

Compendium

Participation rates in the UK - 2014 - 2. Women

Those who are participating with the labour market by being either in employment or unemployed and searching for work. It will look at specific groups, including women and the elderly to analysis the recent trends in participation rates.



Release date: 19 March 2015

Next release: To be announced

Table of contents

- 1. Abstract
- 2. Key Points
- 3. Participation of women
- 4. Participation rates of women, with or without dependent children
- 5. Participation of women by qualification and job
- 6. Participation of women by nationality
- 7. Regional and international comparisons
- 8. Background notes

1. Abstract

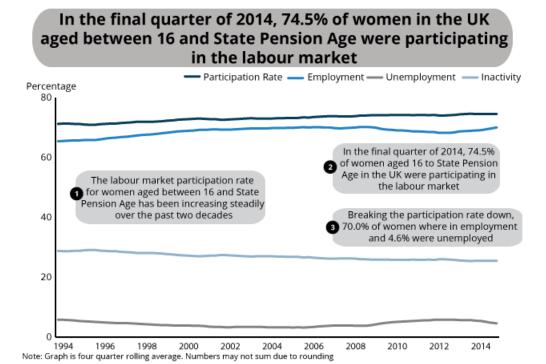
The participation rates of women, focusing on the participation of those with or without children, by qualification and occupation as well as nationality.

2. Key Points

- In the final quarter of 2014, 74.5% of women in the UK aged between 16 and State Pension Age were participating in the labour market
- Labour market participation is higher for women aged 25-49 than any other age group, although the largest increase has been seen for those aged 50-State Pension Age
- In 2014, 2 in 5 women who were not participating in the labour market gave "looking after the family/home" as their reason
- In 2014, participation rates for women with and without dependent children were at very similar rates
- 89.5% of women classified as a graduate and have no dependent children were participating in the labour market in 2014
- In 2014, 21.1% of women were working in the UK work in Professional Occupations with teaching and educational professionals the top job role with over one million female workers
- In 2014, 78.3% of women in the South West were participating in the labour market, the highest percentage of any region of England or devolved countries of Great Britain

This section of the report focuses on the labour market participation of women in the UK. Participation in the labour market, also known as economically active, includes all individuals who are either in work (<u>in employment</u>) or actively looking for work (<u>unemployed</u>). Those who are not participating are referred to as inactive

3. Participation of women

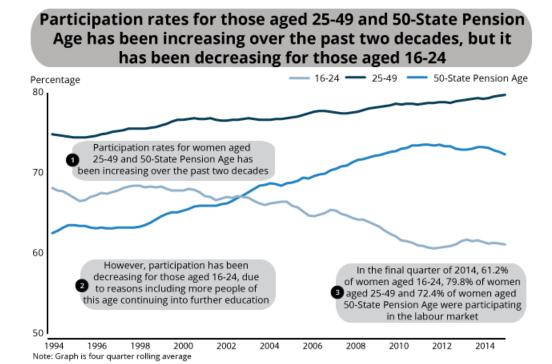


Source: Labour Force Survey - Office for National Statistics

In the final quarter of 2014 participation in the labour market amongst UK women, aged between 16 and State Pension Age, was 74.5%. Breaking this down into those in employment or unemployed, we see that 70.0% of women were in employment and 4.6% were unemployed. The remaining 25.5% were inactive and not participating in the labour market.

The participation rate for all women has been increasing steadily over the past two decades. This section will look at this in more detail to understand the causes of this increase and whether there are sub-groups that are engaging more with the UK labour market than others.

Having risen from a rate of 71.3% in 1994 to a rate of 74.5% at the end of 2014, the steady increase in participation of women aged between 16 and State Pension Age has coincided with a steady upward trend in employment. Unemployment, conversely, has been on a downwards trend for most of the last two decades with the exception of the impact by the 2008/09 downturn, where unemployment was increasing for most of 2006 to 2012.



