



Economic Inactivity in Cumbria

Health and Wellbeing and the Economic Threat of Inactivity



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Aims of the research

The aim of this research was to understand:

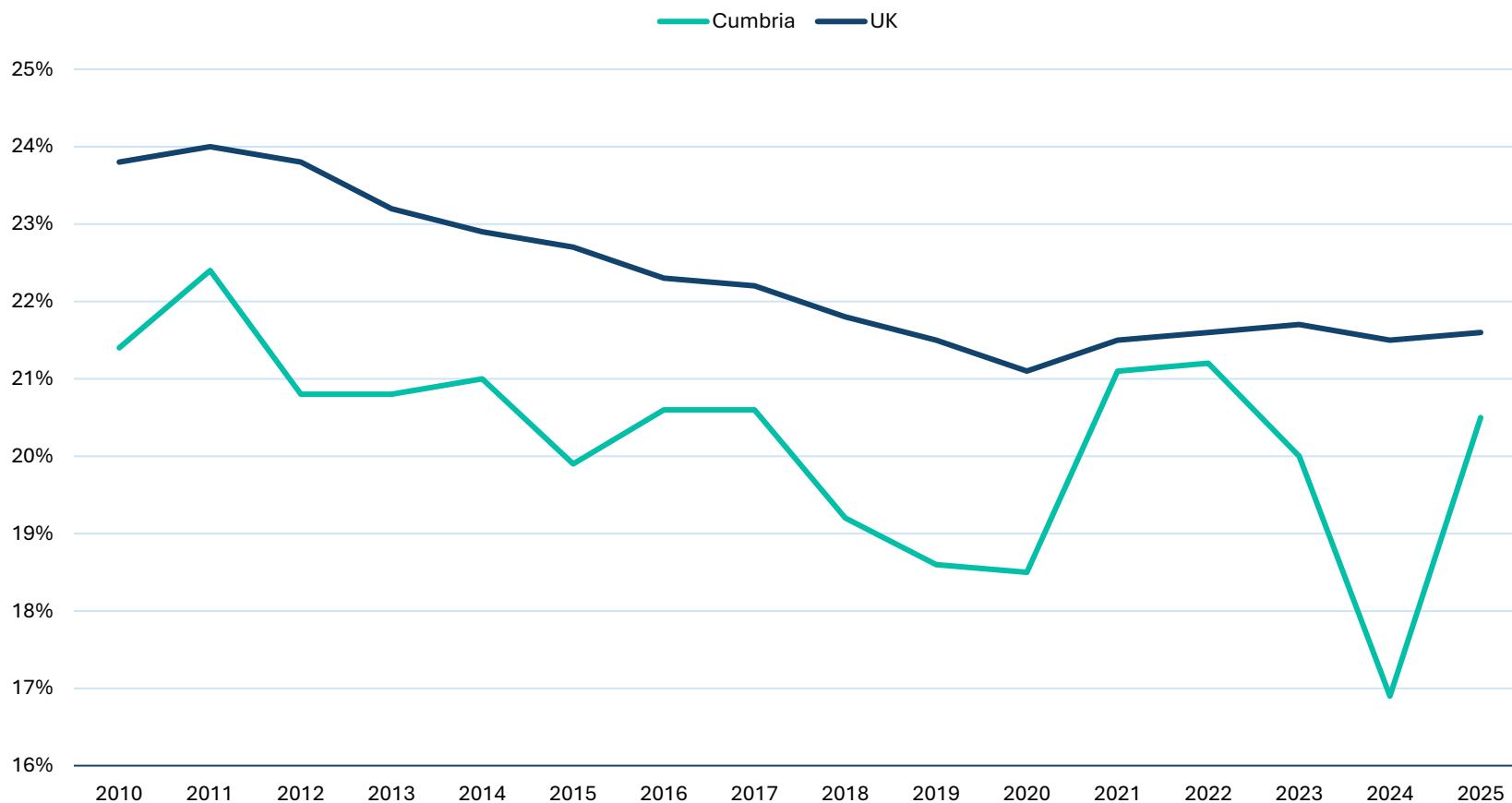
- the different dimensions of economic inactivity in Cumbria
- the reasons for economic inactivity
- the demographics of people who are economically inactive, and
- the economic cost of this.

