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Barnes, H., Garratt, E. [orcid.org/0000-0001-5974-4141](http://orcid.org/0000-0001-5974-4141), McLennan, D. et al. (1 more author) (2012) *Trading places : worklessness dynamics in Greater Manchester*. Report. New Economy , Manchester, UK.

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# **Trading Places: Worklessness dynamics in Greater Manchester**

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A report for  
**Association of Greater Manchester Authorities**

February 2012

by:  
**Social Disadvantage Research Centre  
Oxford Institute of Social Policy  
University of Oxford**

and

**New Economy**

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- Helen Barnes, Research Fellow at the Social Disadvantage Research Centre, Oxford Institute of Social Policy, University of Oxford.
- Elisabeth Garratt, Research Officer at the Social Disadvantage Research Centre, Oxford Institute of Social Policy, University of Oxford.
- David McLennan, Deputy Director of the Social Disadvantage Research Centre and a Senior Research Fellow at the Oxford Institute of Social Policy, University of Oxford.
- Michael Noble, Professor of Social Policy and Director of the Social Disadvantage Research Centre at the Oxford Institute of Social Policy, University of Oxford.

# ABBREVIATIONS

CA	Carer's Allowance
DWP	Department for Work and Pensions
HMRC	Her Majesty's Revenue and Customs
IB/SDA	Incapacity Benefit/Severe Disablement Allowance
IMD	Index of Multiple Deprivation
IS-LP	Income Support for Lone Parents
JSA	Jobseeker's Allowance
LSOA	Lower layer Super Output Area
MIER	Manchester Independent Economic Review
MAD	Median Absolute Deviation
NDC	New Deal for Communities
ONS	Office for National Statistics
PAYE	Pay As You Earn
WPLS	Work and Pensions Longitudinal Study

# EXECUTIVE SUMMARY

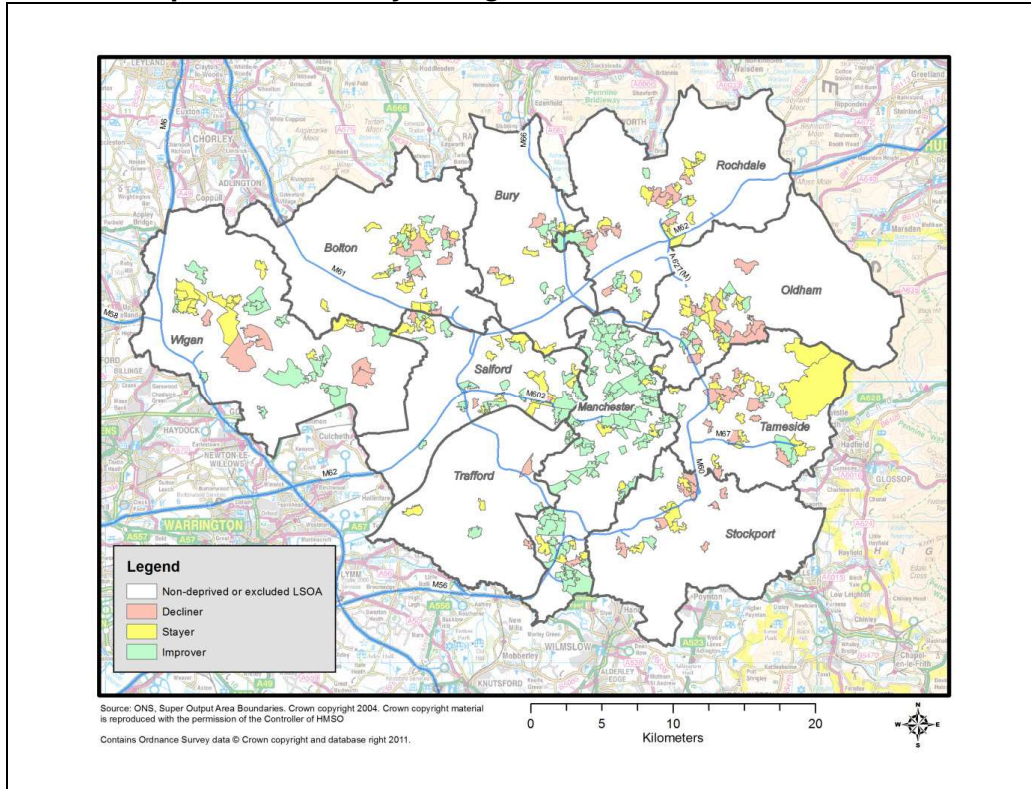
## Introduction

- As part of the Local Economic Assessment process, a number of additional research projects were proposed by Greater Manchester (GM) local authorities into areas where data gaps exist or a greater understanding and analysis of a particular issue is required. One such area was the dynamics of the workless population in deprived neighbourhoods.
- There are neighbourhoods across GM where worklessness rates are persistently high. It has been suggested that in some areas this is partly the result of individuals moving out of deprived neighbourhoods to 'better' areas having found employment and then being replaced by workless individuals moving into the neighbourhood. Thus, people experience positive individual level employment outcomes whilst living in a neighbourhood, but the area may change little over time and may appear unresponsive to initiatives aimed at reducing worklessness.
- The analysis in this report breaks new ground in using individual level data on employment transitions and geographical movements taken from Department for Work and Pensions (DWP) and Her Majesty's Revenue and Customs (HMRC) records to shed light on neighbourhood level population dynamics.

## Data analysis

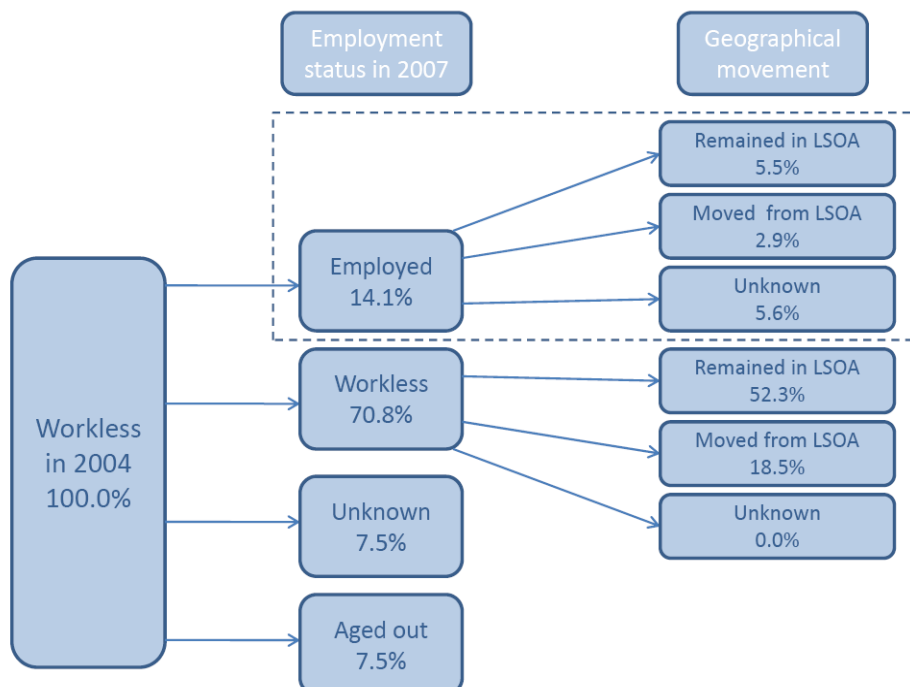
- The population movements of residents in receipt of key out-of-work benefits living in GM's most deprived areas (those that fell into the worst 10 per cent nationally in terms of worklessness rates) were tracked over the period 2004 to 2007. Economic activity status and location of residence were taken in the August of each year. The analysis presented here is therefore a snapshot of change between two particular points in time, not an assessment of all transitions in and out of employment and an area over the three year period. The deprived areas studied made up approximately one quarter of Greater Manchester's Lower layer Super Output Areas (LSOAs), accounting for over 10 per cent of the deprived LSOAs in England.
- Around a third of the working age population in deprived LSOAs in Greater Manchester was workless in 2004 and 2007. In general, worklessness rates in deprived LSOAs decreased between 2004 and 2007 but have since increased following the recession. The majority of the workless population in both 2004 and 2007 was IB/SDA claimants, and the composition of the workless population remained fairly stable over time.
- The map overleaf shows how GM's deprived LSOAs performed over time relative to the national picture. Approximately half of these LSOAs were found to have improved between 2004 and 2007, with those located around the conurbation core and near the Airport performing particularly strongly. However, GM has a high proportion of areas that worsened over the period when compared to most other metropolitan areas in England.

## Location of deprived LSOAs by change in worklessness rate 2004-2007



- For those workless in 2004, employment status changes and geographical movements of individuals in neighbourhoods that did not improve (i.e. 'decliners' and 'stayers') were examined, comparing the situation in 2004 with that of 2007. The diagram below sets out the results of this analysis for GM.

### Employment status changes and geographical movements of individuals who were workless in 2004, non-improver areas in Greater Manchester



- It was found that the majority (approximately 70 per cent) of workless people in 2004 were also workless in 2007. Nevertheless, approximately 14 per cent of the 2004 workless population were found to be in employment in 2007. A higher proportion of individuals who had claimed Jobseeker's Allowance (JSA) or Income Support for Lone Parents (IS-LP) in 2004 made the transition into employment, compared to claimants of Incapacity Benefit (IB/SDA), Carers Allowance (CA) and other out-of-work benefits.
- It was possible to geographically track 60 per cent of those individuals who made the transition to employment, of which two thirds remained in the LSOA and one third moved away. However, it is striking that the major trend in population movement is not residents moving into employment and then out of a neighbourhood but residents *remaining workless* and moving out of a neighbourhood – 18.5 per cent of the 2004 workless population made such a move, a greater proportion than found employment.
- Although the geographical location of people who made the transition into employment is not known in all cases, modelling of the two extreme scenarios (those individuals who were unknown all moved out of the LSOA or all stayed in the LSOA) does not change the 2007 worklessness rate significantly in any area. Therefore, whatever the 'true' out movement of individuals who made the transition into employment, it does not seem that it is a key factor in the persistence of high worklessness rates in deprived areas. Importantly, there is not a substantial difference in the percentage of the 2004 workless population making the transition into work and moving out of a neighbourhood between non-improving and improving deprived LSOAs (2.9 per cent and 3.0 per cent respectively).
- The nature of the geographical movements of the individuals who made the transition into employment and moved out of the neighbourhood was examined. It was found that the majority went to a less deprived LSOA although often not substantially less deprived. However, some moved from very deprived LSOAs to areas that are amongst the least deprived in the country. The majority of the moves were short and within the local authority or to a neighbouring local authority within Greater Manchester. In general outmovers were younger than nonmovers and had spent less time on benefit. Caring responsibilities, family networks and the length of time out of work may explain why some individuals who found employment did not move.

## Conclusions and recommendations

- The main purpose of this research was to understand whether or not certain deprived neighbourhoods exhibit high levels of individual transition from inactivity into work but without a resultant reduction in area level worklessness rates, and the extent to which this is caused by many of the people who became employed subsequently moving out of the area only to be replaced by workless people moving into the area. This was found not to be the case over the period 2004 and 2007. **Policymakers should therefore look at other reasons for persistently high rates of worklessness as population dynamics do not offer a strong explanation.**
- The level of population churn of residents who were workless in both 2004 and 2007 is an unexpected finding from the research. In 2007, in areas that experienced no improvement in the rates of worklessness, 18.5 per cent of the 2004 workless population was still workless but had moved out of the LSOA and 22.2 per cent of the current workless population had been workless and living in another neighbourhood three years previously. It is unclear from this research why this is the case (as this was not the focus of the analysis), but **the geographic movements of GM's workless residents is a subject that warrants further investigation, particularly to ensure that these residents are receiving consistent support to make the transition into work. It is possible that changes to benefit entitlements (particularly housing benefit) will increase this rate of churn further.**
- The proportion of individuals who made the transition into employment was much higher amongst those who in 2004 had been claiming JSA (approximately 37 per cent) and IS-LP (approximately 26 per cent). In contrast, only approximately 7 per cent of people on IB/SDA in 2004 were in work in 2007. **It will be important to monitor how these figures change with the reassessment of the IB stock and changes to benefit conditionality.**



# 1 INTRODUCTION

- 1.1 As part of the Local Economic Assessment (LEA) process, a number of additional research projects were proposed by Greater Manchester local authorities into areas where data gaps exist or a greater understanding and analysis of a particular issue is required. One such area was the dynamics of the workless population in deprived neighbourhoods, particularly the geographical movement of those individuals who make the transition into employment from worklessness.
- 1.2 It has been hypothesised by policy makers and in the research literature that there exists a group of deprived neighbourhoods which play an important role as 'transitional' areas within the wider labour market area (e.g. Cole, 2007, Fenton et al., 2010, Glennerster et al., 1999, Robson et al., 2000). Certain neighbourhoods with a relatively high through-flow of population may act as a 'springboard' for individuals to achieve improved social and economic outcomes. The key outcome in such areas is a transition from worklessness into employment which often facilitates geographical mobility, enabling people to move away to less deprived neighbourhoods. As these people move away they are replaced by inflows of other workless people who may, in turn, find employment and then move on in a similar way. The implication of this is that people experience positive individual level employment outcomes whilst living in a neighbourhood, but these positive outcomes are not reflected in the area level worklessness rates. The overall worklessness rate of these neighbourhoods may not change much over time and they may appear unresponsive to initiatives aimed at reducing worklessness. However, this masks the important employment transitions experienced by individuals living in the areas and the important role that the neighbourhood may play in facilitating this.
- 1.3 This project explores individual level dynamics operating in neighbourhoods with persistently high worklessness rates to establish whether workless people who secure employment tend to move out of such neighbourhoods into 'better areas', and whether workless people move in to replace them. This research is motivated by the need to better understand the dynamics and characteristics of deprived neighbourhoods in order to support evidence-based policy responses.
- 1.4 This report complements analysis undertaken at the national level for the Department for Work and Pensions (DWP).

## Main research question and accompanying sub-questions

- 1.5 The key research question addressed in this report is: **Do persistently deprived neighbourhoods exist that have a relatively high and continuous through-flow of population, where workless people move into the area, obtain jobs and then move out of the area to be replaced by workless people moving into the area?**
- 1.6 This can be broken down into a number of sub-questions:

- What has happened to worklessness rates in deprived neighbourhoods over time: have they improved significantly, got significantly worse or stayed approximately the same?
  - To what extent do individuals in persistently deprived neighbourhoods make the transition from worklessness into work?
  - Do individuals who make the transition stay in the neighbourhood or move out once they have found a job?
  - To what extent do workless individuals move in to replace the individuals who move out?
  - Can a group of transition areas be identified?
- 1.7** One of the features of transition areas is that individuals move to less deprived areas. Therefore a key additional question to address is where do individuals go when they leave an area having made the transition into employment?
- 1.8** Finally, whilst it is the entire process of population through-flow which defines a transition area, perhaps the most important component of that process is the transition from worklessness into employment. This particular phase of the overall process is especially important given that transition areas are characterised by very high worklessness rates, and therefore any transitions into employment are positive in policy terms. The group of people who move out are interesting for policy, and therefore two final questions are addressed:
- Do 'outmovers' share certain characteristics?
  - In what ways do 'outmovers' differ from those who stayed in the area?
- 1.9** In order to answer these questions, the report is structured as followed:
- Chapter 2 gives a short outline of the data and methodology used for the study and defines key terms used throughout the report.
  - Chapter 3 examines patterns of worklessness in deprived areas between 2004 and 2007 in order to identify deprived areas that did not see an improvement in worklessness. A set of possible transition areas is subsequently identified from this group of 'non-improver' deprived areas.
  - Chapter 4 analyses employment status changes and geographical movements of individuals who were workless in 2004 in non-improver deprived areas. A set of possible transition areas is identified based on the individual level dynamics seen in the non-improver areas.
  - Chapter 5 explores the escalator function of transition areas by examining the deprivation level of the neighbourhoods to which the individuals move having found employment. Key demographic and employment characteristics of this group are examined. These individuals are also compared to those who made the transition into employment but did not leave the neighbourhood.
  - Chapter 6 draws conclusions and makes policy recommendations.

## 2 DATA AND DEFINITIONS

- 2.1 This project analyses data from the DWP's Work and Pensions Longitudinal Study (WPLS). The WPLS combines benefit and programme information from DWP with employment, earnings, savings, tax credit and pension records from HM Revenue and Customs (HMRC). It therefore contains comprehensive records of individuals' employment and benefit spells. Because of the unreliability of HMRC address information, tax credit data were used for the addresses of people in employment. This is the first time that these data have been used to analyse individual level employment and address movements at a neighbourhood level.
- 2.2 In order to analyse the change in employment status and address over time, annual extracts (in August each year) were taken from the various datasets and linked together using a unique anonymised ID variable. Because tax credit data were made available only for 2004 to 2007, and due to the nature of the dynamics and timescales involved, the three year period from 2004-2007 was decided upon as the timeframe for the analysis.
- 2.3 The principal group of study are workless residents. There are many different measures of worklessness and no single agreed definition. For the purposes of this research, people are defined as 'workless' if they are involuntarily excluded from the labour market and in receipt of certain out-of-work benefits. Five separate client groups of out-of-work people together form this workless group:
- Job Seekers - unemployed, actively seeking work and claiming Jobseeker's Allowance (JSA);
  - Incapacity Benefits - unable to work due to work-limiting illness and claiming Incapacity Benefit or Severe Disablement Allowance (IB/SDA) <sup>1</sup>;
  - Lone Parents - unable to work due to being a lone parent with a child aged under 16 and claiming Income Support (IS-LP);
  - Carers - unable to work due to caring responsibilities and claiming Carer's Allowance (CA); and
  - Others – those claiming other out-of-work benefits (other Income Support, including Disability Premium, or Pension Credit under State Pension age).
- 2.4 Movements are analysed at a neighbourhood level using Lower layer Super Output Areas (LSOAs) as the units of geography. LSOAs are areas created from the results of the 2001 Census, and were designed to have a minimum population of 1,000 residents and a mean population of 1,500 at the Census date in 2001. There are 32,482 LSOAs in England and 1,646 in Greater

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<sup>1</sup> From 27 October 2008, Employment and Support Allowance replaced Incapacity Benefit and Income Support that is paid because of an illness or disability for new claimants. However, this reform to the benefit system does not affect the analyses presented in this report as the latest cut of worklessness data taken for this analysis relates to August 2008 (i.e. before the reforms were implemented).

Manchester. The main aim of this research is to examine and explain patterns of worklessness in deprived neighbourhoods and, for this project, LSOAs were considered to be deprived if they were in the highest 10 per cent nationally in terms of worklessness rates in any year between 2004 and 2007.

- 2.5 Where possible, the characteristics of these neighbourhoods, as defined by the dynamics observed in their workless population in this report, have been compared to definitions derived in the Manchester Independent Economic Review (MIER)<sup>2</sup>.
- 2.6 A fuller description of the data and methodology is provided in the technical appendix.

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<sup>2</sup> *Manchester Independent Economic Review: Sustainable Communities*

## 3 PATTERNS OF WORKLESSNESS BETWEEN 2004 AND 2007

3.1 This chapter analyses patterns of change in worklessness between 2004 and 2007 to identify those deprived neighbourhoods that did not see an improvement in worklessness, as these areas will be the focus of subsequent chapters.

### Identifying workless deprived neighbourhoods

3.2 Table 3.1 shows how many LSOAs in each Greater Manchester local authority are classified as deprived, that is to say they fell in the bottom 10 per cent nationally in any year between 2004 and 2007. Using this measure nearly one quarter of LSOAs in the conurbation are deprived and Greater Manchester's 388 deprived LSOAs account for over 10 per cent of the deprived LSOAs in England over this period.

3.3 Manchester local authority has the highest proportion of LSOAs that are deprived (43.2 per cent, the fifth highest percentage in England). Overall there are four local authorities in Greater Manchester where one quarter or more of LSOAs are deprived (Manchester, Oldham, Rochdale and Salford). At the other end of the scale, Bury, Stockport and Trafford each have a smaller proportion of deprived LSOAs (less than 13 per cent).

**Table 3.1: Number and percentage of LSOAs in each local authority that are deprived**

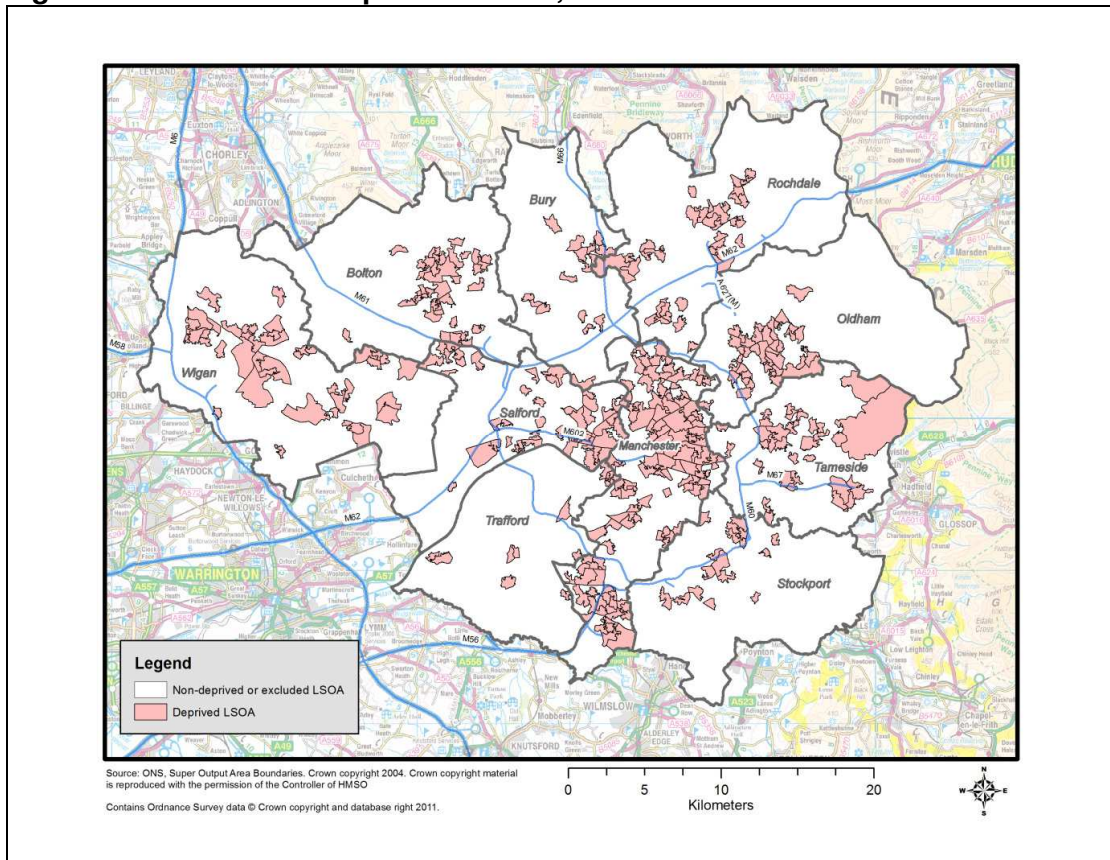
Local authority	Number of LSOAs	Number of deprived LSOAs	Percentage of LSOAs that are deprived
Bolton	175	38	21.7
Bury	120	15	12.5
Manchester	259	112	43.2
Oldham	144	38	26.4
Rochdale	135	35	25.9
Salford	144	47	32.6
Stockport	190	16	8.4
Tameside	141	32	22.7
Trafford	138	13	9.4
Wigan	200	42	21.0
Greater Manchester	1,646	388	23.6
England	32,482	3,829	11.8

Note: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007

3.4 The deprived LSOAs in Greater Manchester are shown on a map in Figure 3.2. Within a local authority the deprived LSOAs tend to cluster together, although there are some isolated pockets of deprivation. The clustering tends to be

around the town centres and peripheral social housing sites. More information on this subject can be found in the Greater Manchester Local Economic Assessment, People Report.<sup>3</sup>

**Figure 3.2: Location of deprived LSOAs, Greater Manchester**



Note: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007

### Worklessness levels in deprived LSOAs

- 3.5 Worklessness rates in deprived LSOAs are presented in Table 3.3 alongside worklessness rates in non-deprived LSOAs. In Greater Manchester as a whole, and in each of the ten local authorities, approximately one third of the working age population in deprived LSOAs was workless in 2004.
- 3.6 The worklessness rate decreased between 2004 and 2007 in deprived LSOAs in Greater Manchester. This decline was not, however, uniform across the metropolitan area; there was a decrease in worklessness in six local authorities and an increase in worklessness in four local authorities between 2004 and 2007. However, with the exception of Manchester which saw a 4.6 percentage point decrease, the changes were fairly marginal.
- 3.7 As would be expected, a much lower proportion of working age individuals in non-deprived LSOAs was workless in 2004, ranging from 9.4 per cent in

<sup>3</sup> <http://neweconomymanchester.com/stories/1424>

Stockport to 14.1 per cent in Wigan. In each local authority the rate of worklessness in non-deprived LSOAs decreased between 2004 and 2007.

- 3.8** The patterns of worklessness exhibited across Greater Manchester are very similar to the overall pattern for England for both deprived and non-deprived LSOAs, reflecting the strong performance of local and national economies over this period.

**Table 3.3: Worklessness rates in deprived and non-deprived LSOAs, 2004 and 2007**

Local authority	Deprived LSOAs		Non-deprived LSOAs	
	2004	2007	2004	2007
Bolton	31.8	31.5	12.7	12.6
Bury	31.2	30.3	11.6	11.4
Manchester	35.5	30.9	14.2	12.2
Oldham	31.3	31.8	12.7	12.6
Rochdale	34.7	35.0	13.6	13.3
Salford	34.7	32.4	13.3	12.2
Stockport	32.9	33.8	9.4	9.2
Tameside	30.1	30.4	13.6	13.2
Trafford	30.7	29.6	10.1	9.5
Wigan	32.8	31.6	14.1	12.9
Greater Manchester	33.5	31.7	12.5	11.8
England	31.6	30.0	10.5	10.0

Note: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007

- 3.9** These broad figures obscure varying patterns at LSOA level. Table 3.4 shows the range of worklessness rates in deprived LSOAs in the ten local authorities, Greater Manchester and England for 2004 and 2007. In all local authorities there is a wide range of worklessness rates. For example, in 2007 in Rochdale, there was an approximately 50 percentage point difference between the LSOA with the lowest worklessness rate (23.4 per cent) and the LSOA with the highest worklessness rate (76.3 per cent). In other words, in one LSOA approximately one quarter of the working age population was workless, while in another over three quarters of the working age population was workless.
- 3.10** In both years the minimum worklessness rate in Greater Manchester was higher than the England minimum, while the maximum worklessness rate matched the England maximum. In 2004 it was an LSOA in Manchester local authority that had the highest value in the country, while in 2007 it was an LSOA in Rochdale that occupied this position.
- 3.11** Within the workless group, the composition of benefit claimants was broadly similar in all ten local authorities for both years. Claimants of IB/SDA accounted for the majority of the workless population - over half of all claimants - in each local authority per year. There were fairly similar proportions of people claiming IS-LP and JSA, with slightly more people claiming IS-LP in both years<sup>4</sup>.

<sup>4</sup> Rochdale is an exception for 2007 where more people claimed JSA than IS-LP.

Claimants of CA and other out-of-work benefits represented a small group in all local authorities and the proportions were fairly similar in 2004 and 2007.

**Table 3.4: Minimum and maximum worklessness rates in deprived LSOAs, 2004 and 2007**

Local authority	2004		2007	
	Minimum	Maximum	Minimum	Maximum
Bolton	21.2	52.2	23.1	49.3
Bury	25.0	45.1	22.4	43.7
Manchester	26.1	65.9	18.6	56.1
Oldham	23.5	52.5	21.4	52.2
Rochdale	24.8	64.0	23.4	76.3
Salford	24.6	50.3	18.2	55.7
Stockport	23.2	46.4	22.9	46.7
Tameside	22.0	40.7	24.8	41.8
Trafford	25.2	42.3	23.4	40.5
Wigan	24.4	48.6	22.2	48.7
Greater Manchester	21.2	65.9	18.2	76.3
England	19.9	65.9	12.8	76.3

Note: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007

### Changes in worklessness rates 2004-2007

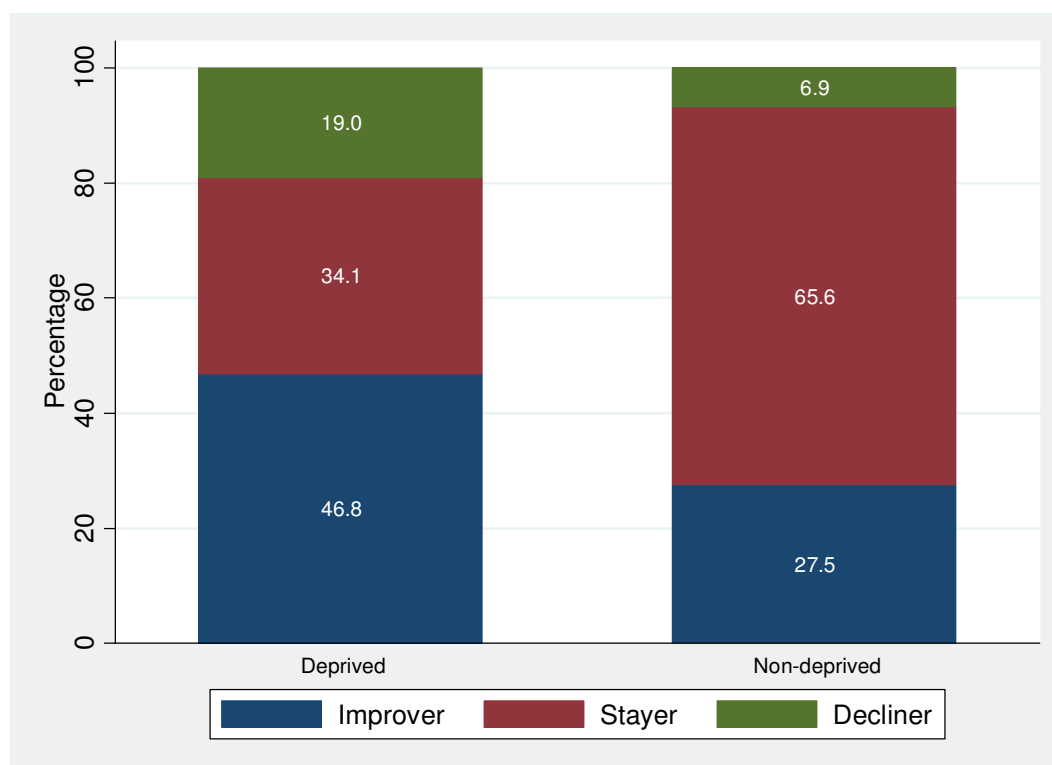
**3.12** Using the worklessness rates for 2004 and 2007, a simple change in worklessness rate was calculated. All LSOAs were then classified into three groups - 'improvers', 'stayers' and 'decliners' - on the basis of the change in worklessness rates. To ensure that this was a statistically significant 'real' change in worklessness, a small number of improvers and decliners were disregarded from the analysis as it was found that the change to the worklessness rate in these areas had been driven by a change to the working age population count rather than a change to the workless count (further detail on this can be found in the technical appendix).

**3.13** The distribution of deprived LSOAs in Greater Manchester across the three broad groups is shown in Figure 3.5. In deprived LSOAs there is a higher proportion of improvers (almost half) than either stayers or decliners. Approximately one third of deprived LSOAs are classified as stayers, while approximately one fifth are classified as decliners.

**3.14** In Table 3.6 the distribution of deprived LSOAs across the three broad groups is shown for the ten local authorities, Greater Manchester and England. The pattern for Greater Manchester as a whole is similar to the pattern for England. At local authority level, Manchester and Stockport have particularly striking patterns. Almost 90 per cent of deprived LSOAs in Manchester are classified as improvers; the remainder are mainly classified as stayers. Stockport, on the other hand, has a relatively high proportion of decliners (53.3 per cent) amongst its deprived LSOAs, and a relatively low proportion of improvers (13.3 per cent). This information is presented as a map in Figure 3.7.



**Figure 3.5: Percentage of deprived and non-deprived LSOAs in the three broad groups, Greater Manchester**



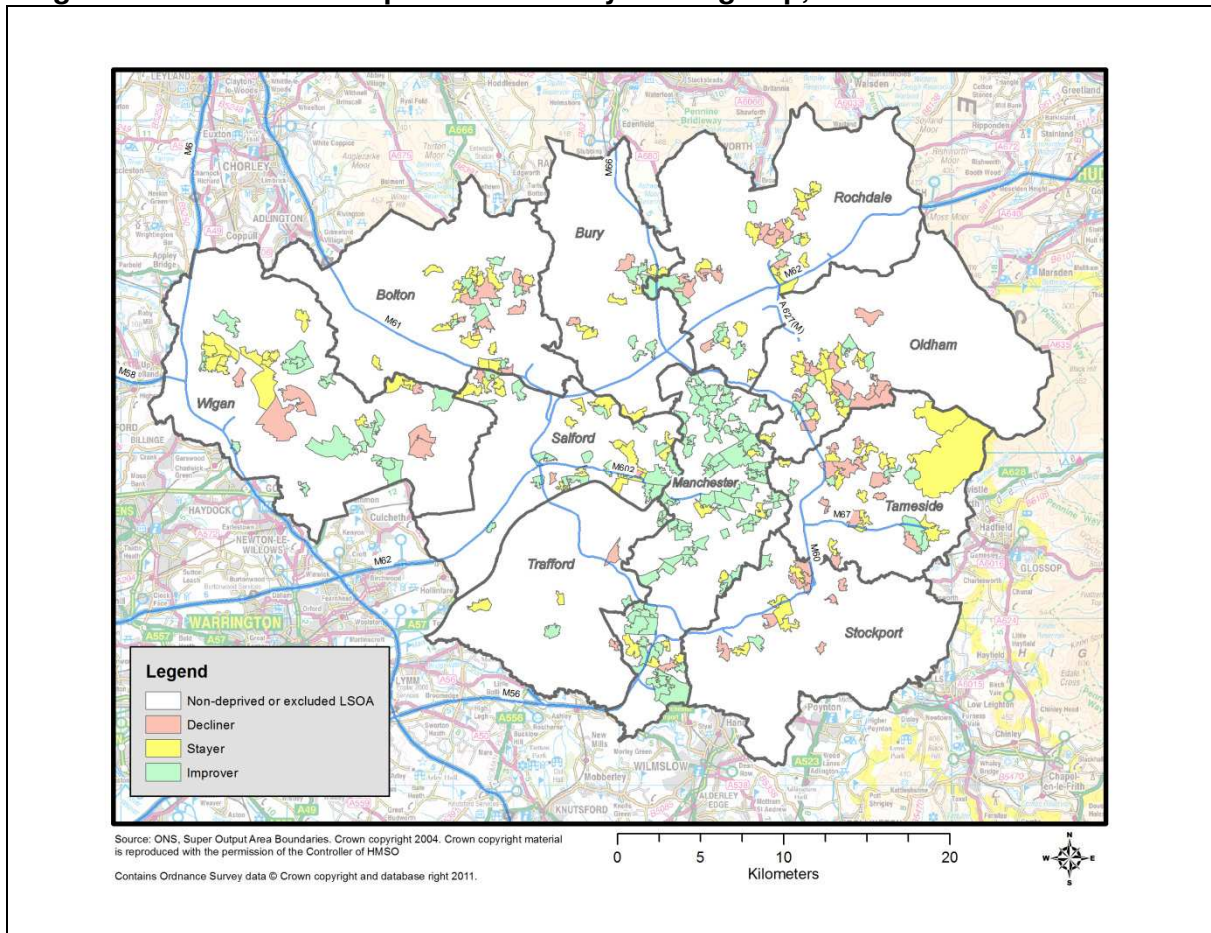
Note: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007

**Table 3.6: Percentage of deprived LSOAs in the three broad groups**

Local authority	Percentage of improvers	Percentage of stayers	Percentage of decliners
Bolton	26.5	50.0	23.5
Bury	38.5	46.2	15.4
Manchester	89.5	9.3	1.2
Oldham	23.5	41.2	35.3
Rochdale	21.9	46.9	31.3
Salford	47.5	45.0	7.5
Stockport	13.3	33.3	53.3
Tameside	19.4	45.2	35.5
Trafford	55.6	22.2	22.2
Wigan	45.9	37.8	16.2
Greater Manchester	46.8	34.1	19.0
England	45.6	37.6	16.7

Note: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007

**Figure 3.7: Location of deprived LSOAs by broad group, Greater Manchester**



Note: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007

**3.15** In Table 3.8 the distribution of deprived areas across the three broad groups is presented for the six metropolitan county areas in England<sup>5</sup> and the Greater London Authority<sup>6</sup>. Greater Manchester follows a similar pattern to many of the other metropolitan county areas in that the improver group is the largest of the three (almost half of Greater Manchester's deprived LSOAs are classified as improvers), followed by the stayer group and then the decliner group. However, after the West Midlands, Greater Manchester has the highest proportion of deprived LSOAs that are classified as decliner areas (19.0 per cent) and these two metropolitan county areas have much higher proportions of decliner areas than any of the other metropolitan county areas.

<sup>5</sup> Each metropolitan county area contains a number of metropolitan districts.

<sup>6</sup> The Greater London Authority contains 32 boroughs which have a status similar to metropolitan districts, and also the City of London.

**Table 3.8: Percentage of deprived LSOAs in the three broad groups, metropolitan county areas**

Metropolitan county area	Percentage of improvers	Percentage of stayers	Percentage of decliners
Greater London	57.1	31.7	11.2
Greater Manchester	46.8	34.1	19.0
Merseyside	66.0	28.4	5.6
South Yorkshire	50.8	41.3	7.8
Tyne and Wear	65.8	25.5	8.7
West Midlands	31.6	42.2	26.2
West Yorkshire	52.3	37.5	10.2

Note: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007

### Changes in worklessness post-2007

**3.16** Clearly the onset of the global credit crunch in 2008 and resultant recession has impacted significantly on worklessness rates. While the research dataset only holds data up to 2007, published data from Nomis can be used to calculate worklessness rates post 2007. While population dynamics cannot be analysed over this time period it is important to recognise the impact the economic downturn has had. Two snapshots were selected: quarter 1 (February) 2008 and quarter 3 (November) 2009. The 2008 snapshot is the pre-recession quarter, while the 2009 snapshot is the latest available cut of data for which LSOA population estimates are also available. The worklessness rates are shown in Table 3.9 for each of the ten local authorities, Greater Manchester and England.

**3.17** The credit crunch and resultant recession led to increases in worklessness across Greater Manchester. Between 2007 and 2008 there was a slight decrease or little change in worklessness rates. However, the worklessness rate in all local authorities increased (i.e. got worse) between 2008 and 2009. Stockport saw the largest increase in worklessness rate (4.1 percentage points), while Manchester saw the smallest change (1.2 percentage points). For Greater Manchester as a whole, the worklessness rate in 2009 returned to the 2004 level having shown a consistent decrease at the intervening time points.

**Table 3.9: Worklessness rates in deprived LSOAs, 2008 and 2009**

Local authority	2008	2009
Bolton	31.7	34.8
Bury	30.4	33.4
Manchester	29.8	31.0
Oldham	31.2	33.2
Rochdale	35.1	37.8
Salford	31.6	34.0
Stockport	33.6	37.7
Tameside	29.8	33.1
Trafford	29.3	31.5
Wigan	31.7	34.9
Greater Manchester	31.1	33.4
England	29.7	32.0

## Non-improver deprived areas

- 3.18** Until now the focus of the analysis has been on all deprived LSOAs. However, the main research question addressed in this report concerns only those areas that do not see a significant improvement in their worklessness rate. Improver areas are therefore of limited interest<sup>7</sup> and the analysis in this section and subsequent chapters focuses only on the 176 non-improver deprived areas in Greater Manchester (i.e. areas where worklessness rates either did not show a significant change or showed a significant decline); these are referred to as non-improvers.
- 3.19** When discussing the geographical distribution of non-improvers it is important to bear in mind the number of deprived LSOAs as the base. There are 176 non-improvers in Greater Manchester, and these are found in every local authority (see Table 3.10). The proportion of deprived LSOAs that are non-improvers ranges from 10.5 per cent in Manchester to 86.7 per cent in Stockport. There are four local authorities where more than three quarters of deprived LSOAs are non-improvers: Oldham, Rochdale, Stockport and Tameside. In Manchester and Trafford only less than half of the deprived LSOAs are classified as non-improvers. Figure 3.11 shows the location of non-improver areas on a map.
- 3.20** It is striking that non-improver in Greater Manchester account for almost 10 per cent of England's non-improvers.

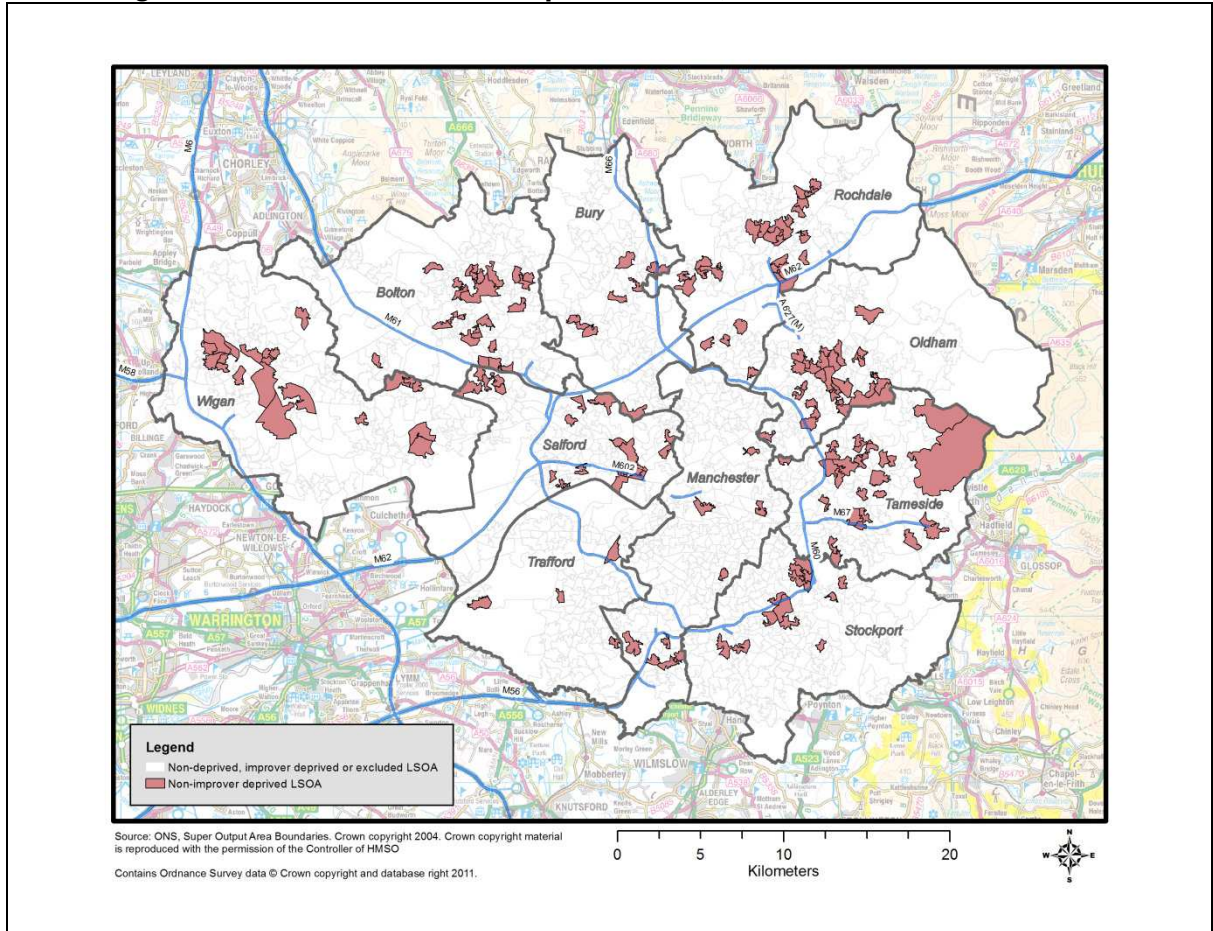
**Table 3.10: Number and percentage of deprived LSOAs that are non-improver areas**

Local authority	Number of deprived LSOAs	Number of non-improver areas	Percentage of deprived LSOAs that are non-improvers
Bolton	34	25	73.5
Bury	13	8	61.5
Manchester	86	9	10.5
Oldham	34	26	76.5
Rochdale	32	25	78.1
Salford	40	21	52.5
Stockport	15	13	86.7
Tameside	31	25	80.6
Trafford	9	4	44.4
Wigan	37	20	54.1
Greater Manchester	331	176	53.2
England	3,451	1,877	54.4

Notes: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that stayed the same or declined in terms of its worklessness rate between 2004 and 2007.

<sup>7</sup> A table showing the location of the deprived improver LSOAs is, however, given in Appendix 2, alongside a table showing the location of the deprived decliner areas only (i.e. separated out from the deprived stayer areas).

**Figure 3.11: Location of non-improver areas, Greater Manchester**



Notes: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that stayed the same or declined in terms of its worklessness rate between 2004 and 2007.

# 4 IDENTIFYING TRANSITION AREAS

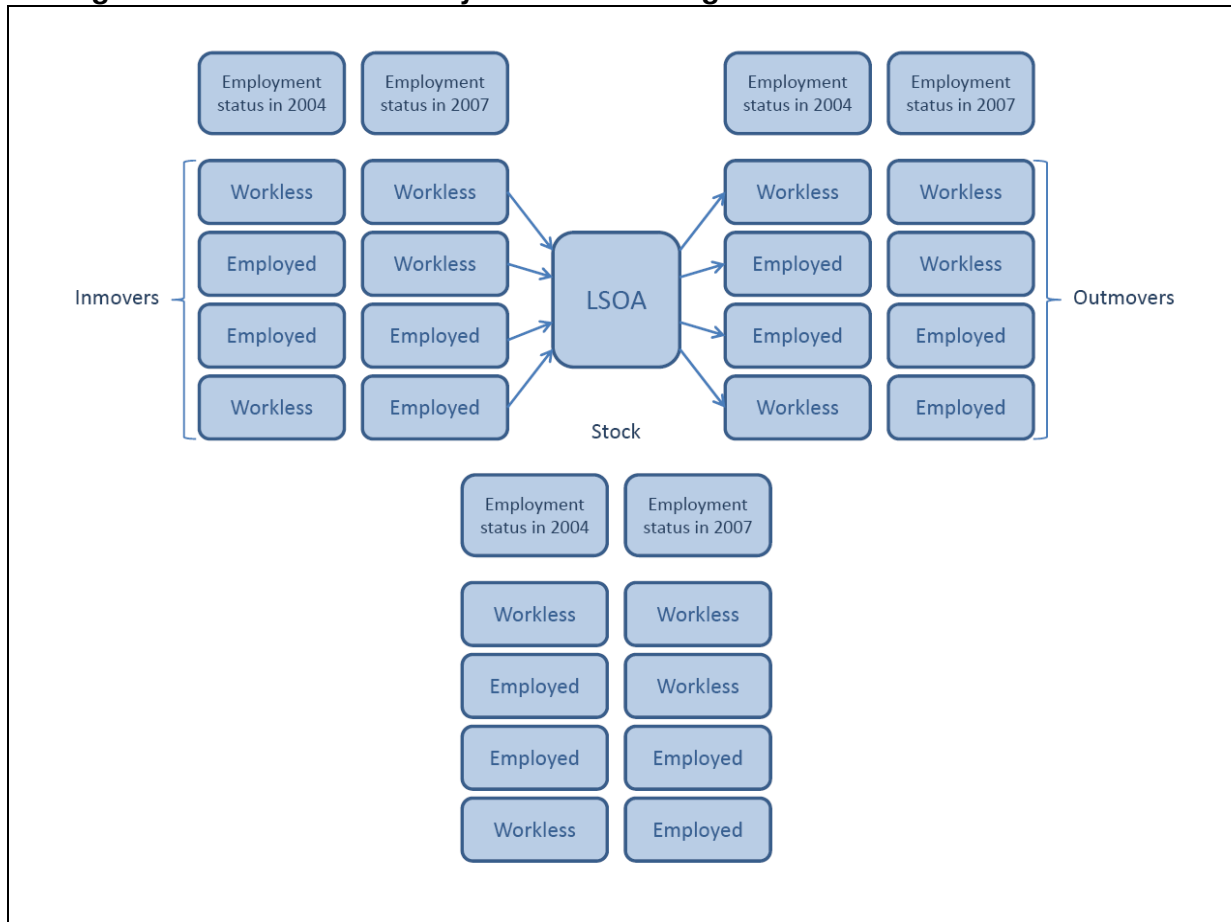
- 4.1 In this chapter the central research question is explored. This is to identify whether, despite relatively high rates of transition of individuals from worklessness into employment, certain deprived areas do not see an improvement to their worklessness rate over time because many of the people who become employed subsequently move out of the area and are replaced by workless people moving into the area. While these individual level dynamics may occur in all LSOAs, the analysis in this chapter focuses only on the 176 non-improver areas in Greater Manchester.
- 4.2 In Chapter 3 the analysis was based on LSOA level data. In this chapter individual level data from the WPLS are used to identify the employment status changes and geographical movements made by individuals between 2004 and 2007. These individual level dynamics are then aggregated to LSOA level. All counts of individuals based on the WPLS data are rounded to the nearest ten.

## Individual level dynamics

- 4.3 In this section the different possible combinations of employment status changes and geographical movements made by individuals are first outlined. The subsequent analysis focuses on individuals who were workless in 2004. The employment status changes and geographical movements of these individuals are examined in order to identify those who made the transition from worklessness into employment and subsequently moved out of the area.
- 4.4 For the purposes of this analysis, an individual's employment status in 2004 and/or 2007 can be either workless, employed or unknown. Each individual can either have the same LSOA code at both timepoints, or they may have different LSOA codes at the two timepoints because they have moved, or the LSOA code may be unknown at either of the timepoints. By combining the information on employment status and geographical location, each individual was placed into one of 28 groups and then the groups were aggregated to LSOA level, giving a count of individuals in each category for every LSOA. The data were also aggregated to local authority level to give a count of individuals in each category for the ten local authorities.
- 4.5 Figure 4.1 shows the individual level dynamics that may occur in any LSOA. These account for 12 of the 28 possible groups; the remainder are the result of different combinations of missing information (see technical appendix).
- 4.6 There is a stock of people who are in the LSOA at both timepoints (the middle-bottom group); some change their employment status between timepoints, while others are either workless or employed at both timepoints. On the left hand side of the diagram are the individuals who were not in the LSOA in 2004 but moved in by 2007 ('Inmovers'). These individuals have the same combinations of

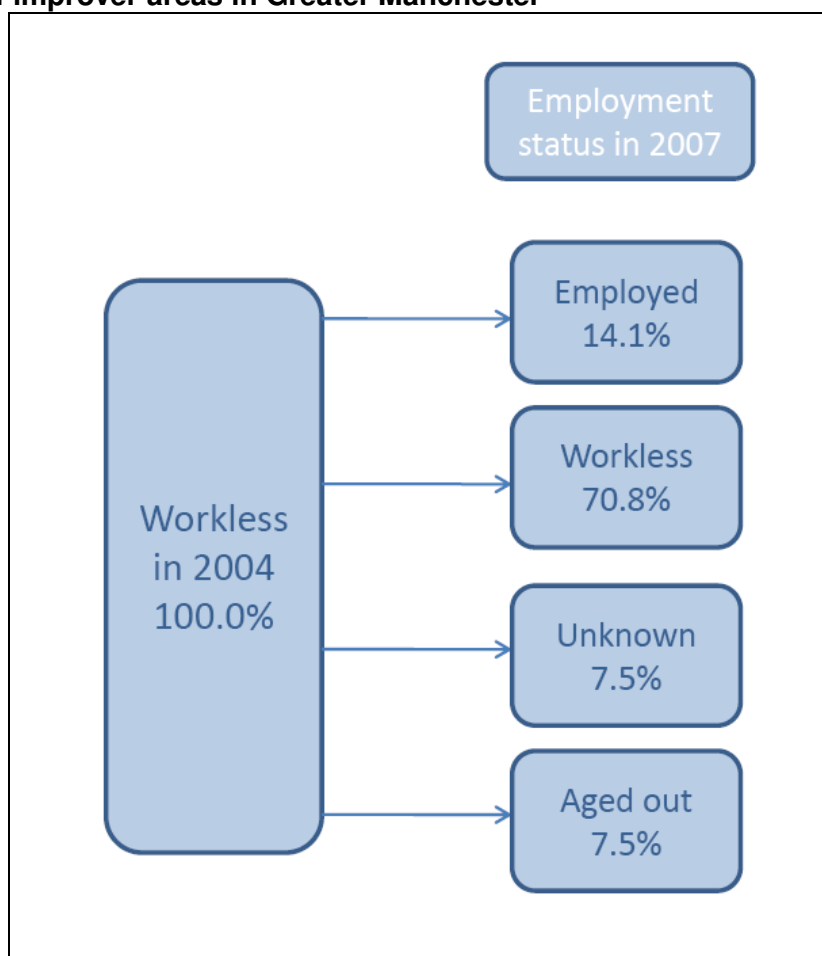
employment status as the 'stock'. Similarly, on the right hand side of the diagram are the individuals who were in the LSOA in 2004 but moved out by 2007 ('Outmovers').

**Figure 4.1: Individual level dynamics occurring in LSOAs**



4.7 Looking first only at employment status, ignoring any geographical movement, Figure 4.2 shows the employment status in 2007 of individuals in non-improver areas in Greater Manchester who were workless in 2004. Over 70 per cent were also workless in 2007, while 14.1 per cent had made the transition into employment. Of the remaining individuals who were workless in 2004, equal proportions (7.5 per cent) had an unknown employment status in 2007 (the reasons for this are given in the technical appendix) or were no longer of working age (the 'aged out' group).

**Figure 4.2: Employment status in 2007 of individuals who were workless in 2004, non-improver areas in Greater Manchester**



Notes: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that stayed the same or declined in terms of its worklessness rate between 2004 and 2007. There are 176 non-improver areas in Greater Manchester.

4.8 Table 4.3 shows the employment status in 2007 of the people who were workless in 2004 for the ten local authorities in Greater Manchester. The table reveals similar outcomes for workless people across Greater Manchester's local authorities. In each local authority the majority (approximately 70 per cent) of workless people in 2004 were also workless in 2007. Approximately 14 per cent of the 2004 workless population in each local authority made the transition into



employment. Therefore even in the most deprived areas across all local authorities, some individuals experienced positive employment outcomes. The figures for England, shown in the bottom row of the table, are comparable to those for Greater Manchester as a whole and the ten local authorities.

**Table 4.3: Employment status in 2007 of individuals who were workless in 2004, non-improver areas**

Local authority	Remained workless (%)	Became employed (%)	Unknown (%)	Aged out (%)
Bolton	70.1	15.0	7.4	7.4
Bury	69.6	14.4	8.2	7.8
Manchester	72.2	14.1	7.1	6.6
Oldham	70.7	14.2	7.4	7.6
Rochdale	71.0	14.3	7.5	7.3
Salford	72.6	13.3	7.4	6.7
Stockport	70.6	13.7	8.2	7.6
Tameside	70.2	14.3	7.4	8.2
Trafford	71.7	13.4	8.3	6.6
Wigan	70.2	13.9	7.4	8.5
Greater Manchester	70.8	14.1	7.5	7.5
England	69.9	15.3	7.8	7.1

Notes: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that stayed the same or declined in terms of its worklessness rate between 2004 and 2007. There are 176 non-improver areas in Greater Manchester and 1,877 in England.

N (Greater Manchester) = 51,580

N (England) = 511,550

- 4.9** The patterns of transition into employment are shown for each client group in Table 4.4. Across Greater Manchester, over one third (36.6 per cent) of JSA claimants in 2004 were employed by 2007, and approximately one quarter of individuals receiving IS-LP in 2004 were employed by 2007. A much smaller proportion of claimants of IB/SDA and CA made the transition into employment than claimants of JSA and IS-LP.
- 4.10** The patterns are similar in all ten local authorities. Trafford is an exception in two respects: first, a relatively low proportion of IB/SDA claimants in 2004 had become employed by 2007; and second, the proportion of CA claimants in 2004 who were employed in 2007 is just 2.2 per cent, which is low in comparison to other local authorities which had much higher rates of transition into employment.

**Table 4.4: Transitions into employment of 2004 benefit claimants by client group, non-improver areas**

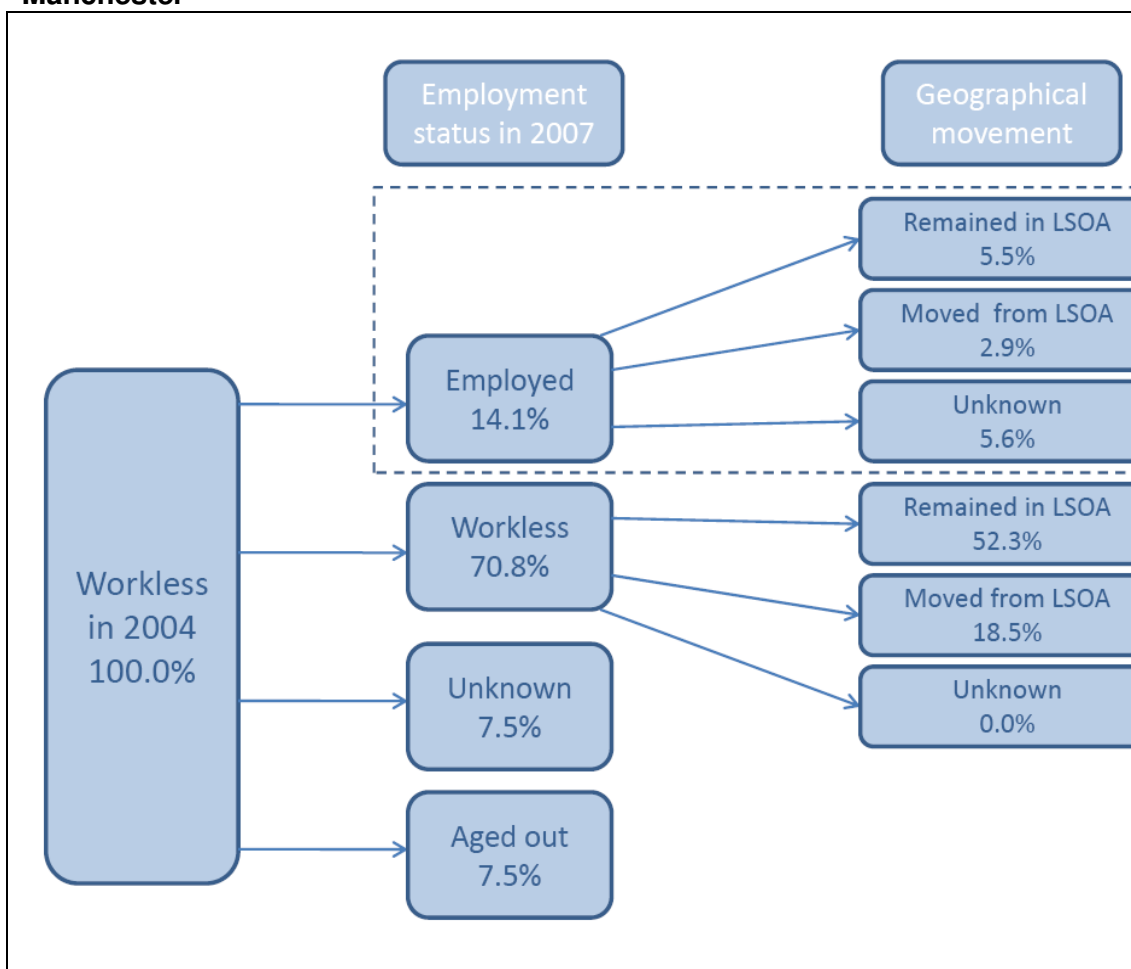
Local authority	JSA (%)	IB/SDA (%)	IS-LP (%)	CA (%)	Other (%)
Bolton	39.8	7.8	23.3	11.1	13.1
Bury	35.6	6.5	27.9	16.5	8.0
Manchester	38.4	6.8	22.8	11.9	10.0
Oldham	36.0	6.6	23.9	10.6	14.2
Rochdale	38.6	6.1	24.2	11.3	13.2
Salford	34.0	6.0	23.4	9.2	14.7
Stockport	30.5	6.1	26.1	17.6	12.0
Tameside	39.3	6.4	25.5	14.4	11.9
Trafford	35.0	4.7	28.0	2.2	9.1
Wigan	35.4	6.5	26.0	9.9	16.3
Greater Manchester	36.6	6.5	24.6	11.7	13.2
England	34.7	6.9	22.8	11.6	11.9

Notes: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that stayed the same or declined in terms of its worklessness rate between 2004 and 2007. There are 176 non-improver areas in Greater Manchester and 1,877 in England.

**4.11** Figure 4.5 develops this analysis further by showing both the employment status changes and the geographical movements of those individuals in Greater Manchester who were workless in 2004. The majority of the 2004 workless population remained in the LSOA (57.8 per cent), while just over 20 per cent moved to a different LSOA. Most of those who moved to a different LSOA were workless individuals, rather than individuals who had made the transition into employment.

**4.12** The focus for the remainder of this section is the group of individuals who made the transition from worklessness into employment, referred to as ‘transiting individuals’. These individuals are highlighted by the box with the dashed line in Figure 4.5. The movements of the individuals who were workless in 2004 and 2007 are, however, useful context for analysis presented later in the report.

**Figure 4.5: Employment status changes and geographical movements of individuals who were workless in 2004, non-improver areas in Greater Manchester**



Notes: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that stayed the same or declined in terms of its worklessness rate between 2004 and 2007. There are 176 non-improver areas in Greater Manchester.

**4.13** The geographical movements of the transiting individuals are shown in Table 4.6 for each local authority, Greater Manchester and England. When interpreting the table it is important to remember that the research dataset only captures the geographical movements of a subset of the employed population (i.e. those on tax credit). Approximately 40 per cent of the 2004 workless population in each local authority who had made the transition into employment by 2007 had an unknown location in 2007. These individuals may have moved from the LSOA on finding employment or they may have stayed in the LSOA.

**4.14** Of those transitions into employment that can be tracked geographically, in all ten local authorities a higher proportion of transiting individuals remained in the LSOA than moved away. Across Greater Manchester, around twice as many transiting individuals did not move after becoming employed than did move. However, the ratio of stayers to movers varies between local authorities. Three

local authorities in particular have distinct patterns: Bury, Manchester and Trafford.

- 4.15** In Bury, a relatively high proportion of transiting individuals moved away from the LSOA, and the proportion of cases with an unknown location is the lowest of all the local authorities. This is possibly because Bury has better uptake of tax credits and so more people are captured in the research dataset (rather than because Bury has a higher proportion of transiting individuals who go into lower paid employment).
- 4.16** In Trafford, more than four times as many transiting individuals remained in the LSOA as moved away, and in Manchester, nearly three times as many individuals remained in the LSOA as moved away.

**Table 4.6: Geographical movements of transiting individuals, non-improver areas**

Local authority	Remained in LSOA (%)	Moved away from LSOA (%)	Location unknown (%)
Bolton	39.8	21.4	38.8
Bury	39.9	29.7	30.4
Manchester	45.0	15.7	39.4
Oldham	37.8	22.9	39.3
Rochdale	36.9	21.9	41.2
Salford	35.9	18.9	45.2
Stockport	37.3	20.5	42.2
Tameside	40.2	19.6	40.1
Trafford	50.0	12.2	37.8
Wigan	41.7	20.7	37.7
Greater Manchester	39.2	20.8	40.0
England	37.4	22.0	40.6

Notes: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that stayed the same or declined in terms of its worklessness rate between 2004 and 2007. There are 176 non-improver areas in Greater Manchester and 1,877 in England.

N (Greater Manchester) = 7,290

N (England) = 78,170

- 4.17** Although the data are not perfect, they do give an indication of the possible broader trends. If the (not unrealistic) assumption is made that the unknown cases exhibited the same moving patterns as the observed cases, it is possible to estimate the proportion of transiting individuals who remained in the area and the proportion who moved away for Greater Manchester as a whole. The observed ratio of stayers to movers was applied to the unknown cases, with the result that 65.0 per cent of transiting individuals remained in the area and 35.0 per cent moved away.

### Transition areas

- 4.18** In order to identify transition areas it is necessary to focus on the two key dynamics: workless individuals becoming employed and moving out of the

LSOA, and workless individuals moving into the LSOA. In this section the methods for identifying transition areas are outlined first, and then each of the elements required for the identification of transition areas is analysed in turn.

- 4.19 To examine the extent to which individuals make the transition from worklessness into work and then leave the LSOA, the **transiting outmover rate** was calculated as the proportion of the workless population in 2004 that made the transition into employment and moved out of the LSOA by 2007.
- 4.20 To examine whether the 'transiting outmovers' are replaced by 'workless inmovers', the **workless inmover rate** was calculated as the proportion of the workless population in 2007 that has moved into the LSOA since 2004. These may be individuals who were workless in 2004, or individuals who were employed in 2004 and workless in 2007 (the assumption is made that the geographical move took place after the employment status change, in the same way as for individuals who made the transition from worklessness into employment).
- 4.21 Transition areas should have the highest transiting outmover rates and a relatively high proportion of the 2007 workless population should be workless inmovers (at least to the same extent that transiting individuals move out). For the purposes of this study, transition areas are defined as those with a transiting outmover rate and workless inmover rate that is above the mean for non-improver areas in England.
- 4.22 Table 4.7 shows the transiting outmover rates for the ten local authorities, Greater Manchester and England. In each local authority only a small proportion of workless individuals in 2004 made the transition into employment and moved away. This ranges from 1.6 per cent in Trafford to 4.3 per cent in Bury. However, it is important to remember that these rates relate only to those transiting individuals whom it was possible to geographically locate in 2007.
- 4.23 Importantly, non-improver areas differ very little from improver deprived LSOAs and non-deprived LSOAs in terms of the overall transiting outmover rates (see Table 4.8). In fact, for all local authorities in GM except Rochdale, those LSOAs that had improved their worklessness rate actually saw higher rates of transiting outmovers than those LSOAs that had not improved their worklessness position.

**Table 4.7: Transiting outmover rates, non-improver areas**

Local authority	Transiting outmover rate (%)
Bolton	3.2
Bury	4.3
Manchester	2.2
Oldham	3.3
Rochdale	3.1
Salford	2.5
Stockport	2.8
Tameside	2.8
Trafford	1.6
Wigan	2.9
Greater Manchester	2.9
England	3.4

Notes: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that stayed the same or declined in terms of its worklessness rate between 2004 and 2007. There are 176 non-improver areas in Greater Manchester and 1,877 in England.

**Table 4.8: Transiting outmover rates, improver deprived areas and non-deprived LSOAs**

Local authority	Improver deprived areas (%)	Non-deprived areas (%)
Bolton	3.7	2.5
Bury	4.6	2.9
Manchester	2.7	2.3
Oldham	4.1	2.6
Rochdale	2.9	2.7
Salford	3.2	2.2
Stockport	3.0	2.9
Tameside	3.2	2.3
Trafford	2.7	2.5
Wigan	3.1	2.3
Greater Manchester	3.0	2.5
England	3.2	3.2

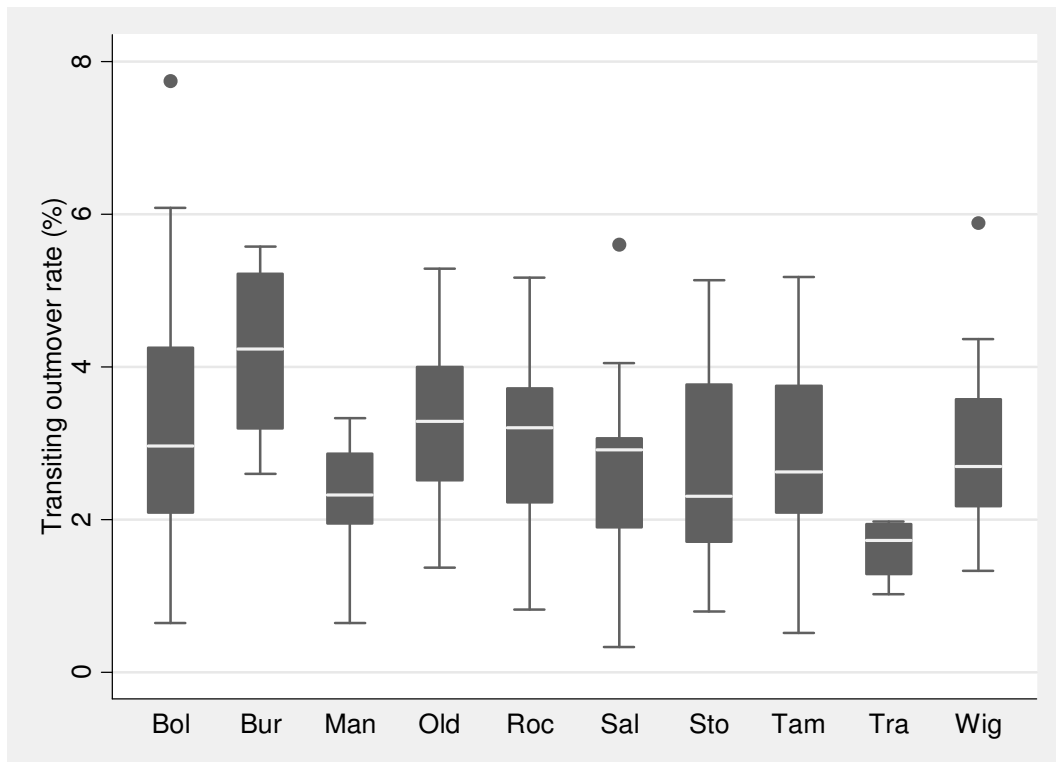
Notes: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that improved in terms of its worklessness rate between 2004 and 2007.

**4.24** Of course, these are just the average values for each local authority; individual LSOAs vary in the proportion of individuals making the transition into employment and moving out of the LSOA. The spread of transiting outmover rates is shown in Figure 4.9 for the local authorities separately. The central shaded box illustrates the interquartile range of each LSOA distribution of transiting outmover rates, whilst the horizontal line within this shaded box shows

the median rate of that distribution. The vertical lines (the 'whiskers') illustrate the range of transiting outmover rates in each local authority. Data points that lie more than 1.5 times the interquartile range away from the nearer quartile value are plotted separately as small dots on the chart at either end of the whiskers.

**4.25** All non-improver areas in each local authority have some individuals classified as transiting outmovers, although in some LSOAs transiting outmovers account for less than 1 per cent of the 2004 workless population. There are some differences in the distributions of the ten local authorities. The LSOA with the highest transiting outmover rate (7.7 per cent) is located in Bolton (Great Lever West). The range and interquartile range are largest in Bolton, and smallest in Trafford. Indeed, all non-improver areas in Trafford have transiting outmover rates below 2 per cent. Many of Manchester's non-improver areas also have relatively low transiting outmover rates.

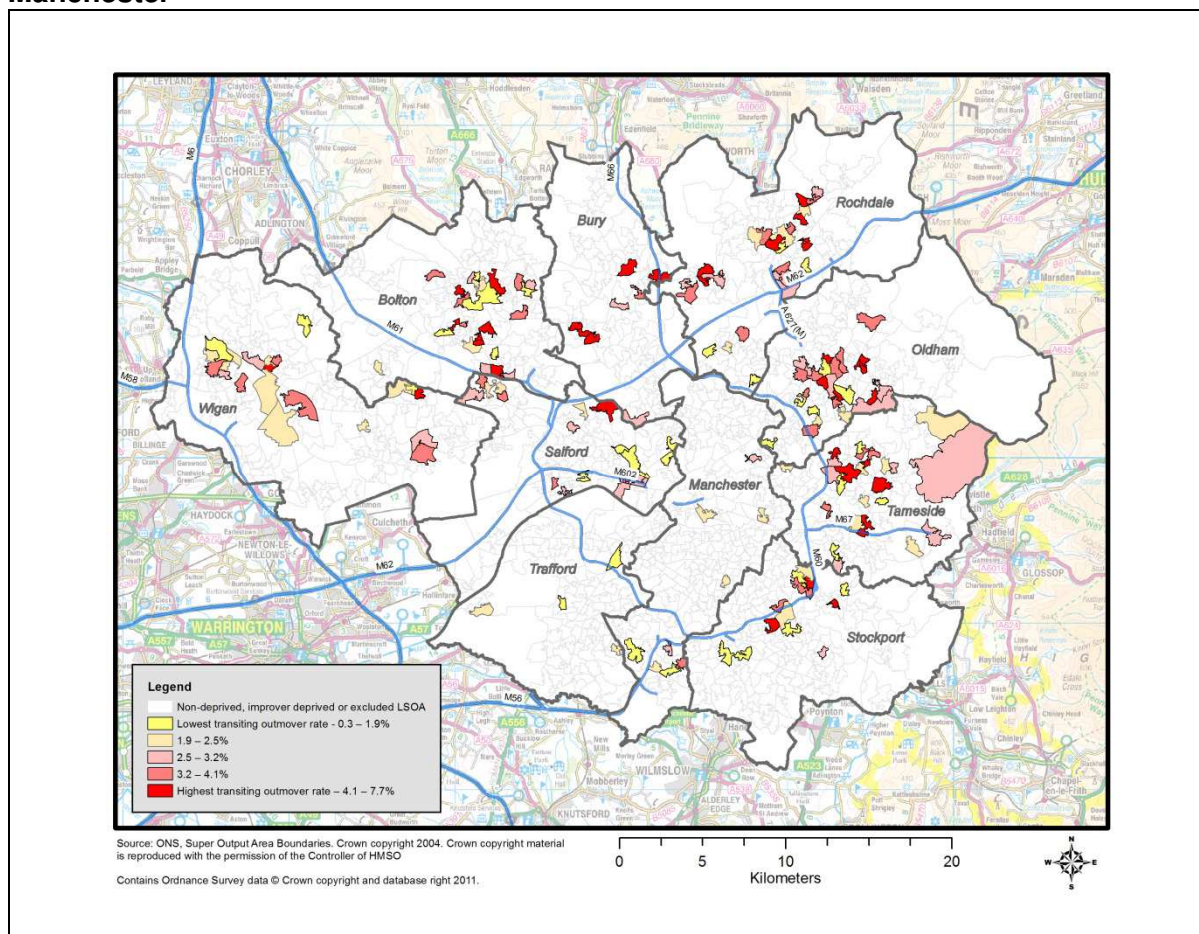
**Figure 4.9: Spread of transiting outmover rates, non-improver areas in Greater Manchester**



Notes: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that stayed the same or declined in terms of its worklessness rate between 2004 and 2007. There are 176 non-improver areas in Greater Manchester.

**4.26** In Figure 4.10 the non-improver areas are grouped according to their transiting outmover rate. As indicated by Figure 4.10, LSOAs with the highest transiting outmover rates (shaded in red on the map) can be found in all local authorities except Manchester and Trafford. Trafford in particular only has non-improver areas that have very low transiting outmover rates. Bury is the only local authority that does not have any LSOAs in the group with the lowest transiting outmover rates (shaded in yellow).

**Figure 4.10: Transiting outmover rates, non-improver areas in Greater Manchester**



Notes: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that stayed the same or declined in terms of its worklessness rate between 2004 and 2007. There are 176 non-improver areas in Greater Manchester.

4.27 The link with the MIER typology of neighbourhoods is relatively weak. Transit areas – those where individuals tend to move between deprived target neighbourhoods and less deprived neighbourhoods – make up 33 per cent of LSOAs with a high rate (over 5 per cent) of residents transiting into employment and moving to a different neighbourhood. Isolate and Escalator neighbourhoods each make up 22 per cent of the LSOAs with a high rate of transiting individuals.



4.28 Turning to workless in-movers, Table 4.11 shows the workless in-mover rates for the ten local authorities, Greater Manchester and England. Overall in Greater Manchester, 22.2 per cent of the workless population in 2007 was workless in-movers, a similar figure to England (22.9 per cent). This workless in-mover rate ranges from 17.4 per cent in Trafford to 25.2 per cent in Bury.

**Table 4.11: Workless in-mover rates, non-improver areas**

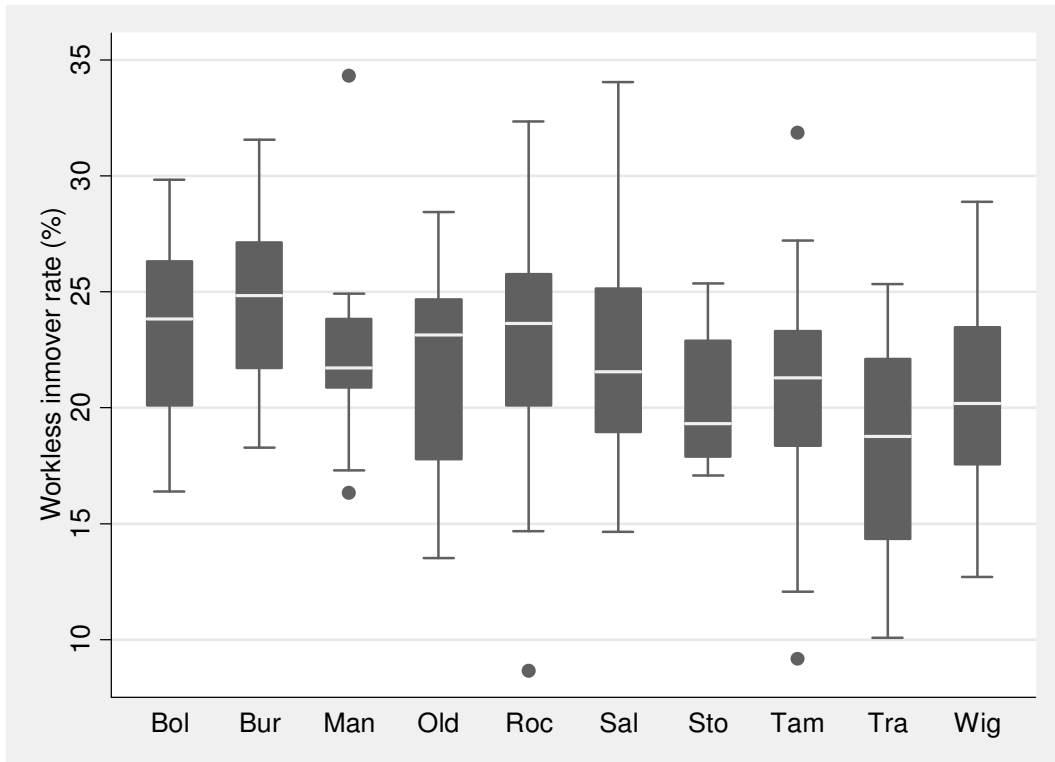
Local authority	Workless in-mover rate (%)
Bolton	23.4
Bury	25.2
Manchester	22.5
Oldham	22.1
Rochdale	23.5
Salford	22.5
Stockport	20.5
Tameside	21.3
Trafford	17.4
Wigan	20.5
Greater Manchester	22.2
England	22.9

Notes: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that stayed the same or declined in terms of its worklessness rate between 2004 and 2007. There are 176 non-improver areas in Greater Manchester and 1,877 in England.

4.29 As with the transiting out-mover rate, individual LSOAs vary in the proportion of the 2007 workless population that is workless individuals who moved into the LSOA. The spread of workless in-mover rates is shown in Figure 4.12 for the local authorities in Greater Manchester. With the exceptions of Rochdale and Tameside, non-improver areas in all local authorities have workless in-mover rates above 10 per cent. The median values are fairly similar, ranging from 18.2 per cent in Trafford to 24.7 per cent in Bury.

4.30 However, the ranges vary significantly between local authorities. Most non-improver areas in Manchester and Stockport have workless in-mover rates within a fairly tight range (approximately 15 to 20 per cent). Rochdale, Salford and Tameside have much wider ranges, although in Rochdale and Tameside it is the case that there are certain LSOAs that have quite extreme workless in-mover rates.

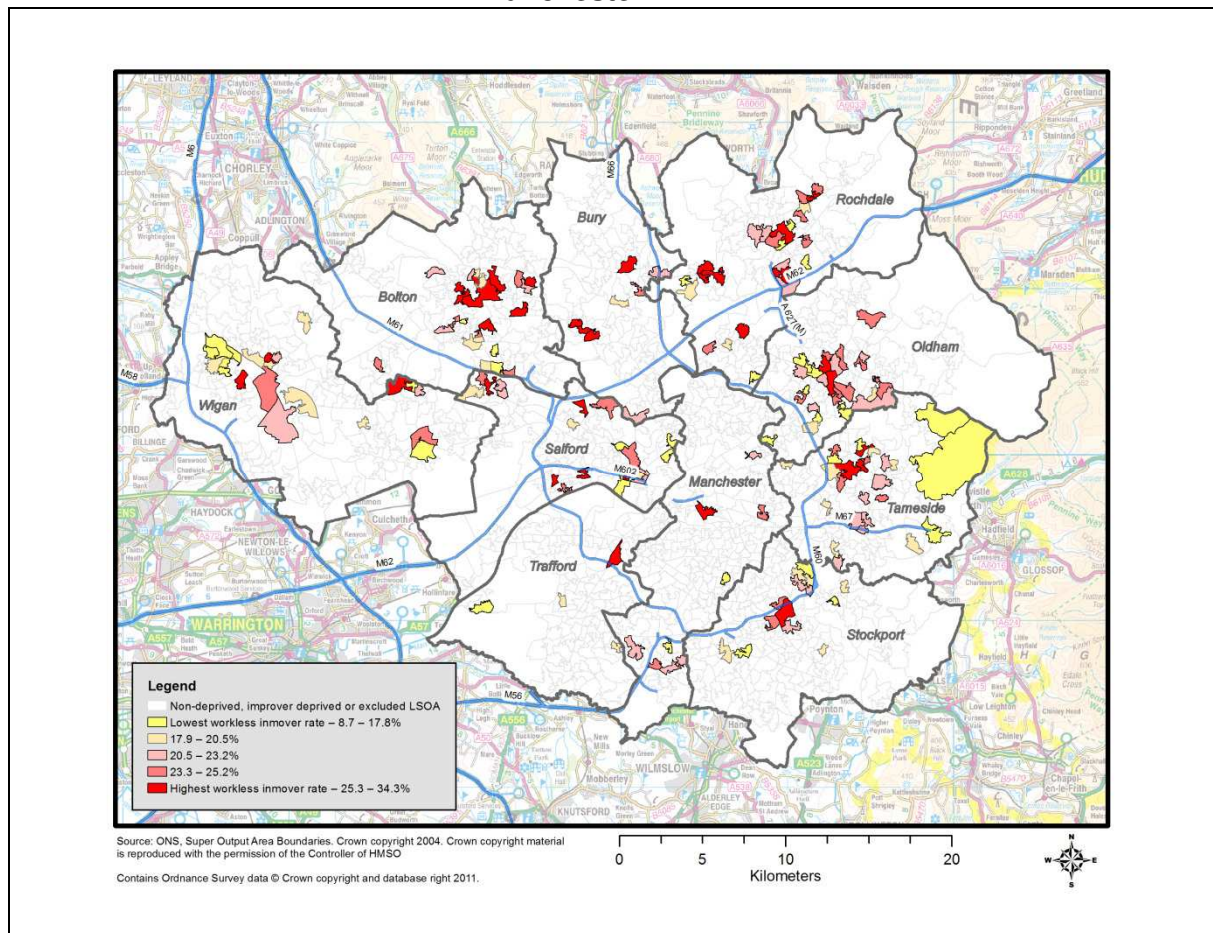
**Figure 4.12: Spread of workless in-mover rates, non-improver areas in Greater Manchester**



Notes: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that stayed the same or declined in terms of its worklessness rate between 2004 and 2007. There are 176 non-improver areas in Greater Manchester.

**4.31** In Figure 4.12 the non-improver areas are grouped according to their workless in-mover rate. There are LSOAs with the highest workless in-mover rates (shaded in red on the map) in all local authorities in Greater Manchester. Again, Bury is the only local authority that does not have any LSOAs in the group with the lowest workless in-mover rates (shaded in yellow).

**Figure 4.12: Workless in-mover rates, non-improver areas in Greater Manchester**



Notes: A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that stayed the same or declined in terms of its worklessness rate between 2004 and 2007. There are 176 non-improver areas in Greater Manchester.

**4.32** Most of the LSOAs (45 per cent) that had in-mover rates higher than 25 per cent were Transit areas according to the MIER typology – that is, areas where individuals tend to move between less deprived and deprived target neighbourhoods, but not into others which are the same or more deprived. Isolate areas accounted for 23 per cent of the LSOAs with high in-mover rates (23 per cent), while 18 per cent were Escalator areas and only (5 per cent) were from “Gentrifier” neighbourhoods (where individuals moved from less deprived to a target neighbourhood then on to a neighbourhood the same or more deprived).

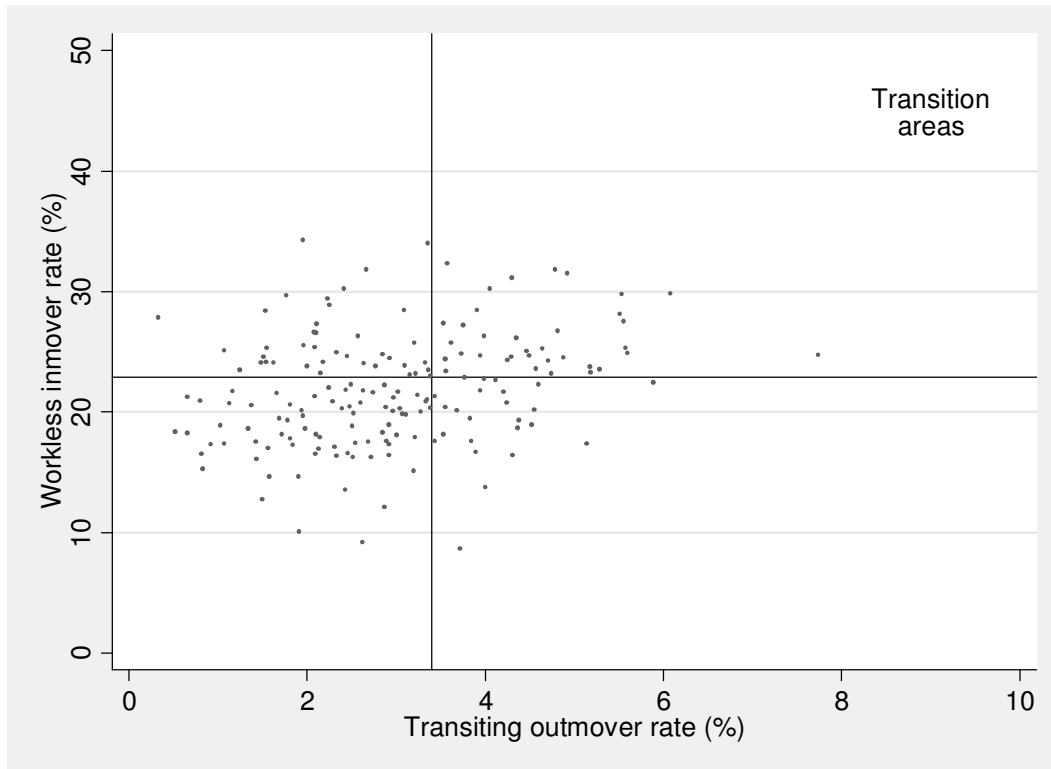
**4.33** The transiting out-mover rates and workless in-mover rates for each LSOA in Greater Manchester are available in the data tables which accompany this report.

**Combining the transiting out-mover rate and workless in-mover rate**

**4.34** By combining transiting out-mover rates and workless in-mover rates it is possible to identify those areas that have disproportionately high levels of in-work out-movers and workless in-movers. In Figure 4.13 the horizontal axis

shows the transiting outmover rate and the vertical axis shows the workless inmover rate. There is not a particularly strong association between the proportion of workless inmovers to an LSOA and the proportion of workless individuals who become employed and leave the LSOA.

**Figure 4.13: Transiting outmover rates by workless inmover rates, non-improver areas in Greater Manchester**



**Notes:**

A deprived area is an LSOA that was in the most deprived national decile in terms of worklessness rates in any year between 2004 and 2007. A non-improver area is a deprived LSOA that stayed the same or declined in terms of its worklessness rate between 2004 and 2007. There are 176 non-improver areas in Greater Manchester.

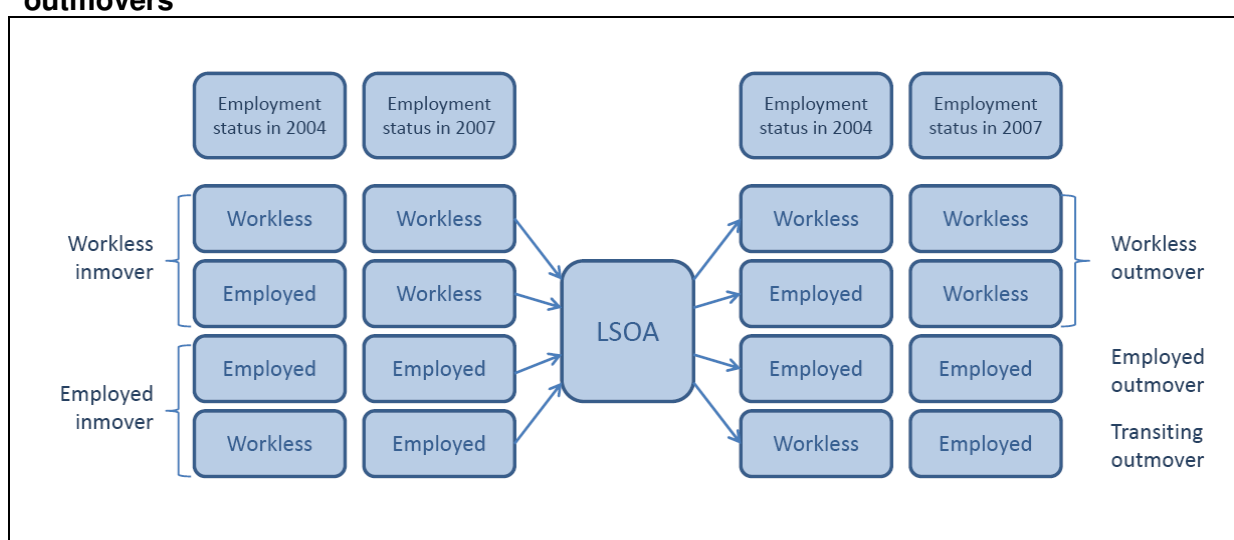
Spearman correlation coefficient = 0.2942.

The line on the vertical axis is the England mean of the workless inmover rate and the line on the horizontal axis is the England mean of the transiting outmover rate.

**4.35** The workless inmover and transiting outmover rates in Figure 4.13 are imbalanced, with a much higher proportion of workless inmovers in the 2007 workless population than transiting outmovers in the 2004 workless population. This is partly due to the fact that only a subset of the true group of transiting outmovers can be identified in the data (i.e. those claiming tax credits). If reliable data were available on the geographical location of all employed individuals, it is likely that the transiting outmover and workless inmover rates would be more closely – although not exactly - matched. For example, had it been possible to locate all the transiting individuals in 2007 (as estimated in Section 4.1 by applying the observed ratio of stayers to movers to the unknown cases), it is estimated that the transiting outmover rate for Greater Manchester would have been 4.9 per cent.

**4.36** An exact match would not be expected as there are other dynamics occurring that have not been examined so far in this report. While the workless in-movers are a subset of people moving into an LSOA, the transiting out-movers are an even smaller subset of people leaving an LSOA. To illustrate this, the in-mover and out-mover elements of Figure 4.1 are replicated and expanded on in Figure 4.14. It can be seen that there are also workless people moving out and employed people moving out. The transiting out-movers account for only a relatively small proportion of the 2004 workless population that moved out: as discussed above in relation to Figure 4.13, the majority (86.3 per cent) are individuals who remained workless. Thus a key dynamic occurring in these LSOAs is workless people moving in and out.

**Figure 4.14: Individual level dynamics occurring in LSOAs – in-movers and out-movers**



**4.37** For an LSOA to be regarded as a transition area it is necessary for the transiting out-movers to at least be replaced by workless in-movers. In all non-improver areas this is the case. The specific definition chosen for transition areas is that the LSOA should be above the national mean on both the transiting out-mover rate and workless in-mover rate. The lines on Figure 4.13 show the mean of the workless in-mover rate (horizontal axis) and the mean of the transiting out-mover rate (vertical axis) for England. The LSOAs in the top right quadrant on the graph are above the mean on both rates and are therefore considered transition areas. Using this definition, there are 38 transition areas in Greater Manchester, which is 21.6 per cent of the non-improver areas.

**4.38** The number of transition areas in Greater Manchester is reasonably small, although the 38 transition areas account for 8.2 per cent of the transition areas in England. There are non-improver areas in all ten local authorities, of which eight contain at least one transition area (see Table 4.15). Neither Manchester nor Trafford contain any transition areas and both have only a small number of non-improver areas. Rochdale has the highest number of transition areas (9). Five of Bury's eight non-improver areas are transition areas. Figure 4.16 shows

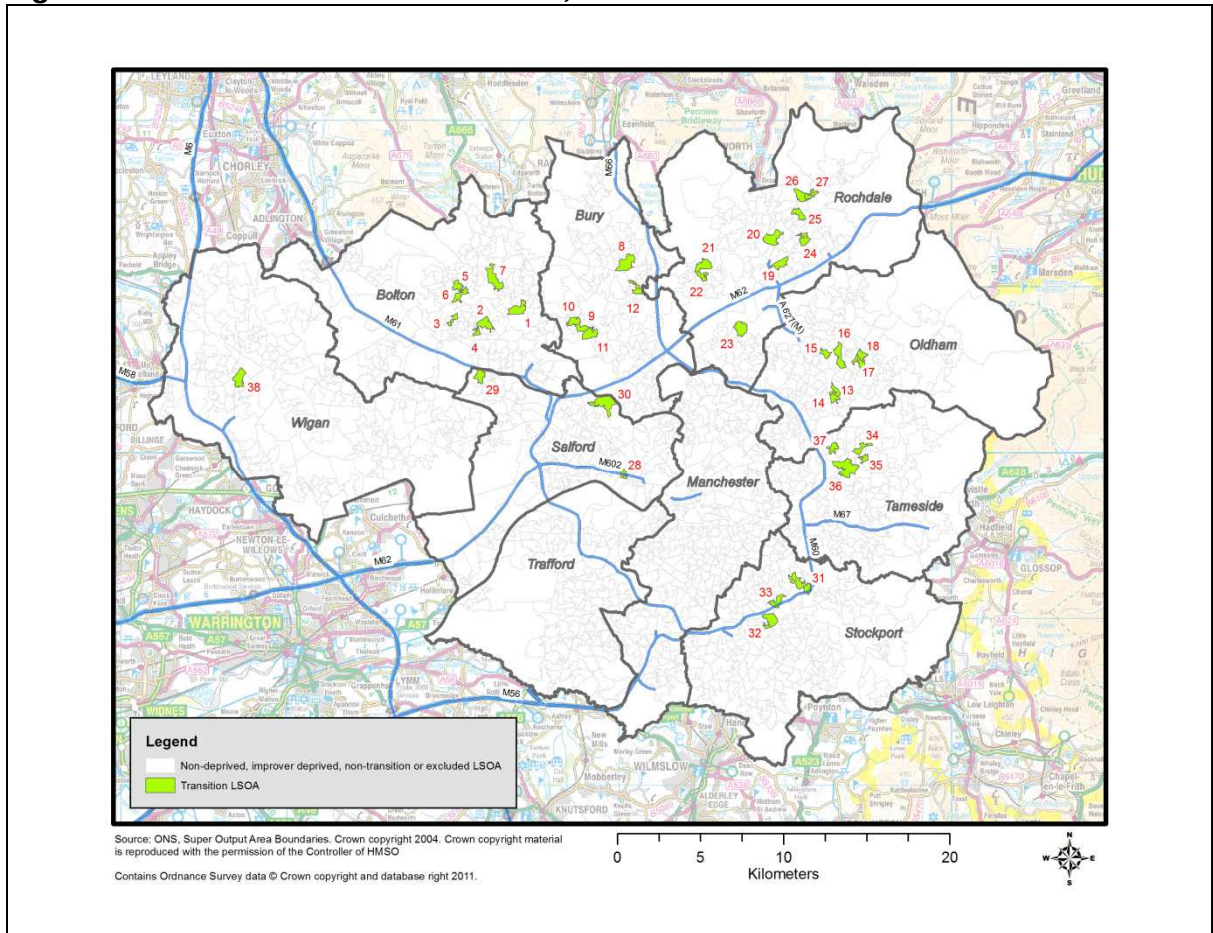
the location of the transition areas on a map and Table 4.17 provides names for the areas.

**Table 4.15: Number of non-improver areas that are transition areas**

Local authority	Number of non-improver areas	Number of transition areas
Bolton	25	7
Bury	8	5
Manchester	9	0
Oldham	26	6
Rochdale	25	9
Salford	21	3
Stockport	13	3
Tameside	25	4
Trafford	4	0
Wigan	20	1
Greater Manchester	176	38
England	1,877	468

Note: A transition area is a non-improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester and 468 in England.

**Figure 4.16: Location of transition areas, Greater Manchester**



Note: A transition area is a non-improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester.

**Table 4.17: List of transition areas**

1	Darcy Lever-North	20	Rochdale Town Centre-South
2	Great Lever-North	21	Hooley Bridge-South
3	Fernhill Gate-East	22	Heywood-Central
4	Geat Lever-West	23	Hollins
5	Heaton-North East	24	Newbold
6	Queens Park	25	Buckley-South
7	Tonge Moor-West	26	Great Haworth
8	Fernhill	27	Hurstead
9	Radcliffe-South	28	Seedley-South
10	Radcliffe-North West	29	Little Hulton-North
11	Radcliffe-South East	30	Clifton Junction
12	Gigg	31	Brinnington South
13	Hathershaw-North East	32	Stockport Central
14	Hathershaw-East	33	North of Town Centre
15	Coldhurst-North East	34	Hurst
16	Mumps	35	St. Michael's-Central
17	Waterhead-South	36	Ashton-under-Lyne-Central
18	Spring Hill	37	Taunton-East
19	Kirkholt	38	Worsley

**4.39** The transition areas tended to be, according to the MIER typology, predominantly Isolate (34 per cent) and Transit (32 per cent) areas, with few either Escalator (16 per cent) or Gentrifier (11 per cent).

#### Can transition areas explain the persistence of high worklessness rates?

**4.40** The main purpose of this research is to understand whether or not certain deprived neighbourhoods exhibit relatively high levels of individual transition from worklessness into work but without a resultant reduction in area level worklessness rates, and the extent to which this is caused by many of the people who became employed subsequently moving out of the area only to be replaced by workless people moving into the area. This chapter has partially answered that question, finding that:

- First, across all non-improver areas in Greater Manchester approximately 14 per cent of people who were workless in 2004 had made the transition into employment by 2007.
- Second, approximately one third of the individuals who made the transition from worklessness into employment (and whose geographical location in 2007 is known) moved away from the LSOA. This is approximately 3 per cent of the 2004 workless population (or approximately 5 per cent if the unknown location individuals are taken into account by applying the observed ratio of stayers to movers to the unknown cases). This varies by LSOA, but the highest proportion of transiting outmovers in any LSOA is approximately 8 per cent of the 2004 workless population (or approximately 11 per cent if the unknown location

individuals are taken into account). This is a relatively small proportion of the 2004 workless population.

- Third, the proportion of the 2007 workless population that can be accounted for by workless people moving into the area is higher than the proportion of the 2004 workless population who made the transition into employment and moved out of the area. Thus previously workless individuals who leave the area appear to be replaced by workless people moving into the area. This phenomenon occurs to some extent in all non-improver areas, and a group of areas has been identified where this is happening to a greater extent, referred to as transition areas.

**4.41** Of course, there is a group of individuals for whom there is no information on geographical location in 2007 (approximately 40 per cent of the individuals who made the transition into employment between 2004 and 2007 in non-improver areas). This makes it difficult to properly assess whether the persistence of high worklessness rates is due to individuals moving out of the LSOA after finding employment. However, by making certain assumptions it is possible to simulate the impact on worklessness rates of the geographical movement of the unknown cases under different scenarios to make an informed judgement.

**4.42** In the analysis that follows, the assumption is made, as throughout the chapter, that the status quo is a situation where the geographical movement of the unknowns follows the observed ratio of stayers to movers in each LSOA. The LSOA mean, minimum and maximum worklessness rates in 2007 under this assumption are shown in Table 4.18 for Greater Manchester and England (these are the actual worklessness rates observed in transition areas).

**Table 4.18: Mean, minimum and maximum worklessness rates in 2007, transition areas**

	Greater Manchester	England
Mean worklessness rate 2007	33.1	32.0
Minimum worklessness rate 2007	25.0	22.7
Maximum worklessness rate 2007	51.2	63.0

Note: A transition area is a non-improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester and 468 in England.

**4.43** Simulations under two different assumptions were tested: first, that all individuals with an unknown location in 2007 stayed in the LSOA; and second, that all individuals with an unknown location in 2007 moved from the LSOA.

**4.44** If the assumption is made that all unknowns stayed in the LSOA, the changes in the LSOA worklessness rates are slight (see Table 4.19). On average, the change to the LSOA worklessness rate in Greater Manchester is a decrease of approximately 1 percentage point. The smallest change in worklessness rates amongst transition areas in Greater Manchester is a decrease of less than half



a percentage point, while the largest change is a decrease of 2.3 percentage points.

**Table 4.19: Mean, minimum and maximum change in 2007 worklessness rates - estimated figures for assumption 1, transition areas**

	Greater Manchester	England
Mean change in worklessness rate	0.9	1.0
Minimum change in worklessness rate	0.2	0.2
Maximum change in worklessness rate	2.3	3.6

Note: A transition area is a non improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester and 468 in England.

- 4.45 Under the assumption that all unknowns moved from the LSOA, the changes in the LSOA worklessness rates are again quite small (see Table 4.20). The greatest change in worklessness rates amongst transition areas in Greater Manchester is an increase of 2.4 percentage points.

**Table 4.20: Mean, minimum and maximum change in 2007 worklessness rates - estimated figures for assumption 2, transition areas**

	Greater Manchester	England
Mean change in worklessness rate	0.9	0.9
Minimum change in worklessness rate	0.3	0.1
Maximum change in worklessness rate	2.4	3.0

Note: A transition area is a non-improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester and 468 in England.

- 4.46 In the time period under examination, and of the group for whom there is geographical information at both timepoints, only one third of the individuals who made the transition into employment subsequently left the LSOA.
- 4.47 With regard to those individuals for whom geographical location in 2007 is unknown, the analysis in this section has shown that even under the most extreme assumptions, where either every unknown transiting individual stays in the LSOA, or conversely every unknown transiting individual leaves the LSOA, there would be very little change to the worklessness rate in the majority of transition areas.
- 4.48 Therefore, in general, the movement of individuals from an LSOA after making the transition from worklessness into employment, and their replacement by workless individuals moving into the area, cannot explain why high worklessness rates persist in some deprived areas. In those transition areas with the greatest change to the worklessness rate under different assumptions, the worklessness rates remain high and the difference between the estimated worklessness rate and the observed rate is not particularly large. Policymakers should therefore look at other explanations for persistently high rates of worklessness.

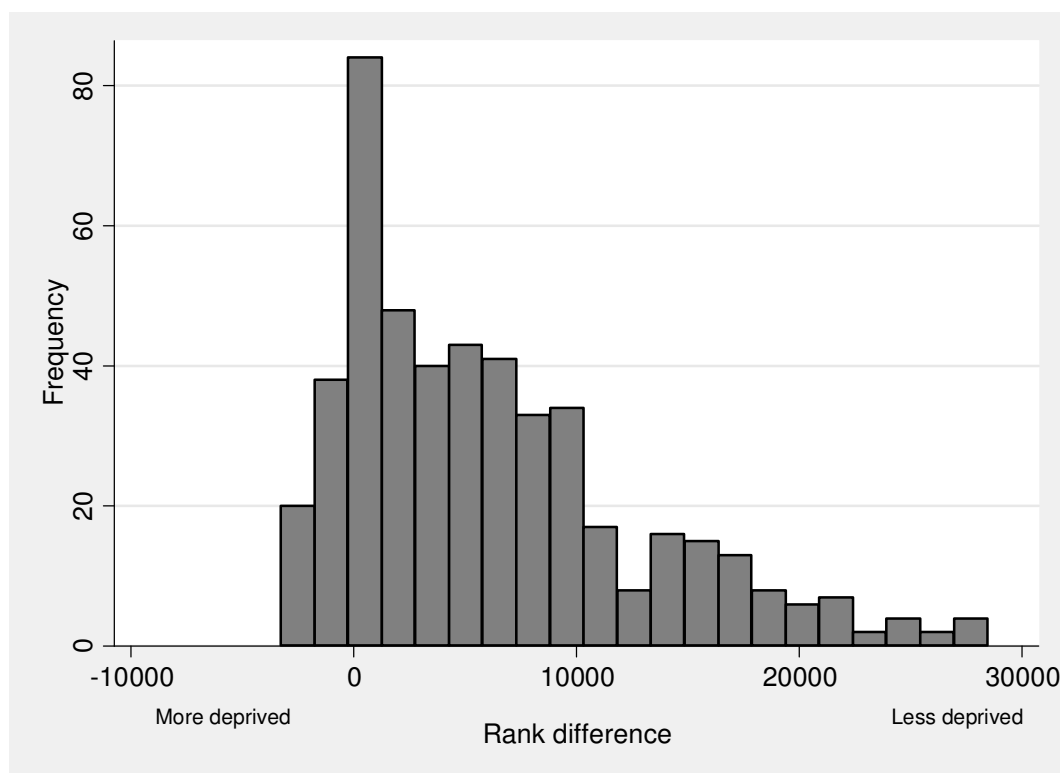
## 5 TRANSITING OUTMOVERS

- 5.1 Having identified a group of 38 possible transition areas in Greater Manchester, in this chapter the characteristics of those individuals that gained employment and moved out of the area (transiting outmovers) are examined and compared to other relevant groups.

### Where do the transiting outmovers go?

- 5.2 In this section the extent to which transition areas fulfil an escalator function is explored. When individuals in the transition areas have made the important transition from worklessness into employment, it is important to examine the deprivation level of the LSOAs to which the transiting outmovers go as this is also a key outcome. The IMD is used as a broad measure of neighbourhood deprivation in the origin and destination areas. Analysis of the distance moved by transiting outmovers is also undertaken.
- 5.3 In Figure 5.1 the change in overall IMD rank is shown for the group of transiting outmovers in transition areas in Greater Manchester. A positive value for the change in rank indicates a move to a less deprived area, while a negative value represents a move to a more deprived area.
- 5.4 The majority of transiting outmovers went to a less deprived area. In many cases the move was to an area that was not substantially less deprived than the area that the individual left. This is consistent with previous research on population turnover in deprived areas (Bailey and Livingston, 2007). However, some transiting outmovers went to areas that were considerably less deprived (those cases towards the far right on the charts) and in some instances the individual has moved from one of the most deprived areas to one of the least deprived areas in the country.

**Figure 5.1: Change in IMD rank for transiting outmovers, transition areas in Greater Manchester**



Notes: A transition area is a non-improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester. A transiting outmover is an individual who made the transition from worklessness into employment between 2004 and 2007 and moved out of the LSOA.

- 5.5** The distribution of change in rank for transiting outmovers was compared to the distribution for workless outmovers (individuals who were workless at both timepoints and moved out), employed outmovers (individuals who were employed at both timepoints and moved out<sup>8</sup>) and outmovers who made the transition from employment to worklessness. The distributions are quite similar for all four groups, but there are some subtle differences.
- 5.6** The mean change in rank for the four groups is shown in Table 5.2 for Greater Manchester. Individuals who were employed at both timepoints have the highest mean change in rank (7,364 – equivalent to moving to an area that is two deciles less deprived), which is to be expected as they may have greater resources to enable them to move to a ‘better’ area. The group of transiting outmovers has the next highest mean change in rank (6,148). The two groups of workless outmovers have the lowest mean change in rank. A similar pattern can be seen for all transition areas in England.
- 5.7** These patterns generally support the contention that individuals move to a less deprived area on finding employment, and show that they are more likely to do so than workless outmovers who have not had positive employment outcomes.

<sup>8</sup> These are individuals who were employed and claiming tax credits, not all employed people.

Nevertheless, there are some workless outmovers who do move to considerably less deprived areas.

**Table 5.2: Mean change in rank for outmovers from transition areas**

Type of outmover	Greater Manchester		England	
	N	Mean change in rank	N	Mean change in rank
Employed	750	7,364	11,110	7,445
Transiting	480 <sup>9</sup>	6,148	6,120	6,169
Became workless	240	4,820	3,500	5,566
Workless	2,330	3,949	32,390	4,825

Notes: A transition area is a non-improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester and 468 in England. A transiting outmover is an individual who made the transition from worklessness into employment between 2004 and 2007 and moved out of the LSOA.

**5.8** Analysis was undertaken to identify a subset of transition areas from which the majority of transiting outmovers move to areas that are considerably less deprived than their origin area. Such ‘escalator’ areas would be those where transiting outmovers on average experience significant improvement in their circumstances in terms of the deprivation level of the area in which they live. However, due to the number of transiting outmovers per LSOA being small, it was not possible to produce a robust summary of moves at small area level (e.g. the average change in rank).

### Moves within and out of Greater Manchester

**5.9** In Table 5.3 the moving destination of all transiting outmovers in Greater Manchester is presented. Manchester and Trafford local authorities are not shown because they do not contain any transition areas. The proportion of transiting outmovers who remained in the local authority is similar in Greater Manchester (72.7 per cent) to the figure for England (71.8 per cent). Across all local authorities, the majority of transiting outmovers remained in the same local authority, but this ranges from 61.8 per cent in Salford to 80.0 per cent in Stockport.

**5.10** Approximately one in ten transiting outmovers who moved to a different local authority remained in Greater Manchester. The proportion doing so varies considerably between local authorities: in Wigan, no transiting outmover moved to a different local authority in Greater Manchester, while in Salford, 17.6 per cent of transiting outmovers moved away from the local authority but remained in Greater Manchester. A neighbouring local authority was the most common

<sup>9</sup> This number is smaller than in subsequent analysis because some transiting outmovers went to Scotland or Wales and so could not be included in the analysis of change in IMD rank.

destination for individuals in all local authorities<sup>10</sup>. The most common destinations for transiting outmovers who moved to a different local authority in Greater Manchester were Bury and Manchester.

- 5.11** A further 15.2 per cent of transiting outmovers moved out of Greater Manchester but remained in England. Again, this varies considerably between local authorities, from 5.0 per cent of transiting outmovers in Stockport to approximately one quarter in Tameside and Wigan (although note the particularly small numbers). Approximately one quarter of the transiting outmovers who left Greater Manchester remained in the North West region. Fifteen per cent of the transiting outmovers who left Greater Manchester moved to Yorkshire and the Humber while approximately 10 per cent moved to each of the East of England, London and the West Midlands.
- 5.12** Overall, 2.4 per cent of transiting outmovers in Greater Manchester left the country. This ranges from no transiting outmovers in Bury to 7.7 per cent in Wigan (again, note the particularly small numbers). A larger proportion of transiting outmovers from Greater Manchester moved to Wales than Scotland. This is perhaps unsurprising given the proximity of Wales to the North West.

**Table 5.3: Moves within and out of the local authority for all transiting outmovers, transition areas in Greater Manchester**

Local authority	Percentage remaining in the local authority	Percentage remaining in Greater Manchester	Percentage leaving Greater Manchester	Percentage leaving England
Bolton	74.7	13.7	8.4	3.2
Bury	74.6	6.0	19.4	0.0
Oldham	77.6	9.2	11.8	1.3
Rochdale	69.4	9.9	18.2	2.5
Salford	61.8	17.6	17.6	2.9
Stockport	80.0	12.5	5.0	2.5
Tameside	69.4	2.0	24.5	4.1
Wigan	69.2	0.0	23.1	7.7
Greater Manchester	72.7	9.7	15.2	2.4

Notes: A transition area is a non-improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester. A transiting outmover is an individual who made the transition from worklessness into employment between 2004 and 2007 and moved out of the LSOA.

### Distance moved

- 5.13** The above analysis suggests that many of the moves made by transiting outmovers are of short distance. The distances moved by transiting outmovers in transition areas in Greater Manchester are presented in Table 5.4. Although the average (mean) distance moved is 24.4 kilometres, the majority of moves

<sup>10</sup> Tameside is an exception in that only one transiting outmover moved to a different local authority in Greater Manchester - Bolton - which does not neighbour Tameside, but the fact that there is only one case does not allow any conclusions to be drawn.

were much shorter. One in five transiting outmovers moved less than one kilometre from their previous home, while almost half moved between one and five kilometres. Overall, almost 80 per cent of transiting outmovers moved less than 10 kilometres. Less than 10 per cent of transiting outmovers moved over 100 kilometres, and a small proportion (2.4 per cent) moved into Scotland or Wales. A similar pattern can be seen for all transition areas in England.

- 5.14** These figures indicate that the majority of individuals who moved home after making the transition from worklessness into employment did not relocate very far from their previous home. The short distance nature of most moves reflects evidence reported previously (Boheim and Taylor, 2002, Champion et al., 1998, Kearns and Parkes, 2003, Meen et al., 2005, O'Reilly and Stevenson, 2003, Shuttleworth and Green, 2011, Shuttleworth et al., 2010).

**Table 5.4: Distance moved by all transiting outmovers, transition areas**

Distance	Greater Manchester (%)	England (%)
Less than 1km	20.4	19.3
1km to 5km	48.9	44.9
5km to 10km	9.5	10.8
10km to 20km	3.2	5.5
20km to 30km	2.6	2.3
30km to 100km	4.4	1.4
100km to 200km	4.0	4.8
200km to 300km	3.6	2.8
More than 300km	0.8	2.4
Into Scotland or Wales	2.4	1.8
Total	100.0	100.0

Notes: A transition area is a non-improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester and 468 in England. A transiting outmover is an individual who made the transition from worklessness into employment between 2004 and 2007 and moved out of the LSOA.

N (Greater Manchester) = 500

N (England) = 6,240

- 5.15** There are a number of reasons why the moving distances of transiting outmovers are generally of a short distance. The above analysis showed that many of the moves made by transiting outmovers are to areas that are similarly or only slightly less deprived, and therefore, because deprived areas tend to cluster together, in the majority of cases the move will only be a short distance.
- 5.16** However, there are also reasons other than the geography of deprived areas that may explain the short distance moves. First, the employed individuals that can be geographically located are receiving tax credits. Individuals on working tax credit will be in low paid employment and may not have entered specialised jobs that require a significant relocation, instead finding employment close to their home. Individuals on child tax credit may be in higher paid employment, but may be less likely to move far if they have children in nursery or school who would be disrupted by a move.

- 5.17** Second, as the transition into employment can be a challenging one, especially for individuals with children or other caring responsibilities, the destination options for transiting individuals may be limited to those close to home so that existing support systems can be utilised (Batty et al., 2011).
- 5.18** Even if their place of work is not nearby, individuals who have become employed may be able to travel to their workplace without needing to move home. This strategy may be especially likely for those who have been workless for a long period of time and wish to become settled in their employment, or individuals who must wait until they have the resources to move before moving closer to their workplace.

### **Who are the transiting outmovers?**

- 5.19** In this section the characteristics of the transiting outmovers are examined and compared with the characteristics of individuals who made the transition into employment but stayed in the area ('transiting nonmovers'). Key demographic characteristics are explored in addition to characteristics relating to their benefit claim prior to finding employment.
- 5.20** It is not possible to present this analysis separately for each local authority due to the small number of transiting outmovers in each local authority and small cell counts for certain categories. For this reason the figures presented relate to Greater Manchester as a whole. Although not shown, the results for England are very similar to those for Greater Manchester.
- 5.21** The research dataset has only limited information about the constituent individuals. Demographic characteristics include age and sex, while there is information about the benefit claimed prior to employment, and an estimate of the length of time on benefit can be calculated. A description of the characteristics is given in the technical appendix.
- 5.22** It is important to remember that the analysis of individuals who made the transition into employment only takes into account those who could be geographically located at both timepoints (i.e. claiming tax credits in 2007). Therefore the characteristics of the transiting outmovers analysed in the next section (and the comparisons with the transiting nonmovers) refer only to a subset of individuals. This will be discussed further below.

### **Age**

- 5.23** In Table 5.5 the age profile of transiting outmovers and transiting nonmovers in Greater Manchester is shown. The outmovers are in the main fairly young with the 25 to 34 age group accounting for the highest proportion of transiting outmovers (over two fifths) and the majority of outmovers being aged between 16 and 44. The 16-24 age group is smaller than the others in terms of the number of years included and is also the age group which covers people who are in school, further or higher education. The proportion in this age group is therefore understandably lower than in the other 'young' age groups. The proportion of outmovers aged 45 or older is smaller (12.5 per cent).

**5.24** Overall, the outmovers have a younger age profile than the nonmovers, consistent with higher rates of mobility reported by younger people (Beatty et al., 2009, Burrows, 1999, Champion et al., 1998, Kearns and Parkes, 2003, Meen et al., 2005, Oldman, 1991). The proportion of outmovers in the 16-24 age group (21.4 per cent) is over twice that of the nonmovers (8.6 per cent), and the proportion of outmovers in the 25 to 34 age group is also higher than the proportion of nonmovers of this age (40.4 per cent compared to 34.5 per cent). Conversely, there are more nonmovers than outmovers aged 35 or older (38.2 per cent compared to 56.8 per cent).

**Table 5.5: Age composition of transiting outmovers and transiting nonmovers, transition areas in Greater Manchester**

Age group	Transiting outmovers (%)	Transiting nonmovers (%)
16 to 24 years	21.4	8.6
25 to 34 years	40.4	34.5
35 to 44 years	25.7	35.8
45 to 54 years	10.7	18.0
55 to 64 years	1.8	3.1
Total	100.0	100.0

Notes: A transition area is a non-improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester. A transiting outmover is an individual who made the transition from worklessness into employment between 2004 and 2007 and moved out of the LSOA. A transiting nonmover is an individual who made the transition from worklessness into employment between 2004 and 2007 and stayed in the LSOA.

N (outmovers) = 500

N (nonmovers) = 580

## Sex

**5.25** The sex composition of transiting outmovers and transiting nonmovers is shown in Table 5.6 for Greater Manchester. Approximately two thirds of outmovers are female. A higher proportion of nonmovers than outmovers are female (72.9 per cent compared to 66.7 per cent). This finding needs to be treated with caution, however. The research dataset only captures as transiting outmovers those individuals who were claiming tax credit. For 2007, across the entire dataset (England only), over 60 per cent of the claimants of tax credit are women. Women are more likely to claim tax credits, particularly if they are lone parents. Therefore the pattern seen in Table 5.6 is likely to be a reflection of the transiting outmovers captured by the research dataset, rather than the true breakdown of transiting outmovers by sex.

**5.26** Indeed, when all transiting individuals in transition areas across England are considered (i.e. all those who made the transition from worklessness into employment), the breakdown by sex is as follows: male 47.1 per cent; female 52.9 per cent. Women are over-represented in the group of transiting individuals for whom the location in 2007 is known (i.e. the transiting outmovers and



transiting nonmovers), which can only be explained by the tax credit data used to geographically locate them.

**Table 5.6: Sex composition of transiting outmovers and transiting nonmovers, transition areas in Greater Manchester**

Sex	Transiting outmovers (%)	Transiting nonmovers (%)
Male	33.3	27.1
Female	66.7	72.9
Total	100.0	100.0

Notes: A transition area is a non-improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester. A transiting outmover is an individual who made the transition from worklessness into employment between 2004 and 2007 and moved out of the LSOA. A transiting nonmover is an individual who made the transition from worklessness into employment between 2004 and 2007 and stayed in the LSOA.

N (outmovers) = 500

N (nonmovers) = 580

### Age and sex combined

5.27 Table 5.7 displays the combined age and sex of transiting outmovers in Greater Manchester. A larger proportion of women than men are aged between 16 and 24, and the proportion of women aged between 25 and 34 is higher than the proportion of men, although the proportions are more similar. In contrast, the proportion of men in the 35 to 44 age group is approximately twice as high as the proportion of women in that age group, and a larger proportion of men are aged 45 to 64.

**Table 5.7: Age and sex of transiting outmovers, transition areas in Greater Manchester**

Age group	Transiting outmovers	
	Male (%)	Female (%)
16 to 24 years	11.5	26.4
25 to 34 years	35.8	42.7
35 to 44 years	37.6	19.7
45 to 54 years	13.3	9.4
55 to 64 years	1.8	1.8
Total	100.0	100.0

Notes: A transition area is a non-improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester. A transiting outmover is an individual who made the transition from worklessness into employment between 2004 and 2007 and moved out of the LSOA.

N = 500

## Benefit type

- 5.28** The benefit claimed by transiting outmovers and transiting nonmovers prior to making the transition into employment is shown for Greater Manchester in Table 5.8. Approximately half of both groups had been claimants of IS-LP. A further quarter had been receiving IB/SDA and a fifth had been receiving JSA.
- 5.29** There is a slightly higher proportion of individuals who had been in receipt of CA in the nonmovers group than the outmovers group. The caring responsibilities of the nonmovers may have made a move out of the LSOA more difficult.
- 5.30** The lower proportion of JSA claimants relative to IB/SDA claimants is perhaps surprising. However, as with sex, this is likely to be a reflection of the research dataset. Looking again at all transiting individuals in transition areas in England, the breakdown by benefit type for the three main client groups is as follows: JSA 39.4 per cent; IB/SDA 22.4 per cent; IS-LP 31.5 per cent. JSA claimants are under-represented in the group of transiting individuals for whom the 2007 location is known, while IS-LP claimants are over-represented (over 90 per cent of these individuals are in the known location group). The results seen with respect to JSA and IS-LP are therefore again a function of the geographical movements of employed people captured in the research dataset.

**Table 5.8: Benefit type prior to employment of transiting outmovers and transiting nonmovers, transition areas in Greater Manchester**

Client group	Transiting outmovers (%)	Transiting nonmovers (%)
JSA	21.8	20.6
IB/SDA	24.6	24.2
IS-LP	46.9	47.5
CA	3.2	6.0
Other	3.4	1.7
Total	100.0	100.0

Notes: A transition area is a non-improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester. A transiting outmover is an individual who made the transition from worklessness into employment between 2004 and 2007 and moved out of the LSOA. A transiting nonmover is an individual who made the transition from worklessness into employment between 2004 and 2007 and stayed in the LSOA.

N (outmovers) = 500

N (nonmovers) = 580

## Benefit type and sex combined

5.31 The benefits claimed by male and female transiting outmovers in Greater Manchester are shown in Table 5.9. Looking first at females, approximately two thirds of female outmovers had been recipients of IS-LP. This supports the contention that women, who are over-represented amongst tax credit claimants and therefore amongst the group for whom the 2007 location is known, are more likely to be claiming IS-LP, and this in turn impacts on the pattern of benefit receipt seen for transiting outmovers. The next largest proportion is women who had claimed IB/SDA, followed by those who had claimed JSA. For men, 51.5 per cent of transiting outmovers had been in receipt of JSA and 35.8 per cent had claimed IB/SDA.

**Table 5.9: Benefit type prior to employment of male and female transiting outmovers, transition areas in Greater Manchester**

Client group	Transiting outmovers	
	Male (%)	Female (%)
JSA	51.5	7.0
IB/SDA	35.8	19.1
IS-LP	6.1	67.3
CA	2.4	3.6
Other	4.2	3.0
Total	100.0	100.0

Notes: A transition area is a non-improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester. A transiting outmover is an individual who made the transition from worklessness into employment between 2004 and 2007 and moved out of the LSOA.

N = 500

## Length of time on benefits

5.32 The length of time in years that individuals had been receiving out-of-work benefits before making the transition into employment is presented in Table 5.10 for transiting outmovers and transiting nonmovers in Greater Manchester. Outmovers vary in the length of time spent on benefits. There is not a clear pattern, except that fewer transiting outmovers had been on benefit for three or four years than either one to two or five or more years.

5.33 A higher proportion of nonmovers (45.6 per cent) had been claiming benefits for five or more years compared to the outmovers (34.1 per cent). Conversely, a higher proportion of outmovers (36.8 per cent) had been in receipt of benefits for one or two years compared to the nonmovers (28.7 per cent).

5.34 The length of time spent on benefit may help to explain why some people did not move having made the transition into employment. A long period out of work is likely to have a significant impact on financial resources available to support a geographical move.

**Table 5.10: Length of time on benefits of transiting outmovers and transiting nonmovers, transition areas in Greater Manchester**

Number of years on benefit	Transiting outmovers (%)	Transiting nonmovers (%)
One to two	36.8	28.7
Three to four	29.1	25.7
Five or more	34.1	45.6
Total	100.0	100.0

Notes: A transition area is a non-improver area that had a transiting outmover rate and workless inmover rate above the national mean. There are 38 transition areas in Greater Manchester. A transiting outmover is an individual who made the transition from worklessness into employment between 2004 and 2007 and moved out of the LSOA. A transiting nonmover is an individual who made the transition from worklessness into employment between 2004 and 2007 and stayed in the LSOA.

N (outmovers) = 500

N (nonmovers) = 580

## 6 CONCLUSIONS

- 6.1 The analysis in this report and the national report has broken new ground in using individual level data on employment transitions and geographical movements to try to shed light on some unanswered questions about the worklessness dynamics taking place in deprived areas. Inevitably, when one is trying something new, it is not always possible to predict how successful it will be. Due to underlying issues of data quality, it has not proven possible to fully answer all of the questions that were posed at the outset of the study.
- 6.2 The factor that has been the most problematic was the data available on the geographical location of people who made the transition into employment: in around 40 per cent of cases this information was missing such that it was not possible to ascertain if they had relocated or stayed in the same place following job entry. In addition, as the available data were much better for people who had claimed IS (who are mostly women), this caused difficulty in interpreting the socio-demographic and benefit characteristics of those who moved.
- 6.3 Nevertheless, the research has made the following important contributions to knowledge:
- It has been shown that there was a widespread, but not universal, phenomenon of ‘catching up’, whereby deprived LSOAs in Greater Manchester narrowed the gap with the national average during the favourable economic climate of 2004-2007.
  - However, it has also been shown that there are deprived LSOAs in Greater Manchester where worklessness actually became *more entrenched* during the years 2004-2007. This was despite a backdrop of strong and stable economic growth and very substantial investment in neighbourhood renewal.
  - On average, approximately 14 per cent of workless people living in deprived LSOAs in 2004 were in employment in 2007. The proportion of individuals who made the transition into employment was much higher amongst those who had been claiming JSA (approximately 37 per cent) and IS-LP (approximately 26 per cent) in 2004. In contrast, only approximately 7 per cent of people on IB/SDA secured a job over this period.
  - In all LSOAs, a higher proportion of individuals stayed in the LSOA than moved out when they made the transition into employment. Most significantly, although the geographical location of people who made the transition into employment is not known in all cases, modelling showed that even if it is assumed that they all moved out, and were replaced by workless people moving in, this would not have changed worklessness rates significantly. Therefore, whatever the ‘true’ outmovement of individuals who made the transition into employment, it does not seem

that it is a key factor in the persistence of high worklessness rates in deprived areas.

- In total, however, 38 LSOAs in Greater Manchester can be classified as 'transition areas'. These areas are characterised by a relatively high rate of individuals who made the transition into employment and moved out of the area, and a relatively high rate of workless people moving into the area to replace the outmovers. On average people moving out of these areas generally travelled short distances (less than 10km and usually within the same local authority) and moved to less deprived LSOAs. Younger people were more likely to move than older people.
- The results presented for Greater Manchester are consistent with the patterns seen across deprived LSOAs in England.

### Recommendations

- The main purpose of this research was to understand whether or not certain deprived neighbourhoods exhibit high levels of individual transition from inactivity into work but without a resultant reduction in area level worklessness rates, and the extent to which this is caused by many of the people who became employed subsequently moving out of the area only to be replaced by workless people moving into the area. This was found not to be the case over the period 2004 and 2007. **Policymakers should therefore look at other reasons for persistently high rates of worklessness as population dynamics do not offer a strong explanation.**
- The level of population churn of residents who were workless in both 2004 and 2007 is an unexpected finding from the research. In 2007, in areas that experienced no improvement in the rates of worklessness, 18.5 per cent of the 2004 workless population was still workless but had moved out of the LSOA and 22.2 per cent of the current workless population had been workless and living in another neighbourhood three years previously. It is unclear from this research why this is the case (as this was not the focus of the analysis), but **the geographic movements of GM's workless residents is a subject that warrants further investigation, particularly to ensure that these residents are receiving consistent support to make the transition into work. It is possible that changes to benefit entitlements (particularly housing benefit) will increase this rate of churn further.**
- The proportion of individuals who made the transition into employment was much higher amongst those who in 2004 had been claiming JSA (approximately 37 per cent) and IS-LP (approximately 26 per cent. In contrast, only approximately 7 per cent of people on IB/SDA in 2004 were in work in 2007. **It will be important to monitor how these figures change with the reassessment of the IB stock and changes to benefit conditionality.**

# APPENDIX 1: TECHNICAL DETAIL

## Data: Work and Pensions Longitudinal Study

- A1.1** The main data used in this project came from DWP's Work and Pensions Longitudinal Study (WPLS), which combines benefit and programme information from DWP with employment, earnings, savings, tax credit and pension records from HM Revenue and Customs (HMRC). It contains records of individuals' employment and benefit spells in a number of relational datasets, and information from the different datasets can be linked together using one or more unique identifiers.
- A1.2** The specific elements of the WPLS utilised were the NS datasets for the benefit data (i.e. the datasets used to produce published national statistics, which have been cleaned and quality assured by DWP), the P45/P46 datasets for the employment data (i.e. data from P45 and P46 returns made by employers when an individual joins or leaves an employment scheme) and the new tax credits datasets for the addresses of people in employment and to identify employment spells where the individual is not in the P45/P46 data. As the address fields in the tax credit elements of the WPLS are considered more reliable, they were used to geocode people in employment who were also claiming tax credits.
- A1.3** The different sources of information were combined into a single dataset containing individual level data for ten years (1999 to 2008), including status (one of five benefits or employed), LSOA code, age and sex at each timepoint (August each year).
- A1.4** Analysis relating to worklessness and employment was undertaken on the WPLS data received rather than published data (e.g. from Nomis or Tabtool) which has been rounded. The one exception to this is an examination of worklessness for two timepoints in 2008 and 2010 for which the research dataset could not be used.

## Limitations of the WPLS data

- A1.5** The analysis that could be undertaken was limited by the WPLS data that are currently available. Although the phenomenon of interest is a continuous process whereby workless people move into the area, obtain jobs and then move out of the area to be replaced by workless people moving into the area, it was not possible to look at detailed individual level dynamics because the necessary data could not be accessed for this project. It was possible, however, to examine cross-sectional cuts of data and the individual dynamics occurring between those timepoints. It was also not possible to establish from the data whether an individual moved after (rather than before) the transition into employment, but the assumption was made that this was the case.
- A1.6** The research dataset only contains data for people who have been a DWP customer at some point since August 1999, and therefore individuals who have

not received a DWP benefit since August 1999 are not included. This is not considered to be a major issue for this project as ultimately the aim is to track people as they move from benefit into employment. However, it does mean that the data do not tell the full story as individuals who have only ever been employed or inactive (but not in receipt of any benefit) will not be included.

- A1.7** The counts of people on benefits at each timepoint in the research dataset were compared to Nomis counts and good agreement was found at national and LSOA level. The main reason for inconsistency between the data on Nomis and the research dataset is likely to be the disclosure control applied to the Nomis data which may have a larger effect at LSOA level where numbers are small. It is difficult to compare the counts of people who are employed at each timepoint as the group of employed individuals in the research dataset is a very specific population (i.e. people who have been a DWP customer, and for those cases which it was possible to geocode, also claiming tax credits).
- A1.8** The benefits side of the WPLS is well geocoded (an imputation method is applied by DWP to improve the completeness of the data) and therefore the geographical movements of people claiming benefits are captured in the data. As working tax credits are awarded to people with relatively low incomes<sup>11</sup>, there is only information about people who move geographically once they move into work in cases where the spell of employment is sufficiently low paid for the person to be eligible for working tax credit and actually claiming it. The address information from the child tax credit data, which stretches much higher up the income distribution (although only for individuals with children), was also used to geocode individuals in employment. Although the available data are not perfect, many of those individuals moving from benefit into employment find low paid work in the first instance (or have children), and so many of the geographical moves accompanying transition into employment are captured by the tax credit data.
- A1.9** The P45/P46 data do not cover all employees as there is no requirement for employers to supply information if the individual is below PAYE tax thresholds<sup>12</sup>. This means that these individuals are not captured in the research dataset. In addition, some P45/P46 records were excluded, on the advice of HMRC, as they had imputed start and end dates (i.e. where HMRC does not have exact dates for employment start/end). These employed individuals may, however, be captured in the tax credit data if they meet the necessary criteria.
- A1.10** Despite these limitations, the WPLS data are the best available source of information for examining the questions of interest.

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<sup>11</sup> Tax credit entitlements are complex, but as a guide, the working tax credit income threshold for a single person aged 25 or over and working 30 hours or more a week was £11,000 per annum in the 2007/08 tax year, while for a person in a couple aged 25 or over and working 30 hours or more a week, the threshold was £15,000 per annum. For child tax credit the annual income threshold (joint income if part of a couple) was £55,000. See <http://www.hmrc.gov.uk/taxcredits/index.htm> for further information on tax credits.

<sup>12</sup> In the 2007/08 tax year the threshold was £100 per week / £435 per month / £5,225 per annum (see <http://www.hmrc.gov.uk/helpsheets/2007/e12.pdf>).



## Selecting a time period for analysis

- A1.11** When selecting the time period to examine it is important to choose a duration that is long enough to capture significant geographical movement among residents, particularly movement out of an area following transition into employment, while at the same time ensuring that smaller interim changes are not obscured by the overall trend. For example, at an individual level, people could cycle between benefit and employment and potentially make several geographical moves between two timepoints.
- A1.12** For this project tax credit data from 2004 to 2007 were made available. The obvious choice for the later timepoint is the most recent year of data available (i.e. 2007). Given that individuals and areas do not change significantly over a short time period meaning one year is arguably too short a period for analysis, there were only two viable options: 2005-2007 (two years) or 2004-2007 (three years). An examination of the data showed that in the longer time period a slightly higher proportion of individuals made the key transition from worklessness into employment and therefore the period 2004-2007 was selected.

## Defining deprived LSOAs

- A1.13** Deprived LSOAs were selected on the basis of their worklessness rates (specifically LSOAs in the most deprived national decile of worklessness). However, two other possibilities for the defining indicator were considered: first, the most deprived decile according to the Index of Multiple Deprivation (IMD); and second, the most deprived decile according to the Employment Domain of the IMD.
- A1.14** The IMD comprises a number of indicators that relate to different dimensions (or 'domains') of deprivation and was therefore considered too broad a measure to be used to define deprived LSOAs where the specific focus is worklessness patterns. Although the Employment Domain of each IMD relates to worklessness, it is based on a somewhat narrower definition than was thought suitable for this project. In practice, the three methods showed reasonable agreement in the selection of deprived LSOAs.
- A1.15** Once the defining indicator was chosen, this then needed to be applied to the relevant years of data (2004-2007). Three possibilities were considered for selecting the final group of deprived LSOAs: 1) including LSOAs identified as deprived at *the first* timepoint; 2) including LSOAs identified as deprived at *all four* timepoints; and 3) including LSOAs identified as deprived at *any of the four* timepoints.
- A1.16** If LSOAs are selected on the basis of falling in the most deprived decile at the first timepoint in the period of analysis, in a relative sense, that group of LSOAs cannot get any worse over the remainder of the time period, although they can improve relative to other LSOAs. Such a method would result in a skewed sample in which only a particular subset of deprived LSOAs was included. A similar objection applies to selecting only LSOAs that were deprived at all four

timepoints. These LSOAs would be those that were making little or no improvement to their worklessness rates and therefore few declining or improving LSOAs would be expected in such a sample. This would again result in a skewed sample in which only a particular subset of deprived LSOAs was included.

**A1.17** The decision was made to include any LSOA that was in the most deprived worklessness decile at any of the four timepoints. This ascribes equal importance to all years and should capture LSOAs that remain fairly stable with respect to their worklessness rates as well as areas that are improving or declining. This method also limits the influence of yearly fluctuations in worklessness, in that LSOAs which fell just outside the most deprived decile for one year would still be classified as deprived. However, on the other hand, those LSOAs which just crept into the most deprived decile for one year would be captured in the deprived group.

### Calculating change in worklessness rates

**A1.18** Using worklessness counts at LSOA level from the WPLS and LSOA population estimates for the years 2004 and 2007 from ONS, worklessness rates for 2004 and 2007 for all LSOAs in England were constructed. From this a simple change in worklessness rate was calculated. All LSOAs were then classified into three groups - 'improvers', 'stayers' and 'decliners' - on the basis of the change in worklessness rates.

**A1.19** The standardised difference method (ONS, 2009) was used to classify LSOAs. Although designed for calculating change and grouping areas within a local authority, the method can be applied at national level.

**A1.20** The first step when applying the standardised difference method is to test the null hypothesis that the data are from a normal distribution. The recommended Jarque-Bera method combines two tests of normality (skewness and kurtosis) into an overall test statistic. This test revealed that the distribution of change in worklessness rates within each country is not normally distributed.

**A1.21** As the data are not normally distributed, the median absolute deviation (MAD) method was used to estimate the standard deviation. The MAD statistic is the median of the differences between each LSOA's change in worklessness rates and the median change in worklessness rates for the country.

**A1.22** The significance of change in worklessness rates was then calculated using the standardised difference for non normal distributions<sup>13</sup>. A standardised difference of greater than or less than one standard deviation was considered significant. Any LSOA with a significant decrease in rate was classified as an improver, any LSOA with a significant increase in rate was classified as a decliner, and any LSOA with an insignificant change in rate was classified as a stayer.

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<sup>13</sup> Standardised difference = change in worklessness rate / (1.5\*MAD). MAD is multiplied by 1.5 to equate it to the standard deviation.

**A1.23** It is important to remember that two particular timepoints were selected for this analysis – August 2004 and August 2007. Had other timepoints been used, it is likely that the categorisation of areas would have been slightly different.

**A1.24** Further investigation resulted in a small number of improvers and decliners being disregarded from the analysis as it was found that the change to the worklessness rate in these areas had been driven by a change to the working age population count rather than a change to the workless count. For example, there were areas classified as decliners which actually saw a decrease in the workless count (i.e. an improvement) or did not see any change. However, because of a change to the population count, the areas were classified as decliners. A similar phenomenon was observed for certain improver areas, only with an increase or no change to the workless count. These are areas where a significant amount of housing was built or demolished. This analysis is presented in the national report.

### **Identifying individual level dynamics**

**A1.25** An individual's employment status in 2004 and 2007 can be either workless, employed or unknown. Each individual can either have the same LSOA/datazone code at both timepoints, or they may have different LSOA codes at the two timepoints because they have moved, or the LSOA code may be unknown at either of the timepoints. By combining the information on employment status and geographical location, each individual can be classified into one of 28 groups; a list of these is provided below.

**A1.26** There are 12 groups where there is complete information for an individual (i.e. status and location are known at both timepoints). There are a further 12 groups where there is missing information for an individual (i.e. various combinations of employment status and geographical location are unknown at the two timepoints) and four groups which relate to individuals aging in or out of the dataset (discussed below).

**A1.27** The incomplete cases in terms of employment status may be individuals who were not captured in the P45/P46 records used to create the research dataset, individuals who were genuinely neither in employment nor receiving one of the relevant benefits at one of the timepoints (e.g. in education or left the country), individuals who became a partner of a workless person claiming benefit (i.e. a joint claim), or individuals who switched from being the benefit claimant to the partner claimant in a joint claim.

**A1.28** The incomplete cases in terms of geographical location are where the individual is not in receipt of the relevant benefits or tax credits at one of the timepoints. For example, if a person makes the transition from worklessness into employment but is not claiming tax credits, their location in 2007 will not be known. These individuals were either in employment which took them above the income threshold for working tax credit and they did not have any children, or in employment which took them above the income threshold for child tax credit, or in employment but working fewer hours than the tax credit threshold.

**A1.29** Of course, for both employment status and geographical location, incomplete cases may also be the result of problems with the linking together of benefit, employment and tax credit data due to errors in the identifiers used for the matching process.

**A1.30** In addition, some individuals were too young (i.e. not yet of working age) to be included in the dataset in 2004, or too old (i.e. no longer of working age) to remain in the dataset in 2007, and therefore also have missing information. These individuals, who are either workless or employed at the time they are in the dataset, are referred to as 'aged in' and 'aged out' respectively and account for the remaining four groups.

**A1.31** Each individual was placed into one of these 28 groups and then the groups were aggregated to LSOA level, giving a count of individuals in each category for every LSOA. The data were also aggregated to local authority level to give a count of individuals in each category for the ten local authorities.

**Table A1.1: Complete list of labels of individual dynamics**

Label	Description	Category
1	Employed person (at both timepoints) moves in	Flow
2	Workless person (at both timepoints) moves in	Flow
3	Employed person (at both timepoints) moves out	Flow
4	Workless person (at both timepoints) moves out	Flow
5	No change to employment status (employed) and remains in area	Stock
6	No change to employment status (workless) and remains in area	Stock
7	Employed person becomes workless and remains in area	Stock
8	Workless person becomes employed and remains in area	Stock
9	Employed person becomes workless and moves in	Flow
10	Workless person becomes employed and moves in	Flow
11	Employed person becomes workless and moves out	Flow
12	Workless person becomes employed and moves out	Flow
13	Workless person is aged out	Aged out
14	Workless person's status and location now unknown	Incomplete
15	Employed person is aged out	Aged out
16	Employed person's status and location now unknown	Incomplete
17	Workless person's location now unknown	Incomplete
18	Employed person's location now unknown	Incomplete
19	Workless person becomes employed and location now unknown	Incomplete
20	Employed person becomes workless and location now unknown	Incomplete
21	Workless person is aged in	Aged in
22	Workless person's previous status and location unknown	Incomplete
23	Employed person is aged in	Aged in
24	Employed person's previous status and location unknown	Incomplete
25	Workless person's previous location unknown	Incomplete
26	Employed person's previous location unknown	Incomplete
27	Workless person becomes employed and previous location unknown	Incomplete
28	Employed person becomes workless and previous location unknown	Incomplete

## Examining geographical movements of transiting outmovers

- A1.32** In order to examine the deprivation level of the area from and to which an individual moved, the IMD rank was merged onto the individual cases by LSOA code. This was done twice – first the IMD ranks were merged onto the 2004 LSOA code (the origin area) and then onto the 2007 LSOA code (the destination area). The change in rank was then calculated for each transiting outmover, as well as other groups of outmovers.
- A1.33** Scotland and Wales also have an IMD. However, because each country's IMD is created separately and comprises slightly different domains and indicators constructed from varying data sources, it is not possible to compare levels of deprivation between countries. For this reason only individuals who moved from Greater Manchester within England were included in the analysis on escalator areas. This captured the vast majority (97.6 per cent) of individuals who moved.
- A1.34** The distance moved by transiting outmovers was also examined. This was done by merging the grid reference of the LSOA centroid onto the individual cases by LSOA code. This was done twice: first the grid references were merged onto the 2004 LSOA code and then onto the 2007 LSOA code. The distance between the 2004 LSOA centroid and the 2007 LSOA centroid was then calculated in metres for each transiting outmover as a measure of distance moved. Although this method is only able to identify the distance between the central point of different LSOAs, the small size of these areas means that the distances calculated are a fairly accurate reflection of the distances moved by an individual.

## Analysing characteristics of transiting individuals

- A1.35** The age of the individual in 2007 was used (i.e. the age at the point by which the individual is known to have moved). In most instances sex remained constant over time, however for some individuals there were some discrepancies and so the most frequent sex in the time period under consideration was used.
- A1.36** For the analysis of characteristics relating to the benefit claim, data from each of the annual timepoints were used, rather than data for 2004 and 2007 only (as in the previous analysis in this report). The first timepoint after 2004 where employment status had changed from workless to employed was identified for each individual. Then the benefit claimed by the individual at the timepoint immediately prior to this was used as a measure of the benefit prior to employment. This was considered more appropriate than the benefit claimed in 2004 because some individuals moved onto a different benefit before becoming employed. These shifts between benefit generally increased the proportion of people claiming JSA directly before becoming employed.
- A1.37** An estimate of the length of time an individual spent on benefit was calculated by counting the number of consecutive annual timepoints at which the individual was flagged as workless prior to the spell of employment that spans the 2007 timepoint. Some individuals may have cycled between benefit and employment

between 2004 and 2007, and for these individuals, the length of time on benefit was counted from the timepoint after 2004 where their employment status first changed from workless to employed. As the dataset only dates back as far as 1999, the longest length of time on benefits that can be captured is eight years. Some of the individuals identified as having been claiming for eight years will have been claiming for longer than this. In addition, because the data are available on an annual basis it is not possible to capture short term transitions between employment and benefits.

# APPENDIX 2: TABLES RELATING TO CHAPTER 3

**Table A2.1: Number and percentage of decliner, improver, stayer and excluded LSOAs**

Broad type	Greater Manchester		England	
	N	%	N	%
Improver	496	30.1	8,033	24.7
Stayer	926	56.3	20,833	64.1
Decliner	148	9.0	2,812	8.7
Excluded	76	4.6	804	2.5
Total	1,646	100.0	32,482	100.0

**Table A2.2: Percentage of decliner, improver, stayer and excluded LSOAs**

Local authority	Improver	Stayer	Decliner	Excluded
Bolton	16.6	68.6	12.0	2.9
Bury	17.5	70.8	8.3	3.3
Manchester	61.8	23.6	1.2	13.5
Oldham	18.8	60.4	16.7	4.2
Rochdale	18.5	63.7	14.8	3.0
Salford	42.4	46.5	5.6	5.6
Stockport	16.8	70.0	12.6	0.5
Tameside	18.4	65.2	14.9	1.4
Trafford	19.6	73.9	2.9	3.6
Wigan	44.0	46.5	6.5	3.0
Greater Manchester	30.1	56.3	9.0	4.6
England	24.7	64.1	8.7	2.5

**Table A2.3: Number of deprived LSOAs that are improvers**

Local authority	Number of deprived LSOAs	Number of improver LSOAs
Bolton	34	9
Bury	13	5
Manchester	86	77
Oldham	34	8
Rochdale	32	7
Salford	40	19
Stockport	15	2
Tameside	31	6
Trafford	9	5
Wigan	37	17
Greater Manchester	331	155
England	3,451	1,574

**Table A2.4: Number of deprived LSOAs that are decliners**

Local authority	Number of deprived LSOAs	Number of decliner LSOAs
Bolton	34	8
Bury	13	2
Manchester	86	1
Oldham	34	12
Rochdale	32	10
Salford	40	3
Stockport	15	8
Tameside	31	11
Trafford	9	2
Wigan	37	6
Greater Manchester	331	63
England	3,451	578



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