who were married or cohabiting (around half the sample) only 16 per cent were workless. Among the married or cohabiting men with university degrees only ten per cent were workless.

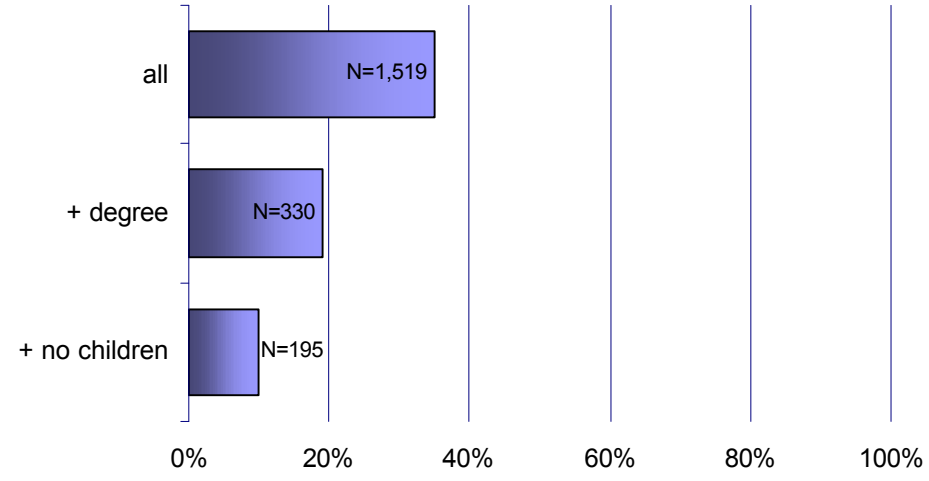
Figure 5.5 applies the same process for women of Indian origin. There were 1,519 women of Indian origin in the combined sample, of whom 35 per cent were workless. Of this group 330 had university degrees and of this group 20 per cent were workless. Among those with degrees nearly two-thirds had no children, and among this sub-group ten per cent were workless.

Figure 5.4: Worklessness among men of Black African origin



Source: Weighted proportions derived from combined Labour Force Survey September-November 2004 boosted by Labour Force Surveys February 2002-August 2004 for London only. All London data reweighted back to September-November 2004 sample size

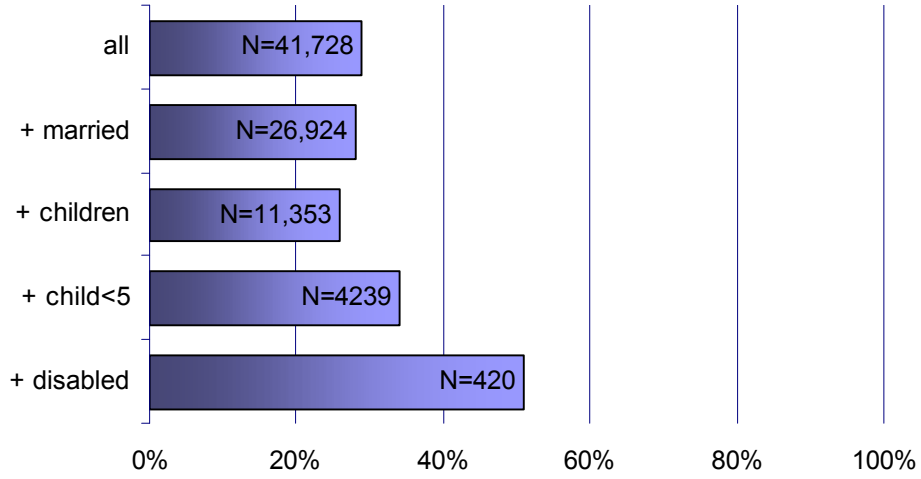
Figure 5.5: Worklessness among women of Indian origin



Source: Weighted proportions derived from combined Labour Force Survey September-November 2004 boosted by Labour Force Surveys February 2002-August 2004 for London only. All London data reweighted back to September-November 2004 sample size

Figures 5.6 and 5.7 both relate to women of White British origin. There were 41,728 of these in our combined sample, of whom 29 per cent were workless (excluding students). Of these, almost 27,000 were married or cohabiting, and they had a worklessness rate of 28 per cent. More than 11,000 of these married or cohabiting women had children and their worklessness rate was 26 per cent. In other words, for White British women, the positive effect of being in a younger age group outweighed the negative effect of having children. Among those with children, just over 4,000 had a child under five, and their worklessness rate was 34 per cent. Around one-in-ten of these mothers was also disabled, and their worklessness rate was 51 per cent.

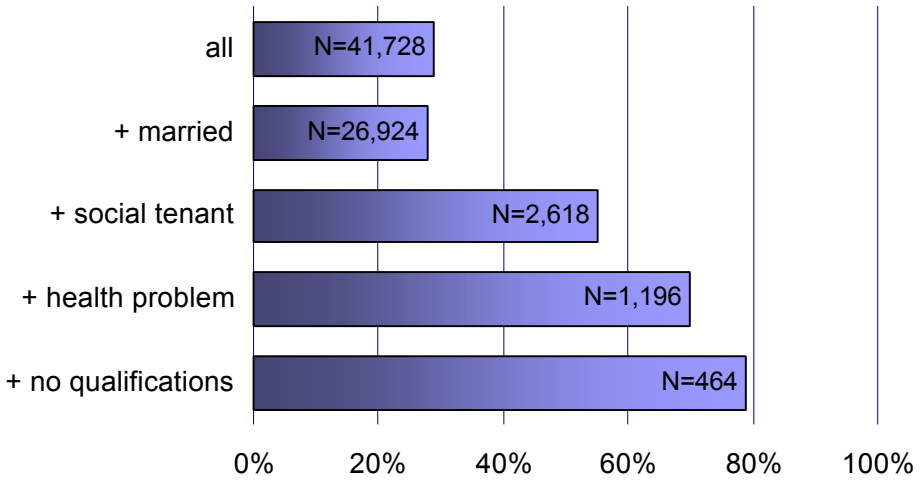
Figure 5.6: Worklessness among women of White British origin (1)



Source: Weighted proportions derived from combined Labour Force Survey September-November 2004 boosted by Labour Force Surveys February 2002-August 2004 for London only. All London data reweighted back to September-November 2004 sample size

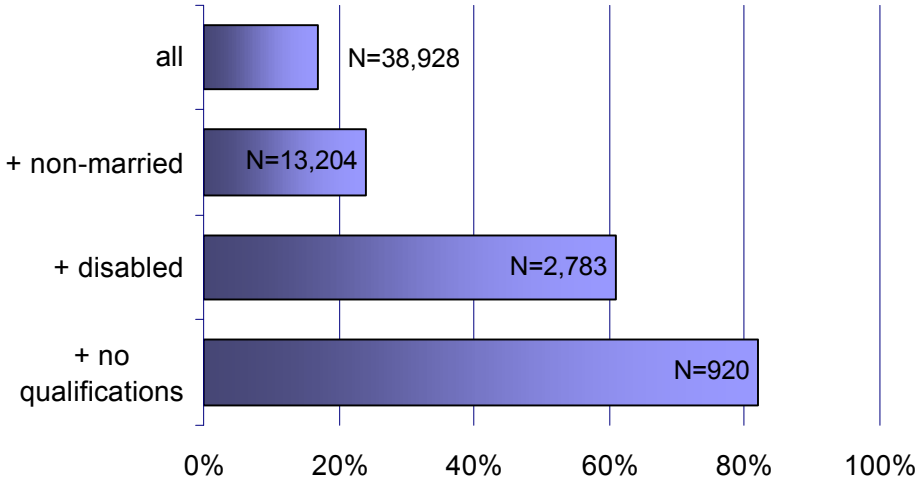
Figure 5.7 starts from the same overall group (women of White British origin). Around one-in-ten of those who were married or cohabiting lived in social housing, and of that sub-group 55 per cent were workless. If they also had a longstanding health problem (N=1,196), 70 per cent were workless, and if they had no qualifications (N=464), 79 per cent were workless.

