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### **Workless couples: characteristics and labour market transitions.**

**Richard Dorsett**

Policy Studies Institute

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**Workless couples: characteristics  
and labour market transitions**

**June 2001**

Commissioned by the Employment Service

**Richard Dorsett**

**Policy Studies Institute**



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The views expressed in this report are those of the author and do not necessarily reflect the views of the Employment Service or the Department for Education and Employment.

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# Executive summary

Aggregate unemployment levels have fallen to their lowest for 20 years. This has been accompanied by an increased concentration of work within a smaller number of households. The consequent rise in the proportion of households where nobody works presents urgent problems for employment and social policy since workless households are prone to poverty and social exclusion.

Despite their increased prevalence, relatively little is known about workless households. This report goes some way towards remedying this deficiency. Using data drawn from the Labour Force Survey, a dataset was constructed of over 18,000 non-employed working age couples spanning the period from the Spring of 1994 to the Summer of 2000. This was then used to observe the characteristics of workless households and their transitions over time between different economic states.<sup>1</sup>

## Characteristics of workless couples (Chapter 3)

For men, nearly half of non-employment was explained by unemployment. For women, inactivity was much more prevalent. Family considerations were significant for women with more than half being inactive due to looking after the family or the home. Most male inactivity was accounted for by sickness or disability.

Men were much more likely to be seeking full-time employment while women more often wanted part-time work. Very few people had no experience of employment but there was a difference between the sexes in how recent this experience was, with men more likely to have worked within the last two years.

In terms of personal characteristics, the average age was around 40 years with men being slightly older than women. Most individuals were white and originally from the UK. Men were better qualified than women despite leaving full-time education sooner. This was largely due to more men acquiring vocational qualifications. Ill health and disability were important factors affecting more than half the sample and especially the men. Where health problems existed, they usually affected both the kind of work and the amount of work possible.

Comparing partners provides strong evidence of dependence with respect to a number of characteristics including: age; ethnicity; country of origin; qualifications; education; disability and health; type of worklessness; duration of unemployment; work experience; length of time since last job, and; whether the last job was manual or non-manual. These similarities between partners are often dramatic. For example, considering previous employment experience, while only 15 per cent of women in workless households had no experience of employment, the level was 63 per cent among those partnered with men who had never worked.

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<sup>1</sup> Since completing the analysis, some information on workless households has been published by ONS ([www.statistics.gov.uk](http://www.statistics.gov.uk)) but it does not cover the detailed analyses which form the basis of this report.

People who were working were much more likely to acquire a working rather than a non-working partner. Furthermore, those who were unemployed were more likely to acquire unemployed rather than inactive partners, while inactive people were more likely to acquire inactive partners.

## **Changes over time (Chapter 4)**

There was an increase over the period 1994-2000 in the proportion of male worklessness due to inactivity rather than unemployment. This was due to a decline in the numbers of unemployed men rather than an increase in the number of inactive men. For women, the relative levels of inactivity and unemployment remained largely unchanged over the period.

In approximately 16 per cent of cases the man in a workless couple had found work within the year covered by the survey. This was twice the level for women. Men's movement into employment appeared to be due mainly to the reduction in unemployment while the level of inactivity remained more or less stable. The increase in employment among women was made possible more by the reduction in inactivity.

One fifth of workless couples had found work within a year, with the most common combination after this time being that of an employed man and an inactive woman. The dual-inactive household remained relatively stable over the year.

Examining transitions from one quarter to the next showed that most individuals who were in work remained so when next observed. Similarly, non-workless couples were very likely to still be non-workless in the next time period. This likelihood was particularly high for those couples where both partners worked.

Unemployment was also quite a stable status for men with three-quarters remaining unemployed when next observed. Women were more likely to leave unemployment, with inactivity being the most common destination. For unemployed couples, the chances of there being at least one earner when next observed were small; 21 per cent where both partners were initially unemployed and less where initially one partner was unemployed and the other inactive.

For both sexes, inactivity was the most stable employment status with very few changes from one quarter to the next. Joint inactivity was similarly stable; nine out of ten such couples remained jointly inactive into the next time period. Movements between inactivity and work were rare. In fact, the only real evidence of such moves was among those men or women with working partners.

## **Couples with/without children**

There was a much higher level of unemployment for men with children than for men without. Twice as many men without children were in employment by the time of the

last observation period as were men without children. Levels of inactivity remained stable over the period regardless of children, although for men without children the level of inactivity was much higher. Levels of initial inactivity among women were similar for those with and without children, although this level fell more among those with children. The proportion of women in work by the end of the observation period was slightly higher for those with children than those without.

There were fewer moves into inactivity among men with children than among men without children. Inactivity was slightly less permanent for those with children, as was unemployment. For women, it appears that the presence of dependent children in the household did little to alter the transitions between economic states.

### **Couples meeting the age criteria for Joint Claims**

Those couples satisfying the age requirement for Joint Claims for JSA <sup>1</sup>were also separately considered (regardless of whether they were childless, the other criterion for Joint Claims for JSA eligibility). Men in such couples had a greater tendency to be unemployed rather than inactive and, correspondingly, to have found work by the end of the observation year. For women, the differences from the sample as a whole were less marked. Initial unemployment and eventual employment were both higher and there appears to have been more movement out of female inactivity. This contrasts with male inactivity which was relatively stable over the period.

For both men and women, unemployment was very similar to the sample as a whole in terms of both stability and the destinations for those leaving. However, this was not true for employment and inactivity. The picture that emerges is one of greater short-term transitions between different economic states, although inactivity remains almost equally rigid for younger women as it does for women as a whole.

### **Conclusions (Chapter 6)**

The high level of similarity between partners in a couple suggests problems of worklessness may be concentrated within a particularly hard-to-reach group of households. Policies that have been ineffective for one partner may be equally ineffective for the other partner.

Policies are more likely to be effective if they take specific account of their target population. Worklessness among partners differs by gender and policies should be sensitive to this. A better understanding of the inter-relationship of partners' employment statuses is important to predicting the effect of employment policies.

The consideration of transitions between different economic states revealed inactivity to be a very stable economic state. This suggests that attempts to encourage

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<sup>1</sup> Note that date of birth criterion means that the eligible age range will extend over time. Furthermore, the date of birth criterion will be changed in 2002 to apply to those aged 18 or over and born after 1957, thus including couples with at least one member aged between 18 and 44 years at the time of introduction.

economically inactive men or women to work are likely to face the most exacting challenges.



# 1. Introduction

The growing prevalence of the workless household has been one of the most significant changes to the labour market over the last thirty years (Gregg et al., 1999). While aggregate unemployment levels have fallen to their lowest for 20 years, the distribution of work has changed so that there is now an increased concentration of work within a smaller number of households. As a dramatic illustration of this, Gregg et al. (1999) showed that the proportion of households where nobody is in work has almost tripled from a level of 6.5 per cent in 1975 to 17.9 per cent in 1998. Going back further, the rates are even lower. Over the same period, the proportion of households where all adults are in work has risen from 56 per cent to 63 per cent. Hence, there has been a polarisation of households into 'work-rich' and 'work-poor'. In fact, the UK had the fourth highest rate of workless households out of all the OECD countries in 1996 and the highest proportion of children growing up in workless households by far. Considering just couples, 10.4 per cent of those without children and 7.5 per cent of those with children were workless in 1996, according to the Family Expenditure Survey. This represents a huge rise on the corresponding proportions in 1968: 2.7 and 1.6 per cent respectively.

This presents urgent problems for employment and social policy. In particular, since earnings are the main generator of wealth, households without work are more likely to be poor. To illustrate this, in 1996 some 70 per cent of workless households had less than half mean household income. The corresponding figure for workless households with children was 90 per cent (Dickens et al., 2000). As well as the poverty implications, there are also wider ramifications. Lack of employment can result in social exclusion as individuals and households become increasingly distanced from mainstream activities and unable to afford to participate in outside leisure activities. Being reliant on benefits can result in a culture of dependency for adults and children in such households may grow up lacking a working role model. Hence, there may be some concern that children growing up in workless families may themselves have labour market disadvantages by the time they reach working age. In support of this view, Johnson and Reed (1996) show that while one in ten men aged 33 had been unemployed for more than a year in the period 1981-91, this rose to 19 per cent when considering those men who, at age 16, had unemployed fathers. Using the same data, Machin (1998) finds that inter-generational mobility is also limited in terms of earnings. Furthermore, Gregg (forthcoming) highlights the scarring effects of unemployment. That is, individuals experiencing unemployment when young are likely to endure long-term labour market disadvantage as a result.

All these points suggest the urgency of addressing the problems of worklessness both from the viewpoint of alleviating existing poverty and preventing longer-term problems from arising. Two employment policies that specifically address this concern are the New Deal for Partners of Unemployed people (NDPU) and Joint Claims for Jobseeker's Allowance. The first of these is a voluntary programme which aims to help partners enter or move closer to the labour market. The second is a change to the legislation on claims for Jobseeker's Allowance (JSA). For childless couples where at least one



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partner is aged between 18 and 24, since 19<sup>th</sup> March 2001, both partners in a claim are required to search and be available for work.

However, while the emergence of the workless household as a policy priority is well-understood, relatively little is known about such households. This report aims to address this deficiency. Drawing on data spanning the period from the Spring of 1994 to the Summer of 2000, the analysis will allow an examination of the characteristics of workless couples and the extent to which changes in economic status occur within the course of one year. The aim of this is to allow a fuller understanding of unemployed couples and the individuals within them. Such an understanding is an important prerequisite for influencing household labour supply; to be effective, employment policies which address worklessness at the household level must take explicit account of the fact that labour supply decisions within a couple are not independent.

The structure of the report is as follows. In Chapter 2, the data are described. While the Labour Force Survey is a widely used source of labour market information, the manipulations required for the purposes of carrying out the analysis in this report deserve some explanation in order to make subsequent results understandable. Next, the main results are presented. There are three stages to this. The first (Chapter 3) is an examination of the characteristics of workless couples. In addition to basic demographics, this section has a particular focus on worklessness and unemployment. There is also an examination of the extent to which the characteristics of partners are related. The second set of results (Chapter 4) are concerned with changes over time. This section exploits the longitudinal nature of the data. The third set of substantive results (Chapter 5) repeat some of the analysis for two sub-groups: couples with/without children and couples satisfying the age criteria of Joint Claims for JSA.

## 2. The Labour Force Survey

All the analysis contained in this report is based on the Labour Force Survey (LFS). The LFS is a quarterly survey of 60,000 households in the UK with a focus on those characteristics related to the labour market. It is carried out as a rotating panel with one-fifth of the respondents being replaced each quarter. Hence, each (fully-participating) household is interviewed five times over a period spanning 12 months. All household members at a given address are sampled, although information on unavailable members of the household is collected by means of proxy interview. It is the address rather than the household that is the sampling unit. This means that households leaving or moving to a new address will not be observed for the full year.<sup>2</sup>

The longitudinal element of the LFS is important for this analysis and permits changes over time between economic states to be considered. To do this required linking records for partners within households, and records for individuals across the five quarters over which the LFS tracks each household. In order to maximise the number of observations on the populations of interest, a number of waves of LFS data were pooled. The resulting dataset spans the period from the Spring quarter of 1994 to the Summer quarter of 2000. It comprises those couples who were observed to be jointly workless at some point over this period. Since the focus was on working age couples, those couples where one or both partners was aged 60 years or over at any point were excluded from further consideration.

