

Who are the millions of Britons not working, and why?

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The Labour government has announced a series of measures to get more people into jobs, arguing that it has inherited a country that "isn't working".

Its plans, announced by Prime Minister Sir Keir Starmer, include overhauling the health and disability benefits system and improving mental health support.

About a quarter of the working age population - those aged 16 to 64 - do not currently have a job. That's about 11 million people.

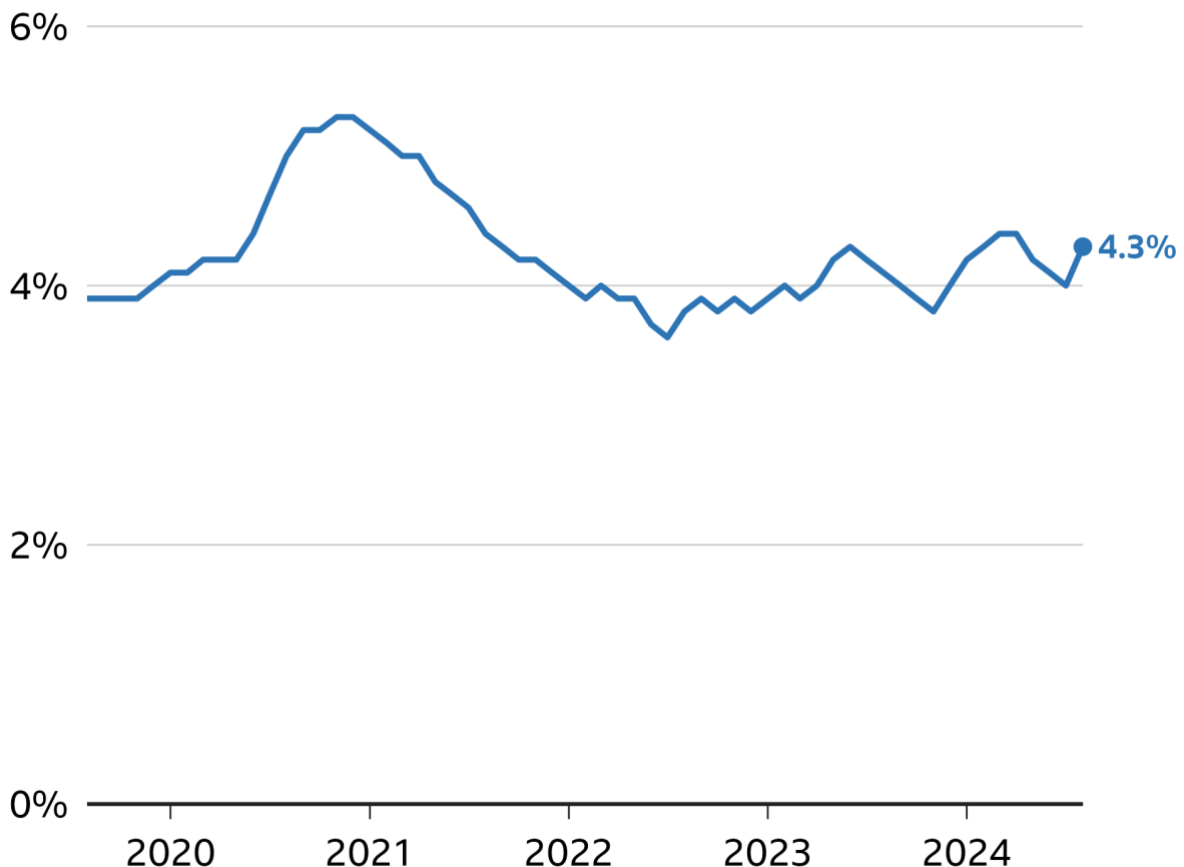
How many people are unemployed?

According to the latest figures from the Office for National Statistics (ONS), **4.3% of people were unemployed in the period between July and September 2024, external**, which is about 1.5 million people.

While this figure has risen over the last two years, unemployment remains relatively low by historical standards.

UK's unemployment rate

Unemployment rate for people aged 16 and over,
Jul-Sep 2019 to Jul-Sep 2024



Figures are adjusted to account for seasonal variation

Source: Office for National Statistics

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However, the unemployed represent only a small part of the nearly 11 million working-age people who don't have a paid job.

About 9.3 million of them are not called "unemployed". That is because they are not actively looking for work, or available to start a job.

Instead **people in this group are called "economically inactive", external.**

In fact, more of them say they want a job - 1.9 million people - than are officially unemployed - 1.5 million.

That means there are far more people who say they are available to or want to work than there are vacancies - 0.8 million.

And the **number of vacancies, external** has been falling consistently for the last two years.

Who isn't working - and why?

It varies according to age.

ONS figures for 2023 show that most of the 2.7 million "inactive" under-25s were students. The majority of them did not want a job.

You can see that in the graphic below. Click on the darker border surrounding any age group to see the split between men and women.

Things are different in other age groups.

Among 25- to 49-year-olds, 1.1 million people did not work because of caring responsibilities, about a million of whom are women.

