



Tower Hamlets Labour Market

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Summary – Key facts

Employment

- The Census 2011 counted 113,219 residents in employment in Tower Hamlets, translating to an **employment rate of 57.6 per cent for the 16 to 74 age group**.
- The **employment rate has increased substantially** from 49.1 per cent in 2001.
- The ethnic group with the **highest employment rate**, similar to London, was the **White Other group with 78.5 per cent** (82.4 per cent for men and 74.3 per cent for women).
- The **lowest employment rates** aged 16 and over can be found in the **Bangladeshi (39.3 per cent) and Other Black (42.5 per cent)** population.
- The Census 2011 showed that around **15% of working residents** were **employed in the financial and insurance sector**, the largest sector in the borough.
- The largest occupational groups in Tower Hamlets were the professional occupations (25.7 per cent) followed by

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associate professional and technical occupations (20.4 per cent) and managers, directors and senior officials (11 per cent).

Key facts Unemployment

- The **unemployment rate** for the age group 16 to 74 recorded a rate of **6.7 per cent** in March 2011. The Tower Hamlets rate was above the rate of 5.2 per cent in London and 4.4 per cent in England.
- Census data shows also that the **unemployment rate has not changed significantly between 2001 and 2011**. The unemployment rate (aged 16 to 74) reached 6.6 per cent in 2001, only marginally below the 2011.
- The **lowest unemployment rates** (for residents aged 16 and over, excluding full time students) were recorded for the **Chinese (3.8 per cent), Other White (4.3 per cent), White (British) 4.4 per cent, and Indian (4.8 per cent) ethnic groups**.
- The ethnic groups with the **highest unemployment rates** in the borough (excluding full time students) for residents 16 and over were: **Other Black (13 per cent), Black African (11.9 per cent), White & Black Caribbean (10.6 per cent), Black Caribbean (10.8 per cent) and Bangladeshi (10 per cent)**.

- On Census day in March 2011, 13,259 residents were unemployed in Tower Hamlets. Out of those, **4,986 were long term unemployed**, translating to a rate of 2.5 per cent of the 16 to 74 population. The rate was above London and England rates.
- The number of residents claiming Jobseekers Allowance in August 2013 was 9,550. This is a **claimant count rate of 4.9 per cent**, which is much higher than London (3.5 per cent) and England (3.3 per cent).
- There are big differences within the borough in unemployment at ward level. **The wards with the highest claimant count rates are Bromley by Bow (8.1 per cent), East India and Lansbury (8.4 per cent), and Mile End East (7.2 per cent)**.

1 Employment in Tower Hamlets

Employment is both a source of income and an important aspect of engagement in society. This document considers the scale of employment in the Borough, assesses who is in employment and presents changes over time.

The level of employment and the employment rate is also an important performance measurement in local and national government and is closely monitored by the Council.

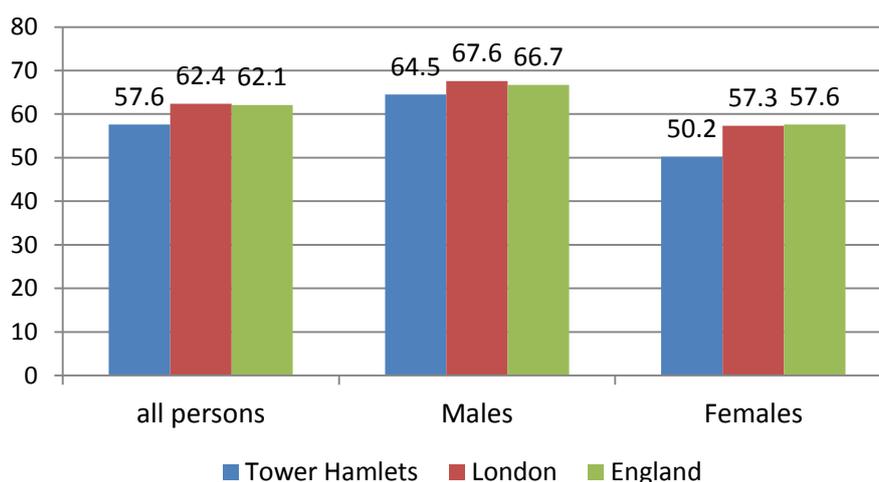
Please note that various sets of employment rates are used in this document. We use the Census 2011 to understand the characteristics of those residents in employment. The Census refers to the 16 to 74 population and the 16 plus population, depending on the topic. Additionally, we use the ONS annual population survey data to understand change over time.

1.1 Employment in Tower Hamlets on Census day

The Census 2011 counted 113,219 residents in employment in Tower Hamlets, translating to an employment rate of 57.6 per cent for the 16 to 74 age group. The employment rate was significantly below the London (62.4 per cent) and England (62.1 per cent) averages.

However, the employment rate has increased substantially from 49.1 per cent in 2001. This has been a positive change, because the number of people in employment has increased more strongly (60 per cent) compared to the average increase of working age residents (i.e. those aged 16 to 74), which was 37 per cent.

Fig. 1: Employment rate – Gender in Tower Hamlets, London and England age 16 to 74 (%)



(Source: Census 2011 KS601EW to KS603EW - Economic activity by sex)

Gender differences in employment rate aged 16 to 74

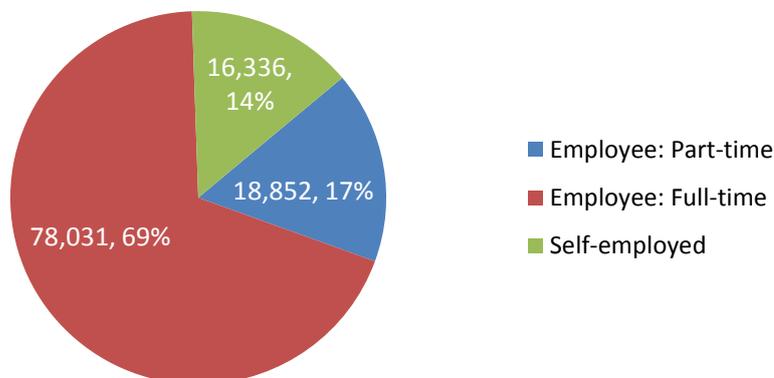
The male employment rate was 64.5 per cent in 2011, representing a 14.3 percentage point gap between men and women. The female employment rate, at 50.2 per cent, was the second lowest female employment rate in London, behind Newham with 45 per cent.

Full time, part time and self-employment split

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The group of residents in employment is made of those in full time employment (78,031), part time employment (18,852) and self-employment (16,336). See Figure 2 below.

Fig. 2: Split of those in employment in Tower Hamlets March 2011 (Total)



(Source: Census 2011 KS601EW to KS603EW - Economic activity by sex)

Around 39.7 per cent of people aged 16 to 74 in Tower Hamlets were in full time employment, close to the London average (39.8 per cent) and just above the England average (38.6 per cent).

For part time employment the rate in Tower Hamlets was 9.6 per cent, marginally below the London rate (10.9 per cent), and far lower than the England rate (13.7 per cent).

Self-employment in the Borough is, at 8.3 per cent, below the London (11.7 per cent) and England (9.8 per cent) averages. However, the self-employment rate increased by 2.3 percentage points, from 6 per cent in 2001.

Gender differences in full time and part time employment

In terms of part time and full time employment, the borough shows some interesting trends. While the proportion of full time employment was unsurprisingly bigger for males (44 per cent) compared to females (34 per cent), the part time employment rate was nearly equal.

The Census data shows that around 9.2 per cent of all economically active men were in part time employment, considerably above the London (6.7 per cent) and England (6.1 per cent) averages. The Census 2011 rate for Tower Hamlets represents the third highest average in the country.

In comparison, the female part time rate was one of the lowest in the country (10.1 per cent), far below London (15 per cent) and England (21.2 per cent) averages.

Gender differences in self-employment

The proportion of those in self-employment was lower in Tower Hamlets compared to London. However, the gap was more pronounced for males in Tower Hamlets than for females in the borough. See table below.

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Table 1: Self-employment Tower Hamlets and London 2011 (Total and %)

	All persons		Males		Females	
	number	%	number	%	number	%
Tower Hamlets	16,336	8.3	11,430	11.2	4,906	5.2
London	712,893	11.7	486,877	16.1	226,016	7.3
England	3,793,632	9.8	2,670,662	13.9	1,122,970	5.7

(Source: Census 2011 KS601EW to KS603EW - Economic activity by sex)

1.2 Employment rate by age, gender and ethnicity¹

Tower Hamlet's employment rate for all residents aged 16 and over was 59.4 per cent, with a gender gap of 15 percentage points based on employment rates of 66.7 per cent for men, and 51.7 per cent for women.

Age matters when analysing the employment rate. The employment rate for 16 to 24 year olds is usually lower than for other age groups, because of the large proportion of young people in education. Census data shows that that in Tower Hamlets, the employment rate in the age group 16 to 24 is similarly low for male and for females.

The employment rate starts to show significant differences in the age group 25 to 49 as the male employment rate (81.5 per cent) outperforms the female rate (63.7 per cent). This age group has naturally the highest employment rate with the majority of people actively engaging with the labour market.

The employment rate drops significantly for the age group 50 plus, with a significant gender gap still in place. See table below. The gender gap is more pronounced for some ethnic groups than others. We will focus on this in the next section.

Table 2: Employment rate 16 plus population by gender and age in Tower Hamlets (%)

	16 plus	16 to 24	25 to 49	50 plus
Total	59.4%	43.6%	73.2%	33.6%
Male	66.7%	44.4%	81.5%	40.4%
Female	51.7%	42.9%	63.7%	27.0%

(Source: Census 2011 DC6201EW - Economic activity by ethnic group by sex by age 16 plus population)

Ethnicity - 16 plus population

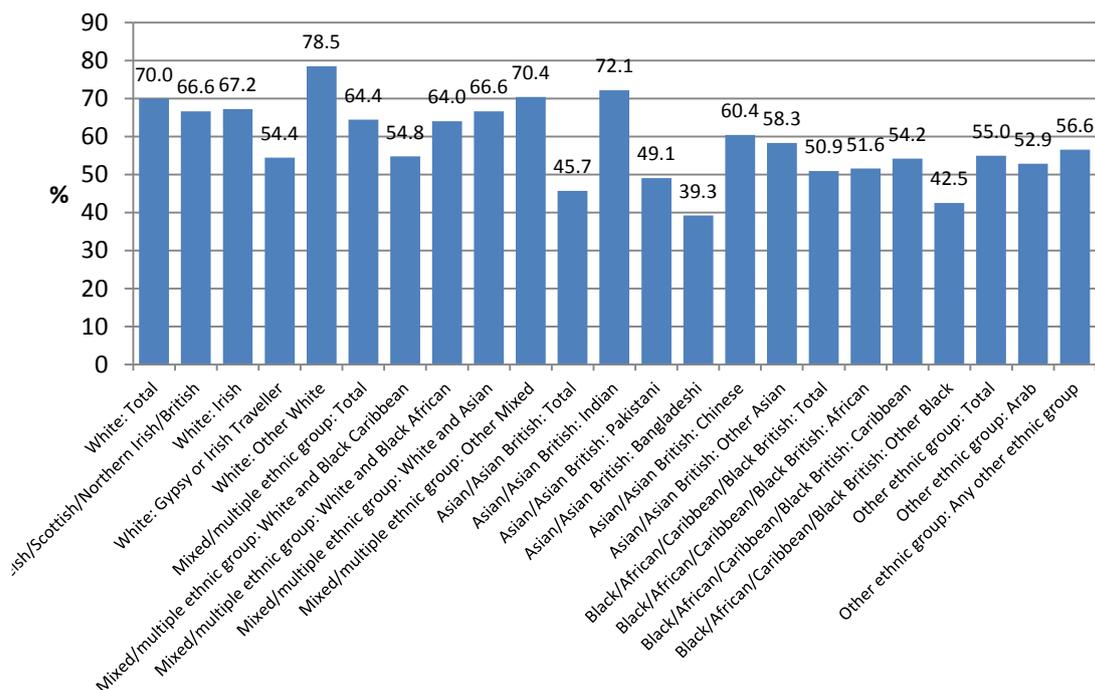
The ethnic group with the highest employment rate, similar to London, was the White Other group with 78.5 per cent (82.4 per cent for men and 74.3 per cent for women).

The lowest employment rates aged 16 and over can be found in the Bangladeshi (39.3 per cent) and Other Black (42.5 per cent) population. See figure below.

¹ Please note: 16 and over population used in all calculation in this section. Census 2011 DC6201EW tables only for 16 plus population currently available. Please note for the purpose of analysis that some percentage for small ethnic groups in size have been ignored.

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Fig. 3: Employment rate age group 16 plus Tower Hamlets by ethnic group (%)



(Source: Census 2011 DC6201EW - Economic activity by ethnic group by sex by age 16 plus population)

Gender differences - age group 16 plus

Male employment rates were particularly low for the Other Black (46.9 per cent), Black Caribbean (52.9 per cent), Bangladeshi (54 per cent), Black African (55.9 per cent) and Mixed White & Black Caribbean (57.4 per cent) groups.

The lowest female employment rates were recorded for Bangladeshi (24 per cent) and Pakistani (34 per cent) women. The Bangladeshi group had a gap between male and female rates of 30 percentage points.²

However, in the Black Caribbean group, the female employment rate (55.3 per cent) was about 2.5 percentage points above the male rate (52.9 per cent). This trend of a higher female employment rate is quite unique to the Black Caribbean group.

Ethnicity and age group 16 to 24

As demonstrated earlier, employment rates are in general lower for the 16 to 24 age group, because of the large proportion of young people in education. In Tower Hamlets, the ethnic groups with the highest employment rates were White Irish, White Other and White British with 61.6 per cent, 54.5 per cent and 59.5 per cent respectively.

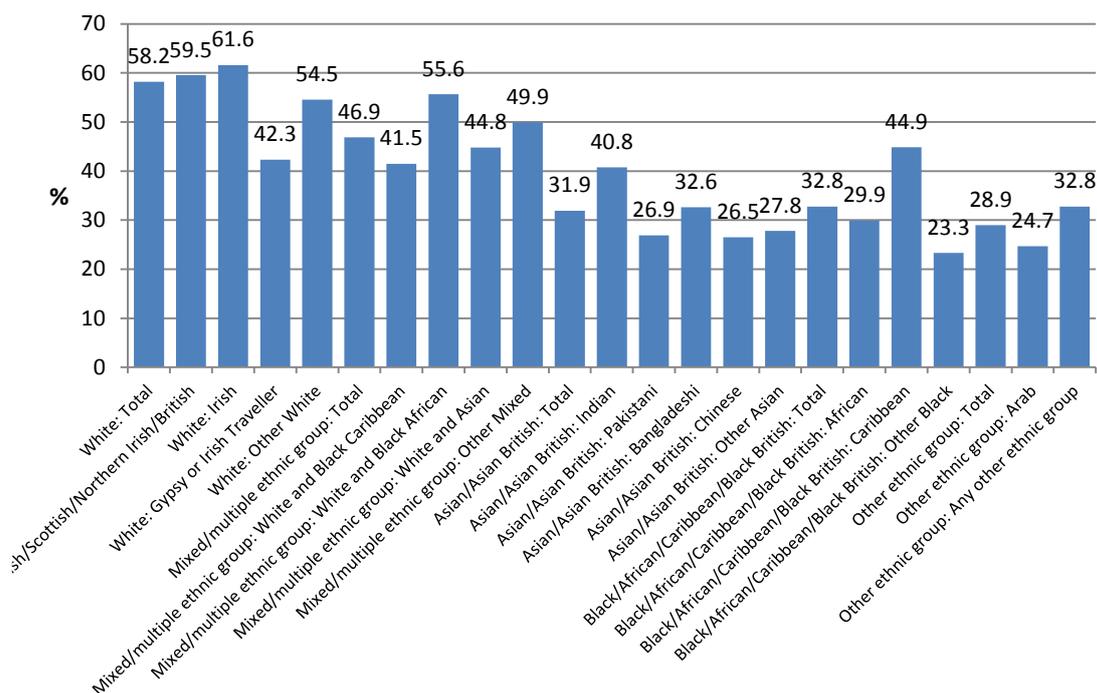
The lowest employment rates aged 16 to 24 and over can be found in the Other Black (23.3 per cent), Chinese (26.5 per cent), Pakistani (26.5 per cent) and Bangladeshi (32.6 per cent) population.

² For the last five years the Council, working with partners in the voluntary and community sector, education and employment services and academic and research organisations has sought to better understand the drivers of high levels of economic inactivity as well as what factors help and support women who want to access the labour market. Information about the project can be found here:

http://www.towerhamlets.gov.uk/lgs/851900/861_diversity_and_equalities/gender_equality/women_work_and_worklessness.aspx

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Fig. 4: Employment rate age group 16 to 24 Tower Hamlets by ethnic group (%)



(Source: Census 2011 DC6201EW - Economic activity by ethnic group by sex by age 16 plus population)

Gender differences - age group 16 to 24

Out of the larger population groups, the White British group had the highest male employment rate with 60 per cent, and the highest female employment rate with 59 per cent.