In many cases, couples were observed fewer than five times in the final dataset. Such attrition of the sample may be for a variety of reasons, and the implications are considered more fully later in the report. However, in addition to the usual problem of attrition due to non-response to subsequent interviews, there are problems introduced by the complicated structure of the data. Specifically, couples only feature in the data while the partnership is intact and from the point of initially being observed as workless onwards. Hence, there are other reasons, apart from non-response, for not appearing in all waves. These include partnership dissolution, moving and not being a workless couple when first observed.

With this in mind, the structure of the sample in terms of response to the five waves is considered in Table 2.1. For each cell, a cross indicates a response to a particular wave. The first column shows that (by construction) all couples responded at the time of first being observed jointly workless. It is important to note that this was not necessarily the first of their five interviews; it is possible that they had earlier interviews but that their status did not satisfy the criteria for inclusion in the sample. In effect, couples appearing in the final dataset are aligned at the point of first observed joint worklessness. There were 18,341 couples in the dataset. Of these, only one-third participated fully. These couples will be referred to as 'full participants' later in the text

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<sup>2</sup> In contrast, the British Household Panel Survey (BHPS) tracks movers and those who leave the household. However, the sample size of the BHPS is too small for the purposes of this report.

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and the term 'balanced panel' will be used to refer to the dataset comprising only full participants.

**Table 2.1 Structure of the sample**

Months since first observed jointly non-employed:						
0	3	6	9	12	N	%
<i>Whether responded in this wave:</i>						
X					4305	23.5
X	X				3209	17.5
X	X	X			2545	13.9
X	X	X	X		2323	12.7
X	X	X	X	X	5959	32.5
					18341	100

In the remainder of this report, the results concerned with examining the characteristics of workless households and the change over the period 1994-2000 are based on the full sample of 18,000 couples. The results that examine changes over the observation year and transitions between economic states are based on the balanced panel, although there is some consideration given to how the results would have looked had they included all couples rather than just the full participants.

### 3. Characteristics of workless couples

In this chapter, the characteristics of all couples at the point of first being observed jointly workless are reported. There is an emphasis on those characteristics relating to the labour market and they are explored first. This is followed by a more general consideration of basic individual and household characteristics. Also of interest is the extent to which partners in a couple tend to be similar. This is the focus of the last section in this chapter.

#### 3.1 Worklessness, unemployment and job search

##### 3.1.1 Type of worklessness

**Table 3.1: Types of worklessness by gender**

	Male	Female
ILO unemployed	45.7	12.1
Inactive – seeking, unavailable, student	0.2	0.1
Inactive – seeking, unavailable, looking after family, home	0.2	0.4
Inactive – seeking, unavailable, temporarily sick or injured	0.5	0.1
Inactive – seeking, unavailable, long-term sick or disabled	0.2	0.0
Inactive – seeking, unavailable, other reason	0.7	0.2
Inactive – seeking, unavailable, no reason given	0.1	0.0
Inactive – not seeking, would like work, waiting results of job application	0.1	0.1
Inactive – not seeking, would like work, student	0.5	0.4
Inactive - not seeking, would like work, looking after family, home	2.1	12.9
Inactive - not seeking, would like work, temporarily sick or injured	2.0	0.9
Inactive - not seeking, would like work, long term sick or disabled	10.4	4.2
Inactive - not seeking, would like work, believes no job available	0.9	0.8
Inactive - not seeking, would like work, not started looking	0.8	1.0
Inactive - not seeking, would like work, not looked	1.8	2.4
Inactive - not seeking, would like work, no reason	0.0	0.0
Inactive - not seeking, not like work, waiting results of job application	0.1	0.0
Inactive - not seeking, not like work, student	2.5	2.1
Inactive - not seeking, not like work, looking after family, home	3.7	40.2
Inactive - not seeking, not like work, temporarily sick or injured	1.3	1.1
Inactive - not seeking, not like work, long term sick or disabled	19.3	13.4
Inactive - not seeking, not like work, not need or want job	1.0	1.7
Inactive - not seeking, not like work, retired	3.7	2.8
Inactive - not seeking, not like work, other reason	1.8	2.5
Inactive - not seeking, not like work, no reason given	0.6	0.4
Total	18341	18341

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Table 3.1 shows the profile of non-employment for men and women.<sup>3</sup> There are clear differences. For men, nearly half of non-employment was explained by unemployment. Approximately one-third was accounted for by long-term sickness or disability. For women, inactivity was much more prevalent. Family considerations were significant with more than half of women inactive due to looking after the family or the home. The other major categories for women were those who do not want to work for reasons of long-term sickness or disability and those who were unemployed.

### 3.1.2 Duration of unemployment

For many, unemployment was a relatively recent event; 30 per cent of men and nearly 40 per cent of women had been unemployed for less than three months. However, nearly 60 per cent of men and 50 per cent of women had been unemployed for more than 6 months. Men were more likely to have had a very long spell of unemployment. In fact, 12 per cent of men had been unemployed for more than 5 years.

**Table 3.2: Duration of unemployment**

	(column percentages)	
Duration of unemployment	Male	Female
Less than 3 months	29.5	37.5
3 months but less than 6 months	12.2	15.5
6 months but less than 1 year	12.7	15.7
1 year but less than 2 years	14.7	14.6
2 years but less than 3 years	9.0	6.8
3 years but less than 4 years	6.3	3.8
4 years but less than 5 years	3.7	1.9
5 years or more	12.0	4.4
Total	8363	2220

### 3.1.3 Claiming unemployment benefits

A much higher proportion of men than women were claiming unemployment benefits (40 per cent compared with 5 per cent). Of those claiming JSA, about half were claiming income-based JSA. This was true for both men and women. There was a substantial number of people who were claiming JSA but did not know whether it was income-based or contributory. Many had only been claiming JSA for a relatively short period of time; about half of all men and over 60 per cent of women who were claiming JSA had been claiming for less than six months. It was among men that very long-term claims were in evidence; 13 per cent had been claiming for more than 5 years.

<sup>3</sup> These categories are based on the International Labour Organisation (ILO) definitions.

**Table 3.3 Unemployment benefit**

(column percentages)

	Male	Female
Claiming unemployment benefit (any kind):		
No	59.7	94.6
Yes	40.3	5.4
Total	17609	17667
Type of JSA claim:		
Claiming contributory JSA	16.1	18.8
Claiming income-based JSA	49.9	45.2
Claiming both contributory & income JSA	2.8	3.0
Claiming JSA: type unknown	25.8	20.3
Claiming NI credits	5.6	12.7
Total	2468	330
Length of JSA claim:		
Less than 1 month	11.5	14.1
1 month but less than 3 months	21.2	28.8
3 months but less than 6 months	14.9	19.2
6 months but less than 12 months	13.7	14.7
12 months but less than 18 months	8.6	8.5
18 months but less than 2 years	4.9	1.7
2 years but less than 3 years	6.6	4.5
3 years but less than 4 years	3.9	3.4
4 years but less than 5 years	2.4	0.6
5 years	12.5	4.5
Total	1430	177

Note: respondent information on benefits may not be entirely accurate.

### 3.1.4 Looking for work

**Table 3.4 The type of work sought**

(column percentages)

The type of work sought	Male	Female
Self-employment	7.1	4.3
Full-time employee	62.4	30.4
Part-time employee	3.1	39.7
Employee – no preference	7.4	15.6
Full-time - no preference	15.3	2.7
Part-time - no preference	0.4	3.5
No preference - no preference	3.8	2.9
Type of employment not stated	0.1	0.1
Looking for place on government scheme	0.6	0.8
Total	9980	4194

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There was also a difference between the sexes in the type of work sought (Table 3.4). Men were much more likely to be seeking full-time employment. More than three-quarters of all men wanted to work full time compared to one-third of women. Women were much more likely to want part-time work; 43 per cent were seeking such employment compared to only 3.5 per cent for men.

Table 3.5 shows that the main differences between men and women in how long they had been looking for work were at the extremes; 35 per cent of women had been looking for less than 3 months compared to 27 per cent of men, while 14 per cent of men had been looking for more than 5 years compared to 5 per cent of women.

**Table 3.5 How long been looking for work**  
(column percentages)

How long been looking for work	Male	Female
Not yet started	0.2	0.2
Less than 1 month	8.5	12.2
1 month but less than 3 months	17.8	23.1
3 months but less than 6 months	12.1	15.4
6 months but less than 12 months	13.2	16.0
12 months but less than 18 months	8.6	9.9
18 months but less than 2 years	5.4	4.9
2 years but less than 3 years	9.7	7.1
3 years but less than 4 years	6.7	4.0
4 years but less than 5 years	4.2	2.0
5 years or more	13.6	5.3
Total	8533	2313

### 3.1.5 Work experience

**Table 3.6 Whether ever worked**  
(column percentages)

	Male	Female
Whether ever worked:		
Yes	95.7	84.9
No	4.3	15.1
Total	18327	18328
How long since last worked:		
Less than a year	30.4	17.4
1 to 2 years	24.1	16.8
3 to 5 years	19.8	19.0
6 to 10 years	15.3	18.2
More than 10 year	10.4	28.6
Total	17581	15738

Very few had no experience of employment. Table 3.6 shows that less than 5 per cent of men and only 15 per cent of women had never worked. There was a difference between the sexes in how recent this experience was. For men, 54 per cent had worked within the last two years. For women, the corresponding proportion was 34 per cent. At the other extreme, the proportion of women without work for more than 10 years (at 29 per cent) was nearly three times that for men.

### 3.1.6 Characteristics of last job

Tables 3.7 to 3.9 consider some of the characteristics of the most recent job. The largest categories for men in Table 3.7 relate to manual workers of varying skill levels. These accounted for more than half of all jobs. Women were also strongly in evidence among semi-skilled and unskilled manual workers but were most strongly represented among junior non-manual workers. This category and intermediate non-manual workers accounted for 38 per cent of all previous employment for women. Another large category accounting for more than one tenth of female jobs was personal service workers. This category was only small for men.

**Table 3.7 Socio economic group in last job**

Socio economic group in last job	(column percentages)	
	Male	Female
Employers and managers (large establishment.)	6.9	3.0
Employers and managers (small establishment)	6.8	4.6
Prof workers (self-employed)	0.5	0.1
Prof. Workers (employees)	2.9	0.8
Intermediate non-manual workers	5.7	11.5
Junior non-manual workers	5.6	26.2
Personal service workers	3.2	12.7
Foreman and supervisors (manual)	6.8	2.5
Skilled manual workers	22.0	3.4
Semi skilled manual workers	17.4	19.4
Unskilled manual workers	8.4	12.3
Own account workers	11.9	2.8
Farmers (employers & managers)	0.1	0.0
Farmers (own account)	0.2	0.0
Agricultural workers	1.1	0.7
Members of armed forces	0.5	0.0
Total	14665	9950

There were also large differences when considering industry of last job. Men tended to work in primary, manufacturing and (especially) construction industries to a greater extent than women and also dominated transport and communication. Women were concentrated in distribution, hotels and catering and particularly in 'other services'.