Nearly one million people in this age group were not working because of illness - more evenly split between men and women.

The main reasons that 3.5 million over-50s were out of the job market were illness and early retirement. Almost nobody who retired early said they wanted to return to work.



IMAGE SOURCE, GETTY IMAGES

Around **half of people with disabilities, external** did not have a paid job, a rate that is more than double the rest of the working-age population.

Less than a quarter of those who were sick or caring said they wanted a job.

- **Sick people leaving workforce at record highs**

Does it matter that people aren't looking for work?

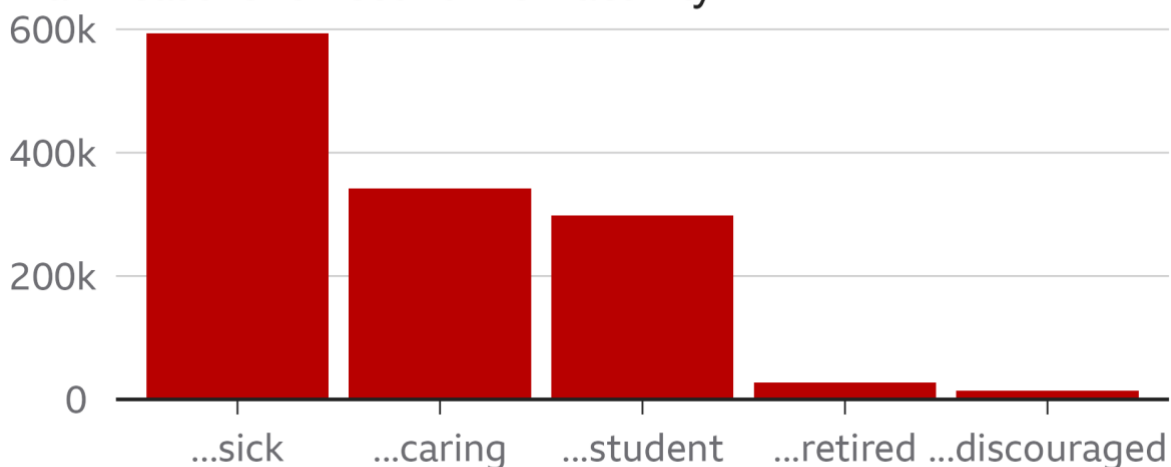
Many people are not looking for work because they are studying, caring or have retired.

Some people want to work but cannot, either because childcare is too expensive or they are not well enough.

As the chart below shows, caring responsibilities and ill-health are the most common reasons for inactivity given by those who would like a paid job.

I want paid work but I'm...

Main reasons for 'economic inactivity'



'Other' reasons for economic inactivity were given by 280,000 people

Source: ONS, annual figures for 2023

BBC

Image caption,

Chart on the reason inactive people wanting to work don't
The number of people not working has a broader effect.

A smaller workforce means the government raises less income tax and National Insurance, which it uses to pay for services like the NHS.

It may also spend more on benefits.

Since people on benefits generally have less money than those in work, it also means less spending on the high street.

That in turn is bad for businesses, and can affect how many people they employ, which can mean there are fewer jobs for those who do want to work.

How does the UK compare with other countries?

During the Covid pandemic, all major countries saw their workforce shrink.

But while many other leading economies have since recovered, the UK still has more people out of its workforce than it did in 2019.

There is a debate about how much of this is down to **problems with how we work out how many people are inactive, external**.

Before Covid, the UK's "inactivity rate" was the second lowest in **the G7 club of leading economies**, behind Japan.

The increase in the inactive population since then, if accurate, would now place the UK behind the US, France and Italy.

The independent **Office for Budget Responsibility, external** - which assesses how well the UK economy is doing - has suggested that ill-health has consistently been a bigger factor in the UK than in other advanced economies.

What is the government be done to get more people into work?

Prime Minister Sir Keir Starmer has **set out a plan to get two million more people into work**.

The proposals include:

- overhauling the health and disability benefits system to better support people to get jobs and stay in work
- rebranding job centres as the National Jobs and Careers Service
- offering every 18 to 21-year-old in England an apprenticeship, training or education opportunities or help to find a job as part of a new "Youth Guarantee"
- an independent review of what UK employers are doing to promote health and inclusive workplaces
- providing more money for the North East, South Yorkshire and West Yorkshire to stop people leaving work because of ill health
- expanding mental-health support and efforts to tackle obesity.

The prime minister said the reforms would "put an end to the culture of blaming and shaming people who for too long haven't been getting the support they need to get back to work".

But many details of what they will mean in practice have not been confirmed, and a review of sickness benefits will not begin until 2025.

The proposals follow widespread criticism from businesses that **the increase in National Insurance announced in the Budget**, coupled with **the rise in the minimum wage**, will make it harder for them to create new jobs.

Companies warn this will undermine the government's goal of increasing the working population.

- **Tough decisions ahead in PM's push to get people into work**

- **'I want to get a job but I don't know how'**

Data visualisation by Callum Thomson.