The research has a particular focus on the ‘negative’ reasons for economic inactivity and explores the impact that economic inactivity has on individuals, their life chances and prospects, and the local economy.

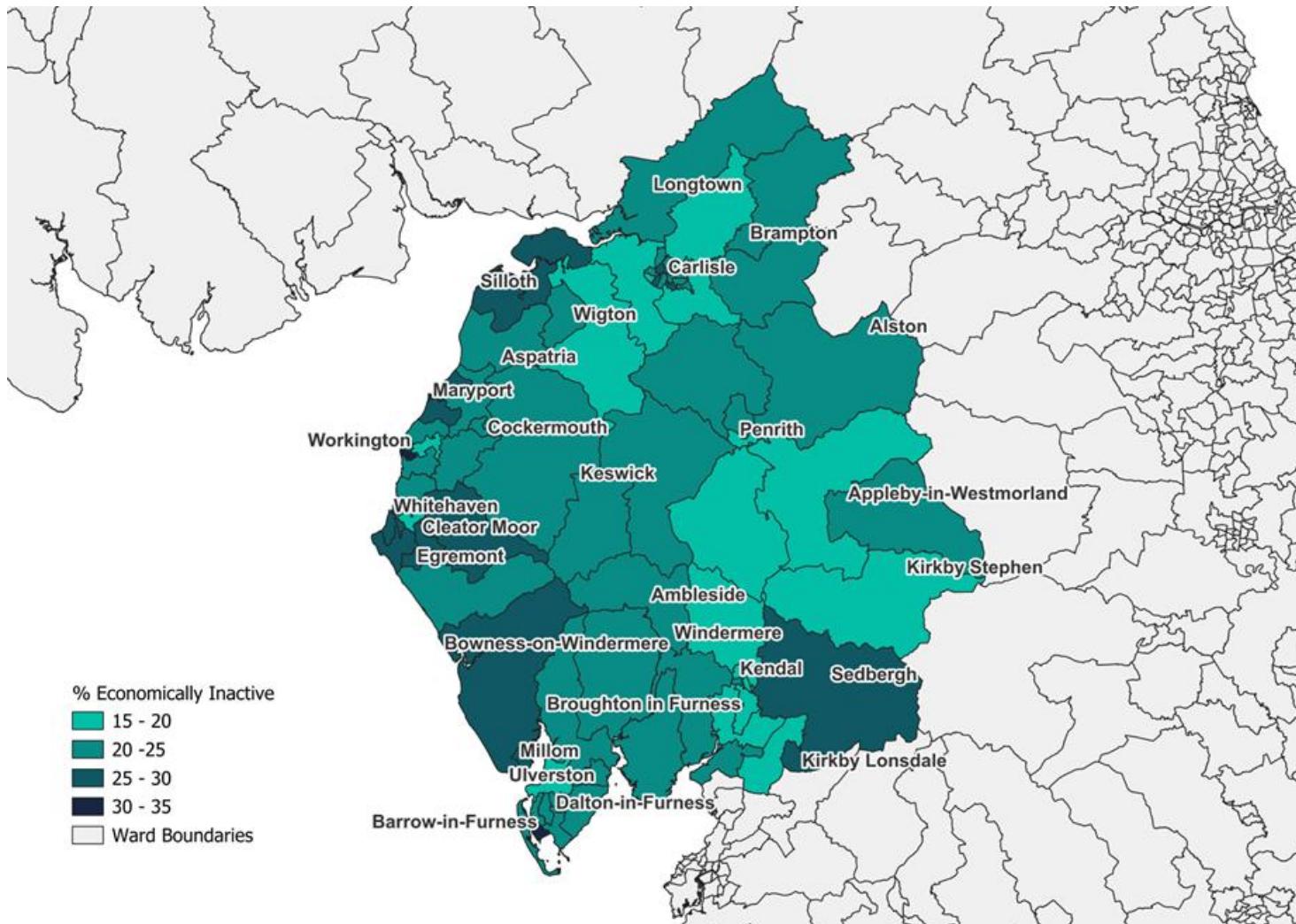
Policy context

National	<ul style="list-style-type: none">• Get Britain Working White Paper• NHS 10-Year Health Plan• UK Modern Industrial Strategy
Regional	<ul style="list-style-type: none">• Going for Growth (Cumbria Economic Strategy 2025-2045)• Get Cumbria Working Plan (final draft)• Cumbria Local Skills Improvement Plan (LSIP)
Sub-regional	<ul style="list-style-type: none">• Council Plans• JSNA and Health and Wellbeing Strategies• Economic Strategies (draft)