The data for the 16 to 24 year olds holds some interesting stories. For example, it is striking that the female employment rate for some groups is higher than the male rate, especially for the Chinese, Black African and Black Caribbean and Other Black groups. This can partly explained with more female students in full time employment.

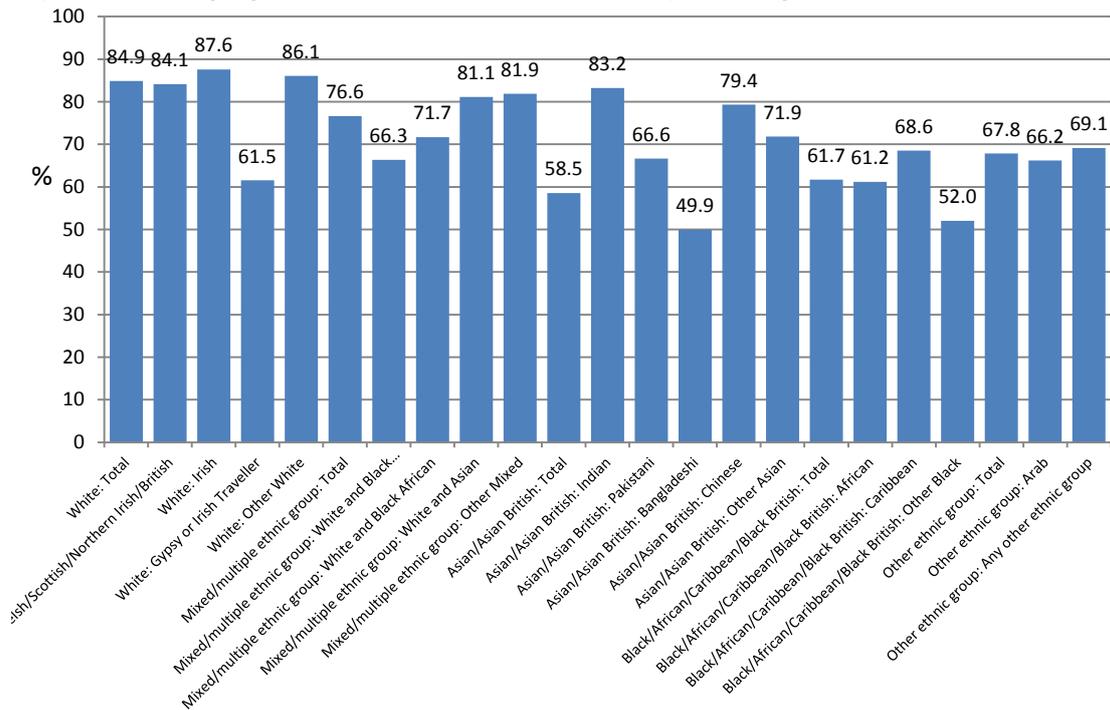
Ethnicity and age group 25 to 49

Naturally, the highest employment rate can be found in the 25 to 49 age group. However, a low employment rate in particular groups will have serious consequences in terms of poverty and wealth creation.

The highest employment rates can be found in the White Irish (87.6 per cent), White other (86.1 per cent) and White British (84.1 per cent) groups, with these substantially outperforming the Bangladeshi (49.9 per cent) and Black Other (52 per cent) groups.

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Fig. 5: Employment rate age group 25 to 49 Tower Hamlets by ethnic group (%)



(Source: Census 2011 DC6201EW - Economic activity by ethnic group by sex by age 16 plus population)

Gender differences - age group 25 to 49

The groups with the highest employment rates in Tower Hamlets were Indian males (91.7 per cent) and White Other males, with 89 per cent. The lowest male employment rates were in the following groups: Black Other (60.6 per cent), Black African (68 per cent), Black Caribbean (68 per cent) and Bangladeshi (70.7 per cent).

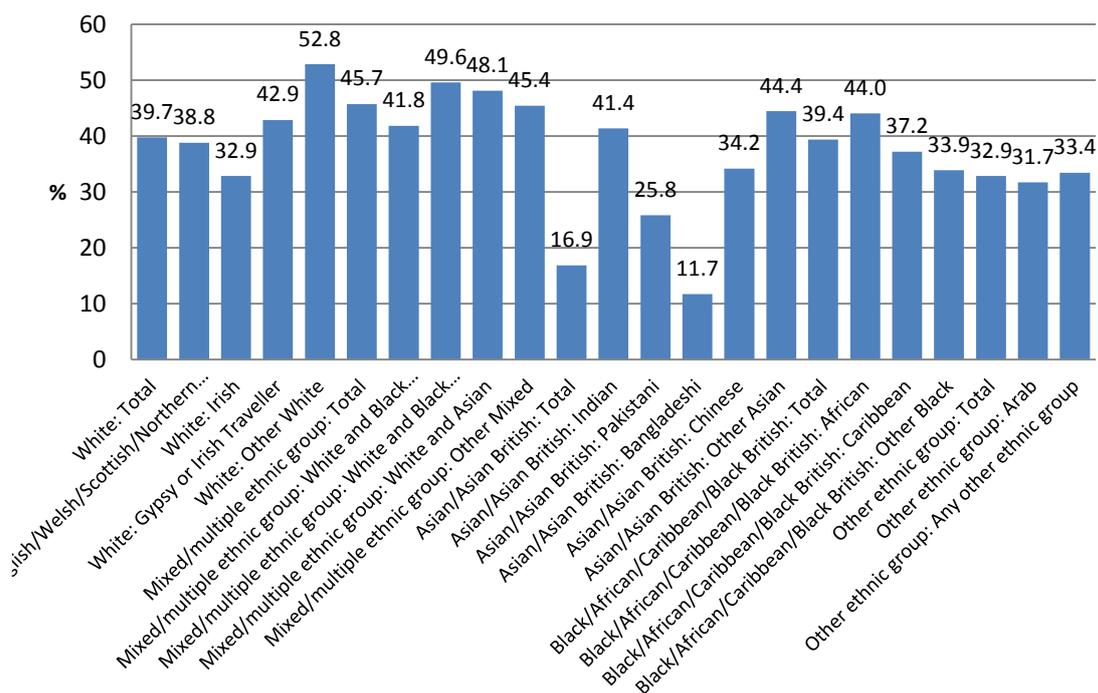
The highest female employment rate can be found in the White Irish group (87.5 per cent). In comparison, the lowest rates were for Bangladeshi women (27.8 per cent), Other Black women (44.6 per cent) and Black African women (55.3 per cent).

Ethnicity and age group 50 plus

In the age group 50 plus, the general employment trends persist, with the highest employment rate in the White Other group (52.8 per cent) and the lowest in the Bangladeshi group (11.7 per cent).

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Fig. 6: Employment rate age group 50 plus Tower Hamlets by ethnic group (%)



(Source: Census 2011 DC6201EW - Economic activity by ethnic group by sex by age 16 plus population)

Gender differences - age group 50 plus

The White Other group had, for both genders, the highest employment rates (males: 56.8 per cent / females: 49.1 per cent), with the smallest gender gap of 7.7 percentage points.

The White British group had an average gender gap of 13.8 percentage points, based on a male rate of 45.6 per cent and a female rate of 31.8 per cent.

The Bangladeshi group shows the highest gap of around 18 percentage points between the male (21.2 per cent) and the female rate (3 per cent). The reason for the extremely low employment rate of women in this age group is the high level of economic inactivity, taking into account retirement, looking after family and home, long term sickness and other reasons. Currently no specific data for the 50 to 64 year old age group is available. Once this is available, any explanation will be more robust.

In the Black Caribbean group, the female employment rate (39.5 per cent) was about 5 percentage points above the male rate (34.4 per cent). This trend is unique to the Black Caribbean group.

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1.3 Employment change over time

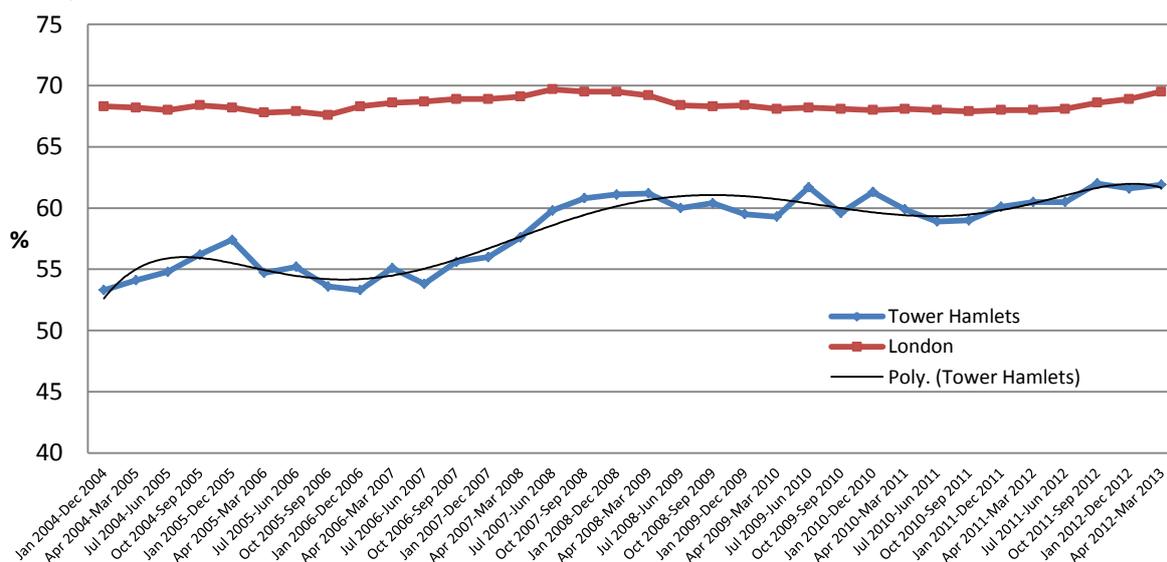
Annual Population Survey (APS) data suggests that in March 2013 around 111,800 residents aged 16-64 were in employment in Tower Hamlets. This total equates to an employment rate of 61.9 per cent.

This is currently the second lowest employment rate across London, after Newham (60.5 per cent). According to APS data, the highest employment rate in any London borough was in Richmond with 78.4 per cent, substantially above the London average of 69.5 per cent.

Overall the employment rate in the borough has shown improvements between 2004 and the present day, while it remained relatively stable between 2008 and 2012 despite the significant national economic downturn. The improvement in the employment rate, according to the APS, is similar to the growth shown in the Census 2001 / 2011 figures, above.

While the London employment rate has dropped over the last three years to 69.5 per cent, the gap between Tower Hamlets and the London employment rate still stands at 9 percentage points.

Fig. 7: Employment rate London and Tower Hamlets (%) Jan 2004 to March 2013



(Source: NOMIS / ONS Annual Population Survey March 2013)

Employment by gender

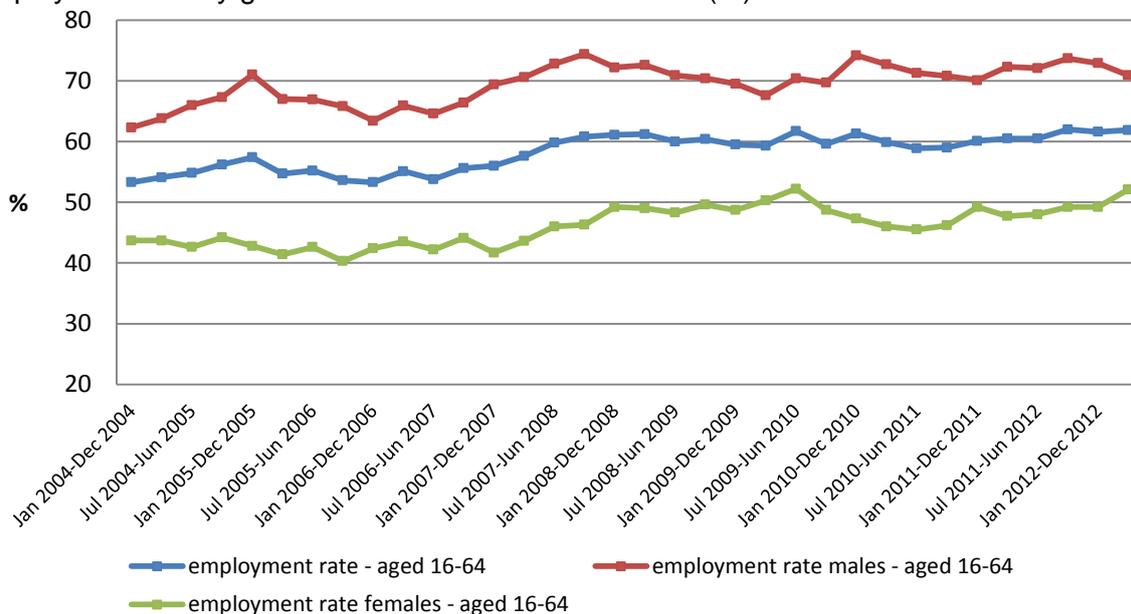
The data suggests that 66,700 male residents aged 16-64 are employed in Tower Hamlets, which equates to an employment rate of 70.9 per cent, while around 45,100 female residents are employed in the borough, a rate of 52.1 per cent.

Tower Hamlets has the second lowest female employment rate in London, at just a few percentage points above Newham (48.9 per cent). Low female employment rates can also be seen in Kensington & Chelsea (54.7 per cent) and Barking & Dagenham (52.6 per cent).

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The employment rate for each gender shows some different trends over time. While both rates increased up to around September 2008, the male employment rate suddenly dropped while the female rate continued to grow. However, from around June 2010 this trend changed again as the male rate started to show signs of growth and recovery while the female rate decreased to its current rate. The latest data indicates a consolidation of the male employment rate at around 70 per cent, while the female employment rate has recovered.

Fig. 8: Employment rate by gender in Tower Hamlets over time (%)



(Source: NOMIS / ONS Annual Population Survey March 2013)

Employment rate by age group

The employment rate is the highest amongst 25-49 year olds, at 70.7 per cent. However, in this age group it is significantly below the London average of 78 per cent. This is close to the gap shown in the Census employment rate earlier in the document.

The employment rate for the 16 to 24 age group in Tower Hamlets is, at 39.6 per cent, lower than the London average of 42.2 per cent (March 2013). Taking confidence intervals into account, the difference is marginal.

The employment rate for the age group 50 – 64 (47.7 per cent) in the borough is remarkably low, more than 20 percentage points below the London average of 65.3%. Even when taking the high statistical confidence interval for the Tower Hamlets data into account, the difference is still significant.³

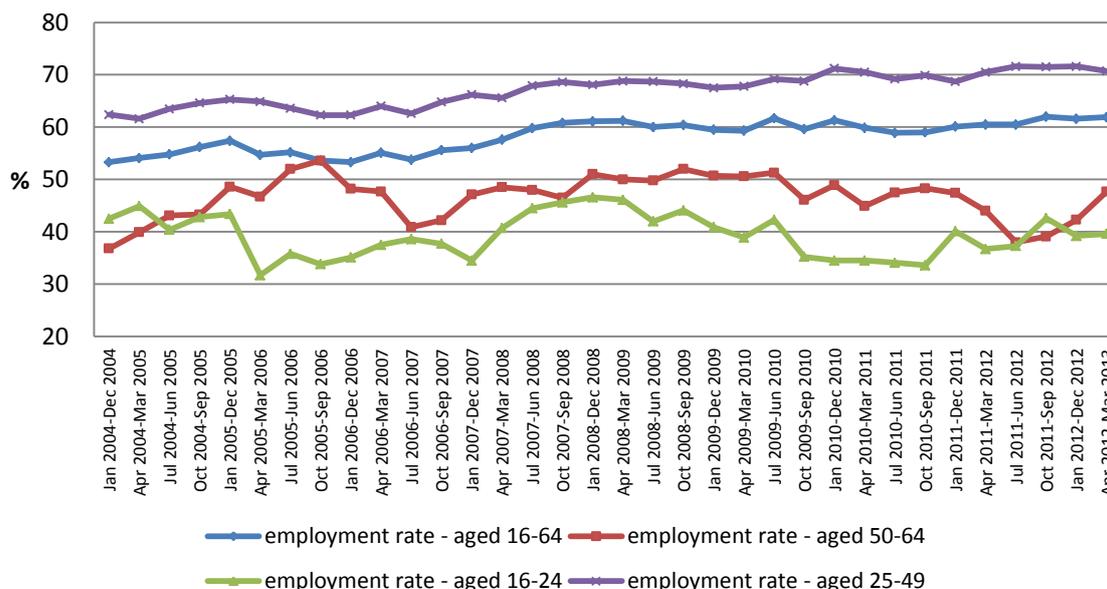
Long terms trends show an increasing employment rate for the working age population, which is driven by growth in the 25 to 49 age group. The APS data shows some erratic changes for the age groups 50 to 64 and 16 to 24 over time.