Source: Labour Force Survey - Office for National Statistics

Notes:

1. The use of 50-State Pension Age, takes into account the incremental increases in female State Pension Age since 2010

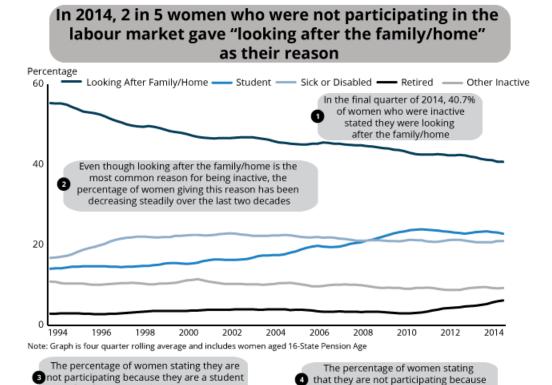
Focusing on a breakdown by age, in the final quarter of 2014, 79.8% of women aged between 25 and 49 were participating in the labour market. This compares with 61.2% of women aged 16-24, 72.4% of women aged between 50 and State Pension Age and 11.0% of women over State Pension Age.

Experiencing the highest participation rate of all age groups, the rate for women aged 25 to 49 has been on a steady upwards trend since 1994, rising from 74.9% in 1994 to 79.8% in 2014. Participation for women aged 50-State Pension Age has also seen an increase, rising by 9.8 percentage points since the beginning of 1994, when their participation rate stood at 62.6%.

Participation for women aged 50-State Pension Age has seen a decrease since 2010, which coincides with the gradual increases in State Pension Age for women. This change means that the group will have seen an increase in the top end of the age range composing of women who are more likely to be retired and hence not participating in the labour market.

The only age group to experience a decrease over the last two decades, has been those aged 16-24, falling from 68.2% to 61.2%. Over the same period, inactivity for this age group has been increasing; this can be partly explained by the increases in the number of female students. Once again, while not a focus in this release, ONS publish regular statistics on the participation of 16-24 year olds in or not in full-time education (FTE). These may provide additional context to recent changes.

Breakdown of inactivity for women aged 16 to State Pension Age by reason, Jan-Mar 1994 to Oct-Dec 2014, UK



Source: Labour Force Survey - Office for National Statistics

has been increasing since 1994.

Notes:

1. The use of 16-State Pension Age, takes into account the incremental increases in female State Pension Age since 2010

they are retired has increased since 2010

Looking at inactivity for women as a whole, the trend has generally been downwards, and in the final quarter of 2014, 25.5% of women were inactive, 3.2 percentage points lower than in the first quarter of 1994.

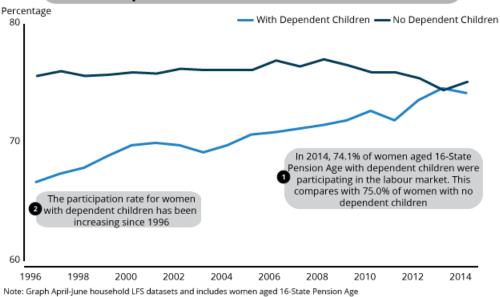
Of the main reasons given for being inactive, in the final quarter of 2014, 40.7% of women gave "looking after the family/home" as their main reason. This is by far the most common reason given but has made-up an ever decreasing percentage of inactive women, falling from 55.3% in 1994. While not explaining the entirety of this decrease, changes in Lone Parent Income Support – determining the automatic entitlement to benefit– will likely have impacted on some women's choice to participate in the labour market.

On the other hand, the percentage of women that gave being a student as their reason for inactivity has been increasing over the past two decades, rising from 14.1% in 1994 to 22.8% in 2014. As mentioned earlier, this is to be expected as there has been an increased number of women (and men) who are continuing into further education after the age of 16. As a result it is now the second most common reason for female inactivity.

