



Research Note

September 2007

Briefing Note 2

UNEMPLOYMENT AND ETHNICITY

The ethnicity of unemployment benefit claimants was published for the first time in November 2006. This briefing paper aims to raise awareness of the new data source, give an overview of the data, and show the calculation of rates in the absence of official rates and the variations in unemployment by ethnic group in Sandwell.

Introduction

The Office for National Statistics (ONS) has published unemployment, or Job Seekers Allowance (JSA), benefit claimants data for many years, but ethnicity information has not been available during this time. In November 2006, the *ethnicity* of JSA benefit claimants was published for the first time. This data fills a significant gap in the published information on JSA claimants.

The Difference Between Claimant Count Unemployment and ILO Unemployment

Claimant count unemployment is known to undercount the true numbers of unemployed as it excludes those who are looking for work but are not eligible to claim unemployment benefits. Consequently, from April 1998 the Government stopped using claimant count unemployment as the 'official' measure of unemployment and began to use the ILO (International Labour Organisation) definition which includes job seekers who are not eligible to claim unemployment benefit. This is collected through *the Labour Force/Annual Population Survey*. Although there is a large amount of overlap between the two, ILO unemployment is based on a sample survey and is therefore subject to sampling error, it is not available for small areas below local authority level and it is only available quarterly (the latest available at July 2007 is for September 2006). It *is* available by ethnic group but the figures are subject to wide sampling variability and are therefore not reliable and for some groups the data is suppressed because the numbers are too small. Thus, claimant count unemployment is still a very useful measure of unemployment as it is an actual count and is up to date.

The Ethnicity Dataset

The ethnicity information is categorised in the same way as for the 2001 Census, but there are two additional categories, 'prefer not to say' and 'unknown', therefore the data does not provide a complete picture of the ethnic distribution of JSA claimants. The dataset is released monthly, but is a month in arrears of the usual claimant count and excludes non-computerised claims, so totals do not match the 'headline' claimant count figures. Figures are available at local authority

level but not at smaller geographical levels, and are backdated to April 2005. They are rounded to the nearest five.

The data in this paper have been extracted from the NOMIS website¹. This is the recommended source for this data. The Department for Work and Pensions (DWP) also publishes JSA claimant count information² however, there are slight differences between the two data sources, due largely to timing differences (different count days) and different statistical disclosure control methods.

Table 1 shows the annual average claimant unemployment by ethnic group for Sandwell between May 2006 and April 2007. Percentages shown are of total JSA claimants. The ethnic origin of about 12% of claimants is not available (categorised as 'prefer not to say' or 'unknown').

Table 1. Unemployment claimant count by ethnicity, Annual Average, May 2006 to April 2007

	No. of Claimants	% of total Claimants
White	5390	61.6
Mixed	192	2.2
Indian	717	8.2
Pakistani	371	4.2
Bangladeshi	144	1.6
Other Asian	43	0.5
Black total	643	7.3
Chinese	6	0.1
Other	208	2.4
Prefer not to say	915	10.5
Unknown	120	1.4
Total	8751	100

Original figures are rounded to the nearest 5.

Figures in 'Chinese' category are very small and therefore rounding has a significant effect.

Source: ONS, Crown Copyright, from NOMIS.

Calculation of Rates

ONS do not publish any official JSA claimant unemployment rates by ethnicity. Therefore, a denominator has to be selected to produce an unofficial rate. There are two main sources of data for the denominators. One is the 2001 Census, the other is the ONS Experimental Population Estimates by Ethnic Group. The status of the latter as 'experimental' means that they have not yet been shown to meet the high quality criteria for National Statistics and will likely undergo further development. However, they have been used as the denominator for JSA claimant ethnicity rates at a national level by ONS³ and are therefore regarded as being of sufficient quality to inform the figures reported here.

Table 2 shows working age population by ethnic group from the 2001 Census and from the Experimental Population Estimates for 2001 and 2004.

¹ <http://www.nomisweb.co.uk>

² <http://www.dwp.gov.uk/asd/tabtool.asp>

³ In *Economic and Labour Market Review* (Vol. 1, No. 2, February 2007).

