Get Hampshire Working Plan

Annex 1: Understanding Economic Inactivity: A Labour Market Analysis of Participation, Disadvantage, and Demand in Hampshire

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Hampshire County Council

Contents

Summary

Hampshire has long been recognised as one of the UK's most economically successful counties, with high employment rates, low unemployment, high productivity, and a diverse business base. However, beneath this success lies a complex and evolving picture of economic inactivity, health disparities, and labour market challenges. This report provides a comprehensive analysis of the drivers of economic inactivity, the characteristics of those affected, and the implications for local and regional policy.

Employment Trends

As of 2024, Hampshire's employment rate stood at 79.4%, outperforming both the national and South East averages. However, this masks significant local variation. While Central and South Hampshire have seen employment growth since 2019, North Hampshire has experienced a notable decline. Gender dynamics have also shifted: male employment has fallen, while female employment has risen. Self-employment decreased while NEET / activity was not known rates among 16–17-year-olds rose from 3.9% in 2019 to 5.5% in 2025, marginally below the national average.

Employment among older workers (50 - 64) has increased, but younger adults (25 - 34) have seen a decline. Several local authorities such as Havant and Gosport continue to underperform, with employment rates and job density well below the national average. These trends reflect broader structural shifts in the labour market and the lingering effects of the COVID-19 pandemic.

Health, Disability, and Economic Inactivity

In Hampshire, the legacy of the Covid-19 pandemic has not manifested in high unemployment, but rather in a significant rise in economic inactivity - an increase of approximately 7,000 individuals - bringing the total number of economically inactive people of working age to 153,000. Excluding economically inactive student population there are about 113,000 economically inactive people of working age in Hampshire or 13.6% of people of working age, below the national and regional averages.

This labour supply shock is particularly notable as it follows a decade of rapidly increasing labour force participation. This increase in economic inactivity has become a key concern for policymakers, making it essential to understand the underlying drivers and causes of economic inactivity across Hampshire.

Excluding student population, the primary drivers of economic inactivity in Hampshire are as follows:

Long-Term Sickness or Disability

- Largest contributor to economic inactivity (approx. 39,000 people or about a third of all inactive people in Hampshire).
- About 11,000 additional economically inactive long-term sick or disabled people of working age compared to 2019.

- About 16,000 long-term sick or disabled economically inactive residents reside in South Hampshire.
- The proportion of economically inactive individuals due to long-term sickness or disability is relatively high in several local authority districts including Havant, Gosport, Rushmoor and Eastleigh.
- Females in Hampshire are more likely than males to be economically inactive due to long-term sickness or disability.
- Economic inactivity driven by mental health conditions, musculoskeletal disorders, and multi-morbidity.
- About two thirds of long-term sick or disabled economically inactive people in Hampshire are affected by at least three major health conditions.
- Affects both young adults (especially 21–24) and older workers (50 - 64).
- Strong correlation with low educational attainment: 29% have no formal qualifications.

Early Retirement

- The second largest economically inactive group (approx. 29,000 people or over a quarter of all inactive people of working age in Hampshire).
- In 2024 Hampshire had about 1,000 additional retired people of working age compared to 2019.
- Most retired economically inactive people of working age in Hampshire reside in Central Hampshire, about 16,000 in 2024 or 55%.
- Females in Hampshire are more likely to be economically inactive due to early retirement than males.
- Mostly aged 60 - 64, with a rise post-pandemic possibly due to financial security and health concerns.
- Less associated with poor health than other groups - about two thirds of economically inactive retired people of working age in Hampshire had no long-lasting health condition (or condition was not disclosed).
- Education levels are higher than other inactive groups, but still below the Hampshire average.

Caring Responsibilities / Looking After Family or Home

- Around 26,000 people or over a fifth of all economically inactive people in Hampshire excluding students.
- In 2024 Hampshire had about 8,000 fewer people in this economically inactive group than before the pandemic.
- Most economically inactive working-age individuals who look after the home or family in Hampshire reside in South Hampshire - approximately 14,000 people, or about 55% of the total.
- This group of economically inactive people in Hampshire mostly consists of women (84%).
- A higher proportion of people that look after family or home is found in the older workers age group than in the prime working age group.
- About two thirds of economically inactive people that look after family or home in Hampshire had no long-lasting health condition (or condition was not disclosed).

- Economic inactivity driven by lack of affordable childcare and flexible work options.
- Overrepresented among Asian/Asian British communities.
- Concentrations of lower qualification levels and limited access to support services.

Temporary Sickness

- Smaller group of economically inactive people of working age - approx. 4,000 people or around 2,000 more than in 2019.
- At the local level temporary sick are mostly males aged 30 – 34 that mostly reside in North Hampshire and South Hampshire

'Other' Reasons for Economic Inactivity

- Includes discouraged workers, those not seeking employment, and those with unspecified barriers.
- Around 15,000 people or about 8,000 fewer than in 2019.
- Central Hampshire accounts for approximately 8,000 individuals, or 55% of the total economically inactive population in this group. Much of the decline in economic inactivity in this group is attributed to South Hampshire.
- Females are more likely to fall under this category of economically inactive people than males and Asian / Asian British people are overrepresented in this group in Hampshire.
- This group of economically inactive people in Hampshire mostly consists of young people (16- to 29-year-olds) and people over the age of 50.
- Most economically inactive people in this group (about three quarters) in Hampshire had no long-lasting health condition or health condition was not disclosed followed by about a fifth of people reporting depression, bad nerves or anxiety
- Prevalence of intermediate and lower intermediate qualifications.

Health is a critical determinant of economic participation. Hampshire performs well overall in terms of healthy life expectancy, but stark inequalities persist. Deprived places such as Popley, and Leigh Park experience significantly worse health outcomes and higher rates of economic inactivity than other places in Hampshire. Mental health conditions dominate among younger economically inactive adults, while musculoskeletal and cardiovascular diseases are more prevalent among older economically inactive adults of working age.