However, taking the confidence intervals into account, the data actually shows limited change. The data indicates that in this age group the employment rate is not shrinking, but is arguably increasing in Tower Hamlets, as it is in other parts of London.

³ The confidence interval was 11%. The 11 per cent represents the value of the population parameter for which the difference between the parameter and the observed estimate is not statistically significant. However, as shown, the difference was more than 20 percentage points.

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Fig. 9: Employment rate by age groups in Tower Hamlets over time (%)

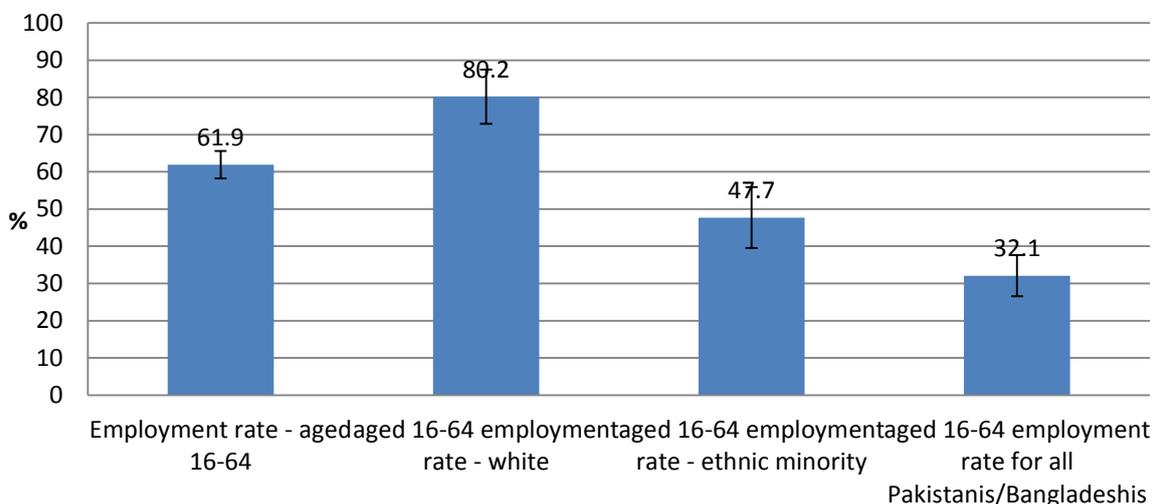


(Source: NOMIS / ONS Annual Population Survey March 2013)

Annual population survey (APS) employment rate by ethnic group

The March 2013 employment rate shows striking differences between ethnic groups. While the White employment rate (80.2 per cent) is above the total average (61.9 per cent), the ethnic minority rate (47.7 per cent) and the Bangladeshi/Pakistani rate⁴ (32.1 per cent) are substantially below the overall average.

Fig. 10: Employment rate by ethnic group in Tower Hamlets March 2013 (% / incl. confidence interval)⁵



(Source: NOMIS / ONS Annual Population Survey March 2013)

The analysis of gender and ethnicity shows a very low employment rate for Pakistani/Bangladeshi women (20.9 per cent) compared to the White female rate (79.9 per cent) and the total female rate (52 per cent). The gaps between the male employment rates by ethnic groups were less pronounced. See Table below.

⁴ The APS surveys used the ethnic group category Pakistani/Bangladeshi. For TH we can presume that the vast majority of people in this category are Bangladeshi.

⁵ ONS recommends that because of methodological changes, no timeline should be released with ethnicity employment data.

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Table 3: Employment rate by selected ethnic group and gender March 2013 in Tower Hamlets (%)

	Total	Male	Female
Total Employment rate 16 – 64	61.9	70.9	52.1
White	80.2	80.5	79.7
Ethnic minority	47.7	62.3	34.1
Pakistani / Bangladeshi	32.1	63.0	20.9

(Source: NOMIS / ONS Annual Population Survey March 2013)

Employment by disability

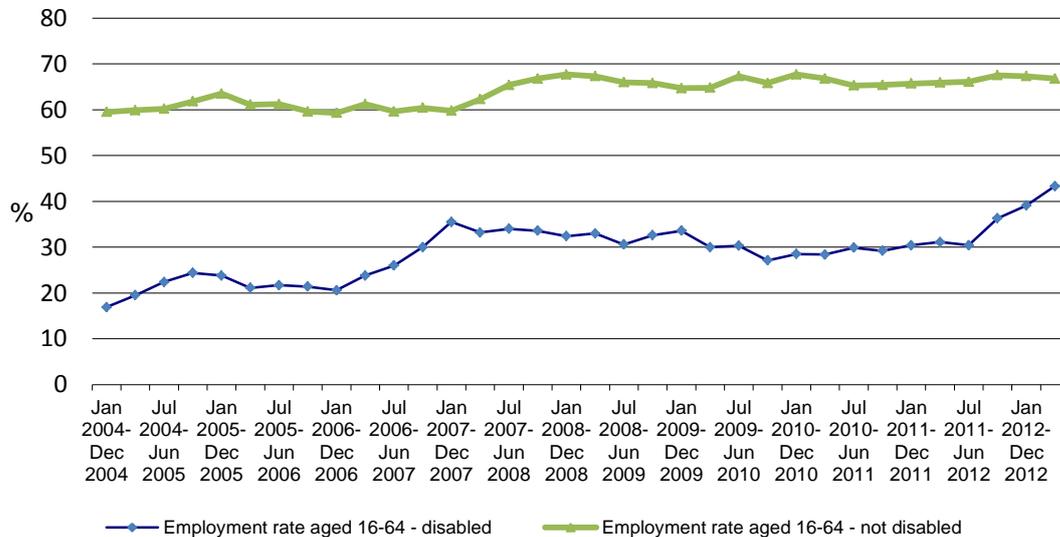
The employment rate of people with disabilities in Tower Hamlets is significantly below the rate of residents without a disability.

The employment rate for people with disability was 43.3 per cent in March 2013 compared to a rate of 66.8% of those without. In March 2013, around 14,300 disabled people aged 16-64 were in employment (out of a total of 32,900).

This represents a 23.8 percentage point gap which is actually smaller than the London gap of 25.7 percentage points. London wide, the employment rate of disabled people was 48.3 per cent compared to the employment rate of the not disabled of 74 per cent.

The average employment rate of disabled people has stayed low in the borough. However, over the last 12 months, the rate has significantly increased, outperforming the London wide trend.

Fig. 11: Employment rate of disabled and not disabled people in Tower Hamlets over time (%)



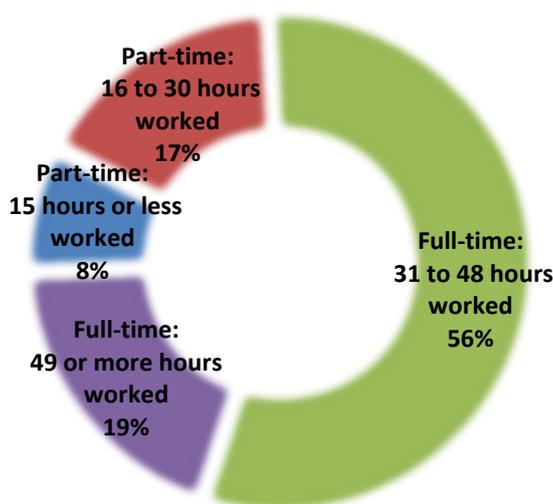
(Source: NOMIS / ONS Annual Population Survey March 2013)

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1.4 How long are residents working? - Hours worked

In Tower Hamlets, 75.3 per cent are people between the ages of 16 and 74 are in full time employment. Out of those, 18 per cent work 49 and more hours, while 56 per cent work between 31 and 48 hours. In comparison, 24.7 per cent are part time working either 16 to 30 hours (17 per cent) or 15 hours and less (8 per cent).

Figure 12: Hours worked of employed population (%)



(Source: 2011 Census: Hours worked, QS604EW)

The majority of people in employment worked between 31 to 48 hours in Tower Hamlets (56 per cent) just below the England (57.6 per cent) and London (58.5 per cent) averages.

Interestingly the figures for part-time workers in Tower Hamlets are lower compared to England and London. This is the case both for the numbers of people working 15 hours and less, and for the numbers working between 16 to 30 hours.

However, the rate for employees working more than 49 hours is relatively high in the Borough at 19.4 per cent, compared to 15.9 per cent in London and 13.3 per cent in England.

Table 4: Hours worked by hours in TH, London & England (%)

	Part-time: 15 hours or less worked	Part-time: 16 to 30 hours worked	Full-time: 31 to 48 hours worked	Full-time: 49 or more hours worked
England	9.6	19.4	57.6	13.3
London	8.7	17	58.5	15.9
Tower Hamlets	8.2	16.6	55.9	19.4

(Source: 2011 Census: Hours worked, KS604EW)

Gender differences hours worked (All usual residents aged 16 and over)

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The current Census data released so far allows analysis by gender and hours worked for the usual 16 plus population group. Please note that total rates are different to the narrower 16 – 74 rates discussed earlier in the document. This analysis is split by employees and self-employed residents for further insights.

Residents in employment (full or part time)

In London, the gender split of employees is nearly equal (Male 50.2 per cent / Female 49.8 per cent). In comparison, the average in Tower Hamlets is in favour of male employees (56.2 per cent) to female employees (43.8 per cent).

Women in Tower Hamlets are more likely to work 15 hours or less while males are more likely to work 16 to 30 hours; 31 to 48 hours; and 49 or more. See table below. However, the Tower Hamlets data shows some interesting differences to London data.

The proportion of females working 15 hours or less (58 per cent) is smaller than the London proportion (68.4 per cent). Even more interesting, the proportion of male employees in Tower Hamlets working 16 to 30 hours is larger with 52.4 per cent compared to London with 30 per cent.

In terms of full time employment, the gender split of those working more than 49 hours is the same for London and Tower Hamlets. However, the split for employees working 31 to 48 hours is slightly more pronounced and wider in Tower Hamlets. See Table below.

Table 5: Gender split by hours worked of employees Tower Hamlets and London.

	All persons	Tower Hamlets				London	
		Male	Female	Male (%)	Female (%)	Male (%)	Female (%)
Employee: Total	97,160	54,589	42,571	56.2	43.8	50.2	49.8
Employee: Part-time: 15 hours or less worked	4,898	2,039	2,859	41.6	58.4	31.6	68.4
Employee: Part-time: 16 to 30 hours worked	14,035	7,352	6,683	52.4	47.6	30.0	70.0
Employee: Full-time: 31 to 48 hours worked	58,796	32,085	26,711	54.6	45.4	52.8	47.2
Employee: Full-time: 49 or more hours worked	19,431	13,113	6,318	67.5	32.5	67.9	32.1

(Source: Census 2011 DC6302EW - Economic activity by hours worked by sex by long-term health problem or disability)

Residents in self-employment (full or part time)

In terms of self-employment, the overall gender split in Tower Hamlets of 70 per cent males and 30 per cent females is close to the London average.

However, in terms of working hours, some differences emerge. In general, a greater proportion of females are working 15 hours or less, and 16 to 30 hours. However, in Tower Hamlets the proportion of females is lower and the proportion of males higher. The trend is the opposite in terms of those working over 31 hours.

Table 6: Gender split by hours worked of self-employed residents Tower Hamlets and London

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	All persons	Tower Hamlets				London	
		Males	Females	Males	Females	Males	Females
Self-employed: Total	16,412	11,485	4,927	70.0	30.0	68.3	31.7
Self-employed: Part-time: 15 hours or less worked	1,398	796	602	56.9	43.1	44.1	55.9
Self-employed: Part-time: 16 to 30 hours worked	3,662	2,425	1,237	66.2	33.8	53.0	47.0
Self-employed: Full-time: 31 to 48 hours worked	7,621	5,474	2,147	71.8	28.2	75.3	24.7
Self-employed: Full-time: 49 or more hours worked	3,731	2,790	941	74.8	25.2	79.8	20.2

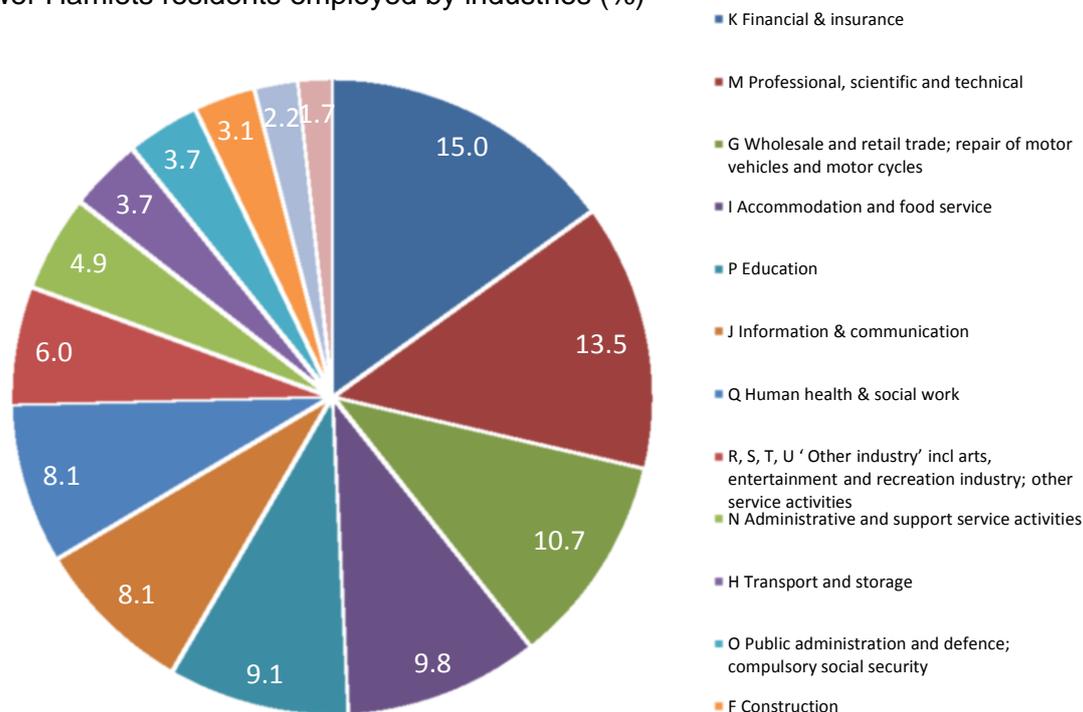
(Source: Census 2011 DC6302EW - Economic activity by hours worked by sex by long-term health problem or disability)

1.5 In which industries are residents working?⁶

The Census 2011 showed that around 15% of working residents were employed in the financial and insurance sector, the largest sector in the borough. The borough is ranked fourth in the country just behind City of London, Kensington & Chelsea and Westminster for local employment in the sector.

The second largest sector is that of professional, scientific and technical activities (13.5%) followed by wholesale, retail sale and motor sales (10.7%). See Table and Figure below for full breakdown by sector.

Fig. 13: Tower Hamlets residents employed by industries (%)



⁶ Age differences - Not available currently; Ethnicity: Not published yet, expected in Jan 2014

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(Source: Industry of employment, Census 2011, KS605EW, D Electricity, gas, steam & air conditioning supply, E Water supply; sewerage, waste management and remediation activities, B Mining & quarrying A Agriculture, forestry and fishing are excluded from chart because of small size.)