Figure 5.7: Worklessness among women of White British origin (2)



Source: Weighted proportions derived from combined Labour Force Survey September-November 2004 boosted by Labour Force Surveys February 2002-August 2004 for London only. All London data reweighted back to September-November 2004 sample size

Figure 5.8: Worklessness among men of White British origin



Source: Weighted proportions derived from combined Labour Force Survey September-November 2004 boosted by Labour Force Surveys February 2002-August 2004 for London only. All London data reweighted back to September-November 2004 sample size

Figure 5.8 looks at men of White British origin (N=38,928 in the combined sample). Overall 17 per cent were workless. Around a third of the sample were not married or cohabiting, and their worklessness rate was 24 per cent. Around a fifth of these non-married men were disabled, and the worklessness rate of this sub-group was 61 per cent. Around a third of these disabled men also had no qualifications, and their worklessness rate was 82 per cent.

Key points on overlapping characteristics

- The different incidence of overlapping disadvantages (and advantages) can lead to large variations in overall worklessness rates among different groups.

- Within generally advantaged groups such as men of White British origin, there are very high rates of worklessness among sub-groups who have several disadvantages.

- Similarly some apparently disadvantaged groups such as women of Indian origin have within them sub-groups with high qualifications and relatively low worklessness rates.

- The observed worklessness rates for different characteristics reflect both the advantageous or disadvantageous effect of the characteristic itself, and also the incidence within that group of other disadvantageous or advantageous characteristics.

6. Which factors are most important in explaining worklessness?

The cross-sectional analysis established that Londoners are more likely to have a range of disadvantages that are associated with worklessness than are people in other parts of the country, and that the workless population in London looks very different from the workless population elsewhere. This section makes initial attempts to establish which are the key reasons why so many Londoners are workless. Only a very limited range of possible models have been explored. In Appendix A, the results of the most useful model, in terms of trying to separate London effects from those in the rest of the country, are shown.

Logistic regression was used on the combined sample of people from Great Britain outside London and the boosted sample of Londoners (using weights to ensure that the latter did not have disproportionate influence). The probability of being workless (excluding inactive students from the analysis) was compared for people with a range of characteristics against a baseline individual: A white British male, born in Britain, married or cohabiting, aged 35-39, no children under 16, living outside London, homeowner with a mortgage, A level or equivalent qualifications, no longstanding illness, and not disabled.

The figures in the coefficient column, in Appendix A, show the effect of changing one feature on its own compared with the baseline value of that feature. Positive coefficients show an increased probability of being workless, while negative coefficients show a reduced probability of being workless, compared with the baseline. The larger the coefficient the bigger the effect. Recognising that information about the London sample was collected over a longer period than the national sample, the fieldwork date was included but it made no difference to the outcome, and has not been reported here.

For some features, the possibility that the size of the effect might be larger or smaller for women than for men was tested. This was done for qualifications, ethnic origin, country of birth and presence of children. The possibility that the relationships between worklessness and some key variables might be different in London than they are elsewhere was also tested. This was done for the presence of children (where the cross-sectional evidence suggested that London parents might be more likely to be workless than parents in the rest of the country), housing tenure, lone parenthood and disability.

Because the interactions between some key variables and London were being tested, it was not possible to include dummy variables for other regions of the country (as this would result in multicolinearity). This is important as some of the models tested (not reported here), which included sub-regional indicator variables, found that the residual for London was similar to the residuals in other large conurbations. But the key test at this stage was to establish whether Londoners' higher worklessness rates were due to their combinations of characteristics, or whether they were due to differences which were not accounted for in other ways.

Is London different?

As a positive coefficient for London (+0.23) when other factors are taken into account was found, it appears that Londoners are more likely to be workless than people with similar characteristics in other parts of the country. However, the total 'London effect' is derived not just from the coefficient on the single London variable, but also from the interaction terms between London and other variables. Many of these interaction terms are negative (i.e. on a variety of individual indicators Londoners are less likely to be workless than those in the rest of the country). Thus taking account of these combinations of special London indicators, the overall London effect is small. In other words, the worklessness rate of Londoners is largely a reflection of the concentration of disadvantaged individuals in the capital.

Londoners who are parents are no more likely than similar parents living elsewhere to be workless (although being the mother of one child under three is close to being statistically significant). Thus the higher rate of worklessness among London parents appears to be a reflection of their other characteristics rather than their parenthood per se. The one exception to this general pattern is for lone parents, who are around a third more likely to be workless in London even after their ages, qualifications and the number and age of their children is taken into account. This finding is in line with previous research by Stephen McKay[13].

By contrast, Londoners who are disabled, who are outright homeowners or private or social tenants are less likely to be workless than those in similar circumstances in the rest of the country, given their other characteristics.

None of the other interactions between London and indicators of disadvantage were statistically significant.

Main drivers of worklessness: Motherhood, disability and tenure

The factors in the model which have the largest impact are those with the highest z scores. These are disability, motherhood, and housing tenure other than buying with a mortgage. Having no qualifications and being aged 16-18 (students excluded) are also important.

For women the key driver of worklessness is having children. The younger the youngest child and the more children a woman has, the more likely she is to be workless. Moreover, this effect persists for women with teenage children. A woman with three teenage children is more likely to be workless than a woman with one child aged five to nine. Almost all other effects are fairly marginal by comparison. Outside London, there is no difference in the probability of worklessness for lone parents compared with parents with partners, although as discussed above, this is not true in London.

[13] McKay, S, 2004, Lone parents in London: Quantitative analysis of differences in paid work, GLA Economics and Department for Work and Pensions In-house Research report no 136. View: www.dwp.gov.uk/asd/asd5/ih2003-2004/IH136.pdf

Being disabled as defined under the DDA and having a work-limiting disability, and to a lesser extent, having a work-limiting disability on its own also have large coefficients and high z scores. However, on its own, having a long-standing illness does not have any impact.

Tenure is important. Almost all tenures other than buying with a mortgage, including outright ownership and private renting are associated with a higher probability of being workless. Social tenants have the highest probability of all.

Fathers
Men with children are generally less likely to be workless than otherwise similar childless people. The effect is statistically significant for those with two children of any age, and those with one child under ten. There is no difference between fathers in London and fathers in the rest of the country.

Ethnic origin
In terms of ethnic origin, people of mixed white/Caribbean, mixed White/Asian, Pakistani, Bangladeshi or Black African origin have a much higher probability of being workless than White British people. To a lesser extent so do those of Black Caribbean, Indian 'other Asian' and 'other' origin.

For some groups (those of Black Caribbean and Black African origin) the negative impact only applies to men. The offsetting effect for women is larger than the overall effect. (Interestingly, the same is true for Bangladeshi women, although the effect is not statistically significant at the five per cent level.)

Migrants
Having come to the UK from overseas has almost no impact on someone's probability of being workless. A range of migration variables were tested and were insignificant. The only significant formulation is shown in the model in Appendix A. Those who had arrived less than a year before the date of the fieldwork were more likely to be workless than people who had been here for longer than three years, or who had been born in Britain.

Country of birth does not generally have an impact on worklessness, once other characteristics have been taken into account. Those born in the rest of the EU, apart from Ireland, were slightly less likely to be workless than those born in Britain, and those born in Turkey more likely (although it is possible that this group is disproportionately drawn from asylum seekers who are not legally allowed to work while their asylum case is being considered).

However, when women are considered separately, those born in the rest of the EU15[14] and those born in the USA and Canada were more likely to be workless than their

[14] *EU15 = The 15 member countries of the European Union before the 2004 expansion.*

characteristics would suggest. This provides some evidence to support the accompanying spouse view, but as the numbers involved are small, the impact on the overall scale of worklessness is limited.

In addition, women born in Bangladesh, Pakistan, the rest of Africa, India or the Middle East were more likely to be workless than their other characteristics would suggest.

Age

People over 55 or under 20 are much more likely to be workless than those aged 25-49, with those aged 20-24 and 50-54 also being slightly more likely to be workless.

Qualifications

Having no qualifications is an important driver of worklessness, although the impact is outweighed by the presence of children and by disability. Moreover, having no qualifications is worse for women than it is for men.

More generally, taking men and women together, those with degrees or other higher education are no less likely to be workless than those with A levels or equivalent (the baseline group). However, for women, having a higher education qualification reduces the chances of being workless.

Those with lower level and 'other' qualifications (often overseas qualifications) are more likely to be workless than those with A levels, and the effect is larger for women than it is for men.

