

5 Economic Activity

Main Findings

Almost every other adult of 16-64 year olds was employed full time in 2016 (48 per cent).

Since 1999, the proportion of working-age adults employed full-time has been stable at around 45 per cent. Recently this has increased from 45 per cent in 2012 to 48 per cent in 2016. Part time employment has remained stable over time, at around 12 per cent in 2016. During this time, the proportion of working-age adults looking after the home or family decreased from nine to seven per cent while the number of working-age adults being self-employed increased from six to eight per cent.

Over seven in ten (71 per cent) adult men of 16-64 year olds were currently engaged in some form of paid work.

A higher proportion of men (59 per cent) than women (49 per cent) were currently in work. Women were more likely to be in part-time employment than men (15 compared with 4 per cent). In contrast, self-employment was more common among men than women (eight and four per cent, respectively).

In 2016, 52 per cent of 16-64 year olds adults in households earning over £40,000 had degree level or professional qualifications, while only three per cent had no qualifications.

There was a relationship between the highest level of qualification and full time employment, with those who have attained degree level or professional qualifications having the highest proportion in full-time employment (59 per cent). In contrast, 26 per cent of adults with no qualifications were in full time employment.

Around one in six (17 per cent) adults had no qualifications, with those aged 75 and over least likely to have qualifications (47 per cent).

5.1 Introduction and Context

The Scottish Government is committed to improving the economic situation and opportunity of people in Scotland, through sustainable economic growth⁴³. The Scottish Household Survey (SHS) gathers information about the current economic situation and the characteristics of individuals and households in different economic activity categories.

The information gathered in the SHS about the current economic situation of members of the household is reported by the respondent in the 'household' part of the interview and may not conform to official definitions of employment and unemployment. The SHS has questions on these topics only for selecting the data of particular groups, such as working adults⁴⁴ or those who are permanently retired from work, for further analysis or for use as background variables when analysing other topics.

The official source of statistics on employment, unemployment and economic activity is the Labour Force Survey for Scotland and the Annual Population Survey at a local authority level. Results from both surveys are available from the Scottish Government website⁴⁵.

[Scotland's Labour Market Strategy](#) provides a framework for our approach to the labour market. It described the actions to be taken forward and how this approach will help to drive inclusive growth.

In this chapter, the current economic situation of adult men and women is considered. This is followed by an examination of the economic situation of working households, starting with the number of working adults within households. In households with adults of 16-64 year olds⁴⁶, the current economic situation is further analysed by gender and whether an adult has a long standing illness, health problem or disability. Finally, this chapter explores the current economic situation of women of 16-64 year olds, specifically investigating the impact of whether there are children present in the household.

⁴³ Scotland's Economic Strategy (March 2015) <http://www.gov.scot/Publications/2015/03/5984>

⁴⁴ Refer to Glossary for further definitions of the working age population.

⁴⁵ www.gov.scot/Topics/Statistics/Browse/Labour-Market

⁴⁶ Defined as 16-64 for males and females

5.2 Highest Qualification Level

- The proportion of those with a degree or professional qualification was highest in the 25 to 34 and 35 to 44 age categories
- Just around one in six adults had no qualifications. Of these, the highest proportion was in the 75 and over age group, with around half having no qualifications
- As income increased, the proportion of working-age adults with a degree or professional qualification increased

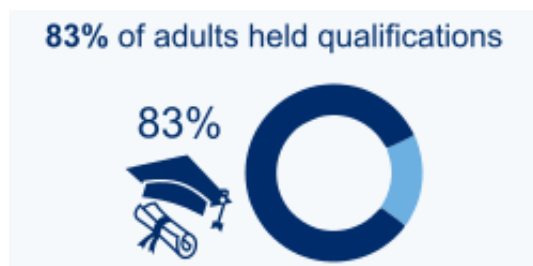


Table 5.1 shows that the proportion of those with a degree or professional qualification was highest in the 25 to 34 and 35 to 44 age categories (43 and 39 per cent, respectively) and can then be seen to decrease by increasing age group. The proportion of adults with degree level or professional qualifications was lowest for those aged 16 to 24 (17 per cent), but this is likely to be because many adults in this age category were in higher or further education and had therefore not completed degree qualifications.

In contrast, just around one in six adults (17 per cent) had none of the qualifications listed below. Of these, the highest proportion was in the 75 and over age group, with around half (47 per cent) having no qualifications.