Table 7: Resident in employment by industries Tower Hamlets, London & England (Total & %)

Industries	England (%)	London (%)	Tower Hamlets (%)	Tower Hamlets Total
K Financial and insurance activities	4.4	7.7	15	18,096
M Professional, scientific and technical activities	6.7	10.9	13.5	16,285
G Wholesale and retail trade; repair of motor vehicles and motor cycles	15.9	13.1	10.7	12,937
I Accommodation and food service activities	5.6	6.3	9.8	11,826
P Education	9.9	9.6	9.1	10,961
Q Human health and social work activities	12.4	10.7	8.1	9,809
J Information and communication	4.1	6.9	8.1	9,784
R, S, T, U Other	5	6.4	6	7,193
N Administrative and support service activities	4.9	5.9	4.9	5,882
O Public administration and defence; compulsory social security	5.9	5	3.7	4,529
H Transport and storage	5	5	3.7	4,468
F Construction	7.7	6.6	3.1	3,731
C Manufacturing	8.8	3.2	2.2	2,711
L Real estate activities	1.5	2	1.7	2,044
E Water supply; sewerage, waste management and remediation activities	0.7	0.4	0.2	267
D Electricity, gas, steam and air conditioning supply	0.6	0.3	0.2	203

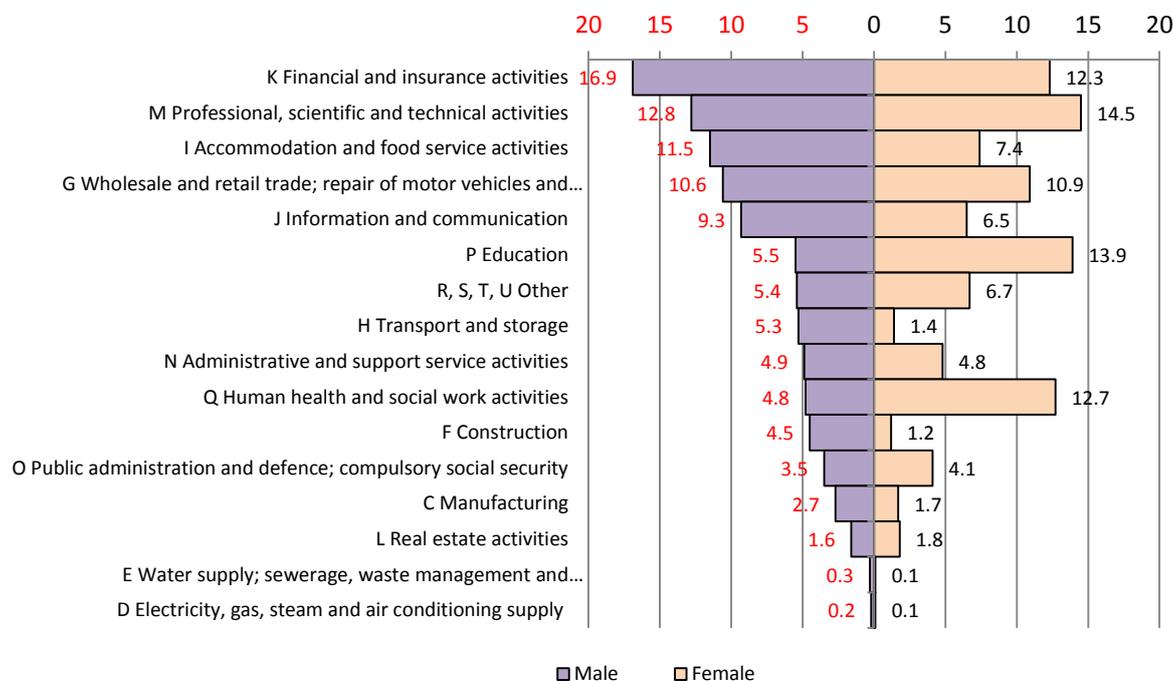
(Source: Industry of employment, Census 2011, KS605EW, D Electricity, gas, steam & air conditioning supply, E Water supply; sewerage, waste management and remediation activities, B Mining & quarrying A Agriculture, forestry and fishing are excluded from chart because of small size.)

Tower Hamlets Labour Market

Gender differences

Female residents are more likely to work in professional activities, education and health compared to men. In comparison, the proportion of employed male residents working in financial and insurance activities, accommodation and food services, ICT and construction is larger than the female proportion. See figure below.

Fig. 14: Industry of employment by gender in Tower Hamlets (%)



(Source: Industry of employment, Census 2011, KS606EW, KS607EW, B Mining & quarrying A Agriculture, forestry and fishing are excluded from chart because of small size.)

Changes in employment by industries in Tower Hamlets between 2001 and 2011

There is limited comparability between industrial groups because industrial categories (SIC codes) have changed considerably between 2001 and 2011.

However, data shows that employment in manufacturing declined from 7.3 per cent to 2.2 per cent. Overall increases can be observed in professional services, education, financial and insurance activities and accommodation and food services.⁷

The APS data does show similar trends with a decline in manufacturing while banking, finance and insurance is the largest sector for employment. See table below.

Table 8: Industry of residential employment in Tower Hamlets 2005 and 2013 (%)

Industry of employment	June 2005	June 2013
Manufacturing	4.5	1.8
Construction	5.5	4.2
Distribution, hotels and restaurants	22.2	20.8
Transport and communication	13.1	14.8
Banking, finance and insurance	30.0	31.9

⁷ Data taken from Industry of employment from Census 2011 (KS605EW) and Census 2001

Tower Hamlets Labour Market

Public admin. education and health	19.5	19.7
Other services	3.9	3.6
Total services	88.8	90.7

(Source: NOMIS / ONS Annual Population Survey June 2005 and June 3013, please note that the data has limited comparability because of changes of SIC codes)

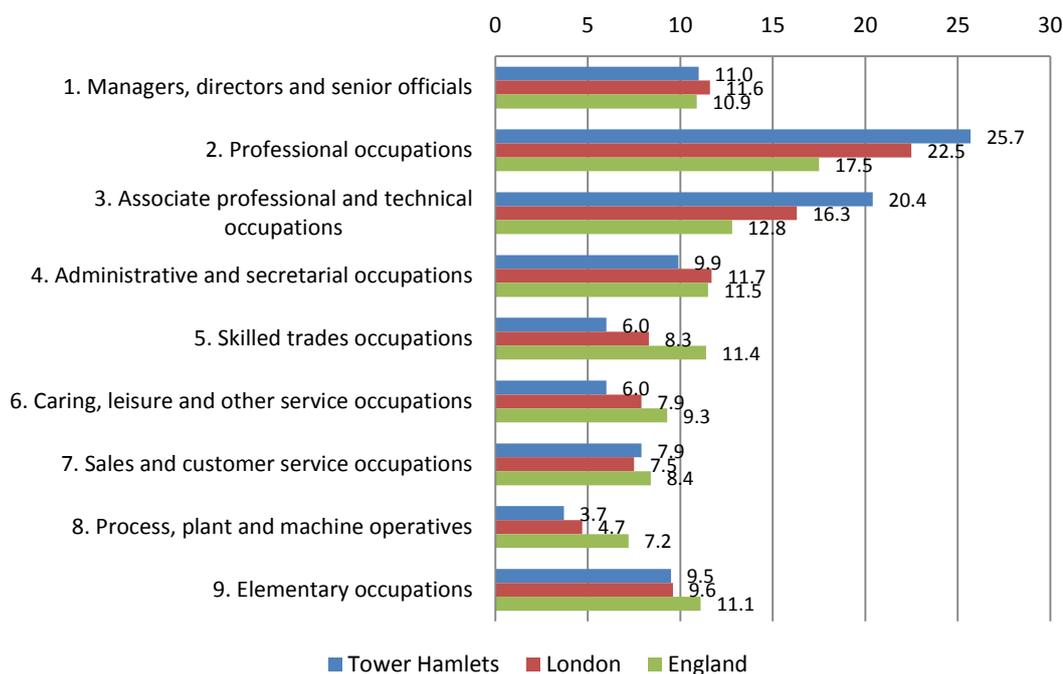
1.6 In which occupational groups are residents working⁸

The largest occupational groups in Tower Hamlets were the professional occupations (25.7 per cent) followed by associate professional and technical occupations (20.4 per cent) and managers, directors and senior officials (11 per cent).

The top three occupational groups are proportionately larger than in England and London, excluding managers and directors.

The smallest occupational groups in the borough were process, plant and machine operatives (3.7 per cent), skilled trade occupations (6 per cent) and caring, leisure & other service occupations (6 per cent). See Figure 15 below.

Fig. 15: Occupational groups in Tower Hamlets, London and England (%)



(Source: Occupation, Census 2011, KS608EW)

Changes in occupational structure in Tower Hamlets between 2001 and 2011

In terms of occupational structure, the proportion of residents employed in professional occupations increased by nearly a third, but declined for the groups managers, directors and senior officials, and administrative and secretarial occupations.

⁸ Age differences: The age groups currently are not allowing robust analysis / Ethnicity: Not published until Jan 2014

Table 9: Occupational structure change in Tower Hamlets between 2001 and 2011 (Total and %)

	2001 Total	2001 proportion (%)	2011 Total	2011 proportion (%)	Total Change between 2001 and 2011 (%)
1. Managers, directors and senior officials	11,802	16.0	13,279	11.0	12.5
2. Professional occupations	12,450	16.8	31,026	25.7	149.2
3. Associate professional and technical occupations	14,611	19.8	24,655	20.4	68.7
4. Administrative and secretarial occupations	9,914	13.4	11,926	9.9	20.3
5. Skilled trades occupations	5,022	6.8	7,246	6.0	44.3
6. Caring, leisure and other service occupations	3,827	5.2	7,199	6.0	88.1
7. Sales and customer service occupations	4,732	6.4	9,518	7.9	101.1
8. Process, plant and machine operatives	3,751	5.1	4,488	3.7	19.6
9. Elementary occupations	7,829	10.6	11,536	9.5	47.3

(Source: Census 2011 KS 608 and Census 2001)

Gender differences

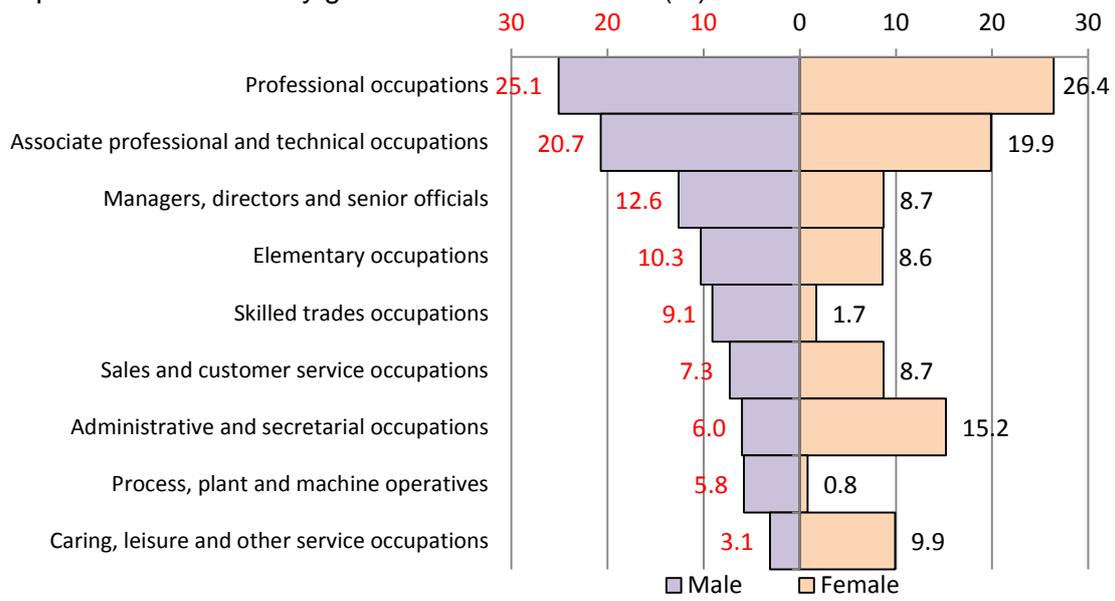
There are some differences and similarities in the occupational group of employed male and female residents. For the two largest groups, professional occupations and associate professional & technical occupations, the gender differences are marginal.

However, the proportion of managers, directors and senior officials in the workforce is higher for men (12.6 per cent) than for women (8.7 per cent).

Some other striking gender differences can be observed in skilled trade occupations and process, plant and machine operatives where the proportion of males is far higher than females. In contrast, the proportion of females is far higher in administrative & secretarial occupations and caring & leisure occupations. See Figure below.

Tower Hamlets Labour Market

Fig. 16: Occupation of residents by gender in Tower Hamlets (%) 2011



(Source: Occupation, Census 2011, KS609 and KS610EW)

2 Unemployment in Tower Hamlets

This part of the document discusses another crucial part of the labour market: the unemployed, i.e. people not in employment actively looking for work. A better understanding of the supply side of the labour market will help agencies to target employment programmes locally, potentially focusing on specific geographic areas in the borough, or high need groups.

We use up to date sources including the Census 2011, ONS Annual Population Survey and Jobs Seekers Allowance figures to understand the scale and character of unemployment in Tower Hamlets.

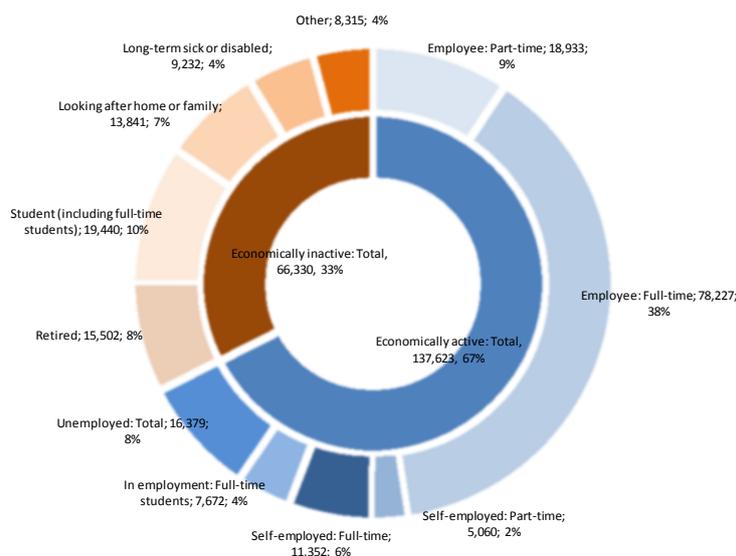
The potential labour supply includes the economically inactive population, i.e. those who are not actively engaged in the labour market for various reasons. An in depth analysis of those and other out of work benefit claimants will be part of the Borough Profile’s benefit briefing. However, it is useful to provide a short summary of economic activity and inactivity in the borough to set the scene.

2.1 Economic activity and inactivity

The Census 2011 showed that out of all residents aged 16 plus, around 33 per cent were economically inactive and around 67 per cent were economically active.

Residents who are economically inactive include those who are retired, studying, long term sick, and those looking after home and family. However, the economically active population includes all those who work and those who are unemployed. See the breakdown below.

Fig.17: Breakdown of the 16 plus population by economic activity and inactivity, Tower Hamlets



(Source: Census 2011, KS 601 economic activity)

2.2 What is the scale of unemployment?

Unemployment is a problem for those who experience it, but is also an indicator of the nature of the local labour market. This document considers the scale of unemployment in the borough, assesses the composition of the unemployed population and discusses how unemployment has changed over time.

This section of the Borough profile utilises various data sources to understand the situation in Tower Hamlets. We use unemployment data from the Annual Population Survey (APS), which is published on a quarterly basis, drawn from findings from survey respondents who have stated that they are unemployed.

In addition, monthly unemployment data based on the Job Seekers Allowance Claimant count, which only includes people claiming this specific benefit, is also discussed extensively.⁹

The analysis is underpinned by Census 2011 data. Census unemployment data is currently only available for the age group 16 to 74 and 16 plus, while the APS unemployment data usually refers to the working age unemployment rate amongst those aged 16 to 64. In consequence, we cannot compare both rates directly. Still, the Census is crucial in understanding unemployment in the borough due to the unique depth of information available.

APS Unemployment

The APS unemployment rate is the best way to estimate overall unemployment levels in the 16 to 64 population in the borough, and to make a comparison to other Local Authorities or regions over time. LBTH uses the APS unemployment rate to monitor employment in Tower Hamlets over time.

The Annual Population Survey estimates that around 16,200 residents were unemployed in Tower Hamlets in March 2013, a rate of 12.7 per cent. The figure included 9,900 men and 6,300 women.

In the same period, the London unemployment rate stood at 9.1 per cent, just above the England and Great Britain averages (8 per cent each) while Barking & Dagenham and Newham had the highest unemployment rates in the Capital, at 13.6 per cent, followed by Ealing (13.4 per cent) and Tower Hamlets (12.7 per cent).

The lowest rates in London were in Richmond upon Thames (3.8 per cent), Kensington & Chelsea (5.6 per cent) and Bromley (5.9 per cent). See Table 10 below for the Olympic host Boroughs.

Table 10: Unemployment rate in 6 former Olympic boroughs and London (population aged 16-64) (%)

	Barking and Dagenham	Greenwich	Hackney	Newham	Tower Hamlets	Waltham Forest	London
Total	13.6	11	10.1	13.6	12.7	10	9.1
Males	12.4	9.7	8.6	14.6	12.9	9.2	9
Females	15	12.4	11.8	12	12.3	11.2	9.1

(Source: Annual Population Survey, March 2013)

⁹ For a full explanation of the data sets, advantages and disadvantages can be accessed in the Borough Profile Glossary document.