**Table 3.8 Industry of last job**

Industry	(column percentages)	
	Male	Female
Agriculture, forestry, fishing	2.2	0.8
Energy and water supply	3.6	0.5
Minerals, ores, metals, chemicals	3.4	1.7
Metal goods, engineering, vehicles	10.2	4.7
Other manufacturing industries	11.6	12.4
Construction	18.8	1.2
Distribution, hotels & catering, repair	18.1	30.4
Transport and communication	9.0	2.9
Banking, financial & business service	7.2	7.5
Other services	14.3	36.6
Diplomatic, international	0.3	0.3
NA	1.1	0.9
Workplace outside UK	0.1	0.1
Total	14681	9958

Table 3.9 presents information on the occupation of the last job. Men had worked mainly in craft and related occupations and as plant and machine operatives. Women, on the other hand, had worked mainly in personal and protective, clerical and secretarial and sales occupations. For both sexes, 'other occupations' scored quite highly.

**Table 3.9 Occupation in last job**

	(column percentages)	
	Male	Female
Managers and administrators	12.4	7.8
Professional occupations	4.9	3.8
Associate prof & tech occupations	4.1	4.6
Clerical, secretarial occupations	5.0	15.7
Craft and related occupations	26.1	6.1
Personal, protective occupations	8.1	20.0
Sales occupations	3.9	14.2
Plant and machine operatives	21.3	10.7
Other occupations	14.2	17.1
Total	14691	9976

## 3.2 Personal and household characteristics

### 3.2.1 Basic demographics

As shown in Table 3.10, the average male in a workless household was aged 41.3 years. His partner was slightly younger at 38.5 years. The distribution of ages was quite similar for both partners in the middle of the age distribution (from age 25 to age 50) but men were relatively concentrated in the highest age group and women in the 18-

24 age group. The marital statuses of men and women were very similar. The majority of the sample were married couples<sup>4</sup>, although 15 per cent were cohabitees. Dependent children were present in 60 per cent of all households. Most couples were living in rented accommodation but a quarter had mortgages.

**Table 3.10 Household demographics**

	(column percentages)	
	Male	Female
Age range:		
16-17	0.2	1.0
18-24	8.0	12.7
25-30	14.0	16.2
31-40	23.2	23.4
41-50	25.6	25.3
51-60	29.2	21.3
Total	18341	18341
Marital status:		
Single, never married	15.1	15.2
Married, living with husband/wife	79.6	79.6
Married, separated from husband/wife	0.7	0.8
Divorced	4.5	4.1
Widowed	0.1	0.3
Total	15327	15327
Dependent children:		
No	40.0	
Yes	60.0	
Total	18341	
Housing tenure type:		
Owned outright	14.2	
Being bought with mortgage or loan	24.1	
Rented	60.0	
Rent free	0.8	
Non-contact:renting/rent-free(Spring 96 only)	0.6	
Total	12264	

<sup>4</sup> Clearly, the category 'married, living with husband/wife' is the same for both partners in a couple.

### 3.2.2 Region

Table 3.11 presents the regional breakdown of the sample. A quarter of workless couples were to be found in London and the South East.<sup>5</sup>

**Table 3.11 Region**

Region	(column percentages)
Tyne and Wear	3.1
Rest of northern region	4.7
South Yorkshire	3.5
West Yorkshire	3.6
Rest of Yorks & Humberside	2.6
East Midlands	6.5
East Anglia	2.8
Inner London	5.2
Outer London	6.3
Rest of South East	12.3
South West	5.9
West Midlands (Met County)	5.8
Rest of West Midlands	3.6
Greater Manchester	5.1
Merseyside	3.2
Rest of North West	4.0
Wales	6.5
Strathclyde	5.0
Rest of Scotland	4.3
Northern Ireland	6.2
Total	18341

### 3.2.3 Ethnicity and country of origin

Nearly 90 per cent of the sample was white. This was true for both men and women. Most were also originally from the UK. Of those with a different country of origin, many had been in the UK for a long time; 60 per cent of men and 52 per cent of women had been here for more than 10 years.

<sup>5</sup> Note that it is not straightforward to draw a comparison with the proportion of the population living in London and the South East since the data used in this report have not been weighted to account for the higher levels of survey non-response typically observed in London and the South East.

**Table 3.12 Ethnicity and country of origin**  
(column percentages)

	Male	Female
<b>Ethnic group:</b>		
White	87.7	88.1
Black – Caribbean	0.6	0.5
Black – African	0.9	0.9
Black – other	0.2	0.1
Indian	2.5	2.6
Pakistani	3.5	2.6
Bangladeshi	1.5	1.4
Chinese	0.5	0.5
Other	2.6	2.5
Total	17791	17793
<b>Country of origin:</b>		
UK, British	84.9	85.2
Irish Republic	1.1	1.0
Hong kong	0.2	0.2
China	0.1	0.1
Other	13.7	13.5
Total	18339	18339
<b>How long resident in UK:</b>		
Less than a year	7.5	9.1
1 to 2 years	9.7	11.5
3 to 5 years	11.3	13.0
6 to 10 years	11.3	14.6
11 to 20 years	15.0	20.6
21 to 30 years	23.8	19.7
More than 30 year	21.4	11.6
Total	2722	2680

### 3.3 Qualifications and education

Table 3.13 shows that men were better qualified than women despite leaving full-time education sooner. Half of women had no qualifications compared to 36 per cent for men. The difference is particularly notable at the NVQ 3 level where men were three times as represented as women. The apparent contradiction of men leaving education at a younger age yet appearing more qualified is explained by the fact that the qualifications are given in terms of their NVQ equivalents, and is likely that vocational qualifications contributed to the apparent better performance of the men. Men were much more likely to have completed an apprenticeship.

**Table 3.13 Qualifications and education**

	(column percentages)	
	Male	Female
Highest qualification:		
NVQ 4 or higher	8.9	6.4
NVQ 3	24.5	8.5
NVQ 2	10.6	17.6
NVQ 1	6.2	9.3
Other	13.7	8.8
None	36.2	49.4
Total	18094	18139
Age completed full-time education:		
Under 16	43.7	39.1
16	37.6	40.2
17-18	9.7	13.3
Over 18	9.0	7.4
Total	17966	17825
Whether doing/done apprenticeship:		
yes (completed)	22.3	4.3
yes (still doing)	0	0
no (including begun but discontinued)	77.6	95.6
Total	18277	18298

### 3.2.5 Disability and health

There was a high level of disability and ill-health reported among the sample. This is unsurprising given that the focus is on workless couples. About half of the men and 40 per cent of the women reported a disability of some form. Furthermore, two-thirds of men and half of women had a health problem of more than one year's duration. Table 3.14 shows that in the majority of cases, ill-health affected both the kind of work and the amount of work possible.

**Table 3.14 Disability and health**

	(column percentages)	
	Male	Female
Whether has a disability:		
DDA disabled and work-limiting disabled	43.5	31.6
DDA disabled only	1.6	2.3
Work-limiting disabled only	6.8	5.8
Not disabled	48.1	60.4
Total	6790	6792
Health problem lasting more than a year:		
Yes	64.8	53.8
No	35.2	46.2
Total	12616	11854
Health affects kind of work possible:		
Yes	88.9	83.2
No	11.1	16.9
Total	5282	4243
Health affects amount of work possible:		
Yes	80.6	76.3
No	19.5	23.7
Total	5270	4234

Note: DDA disabled relates to individuals who have a long-term disability that substantially limits their day-to-day activities. Work-limiting disabled relates to individuals who have a long-term disability which affects the kind or amount of work they can do.

### 3.4 Similarities within couples

In this section, the extent of the similarity between partners in a couple with respect to various characteristics is considered. For some of these characteristics (age, for example) there is no possible causal relationship. That is to say, forming a couple will not affect the age of either partner. For other characteristics, it is plausible that a causal relationship exists. In other words, the characteristic of one partner may affect the corresponding characteristic of the other. This section begins by first considering those individual characteristics which can be regarded as unaffected by the other partner<sup>6</sup> before moving on to a consideration of employment-related characteristics, for which this assumption is invalid. However, in all cases it is important to bear in mind that there is no attempt to explain any similarities found, merely to report them.

All of the tables in this section follow the same format and tabulate the male characteristic in question against the corresponding female characteristic. The percentages in each cell are row percentages and show the proportion of the men with

<sup>6</sup> Although in some cases this may be questionable.

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a given characteristic who are partnered with women with that or other characteristics. It is possible to compare the observed tabulation with that which would be expected were the characteristics of the partners independent of each other. This null hypothesis of independence can then be tested statistically. For completeness, the chi-squared statistic is presented in each table. However, it would suffice to say that, in all cases, the null hypothesis of independence is rejected beyond any reasonable doubt.

### 3.4.1 Age

Table 3.15 shows that there is a clear tendency to partner somebody of a similar age. In all age categories, the entries on the leading diagonal (shown in bold) exceed those elsewhere in the row. Comparing these entries with those in the final row also shows women to be disproportionately partnered with someone of a similar age. The large entries in those cells to the left of the leading diagonal shows that men were more likely to partner younger women than they were older women.

**Table 3.15 Age of partners**

		(row percentages)						
		Female:						
Male:		16-17	18-24	25-30	31-40	41-50	51-60	Total
	16-17	<b>48.3</b>	44.8	3.5	3.5	0.0	0.0	29
	18-24	9.1	<b>71.3</b>	15.4	3.7	0.5	0.0	1459
	25-30	1.2	35.2	<b>48.0</b>	13.9	1.7	0.0	2564
	31-40	0.2	7.7	30.2	<b>53.8</b>	7.6	0.5	4255
	41-50	0.0	0.9	4.4	29.5	<b>58.1</b>	7.1	4688
	51-60	0.0	0.1	0.5	4.0	29.0	<b>66.4</b>	5346
	Total	1.0	12.7	16.2	23.4	25.3	21.3	18341

Chi-squared(25) = 24982

### 3.4.2 Ethnicity and country of origin

There were also strong correlations between partners with respect to ethnic group and country of origin. Whereas 10 per cent of non-white men were partnered with white women, only one per cent of white men were partnered with non-white women. The figures for country of origin are slightly less dramatic but are still marked. One quarter of men originating from outside the UK had partners from the UK, while the corresponding figure for men from the UK was 96 per cent.

**Table 3.16 Ethnic group and country of origin**

(row percentages)

Ethnic group:			
Male:	Female:		
	Non-white	White	Total
Non-white	<b>89.8</b>	10.2	2185
White	1.0	<b>99.0</b>	15605
Total	11.9	88.1	17790
Chi-squared(1) = 14432			
Country of origin:			
Male:	Female:		
	From outside UK	From UK	Total
From outside UK	<b>76.3</b>	23.8	2775
From UK	3.9	<b>96.1</b>	15564
Total	14.8	85.2	18339
Chi-squared(1) = 9765			

### 3.4.3 Qualifications and education

Table 3.17 displays a clear tendency for partners to have similar levels of highest qualification. For example, while only 7 per cent of women had a qualification at NVQ 4 level or higher, this rose to 34 per cent among those whose partner had this level of qualification. At the other end of the scale, half of all women had no qualifications but, among those whose partners had no qualifications, the level was 70 per cent.