Table 5.1: Highest level of qualification held by gender and age

Column percentages, 2016 data

| Adults | Male | Female | 16 to 24 | 25 to 34 | 35 to 44 | 45 to 59 | 60 to 74 | 75 plus | All |
|---------------------------------------|-------|--------|----------|----------|----------|----------|----------|---------|-------|
| Degree, Professional Qualification | 30 | 30 | 17 | 43 | 39 | 32 | 26 | 18 | 30 |
| HNC/HND or equivalent | 11 | 11 | 13 | 14 | 14 | 13 | 7 | 3 | 11 |
| Higher, A level or equivalent | 18 | 15 | 36 | 15 | 16 | 15 | 12 | 6 | 17 |
| No qualifications | 16 | 18 | 6 | 7 | 8 | 15 | 28 | 47 | 17 |
| O Grade, Standard Grade or equivalent | 20 | 19 | 26 | 19 | 21 | 22 | 17 | 8 | 20 |
| Other qualification | 4 | 5 | 1 | 1 | 1 | 2 | 10 | 16 | 4 |
| Qualifications not known | 1 | 1 | 1 | 0 | 1 | 1 | 1 | 2 | 1 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Base | 4,400 | 5,240 | 730 | 1,270 | 1,480 | 2,380 | 2,450 | 1,330 | 9,640 |

Links between degree level qualifications and higher incomes can be seen among working-age adults ⁴⁷ (Table 5.2). In 2016, as income increased, the proportion of working-

⁴⁷ Adults aged over 16

age adults with a degree or professional qualification increased while conversely, the proportion with no qualifications decreased (Figure 5.1).

Table 5.2: Highest level of qualifications held by working-age adults by net annual household income

Column percentages, 2016 data

| Adults | £0 - £6,000 | £6,001 - £10,000 | £10,001 - £15,000 | £15,001 - £20,000 | £20,001 - £25,000 | £25,001 - £30,000 | £30,001 - £40,000 | Over £40,000 | All |
|---------------------------------------|----------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------|-------|
| Degree, Professional Qualification | 29 | 17 | 17 | 18 | 28 | 22 | 34 | 52 | 33 |
| HNC/HND or equivalent | 10 | 10 | 10 | 12 | 15 | 13 | 15 | 13 | 13 |
| Higher, A level or equivalent | 23 | 19 | 17 | 21 | 17 | 22 | 20 | 17 | 19 |
| O Grade, Standard Grade or equivalent | 18 | 30 | 29 | 27 | 21 | 31 | 22 | 13 | 22 |
| Other qualification | 0 | 4 | 2 | 3 | 3 | 1 | 2 | 1 | 2 |
| No qualifications | 17 | 20 | 24 | 19 | 16 | 10 | 7 | 3 | 11 |
| Qualifications not known | 2 | 1 | 1 | 0 | 1 | 1 | 0 | 0 | 1 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Base | 180 | 440 | 870 | 850 | 820 | 680 | 1,060 | 1,590 | 6,480 |

Figure 5.1: Highest level of qualifications held by working-age adults by net annual household income

2016 data, Adults (base: 6,480)

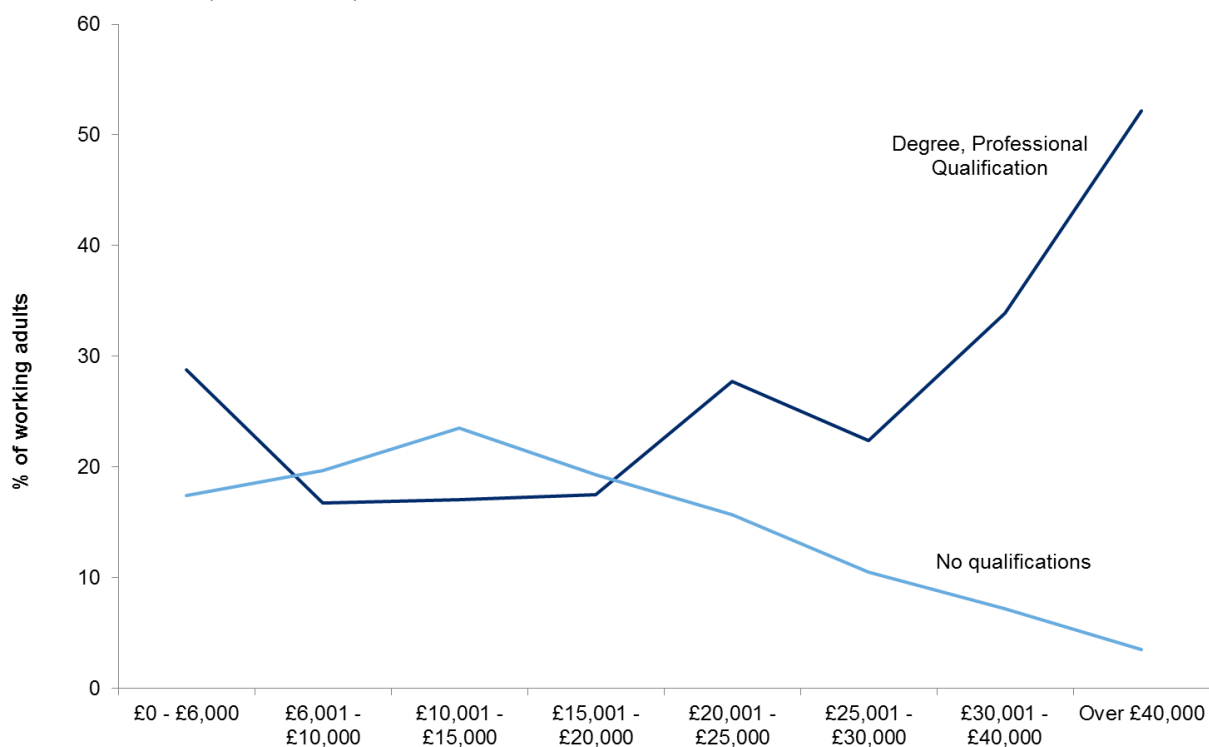
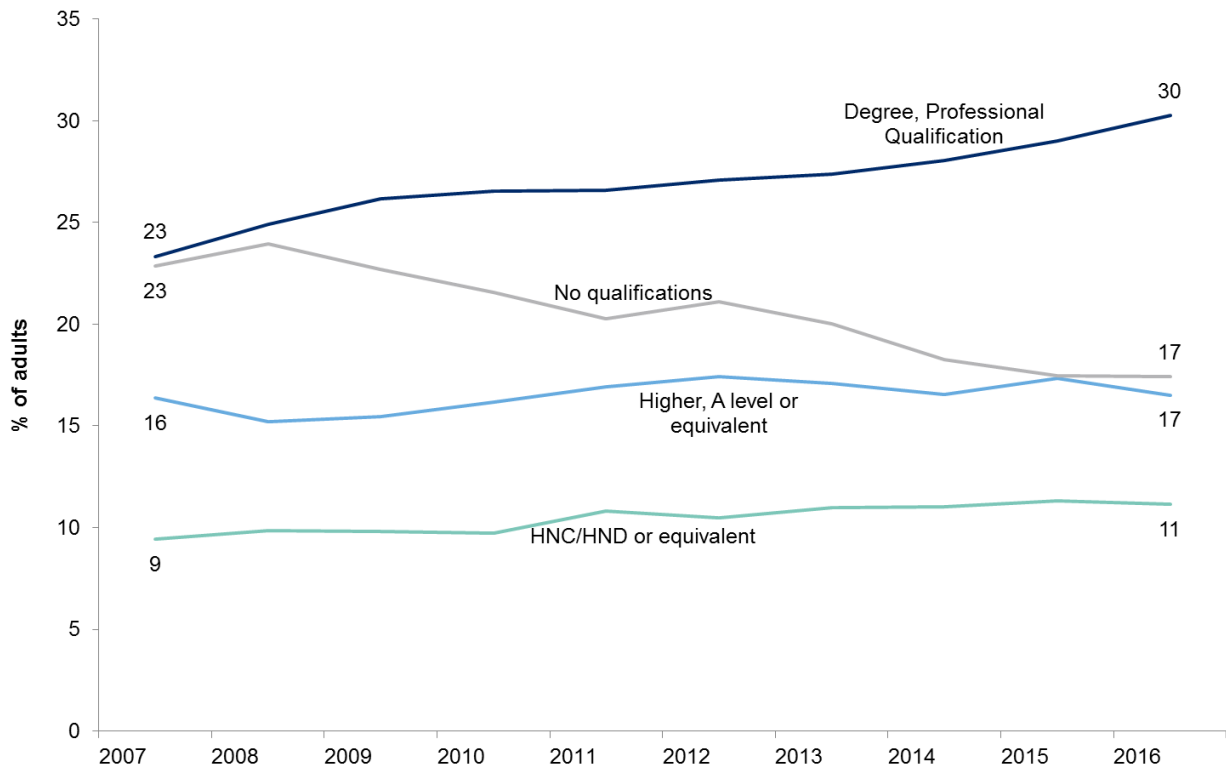


Figure 5.2: Highest level of qualifications held by adults over time
 2016 data, Adults (base: 9,410)



The number of adults without any qualifications has decreased from 23 per cent in 2008 to 17 per cent in 2016 while the number of adults with a degree or professional qualification has increased from 23 per cent in 2007 to 30 per cent in 2016. The proportion of adults with other types of qualifications has been largely stable.

5.3 Current Economic Situation

Variation by gender

- A higher proportion of men compared to women were 'currently in work'
- Since 1999, the number of men in work has been far greater than the number of women in work. This gap has narrowed to around nine per cent in 2009 and has been stable since then
- Men were more likely to be full-time employed or self-employed
- Women were more likely to be part-time employed or looking after the home or family

A higher proportion of men (59 per cent) compared to women (49 per cent) were 'currently in work'. In 2016, this is demonstrated in Table 5.3, with some of the key differences picked out and displayed graphically in Figure 5.3, which shows that men were more likely to be full-time employed or self-employed, while women were more likely to be part-time employed or looking after the home or family.

Table 5.3: Current economic situation of adults aged 16 and over

Column percentages, 2016 data

| Adults | Male | Female | All |
|----------------------------------|-------|--------|-------|
| Self employed | 8 | 4 | 6 |
| Employed full time | 46 | 29 | 37 |
| Employed part time | 4 | 15 | 10 |
| Looking after the home or family | 1 | 9 | 5 |
| Permanently retired from work | 22 | 27 | 25 |
| Unemployed and seeking work | 5 | 2 | 3 |
| Education/training | 8 | 8 | 8 |
| Permanently sick or disabled | 4 | 3 | 4 |
| Other | 1 | 1 | 1 |
| Total | 100 | 100 | 100 |
| Base | 4,400 | 5,240 | 9,640 |

Figure 5.3: Current economic situation of adults aged 16 and over by gender
2016 data, Adults (min base: 4,400)

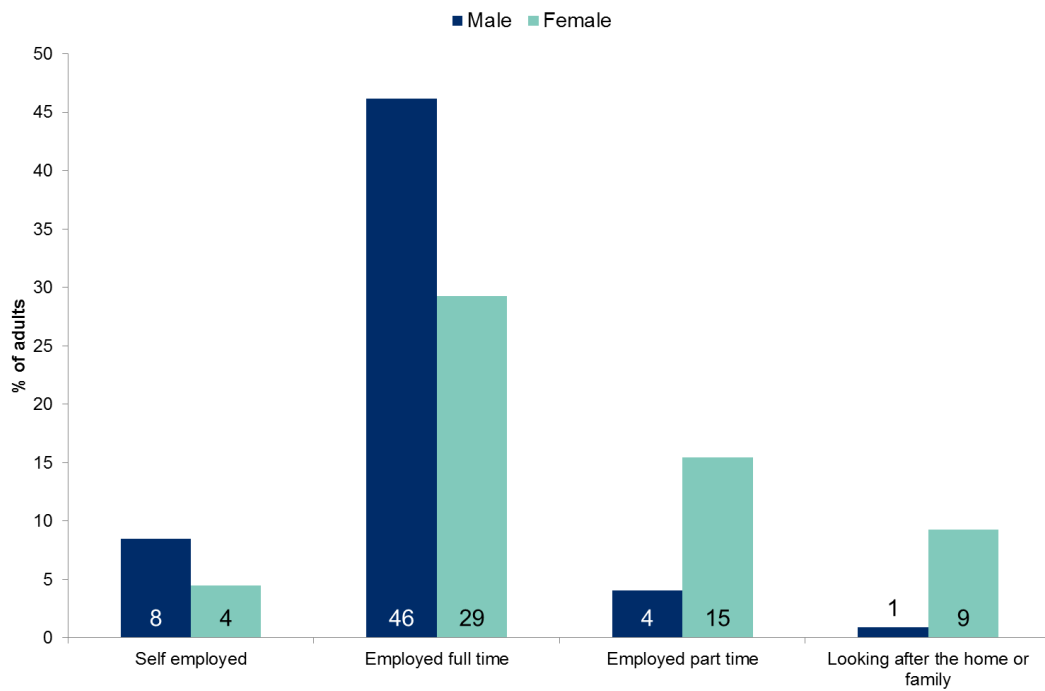
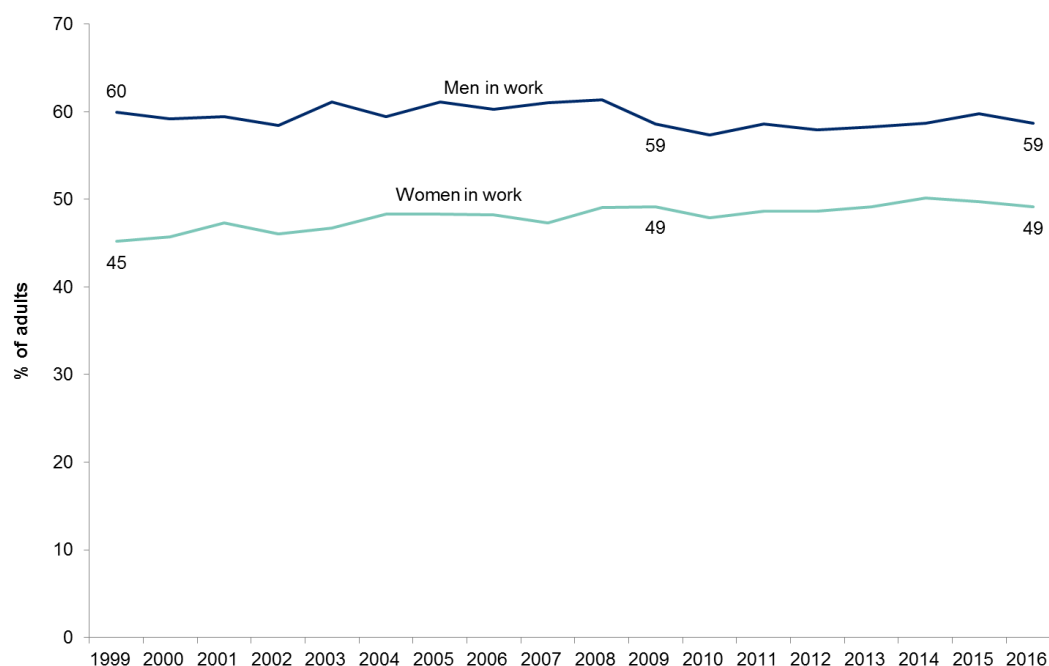


Figure 5.4 shows how the proportion of men and women in work changed over time. The number of men in work has been far greater than the number of women in work, in 1999 this was 60 and 45 per cent respectively. This gap has narrowed to around nine per cent in 2009 and has been stable since then.

Figure 5.4: Adults currently in work over time

1999 - 2016 data, Households (minimum base: 9,400)



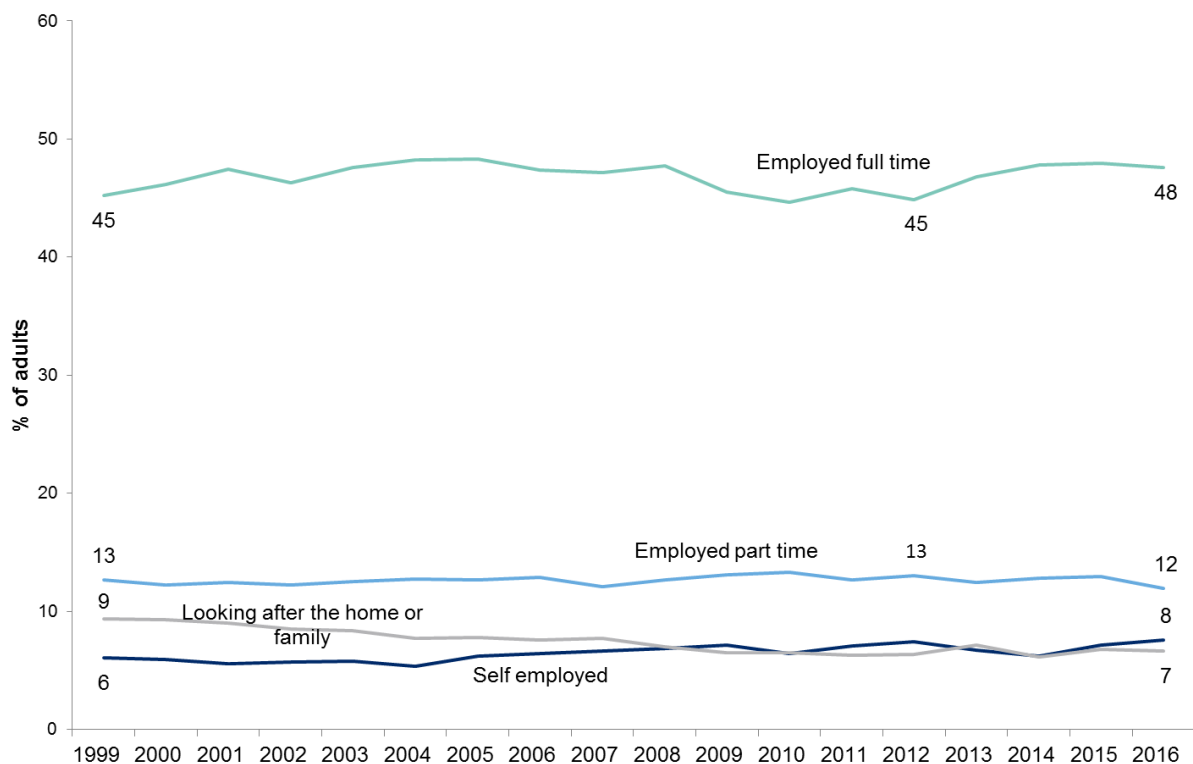
5.3.1 Current Economic Situation of 16-64 year olds Adults

- Almost every other adult aged between 16 and 64 years is employed full time.
- Since 1999, the proportion of working-age adults employed full-time has been stable at around 45 per cent until 2012 when a steady increase has been evident.
- Since 1999, the proportion of working-age adults employed part time has been stable.
- The proportion of working-age adults looking after the home or family has decreased over time.
- The number of working-age adults being self-employed has increased over time.

Variation by age

Figure 5.5 shows the current economic situation of adults of 16-64 year olds (16 – 64) over time. Almost every other adult aged between 16 and 64 years is employed full time (48 per cent). For the duration of the survey, since 1999, the proportion of working-age adults employed part time has been stable, at around 12 per cent in 2016. During this time, the proportion of working-age adults looking after the home or family decreased from nine to seven per cent while the number of working-age adults being self-employed increased from six to eight per cent.

Figure 5.5: Current economic situation of adults of working age by year
 1999 - 2016 data, Households (minimum base: 6,590)



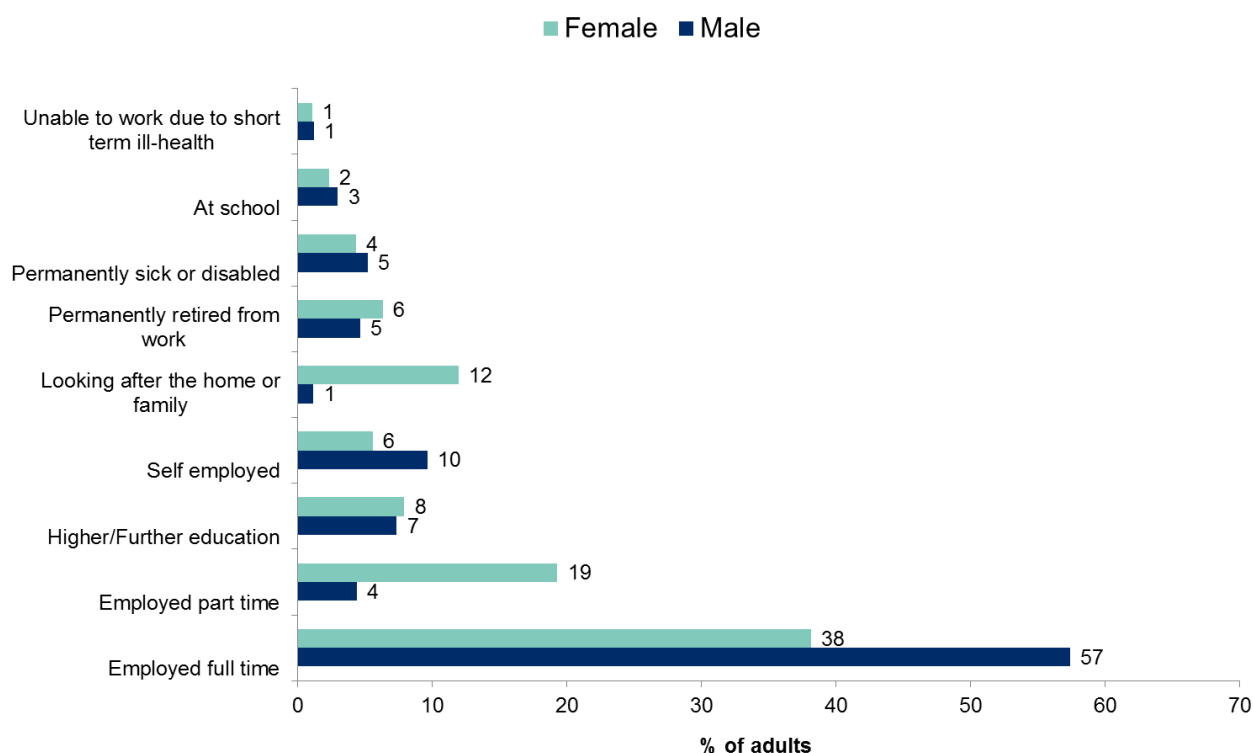
Variation by gender

- Men of 16-64 year olds were more likely to be employed in paid work compared to women.
- Over seven in ten adult men of 16-64 year olds were currently engaged in some form of paid work.
- 63 per cent of 16-64 year olds women were in some form of paid work. However, there was greater variation in how women were employed.

Figure 5.6 shows that men of 16-64 year olds were more likely to be employed in paid work compared to women. Men were employed predominantly either full-time (57 per cent) or were self-employed (10 per cent). Taken together with the relatively small proportion of 16-64 year olds men employed part-time, this means that over seven in ten (71 per cent) adult men of 16-64 year olds were currently engaged in some form of paid work.

Figure 5.6: Current economic situation of adults of 16-64 year olds by gender

2016 data, Households (minimum base: 3,110)



In comparison, 63 per cent of 16-64 year olds women were in some form of paid work. However, there was greater variation in how women were employed. Full-time employment was the most common type of employment and accounted for 38 per cent of 16-64 year olds women. However, unlike men, the next most common option among women was part-time employment which accounted for 19 per cent of 16-64 year olds women.

It was relatively uncommon for men or women of 16-64 year olds to be permanently retired from work (5 per cent males; 6 per cent females). This is likely to have under-represented all those who have taken early retirement as some who do so will subsequently take up other employment opportunities.

Qualification and economic activity

- Those who had attained degree level or professional qualifications having the highest proportion in full-time employment.

There was a relationship between the highest level of qualification and full time employment (Table 5.4), with those who had attained degree level or professional qualifications having the highest proportion in full-time employment (59 per cent). In contrast, 26 per cent with no qualifications were in full time employment. This group also had the highest proportion (20 per cent) who were permanently sick or disabled.

Table 5.4: Current economic situation of adults of 16-64 year olds by highest level of qualification

Column percentages, 2016 data

| Working age adults (16-64) | Degree, Professional Qualification | HNC/HND or equivalent | Higher, A level or equivalent | O Grade, Standard Grade or equivalent | Other qualification | No qualifications | Qualifications not known | All |
|----------------------------------|------------------------------------|-----------------------|-------------------------------|---------------------------------------|---------------------|-------------------|--------------------------|-------|
| Employed full time | 59 | 51 | 44 | 44 | 35 | 26 | * | 48 |
| Employed part time | 10 | 14 | 12 | 14 | 13 | 10 | * | 12 |
| Self employed | 9 | 10 | 8 | 6 | 4 | 6 | * | 8 |
| Higher/Further education | 6 | 9 | 16 | 5 | 2 | 1 | * | 8 |
| Looking after the home or family | 5 | 6 | 5 | 8 | 12 | 12 | * | 7 |
| Permanently retired from work | 7 | 3 | 4 | 4 | 13 | 7 | * | 5 |
| Permanently sick or disabled | 1 | 2 | 2 | 5 | 8 | 20 | * | 5 |
| Unemployed and seeking work | 2 | 4 | 3 | 6 | 9 | 10 | * | 4 |
| At school | 0 | - | 5 | 6 | - | 4 | * | 3 |
| Unable to work due to short term | 0 | 1 | 1 | 2 | 2 | 3 | * | 1 |
| Other | 0 | 0 | - | 0 | - | 0 | * | 0 |
| Government work/training scheme | 0 | - | 0 | 0 | 1 | 0 | * | 0 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Base | 2,160 | 850 | 1,160 | 1,520 | 120 | 830 | 30 | 6,680 |

Health and economic situation

- Those with limiting health issues were less likely to be in full-time employment.

It is possible to compare the differing economic situations of the adults with limiting long-term conditions with the rest of the population (Table 5.5). In 2016, a quarter (25 per cent) of adults of 16-64 year olds with a long-standing physical or mental health condition or illness were permanently sick or disabled and around the same proportion (24 per cent) was in full-time employment.

In comparison, over a half (53 per cent) of 16-64 year olds adults who did not report having long-standing physical or mental health condition or illness were in full-time employment. When excluding those who are permanently sick or disabled, the proportion of people with limiting health issues who were in full-time employment rises to 32 per cent.

Table 5.5: Current economic situation of adults of 16-64 year olds by whether they have a long-standing physical or mental health condition or illness

Column percentages, 2016 data

| Working age adults (16-64) | All adults of working age | | | | Excluding 'Permanently sick or disabled' | | | All |
|---|------------------------------|----------------------------------|------------------------|-------|--|----------------------------------|------------------------|-------|
| | Limiting long-term condition | Non-limiting long-term condition | No long-term condition | All | Limiting long-term condition | Non-limiting long-term condition | No long-term condition | |
| Self employed | 6 | 7 | 8 | 8 | 8 | 7 | 8 | 8 |
| Employed full time | 24 | 46 | 53 | 48 | 32 | 46 | 54 | 50 |
| Employed part time | 10 | 17 | 12 | 12 | 13 | 17 | 12 | 13 |
| Looking after the home or family | 8 | 5 | 6 | 7 | 11 | 5 | 6 | 7 |
| Permanently retired from work | 9 | 11 | 4 | 5 | 12 | 11 | 4 | 6 |
| Unemployed and seeking work | 8 | 7 | 3 | 4 | 11 | 7 | 3 | 5 |
| At school | 1 | 1 | 3 | 3 | 1 | 1 | 3 | 3 |
| Higher/Further education | 5 | 5 | 9 | 8 | 6 | 5 | 9 | 8 |
| Government work/training scheme | 0 | - | 0 | 0 | 0 | - | 0 | 0 |
| Permanently sick or disabled | 25 | 2 | 0 | 5 | - | - | - | - |
| Unable to work due to short term ill-health | 4 | 1 | 0 | 1 | 6 | 1 | 0 | 1 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Base | 1,360 | 420 | 4,890 | 6,660 | 970 | 410 | 4,870 | 6,250 |

5.4 Working Households

In this section the focus is on working households. Firstly, the number of adults in paid employment⁴⁸ in households is examined. Subsequently, adults of 16-64 year olds are investigated in more detail.

5.4.1 Adults in Paid Employment

- Just over three fifths of households had at least one adult in paid employment.

As Figure 5.7 shows, in 2016 for Scotland as a whole, just over three fifths (61 per cent of) households had at least one adult in paid employment. This was made up of almost a third of households (32 per cent) containing two or more adults in paid employment and 29 per cent having one adult in paid employment. The remaining households (39 per cent) contained no adults in paid employment.

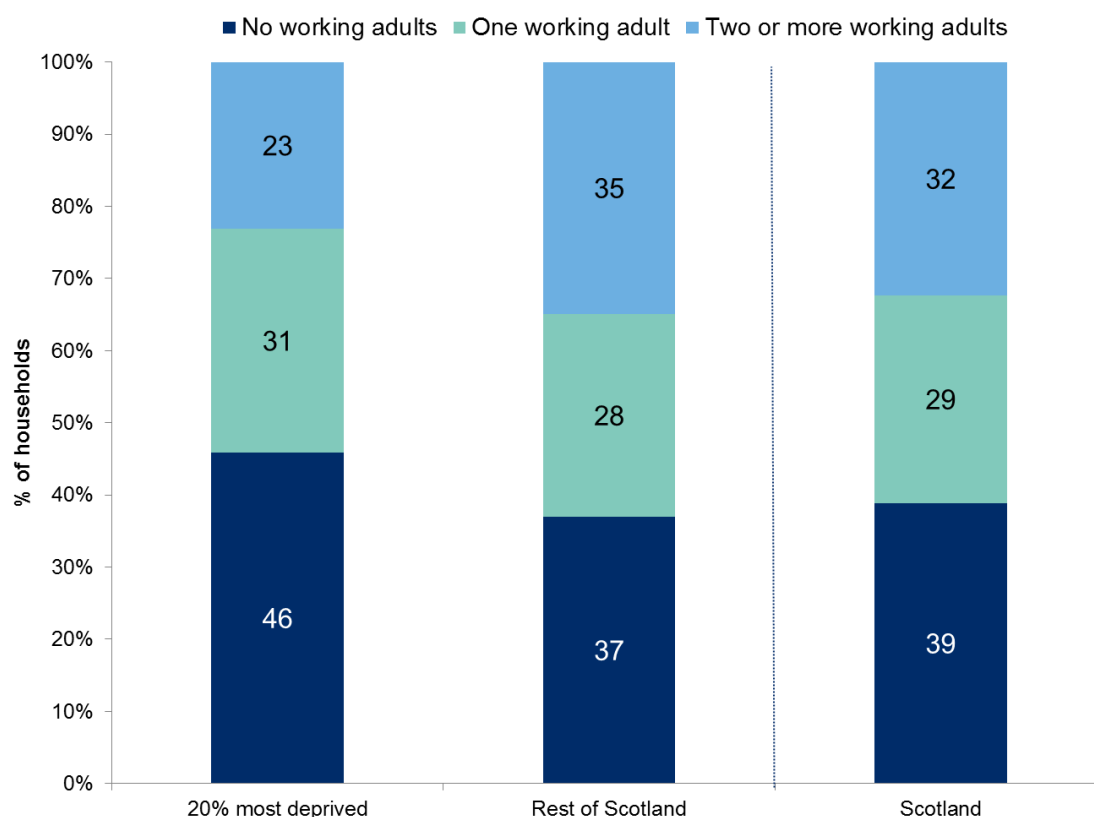
Variation by deprivation

- In the 20 per cent most deprived areas, there are less households with at least one adult in paid employment.

The number of working adults in a household varied according to the deprivation levels of the area in which they were situated. Just over a half of households in the 20 per cent most deprived areas contained at least one adult in paid employment (54 per cent). In comparison, over six in ten households in the rest of Scotland contained at least one adult in paid employment (63 per cent).

⁴⁸ Including those in full or part time employment and the self-employed.

Figure 5.7: Number of adults in paid employment by Scottish Index of Multiple Deprivation
2016 data, Households (minimum base: 2,050)



It is important to note that while these estimates demonstrate that households in the most deprived areas were less likely to contain adults in employment, these households also contained fewer adults and we would therefore expect to see a smaller proportion of households in these areas to have two or more working adults. Furthermore, the figures presented here are for all households that took part in the survey. This means the data presented includes people who you would not necessarily expect to be in paid employment. For example, pensioners, people who have taken early retirement and students are all included. The results have not been broken down further because the SHS is not the recognised source for employment statistics.

5.4.2 Women of 16-64 year olds

- The majority of women of 16-64 year olds are in some form of work and the presence of children in the household does not significantly affect this.
- A higher proportion of those with no children in the household were employed full-time.

The final section of this chapter focuses on the current economic situation of women of 16-64 year olds and examines the difference in situation according to whether there are children in the household.

Figure 5.6 showed that the majority of women of 16-64 year olds are in some form of work and Table 5.6 shows that the presence of children in the household does not significantly affect this. The 2016 SHS found that 62 per cent of women in households containing children were in work, compared to 63 per cent of those without children.

The main differences between the two groups of 16-64 year olds women were that a higher proportion of those with no children in the household were employed full-time (44 per cent compared with 28 per cent of those where children are present), while a higher proportion with children in the household were looking after the home or family (22 per cent compared with 6 per cent of those with no children present).

Table 5.6: Current economic situation of women by presence of children in the household

Column percentages, 2016 data

| Working age females (16-64) | Yes, have children | No children | All |
|---|--------------------|-------------|-------|
| Self employed | 6 | 5 | 6 |
| Employed full time | 28 | 44 | 38 |
| Employed part time | 27 | 14 | 19 |
| Looking after the home or family | 22 | 6 | 12 |
| Permanently retired from work | 0 | 10 | 6 |
| Unemployed and seeking work | 2 | 3 | 3 |
| At school | 4 | 1 | 2 |
| Higher/Further education | 5 | 9 | 8 |
| Government work/training scheme | - | 0 | 0 |
| Permanently sick or disabled | 2 | 6 | 4 |
| Unable to work due to short term ill-health | 1 | 1 | 1 |
| Other | 0 | 0 | 0 |
| Total | 100 | 100 | 100 |
| Base | 1,370 | 2,200 | 3,570 |

Conclusion

This chapter has summarised Scottish Household Survey findings on the current economic situation of households. It has shown that almost every other adult of 16-64 year olds was employed full time in 2016 and has explored changes over time and variations within economic activity.