The scale and characteristics of economic inactivity in Cumbria



Economic inactivity by ward

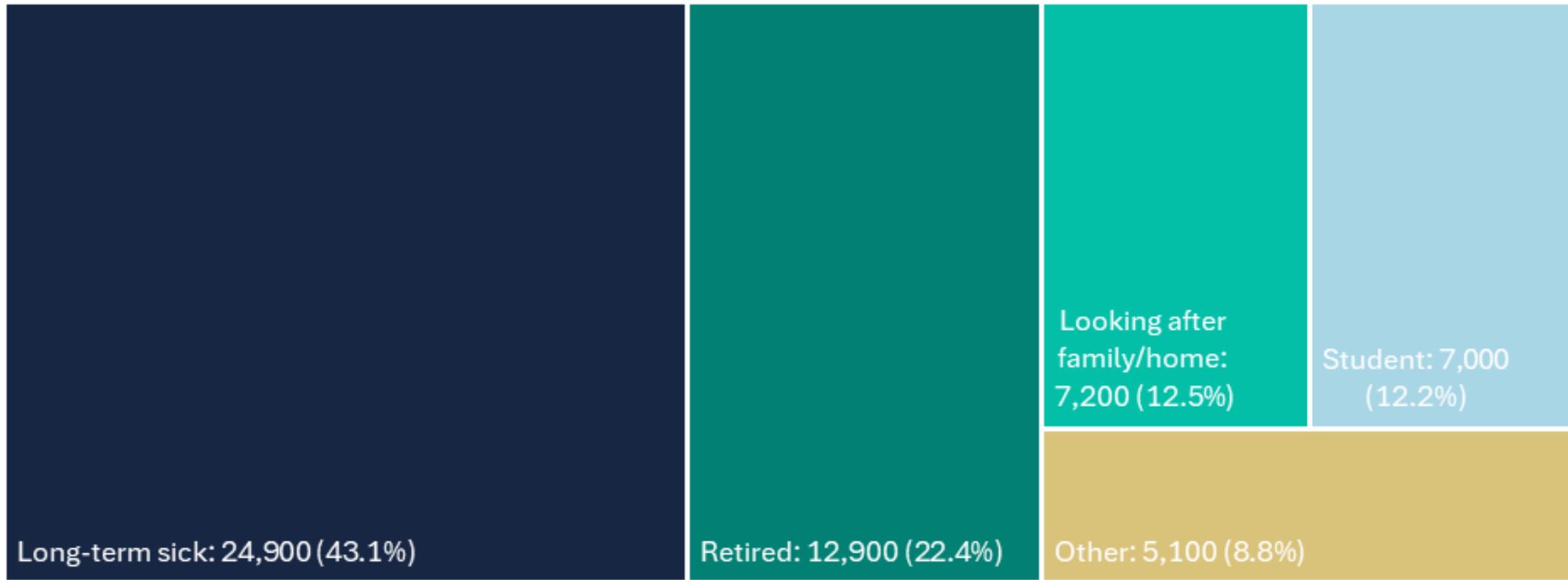


Economic inactivity by ward

Wards with the Highest Economic Inactivity Rate	Old Barrow and Hindpool	33%	Wards with the Lowest Economic Inactivity Rate	Houghton and Irthington	18%
	Moss Bay and Moorclose	30%		Wetheral	18%
	Castle (Carlisle)	28%		Kendal South	18%
	Maryport South	27%		Eamont and Shap	18%
	Millom Without	27%		Burton and Holme	18%
	Kells and Sandwith	27%		Levens and Crooklands	18%
	St Michael's (Allerdale)	26%		Kendal Nether	17%
	Egremont	26%		Hillcrest and Hensingham	17%
	Cleator Moor East and Frizington	26%		Dalston and Burgh	16%
	Upperby	26%		Kendal Castle	16%

Economic Inactivity Rate by Former Local Authority					
Copeland (25%)	Barrow-in-Furness (24%)	Allerdale (23%)	Carlisle (22%)	South Lakeland (20%)	Eden (19%)

Reasons for economic inactivity in Cumbria



Groups experiencing economic inactivity in Cumbria

Poor health and disability

Poor Health and Disability



49,800

people disabled under the
Equality Act (17% of the
working aged population;
15% in England)



34,000

people claiming health-
related benefits (12% of the
working aged population;
11% in England)



24,900

people economically
inactive due to long term
conditions (9% of the
working aged population;
6% in England) **and**
increasing



54%

ESA recipients had a mental
or behaviour disorder as
their primary condition
(49% in England)

People over 50

Over 50



114,700

people in Cumbria aged 50 to 64

(38% of the working aged population; 30% in England)



6,600

receiving UC or ESA and not required to work (6%; 13% in England)



28%

of those economically inactive due to long-term sickness or disability have never worked (31% in England)



14,700

economically inactive due to retirement (13% of the population; 10% in England)



41%

early retirees hold a Level 4 qualification or above (38% in England)

Young people

Young People



43,300

people in Cumbria aged 16 to 24

(14% of the working aged population; 17% in England)



342