Tower Hamlets Labour Market

Census 2011 Unemployment rate 16 to 74 population

ONS have not published the Census unemployment rate for the working age population 16 to 64. However, the rate is available for the age group 16 to 74, suggesting an unemployment rate of 6.7 per cent on Census day in March 2011.

The Tower Hamlets rate of 6.7 per cent was above the rate of 5.2 per cent in London and 4.4 per cent in England.

While the Census is the most robust data set available, it only shows change every 10 years. Therefore, the main strength of the Census is in the additional information about who is unemployed, including data by age, gender, and ethnicity, which is far more robust compared to APS rates.

2.3 Are unemployment levels changing?

Changes in unemployment between 2001 and 2011

Census data shows that the unemployment rate has not changed significantly between 2001 and 2011. The unemployment rate (aged 16 to 74) reached 6.6 per cent in 2001, only marginally below the rate of 6.7 per cent in 2011.

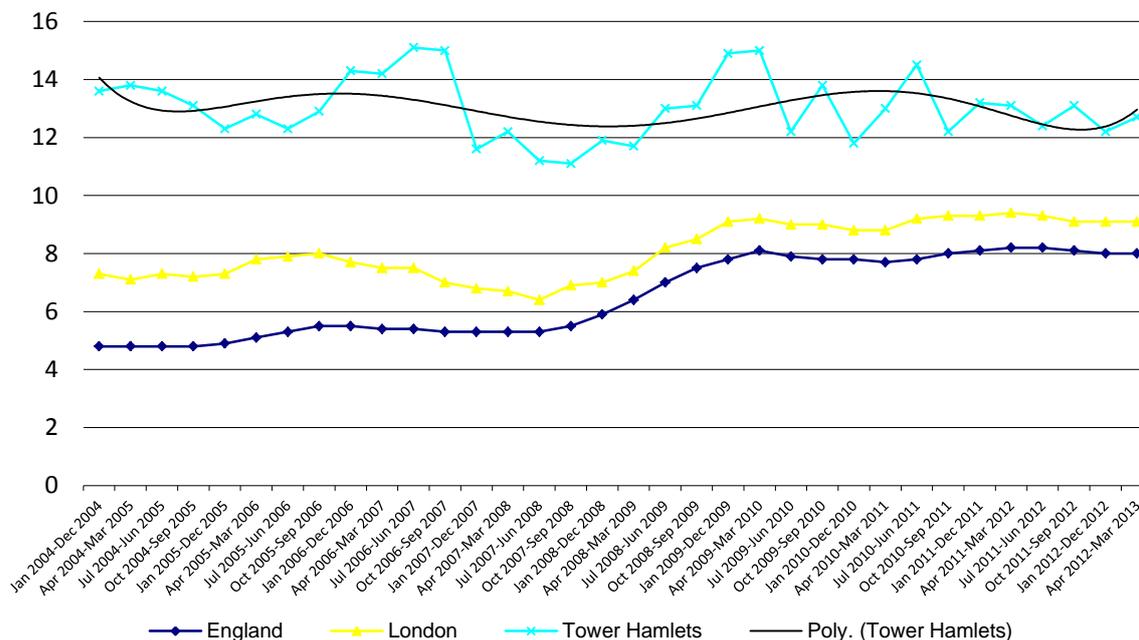
The number of residents in unemployment increased from 9,456 to 13,259. However, the increase mirrors the overall growth of the 16 to 74 population in the borough, over that time period. For that reason, the unemployment rate in Tower Hamlets has remained stable.

APS Unemployment between 2004 and 2013¹⁰

The APS unemployment rate over time indicates a low level of change. However, the data shows that the Tower Hamlets rate has remained high – and above the London average, mirroring London trends over time. The current unemployment rate in the borough remains below the peaks of March 2010 and June 2011.

¹⁰ Please note that APS unemployment data was published from 2004 onwards.

Fig 18: Unemployment rate over time Tower Hamlets, London and England (%)



(Source: NOMIS / Annual Population Survey, March 2013)

2.4 Male and female unemployment – What is the difference?

Census unemployment gender split

The Census 2011 indicates a gender split similar to APS unemployment rates. The male unemployment rate (aged 16 to 74) was 7.5 per cent compared to a lower female rate of 5.9 per cent. This means that on Census day in March 2011, 7,693 males were unemployed compared to 5,566 females.

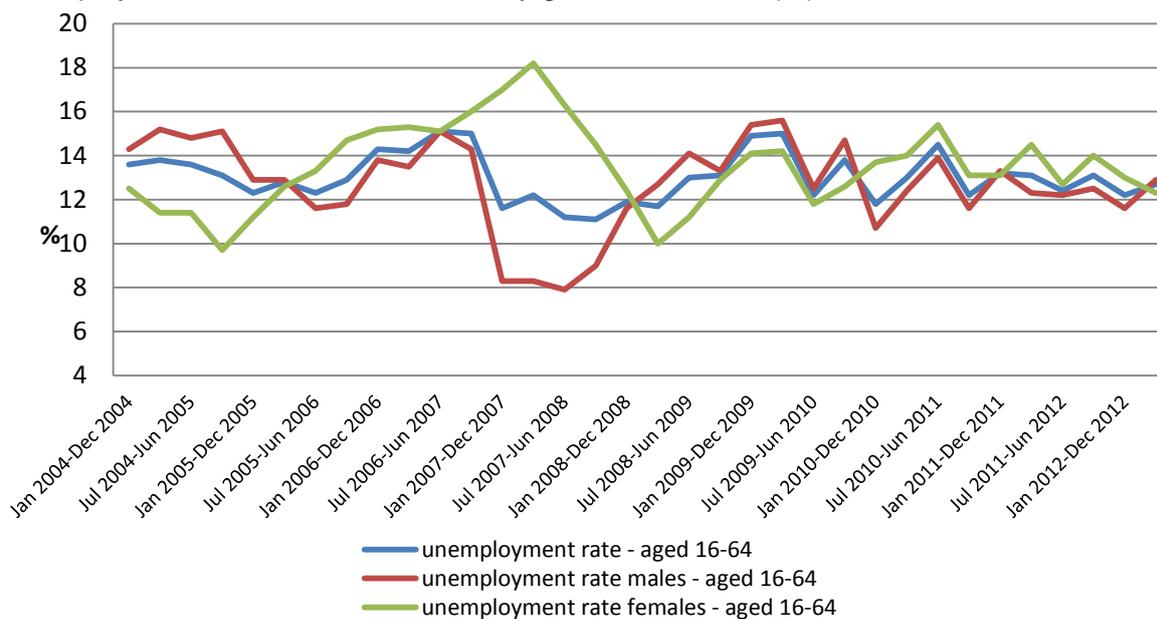
APS Unemployment by gender

The female unemployment rate is currently, at 12.3 per cent, below the male rate of 12.9 per cent, representing around 6,300 females, compared to 9,900 males unemployed and looking for a job.

Over time, male and female unemployment rates have, for the most part, mirrored overall unemployment rate trends. Only between 2007 and 2008 did both rates devolve significantly in different directions. In March 2013, the female rate appears to have been below the male rate for the first time since mid-2010. See Fig 19.

Tower Hamlets Labour Market

Fig. 19: Unemployment rate in Tower Hamlets by gender over time (%)



(Source: NOMIS / Annual Population Survey, March 2013)

2.5 Unemployment – Does age matter?

Census Unemployment by age

Unemployment in the younger age groups tends to be high because young people often need more time to enter the labour market after completing their education. Therefore, for these groups, unemployment tends to become a greater problem when young people find themselves out of work for longer than 6 or 12 months. Issues associated with long term unemployment are discussed later in the document.

Census 2011 data shows that unemployment amongst all residents aged 16 and over stood at 16,374, of which around 3,100 were full time students. This is important, because the needs of students will be different to those of other unemployed residents. It is common for students to study and work at the same time, so some will be classified as unemployed because they want to work, even if they are simultaneously in full time education.

The level of student unemployment has a significant impact on the overall unemployment figure for young people. Out of all unemployed residents, 6,010 were young people aged 16 – 24, of which 2,554 (42.5 per cent) were full-time students seeking work.

In the age groups 25 to 49, a total of 8,645 people were looking for work. Out of these, only 515 were full time students.

In comparison, in the age group 50 plus, 1,724 residents were unemployed, of whom only 27 were full time students.

Latest unemployment rate by age

In Tower Hamlets, the highest unemployment rates can be found in the age group 16-24, at 19.5 per cent, which was below the London average of 24.7 per cent for this age group.

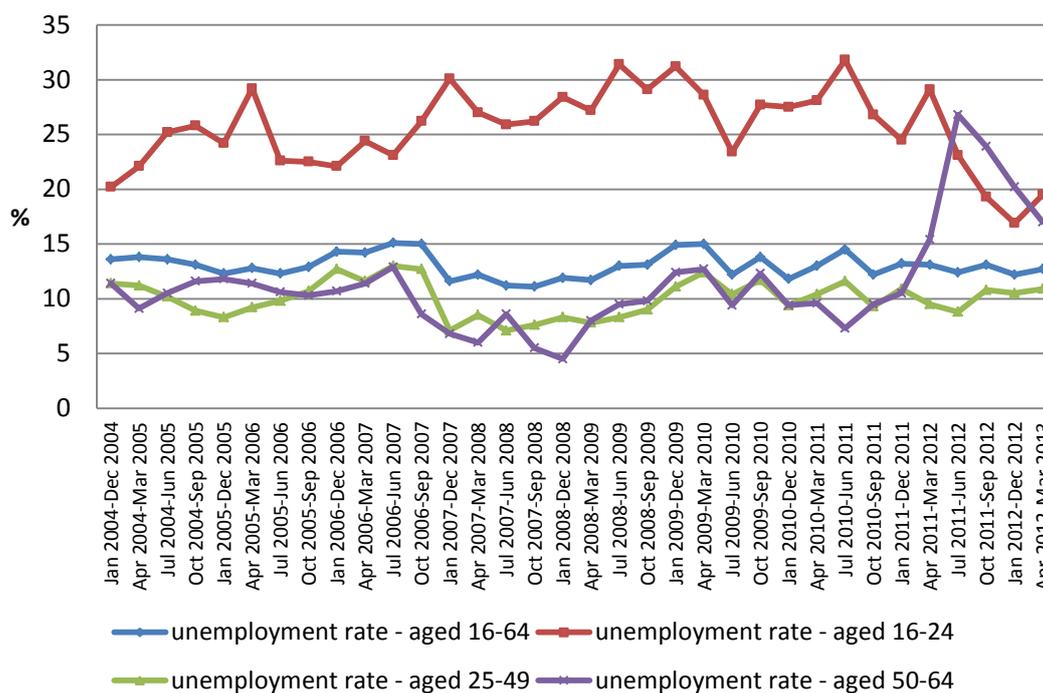
Tower Hamlets Labour Market

The APS estimates that 3,700 16-24 year olds in the borough were unemployed.

The age group 25 to 49 had the lowest unemployment rate with 10.9 per cent, which was below the overall working age rate of 12.7 per cent. Despite this, the group aged 25 to 49 included the largest number of unemployed people overall, with 10,900 unemployed residents looking for a job.

In the age group 50-64, around 1,600 people were unemployed, an unemployment rate of around 17 per cent. Interestingly, the unemployment rates of young people and of the mature workforce (aged 50 to 64) shows some similar trends over the last 15 months, with a significant increase towards the end of 2011, followed by a sharp drop during 2012.

Fig. 20: Unemployment rate by age in Tower Hamlets (%)



(Source: NOMIS / Annual Population Survey, March 2013)

2.6 Unemployment by ethnic groups

Census Unemployment by ethnic group

The lowest unemployment rates (for residents aged 16 and over, excluding full time students) were recorded for the Chinese (3.8 per cent), Other White (4.3 per cent), White (British) 4.4 per cent, and Indian (4.8 per cent) ethnic groups.

The ethnic groups with the highest unemployment rates in the borough (excluding full time students) for residents 16 and over were: Other Black (13 per cent), Black African (11.9 per cent), White & Black Caribbean (10.6 per cent), Black Caribbean (10.8 per cent) and Bangladeshi (10 per cent). They were all substantially above the local average of 6.5 per cent.

Tower Hamlets Labour Market

While it is important to understand the unemployment rate, it is also crucial to understand the size of the unemployed population. The table below shows the Census 2011 count and the rates for selected ethnic groups.

Table 11: Census Unemployment 16 plus (excluding full time students)

	Rate 16 plus	Total 16 plus
Bangladeshi	10.1%	5,302
White British	4.4%	3,186
Other White	4.3%	1,280
Black African	11.9%	831
Black Caribbean	10.8%	488
Other Black	13%	300
Chinese	3.8%	283
Indian	4.6%	280
Other Asian	4.5%	220
White and Black Caribbean	10.6%	178

(Source: Census 2011: DC6201EW - Economic activity by ethnic group by sex by age)

The JSA claimant count data provides similar information for the year 2013. This data will be discussed later in the document.

APS Unemployment by ethnicity

Some limited but more recent information comes from the APS. Data is limited to the White, Bangladeshi/Pakistani and Ethnic Minority groups because of the sample size of the survey. Data shows that the unemployment rate of the Pakistani/Bangladeshi 16+ population is the highest with 22.5 per cent. In comparison, the White ethnic group has a rate of 4.4 per cent.

The APS suggests that a total of 7,300 people of Pakistani/Bangladeshi heritage¹¹ were unemployed in March 2013. The second biggest group of unemployed people were White (3,000). See the data in Table 12 and Figure 21 but note that the data has large confidence intervals (See the black lines in Figure 5), which means that the data should be interpreted carefully, taking account of its limitations.

Table 12: Unemployment by ethnicity in Tower Hamlets March 2013 (%)¹²

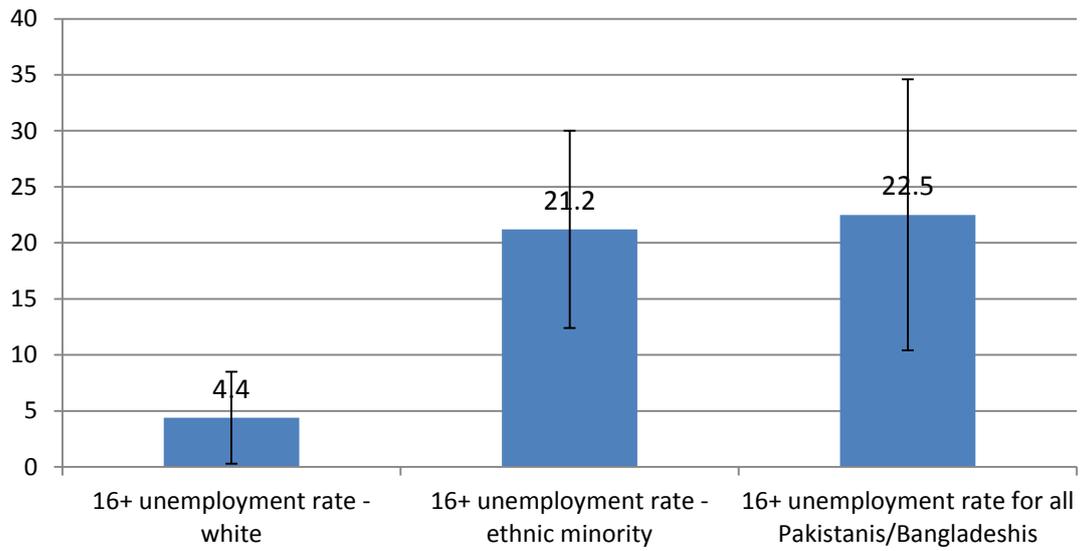
	Total	Male	Female
White 16+	4.4	5.2	3.4
Ethnic Minority 16+	21.2	20.0	23.2
Pakistanis/Bangladeshis 16+	22.5	18.9	31.5

(Source: NOMIS / Annual Population Survey, March 2013)

¹¹ The statistical group is named Pakistani/Bangladeshi; however for Tower Hamlets we can assume that the vast majority of people in this group are Bangladeshi.

¹² Because of recent changes in the methodology a comparison over time is not possible by ethnic group.

Fig. 21: Unemployment rate by ethnicity in Tower Hamlets including confidence level (%)¹³



(Source: NOMIS / Annual population survey March 2013)

¹³ Because of recent changes in the methodology a comparison over time is not possible by ethnic group.