4. Participation rates of women, with or without dependent children

Participation rate of women aged 16 to State Pension Age with and without dependent children, 1996 to 2014, UK

In 2014, participation for women with and without dependent children at similar rates



Source: Labour Force Survey - Office for National Statistics

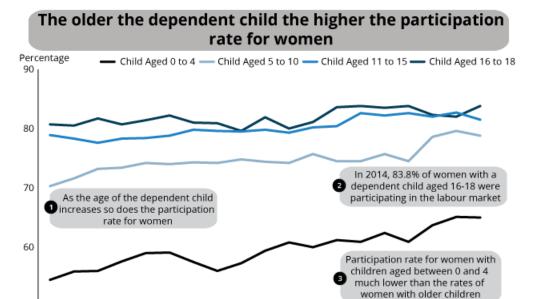
Notes:

- 1. The use of 16-State Pension Age, takes into account the incremental increases in female State Pension Age since 2010
- 2. Dependent children are children aged under 16 and those aged 16-18 who have never married and are in full-time education
- 3. Datasets used are for April to June 1996 to 2014

In 2014, 74.1% of women with dependent children were participating in the UK labour market, which compares to 75.0% for women with no dependent children. The percentage point gap in the participation rates for women with and without dependent children has been steadily decreasing since 1996 and there has been less than 1 percentage point difference between the two rates for each of the last two years. In 2013 the participation rate for women with dependent children was higher than that of women without dependent children. We can break this analysis down further by looking at the participation rate of women by age of their dependent child.

Unsurprisingly, we can see that as the age of the dependent child increase so does the participation rate for women, as 83.8% of women with dependent children aged between 16 and 18 in 2014 were participating in the labour market. The rate for those with dependent children aged 5-10 and 11-15 were similar, at 78.8% and 81.5% respectively in the final quarter of 2014.

Participation of women aged 16 to State Pension Age by the age of youngest dependent child, 1996 to 2014, UK



2006

2008

Note: Graph April-June household LFS datasets and includes women aged 16-State Pension Age

2004

2002

Source: Labour Force Survey - Office for National Statistics

Notes:

50

1996

1998

2000

1. The use of 16-State Pension Age, takes into account the incremental increases in female State Pension Age since 2010

2010

2012

2014

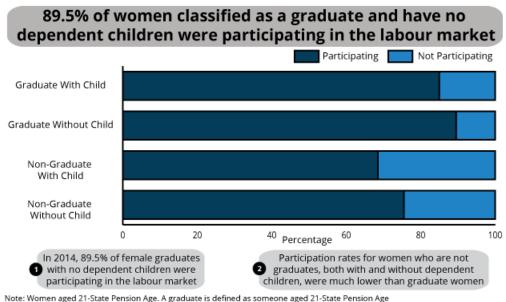
- 2. Dependent children are children aged under 16 and those aged 16-18 who have never married and are in full-time education
- 3. Datasets used are for April to June 1996 to 2014

The participation rate for women with young dependent children, aged between 0 and 4, has been much lower than the other three dependent child age groups, with 65.0% participating in 2014. The trend for this group, however, has been increasing steadily.

Overall, the rate for women with dependent children has been increasing in recent years and, as previously mentioned, some of this is likely due to changes in Lone Parent Income Support. Entitling un-partnered parents, who are over the age of 16 and have a child under the age of 5, it was previously available to those with a child under the age of 15 but from 2008 the age was reduced in 4 distinct phases over 4 years. Further information and background can be found here.

Other government policies for example, to fund 570 hours of <u>free early education childcare</u> a year in England for all 3-4 year olds will have provided additional incentives to engage with the labour market.

Participation rate of women aged 16 to State Pension Age with or without children who are or are not graduates



Note: Women aged 21-State Pension Age. A graduate is defined as someone aged 21-State Pension Age who is not currently enrolled on an educational course and has qualifications higher than a A-level

Source: Labour Force Survey - Office for National Statistics

Notes:

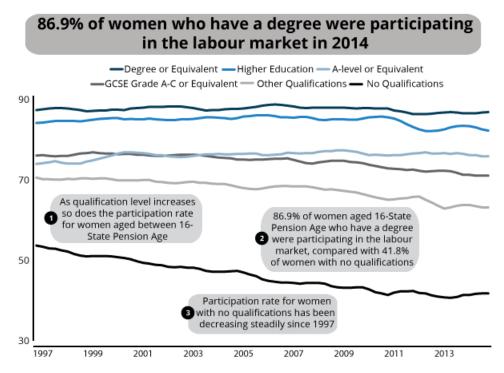
- 1. The use of 16-State Pension Age, takes into account the incremental increases in female State Pension Age since 2010
- 2. Dependent children are children aged under 16 and those aged 16-18 who have never married and are in full-time education
- 3. A graduate is defined as a person who is aged over 20, not enrolled on any educational course and who has a level of higher education above A level standard
- 4. Datasets used are for April to June 2014.