16-17 years old not in education, employment or training (3.2% of the population; 5.4% in England)



49%

Level 3 attainment rate among 19 years olds (58% in England)



3,400

16-24s economically inactive and not in full-time education (8% of the population; 7% in England)



1,900

16-24s on UC and exempt from work due for health/caring reasons (4% in Cumbria and England)

Caring responsibilities

Caring Responsibilities



31,800

people of working age provided unpaid care in Cumbria in 2021
(11% of WAP, compared to 10% nationally)



11,390

People provided 35 or more hours of unpaid care per week in 2021. Around half of this group were economically inactive, compared to 21% among non-carers



6,240

working age residents received Carer's Allowance (+1% in the past 12 months, below the 7% growth experienced nationally)

Gender Characteristics

Gender Characteristics



58%

economic inactivity related benefit claimants are women



13%

women in Cumbria provide unpaid care, compared to 8% of men



13%

working age women claim economic inactivity-related benefits, compared with 10% of men



12%

gender pay gap among full-time employees (8% in England)



55%

19-year-old women qualified to Level 3, compared to 63% in England

Ethnic characteristics

- According to the 2021 Census, there are 8,000 people aged 16-64 from ethnic minorities in Cumbria, equivalent to 3% of the working age population, compared with 20% in England, indicating a low representation. More recent data from the Annual Population Survey suggest that this proportion remained broadly similar in 2024, although the wide confidence intervals indicate uncertainty around the exact figure.
- Stakeholder feedback notes that Cumbria's population is becoming more diverse, largely driven by labour market demand.
- Census data indicate that **people from ethnic minorities in Cumbria are more likely than White people to be unemployed** (5% compared to 3% White) or economically inactive (26% compared to 22% White), despite being more qualified and less likely to have a disability or unpaid caring responsibilities, highlighting potential structural barriers to labour market participation.