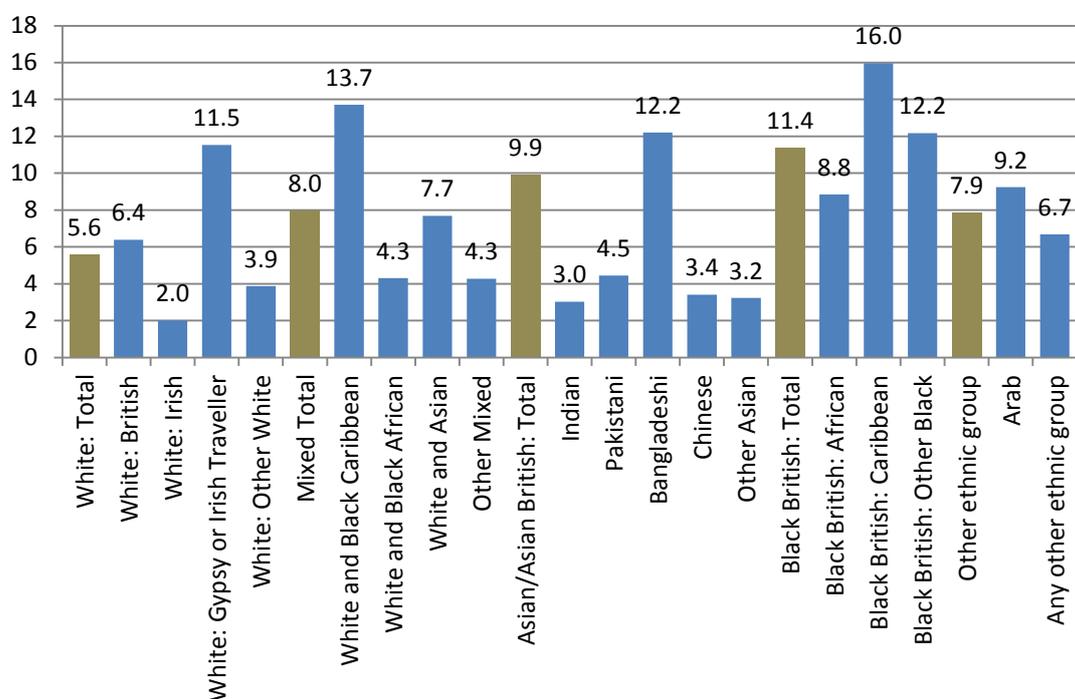
2.7 Unemployment by age and ethnicity

Census Unemployment by ethnicity in age group 16 to 24 (young people)

The ethnic groups with the highest unemployment rates for young people aged 16 to 24 (excluding full-time students) were Black Caribbean (16 per cent / Total 117), White & Black Caribbean (13.7 per cent / Total 79), Bangladeshi (12.2 per cent / Total 1,713) and Other Black (12.2 per cent / Total 60).

In comparison, the lowest unemployment rates in the age group 16 to 24 were for the Indian (3 per cent / Total 34), Chinese (3.4 per cent / Total 72) and Other White (3.9 per cent / Total 189) groups.

Fig.22: Unemployment rate age group 16 to 24 (excluding students) Tower Hamlets (%)



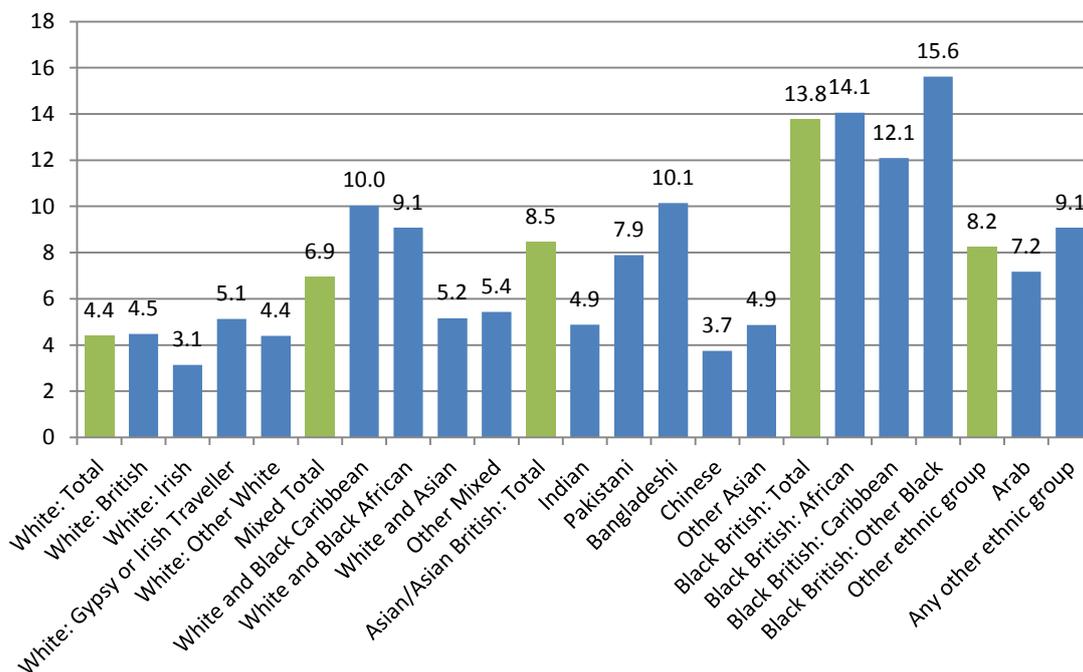
(Source: DC6201EW - Economic activity by ethnic group by sex by age)

Census Unemployment by ethnicity in age group 25 to 49 (Younger working age)

The ethnic groups with the highest unemployment rates for younger working age people aged 25 to 49 (excluding full-time students) were Other Black (15.4 per cent / Total 217), Black African (14 per cent / Total 605), Black Caribbean (12.1 per cent / Total 276), White & Black Caribbean (13.7 per cent / Total 90) and Bangladeshi (10.2 per cent / Total 3,073).

In comparison, the lowest unemployment rates in the age group 25 to 49 were for the Irish (3.1 per cent / Total), Chinese (3.7 per cent / Total 177) and White British (4.5 per cent / Total 1,713) and Other White (4.4 per cent / Total 998) groups.

Fig.23: Unemployment rate age group 16 to 24 (excluding students) Tower Hamlets (%)



(Source: DC6201EW - Economic activity by ethnic group by sex by age)

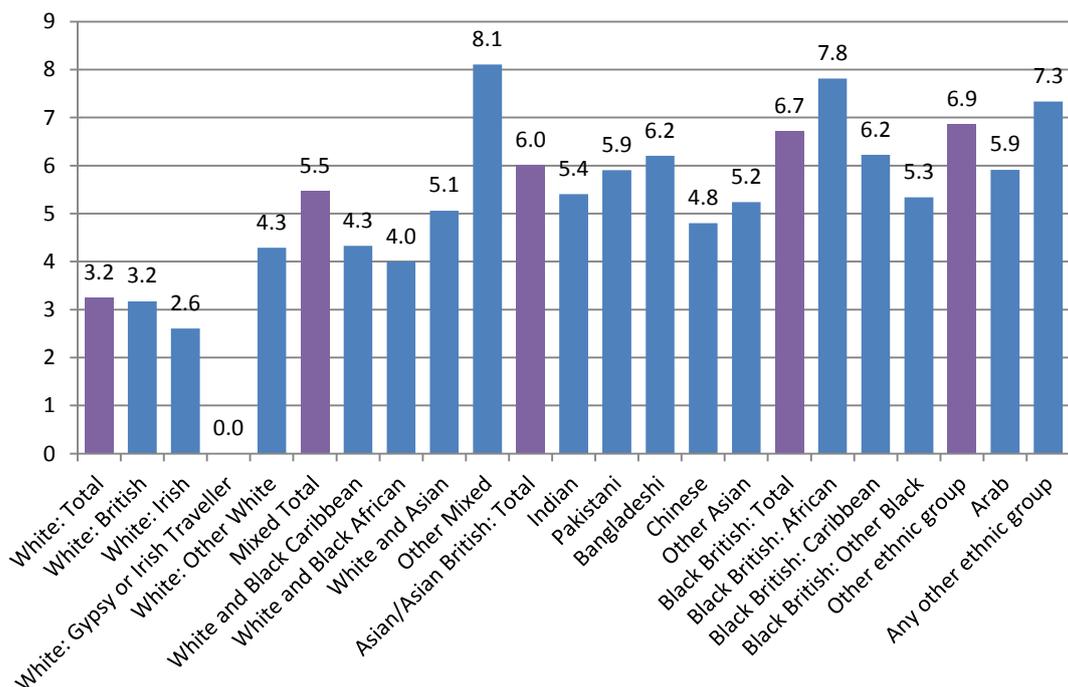
Census Unemployment by ethnicity in aged group 50 plus (Mature working age)

Data is currently available for the 50 plus population only. In the near future, 50 to 64 population data will be available, allowing a better comparison with the APS age data.

The ethnic groups with the highest unemployment rates for people aged 50 plus (excluding full-time students) were Black African (7.8 per cent / Total 96), Black Caribbean (6.2 per cent / Total 95) and Bangladeshi (6.2 per cent / Total 516).

In comparison, the lowest unemployment rates in the age group 50 plus (excluding full-time students) were for the Irish (2.6 per cent / Total 31), White British (3.2 per cent / Total 661), Other White (4.3 / Total 93) and Chinese (4.8 per cent / Total 34) groups.

Fig.24: Unemployment rate age group 16 to 24 (excluding students) Tower Hamlets (%)



(Source: Census 2011: DC6201EW - Economic activity by ethnic group by sex by age)

2.8 Unemployment, poor health and disability

Economic activity & health

It is no surprise that a reasonable level of health is required to participate actively in regular employment and in working life.

The Census 2011 shows that those who are in employment are far more likely to report very good or good health at 91.5 per cent, while those seeking and available to start work (excluding students) report a very good or good health at 79.3 per cent. In comparison, only 60 per cent of the economically inactive population report very good or good health. Only 21 per cent of those who had never worked reported themselves as having very good or good health.

Residents with bad and very bad health were most likely to declare themselves to be long term sick or disabled (59.6 per cent), retired (28.5 per cent), looking after home or family (6.3 per cent) and unemployed (excluding full time students) (4.1 per cent).

Table 12: In employment, unemployment (excl. students) & long term sick by health in Tower Hamlets (%)

Selected Economic Activity categories	Very good or good health	Fair health	Bad or very bad health
Economically active: In employment: Total	91.5%	7.0%	1.6%
Economically active: Unemployed (excluding full-time students)	79.3%	16.7%	4.1%
Economically inactive: Long-term sick or disabled	13.2%	27.2%	59.6%

(Source: Census 2011, DC6301EW1a - Economic activity by provision of unpaid care by general health by sex)

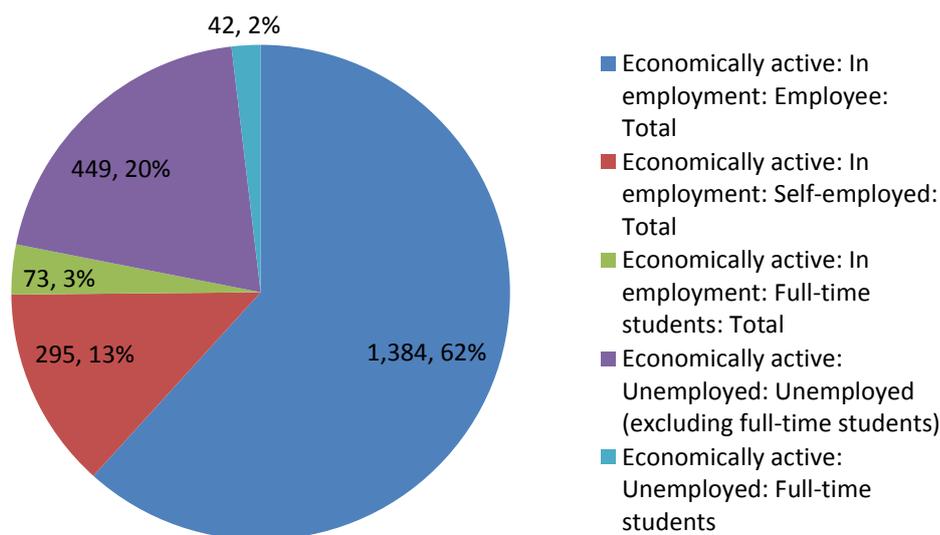
Unemployment levels of residents with a disability

Census 2011 allows for an analysis of unemployment and disability. For the purposes of analysis, data regarding the employment rates affecting full time students has been excluded.

The analysis focuses on residents who have disabilities which “limit day to day activities a lot”. In terms of total numbers, Census 2011 figures counted 449 unemployed residents with a disability which limited their day to day activities a lot. The overall unemployment rate of this group, based on all economically active & inactive was 2.7 per cent. This is a lower number compared to the overall average unemployment rate because the majority of disabled people are actually economically inactive, rather than unemployed. While the rate is low, it is higher than the 1.9 per cent rate in London.

However, we can calculate an unemployment rate based on that affecting economically active disabled people only. As a consequence, unemployment jumps to 20 per cent, which is also above the 13.2 per cent rate in London. This Tower Hamlets rate is also closer to the APS rate discussed below. See figure below.

Fig. 25: Economic activity of Tower Hamlets residents with disability limiting day to day activities a lot.



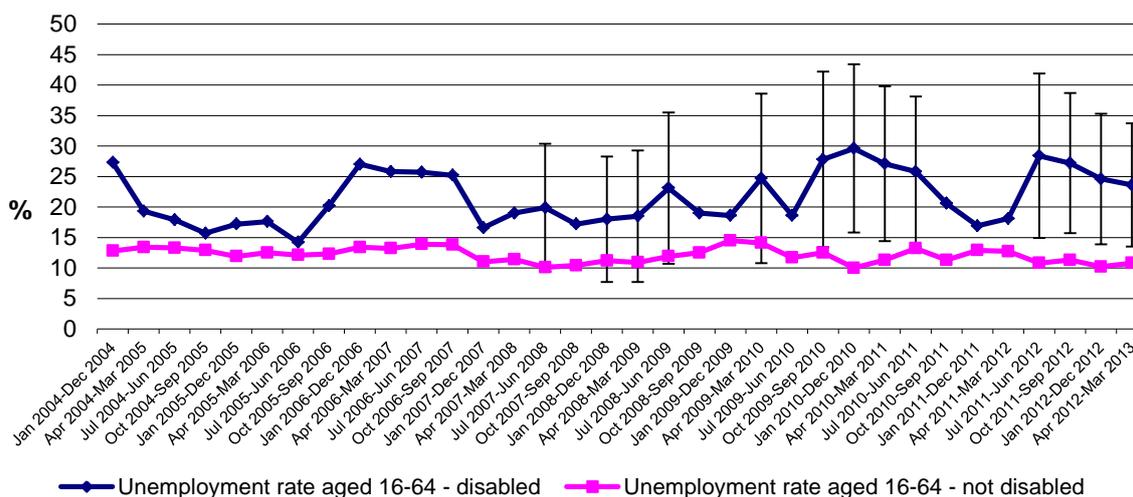
(Source: Census 2011: LC6302EW - Economic activity by hours worked by long-term health problem or disability)

Both the Census 2011 and recent APS data allow for an estimate of unemployment amongst disabled people. However, it is important to note that the robustness of the APS data is compromised because of the low sample size. The data confidence intervals are included in Figure 26 to make readers aware of the issue.

APS Unemployment by disability

The unemployment rate for disabled residents in Tower Hamlets was 23.6 per cent, while the unemployment rate for those not disabled was 10.8 per cent, in March 2013.¹⁴ The gap of nearly 13 percentage points between these unemployment rates in Tower Hamlets was greater than the gap in London, which was around 5 percentage points between disabled people (13.7 per cent) and those not disabled (8.3 per cent).¹⁵

Fig. 26: Unemployment rate by disability (incl. confidence interval) & not disabled in Tower Hamlets (%)



(Source: NOMIS / Annual population survey, March 2013)

2.9 Long term unemployment levels

Census long-term unemployment and those who have never worked

The Census 2011 includes data on long term unemployed and those who have never worked. The Census definition of long term unemployment is “a person unemployed at Census day if the year they last worked was 2009 or earlier”, i.e. a period of unemployment of longer than 15 months. This is slightly longer than the standard OECD definition of 12 months and more.¹⁶

On Census day in March 2011, 13,259 residents were unemployed in Tower Hamlets. Out of those, 4,986 were long term unemployed, translating to a rate of 2.5 per cent of the 16 to 74 population. The rate was above London and England rates. The same trend applies to the never worked category. See table below.

Table 13: Long term unemployment and Never worked (%)

	Unemployed: Never worked	Long-term unemployed
Tower Hamlets	1.8	2.5
London	1.1	2.0
England	0.7	1.7

(Source: Census 2011 KS601 Economic Activity, All usual residents aged 16 to 74)

¹⁴ The analysis by gender was not possible because the low sample size.

¹⁵ The confidence for change over time for unemployment of disabled people is too high to make any robust statement about recent changes.