Benefits, Disability, and Deprivation

A substantial number of economically inactive individuals in Hampshire receive income or health-related benefits. As of December 2024, over 104,000 residents were claiming Universal Credit (UC), with 56.6% not in employment. ESA (Employment and Support Allowance) claimants numbered around 20,000, with mental health and musculoskeletal conditions the most common reasons for claims. There is a growing

number of Personal Independence Payment (PIP) claimants in Hampshire - around 47,500 of working age.

Disability is a major barrier to employment: only 61.5% of disabled residents are in work, compared to 85.7% of non-disabled residents. Hence, the disability employment gap in Hampshire is 24 percentage points, slightly above the South East average.

Despite being one of the least deprived counties overall, Hampshire contains pockets of severe deprivation, particularly in Havant, Gosport, and parts of New Forest and Rushmoor. These areas face multiple barriers, including poor health, low educational attainment, and limited access to services. Job density is also low in some districts in Hampshire, compounding the challenges for economically inactive residents.

Jobs, Jobs Quality and In-Work Poverty

Job density in Hampshire is below the national average, and between 2019 and 2023, Hampshire lost around 13,000 jobs, with South Hampshire experiencing the steepest decline. Job losses since 2019 have been concentrated in areas already struggling with relatively high economic inactivity rates.

Online job postings have also fallen sharply - down 41% since 2023 - indicating a weakening labour demand in Hampshire. Demand remains strong in health and social care, retail, and education, but many vacancies are in high-skilled roles, creating a mismatch with the qualifications of the inactive population.

A high number of jobs alone does not guarantee economic wellbeing - job quality plays a crucial role. While most employees in Hampshire work satisfactory hours, unpaid overtime is common, especially among professionals. Zero-hour contracts are rare overall but more prevalent among young and older workers, part-time employees, and those in hospitality and care sectors.

In 2024, part-time jobs made up 26% of all employee roles in Hampshire, with women accounting for nearly four in five of these positions. A significant gender disparity persists: 40% of employed women in Hampshire worked part-time compared to just 13% of men. Median annual pay for part-time workers was £13,400 - around a third of full-time earnings. While female part-time pay slightly exceeded that of males, the full-time gender pay gap remained substantial, with women earning 20% less than men.

Low pay remains a concern. Around 12% of employees in Hampshire and the Solent earn below two-thirds of the UK median wage, with higher rates among women, disabled workers, and those without qualifications. Career progression opportunities are uneven, with younger and more educated workers reporting better prospects. Older workers and those in low-skilled roles face limited advancement.

Policy Implications

When examining the reasons why economically inactive individuals do not return to employment, research consistently highlights the presence of multiple, overlapping

barriers to re-entering the labour market. These include poor health, low qualifications, lack of childcare, digital exclusion, and limited awareness of local services.

The local and regional policy interventions could consist of several people-based and place-based interventions such as:

- Place-based interventions to stimulate job creation in deprived areas and improve transport and digital infrastructure.
- Targeted support for economically inactive individuals, including skills training, flexible work options, and integrated employment and health services.
- Measures to tackle in-work poverty, such as promoting the Real Living Wage, supporting career progression, and ensuring fair pay for part-time workers.
- Inclusive labour market strategies to reduce disability and gender employment gaps, support older workers, and engage underrepresented groups.

A pilot programme in Leigh Park and Gosport has provided valuable insights into the lived experiences of economically inactive residents. Participants reported barriers such as social isolation, anxiety, digital exclusion, and lack of awareness of local services. Interventions such as volunteering, financial advice, and wellbeing support were found to be effective in building confidence and readiness for work.

Introduction

Over the long-term, Hampshire (referring to the Hampshire County Council area, hereafter 'Hampshire') has had one of the most successful economies in the country with headline labour market outcomes significantly better than the national average. Despite its success there are significant barriers to growth and substantial differences in economic and labour market outcomes within Hampshire which are much more complex than the traditional generalisation between the northern and southern parts of the County.

The latest population estimates from the Office for National Statistics (ONS) suggest that Hampshire has a population of around 1.43 million and that its population is expected to increase by 0.25% p.a. (per annum) over the next decade. However, the latest ONS population projections suggest that Hampshire's working age population (16 to 64 year olds) peaked in 2024 at around 830,000 people aged 16 to 64 and that over the next decade Hampshire's workforce is projected to decrease by about 0.2% p.a. A smaller workforce can result in decreased production and consumption and businesses may struggle to meet demand, leading to higher prices and slower growth. A shortage of workers can cause wages to rise as employers compete for talent. A more competitive job market for those in demand may emerge, while those with fewer skills may face challenges finding employment.

Hampshire is home to 67,600 businesses that generate about £57.7bn in Gross Domestic Product (GDP), of which £51.5bn is economic output (Gross Value Added) to the national economy. Hampshire businesses are on average more productive than the national average. Labour productivity per job in Hampshire stood at over £73,000 p.a. in 2023 or about 10% above the national average. There are significant disparities in labour productivity within Hampshire. Labour productivity per job in North Hampshire stood at around 46% above the national average in 2023, 2nd highest outside London and 4th highest in the country. In terms of productivity per hour worked - the headline measure of productivity - North Hampshire is approximately 54% more productive than the national average, ranking third nationally and as the highest-performing region outside London. However, labour productivity in terms of productivity per jobs in South Hampshire and Central Hampshire stood at 0.4% and 6.4% below the national average respectively.

At the local level Rushmoor is the third highest in the country in terms of productivity per job, however in terms of productivity per hour worked Rushmoor is the most productive local authority in the country – twice as productive as the national average. On the other hand, labour productivity per job in Gosport stands at around 18.7% below the national average.