Other groups

Other Disadvantaged Groups



10,600

domestic abuse victims aged 16-64 on
safeguarding records, 2023



2,500

homeless aged 16-64, 2023/24



1,700

refugees under resettlement schemes,
2024



2,900

18-64-year-olds supported with drug and
alcohol recovery services, 2023



1,900

veterans aged 16-64 economically
inactive, 2021



1,800

offenders aged 18+ managed by HM
Prison & Probation service, 2023

The impact of economic inactivity in Cumbria

Impacts on individuals



Economically inactive people are **1.5 times more likely to be in insecure work** when they re-enter employment

Financial difficulties caused by economic inactivity can lead to **food and fuel insecurity**, and increase the likelihood of **homelessness**



Mental and physical health and economic inactivity can be **closely linked and interdependent**

People who are economically inactive report feelings of **isolation, loss of confidence, depression, and loss of motivation**

Impacts on businesses



Challenges and impacts **differ** according to **business size and sector**



Small and micro businesses **lack the capacity and resources** to support staff in the way they want to



Employers are **not fully aware of** the services and supports that exist



Mental health is an increasing challenge in the workplace

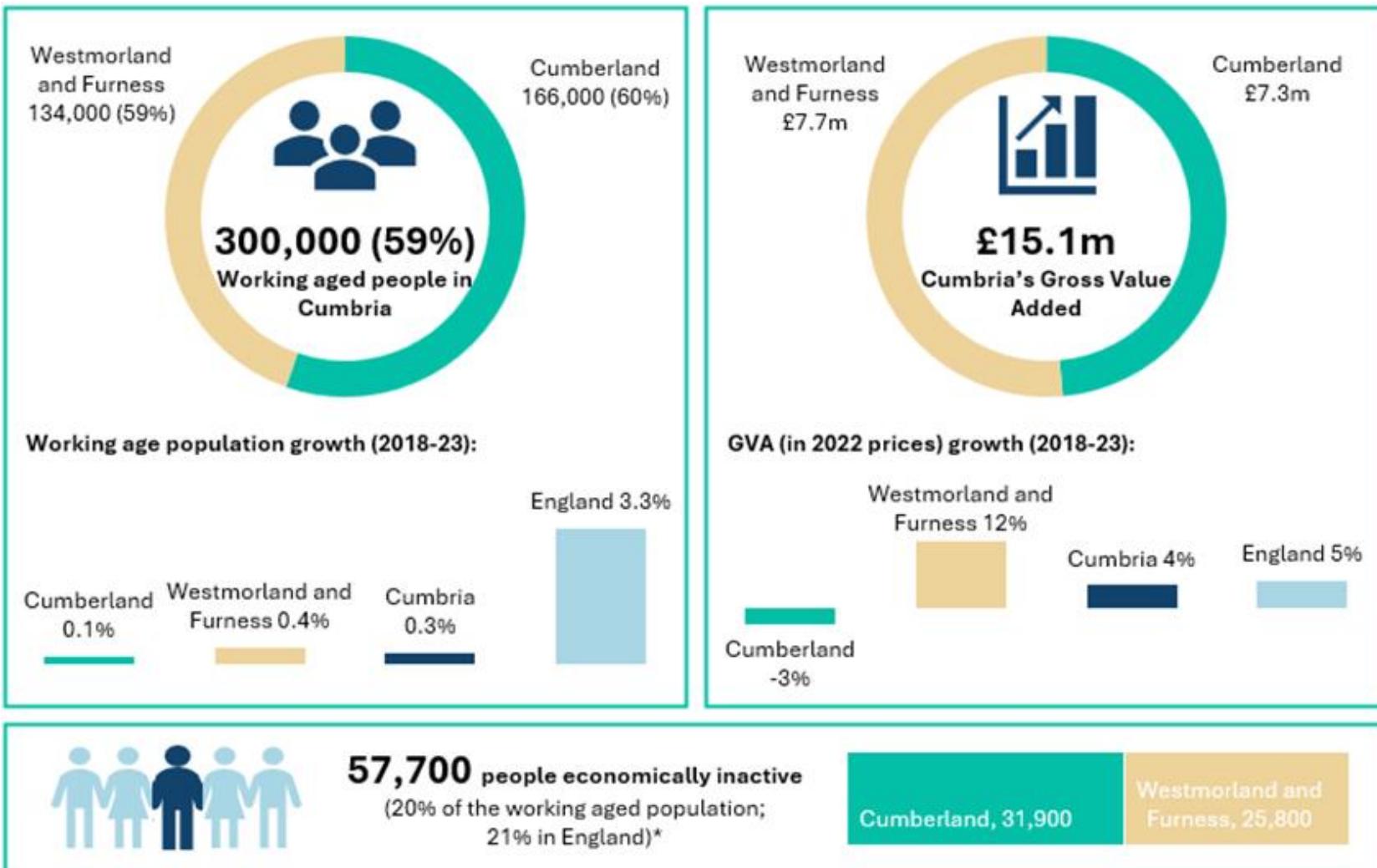


Many employers offer **flexible hours** and working patterns to help retain staff facing barriers to remaining in work



Employers **do not always recognise how much they are doing** to support people at risk of becoming economically inactive

Impacts on the economy





The **net annual financial gain** to the Exchequer from addressing economic inactivity in Cumbria is estimated at **£535 million**



If all economically inactive residents in Cumbria were to return to work, the total annual financial gain to residents would be approximately **£213 million**



If all currently economically inactive residents in Cumbria were to enter work, the annual financial gain to society would be nearly **£1.1 billion**.



There is an estimated **potential GVA uplift of £1.9bn per year** if all inactive residents in Cumbria were employed.

Key findings

The interplay of health, caring responsibilities, age, gender, and socio-economic status creates multi-faceted barriers and a complex landscape of economic inactivity in Cumbria.

Experiences of economic inactivity are not uniform. Different circumstances and barriers create different experiences for individuals.

The research has shown that many economically inactive residents would prefer to work if the right support or opportunities were available.

