How people answer Labour Force Survey questions about economic inactivity

By Daniel Guinea and Peter Betts, Quality and Risk Management Division, Office for National Statistics

Follow-up interviews to the Labour Force Survey showed that when respondents were asked if they were looking for work in the previous four weeks they interpreted this to mean: were they 'actively' looking for work? This implies that those who were 'passively' looking or 'keeping an eye open' answered 'no'.

When those not looking for work were asked if they would like to have a regular paid job at the moment, some answered 'realistically' and some 'idealistcally'. The realistic answered in terms of need and ability; the idealistic answered in terms of the ideal dimension implicit in the phrase 'would you like'.

Some respondents interpreted 'at the moment' to mean 'at some point in the future', and gave a positive response to whether they would like to have a regular paid job at the moment. Therefore, they were asked why they were not looking for work, and were not given the option of the possible answers to the question on the reason for not wanting work at the moment that additionally include 'retired from paid work' and 'doesn't need employment'.

People in similar situations might be classified differently concerning the main reason they were not looking for work, or did not want work; and the same person, in the same circumstances, could be classified differently from interview to interview.

In-depth interviewing about economically inactive people's future intentions to work led to the development of five categories on a continuum of how likely people were to work in the future.

Main findings from a qualitative study exploring the answers given to Labour Force Survey questions on economic inactivity.

Introduction

BOTH NATIONALLY and internationally there is a strong interest in the potential supply of labour and in being able to identify a single group within the economically inactive, sometimes called the 'labour reserve'. The Labour Market Framework Review, completed in 2002, highlighted a need to look in more detail at issues concerning labour market attachment. Although the four questions asked in the Labour Force Survey (LFS) to establish economic inactivity have been in use for many years, they do not allow analysts readily to distinguish between subgroups of the economically inactive in terms of their potential for becoming active suppliers of labour.

The qualitative study reported in this article involved cognitive testing of the four questions to explore respondents' understanding of the questions and how they formulated their answers. The study also explored respondents' understanding of questions about their future intention to work.

The LFS derived variable of economic activity conforms to the International Labour Organisation's (ILO) standard definitions of employment, unemployment and economic inactivity. This derived variable further subdivides economic inactivity into three groups of people:

- those who had looked for work in the four weeks ending the Sunday before the LFS interview, but were unavailable to start in the next two weeks;
- those who had not looked for work, but said they would like a regular paid job at the moment; and
those who had not looked for work and said they would not like a job at the moment.

Each of these groups is further divided into subgroups (24 in total across the three groups) according to the main reasons why survey respondents were not available to start work, were not looking for work, or did not want a job.

This research project aimed to provide some insight into the respondents’ understanding of the concepts behind this classification by carrying out a cognitive test of the LFS questions relating to economic inactivity in order to identify potential sources of response error. The extent to which those classified as economically inactive included people who never wanted to work, and those who would want work in the future, was explored in detail.

The research was also able to shed light on ‘a range of unobserved, idiosyncratic factors, such as the motivation to seek work’ that are difficult, if not impossible, to incorporate in statistical models.

In March and April 2003, 20 respondents to the fifth wave of the 2002 LFS were purposively selected. The selection was based on people defined as ‘economically inactive’ and their socio-demographic characteristics: age, sex, area of residence and whether or not they had characteristics usually associated with people in work (see Box 1).

Respondents were interviewed face-to-face in their homes. The interviews were tape-recorded and included the following stages:

1. Survey questionnaire: respondents were asked the LFS questions on economic activity.

2. Retrospective cognitive testing: researchers went back to the main questions of interest. Respondents were asked what they understood each question to mean and how they formulated their answer. In addition, each question was broken down into its main component parts to see how respondents understood each term. For example, researchers asked: “in your own words, what does ‘looking for work’ mean?”

3. In-depth interviewing: researchers asked open questions about aspects of the respondents’ lives that related to their current situation as ‘economically inactive’:
   - their education, work and life history;
   - their current circumstances;
   - their beliefs about the labour market and their employability;
   - constraints that would prevent them from working in the future; and
   - their future intention to work.