Economic growth in Hampshire in the pre-pandemic decade (2009 to 2019) averaged 2.8% p.a., significantly faster than the national average (2% p.a.) and faster than the South East average (2.4% p.a.). However, the impact of the pandemic on Hampshire's economy has been unprecedented and the economy is still recovering from its impact. Preliminary growth estimate from ONS suggests that adjusted for inflation Hampshire's

GVA was about 1.3% smaller in 2023 than in 2019. The UK and regional economies were larger than their pre-pandemic peaks (+2.6% and +1.5% respectively).

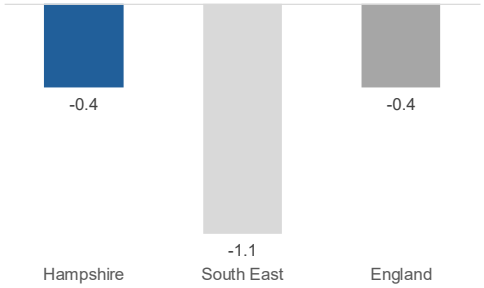
Employment in Hampshire

In 2024, approximately 659,000 working-age residents in Hampshire were in employment, resulting in an employment rate of 79.4% notably above both the national average and the South East regional average (75.6% and 78.4% respectively), Figure 1. The employment rate in Hampshire stood at 0.4 percentage points below its pre-pandemic peak, aligning with the national average and outperforming the South East average (Figure 2).

Figure 1: Employment rate in 2024, %

Source: ONS 2025

Figure 2: Employment rate in 2024 compared to 2019, percentage points difference



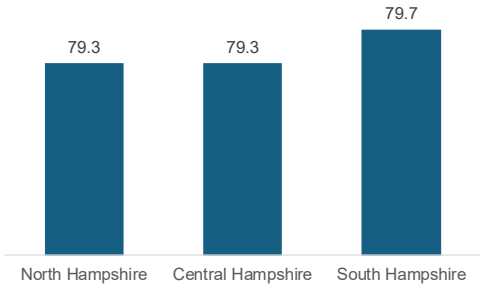
Source: ONS 2025

Employment rates in Hampshire were broadly comparable between genders in 2024, with 80% of men and 78.9% of women in employment. However, the male employment rate was 3.6 percentage points lower in 2024 than in 2019, representing around 15,000 fewer men in employment. In contrast, female employment increased by 2.7 percentage points - or approximately 20,000 between 2019 and 2024.

In 2024, 71% of Hampshire residents of the working age were employees, while 8% were self-employed. Between 2019 and 2024, the number of employees increased by 22,000, whereas the number of self-employed residents declined by 17,000.

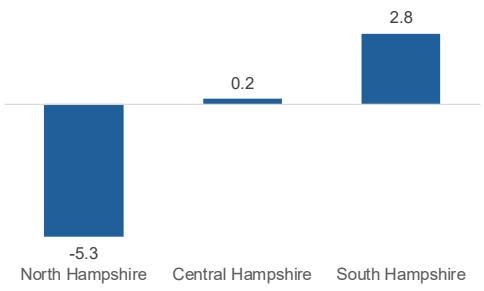
In 2024, approximately 18,000 Hampshire residents of the working age were classified as unemployed based on the broader, survey-based measure. The unemployment rate stood at 2.6%, down slightly from 2.8% in 2019.

Figure 3: Employment rate by ITL3 geography, 2024



Source: ONS 2025

Figure 4: Employment rate in 2024 compared to 2019, ITL3 geography, percentage points difference



Source: ONS 2025

There are about 255,000 people in employment in Central Hampshire or 39% of Hampshire's residents in employment, followed by 220,000 in South Hampshire (33%) and about 185,000 in North Hampshire (28%). The employment rates in the three statistical sub-areas in Hampshire, North Hampshire, Central Hampshire and South Hampshire are similar and above the national average in 2024 (Figure 3).[1]

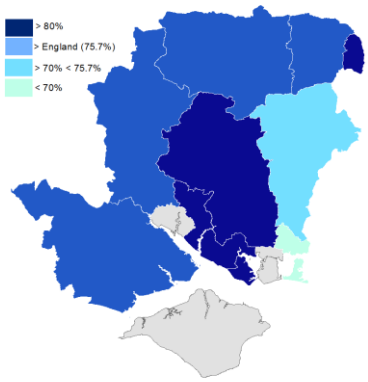
Employment rates across Hampshire's three statistical subareas are similar and have converged over the past few years. However, while employment rates in Central Hampshire and South Hampshire are now higher than in 2019, the rate in North Hampshire remains over 5 percentage points below its 2019 level (Figure 4).

The latest data from ONS suggests that just two local authority districts in Hampshire had rates below the England average in 2024, Havant at 70.2% and East Hampshire at 73.7% (Figure 5). However, the rates in six local authority districts in Hampshire were lower in 2024 than in 2019.

Due to ongoing issues with the Labour Force Survey (LFS), local-level data should be interpreted with caution. For example, the latest estimate for Gosport suggests its employment rate rose to 81.4% in 2024, up from 74.9% in 2019. In contrast, Hart's employment rate declined to 79.4% in 2024, down from 89.4% in 2019.[2]

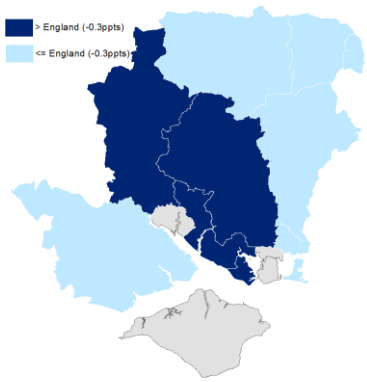
ONS data suggests that, in terms of resident employment growth, most local authorities in Central and South Hampshire outperformed the national average. In contrast, all local authority districts in North Hampshire lagged behind the national average (Figure 6). The relative employment performance at the local level since 2019 broadly correlates with economic growth trends observed between 2019 and 202.

