



Department  
for Work &  
Pensions

# Labour market status by ethnic group

January 2014

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# Background

This publication is based on Labour Force Survey (LFS) data that is released quarterly. The LFS is a survey of households living at private addresses in the UK, conducted by the Office for National Statistics (ONS). It provides information on the UK labour market which can then be used to develop, manage, evaluate and report on labour market policies. 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.

## Labour market status by ethnic group

The Labour Force Survey is used to produce measures of employment, unemployment and inactivity. This publication provides historical data on the labour market status of the population aged 16 and over, with a breakdown by ethnicity, gender and age group provided. An additional breakdown of labour market status by whether or not individuals are in FTE is provided for those aged 16-24. Furthermore, figures showing the total employment by sector and ethnicity are provided from 2009 to 2013.

## Methodology

The data shows figures for the labour market status of people aged 16 and over, covering annual averages between 1993 and 2012 (excluding 2001). Data is also shown for the 'Year to September' 2013, comprised of a four-quarter average of Q4 2012, Q1 2013, Q2 2013 and Q3 2013. This data is provided as it is the latest available, but is shown for reference purposes only and should not be compared with the previous 'Year to December' data due to the overlap in the time period covered. 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. Any values based on fewer than five responses have therefore been suppressed.

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>

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<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>

<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.

## Results

### Historical record of labour market status by ethnic group (1993-2013)

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 unemployment rate. 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, in the 16-24 All worksheet contains the following information:

- Employment, unemployment, inactivity and the population for both those in 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 FTE;
- The proportion of the population aged 16-24 in either FTE or employment.

This data is included only for the 16-24 age group 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.

## Labour market status by ethnic group

### Employment by sector and ethnic group (2009-2013)

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

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.

### **Summary for Year to December 2012**

For all people aged 16-64, 71% were in employment, 6% were unemployed, and 22% were economically inactive. The overall unemployment rate (for all economically active people aged 16+) was 8% with variation between different ethnic groups. The White ethnic group had the lowest unemployment rate of 7%, and the highest unemployment rate of 17% was found in the Pakistani/Bangladeshi group.

The pattern of ethnic minority employment by sector broadly follows that for the GB population as a whole. However, ethnic minority groups appear to be disproportionately 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 sectors and education sectors.

## **Future Release Plans**

An update will be provided in spring 2014, containing annual figures for 2013, following the release of the Labour Force Survey data for quarter 4, 2013. Following this, updated statistics will be published annually.

As this publication is being released as an Experimental Official Statistic, we accept views on the content to be included in future publications.

**Louise Phillips** ([louise.phillips2@dwp.gsi.gov.uk](mailto:louise.phillips2@dwp.gsi.gov.uk))

**Department for Work and Pensions**

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