Key points from multivariate analysis

- The main drivers of worklessness are disability and, for women, having children. Housing tenure other than home ownership with a mortgage is also associated with higher rates of worklessness.
- Migrant men are no more likely to be workless than those born in Britain, although the same is not true for some groups of migrant women, particularly those born in the rest of the EU, the USA and Canada, and the Indian sub-continent.
- Some of the individual characteristics that have the largest impact on worklessness (particularly ethnicity and, for women, country of birth) are relatively common in London, but rare in other parts of the country.
- Although a high proportion of the London workless population are parents, parenthood per se does not increase the probability of worklessness in London. Rather it appears that London parents are more likely to have a combination of disadvantageous characteristics (perhaps in terms of qualifications, ethnic origin and tenure) which result in their having higher rates of worklessness than those in the rest of the country. This is consistent with the evidence that the proportion of London children living in poverty is well above the national average, and in inner London is almost double the national average rate.
- The only group whose experience in London is worse than that of comparable people elsewhere are lone parents, whose higher rate of worklessness in London does not

just reflect their characteristics. A number of other key indicators of disadvantage such as disability and housing tenure had a lesser impact in London compared with the rest of the country.

7. Accounting for worklessness in London

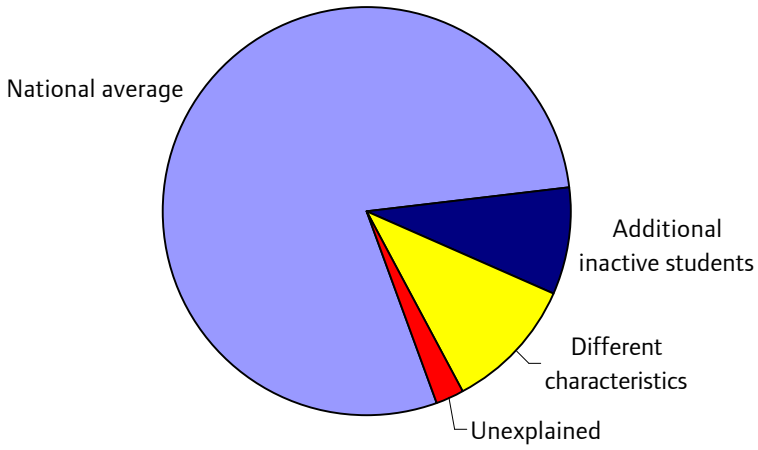
A simplified national model excluding any special London effects was estimated in order to try and separate worklessness in London into three parts:

- that explained by national averages for the group concerned
- that explained by the different incidence of particular groups in London
- any unexplained residual, which could be interpreted as the effect of living in London once all other factors had been controlled for.

The model is shown in Appendix B.

This model was used to predict non-student worklessness in London during September to November 2004 and compared with actual worklessness as estimated from the Labour Force Survey. The results are illustrated in Figure 7.1, with more details in Table 7.1.

Figure 7.1: Accounting for London's worklessness rate



In the autumn of 2004, there were 1,512,000 Londoners of working age workless. At the non-London rate of worklessness (which assumes that Londoners have on average the same characteristics as people living outside London) the model predicts that 1,188,000 Londoners would be workless, a difference of 324,000.

In London there were around 357,000 economically inactive full-time students, accounting for 6.8 per cent of the working age population. At national rates only 225,000 would have been expected. Thus, 132,000 – or more than a third of the difference – can be accounted for by the higher rate of full-time students living in London. This leaves an apparent excess of 192,000 workless people to be accounted for.

Table 7.1: Accounting for worklessness in London

		Unexplained residual
Total workless	1,512,000	
Predicted workless based on characteristics of people living outside London	1,188,000	324,000
….of which extra inactive students	132,000	192,000
Predicted workless based on characteristics of Londoners (inc students)	1,478,000	34,000

Notes: Based on September-November 2004 Labour Force Survey. Predictions based on model in Appendix B, estimated without any London dummy variables. Mean predicted proportion of non-student workless for non-London applied to London population with non-London proportion of inactive students added. Then mean predicted proportion of non-student workless for London added to actual London inactive students.

Londoners have a combination of advantageous and disadvantageous characteristics. For example, they are younger than the working age population generally, but they are also more likely to be of black or minority ethnic origin. They are less likely to be disabled, but more likely to have been born outside Britain.

If the coefficients from the national average model are used to predict worklessness in London (ie national average factors for each characteristic in our model are applied only to people living in London), and adjusted for the number of economically inactive full-time students, the model predicts that 1,478,000 Londoners would be workless. Thus, combining the national model with the characteristics of the London population leaves only 34,000 of the difference to be accounted for. In other words, 90 per cent of the difference in worklessness between London and the rest of the country can be accounted for by the different characteristics of Londoners and the higher proportion of economically active full-time students. Only ten per cent is unexplained.

Perhaps most importantly this model only looks at personal characteristics, and does not include some key economic drivers of worklessness: the relative financial return from working compared with not working (including both earnings, housing costs and the cost of working including travel), which may differ in London from the rest of the country, or any features related to the demand side of the London labour market. The unexplained London residual will be a reflection of these demand side features as well as the supply side.

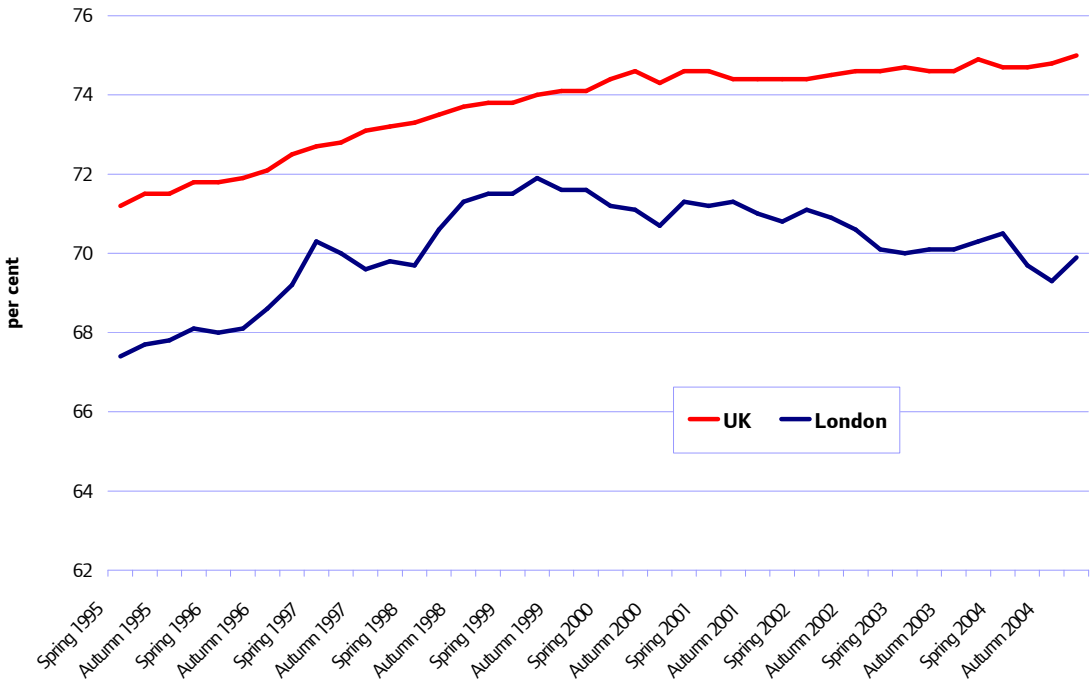
Key points from accounting exercise

- 90 per cent of the difference in worklessness rates between London and the rest of the country can be accounted for by the difference in characteristics between Londoners and those in the rest of the country, and by the higher incidence of economically inactive full-time students in the capital. Only 34,000 of the difference remains unexplained.

8. Changes in worklessness over time

One of the factors which have given rise to concerns about worklessness in London is the growth in worklessness that has taken place at a time when it is falling in the rest of the country. This is illustrated in Figure 8.1 which shows working age employment rates in London and in the UK as a whole since 1995.