¹⁶ OSECD <http://stats.oecd.org/glossary/detail.asp?ID=3586>

Gender and long term unemployment

There are some crucial gender differences in the long term unemployment and never worked categories. For both unemployment and long term unemployment, the proportion of male unemployed is larger than females. However, the proportion of female unemployed who have never worked is larger than the proportion of males. See table below.

Table 14: Long term unemployment / Never worked by gender in Tower Hamlets (% and total)

	Unemployed: Never worked	Long-term unemployed	Economically active: Unemployed
Males	1,536 (44.6%)	3,150 (63.2%)	7,693 (58%)
Females	1,906 (55.4%)	1,836 (36.8%)	5,566 (42%)

(Source: Census 2011 KS601 Economic Activity, All usual residents aged 16 to 74)

2.10 Unemployment - Job seekers allowance claimants (JSA)

This section of the document uses claimant count measures to understand a particular segment of the unemployed population. The JSA data is published monthly by the Office for National Statistics and represents a good way of measuring unemployment. It measures people without a job who have been actively seeking work and are available to start work. (See Glossary for definition). This section includes analysis of claimant data by age, ethnicity, occupational status, duration and by ward / LSOA in order to understand the geographical distribution of JSA claims.

JSA claimant count

The number of residents claiming JSA in August 2013 was 9,550. This is a claimant count rate of 4.9 per cent, which is much higher than London (3.5 per cent) and England (3.3 per cent). Tower Hamlets has the third highest rate in London after Barking & Dagenham (5.2 per cent) and Hackney (4.9 per cent).

Table 15: JSA claimants count, August 2013

	Working age population (16-64)	Number of claimants	%
Tower Hamlets	194,500	9,550	4.9
London	5,703,700	198,119	3.5
England	34,307,000	1,125,111	3.3

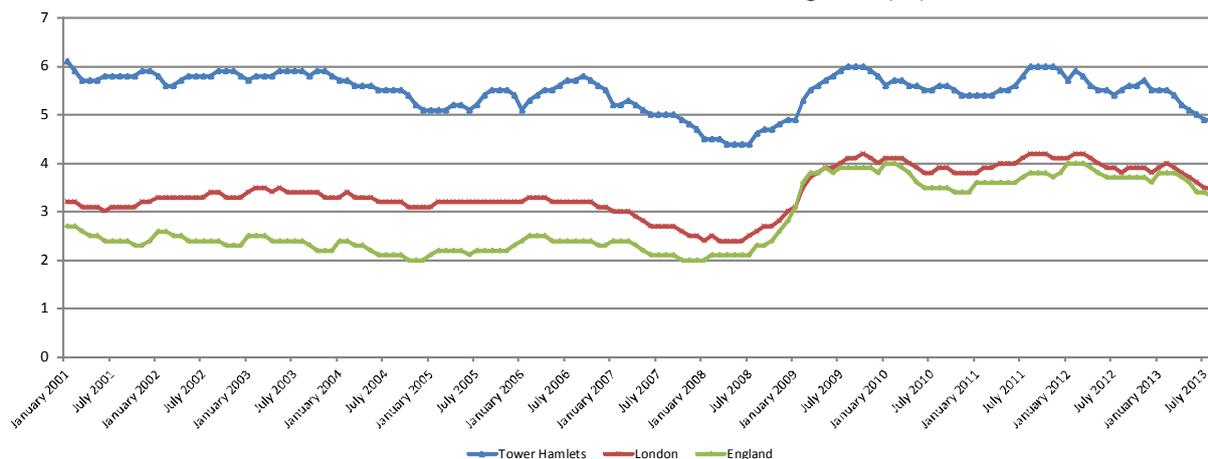
(Source: Office for National Statistics (ONS): NOMIS claimant count, August 2013)

JSA claimant count rate over time

Although the JSA claimant count in Tower Hamlets followed the London trend, it consistently remained well above the London rate, as shown below. Similar to London, the Tower Hamlets claimant count started to climb in line with the economic recession in late 2008. From the first quarter of 2012 the claimant rate started to decline, with temporary increases, currently presenting a rate of below 5 per cent in Tower Hamlets. This is a rate which has not been seen in the borough for more than four years.

Tower Hamlets Labour Market

Fig. 27: Claimant count over time in Tower Hamlets, London and England (%)



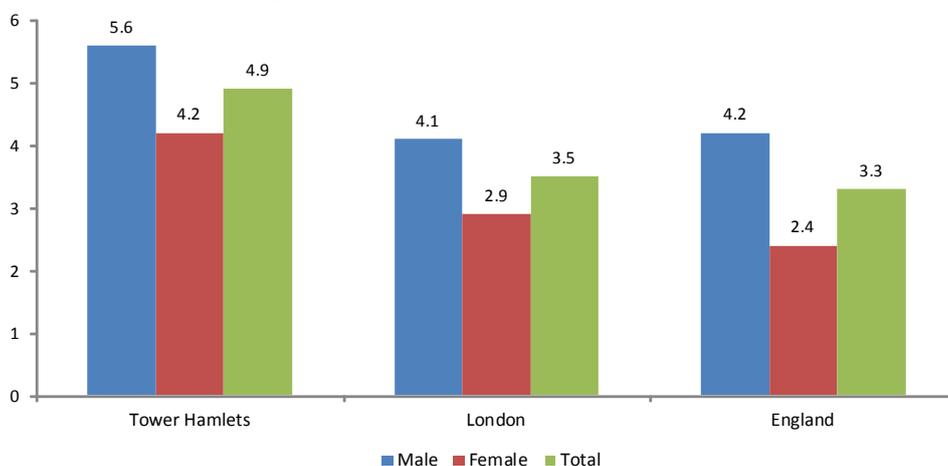
(Source: Office for National Statistics (ONS): NOMIS claimant count, Proportion of resident population aged 16-64, August 2013)

JSA claimant count by gender ¹⁷

There are 5,650 male residents claiming JSA, a claimant count rate of 5.6 per cent, and 3,896 female residents, a claimant count rate of 4.2 per cent.

JSA claimant count rates for both genders in Tower Hamlets are higher than the national and regional rates. In England, the claimant count rate for men is 4.2 per cent and for women 2.4 per cent, while in London the rate for men was 4.1 per cent and for women, 2.9 per cent.

Fig 28: JSA claimants by Gender, August 2013 (%)



(Source: Office for National Statistics (ONS): NOMIS claimant count by gender, August 2013)

The gender gaps in London (1.2 percentage points) and Tower Hamlets (1.4 percentage points) are relatively similar compared to England with a gap of 1.8 percentage points. See Figure 28 above.

¹⁷ There are more men than women unemployed in the borough. However, this reflects the weaknesses of the JSA claimant count as it only measures those in receipt of unemployment related benefits and has poor coverage for particular groups such as women and lone parents – a lone parent who has children Under 5 is not required to be actively seeking work.

Tower Hamlets Labour Market

It is important to note changes to the female claimant count rate are influenced by benefit changes for lone parents over the last few years. The changes meant that mainly women are now signing on earlier to JSA instead of income support depending on the age of their child.¹⁸

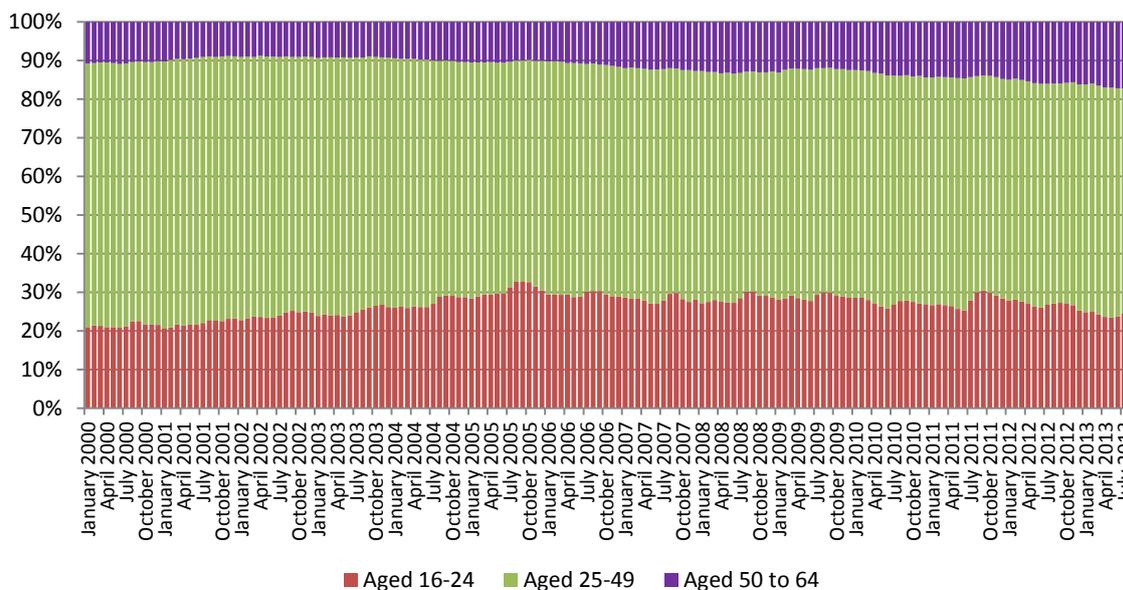
JSA by age by main age groups

In August 2013, in terms of numbers, as one would expect, the majority of JSA claimants were in the age group 25 to 49. Nevertheless, the rate of claiming JSA among 25 to 49 year olds was below the 16 to 64 average of 4.9 per cent, and for both London and Tower Hamlets, the trend shows that a greater proportion of 50 to 64 year olds were claiming JSA.

Indeed, the highest rate of JSA claimants by age was in this group, at 6.6 per cent. Meanwhile, 16 to 24 year olds have experienced a long term drop in numbers claiming JSA from the peak around 2005 and 2006, although the drop in London was more pronounced than in Tower Hamlets.

In August 2013, this age group still included the second highest rate of JSA claimants in Tower Hamlets, at 5.9 per cent. See figures below.

Fig. 29: Tower Hamlets JSA by age by main age groups (%)

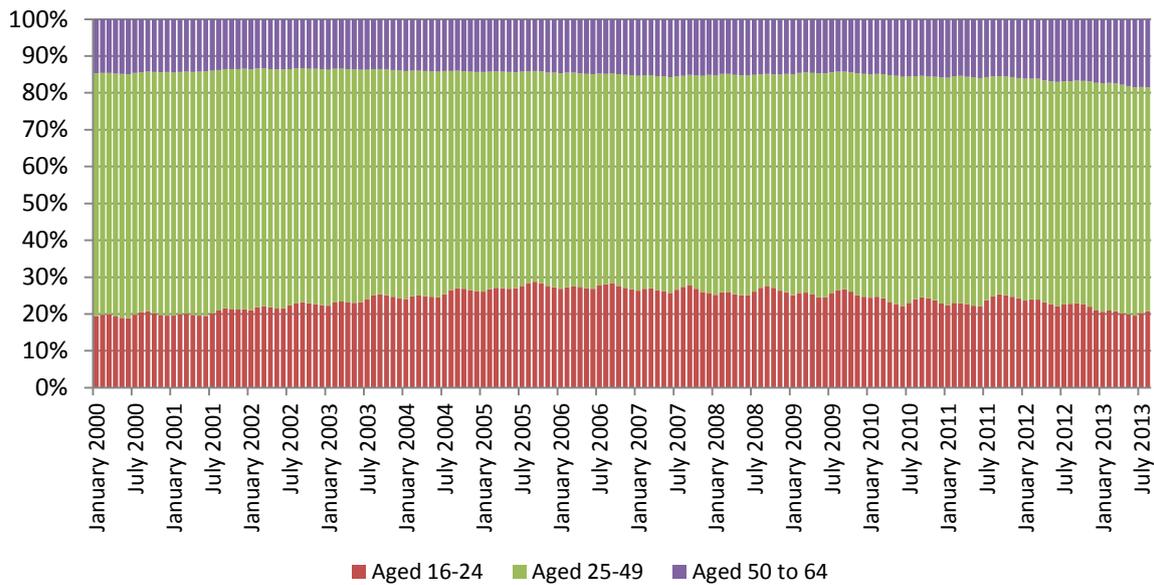


(Source: Office for National Statistics (ONS): NOMIS claimant count by gender, August 2013)

¹⁸ As part of the benefit changes from November 2008, lone parents with a youngest child aged 12 or over were no longer entitled to receive Income Support (IS) solely on the grounds of being a lone parent. Since then the age of the youngest child was reduced to ten and over from October 2009, to seven and over from October 2010 and to 5 and over on the 21st May 2012.

Tower Hamlets Labour Market

Fig. 30: London JSA by age by main age groups

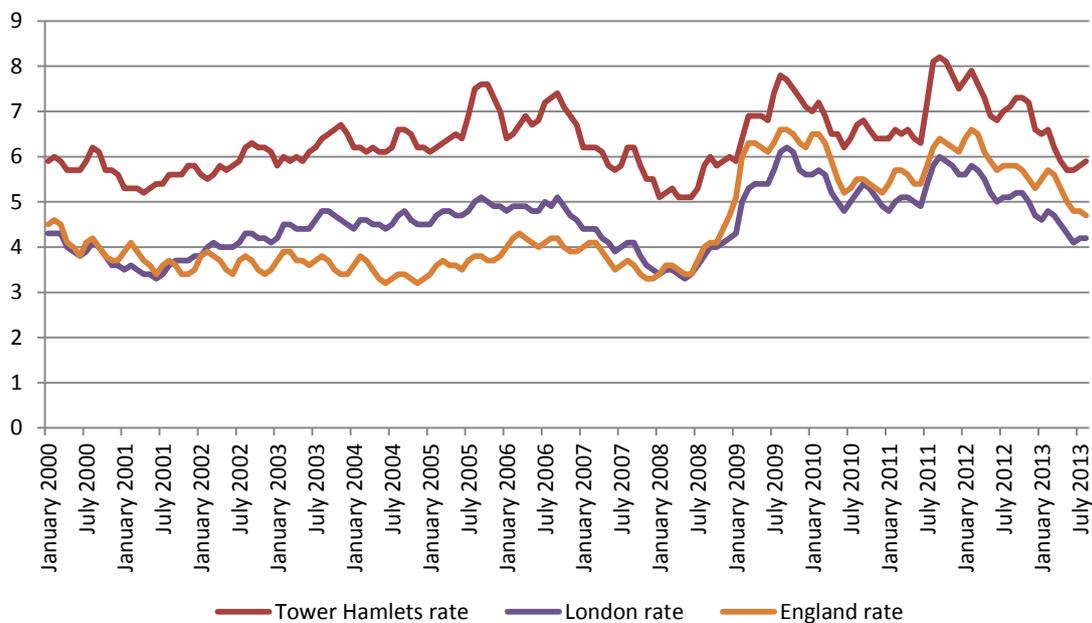


(Source: Office for National Statistics (ONS): NOMIS claimant count by gender, August 2013)

JSA rates over time – Age group 16 to 24

Focusing on young people, it becomes clear that the JSA rates for the age group in Tower Hamlets, London and England show similar trends, most likely caused by the same economic conditions, national policies, and other drivers. However, rates for young people in Tower Hamlets are still above national or regional levels.

Fig. 31: JSA rate 16 to 24 year olds over time in Tower Hamlets, London and England (%)



(Source: Office for National Statistics (ONS): NOMIS claimant count by age, August 2013)

Tower Hamlets Labour Market

JSA claimants count by age and duration

As mentioned earlier in the document, the duration of a period of unemployment is a significant factor. This is because the longer people are unemployed, the more difficult it can be for them to find employment.

More people in the 50-54 age group appear to be claiming for a longer period with 2.4 per cent claiming for over two years, compared to only 0.5 per cent of 16-24 year olds and 0.8 per cent of 25-49 year olds.

Although more 16 – 24 year olds are claiming JSA, the majority appear to find work within a year. See total claimant and rate by age and duration and rates below.