Findings relating to the key survey variables

This section reports the findings relating to the four key questions used in the classification of economic inactivity: whether respondents were looking for work, whether they would like a job, and the reasons why they were not looking for or did not want work at the moment. These are illustrated by quotations from respondents.

Looking for work

“Thinking of the four weeks ending Sunday the (date before interview), were you looking for any kind of paid work at any time in those four weeks?”

1 Yes
2 No

This question determines whether respondents are classified as ‘unemployed’ (those answering ‘yes’ – provided they were available to start work in the next two weeks) or ‘economically inactive’ (those answering ‘yes’ – but unavailable to start work within two weeks; and those answering ‘no’).

The interviews aimed to explore the basic issue at the core of this question, namely, the way the individual’s subjective intention to work determined their answer, and hence their classification as either ‘unemployed’ or ‘economically inactive’.

The statistical measurement of employment, unemployment and inactivity rates has evolved historically against the backdrop of the inherent ambiguity of individuals’ intentionality or will. As Merllie, a French sociologist, wrote: ‘unemployment is different from inactivity in that the individual is actively looking for work, that is he or she has the will to work’ (Merllie, 1989).

Cognitive probing of respondents’ understanding of what was meant by ‘looking for paid work’ revealed a striking agreement among respondents that ‘looking for’ implicitly meant ‘actively looking for’.

“The question would imply that someone was actually doing something about it, rather than just reading and sitting doing nothing, actually going out of your way to fill a form in or perhaps attend an interview, or go and speak to somebody about a job.” (Woman in her 30s, South East, looking after family.)

“You have to, there’s something you have to do, you have to plan, you have to … make yourself do it. [Jobs] don’t come to you. You go to them …” (Man in his 50s, South East, retired/other reason.)

The adverb ‘actively’ implies having the intention to work. This transforms an apparently factual question into an attitudinal one.

“Interesting question. There are all shades of answer. I did pick up an application form for a particular job. So I suppose the answer is yes … But did you, does [the question] use the word ‘actively’? (…) I happened to be at the local library and there were jobs advertised. So I picked up an application form and read it. So, is that a ‘yes’ or a ‘no’? I wasn’t actively looking for [laughter].” (Man in his 50s, South East, not started looking/other reason.)

Respondents went through two cognitive steps when answering the question.

1. They determined whether or not they had the intention to look for work (either during the past four weeks, if the time frame of the question was taken into account, or simply during the recent past).

2. They determined whether or not they had actually done something in the last four weeks (or in the recent past) that could have resulted in obtaining paid work.

Only ‘actively looking’ leads to a positive response. People who
Box 1 The purposive sample

The aim of the sampling strategy described below was to help explore, understand and explain the range and diversity of ways in which people go about answering LFS survey questions with regard to economic inactivity. It is important to remember that this was a purposive, non-random sample. Thus, it is not possible to draw statistical inferences about the size or distribution of respondents' reactions and opinions reported in this article to the general population. In purposive sampling the number of people interviewed is less important than the criteria used to select them. These criteria are based on knowledge of the subject area under investigation, its literature and theory. In the case of this research respondents were:

- first, sorted according to their economic activity classification in their fifth and last wave of the 2002 LFS;
- then, economically inactive people who said they 'would like' and 'would not like' a job were selected; and
- then, people with the following reasons for inactivity were selected: 'retired', 'looking after family', 'long-term sick or disabled', 'temporarily sick or injured', 'not yet started looking', and 'any other reason'.

The following groups were excluded:

- those waiting for the results of a job application;
- those seeking work but unavailable to start in the next two weeks. Schweitzer's research shows that both these groups of people were likely to become economically active in the near future (p14, Schweitzer, 2003); and
- students. Most people classified as students are in the youngest age categories (p72, Barham, 2002). Schweitzer's research shows that students were likely to participate in the labour market once their studies were over (p15, Schweitzer, 2003).

Together with the above criteria based on the economic inactivity classification, respondents were selected on the basis of the following socio-demographic characteristics.