Figure 8.1: Working age: Employment rates – UK and London

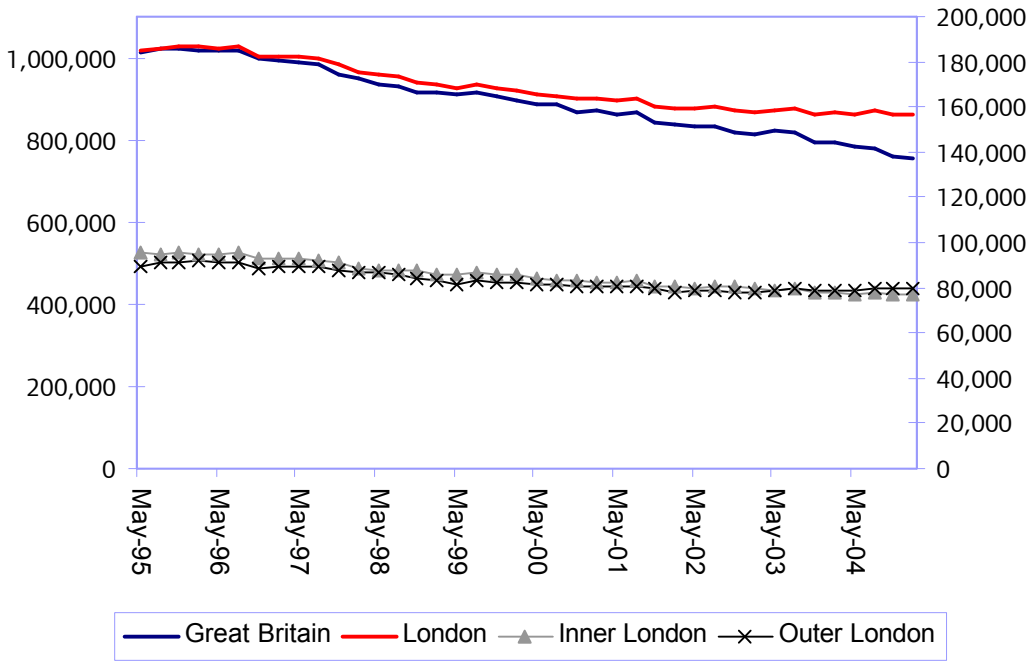


Source: Labour Force Survey

Data on working-age, out-of-work benefit claimants in London has been examined, and overall no growth in the number of claimants has been found. Taking all benefits and all age groups together, since 1995 total claimant numbers in London have fallen slightly faster than claimants in the rest of the country, and this is equally true of inner and outer London. This is illustrated in Figure 8.2. In other words, although some groups have fallen more slowly than the national average, most notably lone parents (see Figure 8.3) these have been offset by falls in other out-of-work claimant groups, particularly people over 50.

Taken together, Figure 8.2 and Figure 8.3 suggest that the growth in worklessness in London has not resulted in a corresponding increase in the number of benefit claimants. There are four possible explanations for this apparent anomaly.

Figure 8.2: Working age benefit claimants: Men and women, all out of work benefits



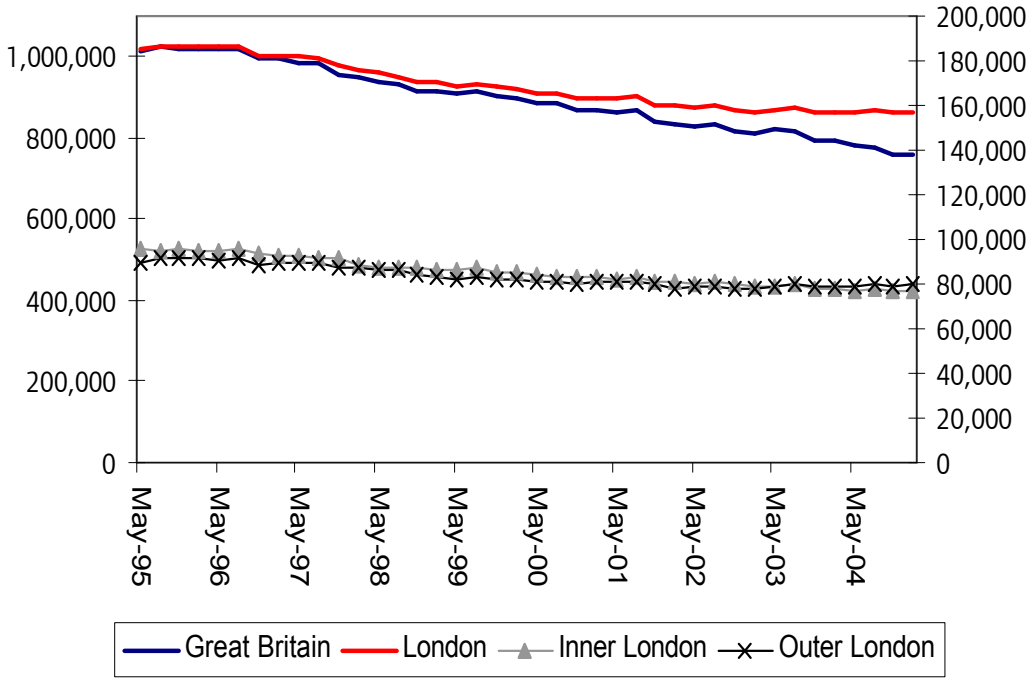
Source: Department for Work and Pensions (from NOMIS)

The first is the issue of full-time students, which as seen previously are a higher proportion of the population in London than they are elsewhere, and are less likely to be in paid work. If student numbers have been growing, then the employment rate will have been falling.

The second is that the growth in worklessness may have been concentrated among married or cohabiting people, who are dependent on their partner's income. In some cases the partner will be a benefit claimant, but in most cases the partner will have earnings from employment. In some higher-income households, partners may be choosing not to take paid employment. However, in other cases, the lack of a second earner may be one of the factors underlying household poverty, even though the household is not dependent on state benefits.[15]

[15] The importance of this issue has been identified in Spence, L, 2005, Workless Households in London, DMAG Briefing 2005-22, London, Greater London Authority. View: www.london.gov.uk/gla/publications/factsandfigures/factsfigures/poverty.jsp

Figure 8.3: Lone parent out-of-work benefit claimants



The third is that the growth in worklessness may be largely accounted for by groups who are not entitled to claim out-of-work benefits. These groups include asylum seekers and most new migrants. However, our multivariate analysis suggested that being a migrant only affected the probability of worklessness for some groups of women, and for those who have arrived in the previous year.

The final explanation is related to the first. The recent growth in London's population may have led to an increase in the number of families with children (including lone parents) living in London. In addition the growth may have been concentrated among groups where mothers are less likely to work. This compositional effect would not necessarily affect the number of benefit claimants, but would affect the overall proportion of the population in paid employment. All these issues require further investigation.

9. Conclusions

This relatively limited analysis has cast some light on the issue of worklessness in London, although a number of important questions remain to be answered, not least the nature of the barriers that are preventing so many Londoners from working.

The key messages are:

- People with children make up a larger proportion of London's workless than they do in the rest of the country. The incidence of worklessness amongst parents is also higher in London than in other parts of the UK.
- In the case of couple parents this appears to be solely driven by the fact that couple parents in London differ in their characteristics from couple parents in the rest of the country. The impact of being a couple parent on the probability of being workless, controlling for all other characteristics, does not differ between London and elsewhere in the UK.
- However for lone parents, there is a London effect which increases their chances of being workless. Thus for lone parents their higher rate of worklessness in London appears to be driven by a combination of their differing characteristics relative to lone parents outside London and an independent London effect.
- People with children make up a larger proportion of London's workless than they do in the rest of the country. This may reflect the younger general age structure of London's working age population, as there is no evidence that couple parents are more likely to be workless in London than are similar parents elsewhere (although lone parents are more likely to be workless).
- Full-time students make an important contribution to the level of worklessness in London.
- London's population is far more diverse than the population in the rest of the country, and London has a higher concentration of people who have labour market disadvantages.
- Differences between the characteristics of Londoners and people in the rest of the country account for almost all of the difference in worklessness rates once the number of inactive students is taken into account.
- London also has a high concentration of higher-income groups who may be able to choose not to work. The analysis has found evidence of high worklessness rates for women born in the rest of the EU and in the USA and Canada, for example. However, these groups make only a minor contribution to the overall level of worklessness in London. Most worklessness is concentrated among disadvantaged groups.
- The diversity of London's population means that the workless population in London differs in many respects from the workless population elsewhere in the country, and this is likely to have implications for the design and delivery of policies to help workless people into work.