Table 2. Working age population 2001 Census and 2004 Population estimates

	2001 Census	2004 Popn		%
	Aged 16-59/64	Estimates*	Difference	Difference
	Aged 16-59/64	Aged 16-59/64		
All Ethnic Groups	167750	171900		
White	132752	133100	348	0.3
Mixed	2199	2800	601	27.3
Indian	17245	18000	755	4.4
Pakistani	4778	5300	522	10.9
Bangladeshi	1893	2100	207	10.9
Other Asian	1281	1400	119	9.3
Asian Total	25197	26900	1703	6.8
Black or Black British	6852	7700	848	12.4
Chinese	355	600	245	69
Other Ethnic Group	395	700	305	77.2

*The Estimates are rounded to the nearest 100.

Sources: 2001 Census, 2004 Experimental Population Estimates by Ethnic Group, ONS.

A comparison of the 2001 Census figures and the ONS experimental estimates for 2004 show an increase in the working age population in all groups. The largest numerical increases are in Black, Indian, Mixed and Pakistani groups. The largest proportional increases are in the Other, Chinese and Mixed groups. The small numbers in these three groups, particularly in the Chinese and Other groups make the calculation of unemployment rates less reliable. The effect of the different denominators on the unemployment rates is shown in Table 3 and Chart 1 below.

Table 3. Claimant Unemployment Rate using the 2001 Census and 2004 Population Estimates

	2001 Census	2004 Estimates
	Rate	Rate
All Ethnic Groups	5.2	5.1
White	4.1	4.0
Mixed	8.7	6.9
Indian	4.2	4.0
Pakistani	7.8	7.0
Bangladeshi	7.6	6.9
Other Asian	3.4	3.1
Black	9.4	8.4
Chinese	1.7	1.0
Other Ethnic Group	52.7	29.7

Based on working age population 16-59/64

Sources: 2001 Census, 2004 Experimental Population Estimates by Ethnic Group, ONS.

Chart 1. JSA Claimants by Ethnic Group, Annual Average May 2006-April 2007, Comparison of Denominators

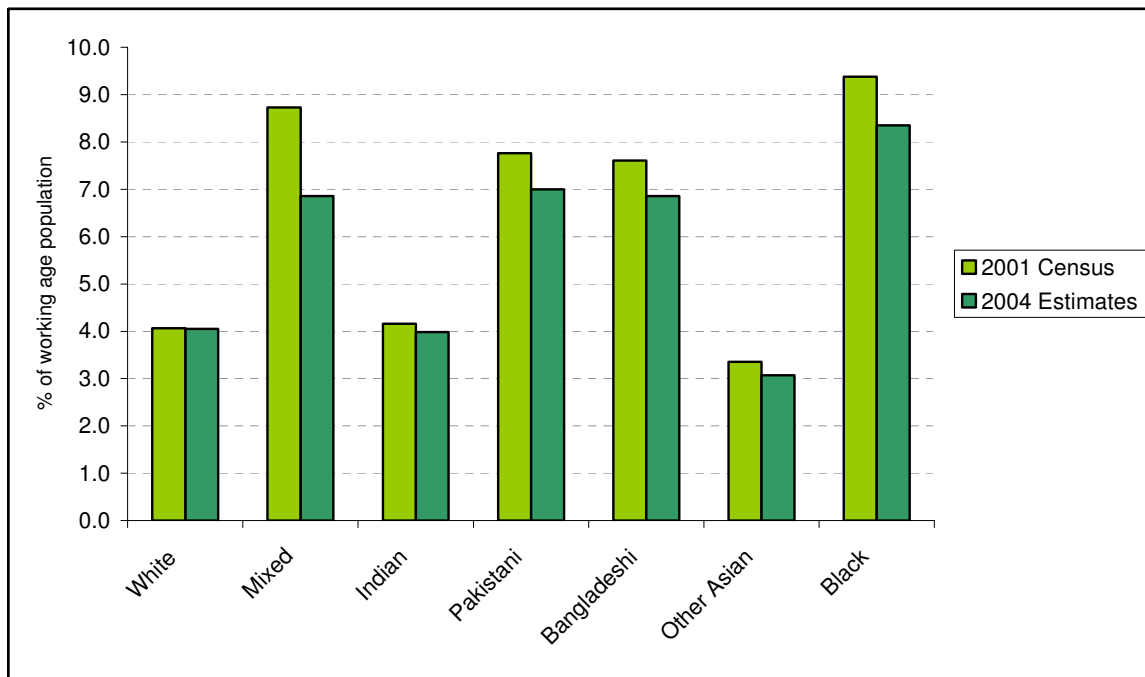


Chart Excludes Chinese and Other Group

N.B. The population estimates do not have equivalent categories for 'prefer not to say' and 'unknown'.