- Age. People in their thirties, forties and fifties. People older than state pension age, or retired from paid work and nearing state pension age (55 or older for women; 60 or over for men) were excluded. The assumption was that older people were least likely to re-enter the labour market. People in the youngest age groups were also excluded. The assumption was that the most frequent reason given for their inactivity was that they were studying - the same reasons given above for the exclusion of students.
- Sex. Analysis of LFS data shows that the respective rates of economic inactivity, and the reasons given for being economically inactive, were different for men and women of working age. For women the most common reason given for inactivity was family responsibilities, while for men the most common reason was long-term disability (p72, Barham, February 2002). Furthermore, over the past 20 years, among women aged 50 to 59, there has been a decrease in their inactivity rate, compared with an increase among men in the same age group (p301, Barham, June 2002). These facts justified the equal split by sex of the purposive sample.
- Area of residence. Respondents to the purposive sample were distributed across the area of England with the highest inactivity rate (the North East) and the lowest (the South East). Respondents from the London area were also included; the capital was considered to be a mixed area, as it contains boroughs with high and low inactivity rates.
- Respondents with characteristics usually associated with those in work compared with those not in work. This variable was derived and is explained in detail below.

The derived variable describing people with 'high in-work' characteristics

This is a heuristic device that tries to account for the fact that people with an identical economic inactivity classification, living in the same area, and of the same age and sex, may live under different circumstances. For example, consider two economically inactive women who say they would like work and are currently looking after the family. One is married and has a university degree. The other is single and has no qualifications. Their likelihood of obtaining work and their interpretation of 'would like work' may be completely different for each of these women in terms of the constraints they face to working and the choices they can make in this regard.

The derived variable was based on Burchardt's and Le Grand's research (2002), which identified the characteristics of those in the general population most likely to be in employment. The statistically significant predictors of being in employment that Burchardt and Le Grand identified were operationalised for the purposes of this qualitative research from the LFS variables presented below.

- Level of education: high-level qualifications - degree or equivalent, another higher education qualification, or GCE A level or equivalent.
- Former occupation: classified as professional or managerial - managers and senior officials, professional occupations, or associate professional and technical occupations.
- Tenure: not renting - accommodation owned outright or being bought with mortgage or loan.
- Marital status: married and living with husband/wife.

To be said to belong to the 'high in-work' category respondents had to fulfil all four conditions. In contrast, people who did not fulfil all of the conditions listed above are described as not having high in-work characteristics.

Burchardt and Le Grand assumed that people classified as economically inactive but with similar characteristics of those in employment faced fewer obstacles to working; for this reason, it can be hypothesised that such people were not working voluntarily. At the other extreme, it is hypothesised that people with no qualifications (renting and divorced for example) were closer to the 'involuntary end of the voluntary/involuntary' spectrum.
answered ‘no’ were in one of the following situations:

- ‘not looking at all’, that is, not having the intention to work and not looking for work;
- ‘keeping an eye open’ on the employment situation. This consisted of the most passive activities related to job seeking, such as reading newspaper advertisements, but not having the intention to work (at least currently);

> “Sometimes I look in the paper and see what jobs there are, but not because I want to go back to work at the moment, I don’t. So I was looking but not actively looking, I suppose … because I want to see what there is around, maybe.”

(Woman in her 30s, South East, looking after family.)

- ‘passively looking’. This consisted of having a weak intention to work but not being proactive, for example by applying for jobs. In this situation people were seeing if the right job ‘comes along’. One respondent had found a job through ‘passively looking’, since her LFS interview. She said she had always considered working once her children were old enough. She had read adverts in newspapers and asked friends and relatives but,

> “I wasn’t actively looking, just used to … You ask about ‘cos you never know when something is gonna come up, do you? (…)"

Finally, a friend just rang up and asked me if I was interested, basically.”

(Woman in her 30s, London, looking after family/working.)

The meaning of ‘would you like to have a regular paid job’

Respondents gave either a realistic or an idealistic interpretation of ‘would you like’ based on their desire, need, and ability to work. The complexity of respondents’ answers to the cognitive testing of the phrase ‘would you like (to have a regular paid job)’ reflects the complexity of the question itself. In the present conditional ‘would you like’ the dimension of desire is explicit, while the dimensions of need and ability are implicit. In other words, the question ‘would you like to have a regular paid job’ not only asks ‘do you want …?’, but also ‘do you need …?’ and ‘can you have a regular paid job?’ Some respondents considered all three aspects, while others considered only one or two of them.