Appendix A: Logit results for combined national and boosted London sample

Logit estimates — Number of obs = 97188
LR chi2(160) = 28847.16
Prob > chi2 = 0.0000
Log likelihood = -35661.255 — Pseudo R2 = 0.2880

workless excluding students	Coef.	Sig.	Std. Err.	z	P>z	[95% Conf.	Interval]
marital status							
non-married	0.208702	***	0.028258	7.39	0.000	0.153317	0.264087
London residual	0.235657	***	0.066095	3.57	0.000	0.106114	0.365200
tenure							
outright owner	0.823623	***	0.027770	29.66	0.000	0.769195	0.878050
part rent/mortgage	-0.22798		0.244449	-0.93	0.351	-0.707090	0.251131
social rent	1.446512	***	0.028949	49.97	0.000	1.389774	1.503251
private rent	0.858957	***	0.037345	23.00	0.000	0.785762	0.932151
other tenure	0.790691	***	0.098080	8.06	0.000	0.598457	0.982925
outright owner x London	-0.25719	**	0.091871	-2.80	0.005	-0.437252	-0.077124
part rent/mortgage x London	-0.07103		0.546000	-0.13	0.896	-1.141174	0.999106
social rent x London	-0.1833	**	0.080611	-2.27	0.023	-0.341293	-0.025303
private rent x London	-0.25185	***	0.093977	-2.68	0.007	-0.436042	-0.067659
other tenure x London	0.383625		0.258764	1.48	0.138	-0.123544	0.890794
gender							
female	-0.079103		0.047487	-1.67	0.096	-0.172175	0.013970
ethnicity							
other White	0.147273		0.084538	1.74	0.081	-0.018419	0.312964
White/Caribbean	0.878820	***	0.263230	3.34	0.001	0.362898	1.394741
White/African	0.342026		0.438106	0.78	0.435	-0.516645	1.200698
White/Asian	0.872603	***	0.323022	2.70	0.007	0.239492	1.505714
other mixed	0.345500		0.344060	1.00	0.315	-0.328845	1.019845
Indian	0.332407	**	0.152800	2.18	0.030	0.032924	0.631890
Pakistani	0.964754	***	0.178174	5.41	0.000	0.615540	1.313969
Bangladeshi	0.879279	**	0.348075	2.53	0.012	0.197065	1.561492
other Asian	0.457410	**	0.224406	2.04	0.042	0.017583	0.897238
Black Caribbean	0.501013	***	0.169957	2.95	0.003	0.167903	0.834123
Black African	0.729755	***	0.201987	3.61	0.000	0.333868	1.125643
other Black	0.283627		0.479681	0.59	0.554	-0.656530	1.223784
Chinese	0.327283		0.308107	1.06	0.288	-0.276596	0.931161
Other	0.479324	***	0.159911	3.00	0.003	0.165903	0.792744
other White x f	-0.053321		0.111969	-0.48	0.634	-0.272777	0.166134
White/Caribbean x f	-0.367757		0.353675	-1.04	0.298	-1.060946	0.325433

workless excluding students	Coef.	Sig.	Std. Err.	z	P>z	[95% Conf.	Interval]
White/African x f	-0.872634		0.602311	-1.45	0.147	-2.053142	0.307873
White/Asian x f	-1.034546	**	0.460615	-2.25	0.025	-1.937334	-0.131758
other mixed x f	-0.256156		0.461886	-0.55	0.579	-1.161435	0.649124
Indian x f	-0.175231		0.201639	-0.87	0.385	-0.570436	0.219974
Pakistani x f	0.208486		0.239612	0.87	0.384	-0.261145	0.678117
Bangladeshi x f	-0.855034		0.474575	-1.80	0.072	-1.785184	0.075117
other Asian x f	-0.141257		0.297975	-0.47	0.635	-0.725277	0.442763
Black Caribbean x f	-1.028202	***	0.231117	-4.45	0.000	-1.481184	-0.575220
Black African x f	-0.697575	***	0.265657	-2.63	0.009	-1.218253	-0.176897
other Black x f	-0.807120		0.673446	-1.20	0.231	-2.127049	0.512810
Chinese x f	0.774151	**	0.378595	2.04	0.041	0.032117	1.516184
other x f	0.149255		0.210055	0.71	0.477	-0.262445	0.560955
country of birth							
Ireland	0.079313		0.168360	0.47	0.638	-0.250668	0.409293
rest of EU 15	-0.454342	***	0.160719	-2.83	0.005	-0.769345	-0.139338
other W Europe	0.347034		0.250235	1.39	0.165	-0.143418	0.837486
E Europe	0.275493		0.187636	1.47	0.142	-0.092267	0.643252
Turkey	0.750588	**	0.308347	2.43	0.015	0.146239	1.354937
Caribbean	-0.180261		0.256163	-0.70	0.482	-0.682331	0.321810
USA & Canada	-0.548601		0.312859	-1.75	0.080	-1.161794	0.064592
C & S America	0.292525		0.365929	0.80	0.424	-0.424684	1.009733
N Africa	0.034802		0.303652	0.11	0.909	-0.560344	0.629948
W Africa	-0.319054		0.292090	-1.09	0.275	-0.891539	0.253431
Horn of Africa	0.740036		0.394265	1.88	0.061	-0.032709	1.512781
Rest of Africa	-0.247447		0.150007	-1.65	0.099	-0.541455	0.046562
M East	0.392820	***	0.220717	1.78	0.075	-0.039776	0.825416
India	-0.079577		0.185332	-0.43	0.668	-0.442820	0.283666
Pakistan	-0.021477		0.232343	-0.09	0.926	-0.476861	0.433907
Bangladesh	-0.032993		0.328835	-0.10	0.920	-0.677497	0.611512
Other Asia	-0.148395		0.208589	-0.71	0.477	-0.557221	0.260431
Australia	-0.616984		0.323061	-1.91	0.056	-1.250172	0.016205
Other	0.153556		0.487751	0.31	0.753	-0.802417	1.109529
Ireland x f	-0.211562		0.229716	-0.92	0.357	-0.661798	0.238674
rest of EU 15 x f	0.484186	**	0.194683	2.49	0.013	0.102613	0.865758
other W Europe x f	-0.052415		0.346037	-0.15	0.880	-0.730635	0.625804
E Europe x f	0.095171		0.239359	0.40	0.691	-0.373963	0.564305
Turkey x f	0.171442		0.475896	0.36	0.719	-0.761296	1.104180
Caribbean x f	0.366020		0.341715	1.07	0.284	-0.303728	1.035768
USA & Canada x f	0.946623	***	0.362783	2.61	0.009	0.235580	1.657665
C & S America x f	-0.365461		0.465969	-0.78	0.433	-1.278743	0.547822
N Africa x f	0.545611		0.436516	1.25	0.211	-0.309944	1.401167
W Africa x f	-0.033991		0.386086	-0.09	0.930	-0.790706	0.722724
Horn of Africa x f	0.867537		0.589655	1.47	0.141	-0.288166	2.023240
Rest of Africa x f	0.482695	**	0.190043	2.54	0.011	0.110218	0.855173
M East x f	0.660917	**	0.326494	2.02	0.043	0.021001	1.300832
India x f	0.822999	***	0.244572	3.37	0.001	0.343647	1.302352
Pakistan x f	1.105792	***	0.331189	3.34	0.001	0.456672	1.754911
Bangladesh x f	1.580861	***	0.469947	3.36	0.001	0.659781	2.501941
Other Asia x f	0.347347		0.261909	1.33	0.185	-0.165985	0.860678