Figure 5: Employment rate by local authority district, 2024



Source: ONS 2025

Figure 6: Employment rate in 2024 compared to 2019, percentage points difference



Source: ONS 2025

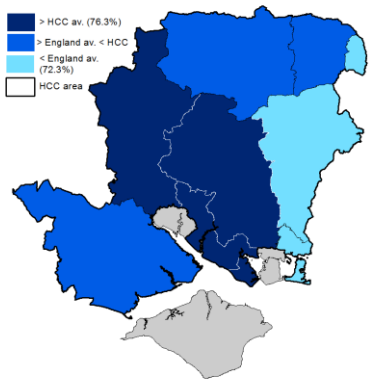
[1] The International Territorial Levels (ITLs) is a hierarchical classification of administrative areas, used by OECD member countries for statistical purpose. The ITLs have been established as a mirror to the previous Eurostat NUTS system used by the UK. The ITL3 geography in Hampshire consists of the following areas and local authorities: North Hampshire (Basingstoke & Deane, Hart and Rushmoor), Central Hampshire (East Hampshire, Winchester, Test Valley and New Forest), South Hampshire (Eastleigh, Fareham, Gosport and Havant).

[2] The confidence intervals (C.I.s) at local level are large. For example, Gosport's employment rate in 2024 was estimated at 81.4% but its 95% C.I. stands at +/- 9.1%. In Hart's case C.I. stands at +/- 8.9%

Employment rates among younger and older workers differ significantly from those of the core working-age population (25- to 49-year-olds). For example, the employment rate for 25- to 34-year-olds in Hampshire stood at 86.3% in 2024, down from 89% in 2019. In contrast, the rate among older workers (aged 50 to 64) rose to 76.3% in 2024, up from 73.7% in 2019.

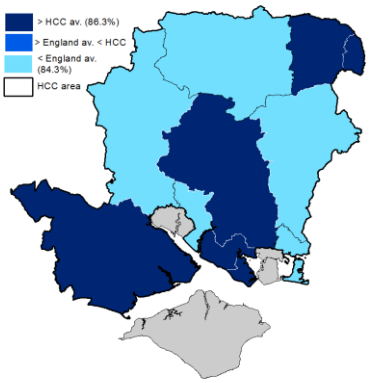
The employment rates of older workers in Rushmoor, Havant and East Hampshire stand below the national average (Figure 7). The employment rates of younger workers (25- to 34-year-olds) are below the national average in Havant, East Hampshire, Eastleigh, Basingstoke and Test Valley (Figure 8).[3]

Figure 7: Employment rate of older workers in 2024, 50–64-year-olds



Source: ONS 2025

Figure 8: Employment rate of younger workers in 2024, 25–34-year-olds



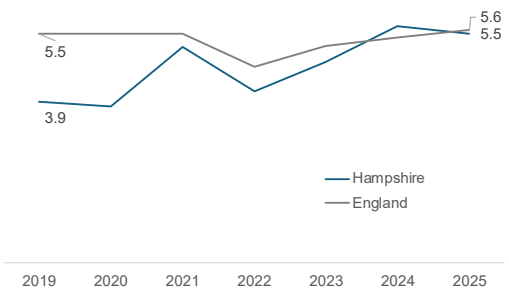
Source: ONS 2025

An estimated 1,762 young people aged 16 to 17 in Hampshire were not in education, employment, or training (NEET), or their activity was unknown in 2025. The NEET rate stood at 5.5%, and as shown in Figure 9, Hampshire's rate was marginally below the England average. Over this period, the number of NEETs and unknowns increased by approximately 70%, with the rate rising by 1.6 percentage points - from 3.9% in 2019 to 5.5% in 2025. In contrast, the NEET rate in England was slightly higher in 2025 than in 2019, and the gap between the England and Hampshire rates had nearly closed by 2025.

As shown in Figure 10 there are significant disparities in the combined NEET/Not known group at the local level with several local authorities in Hampshire having the NEET rate above the national average. Hampshire has five districts with NEET/Not known rates above the national average with three above the Hampshire average (Gosport, Havant and Rushmoor).

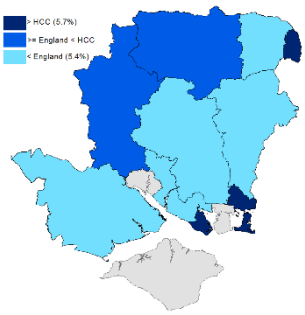
[3] Local estimates should be treated with caution. For example, in the case of Winchester and Test Valley, the confidence intervals for the employment rate of younger workers (Figure 8) are wide, +/-19.7% and +/-16.5%, respectively.

Figure 9: NEETS / activity not known, % of 16-17 year olds



Source: DfE 2024

Figure 10: NEETS / activity not known, % of 16-17 year olds



Source: DfE 2024

The local data for 16-24 age group in Hampshire is not available but the number is likely to be significantly higher than for 16 to 17 year olds. For example, an estimated 13.4% of all people aged 16 to 24 years in the UK were not in education, employment or training (NEET) in October to December 2024. This is up 1.3 percentage points, compared with October to December 2023. Young men are slightly more likely to be NEET than young women.