89.5% of women classified as a graduate and have no dependent children were participating in the UK labour market in 2014. The definition of a graduate here includes all women aged between 21 and State Pension Age who are not currently enrolled in an educational course and have at least an A-Level qualification. This will include women with higher education qualifications as well as degrees.

This compares with 85.0% of women who are graduates but have a dependent child. When looking at women who aren't graduates by whether they have dependent children or not their participation rates are much lower. 75.9% of non-graduates who have no children were participating in the labour market and 68.1% of non-graduates with a dependent child were participating.

5. Participation of women by qualification and job

Participation of women aged 16 to State Pension Age by highest qualification, Jan-Mar 1997 to Oct-Dec 2014, UK



Note: Graph is four quarter rolling average.

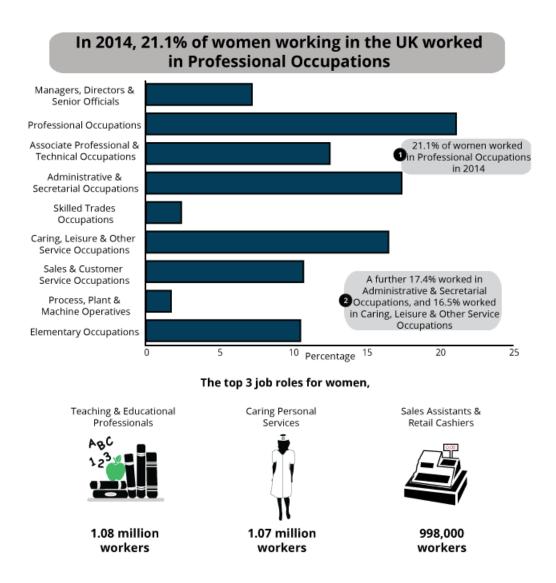
Source: Labour Force Survey - Office for National Statistics

Notes:

- The use of 16-State Pension Age, takes into account the incremental increases in female State Pension Age since 2010
- 2. To see a list of all qualifications included in each category please see the background notes to the report

In the final quarter of 2014, 86.9% of women who have a degree were participating in the labour market. The lowest participation rate, of 41.8%, was seen for those women with no qualifications. This has been steadily decreasing since 1996 when 53.4% of women with no qualifications were participating in the labour market. This may reflect the increase in skills and qualification level that is required for entry-level jobs over the last 15 years, making it much more difficult for those without basic qualifications to engage with the labour market. At the same time, the slight increase in recent years of those with no qualifications could be as a result of increased participation amongst women aged 50 and over – with older women being more likely to hold no qualifications.

The participation rate for those with A-level or equivalent qualifications has remained fairly flat since 1996, and in the last quarter of 2014 the rate stood at 75.9%. The participation rate for those with GCSE grades A-C or equivalent have seen a slight decrease over the past two decades and in the final quarter of 2014 this group had a participation rate of 71.1%.



Source: Labour Force Survey - Office for National Statistics

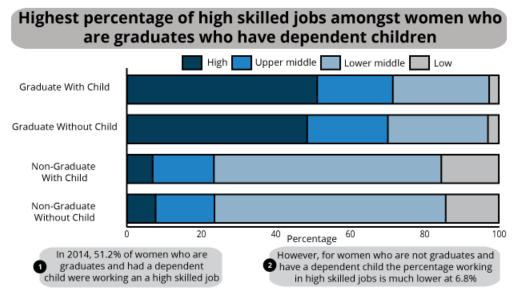
Notes:

- 1. Occupation group is based on the Standard Occupation Classification (SOC) 2010 major groups
- 2. Occupation group is based on the Standard Occupation Classification (SOC) 2010 minor groups
- 3. Datasets used are for April to June 2014

In 2014, 21.1% of women working in the UK were working in Professional Occupations. A further 17.4% worked in Administrative and Secretarial Occupations and 16.5% worked in Caring, Leisure and Other Service Occupations.