workless excluding students	Coef.	Sig.	Std. Err.	z	P>z	[95% Conf.	Interval]
Australia x f	0.291077		0.404314	0.72	0.472	-0.501363	1.083517
Other x f	0.226053		0.627533	0.36	0.719	-1.003890	1.455995
health							
Long-standing illness	-0.069863		0.038703	-1.81	0.071	-0.145720	0.005994
disability							
dda & wk lting disabled	2.456917	***	0.043350	56.68	0.000	2.371953	2.541881
dda disabled only	0.061568		0.060038	1.03	0.305	-0.056104	0.179240
wk lting disabled only	0.923482	***	0.058596	15.76	0.000	0.808636	1.038328
dda & wk lting x London	-0.275739	***	0.086733	-3.18	0.001	-0.445732	-0.105746
dda disabled x London	0.215274		0.159118	1.35	0.176	-0.096591	0.527138
wk lting disabled x London	0.112179		0.146707	0.76	0.444	-0.175361	0.399719
Age							
16-19	0.681460	***	0.050502	13.49	0.000	0.582477	0.780442
20-24	0.219932	***	0.047175	4.66	0.000	0.127469	0.312394
25-29	-0.082208		0.045564	-1.80	0.071	-0.171512	0.007097
30-34	-0.106321	***	0.041277	-2.58	0.010	-0.187223	-0.025419
40-44	0.028425		0.040582	0.70	0.484	-0.051114	0.107964
45-49	0.147816	***	0.043544	3.39	0.001	0.062473	0.233160
50-54	0.419677	***	0.044705	9.39	0.000	0.332057	0.507298
55-59	0.938135	***	0.043978	21.33	0.000	0.851940	1.024329
60-64	0.932463	***	0.050325	18.53	0.000	0.833827	1.031098
parents							
lone parent	-0.045291		0.047273	-0.96	0.338	-0.137944	0.047362
lone parent x London	0.328260	***	0.113775	2.89	0.004	0.105265	0.551255
Female 1 child <3	1.820657	***	0.064536	28.21	0.000	1.694169	1.947145
female 2 children, ygest<3	2.494801	***	0.063799	39.10	0.000	2.369757	2.619845
female 3+ children, ygest<3	2.766933	***	0.084215	32.86	0.000	2.601874	2.931991
Female 1 child 3-4	1.713450	***	0.093985	18.23	0.000	1.529242	1.897658
female 2 children, ygest 3-4	1.980513	***	0.084330	23.49	0.000	1.815230	2.145796
female 3+ children, ygest 3-4	2.497795	***	0.104920	23.81	0.000	2.292156	2.703433
Female 1 child 5-9	0.916027	***	0.074246	12.34	0.000	0.770508	1.061546
female 2 children, ygest 5-9	1.247316	***	0.062356	20.00	0.000	1.125101	1.369531
female 3+ children, ygest 5-9	1.585702	***	0.083627	18.96	0.000	1.421796	1.749608
female 1 child 10-15	0.437108	***	0.054809	7.98	0.000	0.329684	0.544532
female 2 children, ygest 10-15	0.677594	***	0.073848	9.18	0.000	0.532855	0.822334
female 3+ children, ygest 10-15	1.043412	***	0.200890	5.19	0.000	0.649676	1.437148
female 1 child <3 x London	0.295707		0.160583	1.84	0.066	-0.019030	0.610444
female 2 children, ygest<3 x London	-0.045096		0.178695	-0.25	0.801	-0.395333	0.305140
female 3+ children,	-0.023890		0.242229	-0.10	0.921	-0.498649	0.450870

workless excluding students	Coef.	Sig.	Std. Err.	z	P>z	[95% Conf.	Interval]
ygest<3 x London							
female 1 child 3-4 x London	-0.124480		0.257421	-0.48	0.629	-0.629017	0.380056
female 2 children, ygest 3-4 x London	0.133089		0.228468	0.58	0.560	-0.314701	0.580878
female 3+ children, ygest 3-4 x London	-0.022081		0.312017	-0.07	0.944	-0.633623	0.589462
female 1 child 5-9 x London	0.024575		0.207486	0.12	0.906	-0.382091	0.431240
female 2 children, ygest 5-9 x London	-0.143388		0.173651	-0.83	0.409	-0.483738	0.196961
female 3+ children, ygest 5-9 x London	-0.053373		0.241119	-0.22	0.825	-0.525957	0.419212
female 1 child 10-15 x London	-0.001836		0.152602	-0.01	0.990	-0.300931	0.297260
female 2 children, ygest 10-15 x London	0.191008		0.214557	0.89	0.373	-0.229515	0.611532
female 3+ children, ygest 10-15 x London	0.463551		0.615612	0.75	0.451	-0.743026	1.670128
male 1 child <3	-0.300801	***	0.117762	-2.55	0.011	-0.531610	-0.069991
male 2 children, ygest<3	-0.370414	***	0.122188	-3.03	0.002	-0.609898	-0.130930
male 3+ children, ygest<3	0.112638		0.121707	0.93	0.355	-0.125903	0.351180
male 1 child 3-4	-0.123051		0.173263	-0.71	0.478	-0.462641	0.216538
male 2 children, ygest 3-4	-0.541091	***	0.166569	-3.25	0.001	-0.867561	-0.214621
male 3+ children, ygest 3-4	0.153897		0.163792	0.94	0.347	-0.167129	0.474923
male 1 child 5-9	-0.245853	**	0.115642	-2.13	0.034	-0.472507	-0.019199
male 2 children, ygest 5-9	-0.268464	***	0.092448	-2.90	0.004	-0.449659	-0.087269
male 3+ children, ygest 5-9	-0.083309		0.123504	-0.67	0.500	-0.325372	0.158753
male 1 child 10-15	-0.265917	***	0.064098	-4.15	0.000	-0.391547	-0.140288
male 2 children, ygest 10-15	-0.314226	***	0.098196	-3.20	0.001	-0.506686	-0.121766
male 3+ children, ygest 10-15	0.134771		0.263202	0.51	0.609	-0.381095	0.650637
male 1 child <3 x London	0.114960		0.275183	0.42	0.676	-0.424388	0.654308
male 2 children, ygest<3 x London	0.191752		0.290520	0.66	0.509	-0.377656	0.761159
male 3+ children, ygest<3 x London	-0.374778		0.324458	-1.16	0.248	-1.010705	0.261148
male 1 child 3-4 x London	-0.100764		0.455685	-0.22	0.825	-0.993891	0.792363
male 2 children, ygest 3-4 x London	-0.059411		0.412454	-0.14	0.885	-0.867807	0.748984
male 3+ children, ygest 3-4 x London	-0.481209		0.455451	-1.06	0.291	-1.373877	0.411458
male 1 child 5-9 x London	0.048213		0.326689	0.15	0.883	-0.592085	0.688512
male 2 children, ygest 5-9 x London	-0.101839		0.267192	-0.38	0.703	-0.625525	0.421847

workless excluding students	Coef.	Sig.	Std. Err.	z	P>z	[95% Conf.	Interval]
male 3+ children, ygest 5-9 x London	-0.058198		0.346184	-0.17	0.866	-0.736706	0.620311
male 1 child 10-15 x London	0.119178		0.183445	0.65	0.516	-0.240368	0.478724
male 2 children, ygest 10-15 x London	-0.002033		0.305530	-0.01	0.995	-0.600860	0.596795
male 3+ children, ygest 10-15 x London	-0.782681		0.905145	-0.86	0.387	-2.556733	0.991371
qualifications							
degree or equiv	-0.004520		0.049992	-0.09	0.928	-0.102501	0.093462
HE below degree	0.054710		0.064899	0.84	0.399	-0.072491	0.181910
GCSE A-C or equiv	0.341640	***	0.045362	7.53	0.000	0.252733	0.430548
other qualification	0.203773	***	0.049361	4.13	0.000	0.107029	0.300518
no qualification	0.857768	***	0.043092	19.91	0.000	0.773309	0.942227
don't know	0.516314	***	0.164265	3.14	0.002	0.194360	0.838268
degree x f	-0.276905	***	0.071213	-3.89	0.000	-0.416479	-0.137331
other HE x f	-0.285541	***	0.086452	-3.30	0.001	-0.454984	-0.116098
GCSE x f	-0.049441		0.060857	-0.81	0.417	-0.168718	0.069837
other qual x f	0.257224	***	0.068449	3.76	0.000	0.123066	0.391382
no qual x f	0.262282	***	0.061507	4.26	0.000	0.141731	0.382834
don't know x f	-0.113743		0.242112	-0.47	0.639	-0.588274	0.360788
migration							
arrived in Britain in last year	0.355496	***	0.131691	2.70	0.007	0.097386	0.613606
arrived in Britain 1-2 years ago	0.155057		0.121376	1.28	0.201	-0.082836	0.392950
arrived in Britain 2-3 years ago	0.222293		0.124519	1.79	0.074	-0.021760	0.466347
constant	-3.361893		0.049262	-68.25	0.000	-3.458444	-3.265342

Baseline: White British male, born in Britain, married or cohabiting, aged 35-39, no children under 16, living outside London, homeowner with a mortgage, A level or equivalent qualifications, no longstanding illness, not disabled.