**Table 3.17 Dependence between qualifications of partners**

(row percentages)

Female:							
Male:	NVQ4	NVQ3	NVQ2	NVQ1	Other	None	Total
NVQ 4 or higher	<b>34.3</b>	13.2	20.8	6.3	10.2	15.2	1588
NVQ 3	6.4	<b>12.8</b>	20.3	9.5	7.8	43.2	4390
NVQ 2	6.2	11.1	<b>31.1</b>	11.7	6.8	33.2	1895
NVQ 1	1.5	8.0	25.5	<b>19.2</b>	5.2	40.6	1107
Other	3.7	6.8	11.7	7.9	<b>24.2</b>	45.8	2446
None	1.7	4.4	11.8	7.9	4.6	<b>69.6</b>	6492
Total	6.5	8.5	17.5	9.3	8.8	49.4	17918
Chi-squared(25) = 4981							

Unsurprisingly, a corresponding pattern is found when considering the age at which full-time education was completed. While only 7 per cent of women stayed in education beyond the age of 18, for those with partners educated beyond this point the proportion was 42 per cent. At the other extreme, 63 per cent of women partnered with men who



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left school before the age of 16 did likewise. The figure for women in the whole sample was 39 per cent.

**Table 3.18 Dependence between age completed full-time education**

		Female:				(row percentages)
Male:		Under 16	16	17-18	Over 18	Total
Under 16		<b>63.3</b>	27.4	7.3	2	7753
16		21.7	<b>61.7</b>	13.2	3.4	6661
17-18		22.5	34.5	<b>29.6</b>	13.4	1691
Over 18		11.7	20.9	25.1	<b>42.4</b>	1535
Total		39.2	40.5	13.2	7.1	17640
Chi-squared(9) = 7214						

### 3.4.4 Disability and health

Dependence between the statuses of partners was also evident when considering disability and health. Table 3.19 shows that all levels of disability were more highly represented among the women partnered to men with a similar level of disability than they were in the sample of women as a whole.

**Table 3.19 Dependence between disability of partners**

		Female:				(row percentages)
Male:		Disabled and working	Disabled not working	Work-limiting disability	Not disabled	Total
Disabled and working		<b>42.4</b>	2.7	5.8	49.2	2954
Disabled, not working		36.1	<b>6.5</b>	1.9	55.6	108
Work-limiting disability		30.0	2.2	<b>13.6</b>	54.3	464
Not disabled		21.9	1.8	4.8	<b>71.6</b>	3259
Total		31.6	2.3	5.8	60.4	6785
Chi-squared(9) = 413						

Equally, self-reported long-term health problems were concentrated within couples.

**Table 3.20 Dependence between health problem (lasting more than a year) of partners**

(row percentages)			
Female:			
Male:	Problem	No problem	Total
Long-term health problem	<b>62.8</b>	37.3	6586
No long-term health problem	31.7	<b>68.4</b>	4288
Total	50.5	49.5	10874
Chi-squared(1) = 1005			

### 3.4.5 Type of worklessness

Table 3.21 considers the distinction between unemployment and inactivity in order to examine the extent to which individuals tended to be partnered with those of a similar employment status. There was clearly a tendency to be partnered with somebody of a similar status. Whereas 12 per cent of women in workless households were unemployed, the corresponding proportion for those partnered with unemployed men was 20 per cent. Similarly, while 88 per cent of women were inactive, this rose to 94 per cent among those partnered with inactive men.

**Table 3.21 Dependence between economic status of partners**

(row percentages)			
Female:			
Male:	Unemployed	Inactive	Total
Unemployed	<b>19.6</b>	80.4	8377
Inactive	5.8	<b>94.2</b>	9964
Total	12.1	87.8	18341
Chi-squared(1) = 814			

### 3.4.6 Duration of unemployment

There were also similarities in the duration of unemployment. The pattern revealed in Table 3.22 is that, in jointly unemployed couples, men were likely to have had longer unemployment spells than their partners. Furthermore, the correlation between durations is clear. Comparing the leading diagonal with the final row shows that, for all categories of duration, the proportion is higher for those women partnered with a man in a similar category than among women as a whole. For example, whereas only 35 per cent of women in jointly unemployed couples had an unemployment duration of less than three months, for those with partners of the same duration the proportion rose to 61 per cent. These differences between the entries in the leading diagonal and those in the final row tend to increase as the duration of unemployment grows. This suggests a tendency for the similarities to increase with the length of unemployment.

**Table 3.22 Dependence between duration of unemployment of partners**  
(row percentages)

	Female:								
Male:	<3 m	3-6	6-12	1-2 y	2-3 y	2-4 y	4-5 y	>5 y	Total
Less than 3 months	<b>61.0</b>	15.6	8.6	8.6	3.5	1.0	0.6	1.0	487
3 months but less than 6	36.0	<b>33.9</b>	12.0	12.0	3.7	0.4	0.8	1.2	242
6 months but less than 12	28.1	16.1	<b>35.3</b>	11.2	4.4	3.2	0.8	0.8	249
1 year but less than 2	21.3	10.9	18.3	<b>32.6</b>	8.3	3.9	1.7	3.0	230
2 years but less than 3	14.8	9.3	21.0	21.6	<b>19.1</b>	8.6	1.9	3.7	162
3 years but less than 4	17.4	12.2	8.2	16.3	15.3	<b>21.4</b>	3.1	6.1	98
4 years but less than 5	22.5	10.2	14.3	12.2	10.2	12.2	<b>14.3</b>	4.1	49
5 years or more	16.4	3.3	12.3	15.6	9.8	4.9	8.2	<b>29.5</b>	122
Total	35.1	15.8	16.2	15.3	7.3	4.3	2.1	4.1	1639

Chi-squared(49) = 822

### 3.4.7 Work experience

Table 3.23 shows the dramatic extent to which women without any employment experience were concentrated among those whose partners had no such experience. While only 15 per cent of women in workless households had no experience of employment, the level was 63 per cent among those partnered with men who had never worked.

**Table 3.23 Dependence between work experience of partners**  
(row percentages)

	Female:		
Male:	Ever worked	Never worked	Total
Ever worked	<b>87.0</b>	13.0	17537
Never worked	36.8	<b>63.2</b>	780
Total	84.9	15.1	18317

Chi-squared(1) = 1468

### 3.4.8 Length of time since last job

When considering the length of time since last employed, there is once again evidence of dependence between the partners. However, in this case, there appears to be a tendency for men's employment to be a more recent experience than that of their partners. All the entries to the left of the leading diagonal are smaller than the corresponding entries in the final row of the table indicating that women with a spell since their last period of employment shorter than that of their partner were disproportionately absent.

**Table 3.24 Dependence between how long since last worked**

(row percentages)

	Female:					
Male:	<1 year	1-2 yr	3-5 yr	6-10 yr	10+ yr	Total
Less than a year	<b>34.6</b>	18.3	17.1	13.9	16.1	4775
1 to 2 years	13.2	<b>27.9</b>	20.6	16.7	21.6	3691
3 to 5 years	9.6	12.7	<b>28.8</b>	20.2	28.7	3056
6 to 10 years	6.6	7.6	15.3	<b>30.3</b>	40.1	2307
More than 10 years	5.1	6.0	8.4	13.7	<b>66.8</b>	1585
Total	17.3	16.6	19.1	18.3	28.7	15414

Chi-squared(16) = 3569

### 3.4.9 Manual vs. non-manual employment

Table 3.25 considers the tendency for manual workers (as were) to be partnered with other manual workers. Again, there is strong evidence of dependence with partners in a couple likely to have been either both manual or both non-manual.

**3.25 Dependence between whether last job was manual**

(row percentages)

	Female:			
Male:	Manual	Non-manual	Forces	Total
Manual	<b>60.9</b>	39.1	0.0	5474
Non-manual	27.2	<b>72.8</b>	0.1	2504
Armed forces	64.9	33.3	<b>1.8</b>	57
Total	50.4	49.5	0.1	8035

Chi-squared(4) = 822

### 3.4.10 Employment status at the time of partnership formation

Although there is no attempt to explain causality in this report, it is possible to probe a little more deeply by considering similarities at the time of partnership formation. New partnerships can be identified in the LFS since each address is observed five times and the composition of the household is recorded at each stage. Over the period considered, Spring 1994 to Summer 2000, more than 4,500 new partnerships were observed.

The assortative nature of partnering in terms of economic status is illustrated in Table 3.26. People who were working were much more likely to partner with other workers than were people who were not working. The figures are remarkably symmetric. Of those newly-formed partnerships where the male was employed, the female was also employed in 70 per cent of cases. Conversely, of those newly-formed partnerships where the male was not employed, the female was non-employed in 70 per cent of

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cases. Comparing the entries on the leading diagonal with those in the final row of the table gives the same conclusion.

**Table 3.26 Dependence between economic status at partnership formation**  
(row percentages)

Economic status of male	Economic status of female		All new partnerships (N)
	Working	Not working	
Working	<b>69.5</b>	30.5	3273
Not working	29.5	<b>70.5</b>	1310
Total	58.1	41.9	4583

Chi-squared (1) = 615

This is interesting since it suggests that, in addition to the possibility that one partner may take account of the other partner's employment status when deciding on his/her own, the shared employment status will manifest itself at the very earliest stages of the partnership.

This can be further explored by distinguishing between different types of worklessness. In Table 3.27 the formation of workless couples is considered. From this, the selection effect can be seen; those who were unemployed were more likely to partner with other unemployed people than they were with inactive people, while those who were inactive were more likely to partner with inactive people. In fact, the cell entries are remarkably close to those presented earlier for all workless couples. This might suggest that the influence of one partner's economic status on that of the other is not as important as the selective matching at the time of partnership formation. However, this cannot be properly assessed in a descriptive account such as this.

**Table 3.27 Dependence between economic status at workless partnership formation**  
(row percentages)

Male:	Female:		Total
	Unemployed	Inactive	
Unemployed	<b>19.9</b>	80.1	356
Inactive	7.1	<b>92.9</b>	310
Total	14.0	86.0	666

Chi-squared(1) = 22

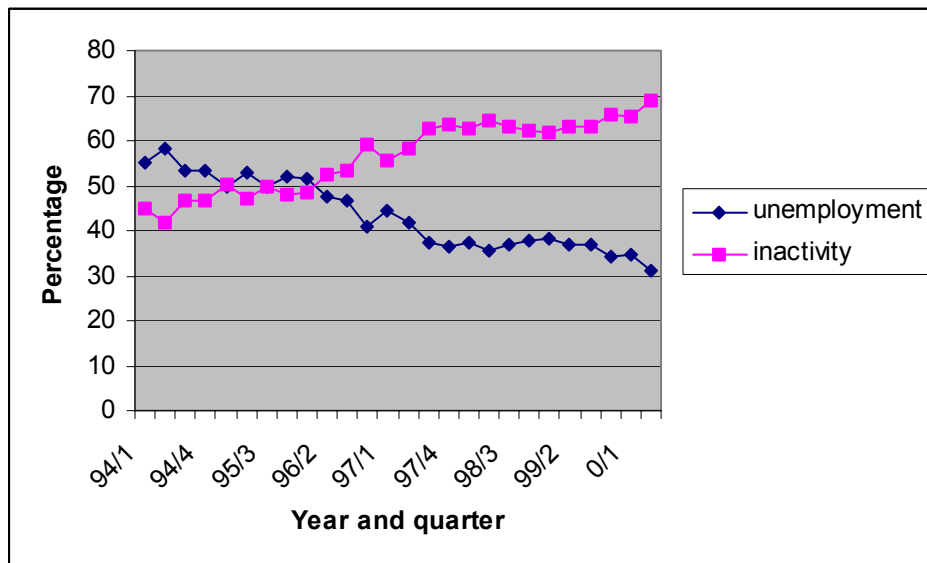
## 4. Changes over time

In this chapter, attention turns to changes in worklessness over time. The principal focus is on changes over the period for which each household is observed in the data (a maximum of one year). This is done to assess both the changing profile of the sample over the year and to focus more closely on individual transitions between economic states. However, before this is done, changes over calendar time are considered.