The need to work was considered in terms of a financial need, a psychological need or a combination of both. The following quote illustrates what respondents meant by psychological need in this context:

> “It’s not really a need or … I mean, if it is a need, it is not a need in financial terms. A need perhaps to bring a bit of extra money and providing me with some, what’s the word I am going to use?”

(Woman in her 40s, North East, disabled.)

On the other hand, people looking after the family, with high in-work characteristics, often felt no guilt at not working. They sometimes felt a sense of guilt at not working.

> “… I’ve been looking after children. I can’t fit any more things into any more hours in the day!”

(Woman in her 30s, South East, looking after family.)

The ‘realistic’

People who gave realistic answers interpreted the question in terms of whether or not they needed work at the time of the interview, and whether they were able to work. They answered ‘no’ when they did not need to work at all, or when they realistically assessed that constraints prevented them from working. If those who answered realistically believed they could overcome their constraints, they answered ‘yes’ when asked if they would like a job.

Disability was often considered an insurmountable constraint.

> “I would like (a job) but I can’t have one.”

(Man in his 40s, North East, disabled.)

> “Because of the circumstances for myself, I know I couldn’t have a job. I couldn’t do a job anyway. So whether I would want to have one or not, I couldn’t do it ….”

(Woman in her 40s, North East, disabled/retired.)

‘Looking after the family’ could either be a surmountable or an insurmountable obstacle to working, mainly depending on whether the individual had ‘high in-work’ characteristics or not (see Box 1).

For those who did not have high in-work characteristics, often relying on state benefits, working would have to be financially beneficial for it to be considered a plausible option and to compensate them for the loss of state benefits and the cost of childcare. People in this situation sometimes felt a sense of guilt at not working.

> “… we decided to, well, I decided to stay at home with the children until they are all at school.”

(Woman in her 30s, London, looking after family.)

> “… I’ve been looking after children. I can’t fit any more things into any more hours in the day!”

(Woman in her 30s, South East, looking after family.)
In summary, the common trait among realistic respondents was that they emphasised need and ability to work over desire. They answered this question in terms of its implicit dimensions of ‘need’ and ‘ability’.

The ‘idealistic’

The present conditional tense of the verb ‘would like’ used in this question, implies a hypothetical and ideal dimension.

“It’s gentleness in the wording, ‘would you like’, it sounds as if it’s trying to invite me – ‘would you like a piece of cake?’” (Woman in her 50s, South East, retired/other reason.)

“I think ‘want’ is probably a better word given my situation. ‘Like’ tends to be a bit … it doesn’t, to me, stress the benefits. It’s all, ‘would you like to go down the pub today’; would you like to have a different coloured car’.

If you want something it tends to indicate that there’s an active role on your part. ‘Like’ to me has a … if it come along it comes along, if it doesn’t it doesn’t, I’m happy anyhow.” (Man in his 30s, aged 37, North East, disabled.)

The word ‘would’ suggested to respondents who answered idealistically to imagine an ‘if’ clause implicit in the question: ‘if things were different, or in an ideal world (for example, if you didn’t have a financial need, if you had no obstacles to working …), would you like to have a different coloured car’.

There were some people whose idealism in answering ‘yes’ did originate out of financial necessity. But they faced obstacles to working that were very difficult to overcome. This was the case for unskilled disabled men in their mid-50s without high in-work characteristics, who had been forced to leave their last job.

“Put yourself in my shoes. Could you live on £56 a week? That’s all I’m saying. You can live on it, I’m not saying you can’t, you can shop around. It’s the bills that cripple you, when you suddenly get faced with £200 for water, I’ve got a bill here now £80 for gas, £50 for electric. They’re not big bills by any means but they’ve still got to be paid. … Something’s got to be found one way or another.” (Man in his 50s, South East, temporarily sick/disabled.)

Given their situation, this financial need surpassed the actual impediments they faced and resulted in an idealistic answer based more on desire than ability.

In summary, the common trait among all idealistic respondents was that they emphasised desire and need to work over their ability to do so.

The meaning of ‘at the moment’

The interpretation of ‘at the moment’ varied. For some, it referred to the present, literally understood as ‘right now, today’. For others it meant a broader range in time, ranging from next week to next year.

