

UNEMPLOYMENT

This article shows levels and trends of unemployment in Herefordshire. The Office for National Statistics (ONS) supplies data on numbers and rates¹ of unemployment, the age of those who are unemployed and duration of their unemployment. The following is a summary of the key information as of **January 2009**. All figures are unadjusted for seasonal variation unless otherwise stated.

Key findings

- The claimant count for Herefordshire continues to increase at a fast rate, with the count in January 2009 being 2,550, a large increase (16%) on December.
 - In January 2009 both a large on-flow (new claimants) and a small off-flow (claimants leaving benefit) resulted in a large increase in stock (claimant count)
 - The claimant count increased by 68% since January 2008, a larger increase than seen for the West Midlands (50%) and England as a whole (54%).
 - The unemployment rate in January was 2.5%, an increase from 1.5% in January 2008. This rate remains low compared to the West Midlands region (4.5%) and England as a whole (3.4%).
 - It is the over 50s that have seen the largest increase in percentage terms since July 2008 (81% increase), compared to 68% for the 25-49s and 67% for the under 25s.
 - Below county level the wards with a consistently high unemployment rate are mostly in Hereford City (Belmont, Central, St. Martins and Hinton, St. Nicholas and Aylestone) but also five wards within the market towns of Leominster, Ross-on-Wye and Bromyard.
 - The greatest proportion of claimants are those in the 'elementary trades, plant and storage related occupations' (usual occupation) accounting for 20% of all claimants. The 'sales occupations' also accounted for a large proportion of total claimants (14%).
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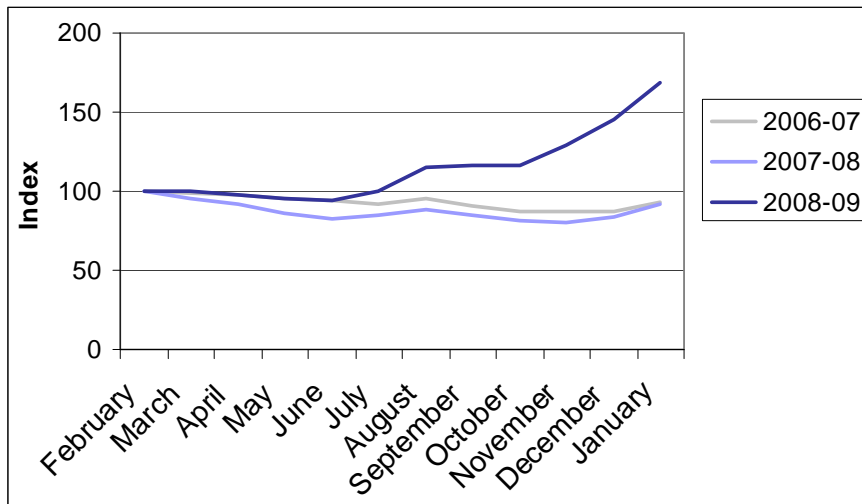
¹ Unemployment as measured by Claimant Count i.e. those claiming unemployment-related benefits at Employment Service local offices. Rates are the number of claimants resident as a % of the working age population resident in that area (16-64 yr M/16-59 yr F).

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Claimant Count

The total number of claimants in Herefordshire was 2,550 in January 2009, a large increase (16%) on December. This is the highest since August 1998 and is much higher than in January 2008 (1,517). The claimant count also saw large increases between July and August (15%), October and November (10%) and November and December (12%). These month on month changes are much greater than changes seen in previous years for the same months (chart 2).