*** significant at 1% level
** significant at 5% level

Appendix B: Model used to predict worklessness in London

Logit estimates	Number of obs	=	97188
	LR chi2(126) =		28776.62
	Prob > chi2	=	0.000
Log likelihood = -35696.5	Pseudo R2	=	0.2873

workless excluding students	Coef.	Sig.	Std. Err.	z	P>z	[95% Conf.	Interval]
marital status							
non-married	0.208798	***	0.028223	7.40	0.000	0.153481	0.264114
Tenure							
outright owner	0.801722	***	0.026596	30.14	0.000	0.749594	0.853850
part rent/mortgage	-0.22604		0.218836	-1.03	0.302	-0.654947	0.202872
social rent	1.432473	***	0.027266	52.54	0.000	1.379032	1.485913
private rent	0.829899	***	0.034957	23.74	0.000	0.761384	0.898414
other tenure	0.850715	***	0.090505	9.40	0.000	0.673328	1.028101
Gender							
Female	-0.082193		0.047412	-1.73	0.083	-0.175119	0.010733
ethnicity							
other White	0.152514		0.084473	1.81	0.071	-0.013051	0.318078
White/Caribbean	0.888394	***	0.263683	3.37	0.001	0.371585	1.405203
White/African	0.367275		0.439232	0.84	0.403	-0.493604	1.228154
White/Asian	0.900340	***	0.322961	2.79	0.005	0.267349	1.533332
other mixed	0.353568		0.345618	1.02	0.306	-0.323831	1.030968
Indian	0.370074	**	0.153233	2.42	0.016	0.069743	0.670406
Pakistani	0.985332	***	0.177904	5.54	0.000	0.636647	1.334016
Bangladeshi	0.897235	**	0.349192	2.57	0.010	0.212831	1.581639
other Asian	0.502960	**	0.225569	2.23	0.026	0.060852	0.945067
Black Caribbean	0.557982	***	0.169772	3.29	0.001	0.225234	0.890729
Black African	0.767807	***	0.202076	3.80	0.000	0.371745	1.163869
other Black	0.319679		0.483802	0.66	0.509	-0.628556	1.267913
Chinese	0.357330		0.308731	1.16	0.247	-0.247771	0.962431
other	0.498123	***	0.160844	3.10	0.002	0.182874	0.813372
other White x f	-0.038736		0.111863	-0.35	0.729	-0.257982	0.180511
White/Caribbean x f	-0.322238		0.353603	-0.91	0.362	-1.015286	0.370811
White/African x f	-0.841945		0.601612	-1.40	0.162	-2.021083	0.337192
White/Asian x f	-1.031523	**	0.460961	-2.24	0.025	-1.934989	-0.128057
other mixed x f	-0.217921		0.462700	-0.47	0.638	-1.124797	0.688954
Indian x f	-0.146101		0.202158	-0.72	0.470	-0.542324	0.250122
Pakistani x f	0.204194		0.239480	0.85	0.394	-0.265178	0.673566
Bangladeshi x f	-0.796313		0.474903	-1.68	0.094	-1.727105	0.134479
other Asian x f	-0.115512		0.298809	-0.39	0.699	-0.701168	0.470144
Black Caribbean x f	-0.944193	***	0.229652	-4.11	0.000	-1.394303	-0.494084
Black African x f	-0.645882	**	0.265393	-2.43	0.015	-1.166042	-0.125722
other black x f	-0.706432		0.672529	-1.05	0.294	-2.024565	0.611701
Chinese x f	0.784664	**	0.378997	2.07	0.038	0.041843	1.527485
other x f	0.173170		0.210769	0.82	0.411	-0.239929	0.586270
country of birth							

workless excluding students	Coef.	Sig.	Std. Err.	z	P>z	[95% Conf.	Interval]
Ireland	0.081987		0.169144	0.48	0.628	-0.249529	0.413502
rest of EU 15	-0.446201	***	0.160946	-2.77	0.006	-0.761650	-0.130752
other W Europe	0.362023		0.251879	1.44	0.151	-0.131652	0.855697
E Europe	0.306798		0.186972	1.64	0.101	-0.059659	0.673256
Turkey	0.754551	**	0.311014	2.43	0.015	0.144975	1.364126
Caribbean	-0.207271		0.258884	-0.80	0.423	-0.714674	0.300132
USA & Canada	-0.539055		0.313038	-1.72	0.085	-1.152599	0.074488
C & S America	0.319902		0.366155	0.87	0.382	-0.397749	1.037554
N Africa	0.020405		0.306575	0.07	0.947	-0.580471	0.621281
W Africa	-0.322022		0.293439	-1.10	0.272	-0.897152	0.253108
Horn of Africa	0.731693		0.396137	1.85	0.065	-0.044723	1.508108
Rest of Africa	-0.255690		0.151008	-1.69	0.090	-0.551660	0.040281
M East	0.382925		0.222351	1.72	0.085	-0.052874	0.818724
India	-0.100424		0.186542	-0.54	0.590	-0.466039	0.265191
Pakistan	-0.036266		0.232327	-0.16	0.876	-0.491619	0.419088
Bangladesh	-0.049233		0.331218	-0.15	0.882	-0.698408	0.599943
Other Asia	-0.150528		0.209489	-0.72	0.472	-0.561118	0.260063
Australia	-0.604252		0.324251	-1.86	0.062	-1.239771	0.031268
Other	0.152480		0.491619	0.31	0.756	-0.811076	1.116036
Ireland x f	-0.202428		0.230495	-0.88	0.380	-0.654189	0.249334
rest of EU 15 x f	0.488883	**	0.194920	2.51	0.012	0.106846	0.870920
other W Europe x f	-0.045080		0.347613	-0.13	0.897	-0.726389	0.636230
E Europe x f	0.095808		0.239328	0.40	0.689	-0.373266	0.564881
Turkey x f	0.229694		0.477940	0.48	0.631	-0.707052	1.166440
Caribbean x f	0.347440		0.344352	1.01	0.313	-0.327477	1.022357
USA & Canada x f	0.945794	***	0.362838	2.61	0.009	0.234644	1.656945
C & S America x f	-0.367757		0.465344	-0.79	0.429	-1.279814	0.544301
N Africa x f	0.566800		0.437700	1.29	0.195	-0.291077	1.424676
W Africa x f	0.023392		0.386706	0.06	0.952	-0.734538	0.781322
Horn of Africa x f	0.936761		0.590051	1.59	0.112	-0.219718	2.093240
Rest of Africa x f	0.484179	**	0.191107	2.53	0.011	0.109618	0.858741
M East x f	0.699041	**	0.327559	2.13	0.033	0.057037	1.341046
India x f	0.828713	***	0.245811	3.37	0.001	0.346933	1.310493
Pakistan x f	1.131744	***	0.331424	3.41	0.001	0.482164	1.781323
Bangladesh x f	1.598079	***	0.471307	3.39	0.001	0.674333	2.521824
Other Asia x f	0.352444		0.262876	1.34	0.180	-0.162783	0.867671
Australia x f	0.307803		0.405342	0.76	0.448	-0.486653	1.102258
Other x f	0.196949		0.631612	0.31	0.755	-1.040988	1.434886
health							
Long-standing illness	-0.071208		0.038680	-1.84	0.066	-0.147019	0.004603
disability							
dda & wk lting disabled	2.432624	***	0.042662	57.02	0.000	2.349007	2.516241
dda disabled only	0.080420		0.058050	1.39	0.166	-0.033357	0.194197
wk lting disabled only	0.935482	***	0.056564	16.54	0.000	0.824620	1.046344