Breaking this down further into minor occupational groups, the top three occupational groups for women were; Teaching and Educational Professionals with 1.08 million workers, Caring Personal Services with 1.07 million workers and Sales Assistants and Retail Cashiers with 998,000 workers.

Participation of women aged 16 and over by skill level, whether or not they have a dependent child and whether or not they are graduates



Note: Women aged 21-State Pension Age. A graduate is defined as someone aged 21-State Pension Age who is not currently enrolled on an educational course and has qualifications higher than a A-level

Source: Labour Force Survey - Office for National Statistics

Notes:

- The use of 16-State Pension Age, takes into account the incremental increases in female State Pension Age since 2010
- 2. The skill level groups are created by grouping jobs together based on their occupation according to the Standard Occupation Classification (SOC) 2010 lower level groups. The occupation group is not available for some workers, these have been excluded from the total
- 3. High This skill level is normally acquired through a degree or an equivalent period of work experience. Occupations at this level are generally termed 'professional' or managerial positions, and are found in corporate enterprises or governments. Examples include senior government officials, financial managers, scientists, engineers, medical doctors, teachers and accountants
- 4. Upper-middle This skill level equates to competence acquired through post-compulsory education but not to degree level. Occupations found at this level include a variety of technical and trades occupations, and proprietors of small business. For the latter, significant work experience may be typical. Examples of occupations at this level include catering managers, building inspectors, nurses, police officers (sergeant and below), electricians and plumbers
- 5. Lower-middle This skill level covers occupations that require the same competence acquired through compulsory education, but involve a longer period of work-related training and experience. Examples of occupations at this level include machine operation, driving, caring occupations, retailing, and clerical and secretarial occupations
- 6. Low This skill level equates to the competence acquired through compulsory education. Job-related competence involves knowledge of relevant health and safety regulations and may be acquired through a short period of training. Examples of occupations at this level include postal workers, hotel porters, cleaners and catering assistants
- 7. Dependent children are children aged under 16 and those aged 16-18 who have never married and are in full-time education
- 8. A graduate is defined as a person who is aged over 20, not enrolled on any educational course and who has a level of higher education above A level standard

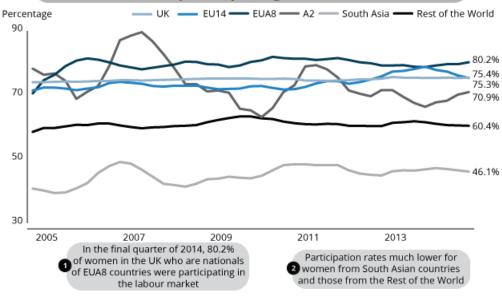
In 2014, 51.2% of working women who were graduates and had a dependent child were working in a high skilled job. Women who are graduates but don't have a dependent child saw a slightly lower percentage working in high skilled jobs, at 48.1%.

However, for women who are not graduates and have a dependent child, 6.8% are in high skilled jobs. For this group, 61.2% work in lower middle skilled jobs. The percentage working in high skilled jobs is similar to those women who are not graduates and have no dependent children (7.6%).

6. Participation of women by nationality

Participation of women aged 16 to State Pension Age by nationality, Jan-Mar 2005 to Oct-Dec 2014, UK

80.2% of women in the UK who are nationals of EUA8 countries were participating in the labour market



Note: Graph is four quarter rolling average. EU14 includes Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain and Sweden.

EUA8 includes Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovenia and Slovakia.