### 4.1 Changes in the unemployment/inactivity mix over the 1994-2000 period

In this section, the focus is on the change over time in the proportion of worklessness accounted for by unemployment and by inactivity. As with the previous analysis, this is based on the full sample and considers only the quarter at which the couple was first observed to be jointly workless.

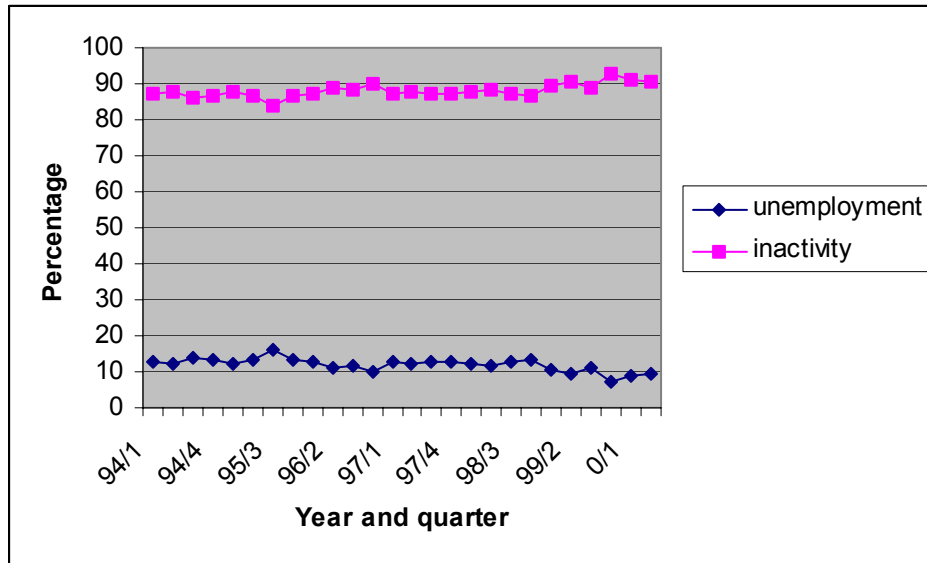
Figure 4.1 considers the economic status of men in workless households. For each quarter, the percentages of men unemployed and the percentage inactive at the point of the couple first being observed workless are plotted. The trends show a definite increase in the proportion of worklessness due to inactivity over the period 1994-2000. This is from a level of about 45 per cent in Spring 1994 to a level of about 70 per cent in Summer 2000. The downward trend in unemployment is a mirror image of this, by construction.



**Figure 4.1: the relative importance of unemployment and inactivity over time for men in workless couples.**

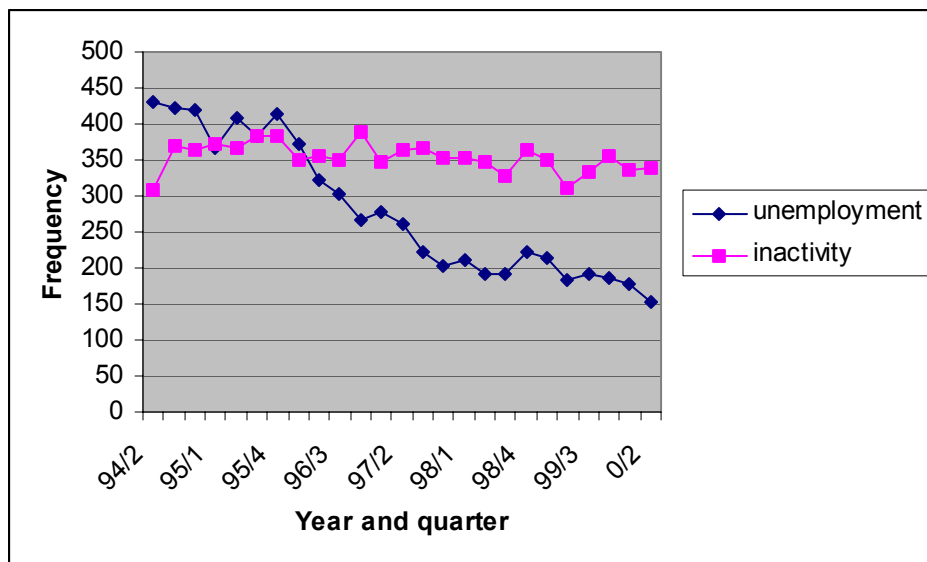
## Workless Couples: Characteristics and Labour Market Transitions

For women, the pattern is very different. There are two aspects to this. First, the levels of unemployment and inactivity were much further apart than for men. This is unsurprising given the earlier results for the economic status of women over the sample period as a whole. Second, no real trend is evident. Figure 4.2 shows that the relative levels of inactivity and unemployment remained largely unchanged over the period.



**Figure 4.2: the relative importance of unemployment and inactivity over time for women in workless couples.**

Given the apparent change over time for men, it is instructive to examine the absolute numbers of men in either status. Doing so reveals that it is the decline in the numbers of unemployed men that was responsible for the reduced proportion of workless households accounted for by this economic status. This is shown in Figure 4.3. The level of inactivity remained largely unchanged, while the level of unemployment dropped considerably.



**Figure 4.3: the numbers in unemployment and inactivity over time for men in workless couples.**

## 4.2 Changes over the observation year

The preceding evidence of falling levels of male unemployment and stable levels of female unemployment within workless couples was based on the point in time at which each couple was first observed to be without work. The longitudinal nature of the LFS permits transitions between economic states to be considered in more detail. Specifically, one can inspect changes over those periods for which individuals were observed. As noted earlier, couples were observed at up to five points spanning a maximum period of one year. In this section, and the remainder of this report, changes over these five observation points are considered.

### 4.2.1 The changing economic status of men and women over the observation year

The analysis that follows is based on the sample of full participants (the balanced panel). This has the advantage that the problems of changing sample composition and differential non-response can be ignored. Table 4.1 shows that in approximately 16 per cent of cases the man in a workless couple will have found work (as an employee or self-employed) within the year covered by the survey. This is twice the level for women. Men's movement into employment appears to be due mainly to the reduction in unemployment which falls from 40 per cent to 23 per cent over the year while the level of inactivity remains more or less stable. In contrast, the increase in employment among women was made possible more by the reduction in inactivity. This is perhaps unsurprising given the earlier results showing that male inactivity was likely to be due to disability or long-term ill-health whereas women's inactivity was, to a greater extent, accounted for by domestic responsibilities. Hence, the apparent move away from



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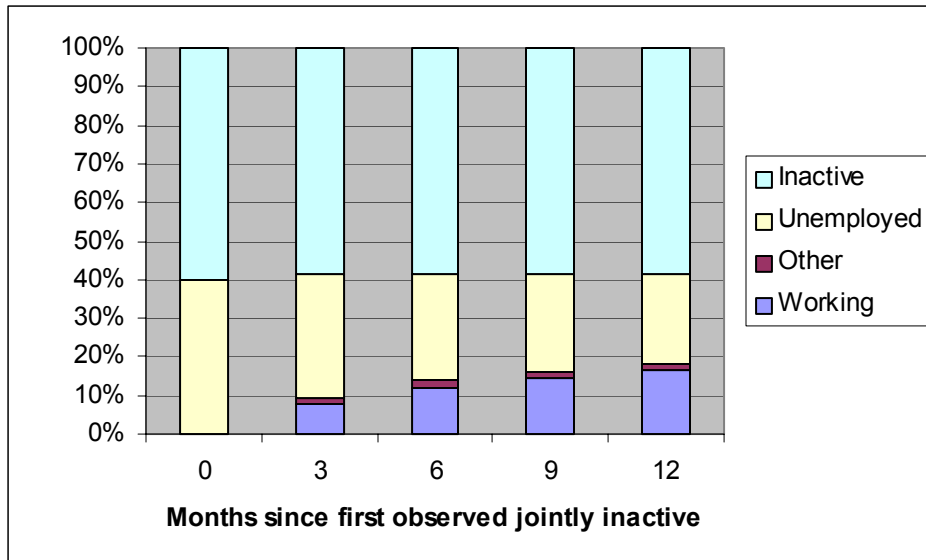
inactivity among women may be partly explained by women returning to the labour force as childcare responsibilities permit.

**Table 4.1 The changing economic status of men and women**

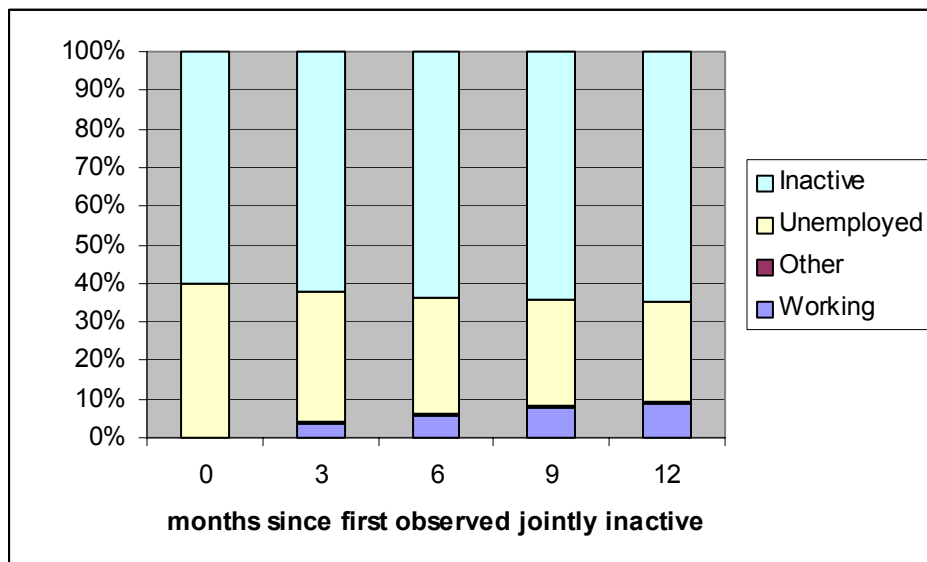
(balanced panel)

	Months since first observed jointly non-employed:				
	0	3	6	9	12
<i>Men:</i>					
Employed	0.0	5.9	9.0	11.0	12.5
Self-employed	0.0	2.1	3.0	3.4	4.0
Govt emp and training programme	0.0	0.9	1.5	1.4	1.2
Unpaid family worker	0.0	0.2	0.3	0.3	0.2
ILO unemployed	39.8	32.1	27.6	25.5	23.4
Inactive	60.2	58.8	58.6	58.5	58.7
Base	5959	5959	5941	5922	5895
<i>Women:</i>					
Employed	0.0	3.1	4.7	6.2	7.3
Self-employed	0.0	0.4	0.6	0.7	0.8
Govt emp and training programme	0.0	0.2	0.3	0.3	0.3
Unpaid family worker	0.0	0.1	0.2	0.2	0.3
ILO unemployed	9.5	8.3	7.4	7.0	6.6
Inactive	90.5	87.8	86.8	85.6	84.8
Base	5959	5959	5946	5936	5925

For clarity, a simplified version of these results is presented in the following charts. Here, the categories have been collapsed; 'employed' and 'self-employed' is now represented by a single category labelled 'working', while 'government employment and training programme' and 'unpaid family worker' has been combined into 'other'.