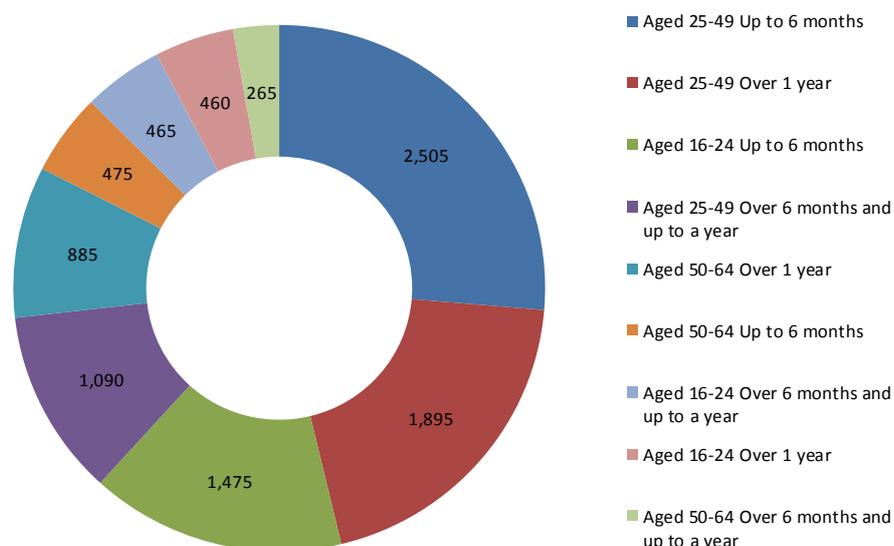
Table 16: Claimant count rate and total numbers in Tower Hamlets by age and duration, August 2013

	Aged 16-64		Aged 16-24		Aged 25-49		Aged 50-64	
	No. of claimant	Rate %						
Total¹⁹	9,510	4.9	2,395	5.9	5,490	4.2	1,625	6.6
Up to 6 months	4,455	2.3	1,475	3.6	2,505	1.9	475	1.9
Over 6 months and up to a year	1,815	0.9	465	1.1	1,090	0.8	265	1.1
Over 1 year	3,240	1.7	460	1.1	1,895	1.5	885	3.6
Claiming over 2 years	1,835	0.9	185	0.5	1,065	0.8	585	2.4

(Source: Office for National Statistics (ONS): NOMIS claimant count by age and duration, August 2013)

However, it is valuable to return to the issue of age and duration. The chart below shows that the largest numbers of claimants are in the following groups: “Aged 25 to 49 - up to 6 months”; “Aged 25 to 49 - over 1 year” and “Aged 16 to 24 - up to 6 months”. This is unsurprising, given that 25 to 49 year olds comprise the largest group in total numbers.

Fig. 31: Total Claimants in Tower Hamlets by age and duration, August 2013



(Source: Office for National Statistics (ONS): NOMIS claimant count by age and duration, August 2013)

¹⁹ Totals exclude non-computerised clerical claims (approx. 0.1%)

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On average, 47 per cent of all claimants in Tower Hamlets are claiming for up to 6 months. The data broken down by age shows that young people are most likely to claim for less than 6 months. This is often to bridge the gap between education and finding employment.

While the number of young people claiming for longer than a year is comparably low, this is still an important issue, since being out of work / education at a young age could create future disadvantages for those young people in the labour market.

By comparison, more than half of claimants in the age group 50 to 64 are claiming for longer than 1 year. This group is most threatened by long term unemployment. Again, data shows that this group is also more likely to claim for longer than 2 years.

Table 17: Proportion of JSA claimants in Tower Hamlets by age and duration (%), August 2013

	Aged 16-64 (%)	Aged 16-24 (%)	Aged 25-49 (%)	Aged 50-64 (%)
Up to 6 months	46.8	61.6	45.6	29.2
Over 6 months and up to a year	19.1	19.4	19.9	16.3
Over 1 year	34.1	19.2	34.5	54.5
Claiming over 2 years (value also included in Over 1 year group)	19.3	7.7	19.4	36.0

(Source: Office for National Statistics (ONS): NOMIS claimant count by age and duration, August 2013, percentage not adding up because of rounding)

JSA claimants by ethnicity

Out of all 9,535 JSA claimants in the borough, 40 per cent were Asian British - Bangladeshi compared to 24 per cent who were White - British claimants. These were followed by Black British – African (7.2 per cent), the White other group (6.6 per cent) and Black Caribbean (5.2 per cent). See totals in the table below.

Table 18: Tower Hamlets JSA claimants by ethnic group July 2013

	JSA claimants	Proportion (%)
Asian or Asian British - Bangladeshi	3,815	40.0
Asian or Asian British - Indian	85	0.9
Asian or Asian British - other Asian	80	0.8
Asian or Asian British - Pakistani	90	0.9
black or black British - African	690	7.2
black or black British - Caribbean	495	5.2
black or black British - other black	130	1.4
Chinese or other ethnic group - Chinese	75	0.8
Chinese or other ethnic group - other ethnic group	245	2.6
Mixed - other mixed	90	0.9
Mixed - white and Asian	40	0.4
Mixed - white and black African	50	0.5
Mixed - white and black Caribbean	135	1.4
prefer not to say	405	4.2
unknown	145	1.5
White - British	2,290	24.0
White - Irish	55	0.6
White - other	625	6.6

(Source: Office for National Statistics (ONS): NOMIS claimant count by ethnicity, July 2013)

Tower Hamlets Labour Market

It is not surprising that the largest population groups in the borough supply the largest group of JSA claimants. However, any over- or under-representations in the claimant count rates should be of concern, and these will be discussed in detail in the next section.

Claimant rate by ethnicity and age – GLA trial calculation

ONS do not calculate the official JSA claimant count rate by age and ethnicity. Because of the gap in the data, the GLA have developed a trial calculation using specific ethnic categories based on the economically active population in that age and ethnic group.²⁰ These groupings are based on the principle of trying to find a consistent basis from all the data sources that feed into the calculations along with a degree of robustness. The categories have been grouped based on size and similarity of economic activity rates.

The highest JSA claimant rates can be observed in the age group 18 to 24 for both males and females. This was the case for most ethnic groups. However, the data does show some large differences between particular ethnic and age groups.

Black Caribbean

The highest rate was in the Black Caribbean ethnic group, for whom males have the highest JSA rates across all three age groups in the borough. Most striking is the 50% JSA claimant rate in the age group 18 to 24. The rate for females is above the average, but lower, and closer to the Black African and Bangladeshi/Pakistani rates.

Black African

The rates for Black Africans, both males and female, are all above the average across all three age groups. The rates are in particularly high for 18 -24 year old males (the second highest rate) and for 18 – 24 year old females (the highest in the borough).

Pakistani / Bangladeshi

Rates were significantly high for females aged 50 to 60 (58 per cent in this age group claim JSA). Higher than average rates can also be observed for 18 to 24 year old males (the third highest rate). 18 to 24 year old females had high rates, just behind the Black African average.

In general, Pakistani / Bangladeshi rates in the age groups 25 to 49 and 50 to 60/64 show similar trends. They are above the overall average but below the highest rates experienced by Black Caribbean and Black African groups.

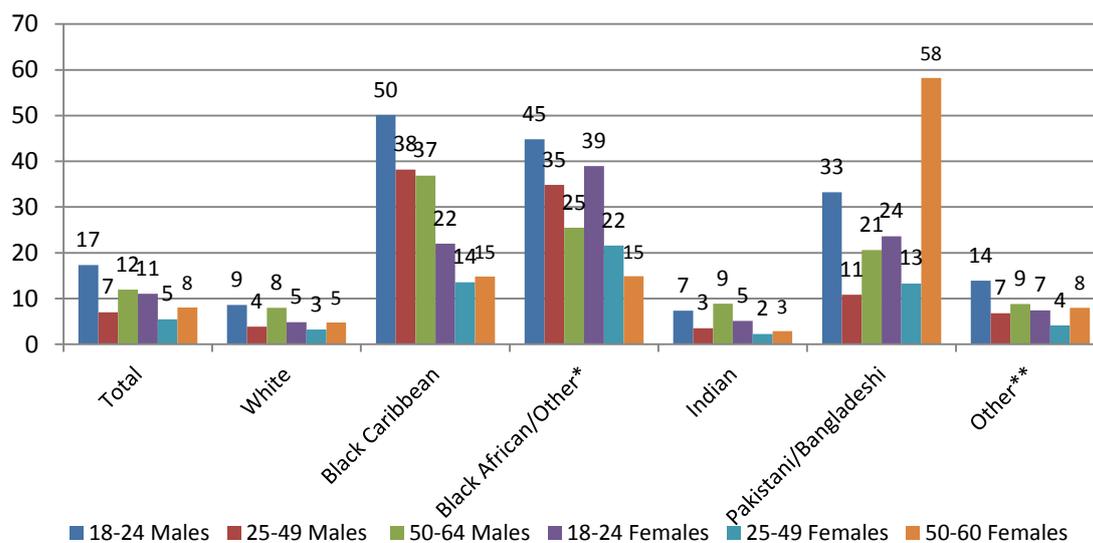
White group

Overall White rates are for all age groups below the average.

²⁰ For methodology see GLA note from August 2012: Note on calculations of claimants count rate by ethnic group, age and borough.

Tower Hamlets Labour Market

Fig. 32: GLA JSA claimant rate by age and ethnic group March 2013 Tower Hamlets (%)



(Source: GLA Trial JSA claimant rate by age and ethnicity calculation March 2013, Other section includes Chinese and Mixed groups.)

JSA claimants by occupation

In Tower Hamlets, as in London in general, the largest group of claimants (about 31%) searches for employment in sales occupations. This group is followed by elementary administration and administrative occupations. Those unemployed and claiming JSA are more likely to look for lower skilled jobs. It can relatively safely assume that those looking for lower skilled employment have also lower skills. However, there is anecdotal evidence that higher skilled jobless people are less likely to claim JSA, not registering with Job Centre Plus (JCP). This means that the JCP show some bias towards the lower skilled.

Table 19: Claimants by sought occupation, Top 10 Tower Hamlets, August 2013

Sought occupation	Tower Hamlets		London	
	Total	Rate in %	Total	Rate in %
Sales Occupations	2,980	31.4	58,310	29.5
Elementary Administration and Service Occupations	1,450	15.3	24,225	12.2
Administrative Occupations	1,125	11.8	21,360	10.8
Elementary Trades, Plant and Storage Related Occupations	555	5.8	15,675	7.9
Caring Personal Service Occupations	445	4.7	8,735	4.4
Customer Service Occupations	370	3.9	7,620	3.9
Transport and Mobile Machine Drivers and Operatives	295	3.1	6,695	3.4
Textiles, Printing and Other Skilled Trades	255	2.7	2,345	1.2
Culture, Media and Sports Occupations	250	2.6	6,020	3.0

Tower Hamlets Labour Market

Secretarial and Related Occupations	210	2.2	4,570	2.3
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(Source: Office for National Statistics (ONS): NOMIS claimant count by sought occupation, August 2013²¹)

Compared to London, Tower Hamlets claimants are less likely to look for employment as corporate managers and in the skilled construction and building trades.

On-flow and off-flow of residents claiming job seekers allowance

In August 2013, just over 18 per cent of claimants stopped claiming JSA in August 2013 in the borough, while another 18 per cent of people started claiming during the same period. Data from the last 6 months shows that on-flow numbers have been continuously below the off-flow figures, with the consequences that the rate has been reduced overall, with less people now claiming Jobseekers allowance.

This was similar to the London trend which showed that more people stopped claiming JSA compared to the number of people starting to claim JSA during this period.

It is relevant to note that every month, a substantial amount of people start and stop claiming JSA. In Tower Hamlets, over the last twelve months, around 1,797 residents stopped claiming JSA, while at the same time each month 1,726 residents started to claim JSA.²²

Table 20: On-flow and off-flow of JSA claimants, August 2013

	Tower Hamlets	% change	London	% change
Total	9,550		198,119	
Off-Flow (stop claiming JSA)	1,692	18%	42,580	21.5%
On-Flow (start claiming JSA)	1,692	18%	38,999	19.7%

(Source: Office for National Statistics (ONS): NOMIS on and off flow count, August 2013)

Main reasons for off flow from JSA

Not surprisingly, the main reason, why people stopped claiming JSA was that they found work. The second largest group were former claimants who moved abroad. This is very similar to the London picture, and provides evidence for the transitional nature of the London and Tower Hamlets labour market.

Table 21: Reasons for off flow from JSA (%)

	Tower Hamlets	London
Found work	66.5	65.8
Gone abroad	16.5	15.2
Gone to full-time education	4.0	3.0
Claimed Income Support	3.0	2.0
Ceased claiming	2.0	5.8
Increases work to 16+ hours/week	1.8	1.3
Transfer to Govt – supported training	1.6	0.7
Other	4.5	6.2

(Source: Office for National Statistics (ONS): NOMIS on and off flow count, August 2013)

²¹ Totals exclude non-computerised clerical claims (approx. 0.1%)

²² 12 months average figure

Tower Hamlets Labour Market

JSA claimants by ward

There are big differences within the borough, with data showing huge variations of unemployment at ward level. Blackwall & Cubitt Town (4 per cent), Millwall (3.7 per cent) and St. Katherine's & Wapping (3.3 per cent) have the lowest claimant count rates, which are closer to the England and London averages of 3.3 per cent and 3.5 per cent respectively. The wards with the highest claimant count rates are Bromley by Bow (8.1 per cent), East India and Lansbury (8.4 per cent), and Mile End East (7.2 per cent). These wards have claimant count rates which are double the rate of some of the wards with lowest rates, and the London average. See table 22 below.

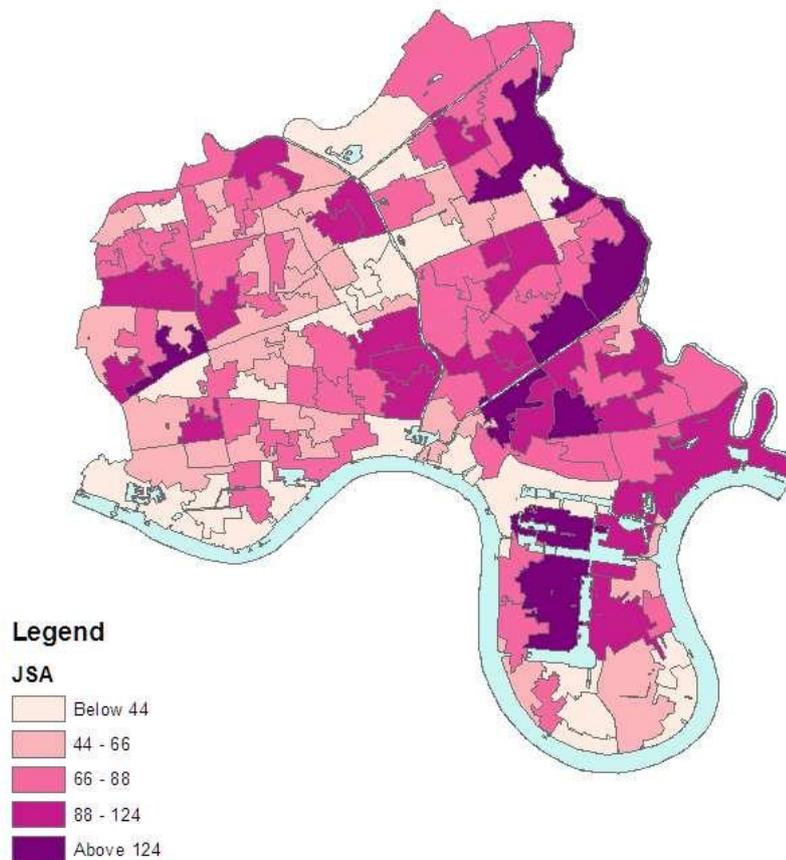
Table 22: JSA Claimant Count Rate by ward, August 2013 (%)

	JSA claimants	Rate 16 to 64 population (%)
East India and Lansbury	792	8.4
Bromley-by-Bow	747	8.1
Mile End East	653	7.2
St Dunstan's and Stepney Green	675	6.6
Weavers	547	6.4
Limehouse	643	6.3
Bethnal Green North	572	5.9
Spitalfields and Banglatown	445	5.8
Bethnal Green South	601	5.5
Bow East	523	5.5
Shadwell	516	4.9
Bow West	423	4.7
Whitechapel	482	4.6
Mile End and Globe Town	503	4.5
Blackwall and Cubitt Town	560	4.0
Millwall	576	3.7
St Katharine's and Wapping	292	3.3
<i>Tower Hamlets</i>	<i>9,550</i>	<i>4.9</i>

(Source: Office for National Statistics (ONS): NOMIS claimant count by wards, August 2013)

Map 1 below presents the data at LSOA (below ward) level. It shows that high unemployment is usually concentrated in smaller geographical areas including neighbourhoods or estates.

Map 1: Jobseekers allowance claimants at LSOA level, August 2013



**JSA claimants in LB Tower Hamlets
by LSOA August 2013 (%)**
(SOURCE: ONS NOMIS)



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0 290 580 1,160 1,740 2,320 metres



Further information

This Briefing was produced by the Council's Corporate Research Unit. Research briefings provide timely and in depth analysis of data about Tower Hamlets.

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- Business Demography Tower Hamlets (Research Briefing 2013/10)
- A Guide to Census Geography (Research Briefing 2013/05)
- Faith Key facts: Census 2011 (Research Briefing 2013/03)
- Language in Tower Hamlets: Census 2011 (Research Briefing 2013/02)
- Ethnicity Topic Report: Census 2011 (Research Briefing 2013/01)

Readers can contact the research team via email: CRU@towerhamlets.gov.uk

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