The net annual financial gain to the Exchequer from reducing economic inactivity in Cumbria is estimated at £535m.

Those with skill gaps are more likely to be economically inactive or at risk of being economically inactive.

Employment challenges in Cumbria include an ageing, slow growing and under-represented working age population, and a large economically inactive population.

Targeted support and interventions designed to help specific groups can help overcome barriers to participation.

Recommendations

1: Targeted, Person-Centred Support	<p>Develop a targeted focus on the economically inactive that can address labour supply challenges by connecting them to opportunities through tailored support and intervention.</p>
2: Partnership and Collaboration	<p>Embed the key principles of integrated and collaborative working in strategy development and delivery. This should include lived experience as well as cross-sector and service collaboration.</p>
3: Place-based Approaches	<p>Local approaches to economic development should consider the importance of inclusive growth to ensure all residents can access opportunities and live healthy, prosperous and fulfilling lives.</p>
4: Building Trust and Rapport	<p>Recognise the key role the VCFSE sector plays as an equal partner in delivering effective services and solutions. Build trust with services, communities and individuals by leveraging community and third sector networks.</p>
5: Addressing Health-Related Barriers	<p>Reflect approaches to economic inactivity as a result of health-related barriers in health and wellbeing strategies and integrate these with health interventions.</p>

6: Broad and Flexible Support Offer	<p>Embed flexibility in strategic design, delivery and approaches. There must be a holistic offer led by the individual, with an integrated person-centred “no wrong door” to access.</p>
7: Employer Engagement and Support	<p>Engage employers to raise awareness of economic inactivity issues and the support available to them.</p>
8: Skills Development and Retention	<p>Develop ‘skills for all’ strategies to facilitate lifelong learning and pathways to positive destinations, aligned to current and future job opportunities.</p>
9: Continuous Improvement and Feedback	<p>Embed continuous improvement systems and approaches to ensure delivery continues to meet the needs of people who are economically inactive.</p>
10: Strategic Policy	<p>Align recommendations with national and regional policy to coalesce strategic partners around a shared intent, and inform the development of devolved funding.</p>

Questions and comments