

# Labour market status by ethnic group

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## Summary

This publication provides historical data on the labour market status of the population aged 16 and over from 1993-2015 in Great Britain, broken down by ethnic group.

Breakdowns by gender and age group are provided, along with additional breakdowns by whether or not individuals are in full-time education, for those aged 16-24. Figures showing employment by sector and ethnicity are also provided, from 2009 to 2015.

This publication forms part of the Labour Market Status by Ethnic Group series.

### Key Figures for 2015

	Ethnic minorities	Overall population
Employment rate (16-64)	62.8%	73.9%
Unemployment rate (16+)	9.9%	5.4%
Inactivity rate (16-64)	30.2%	21.8%

The employment rate gap (the difference in employment rates) between the overall population and ethnic minorities for 2015 is 11.1 percentage points. Overall, the employment rate gap has gradually been decreasing since this series began in 1993. The 2015 employment rate gap of 11.1 percentage points represents a 0.5 percentage point decrease from 2014. Employment rates for ethnic minorities saw a greater increase (1.4 pts) than that of the overall population (0.9 pts).

- Headline ethnic minority employment and unemployment rates hide the variation between different sub-groups. Unemployment varies from 14% for the black group to 6.4% for the Indian group.
- Inactivity also varies widely and has very different patterns between men and women. Pakistani and Bangladeshi women have inactivity rates of 57.2%, compared to 19.9% for men of the same ethnicity. The inactivity rate for all women from an ethnic minority is 38.5% compared to 21.5% for men. This gap has been gradually decreasing since this series began.

The pattern of ethnic minority employment by sector broadly follows that for the population of Great Britain as a whole. However, ethnic minority groups are more likely to be employed in sectors relating to accommodation and food services; wholesale and retail trade; transportation and storage and human health and social work activities. They are less likely to be employed in the manufacturing, construction and education sectors.

## Background

This publication is based on Labour Force Survey (LFS) data. The LFS is a survey of households living at private addresses in the UK, conducted by the Office for National Statistics (ONS). Further details can be found at the following link:

<http://www.ons.gov.uk/ons/guide-method/surveys/respondents/household/labour-force-survey/index.html>

### Definitions:

**Employed:** These are people who are in paid work (as an employee or self-employed); those who have a job that they are temporarily away from; some participants on government-supported training and employment programmes; and those doing unpaid family work. Employed people are classed as economically active.

**ILO unemployed:** These are people who are jobless, have been actively seeking work in the past four weeks and are available to start work in the next two weeks; or are out of work, but have found a job and are waiting to start it in the next two weeks. This definition of unemployment is the one laid down by the International Labour Organisation and is used in regular published UK statistics. Unemployed people are classed as economically active.

**Economically inactive:** These are people without a job who have not actively sought work in the last four weeks and/or are not available to start working in the next two weeks. Someone in full-time education will normally be classified as economically inactive if they are not in paid work, but if they are looking for and are available for work then they will be classified as unemployed and hence economically active.

**Full-time education (FTE):** FTE is defined as those who are either (1) at school (full-time), (2) on a sandwich course or (3) in full time university or college education.

## Methodology

The data shows figures for the labour market status of people aged 16 and over, covering annual averages between 1993 and 2015 (excluding 2001). The data is all drawn from the Labour Force Survey and broken down by ethnic group, as reported by survey respondents. All data is for Great Britain and has not been seasonally adjusted.

Results derived from a low number of responses are more likely to be affected by statistical variation, so observed changes might not reflect real differences. As such,

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caution is needed when interpreting short-term trends in the data especially for sub groups (for example, a particular ethnicity, age group and gender). Any values based on fewer than five responses have been completely suppressed. Values based on 5-10 responses are shown, but marked by an asterisk (\*). These should be used with particular caution.