**Figure 4.4: The changing economic status of men**



**Figure 4.5: The changing economic status of women**

#### 4.2.2 Changes in economic status for the full sample

Focusing on the balanced panel means that information is lost through discarding observations. Given the large reduction in sample size resulting from working with fully-participating couples, it is useful to consider how their observed transitions differ from those in the full sample. This provides an indication of the likely bias introduced through the sample reduction. While, as noted earlier, attrition in this sample may be for a variety of reasons, if the tendency not to respond were correlated with the outcome of interest (employment status, in this case) problems of inference may arise. For example, if those more likely to find employment were also more likely to disappear

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from the sample, those individuals remaining would create an overly pessimistic impression of movements into work.

Table 4.2 shows that the proportions observed to be in work after one year are identical regardless of whether one considers the balanced or unbalanced panel. This is because couples only provide a fifth interview if they have provided all previous interviews. However, the earlier points in the observation year show some differences. Notably, the balanced panel consistently reports a smaller proportion to be unemployed and a greater proportion to be inactive than does the unbalanced panel. Also, the balanced panel appears to under-report the proportion moving into employment. This is true for both men and women. Accordingly, the unbalanced panel shows a greater fall in the proportion unemployed than does the balanced panel; from 46 per cent to 23 per cent for men and from 12 per cent to 7 per cent for women.

**Table 4.2 The changing economic status of men and women**

	(unbalanced panel)				
	Months since first observed jointly non-employed:				
	0	3	6	9	12
<i>Men:</i>					
Employed	0.0	7.7	11.1	12.4	12.5
Self-employed	0.0	2.5	3.5	3.7	4.0
Govt emp and training programme	0.0	0.8	1.5	1.4	1.2
Unpaid family worker	0.0	0.2	0.3	0.2	0.2
ILO unemployed	45.7	36.5	30.3	26.7	23.4
Inactive	54.3	52.4	53.4	55.6	58.7
Base	18341	14030	10744	8210	5895
<i>Women:</i>					
Employed	0.0	4.1	5.9	6.9	7.3
Self-employed	0.0	0.5	0.7	0.9	0.8
Govt emp and training programme	0.0	0.2	0.3	0.4	0.3
Unpaid family worker	0.0	0.2	0.2	0.2	0.3
ILO unemployed	12.1	10.2	8.5	7.3	6.6
Inactive	87.9	85.0	84.2	84.3	84.8
Base	18341	14026	10780	8232	5925

Overall, the effect of restricting attention to the balanced panel is that inactivity as a proportion of all worklessness is overstated in the earlier quarters of the observation period. This is true for both men and women, although it is more marked among men. Hence, being unemployed as opposed to inactive appears to be associated with failing to respond to subsequent interviews. In fact, whereas 36 per cent of those couples for whom the male was inactive when first observed responded in all five waves, the corresponding figure for unemployed men was only 28 per cent. This may in fact reflect higher non-response among those in work and a greater tendency for unemployed people rather than inactive people to find work. In view of this, it is plausible to view the increased prevalence of work revealed by the balanced panel as being a lower bound

on the true proportion, since those entering jobs may be lost to the sample. For the remainder of this report, the focus is on the balanced panel.

### **4.2.3 The changing joint economic status of partners over the observation year**

In Table 4.3, the economic status of both partners is considered simultaneously. In this way, it is possible to gain an insight into the existence and persistence of worklessness at the level of the partnership. For presentational clarity, those cells with an entry less than 0.5 have been deleted. By so doing, it is possible to focus more clearly on the main changes observed.

Over the five observation points, one fifth of couples moved from the position of worklessness to having at least one partner in work (employment or self-employment). This is a positive finding in terms of addressing the problem of worklessness since it does not appear that moves into employment among men and women were concentrated within the same household, at least over the period of a year. In fact, only 3 per cent of workless couples had become dual-earner couples over the period considered. It was the combination of an employed man and an inactive woman that accounted for the largest proportion of those couples finding work. An unemployed man partnered with an inactive women was the combination which declined most in size over the period. From accounting for one-third of the sample at the point of first being observed, it accounted for less than one-fifth after a year. It appears that this type of household together with the jointly unemployed household were the main source of the non-workless couples evident at the end of the observation period. However, the precise question of transitions between status is considered more fully in the next section. As a final comment, it is worth noting that the dual-inactive household remains relatively stable across all observation points. This points to the long-term nature of this category of workless couple.

## **4.3 Transitions between individual economic states**

The preceding section considered changing economic status over time. This is not the same as considering individual transitions into employment since these summary levels of employment status provide no information on the extent to which the changes are concentrated among particular individuals. Put another way, does the growing proportion observed as being employed, for example, reflect individuals finding work in the early stages remaining in work and having their numbers boosted in subsequent years by additional long-term job entrants, or does it reflect a different (but growing) group of people being observed in employment at each stage? This is an important distinction since the policy implications of stable employment are different from those associated with employment 'churning'. The answer is not to be found by considering changing profiles of the sample in terms of economic status but rather by considering individual transitions.

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**Table 4.3 Changes in joint economic status of partners**

	Months since first observed jointly non-employed:				
	0	3	6	9	12
Partners' economic status:					
male emp, female emp		0.5	1.4	2.0	2.3
male emp, female self-emp					
male emp, female train					
male emp, female fam work					
male emp, female unemp		0.8	1.0	1.0	1.1
male emp, female inactive		4.4	6.4	7.9	8.8
male self-emp, female emp				0.5	0.7
male self-emp, female self-emp					
male self-emp, female train					
male self-emp, female fam work					
male self-emp, female unemp					
male self-emp, female inactive		1.6	2.1	2.3	2.7
male train, female emp					
male train, female self-emp					
male train, female train					
male train, female fam work					
male train, female unemp					
male train, female inactive		0.8	1.1	1.1	1.0
male fam work, female emp					
male fam work, female self-emp					
male fam work, female train					
male fam work, female fam work					
male fam work, female unemp					
male fam work, female inactive					
male unemp, female emp		1.0	1.0	1.5	1.5
male unemp, female self-emp					
male unemp, female train					
male unemp, female fam work					
male unemp, female unemp	6.4	4.9	4.0	3.9	3.7
male unemp, female inactive	33.4	25.9	22.2	19.9	18.0
male inactive, female emp		1.3	1.7	2.1	2.7
male inactive, female self-emp					
male inactive, female train					
male inactive, female fam work					
male inactive, female unemp	3.1	2.3	1.8	1.7	1.4
male inactive, female inactive	57.1	55.0	54.8	54.3	54.2
Total	5959	5959	5931	5905	5875

### 4.3.1 The proportion of the sample with experience of each employment status

Table 4.4 provides some indication of the relative importance of the economic states over the full observation period by showing the proportion of the sample having a particular employment status in at least one of the five observation points. These percentages do not sum to 100 since individuals may experience more than one status. From this it is clear that inactivity is the most prominent status. Over the observation year, 70 per cent of men and nearly all women were inactive at some point. Unemployment was the second largest category. For men, nearly half were unemployed at some point while the figure was much lower for women at 17 per cent. One-fifth of men were employed at some point; twice the level for women.

**Table 4.4 Proportion of sample with experience of each employment status**

	%
<i>Men:</i>	
Employed	15.7
Self-employed	5.2
Govt emp and training programme	3.2
Unpaid family worker	0.5
ILO unemployed	46.4
Inactive	69.4
<i>Women:</i>	
Employed	9.3
Self-employed	1.0
Govt emp and training programme	0.6
Unpaid family worker	0.5
ILO unemployed	17.1
Inactive	95.8

### 4.3.2 Transitions between economic states

Table 4.5 considers the transitions between economic states. This makes full use of the longitudinal nature of the data and summarises changes in employment status for all couples over all time periods. Since only fully-participating couples are considered, four transitions are observed for each individual. The results in Table 4.5 simply show the percentage who change from one state to another and the percentage who remain in the same state. The entries for each row sum to 100 per cent. Hence, it is possible to see the level of stability of the different economic states. This represents an advance on the results presented earlier for changes in employment status over time since these could not provide any indication of whether the general trend towards employment among workless households was explained by a cumulative move into long-term jobs or a growing number of short-term jobs distributed across the sample.

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The upper panel of Table 4.5 shows that, of those men who were employed at some point, 84 per cent were still employed when next observed. Hence, this appears to be quite a stable economic status. Of those who left employment, the majority became unemployed and relatively few became inactive. The results are similar when considering self-employment. Again, 84 per cent remained self-employed in the next observation period. However, there appears to be a more substantial move from self-employment to employment than operates in the opposite direction. Government employment and training programmes tend to be relatively short-term, with the majority of male participants leaving this status becoming unemployed. However, a sizeable proportion (15 per cent) found work or became self-employed. Three-quarters of the unemployed remained in their current state into the next observation period. Of those who left, the majority found work. Nine per cent of transitions among unemployed men were to inactivity. Finally, inactivity was the most stable employment status for men. Nearly all (94 per cent) inactive men had not changed their status by the time of the next observation period.

The lower panel presents the results for women. As a general comment, there was more movement into inactivity. While the levels of stability of employment and self-employment were very similar to those of men, the proportion leaving work and becoming inactive was three times the level among men. These discrepancies can also be seen when considering government employment and training programmes and unpaid family workers. Unemployment among women was considerably less stable than among men. While a similar proportion moved from unemployment into work, a much higher proportion became inactive (27 per cent compared with 9 per cent for men). Finally, inactivity was, if anything, even more stable than among men.

**Table 4.5 Transitions between economic states**

	Destination economic status:					
	Emp	Self-emp	train	Fam wrkr	Unemp	Inact
<b>Original economic status:</b>						
Men:						
Employed	<b>84.2</b>	1.2	0.2	0.0	11.2	3.2
Self-employed	3.2	<b>83.6</b>	0.0	0.8	8.2	4.2
Govt emp and training programme	14.3	0.9	<b>46.0</b>	0.0	30.4	8.5
Unpaid family worker	0.0	11.6	2.3	<b>65.1</b>	9.3	11.6
ILO unemployed	10.2	2.9	2.2	0.2	<b>75.6</b>	9.0
Inactive	1.2	0.6	0.2	0.1	3.9	<b>93.9</b>
Women:						
Employed	<b>83.1</b>	0.2	0.0	0.5	5.0	11.2
Self-employed	1.0	<b>85.6</b>	0.0	1.0	1.0	11.5
Govt emp and training programme	10.6	0.0	<b>59.6</b>	2.1	14.9	12.8
Unpaid family worker	2.9	11.8	0.0	<b>61.8</b>	2.9	20.6
ILO unemployed	12.2	0.6	0.9	0.2	<b>59.1</b>	27.0
Inactive	1.6	0.2	0.1	0.1	2.7	<b>95.3</b>

### 4.3.3 The proportion of the sample with experience of each joint employment status

Table 4.6 shows the relative importance of each joint economic status over the full observation period. For completeness, all combinations are given, although the majority of the sample is accounted for by relatively few. Overall, two-thirds of couples had some experience of being jointly inactive. The combination of an unemployed man and an inactive woman was the second largest category with over 40 per cent of couples fitting this description at some point during the observation year. Relatively few couples would experience a period of being dual-earners; for only 5 per cent of the sample would both partners be employed or self-employed at the same time. By contrast, a relatively large proportion would have at least one partner in work at one of the five observation points. In fact, one quarter of couples would have at least one earner (employed or self-employed) during the observation period.



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**Table 4.6 Proportion of sample with experience of each joint employment status**

	%-age with this status at some point
Partners' economic status:	
male emp, female emp	3.3
male emp, female self-emp	0.3
male emp, female train	0.1
male emp, female fam work	0.0
male emp, female unemp	2.6
male emp, female inactive	12.2
male self-emp, female emp	1.0
male self-emp, female self-emp	0.3
male self-emp, female train	0.0
male self-emp, female fam work	0.2
male self-emp, female unemp	0.6
male self-emp, female inactive	3.9
male train, female emp	0.2
male train, female self-emp	0.0
male train, female train	0.1
male train, female fam work	0.0
male train, female unemp	0.4
male train, female inactive	2.7
male fam work, female emp	0.1
male fam work, female self-emp	0.1
male fam work, female train	0.0
male fam work, female fam work	0.1
male fam work, female unemp	0.1
male fam work, female inactive	0.3
male unemp, female emp	2.8
male unemp, female self-emp	0.3
male unemp, female train	0.3
male unemp, female fam work	0.1
male unemp, female unemp	11.2
male unemp, female inactive	41.2
male inactive, female emp	3.7
male inactive, female self-emp	0.5
male inactive, female train	0.2
male inactive, female fam work	0.1
male inactive, female unemp	5.8
male inactive, female inactive	66.7

#### 4.3.4 Transitions between joint economic states

In Table 4.8, the transitions between economic states at the level of the couple are considered. In order to keep the dimensions of this within manageable proportions, the categorisation of economic activity has been simplified by combining 'employment' and 'self-employment' into a single 'work' group and combining 'government employment and training' and 'unpaid family work' into a single 'other' group. This reduces the table from a 25x25 grid to a 16x16 grid.

Dual-earner couples were quite stable. Although, as shown in the previous table, only a small proportion of couples comprised two earners at any point in the observation year, more than 70 per cent of those who did attain this status retained it in the next period. The main causes of change were the woman becoming inactive or the man becoming unemployed; 18 per cent of dual-earner couples moved to one of these combinations. Hence, in 96 per cent of cases, dual-earner couples in one period had at least one earner in the subsequent period. Single-earner couples were the next most likely group to be non-workless at the subsequent point of observation. In such couples, there was an earner at the time of next observation in 85 – 90 per cent of cases.<sup>7</sup> In summary, where the couple was non-workless, there was a very strong possibility of being similarly non-workless in the next time period.

Where neither partner was working and one partner was unemployed, the chances of at least one individual being in work at the point of next observation was much smaller. In 21 per cent of those couples where both partners were unemployed was there at least one partner in work when next observed. Where there was a mix of unemployment and inactivity, the chances were smaller. A couple comprising an inactive male and an unemployed partner had a 16 per cent chance of earning when next observed. For an unemployed male with an inactive partner, the corresponding figure was 14 per cent. As well as these transitions into employment, there were also sizeable moves into inactivity.

Generally, unemployment occupied a middle ground between work and inactivity. Moves between these extremes were relatively rare, the major exception being among working women partnered with inactive men; 10 per cent of such couples became jointly inactive in the next time period. The only real evidence of moves from inactivity to employment was among those men or women with working partners (four per cent in both cases). Flows between unemployment and inactivity were predominantly in one direction. The transition from unemployment to inactivity was fairly common (especially among women) whereas it was only among men with partners who were either working or unemployed that a notable move from inactivity to unemployment was evident. There were few instances of women moving from inactivity to unemployment. The impression of inactivity as a very stable economic status is confirmed when inspecting the proportion remaining in this state when next observed; nine out of ten such inactive couples remained jointly inactive into the next time period.

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<sup>7</sup> Some combinations (for example, 'male work, female other') cannot be considered due to the small number of couples fitting such a description.

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**Table 4.8 Transitions between joint economic states**

	Destination economic status:																
	M work, F work	M work, F other	M work, F unemp	M work, F inactive	M other, F work	M other, F other	M other, F unemp	M other, F inactive	M unemp, F work	M unemp, F other	M unemp, F unemp	M unemp, F inactive	M inactive, F work	M inactive, F other	M inactive, F unemp	M inactive, F inactive	Number of observations
M work, F work	<b>72</b>	1	3	11	0	0	0	0	7	0	2	1	2	0	0	1	338
M work, F other	13	<b>52</b>	4	17	0	4	0	0	0	0	0	0	0	9	0	0	23
M work, F unemp	17	0	<b>44</b>	24	0	0	0	0	1	0	7	3	0	0	0	1	205
M work, F inactive	4	0	3	<b>78</b>	0	0	0	0	0	0	1	10	0	0	0	3	1459
M other, F work	33	0	0	7	<b>20</b>	7	0	7	13	0	7	7	0	0	0	0	15
M other, F other	17	0	0	8	0	<b>58</b>	0	0	0	0	8	0	0	8	0	0	12
M other, F unemp	0	0	13	0	13	3	<b>22</b>	13	3	0	25	0	0	0	6	3	32
M other, F inactive	2	0	0	11	1	1	3	<b>45</b>	0	0	3	25	0	0	0	10	208
M unemp, F work	18	0	2	1	1	0	0	0	<b>55</b>	0	4	7	10	0	0	1	227
M unemp, F other	8	0	4	4	0	4	0	0	4	<b>44</b>	12	16	0	0	0	4	25
M unemp, F unemp	4	0	7	4	0	0	1	1	5	0	<b>52</b>	18	1	0	3	2	1138
M unemp, F inactive	1	0	1	11	0	0	0	2	1	0	4	<b>70</b>	0	0	0	9	6007
M inactive, F work	4	0	0	0	1	0	0	0	6	0	0	1	<b>75</b>	0	2	10	336
M inactive, F other	0	14	0	0	0	0	0	0	0	0	0	0	10	<b>57</b>	10	10	21
M inactive, F unemp	1	0	1	1	0	0	1	0	1	0	6	3	12	1	<b>45</b>	26	530
M inactive, F inactive	0	0	0	1	0	0	0	0	0	0	0	3	1	0	1	<b>92</b>	13078
Total	2	0	1	9	0	0	0	1	1	0	4	22	2	0	2	55	23654

## 5. Sub-group analyses

In this chapter, changes in employment are considered for sub-groups of the full sample. These sub-groups are defined first on the basis of whether the couple had dependent children and then on an age definition. Clearly, it would be possible to define many alternative sub-groups corresponding to different populations of interest in an attempt to capture the effect of specific characteristics on the movements between economic states. However, this moves beyond the remit of a descriptive analysis and is better addressed through an econometric investigation that can control for simultaneous influences. This will form the basis of a subsequent report. The results presented in this Chapter are intended to only give a flavour of the variation across sub-groups. In view of this, the changes are summarised by two tables in each case.

### 5.1 Couples with/without children

Given the possibility of childcare responsibilities affecting employment decisions, it is instructive to consider separately those families with children and those without children. This distinction was drawn on the basis of dependent children being present in the household at the time of the couple first being observed as jointly workless. As noted earlier, 60 per cent of the sample had children on this definition.

#### 5.1.1 The changing economic status among couples with/without children

The changing economic profile over the observation year of the two sub-samples is presented in Table 5.1. Considering men's employment status first, there was a much higher level of unemployment for men with children than for men without. Whereas only one quarter of those without children were unemployed when first observed, for those with children the sample was evenly split between unemployment and inactivity. Given this, it is unsurprising that twice as many men without children were in employment by the time of the last observation period as were men with children; 20 per cent compared to 10 per cent. In both cases, the level of inactivity remained largely unchanged over the period, although for men without children this was much higher (three quarters compared with about a half for those with children).

However, it is among women that one might expect the most dramatic differences according to the presence of children. Interestingly, this does not appear entirely to have been the case. Levels of initial inactivity were surprisingly similar for those with and without children. However, for those with children there was greater tendency for this level of inactivity to fall over time. This decrease in inactivity among those with children is consistent with returning to work after childcare responsibilities. The proportion of women in work by the end of the observation period was slightly higher for those with children than those without; 9 per cent compared to 6 per cent. It is possible that the reason for the differences between women with and without children being relatively slight is that the observation period is only one year and so captures only a

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few women who are at the margin of their childcare responsibilities. Were it possible to observe women for a longer period, one might expect greater differences to be evident as more women are observed completing their childcare responsibilities.

**Table 5.1 The changing economic status among couples with/without children at time of first being observed jointly non-employed (balanced panel)**

	Months since first observed jointly non-employed:				
	0	3	6	9	12
<b>Couples with children</b>					
<i>Men:</i>					
Employed	0.0	6.9	10.7	13.2	15.3
Self-employed	0.0	2.5	3.7	4.3	5.2
Govt emp and training programme	0.0	1.3	2.0	1.9	1.8
Unpaid family worker	0.0	0.3	0.3	0.3	0.2
ILO unemployed	50.9	41.1	35.8	33.3	29.9
Inactive	49.1	48.0	47.6	47.1	47.6
<i>Base</i>	3496	3517	3515	3508	3504
<i>Women:</i>					
Employed	0.0	3.1	5.6	7.2	8.6
Self-employed	0.0	0.3	0.5	0.7	0.8
Govt emp and training programme	0.0	0.2	0.3	0.3	0.3
Unpaid family worker	0.0	0.1	0.2	0.1	0.2
ILO unemployed	9.8	9.2	8.2	8.2	7.8
Inactive	90.2	87.1	85.3	83.5	82.3
<i>Base</i>	3496	3517	3520	3526	3531
<b>Couples without children</b>					
<i>Men:</i>					
Employed	0.0	4.4	6.5	7.9	8.3
Self-employed	0.0	1.4	2.1	2.1	2.2
Govt emp and training programme	0.0	0.3	0.8	0.6	0.3
Unpaid family worker	0.0	0.2	0.3	0.2	0.3
ILO unemployed	24.1	19.2	15.7	14.2	13.8
Inactive	75.9	74.5	74.7	75.1	75.1
<i>Base</i>	2463	2442	2426	2414	2391
<i>Women:</i>					
Employed	0.0	3.0	3.4	4.6	5.4
Self-employed	0.0	0.6	0.8	0.9	0.7
Govt emp and training programme	0.0	0.3	0.3	0.3	0.3
Unpaid family worker	0.0	0.3	0.3	0.3	0.5
ILO unemployed	9.0	7.0	6.2	5.2	4.7
Inactive	91.0	88.9	89.0	88.7	88.4
<i>Base</i>	2463	2442	2426	2410	2394

### **5.1.2 Transitions between economic states among couples with/without children**

Table 5.2 shows the extent of movements between economic states for men and women both with and without children. Considering the main economic states of employment, self-employment, unemployment and inactivity, a general comment is that there were fewer moves into inactivity among men with children than among men without children. The differences for men were not dramatic, however, apart from self-employment appearing to be a much more stable economic state for those with children. Inactivity was slightly less permanent for those with children, as was unemployment

For women, the differences were even less marked and it appears that the presence of dependent children in the household did little to alter the transitions between economic states. Inactivity was less stable among women with children than among women without children, as suggested by the previous table.