workless excluding students	Coef.	Sig.	Std. Err.	z	P>z	[95% Conf.	Interval]
age							
16-19	0.672346	***	0.050420	13.34	0.000	0.573526	0.771167
20-24	0.217636	***	0.047128	4.62	0.000	0.125268	0.310004
25-29	-0.085237		0.045505	-1.87	0.061	-0.174425	0.003951
30-34	-0.106709	**	0.041253	-2.59	0.010	-0.187563	-0.025856
40-44	0.027783		0.040560	0.68	0.493	-0.051713	0.107278
45-49	0.146338	***	0.043512	3.36	0.001	0.061056	0.231620
50-54	0.418200	***	0.044672	9.36	0.000	0.330646	0.505755
55-59	0.937040	***	0.043938	21.33	0.000	0.850923	1.023156
60-64	0.931828	***	0.050283	18.53	0.000	0.833275	1.030380
parents							
lone parent	-0.003739		0.045327	-0.08	0.934	-0.092578	0.085099
female 1 child <3	1.857717	***	0.060650	30.63	0.000	1.738845	1.976588
female 2 children, ygest<3	2.485715	***	0.061015	40.74	0.000	2.366129	2.605302
female 3+ children, ygest<3	2.761443	***	0.079979	34.53	0.000	2.604687	2.918199
female 1 child 3-4	1.695991	***	0.088452	19.17	0.000	1.522627	1.869354
female 2 children, ygest 3-4	1.997076	***	0.079389	25.16	0.000	1.841476	2.152675
female 3+ children, ygest 3-4	2.494624	***	0.099506	25.07	0.000	2.299596	2.689651
female 1 child 5-9	0.914492	***	0.070283	13.01	0.000	0.776740	1.052243
female 2 children, ygest 5-9	1.227309	***	0.059587	20.60	0.000	1.110520	1.344097
female 3+ children, ygest 5-9	1.576150	***	0.079475	19.83	0.000	1.420381	1.731918
female 1 child 10-15	0.435257	***	0.052294	8.32	0.000	0.332763	0.537750
female 2 children, ygest 10-15	0.693475	***	0.070207	9.88	0.000	0.555871	0.831079
female 3+ children, ygest 10-15	1.090146	***	0.189096	5.77	0.000	0.719524	1.460768
male 1 child <3	-0.278962	***	0.107503	-2.59	0.009	-0.489664	-0.068260
male 2 children, ygest<3	-0.339718	***	0.111696	-3.04	0.002	-0.558638	-0.120798
male 3+ children, ygest<3	0.059626		0.114116	0.52	0.601	-0.164037	0.283288
male 1 child 3-4	-0.136538		0.160747	-0.85	0.396	-0.451596	0.178520
male 2 children, ygest 3-4	-0.549210	***	0.153199	-3.58	0.000	-0.849475	-0.248946
male 3+ children, ygest 3-4	0.085422		0.154355	0.55	0.580	-0.217109	0.387953
male 1 child 5-9	-0.241050	**	0.108560	-2.22	0.026	-0.453824	-0.028277
male 2 children, ygest 5-9	-0.283959	***	0.087518	-3.24	0.001	-0.455491	-0.112427
male 3+ children, ygest 5-9	-0.091875		0.116221	-0.79	0.429	-0.319663	0.135914
male 1 child 10-15	-0.255271	***	0.060816	-4.20	0.000	-0.374468	-0.136074
male 2 children, ygest 10-15	-0.315699	***	0.093452	-3.38	0.001	-0.498860	-0.132537
male 3+ children, ygest 10-15	0.060026		0.253919	0.24	0.813	-0.437647	0.557698

workless excluding students	Coef.	Sig.	Std. Err.	z	P>z	[95% Conf.	Interval]
qualifications							
degree or equiv	-0.002008		0.049943	-0.04	0.968	-0.099894	0.095879
HE below degree	0.052345		0.064860	0.81	0.420	-0.074779	0.179470
GCSE A-C or equiv	0.340081	***	0.045316	7.50	0.000	0.251264	0.428899
other qualification	0.202640	***	0.049336	4.11	0.000	0.105943	0.299338
no qualification	0.855831	***	0.043059	19.88	0.000	0.771438	0.940224
don't know	0.515826	***	0.164033	3.14	0.002	0.194327	0.837324
degree x f	-0.274296	***	0.071167	-3.85	0.000	-0.413780	-0.134812
other HE x f	-0.287060	***	0.086380	-3.32	0.001	-0.456362	-0.117759
GCSE x f	-0.051746		0.060792	-0.85	0.395	-0.170897	0.067405
other qual x f	0.259634	***	0.068404	3.80	0.000	0.125565	0.393702
no qual x f	0.261278	***	0.061455	4.25	0.000	0.140829	0.381727
don't know x f	-0.120356		0.241973	-0.50	0.619	-0.594614	0.353902
migration							
arrived in Britain in last year	0.327111	***	0.131245	2.49	0.013	0.069876	0.584346
arrived in Britain 1-2 years ago	0.136867		0.120875	1.13	0.258	-0.100044	0.373778
arrived in Britain 2-3 years ago	0.204076		0.124118	1.64	0.100	-0.039190	0.447341
constant	-3.339577		0.048782	-68.46	0.000	-3.435187	-3.243966

Baseline: White British male, born in Britain, married or cohabiting, aged 35-39, no children under 16, living outside London, homeowner with a mortgage, A level or equivalent qualifications, no longstanding illness, not disabled.

*** significant at 1% level
** significant at 5% level

Model predictions: - proportion of non-student population aged 16-64 workless non-London 20.8%

- proportion of non-student population aged 16-64 workless London 24.5%

LFS September-November 2004

employed	3,419,000	
total inactive	1,246,000	
unemployed	266,000	
total working age population	4,931,000	

Estimates from our analysis

predicted non-student London workless at non-London rate	983,000	(0.208 x 0.959 x working age population)
inactive students at non-London rates	202,000	(4.15%)
total predicted London workless if non-London characteristics	1,188,000	

predicted non-student London workless based on Londoners' characteristics	1,121,000	(0.245 x 0.932 x working age population)
actual inactive students	357,000	(6.82%)
total predicted London workless with London characteristics	1,478,000	

Abbreviations

DDA	Disability Discrimination Act
GLA	Greater London Authority
EU15	The 15 member countries of the European Union before the 2004 expansion.
LDA	London Development Agency
N=	Total number of sample
R&D	Research and development
RDAs	Regional Development Agencies

Other formats and languages

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Hindi

यदि आप इस दस्तावेज की प्रति अपनी भाषा में चाहते हैं, तो कृपया निम्नलिखित नंबर पर फोन करें अथवा नीचे दिये गये पते पर संपर्क करें

Vietnamese

Nếu bạn muốn có văn bản tài liệu này bằng ngôn ngữ của mình, hãy liên hệ theo số điện thoại hoặc địa chỉ dưới đây.

Bengali

আপনি যদি আপনার ভাষায় এই দলিলের প্রতিলিপি (কপি) চান, তা হলে নীচের ফোন্ নম্বরে বা ঠিকানায় অনুগ্রহ করে যোগাযোগ করুন।

Greek

Αν θέλετε να αποκτήσετε αντίγραφο του παρόντος εγγράφου στη δική σας γλώσσα, παρακαλείστε να επικοινωνήσετε τηλεφωνικά στον αριθμό αυτό ή ταχυδρομικά στην παρακάτω διεύθυνση.

Urdu

اگر آپ اِس دستاویز کی نقل اپنی زبان میں چاھتے ھیں، تو براہ کرم نیچے دئے گئے نمبر پر فون کریں یا دیئے گئے پتے پر رابطہ کریں

Turkish

Bu belgenin kendi dilinizde hazırlanmış bir nüshasını edinmek için, lütfen aşağıdaki telefon numarasını arayınız

Arabic

إذا أردت نسخة من هذه الوثيقة بلغتك، يرجى الاتصال برقم الهاتف أو مراسلة العنوان أدناه

Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਕਾਪੀ ਤੁਹਾਡੀ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਚਾਹੀਦੀ ਹੈ, ਤਾਂ ਹੇਠ ਲਿਖੇ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਹੇਠ ਲਿਖੇ ਪਤੇ 'ਤੇ ਰਾਬਤਾ ਕਰੋ:

Gujarati

જો તમને આ દસ્તાવેજની નકલ તમારી ભાષામાં જોઈતી હોય તો, કૃપા કરી આપેલ નંબર ઉપર ફોન કરો અથવા નીચેના સરનામે સંપર્ક સાધો.

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