

'2.5 MILLION MORE JOBS' A COMPARISON BETWEEN THE UK AND NORTHUMBERLAND; AN INFONET BRIEFING (MAY 2007)

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'2.5 Million More Jobs'

A Comparison between the UK and Northumberland

Summary

The UK continues to have one of the strongest labour markets in the world – with more people in work than ever before and an employment rate of 74.6%. The overall employment rate in Northumberland falls just short of the national average at 74.4%.

2.5 Million Jobs

Since 1997 the employment rate in the UK has grown by 1.7 percentage points to 74.6% – one of the highest figures on record. Northumberland has seen a much higher rise in employment since 1997, with employment figures in this time scale rising by 5.4 percentage points. Employment rates within both the UK and Northumberland are above the European Union (EU) average.

Nationally, female employment has grown faster than male (10.7% growth compared with 8.1%). This trend is also reflected in Northumberland where female employment has seen a growth of 12.3% from 1997 to 2006. In comparison however, male employment in Northumberland has experienced a slower than national average growth during this time period of 2.9%.

Meanwhile, International Labour Organisation (ILO) unemployment has fallen nationally by 350,000 since 1997. ILO unemployment has also fallen in Northumberland, by 3,300 since 1997. Nationally the ILO unemployment rate is down, by 1.7 percentage points since 1997. The fall has been most noticeable for men – halving between 1993 and today. Unemployment rates in Northumberland have fallen by 2.6 percentage points since 1997. Again, this fall has been especially noticeable for men, falling 3.4 percentage points from 1993.

Nationally, claimant unemployment (Jobseeker's Allowance - JSA) has fallen by 670,000 since 1997. Similarly unemployment has fallen in Northumberland. From 1997 to 2007 claimant unemployment in Northumberland has fallen by 4,114.

Economic inactivity – the proportion of people who are not working, looking for work or available for work is also down nationally. The national working age inactivity rate is at its lowest since 1992, and inactivity for women is the lowest on record. Northumberland has also experienced a drop in working age inactivity. From 1997 to 2005 Northumberland has seen a drop of 3.9% in working age inactivity. In addition, in line with national trends, working age inactivity in women has seen a much greater decrease (10.2%).

Types and patterns of work

The UK has a flexible and varied labour market with diverse patterns of work. 78.8% of employees are in permanent jobs and 74.3% of these work full time. In comparison, slightly more people in Northumberland work full time (77.6%).

The proportion of employees in the UK who are on temporary contracts, at less than 5%, is among the lowest in the industrialised world (for example, the EU15 average is 13%). Northumberland has a slightly lower percentage of people on temporary contracts compared to the national average at 3.4%.

Although most people are permanent and full time there are other significant working patterns. The UK has a high proportion of part-time workers – 7.52 million, nearly 26% of all those in employment. In comparison, slightly fewer people in Northumberland work on a part time basis, 22.3%. Both these figures are above the Organisation for Economic Cooperation and Development (OECD) average of 15.3% and reflect the flexibility and diversity of the labour market. The majority of part-time workers are women, although the proportion of men working part time is rising (up by 31.5% since 1997 across the UK). Females are four times more likely to work on a part-time basis compared to males in Northumberland.

Jobs and vacancies

Nationally, vacancies remain close to record levels. There are around 600,000 vacancies in the national economy. Jobcentre Plus plays an important part in labour market turnover and movement between jobs, with between a third and half of these vacancies advertised through their channels. Last year nationally, almost 3.2 million vacancies were notified to jobcentres.

Overall, throughout the UK most jobs are in service industries – 80% of the total – and mainly in three areas: Finance and business (almost 20%); Distribution, hotels and restaurants (22.3%); and Public administration, education and health (25.5%). Similarly, the majority of jobs in Northumberland are also in the service industries (75%). Again, these jobs tend to fall into the same three main areas. However, proportions are slightly different in Northumberland in comparison to the UK average: Public administration, education and health (34.2%); Distribution, hotels and restaurants (16.5%) and Banking, finance and insurance (11.9%).

The working age population at a glance...

There are today over 37.25 million people of working age in the UK – up by 17% since 1971 and 6.8% since 1992. In comparison Northumberland's working age population has steadily been declining over the past few years. During 2005/06 74.8% of the 16+ aged population were of working age.

Nationally, nearly ten million people are older than the State Pension Age (SPA) (SPA: 65 for men, 60 for women). Nationally, this group has grown slightly faster since 1992 (7.6%) than the working age population. Today they represent 22.62% of all the population aged 16+ – up 0.14 percentage points since 1992. Northumberland has also experienced a rise in the number of people older than the SPA. In 2005/06 just over a quarter (25.2%) of people aged 16+ in Northumberland were of retirement age. This figure seen a much higher increase than the national average, it has increased by 1.2 percentage points from 1994/95 to 2005/06.

Nationally, the proportion of people over the SPA in the economically active population has grown by nearly one percentage point since 1992, but remains at a very low level (3.86%). In comparison, proportions of people over SPA within the economically active population in Northumberland is almost double that of the national average (8.4%).

The national picture is similar for the proportion of people over the SPA in employment, which rose from 3.2 % in 1992 to nearly 4% today. Again, proportions in Northumberland are much higher, with 8% of people over SPA being in employment.

UK data in this report has been taken from '2.5 Million More Jobs' by the Department of Work and Pensions Working Paper No 38 (August 2006). All other data for Northumberland used for comparative purposes is derived from the Labour Force Survey/Annual Population Survey using the latest data available.

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