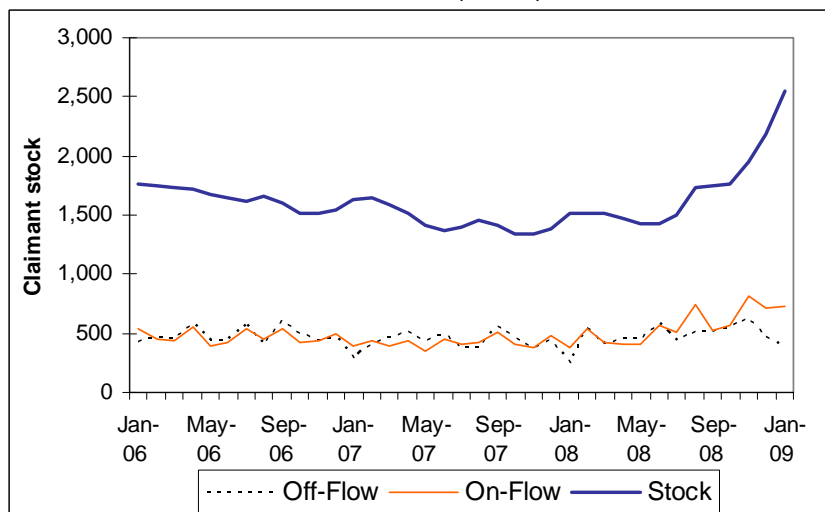
Chart 2. Indexed claimant count (from February each year), 2006-07 to 2008-09



Source – ONS crown copyright

January is typically a bad month for unemployment, when the number of new claimants (on-flow) is typically higher than the number of people that stop claiming (off-flow), resulting in an increase in the claimant count (chart 1). In January in previous years the off-flow has dropped, but the on-flow has remained stable. However, in 2009 both a large on-flow and a small off-flow have resulted in a large increase in stock (claimant count). The claimant count increased by 68% since January 2008, a larger increase than seen for the West Midlands (50%) and England as a whole (54%).

Chart 1. Claimant on-flow, off-flow and stock (count) for Herefordshire, 2006-2009



Source – ONS crown copyright

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Unemployment rate

When looking at the claimant count as a proportion of the working age population (the unemployment rate) there were also considerable increases in the latter part of 2008 and early 2009 (increase of 1.0 percentage point between July and January). In January 2009 the rate was 2.5%, high compared to January 2008 (1.5%). This was still low compared to the West Midlands region (4.5%) and England as a whole (3.4%).

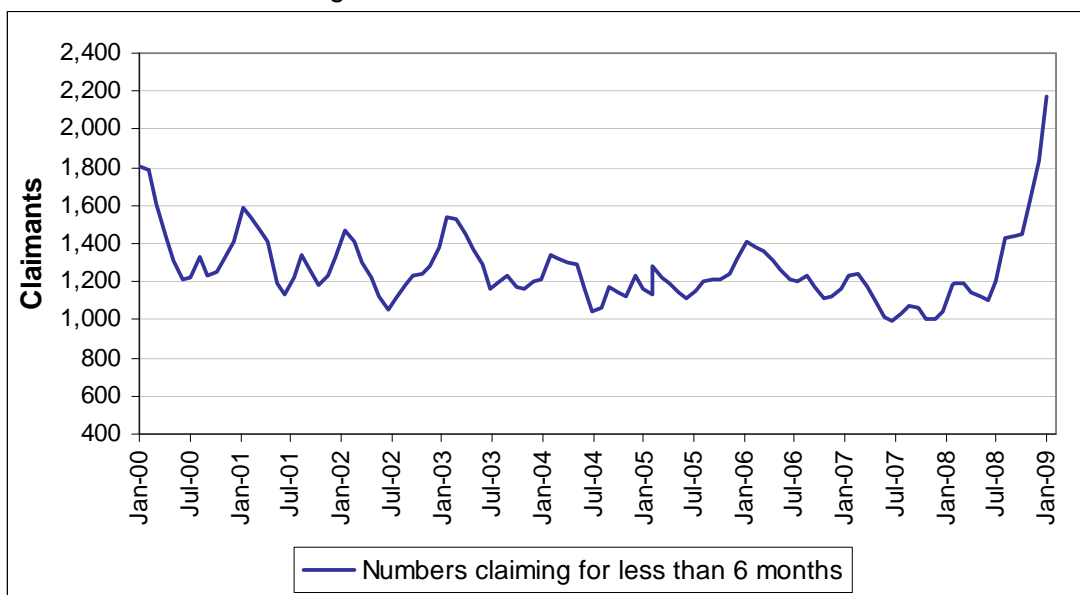
These recent changes have reversed the trend of decrease seen over the last ten years and before. In January 1999 the unemployment rate was 3.3%; the current unemployment rate is fast approaching this.