A2 includes Bulgaria and Romania. South Asia includes China, India, Pakistan and Bangladesh

Source: Labour Force Survey - Office for National Statistics

Notes:

- 1. The use of 16-State Pension Age, takes into account the incremental increases in female State Pension Age since 2010
- 2. EU14 includes Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain & Sweden
- 3. EUA8 includes Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovenia & Slovakia
- 4. A2 includes Bulgaria & Romania
- South Asia includes China, India, Pakistan & Bangladesh

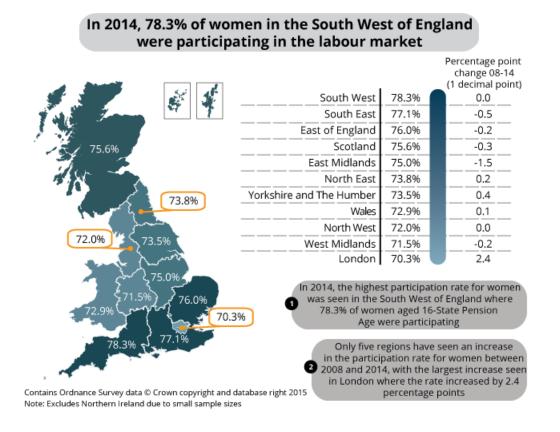
In the final quarter of 2014, 80.2% of women in the UK who are nationals of EUA8 countries were participating in the labour market. This compares with 75.4% for UK nationals, 75.3% of EU14 nationals and 70.9% of A2 nationals.

Women from the South Asian countries of China, India, Pakistan and Bangladesh have the lowest participation rate, of 46.1% in the final quarter of 2014. The participation rate for this group has not been above 50% at any point since 2005. Women from the Rest of the World also saw a lower participation rate than women from other country groups. Their participation rate in the final quarter of 2014 was 60.4%.

These differences are partly explained by differences in the group's demographics. For example, countries newly ascended into the European Union tend to have a younger age-profile and are therefore likely to have a higher participation rate. At the same time, another possible reason for differences in participation could be cultural. While this paper does not look into this, other releases from ONS provides some context.

7. Regional and international comparisons

Participation of women aged 16 to State Pension Age by regions of England and devolved nations of Great Britain



Source: Annual Population Survey (APS) - Office for National Statistics

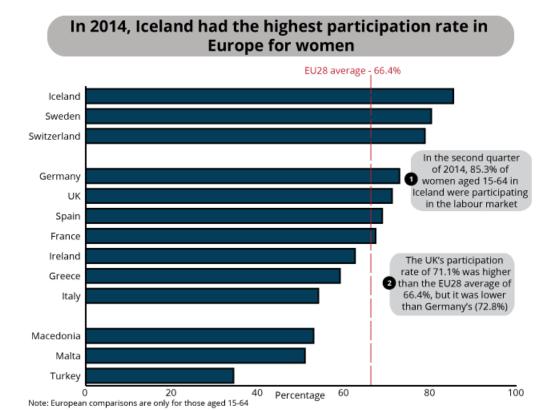
Notes:

 The use of 16-State Pension Age, takes into account the incremental increases in female State Pension Age since 2010

In 2014, the highest participation rates of women was seen in the South West standing at 78.3%, closely followed by a rate of 77.1% in the South East. Participation was lowest in London (70.3%) and the West Midlands (71.5%). Assessing the changes across regions between 2008 and 2014, five regions have seen an increase in the participation rate of women during this time.

The largest increase can be found in London, where the participation rate increased by 2.4 percentage points from 67.8% in 2008, to 70.3% in 2014. This was followed by Yorkshire and The Humber, where the participation rate of women increased by 0.4 percentage points between 2008 and 2014. The largest decrease can be found in the East Midlands, where the participation rate fell from 76.5% in 2008 to 75.0% in 2014, a fall of 1.5 percentage points.

