

What longitudinal studies tell us about

Worklessness

Welfare reform has been heavily influenced by differing opinions on the true extent of worklessness in the UK, defined as not being in any full or part-time paid work. By examining people's work histories over time and across generations, longitudinal evidence offers important insights into this on-going debate. Researchers have used longitudinal data to assess the extent to which parents' employment patterns are passed to their children, and crucially, whether or not there is a growing number of households where unemployment has persisted across generations.

Prevalence of worklessness

In the Millennium Cohort Study (MCS), seven per cent of children lived in persistently workless households between 2000 and 2008 (from age nine months to seven years). Over the same period, 21 per cent of MCS children had at least one parent who moved in and out of work. Seventy-three per cent lived in households that were always working.

In Next Steps, a study that follows the lives of approximately 16,000 people born in 1989-90, one in ten households was persistently workless when the children were between ages 13 and 16 (2004 to 2008). Seven per cent of households moved in and out of work during that time, and 82 per cent were always working.

Worklessness in the next generation

In the 1958 National Child Development Study (NCDS), sons who grew up with workless fathers spent nearly eight per cent more time out of work when they were adults than sons whose fathers were in work. Similarly, in the 1970 British Cohort Study (BCS70), sons with workless fathers spent ten per cent more time out of work than those with employed fathers.

Both the 1958 and 1970 cohorts experienced economic recessions in their early working lives. The average time spent out of work went up considerably during these periods for both cohorts, but it was those who had grown up with workless fathers who suffered the most.

A comparison of fathers and sons across NCDS, BCS70 and the British Household Panel Survey found that only one per cent of sons never worked. There was only a

significant correlation between workless fathers and sons in BCS70. In this cohort, sons were just over three per cent more likely to have never worked between the ages of 16 and 23 if their fathers had been persistently workless during their childhood than if they were employed regularly.

Risks facing workless households

Researchers looking at data from the Millennium Cohort Study (MCS) and Next Steps, which follows the lives of 16,000 people born in 1989-90, found that children from persistently workless households had poorer educational attainment throughout their schooling than their classmates whose parents were always working. They also found that young children from persistently workless households had lower cognitive ability than their peers.

Furthermore, an analysis of the MCS and the Avon Longitudinal Study of Parents and Children found that temporary as well as persistent worklessness was associated with lower levels of early academic achievement and progress in children.

Research based on the MCS and Next Steps has also found that that young people whose parents had been out of work for two or three years while they were growing up spent more time not in education, employment or training (NEET) between ages 15 to 18 than others.

Longitudinal evidence indicates that there are often a number of other risk factors surrounding workless households that can have a negative impact on children. Research shows that most of the association between persistent parental worklessness and poor outcomes for children is attributable to other factors, such as housing tenure, parents' lack of qualifications, living in a deprived area, and ethnic minority status.

Factors influencing worklessness

An analysis of the 1958 National Child Development Study looked at the link between social and cognitive skills in childhood and the duration of an individual's first unemployment spell in adolescence or early adulthood. The research revealed that those with higher social and cognitive skills at age 7 were likely to spend less time out of work and had an increased probability of finding employment.

Similarly, researchers using data from the 1970 British Cohort Study (BCS70) looked at the association between low levels of basic skills in adult life and unemployment. Their influential study found that, at age 30, men and women with poor numeracy skills were more than twice as likely to be unemployed as those with high levels of numeracy. The association was particularly strong for women. The researchers also found that poor literacy skills were linked to unemployment and disadvantage in adult life.

A comparison of the BCS70 with Next Steps, which follows the lives of around 16,000 people born in 1989-90, revealed that individuals who were not in education, employment or training (NEET) after leaving school were most likely to come from poor socio-economic backgrounds. However, the researchers found that a range of factors, such as educational aspirations, school engagement and school characteristics, can help young people overcome disadvantage and avoid becoming and remaining NEET.

The research also revealed an increase in the proportion of young people classified as NEET across the two cohorts (7 per cent in BCS70 compared to 16 per cent in Next Steps). At the same time, the number of young people who experience socioeconomic disadvantages associated with unemployment, such as living in a lone parent or workless family, but avoid becoming NEET is much lower in Next Steps than in BCS70. The researchers suggest this indicates that beating the odds and overcoming their risk of being NEET is less likely for younger generations.

Significantly, the same study found that young people who grew up in social housing in BCS70 were 40 per cent more likely to be NEET at age 18 than those who did not. However, for the later born Next Steps cohort, this likelihood has more than doubled to 90 per cent.

Women born in 1970 were more likely to be NEET than men, but this pattern reversed for the generation born in 1989-90 over the intervening twenty-year period.

Worklessness and psychological health

Several studies have looked at the link between worklessness and adult wellbeing. Researchers using the 1970 British Cohort Study found that men who were employed continuously between the ages of 26 and 30 had better psychological health at age 30 than those who experienced periods of unemployment. The association was particularly strong for those who showed evidence of poorer psychological health at age 26.

Similarly, an analysis of the 1958 National Child Development Study found that persistent unemployment throughout adulthood (from the ages of 18 to 50) was associated with increased levels of psychological distress at age 50.