Sources: 2001 Census, 2004 Population Estimates, ONS.

Chart 1 shows the annual average unemployment rate between May 2006 and April 2007 by ethnic group using the two denominators. The rates for the white group in each case are almost the same; this is because the higher absolute numbers in this group absorb the comparatively small increase between the two data sets. The rates for the Indian group are also similar. In the other ethnic groups the rates using the 2004 experimental estimates all show a lower unemployment rate than when using the 2001 Census denominator. This is because the 2004 experimental population estimates show a larger working age population in all ethnic groups than at the 2001 Census. Despite these differences however, the overall pattern of unemployment by ethnic group remains the same whichever denominator is used.

Unemployment Rates of Ethnic Groups

Table 3 shows that the 'Other' ethnic group has by far the largest JSA claimant unemployment rate using either method of calculation (Table 3). However, the denominator for this group is very small⁴. It is impossible to determine the reason for the high rates in this group without further primary research.

The *Black* ethnic group has the next highest proportion of their working age population claiming JSA, followed by the *Mixed* group. The *Pakistani* and *Bangladeshi* rates are the next highest and are very similar, while the *Other Asian* group is much lower. The *White* and *Indian* groups

⁴ There are a number of possible reasons why this figure may be an underestimate, for example, that perhaps groups of *Other* ethnicity are less likely to fill in Census questionnaires, and are therefore less likely to be properly represented, or it may be that neither denominator includes the large numbers of migrants who have recently come into the country.

are also similar at around 4%, while the *Chinese* group has the lowest proportion of the working age population claiming JSA.

The rates for *Chinese* and *Other* groups are hereafter excluded from the analysis of unemployment rates in this document due to the unreliability of the figures.

A comparison of the ethnic group unemployment rates using the 2004 population estimates for Sandwell with the regional and national figures is shown in Chart 2. The Black population has the highest unemployment rate of those groups shown on the graph, and this is consistent regionally and nationally. All groups have higher unemployment in Sandwell than nationally but two groups have a higher proportion regionally than in Sandwell, these are the *other Asian* and *Black* groups. Also, while *Pakistani* and *Bangladeshi* groups have similar unemployment rates within Sandwell, the *Bangladeshi* group has a higher unemployment rate than the *Pakistani* group nationally.

Chart 2. JSA Claimants by Ethnic Group, Annual Average, May 2006 to April 2007 Sandwell, West Midlands and England (using 2004 estimates as denominators)

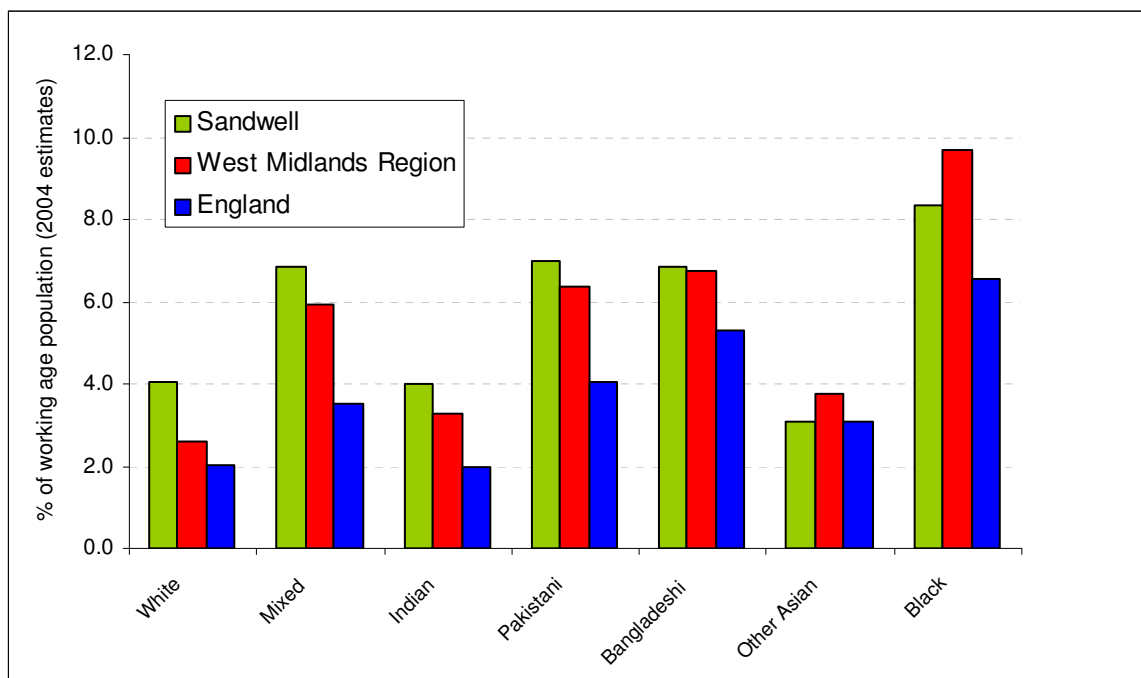


Chart excludes 'Chinese' and 'Other' categories.

N.B. The population estimates do not have equivalent categories for 'prefer not to say' and 'unknown'.

Sources: 2004 Population Estimates, ONS, Crown Copyright, from NOMIS.

A geographical comparison of claimant unemployment by ethnic group between Sandwell and its neighbouring Boroughs can be seen in Map1, or if you are reading this document electronically, you can access an interactive version of this map by clicking [here](#). The *Black* group has the highest unemployment rate in all five Boroughs, as well as regionally and nationally, but is particularly high in Birmingham and Wolverhampton. Wolverhampton also has a particularly high unemployment rate among the *Mixed* group, but a relatively low rate among the *Pakistani* and *Bangladeshi* population. Otherwise the five Boroughs show similar rates of unemployment by ethnic group.

Long-term Unemployment

The ethnic group JSA claimant data is also available by age and duration. The *Black* ethnic group has the highest proportion claiming for over a year. The *White* group has the next highest proportion, followed by the *Mixed* group. The Asian groups have lower proportions of long-term unemployed. The long-term unemployed generally are more likely to be older, to be men and to be low skilled.

Chart 3. Unemployed for over one year by Ethnic Group, Sandwell, Annual Average May 2006 – April 2007

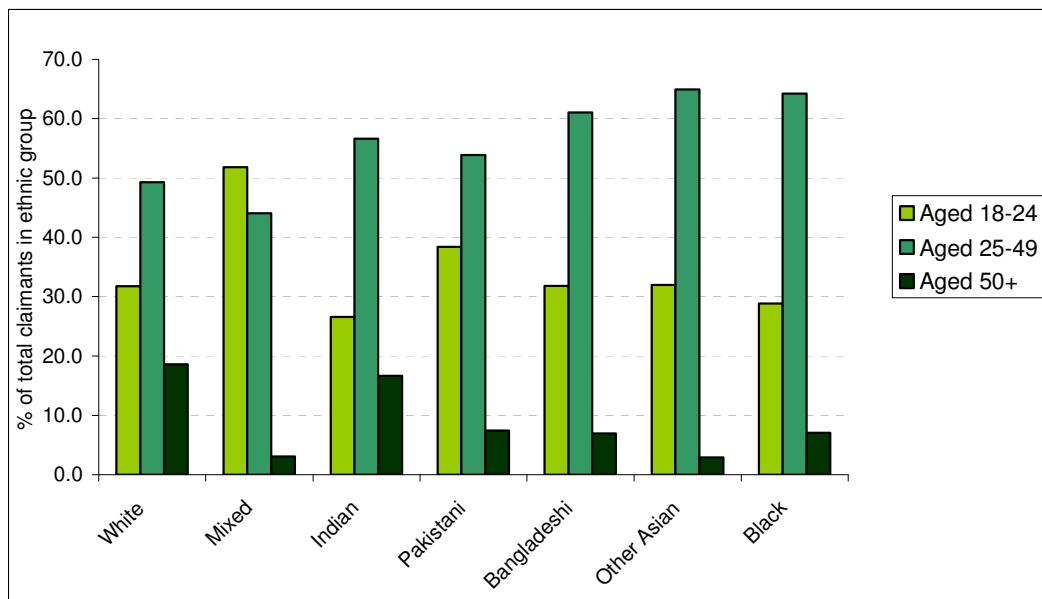


Source: ONS, Crown Copyright, from NOMIS.

JSA Claimants by Age

A comparison of the age profile of JSA claimants by ethnic group shows that the highest proportion of young unemployed (age 18-24) is in the *Mixed* ethnic group, the lowest proportion is in the *Indian* group. The highest proportions in the older age group (50+) are in the *White* and *Indian* groups (see Chart 4).

Chart 4. Ethnic Group of JSA Claimants by Age, Sandwell, Annual Average May 2006 – April 2007

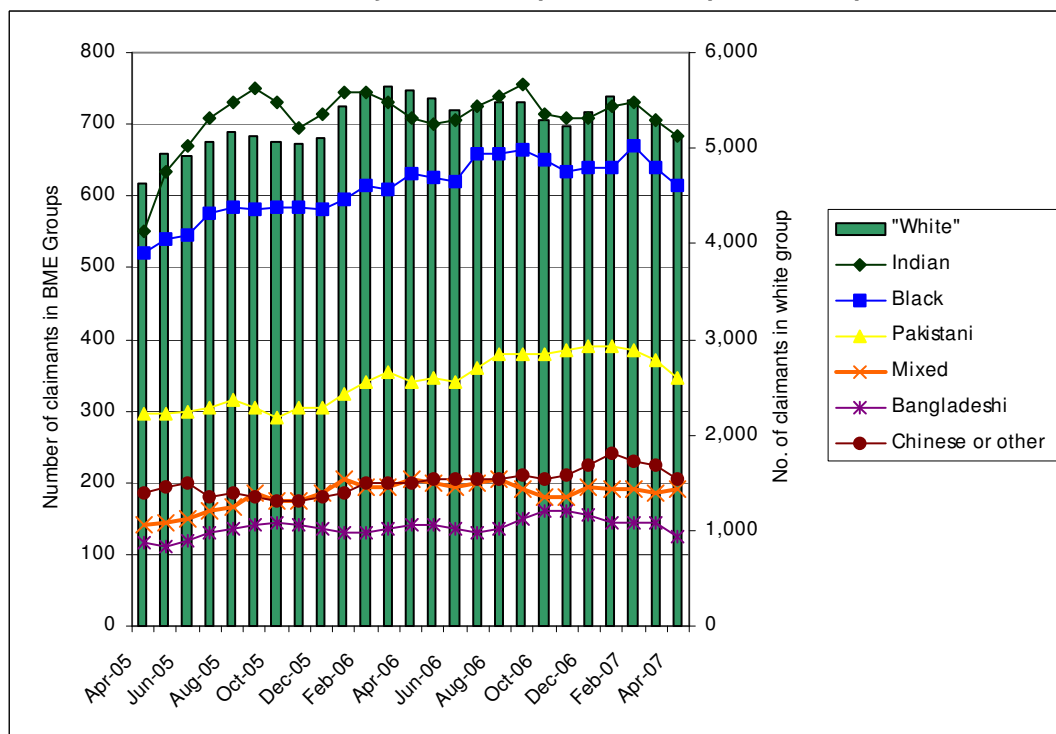


Source: ONS, Crown Copyright, from NOMIS.

Time Series

Chart 5 shows the number of claimants by ethnic group over a two-year period from April 2005 to April 2007. Over this period, the claimant unemployment rate of all groups has shown a slight increase, but with a downward trend during the beginning of 2007. However, there are some slight differences between groups. The *Black* and *Pakistani* groups have shown a fairly steady increase until 2007 while *Mixed*, *Bangladeshi* and *Chinese and Other* are relatively flat. The *Indian* and *White* groups show more marked fluctuations.

Chart 5. Number of claimants by Ethnic Group, Sandwell, April 2005 – April 2007



Source: ONS, Crown Copyright, from NOMIS.

Bars as opposed to lines depict the white group as it requires a different scale (shown on the right axis) because of the larger numbers in this group.

The analysis of JSA claimants by ethnic group above has highlighted significant differences in unemployment between groups. (It should be borne in mind however, that the data does not give an ethnic group for approximately 12% of claimants). It has also indicated a need for further monitoring of, and research into, unemployment among the population whose ethnic group is classed as *Other*.

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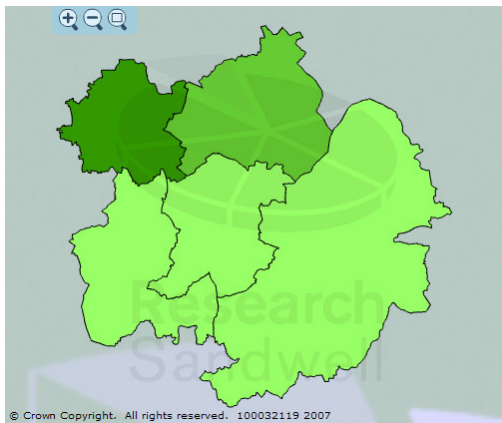
Research Sandwell



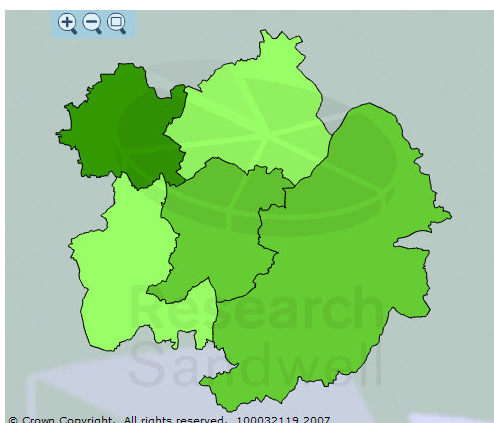
APPENDIX

Claimant count unemployment May 06 – April 07, by broad ethnic group

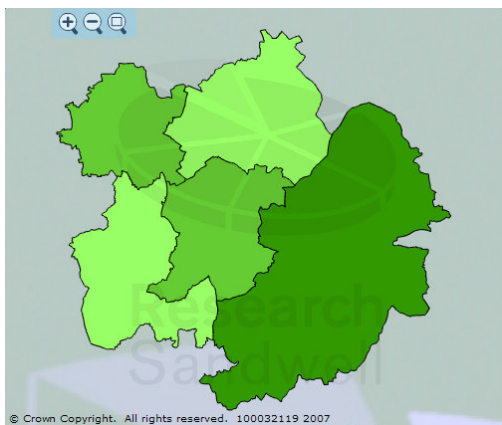
The images below are screenshots from an interactive map, which can be viewed online by clicking [here](#).



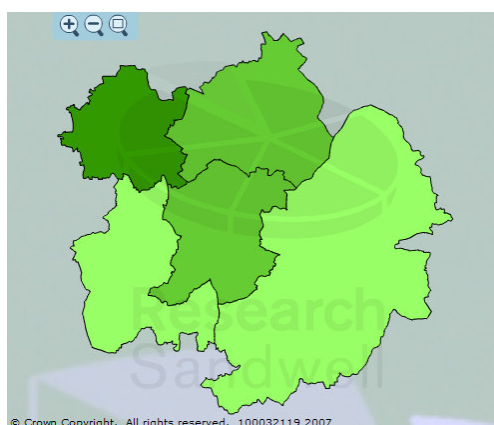
White



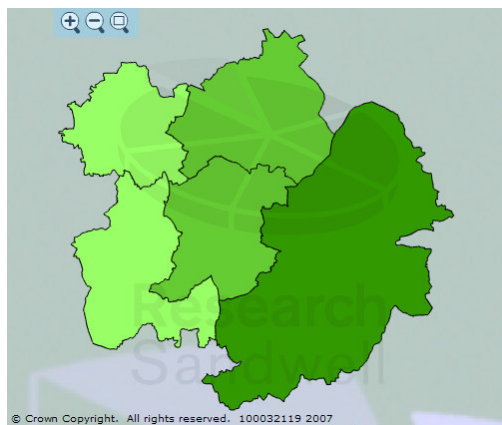
Mixed



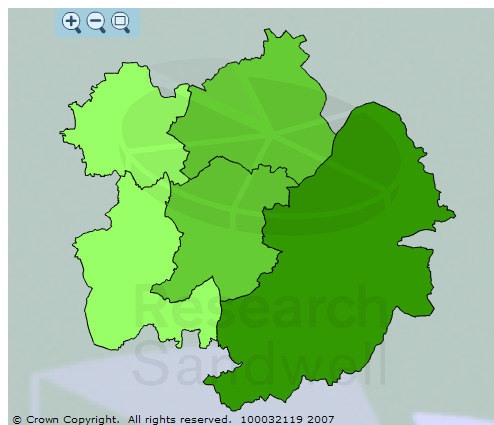
Black



Indian



Pakistani



Bangladeshi