Participation of women aged 15 to 64 by European country, 2014



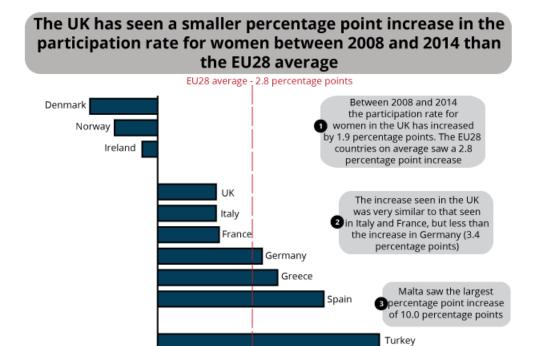
Source: Eurostat

Notes:

1. Datasets used are for Q2/April-June 2014

In the second quarter of 2014, 85.3% of women aged 15-64 in Iceland were participating in their labour market. Sweden and Switzerland had the second and third highest percentage with 80.2% and 78.7% respectively. The UK rate of 71.1% was above the EU28 average of 66.4% but it was lower than the rate in Germany (72.8%).

Change in participation of women aged 15 to 64 by European country between 2008 and 2014



Percentage Points

Note: European comparisons are only for those aged 15-64

-2

Source: Eurostat

Notes:

1. Datasets used are for Q2/April-June 2008 and 2014

Looking at the change since the start of the recession, Malta has seen the largest increase, of 10.0 percentage points, in the participation rate of women aged 15-64. The UK's increase over the period of 1.9 percentage points was the same as seen in Italy, but was lower than the EU28 average (2.8pp) and Germany (3.4pp). These changes, however, should be taken into context with their respective participation rates in 2008, as the initial rate will undoubtedly influence their scope for improvement, as demonstrated by the large percentage point increases seen in Turkey and Malta.

6

Lithuania

8

Malta

10

8. Background notes

1. All single period UK analysis (such as occupation, full time/part time breakdowns) use the quarterly Labour Force Survey person datasets for April to June 2014 (except for information on why workers are working past their State Pension Age which uses the Annual Population Survey Jan-Dec 2014).

The analysis of flows in and out of retirement uses the 2 Quarter Longitudinal Labour Force Survey 2003-2014 and are four quarter rolling averages.

All UK time series analysis uses the quarterly Labour Force Survey person datasets and are four quarter rolling averages.

Further information about the Labour Force Survey (LFS) is available from:

The LFS User Guide and analysis of women with and without dependent children utilises the LFS Household datasets April-June quarters 1996-2014.

The Labour Force Survey household datasets are to be used for analysis at a household or at family level. Household datasets are weighted differently to person datasets, in that each person in a household is given the same weight. This ensures that weighted estimates at the household level are consistent. When using the household datasets to give estimates of the total number of people, the different weighting procedure will give marginally different estimates to those from the person datasets.

All regional analysis uses the Annual Population Survey datasets for January to December 2014.

All European analysis uses the European Labour Force Survey datasets for Quarter 2 for 2008 and 2014.

- 2. Labour Market Participation includes all those who are employed or unemployed and activity seeking work. The participation rate, also known as the activity rate, shows the percentage of a given population that are engaging with the UK labour market.
- 3. State Pension Age change information: State Pension Age for women was originally set to be equalised with men's by the Pensions Act 1995, with it proposed to increase gradually from 60 to 65 between 2010 and 2020. Subsequent Pensions Acts (2007, 2011 and 2014) and the Chancellor's Autumn statement in 2013 then sped up this process and raised State Pension Age even further, with SPA now scheduled to increase to 65 for women by 2018. State Pension Age will then be raised for both men and women to 66 by 2020 and 67 by 2028. The government has indicated SPA will continue to be reviewed every 5 years (2017 first review).

To illustrate what the changes mean, for women born in 1950 or before, State Pension Age remained 60, for women born after 1950 their State Pension Age gradually increases depending on exactly when they were born, for example, for women born in late 1951, State Pension Age is likely to be 61, if born in 1952, State Pension Age likely to be 62.

- 4. The following link provides details of what qualifications classify an individual as a graduate.
- 5. Occupation group is based on the Standard Occupation Classification (SOC) 2010 major and minor groups.
- 6. For European comparisons of participation between Q2 2008 and Q2 2014. Note for analysis of the participation rate for those aged 65 and over no information was available for Malta in Q2 2008.
- 7. Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk