
Chair of the UK Statistics Authority, Sir Andrew Dilnot CBE

Nicola Blackwood MP
House of Commons
LONDON
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30 July 2014

Dear Nicola

LABOUR MARKET STATISTICS

Thank you for your letter dated 19 June 2014, on behalf of your constituent, regarding statements made by the Prime Minister in an article in the Daily Telegraph on 18 February 2014 about the number of people who spent the last decade out of work, and the number of households in which, over the last decade, no-one had ever worked¹.

My officials have discussed the issues raised by your constituent with statisticians in the Office for National Statistics (ONS) and the Department for Work and Pensions (DWP). DWP published an ad hoc statistical release, 'Duration on out of work benefits'² in December 2010 which estimated the number of people who have been out of work throughout the period from June 1999 to May 2009.

The analysis reported in this statistical release estimates the number of people in receipt of out-of-work benefits during the period (1999 to 2009). Table 1 in the release (reproduced overleaf) provides estimates that around 1.4 million individuals claimed out-of-work benefits for at least nine years between June 1999 and May 2009. (By way of illustration, an individual claiming Income Support between 1999 and 2003 and then Jobseekers Allowance between 2004 and 2009 would be included in the total because the total time on both benefits was 9 years). This can be interpreted as broadly consistent with the Prime Minister's statement that "almost a million and a half people spent the last decade out of work".

¹<http://www.telegraph.co.uk/news/politics/david-cameron/10646421/David-Cameron-Why-the-Archbishop-of-Westminster-is-wrong-about-welfare.html>

²https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/223232/oow_duration_081210.pdf

Claimants of out of work benefits June 1999 to May 2009 by total period spent on benefit³

| Total period spent on benefit | Claimants (Thousands) | Proportion of Claimants |
|----------------------------------|-----------------------|-------------------------|
| Up to one year | 4,985 | 46% |
| One to two years | 1,269 | 12% |
| Two to three years | 728 | 7% |
| Three to four years | 538 | 5% |
| Four to five years | 436 | 4% |
| Five to six years | 385 | 4% |
| Six to seven years | 336 | 3% |
| Seven to eight years | 322 | 3% |
| Eight to nine years | 329 | 3% |
| Nine to ten years | 1,409 | 13% |
| All claimants over period | 10,737 | 100% |

Source: DWP Work and Pensions Longitudinal Study, 5% sample

A second statistical series is the 'Working and workless households' statistical bulletin, published⁴ by ONS, the latest of which presents estimates of the number of households where no-one has ever worked for each year between 1996 and 2013.

Households^{5,6} where all members have never worked, 1996 to 2013, UK

| Year | Households never worked ⁷ (Thousands) | Percentage change over ten year period | Excluding student households ^{8,9} (Thousands) | Percentage change over ten year period |
|------|---|--|--|--|
| 1996 | 178 | ... | 132 | ... |
| 1997 | 184 | ... | 136 | ... |
| 1998 | 192 | ... | 148 | ... |
| 1999 | 216 | ... | 164 | ... |
| 2000 | 223 | ... | 174 | ... |
| 2001 | 229 | ... | 182 | ... |
| 2002 | 237 | ... | 201 | ... |
| 2003 | 265 | ... | 216 | ... |
| 2004 | 278 | ... | 229 | ... |
| 2005 | 328 | ... | 270 | ... |
| 2006 | 273 | 53% | 231 | 75% |
| 2007 | 326 | 77% | 261 | 92% |
| 2008 | 346 | 80% | 284 | 92% |

³ Includes Jobseekers' Allowance, Incapacity Benefit/Severe disablement Allowance, Employment Support Allowance, Income Support

⁴ <http://www.ons.gov.uk/ons/rel/imac/working-and-workless-households/2013/table-e.xls>

⁵ Households including at least one person aged 16 to 64.

⁶ A household is defined as having never worked if all members aged 16 years or more are currently not in employment and state that they have never had paid work (apart from casual or holiday work, or the job that they are waiting to begin).

⁷ The denominator for percentages is the total number of households including at least one person aged 16 to 64.

⁸ Student households' are households where all adults are aged 16-24 and in education. Excludes households where all members are in education but some members are aged 25 years or more.

⁹ The denominator for percentages is the total number of non-student households including at least one person aged 16 to 64.

| | | | | |
|------|-----|-----|-----|-----|
| 2009 | 337 | 56% | 259 | 58% |
| 2010 | 351 | 57% | 269 | 55% |
| 2011 | 362 | 58% | 291 | 60% |
| 2012 | 340 | 43% | 265 | 32% |
| 2013 | 297 | 12% | 224 | 4% |

Source: ONS, Labour Force Survey datasets

We note that average increases over a range of 10-year periods (1996-2006, 1997-2007, 1998-2008, 1999-2009, 2000-2010, 2001-2011) are between 50 and 80 per cent; the only period showing a doubling in the number of households in which all members have never worked is 1996 to 2011. However, we also note that the increase in the number of households in which all members of the household have *never* worked (excluding student households) over some ten-year periods was close to doubling - between both 1997 and 2007, and 1998 and 2008, the increase was 92%. While we understand that politicians often describe trends in high-level terms and may use general descriptions of a set of statistics, this example illustrates why we encourage all parties to public debate to represent the published official statistics as carefully as possible in order to enhance that debate.

Finally we note that when the Daily Telegraph article was first published it referred to the number of 'workless households' that had doubled, rather than the number of households where no-one had ever worked. We welcome the correction that has been subsequently made to the article.

Yours sincerely



Sir Andrew Dilnot CBE