**Table 5.2 Transitions between economic states among couples with/without children**

	Destination economic status:					
	Emp	self-emp	train	fam wrkr	unemp	Inact
<b>Original economic status:</b>						
<b>Couples with children</b>						
<i>Men:</i>						
Employed	<b>83.2</b>	1.5	0.2	0.0	12.3	2.8
Self-employed	3.8	<b>86.6</b>	0.0	0.3	7.1	2.2
Govt emp and training programme	13.8	0.6	<b>46.4</b>	0.0	29.8	9.4
Unpaid family worker	0.0	14.8	0.0	<b>66.7</b>	11.1	7.4
ILO unemployed	10.0	2.9	2.3	0.2	<b>76.5</b>	8.2
Inactive	1.6	0.7	0.4	0.1	5.6	<b>91.6</b>
<i>Women:</i>						
Employed	<b>83.2</b>	0.4	0.0	0.5	4.5	11.4
Self-employed	2.1	<b>87.5</b>	0.0	0.0	2.1	8.3
Govt emp and training programme	7.4	0.0	<b>59.3</b>	3.7	14.8	14.8
Unpaid family worker	7.7	23.1	0.0	<b>38.5</b>	0.0	30.8
ILO unemployed	11.9	0.4	0.6	0.1	<b>58.6</b>	28.5
Inactive	2.0	0.2	0.1	0.1	3.4	<b>94.1</b>
<b>Couples without children</b>						
<i>Men:</i>						
Employed	<b>86.2</b>	0.7	0.2	0.0	8.7	4.2
Self-employed	1.5	<b>75.4</b>	0.0	2.2	11.2	9.7
Govt emp and training programme	17.5	2.5	<b>45.0</b>	0.0	30.0	5.0
Unpaid family worker	0.0	6.3	6.3	<b>62.5</b>	6.3	18.8
ILO unemployed	11.1	2.8	1.6	0.1	<b>72.7</b>	11.8
Inactive	0.9	0.4	0.0	0.1	2.4	<b>96.2</b>
<i>Women:</i>						
Employed	<b>83.1</b>	0.0	0.0	0.4	6.0	10.5
Self-employed	0.0	<b>83.3</b>	0.0	1.9	0.0	14.8
Govt emp and training programme	15.0	0.0	<b>60.0</b>	0.0	15.0	10.0
Unpaid family worker	0.0	4.8	0.0	<b>76.2</b>	4.8	14.3
ILO unemployed	13.0	0.9	1.7	0.3	<b>60.3</b>	23.9
Inactive	1.0	0.2	0.1	0.1	1.6	<b>96.9</b>

## 5.2 Couples meeting the age criteria of Joint Claims

It is also interesting to inspect differences by age. While there are a number of ways of dividing the sample on the basis of age, a particularly relevant group for consideration is those couples who meet the age criteria of Joint Claims for JSA. As noted earlier, since 19<sup>th</sup> March 2001, both partners in a couple dependent on JSA have been required to

search and be available for work if they have no dependent children and they meet the age criterion; this being that at least one partner is aged 18 or over and was born after 19 March 1976. Thus, at the time of introduction, the legislation affected those couples with at least one partner aged between 18 and 24 years.<sup>8</sup> For the purposes of defining the sub-sample, the qualifying age was taken to be the age at the time of the couple first being observed jointly workless. Roughly 8 per cent of the sample satisfied the Joint Claims age requirement. Given the small number of couples satisfying the age requirements of Joint Claims for JSA, their movements into work can be compared to the sample as a whole rather than those not satisfying the age requirement. Hence, the format of this section differs slightly from the previous section in that it presents only results for the sub-group of interest.

### **5.2.1 The changing economic status among couples meeting the Joint Claims age requirement**

Table 5.3 presents the changing economic profile of the sub-sample over the observation year. As with the sub-groups defined on the basis of dependent children, the differences were greater for men than for women. In the younger age group, 68 per cent of men were initially unemployed rather than inactive whereas the corresponding figure was 40 per cent for the sample as a whole. Given this disparity, it is not surprising that the proportion of men finding employment by the end of the year was much higher for this younger age group; 29 per cent compared to 16 per cent. It appears that this increase in employment was almost entirely fuelled by the fall in unemployment; inactivity among men was relatively stable over the period.

There were some similarities with the women in this young sub-group, although the differences from the sample as a whole were less marked. While initial unemployment was higher among the younger age group (17 per cent compared to 12 per cent) and eventual employment higher (12 per cent compared to 8 per cent), there appears to have been more movement out of female inactivity among the younger women. The proportion of these women who were inactive fell from 83 to 76 per cent over the observation year compared with a fall from 88 to 85 per cent among the sample as a whole.

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<sup>8</sup> Note that date of birth criterion means that the eligible age range will extend over time. Furthermore, the date of birth criterion will be changed in 2002 to apply to those aged 18 or over and born after 1957, thus including couples with at least one member aged between 18 and 44 years at the time of introduction.



**Table 5.3 The changing economic status among couples meeting the Joint Claims age requirement**

	Months since first observed jointly non-employed:				
	0	3	6	9	12
<b>Men:</b>					
Employed	0.0	9.9	14.7	20.1	21.8
Self-employed	0.0	3.0	3.9	5.2	6.7
Govt emp and training programme	0.0	1.9	3.5	2.4	1.5
Unpaid family worker	0.0	0.0	0.0	0.4	0.4
ILO unemployed	68.3	53.8	48.4	42.6	41.5
Inactive	31.8	31.4	29.6	29.4	28.1
<i>Base</i>	463	465	463	463	463
<b>Women:</b>					
Employed	0.0	5.0	7.6	9.7	10.7
Self-employed	0.0	0.4	0.9	1.5	1.5
Govt emp and training programme	0.0	0.2	0.7	0.6	0.4
Unpaid family worker	0.0	0.0	0.0	0.2	0.2
ILO unemployed	16.6	14.6	11.5	10.7	11.1
Inactive	83.4	79.8	79.5	77.3	76.0
<i>Base</i>	463	465	463	466	467

### 5.2.2 Transitions between economic states among couples meeting the Joint Claims age requirement

Due to the small size of this sub-group, it is only possible to consider the large three economic states of employment, unemployment and inactivity in Table 5.4. For both men and women, the state of unemployment is very similar to the sample as a whole in terms of both stability and the destinations for those leaving. However, this is not true for employment and inactivity. Considering men first, the main difference is with inactivity. Only 80 per cent of inactive young men were likely to be inactive when next observed. This compares to 94 per cent among the sample as a whole. Coupled with the result showing employment to be less stable for young men than for the sample as a whole (77 compared with 84 per cent were still employed when next observed) and the picture that emerges is one of churning between different economic states. For women, the overall conclusion is the same, although inactivity remains almost equally rigid for younger women as it does for women as a whole.

**Table 5.4 Transitions between economic states among couples meeting the Joint Claims age requirement**

	<b>Destination economic status:</b>					
	Emp	self-emp	train	fam wrkr	unemp	Inact
<b>Original economic status:</b>						
<b>Men:</b>						
Employed	<b>77.2</b>	3.4	1.0	0.0	14.6	3.9
Self-employed	5.4	<b>78.6</b>	0.0	0.0	12.5	3.6
Govt emp and training programme	13.9	0.0	<b>33.3</b>	0.0	33.3	19.4
Unpaid family worker	0.0	0.0	0.0	<b>50.0</b>	50.0	0.0
ILO unemployed	11.6	3.2	2.6	0.2	<b>74.6</b>	7.8
Inactive	4.8	0.9	0.5	0.2	13.2	<b>80.4</b>
<b>Women:</b>						
Employed	<b>73.8</b>	1.9	0.0	1.0	6.8	16.5
Self-employed	0.0	<b>92.3</b>	0.0	0.0	7.7	0.0
Govt emp and training programme	14.3	0.0	<b>71.4</b>	0.0	14.3	0.0
Unpaid family worker	0.0	0.0	0.0	<b>100.0</b>	0.0	0.0
ILO unemployed	13.8	0.4	0.8	0.0	<b>58.5</b>	26.4
Inactive	2.8	0.3	0.1	0.0	4.6	<b>92.1</b>

## 6. Conclusions

This report has focused explicitly on workless couples and has made possible a fuller understanding of this population. In addition to considering the individual characteristics of partners within a couple, the tendency for partners to share similar characteristics has been examined as well as changes over time in employment status. A number of points emerged that are interesting from the viewpoint of informing policies aimed at tackling the problem of worklessness. While clearer policy implications should be available upon completion of a more rigorous econometric investigation, some tentative conclusions are offered below.

It seems clear that there is a high level of dependence between the partners in a couple in terms of both their personal characteristics and their work-related characteristics. The existence of such correlated characteristics suggests problems of worklessness may also be concentrated within a particularly hard-to-reach group of households. Where one partner has significant obstacles to entering the labour market, the other partner is likely to be similarly disadvantaged. Hence, policies that have been ineffective for one partner may be equally ineffective for the other partner. It is conceivable, therefore, that attempts to address the problem of worklessness by simply extending the coverage of existing policies to both partners may be ill-fated.

It is tempting to believe that the converse of this (that policies effective for one partner will also be effective for the other) offers a more positive prospect. While this may be true to an extent, other factors may combine to outweigh this predicted response. Such factors could include, for example, partners' views on gender roles or partners' resentment at being forced to comply with job-search requirements. Hence, the effect on worklessness of measures to bring dependent partners into the labour force may be questionable.

However, these possibilities contain a large element of conjecture since it is premature to draw such conclusions on the basis of the descriptive analysis in this report. Perhaps the more general point is that policies are more likely to be effective if they take specific account of their target population. It has already been shown the extent to which worklessness among partners differs by gender. Policies should be sensitive to such differences. Furthermore, better understanding of inter-relationship of partners' employment statuses is important to predicting the effect of employment policies.

A consideration of the transitions between different economic states from one quarter to the next provides an indication of the rigidity of each employment status. This provides some hint as to the likely success of policies which aim to induce individuals to work. Most striking is that inactivity appears to be a very stable economic state with few leaving to alternative states. This suggests that attempts to encourage economically inactive men or women to work are likely to

face the most exacting challenges. This is particularly true for those couples where both partners are inactive; individuals in such couples are very unlikely to change status.

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