It seems increasingly likely that the large increases in the claimant count and unemployment rate over the latter part of 2008 and early 2009 are as a result of a slowdown in the local economy. It is not clear, at this stage however, whether this departure from recent trends will be long lasting. This will be dependent on how closely the fate of Herefordshire's economy is tied to that of the national and global economies and how long it is before they start to recover.

Age and duration

When looking at the duration of claims, unsurprisingly it was those claiming for less than six months that accounted for most (94%) of the increase since July. In January 2009 those claiming for less than 6 months accounted for 86% (2,170 claimants) of all claimants. Claims of 6-12 months (220 claimants) and claims over 12 months (130 claimants) both increased over the same period but at a much slower rate. This pattern is to be expected, given the recent increases in the number of claimants and it remains to be seen whether the proportion of long term unemployment will increase or not.

Chart 3. Numbers claiming for less than 6 months



Source: Office for National Statistics Monthly Unemployment Claimant Counts (NOMIS).

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The greatest proportion of claimants by age were those between 25 and 49 years, 53% (1,325 claimants). Those under 25 accounted for 29% and the over 50s 19%. It is the over 50s (470 claimants) that have seen the largest increase in percentage terms since July 2008 (81%), compared to 68% for the 25-49s and 67% for the under 25s.

Table 1 Age & Duration of Unemployment – January 2009

DURATION		AGE	Under 25 years	Between 25 & 49 years	50 years and over	Totals	
						No.	%
Less than 6 months	No.		680	1,090	400	2,170	86.3
	%		27.0	43.3	15.9		
Between 6 & 12 months	No.		35	150	35	220	8.7
	%		1.4	6.0	1.4		
More than 12 months	No.		10	85	35	130	5.2
	%		0.4	3.4	1.4		
Totals	No.		725	1,325	470	2,515	
	%		28.8	52.7	18.7		100

Source: Office for National Statistics Monthly Unemployment Claimant Counts (NOMIS).

*Overall figure different from total stated in text due to rounding of smaller data sets.

Looking at age and duration combined, the group with the greatest number of claimants is those between 25 and 49 years old claiming for less than six months (1,090 claimants, 43%), this is high compared to January 2008 (39%). The next largest group is those under 25 claiming for less than six months (680 claimants, 27%).

Sub-county

Below county level, the wards with a consistently high unemployment rate are mostly in Hereford City (Belmont, Central, St. Martins and Hinton, St. Nicholas, Aylestone, Three Elms) but also five wards within the market towns of Leominster, Ross-on-Wye and Bromyard. All of these wards were ranked in the top ten, in terms of unemployment, on more than 30 of the last 54 months.

Between July 2008 and January 2009 the wards that saw the greatest increases in terms of claimant number were Belmont and St. Martins and Hinton, both increasing by over 100 claimants. The following wards all saw an increase of more than 30 claimants over this period:

Belmont	(109)	St Nicholas	(52)
St. Martins and Hinton	(101)	Tupsley	(41)
Ross-on-Wye West	(72)	Leominster North	(39)
Three Elms	(62)	Kerne Bridge	(34)
Leominster South	(57)	Ross-on-Wye East	(33)
Ledbury	(56)	Aylestone	(31)

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Occupation

When looking at the usual occupation of claimants, the greatest proportion are in the 'elementary trades, plant and storage related occupations'² accounting for 20 of all claimants% (520 claimants). It was also this group that saw the largest increase in the number of claimants since July 2008 (increase of 215).

The 'sales occupations' also accounted for a large proportion of total claimants (14%, 365 claimants) and had increased by 145 claimants since July.

Other groups that saw large increases in the number of claimants were 'transport and mobile machine drivers and operatives' (105), 'process, plant and machine operatives' (90), 'skilled construction and building trades' (80), 'elementary administration and service occupations' (65) and 'skilled metal and electronic trades' (65).

For further information on the data in this article, please contact the Research Team on 01432 260893, or e-mail researchteam@herefordshire.gov.uk

² 'Elementary trades, plant and storage related occupations' include; elementary trades within agriculture and construction e.g. woodworking and building labourers; elementary process plant occupations e.g. foundry workers and packers; and elementary goods storage occupations e.g. stevedores, dockers and slingers.