### Labour Force Survey (LFS) re-weighting

The LFS is a UK household sample survey which collects information from approximately 45,000 households each quarter. Since those responses reflect only a sample (around 1 in 650) of the total population, they are weighted (scaled-up) on the basis of subnational population totals by age and sex to give estimates for the entire UK household population.

New population estimates based on the 2011 Census of Population were used by the Office for National Statistics to produce updated LFS data and labour market statistics. These re-weighted figures were available from October 2014 and were published in the Labour Market Status by Ethnic Group series in December 2014.

More information on re-weighting can be found at the following link:

<http://www.ons.gov.uk/ons/rel/lms/revisions-to-labour-force-survey-estimates-due-to-re-weighting-to-the-census-2011-population/article/index.html>

### Changes in ethnicity recording

In spring 2001 and January/April 2011, the ethnicity questions used by the Labour Force Survey were updated in line with the Census. These changes resulted in a discontinuity in the number of people reporting that they belonged to a particular ethnic minority group. Due to this discontinuity in the recording of ethnicity, the results should be interpreted with caution and it is not recommended to make direct comparisons across the affected time periods.

Additionally, in March 2001, there was a break in the recording of ethnicity before the introduction of a new ethnicity variable in April 2001. This has a substantial impact on ethnicity figures for 2001 as a whole, and for this reason, no data for 2001 is presented.

The links below provide further details on changes to the ethnicity classification in the Labour Force Survey:

<http://www.ons.gov.uk/ons/rel/lms/labour-market-trends--discontinued-/volume-110--no--12/the-new-ethnicity-classification-in-the-labour-force-survey.pdf>

<http://www.ons.gov.uk/ons/guide-method/method-quality/specific/labour-market/subnational-labour/changes-made-to-ethnicity-questions-on-the-lfs-during-2011-and-effect-on-aps.pdf>

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<http://www.ons.gov.uk/ons/guide-method/method-quality/specific/labour-market/labour-market-statistics/volume-3---2011.pdf>

More detailed notes are provided in the *Notes* section of the accompanying Excel workbooks.

## Accompanying Data

Alongside this note we are publishing two spreadsheets of data. These are a time series of the labour market status by ethnicity going back to 1993 and the employment sector by ethnicity going back to 2009.

### Historical record of labour market status by ethnic group (1993-2015)

Within each worksheet, the following figures are reported:

- The number of people who were employed, unemployed or inactive;
- Total population;
- Employment rate, inactivity rate and ILO unemployment rate. ILO unemployment rate is calculated as the proportion of the economically active (employed and unemployed) population who are unemployed;
- The proportion of the population who are unemployed.

In addition, the worksheets covering those aged 16-24 contain the following information:

- Employment, unemployment, inactivity and population levels for both those in Full Time Education (FTE) and those not in FTE;
- The employment, unemployment and inactivity rates for people not in FTE;
- The proportion of the total population aged 16-24 who are unemployed and not in FTE and the proportion who are inactive and not in FTE;
- The proportion of the population aged 16-24 in either FTE or employment.

This data is included only for those aged 16-24 due to the relatively high proportions of people in full-time education which influences the labour market statistics. The proportion of other groups in full-time education is much smaller and therefore is not shown in this publication.

### Employment by sector and ethnic group (2009-2015)

Each worksheet shows employment figures broken down by ethnic group and sector of employment.

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Within each worksheet, the following figures are reported:

- The number of people from each ethnic group employed in each sector;
- Sectors as a proportion of ethnic group employment;
- Ethnic groups as a proportion of sector employment.

## Future Release Plans

DWP has published this release, which includes detailed age breakdowns, as well as industry break down of employment by ethnic group. The ONS also publishes statistics on labour market status by ethnic group:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusbyethnicgroupa09>

There is some overlap between the two publications and we are looking at how we can streamline the publications – with a view to amalgamating them into one release.

For any suggestions on how this publication could be improved or to let us know what you find particularly helpful, please contact Gabriel Kite on <mailto:gabriel.kite@dwp.gsi.gov.uk>.

## Contacts

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