“The fact that some respondents answered ‘yes’ to the question, when in reality they wanted work in the future not ‘at the moment’, had consequences for their subsequent routine through the LFS questionnaire.

Routeing to questions about not looking for or not wanting work

The questions asking for the main reason why respondents were not looking for or did not want work each have eight response categories, six of which are common to both. Each question has two exclusive categories: ‘believes no jobs available’ and ‘not yet started looking’ when asked why they were not looking; and ‘doesn’t need employment’ and ‘retired from paid work’ when asked why they did not want work.

Reasons for not looking for or not wanting work

Asked if respondents said they would like a job at the moment:

“May I just check, what was the main reason you did not look for work (in the last four weeks)?” (Do not prompt. Code one only.)

1. waiting for the results of an application for a job/being assessed by a training agent;
2. student;
3. looking after the family/home;
4. temporarily sick or injured;
5. long-term sick or disabled;
6. believes no jobs available;
7. not yet started looking;
8. any other reason.

As if respondents said they would not like a job at the moment: “May I just check, what was the main reason that you did not want work (in the last four weeks)?” (Do not prompt. Code one only.)

1. waiting for the results of an application for a job/being assessed by a training agent;
2. student;
3. looking after the family/home;
4. temporarily sick or injured;
5. long-term sick or disabled;
6. doesn’t need employment;
7. retired from paid work;
8. any other reason.
looking. If they said they would not like a job at the moment, they were asked why not. Both are open questions, that is, the interviewer assigns the response to an answer category without prompting or showing a card listing the possible responses.

People who said they would like a job, but who actually wanted work in the future and not at the moment, were asked to give their main reason for not looking. The wording assumes that work is wanted at the moment. The consequences of this routing differed, depending on the main reason given for being economically inactive.

For some respondents, the answer categories corresponded to their situation, for example, people ‘looking after the family/home’. Therefore, they could be coded accurately. However, for others, the answer categories did not correspond to their situation and could not be coded accurately. For example, when asked why they were not looking for work, the answer categories ‘doesn’t need employment’ or ‘retired from paid work’ did not exist, so the interviewer had to code ‘any other reason’ instead. People said they had not looked for work in the last four weeks because they had either retired early (by choice or because of redundancy), or because they were financially secure.

“I didn’t have to (look for work). I took early retirement and I’m taking it easy and seeing what happens in the future.” (Man in his 50s, South East, not started looking/other reason.)

“Well the reason is … to have time, a little bit of time to myself. I’ve always had work. And now it’s my own time. I don’t have to draw dole money or anything. Always had work. And now it’s my time to enjoy life a little bit. That is why I don’t want work (emphasis added).” (Man in his 50s, London, retired/other reason.)

“(No need) is definitely the most important (reason) because I have no need at the moment … So that’s my motive for not having to look for work… ‘cause I’ve got pension, and some pay-out, so until that goes …” (Man in his 50s, South East, not started looking/other reason.)

These findings highlight the fact that someone who ‘would like work’ has not ‘retired’. As a respondent said after answering, “this questionnaire is not catered for newly retired people, is it?”

**Difficulty coding main reason**

Sick or disabled respondents in the sample drew attention to a further issue. Some of the disabled downplayed their condition and the impact that it had on their lives. Others normalised their disability, because it was not the main focus of their lives. They had difficulty determining why they were not looking or did not want work and found it difficult to give just one reason.

Downplaying and normalising resulted in some disabled respondents mentioning other reasons for not wanting or not looking for work before they mentioned their physical condition. The reason they gave initially tended to be a consequence of their disability. Answers included ‘lack of confidence’ (which had to be coded as ‘any other reason’), and ‘retired’, as one woman in her 40s said, given that her disability had forced her into retirement (for a more detailed discussion of this topic see pp198-9 in Bacon, 2002). As a consequence, not all of the disabled people interviewed were classified as such.

Respondents’ subjective perceptions of the ‘main reason’ meant that: people in similar situations might be classified differently; and the same person, in the same circumstances, could be classified differently from wave to wave depending on how they expressed their answers and how interviewers interpreted them. Both of these are potential sources of response error.

**Intention to work in the future**

Respondents were asked about their intention to work in the future with a view to developing new LFS questions on this subject. The research question focused on whether economically inactive people who wanted work in future could be distinguished from those who never wanted to work again.

A continuum of how likely people were to work in the future was developed. It was based on respondents’ own statements (where these were clearly articulated). Where statements were not so clear, or where fulfilment of intention was doubtful, analysis was based on a judgement of the respondent’s likelihood of working in the future. Five main categories were identified.

1. People who definitely did not want to work in the future. People in this group made clear and unambiguous statements. They were all retired from work for good and did not have high in-work characteristics.

2. People who were unlikely to work in the future. People in this group gave the impression that they were unlikely to work in the future, but did not rule out the possibility. They included two types of respondents: retired people ‘passively looking’ for work; and disabled people who wanted work, but had a negative view of the job market and were limited in the types of job they could do.

3. People who were undecided. This group included two types of people: those with high in-work characteristics, either retired or looking after children. These people had a clear idea of the type of work they might do and had freedom to choose whether or not they would work. However, they were undecided about whether or not they would do so; and the long-term sick or disabled for whom it was not choice, but constraint that made uncertain their future work status. They expressed a need to work, but their circumstances meant they were doubtful of their success in finding it.

4. People who were likely to work in the future. Some people had the intention to work in the future, once their circumstances allowed, but the likelihood of their actually doing so was qualified. In particular, they were pessimistic about their employability and the job market. They were also concerned about not being able to overcome their current obstacles to working, such as fitting work around childcare and finding a sufficiently well paid job that would enable them to come off benefits.
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5. People who definitely did want to work in the future. People in this group were all women looking after their children. They were certain they would work in the future, at least part-time. In some cases they intended to work in the coming months; others intended to work in several years time.

The findings show that respondents’ answers could not be reduced to a simple ‘yes’ or ‘no’ dichotomy. Furthermore, the previous findings at the question asking if people would like a job suggest that the verbs ‘like’ and ‘want’ should be avoided in the phrasing of a new question because they could lead to idealistic expressions of intention. An alternative approach would be to ask a question such as, “Do you think you will work in the future?” A possible follow-up question could ask respondents who wanted work ‘to rate their chances of finding (it) in the following (n) months’ (p199, Bacon, 2002), as asked in the Jobseeker’s Allowance Evaluation Survey (Ashworth, et al., 2001).

Further research

This article has presented findings based on qualitative research into the LFS subclassification of the economically inactive. It has also suggested ways of asking about people’s future intention to work. The results have highlighted areas of misapprehension in the LFS questionnaire. ONS recommends that any further questionnaire development be made as part of a full review. This review should take into account the effect that any changes would have on the output, particularly with respect to time-series.

Notes

1. Response error is a type of non-sampling error that arises because, for reasons such as misunderstanding or lack of knowledge, respondents may give incorrect answers to questions. When individual responses are linked, such errors are far more likely to lead to an apparent change of state when the true situation is one of stability, than the reverse (p195, McIntyre, April 2002).

2. Quotations of more than a few words are attributed to the respondents who said them. Respondents are identified by sex, age-group, area of residence and the reason for not looking for or not wanting work, as recorded by the LFS. Some respondents gave different reasons during the qualitative interviews compared with those given during their last LFS interview. In these cases the LFS reason is presented first, and the reason given during the qualitative interview is presented second (for example, ‘woman in her 40s, North East, disabled/retired’).

3. See Schweitzer (p12, 2003) for a discussion of the issue of ‘people not actively looking for a job’ from the perspective of the employer.

4. Such questions could serve as a proxy for ‘individual’s disposition to work’, an omitted variable in some secondary analysis because it is ‘unobservable’ (p12, Burchardt and Le Grand, 2002).

5. This impression gathered in the qualitative interview was consistent with the statistical analysis of people moving from unemployment to inactivity due to ill health: these people have ‘the greater labour market disadvantage’ and ‘are unlikely to move back into work’ (p309, Barham, June 2002).

References


Further information

For further information, contact:
Daniel Guinea,
Office for National Statistics,
1 Drummond Gate,
London SW1V 2QQ,
e-mail daniel.guinea-martin@ons.gov.uk,
tel. 020 7533 6235.