Research by the National Centre for Social Research suggests that young people often experience multiple risk factors that can contribute to a young person becoming NEET. These include economic hardship, mental health issues, lack of access to quality education or employment opportunities, and regional disparities.[4]

Employment, Health and Health Disparities in Hampshire

Employment rates are a key place-based indicator, closely linked to health outcomes. Higher employment is associated with longer periods of good health, while areas with greater economic inactivity often experience lower healthy life expectancy. Education plays a critical role in improving employment prospects by equipping individuals with the skills and knowledge needed to access quality jobs and participate fully in society. As such, education is also a significant determinant of long-term health.

Overall, Hampshire performs well compared to the national average, with higher employment rates and longer healthy life expectancy. However, health outcomes are not uniform across the county. Inequalities persist by geography, age, and population group. For example, areas such as Gosport Town (Gosport), Popley (Basingstoke), and Leigh Park and West Leigh (Havant) rank among the most deprived nationally. These areas have higher rates of unemployment claimants and lower life expectancy.

There are also notable age-related differences in the causes of ill health among the working-age population. Local analysis indicates that younger and older working-age

[4] National Centre for Social Research (2023) Risk factors for being NEET among young people, Youth Futures Foundation.

adults face distinct health challenges. Among 15–49-year-olds in Hampshire, the leading causes of disability-adjusted life years (DALYs) are mental health disorders, followed by musculoskeletal and neurological conditions. In contrast, for those aged 50–69, the leading causes shift to neoplasms, musculoskeletal disorders, and cardiovascular diseases. These findings align with national evidence from The State of Ageing 2022, which highlights that from age 50, individuals are more likely to develop long-term conditions and multiple morbidities.

Hampshire-specific data reinforces these national trends. From age 50, a marked decline in general health is observed, with inequalities becoming more pronounced. People in more deprived areas tend to spend a greater proportion of their lives in poor health or with disability. Among 15–49-year-olds, common mental health conditions such as depression and anxiety are the most frequently recorded in GP data. For those aged 50–69, cardiovascular disease is the most commonly recorded condition, with musculoskeletal disorders also increasing significantly with age.

These findings from the analysis of primary care data are supported by analysis of claimant data for Personal Independence Payments for residents of Hampshire. Psychiatric disorders account for the largest number of claims, followed by musculoskeletal disease. The type of disorders within these condition groups reported varied by age.[5]

- For psychiatric disorders, 16–34-year-olds have the highest number of claims - over a third of all psychiatric claims in this age group were due to autistic spectrum disorders.
- In 35-49- and 50–69-year-olds mixed anxiety and depressive disorders are the most significant conditions contributing to claims for psychiatric disorders.
- For MSK disease, in 16-34- and 35–48-year-olds over half of all MSK disease general claims are because of chronic pain syndromes.
- In 50–69-year-olds the number of claims relating to MSK general increases significantly, osteoarthritis makes up the largest percentage.

National research suggests that the biggest increases in future health demand will be for conditions like chronic pain, diabetes, anxiety or depression. These projected patterns of illness can be inferred to Hampshire's population, but our population is not homogeneous. Research by the Office for National Statistics (ONS) suggests that people living in more deprived areas tend to develop long-term health conditions 10 to 15 years earlier than those living in the least deprived areas.[6] Consequently, different population groups and characteristics will drive different levels of need and will impact the driver for economic inactivity. Much of the burden of major diseases is preventable.[7]

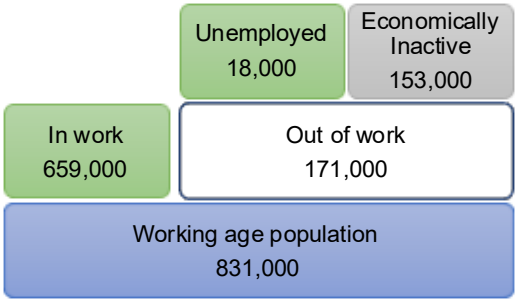
[5] Further information is available in *Health of the Working Age Population Report* available at JSNA Health of the working age population

[6] Health state life expectancies by national deprivation deciles, England - Office for National Statistics
[7] Health in 2040: projected patterns of illness in England, The Health Foundation

Economic Inactivity in Hampshire

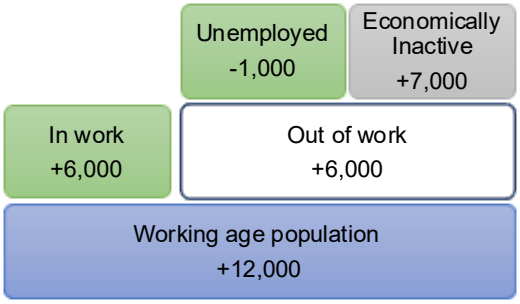
The structure of working age (16- to 64-year-olds) population in Hampshire consists of people that are in work and people that are out of work. Alternatively, the structure consists of economically active population (employed and unemployed people) and economically inactive people (Figure 11). In 2024 Hampshire had a larger workforce, more people in employment, fewer unemployed people and more economically inactive people than in 2019 (Figure 12). The numbers have increased but the employment and economic activity rates have decreased compared to 2019.

Figure 11: Structure of working age population, Hampshire 2024



Source: ONS 2025
Note: estimates have been rounded to the nearest 1,000

Figure 12: Change in the structure of Hampshire's working age population, 2019 to 2024

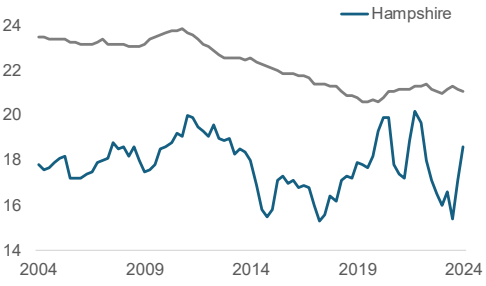


Source: ONS 2025

As shown in Figure 11, the economically inactive population is a subset of the out-of-work population, differing from the unemployed in that inactive people are not actively seeking and/or not available for work. In 2024, Hampshire had about 153,000 economically inactive people or 18.5% of all people of working age, below the England average (21.1%) and slightly below the South East average (18.8%). However, this is about 7,000 additional economically inactive people compared to 2019 (Figure 12).

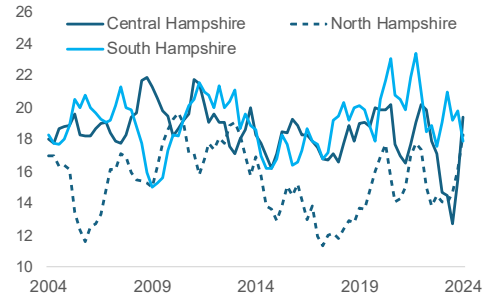
The rate in Hampshire increased steadily from 2018 peaking at 19.7% in 2022 before falling to 16% in 2023 and rising again to 18.5% in 2024 (Figure 13). The labour supply shock brought on by the pandemic has contributed to the increase in economic inactivity in Hampshire.

Figure 13: Economic inactivity rates – Hampshire and England, % 2004 to 2024



Source: ONS 2025

Figure 14: Economic inactivity rates in North, Central and South Hampshire, 2004 to 2024



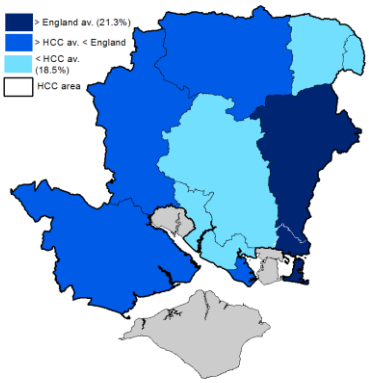
Source: ONS 2025

In 2024, the economic inactivity rate in Central Hampshire stood at 19.2%, slightly above the Hampshire average of 18.5%. The area had approximately 62,000 economically inactive people of working age, accounting for 40% of all economically inactive individuals in the county. In South Hampshire, the economic inactivity rate was 18.2%, with around 50,000 economically inactive working-age residents, representing about one-third of Hampshire's total. North Hampshire recorded the lowest economic inactivity rate at 17.8%. It had an estimated 41,000 economically inactive people of working age, making up 27% of the county's total.

While local data demonstrates considerable volatility, the economic inactivity rate in Central Hampshire remained relatively stable between 2019 and 2024. Over the same period, the rate declined in South Hampshire and increased in North Hampshire.

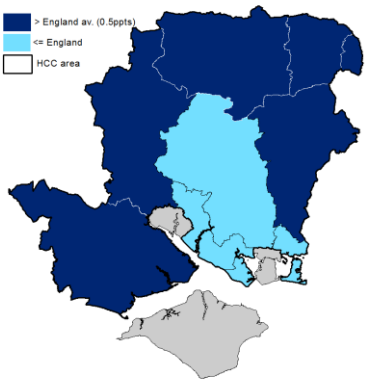
Between 2019 and 2024, Central Hampshire saw an increase of approximately 2,000 economically inactive people of working age, a 4% rise, which is slightly below the Hampshire average. In contrast, South Hampshire experienced a decrease of around 5,000 inactive residents, representing a 10% decline over the same period. Meanwhile, North Hampshire recorded the most significant change, with the number of economically inactive people rising by about 10,000, an increase of roughly one-third compared to 2019.

Figure 15: Economic inactivity rates by local authority district, 2024



Source: ONS 2025

Figure 16: Economic inactivity rates in 2024 compared to 2019, percentage points difference



Source: ONS 2025

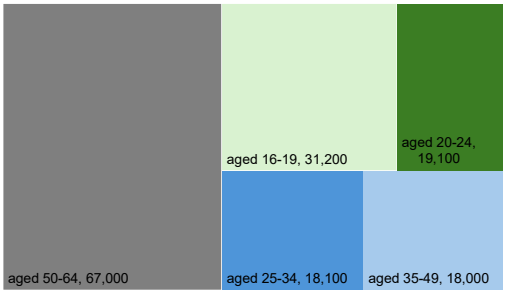
While overall economic inactivity rates in Hampshire remain below the national average, the rate of increase between 2019 and 2024 was slightly higher in Hampshire. Over this period, the rate rose by 0.6 percentage points in Hampshire, compared to a 0.5 percentage point increase across England.

Local data suggests that only two local authority districts, Havant and East Hampshire had economic inactivity rates above the national average in 2024, at 24.4% and 22.3% respectively (Figure 15). However, there are significant disparities in economic inactivity rates within Hampshire. For instance, the gap between the highest and lowest rates is substantial. Havant, with the highest rate, has an economic inactivity rate that is almost double that of Fareham (13.1%), despite both being located in South Hampshire.

The change in the rates over this time has been even more pronounced but data at local level should be interpreted with caution. For example, the rate in Winchester decreased by about 10 percentage points while the rate in Hart increased by over 6 percentage points. Economic inactivity rates in seven local authority districts in Hampshire were higher in 2024 than in 2019 (Figure 16).

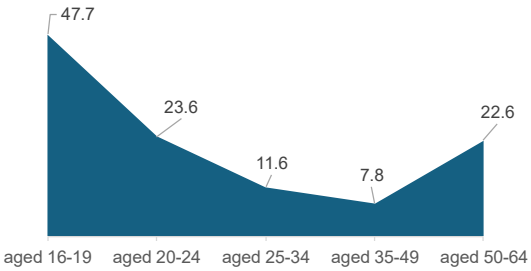
There were about 83,000 economically inactive females and 70,000 economically inactive males in Hampshire in 2024. Females are more likely to be economically inactive than males. Economic inactivity rate for females stood at 19.5% compared to 17.4% for males. Nevertheless, the economic inactivity rate for females in Hampshire is well below the England average (24.9%), the rate for males is similar to England average. Males account for the entire rise in economic inactivity among working-age adults in Hampshire since the end of 2019. The number of economically inactive males increased by about 12,000 while the number of economically inactive females decreased by 5,000.

Figure 17: Economically inactive by age, Hampshire 2024



Source: ONS 2025

Figure 18: Economic inactivity rates by age, Hampshire 2024



Source: ONS 2025
Note: includes students

Some 36,000 people or about a quarter of economically inactive people in Hampshire is found in the main working age group, 25- to 49-year-olds. The older working age group (50- to 64-year-olds) accounts for about 67,000 (43%) of all economically inactive people of working age (Figure 17). Close to one in every four older people of working age is now economically inactive. As shown in Figure 18 the distribution of economic inactivity in Hampshire by age is U-shaped. Those aged 16-24 and 50-64 account for about four fifths (77%) of all economically inactive people of working-age.

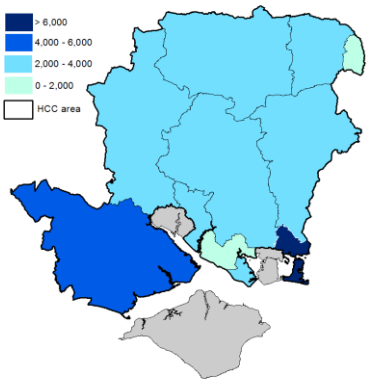
The 16–24 age group includes many economically inactive students, and the number of inactive individuals in this group increased by approximately 4,000 between 2019 and 2024. During the same period, the number of economically inactive people in the 20–24 and 25–34 age groups also rose by around 4,000 each. In contrast, the number of inactive individuals in the older age group remained broadly stable, while economic inactivity in the 35–40 age group declined by about 5,000 people.

Around 32,000 economically inactive people in Hampshire would like a job - equivalent to 1 in 5 of all inactive individuals compared to over 1 in 4 in 2019. In Central Hampshire, approximately 11,000 people (18.3% of the economically inactive population) would like a job, a proportion broadly comparable to 2019. In South Hampshire, about 14,000

inactive individuals (28%) expressed a desire to work, slightly lower than in 2019. However, in North Hampshire, the proportion has declined sharply: only around 15% of economically inactive people (6,000 working-age individuals) would like a job, compared to 30% in 2019.

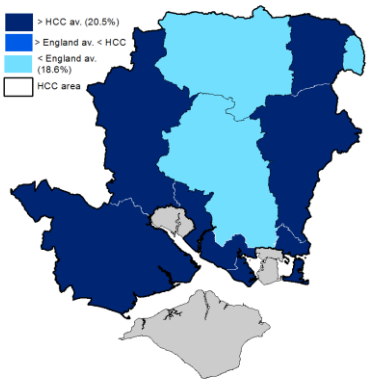
As shown in Figure 19 and Figure 20 there are significant disparities at local level in terms of both, the number of inactive who would like a job and the rate.

Figure 19: Economically inactive in Hampshire who would like a job, 2024



Source: ONS 2025
Note: data includes student inactive student population
Imputed estimates for East Hampshire, Fareham, Hart and Winchester

Figure 20: % of economically inactive in Hampshire who would like a job, 2024



Source: ONS 2025
Note: data includes student inactive student population
Imputed estimates for East Hampshire, Fareham, Hart and Winchester

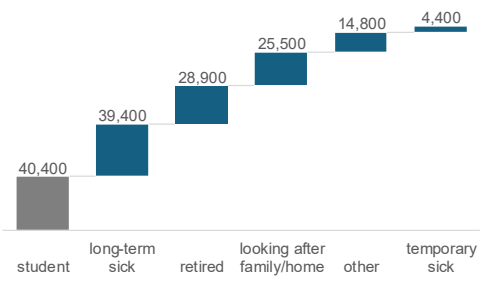
Reasons for economic inactivity in Hampshire

The inactive population in Hampshire covers a broad range of groups from students and early retirees to individuals with family/home responsibilities to temporary sick individuals and to those dealing with long-term sickness or disability (Figure 21). A final group, 'other', consists of people discouraged from labour market participation, believing there are no available jobs, those that have given no reason or those who don't require employment.

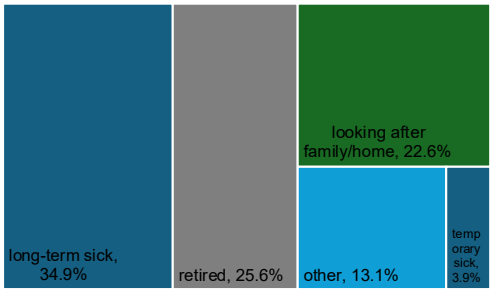
Excluding economically inactive student population there are about 113,000 economically inactive people of working age in Hampshire or 13.6% of people of working age. Excluding student population some 43,000 (or 38%) economically inactive people in Hampshire reside in Central Hampshire, followed by 41,000 (36%) in South Hampshire and 29,000 in North Hampshire (26%). Economic inactivity rates excluding student population are similar, ranging from 12.7% and 13.3% respectively in North and Central Hampshire to 14.7% in South Hampshire.

Figure 21: Economic inactivity in Hampshire by reason for inactivity, 2024

Figure 22: Economic inactivity in Hampshire by reason - excluding students, % of inactive 2024



Source: ONS 2025



Source: ONS 2025

People of working age who are long-term sick or disabled account for over a third of all economically inactive people in Hampshire excluding student population (Figure 22). Retired people of working age account for about a quarter of all economically people of working age excluding students. As shown in Figure 22 long-term sick or disabled and early retirees account for about three fifths of all economically inactive people of working age excluding students.

People looking after family/home account for over a fifth of all economically inactive people in Hampshire excluding students. Temporary sick and 'other' groups are relatively small at 4% and 13% of all inactive people respectively.

Work-limiting conditions do not affect all people or places equally. An analysis of economic inactivity by reason reveals clear differences across gender, age, educational attainment, and geography.

Long-term sickness or disability

The long-term sick or disabled group is the largest category of economically inactive people in Hampshire, with around 39,000 working-age individuals in 2024. This represents an increase of approximately 11,000 people compared to 2019.

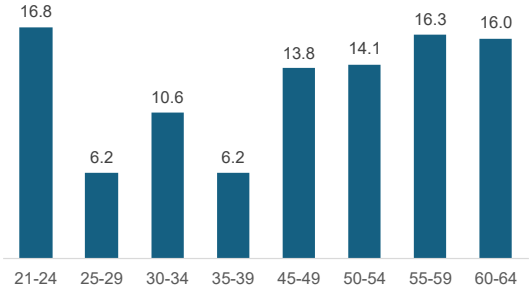
Females in Hampshire are more likely than males to be economically inactive due to long-term sickness or disability. According to ONS data, in 2022, women accounted for approximately 57% of all economically inactive working-age individuals in this category.

ONS data suggests that the largest number of economically inactive long-term sick or disabled people in Hampshire is found in the young-age group (21- to 24-year-olds) followed by the two older age groups (Figure 23). Age is a significant factor, observed in the increasing proportion of people reporting poor health or disability from age 55. The young people and people aged 50 to 64 account for about two thirds of all long-term sick or disabled economically inactive people of working age in Hampshire. However, since data for 16- to 20-year-olds is not available the actual number is likely to be larger.

The vast majority of long-term sick or disabled in Hampshire are white (Figure 24). Non-white long-term sick or disabled account for about one in twenty (5.5%) of economically inactive people classified as long-term sick or disabled.

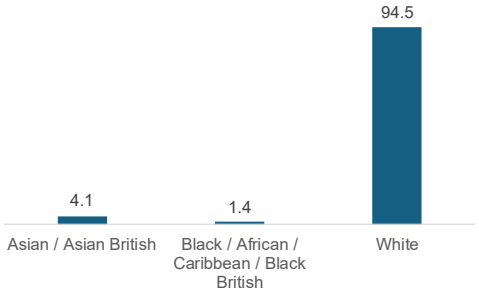
Estimates for long-term sickness or disability by main health condition are incomplete since data for about a half of the main health conditions included in the Labour Force Survey (LFS) has been suppressed due to small sample sizes. However, the available data suggests that mental illness or other nervous disability followed by problems or disability connected with back and neck are the most citied reasons for long-term sickness or disability (Figure 25).

Figure 23: Long-term sick or disabled by age, Hampshire 2022, %



Source: ONS 2025
Note: estimates for 16 to 20 and 40 to 45-year-olds are not available
Estimated numbers refer to 2022 data

Figure 24: Long-term sick or disabled by ethnicity, Hampshire 2022, %



Source: ONS 2025

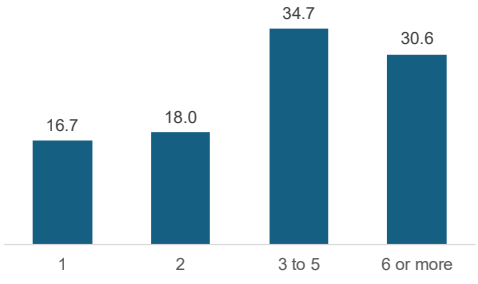
The available data suggests that the reasons for economic inactivity caused by long-term sickness or disability are complex. About two thirds of long-term sick or disabled economically inactive people in Hampshire are affected by at least three major health conditions (Figure 26).

Figure 25: Long-term sickness or disabled by main health condition, Hampshire 2022

Health condition	%
Mental illness or other nervous disorders	18.3%
Problems or disabilities connected with back and neck	16.4%
Other problems or disabilities	16.4%
Depression, bad nerves or anxiety	13.3%
Problems or disabilities connected with legs and feet	11.4%
Autism	9.0%
Progressive illness n.e.c.	6.6%
No long-lasting health condition or not disclosed	4.8%
Problems or disabilities connected with arms or hands	3.7%

Source: ONS 2025
Note: data available for 9/18 main health categories. Estimates are based on small samples and should be used with caution. Other health conditions have been suppressed due to small sample sizes.

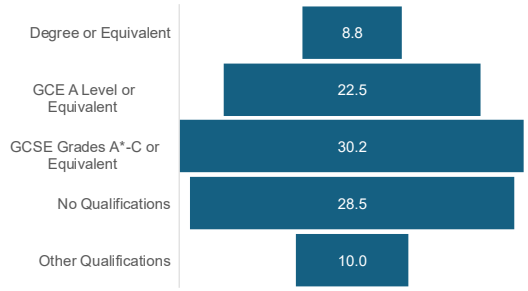
Figure 26: Long-term sick or number of health conditions, Hampshire 2022, %



Source: ONS 2025
Estimates are based on small samples and should be used with caution.

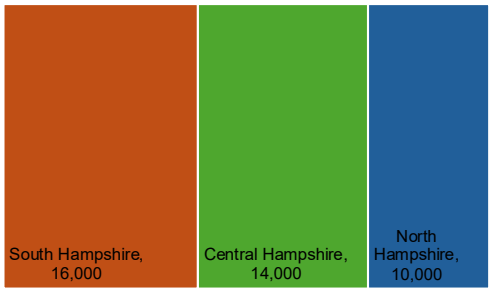
Educational attainment, alongside health, is a key factor limiting economic activity and employment among individuals classified as inactive due to long-term sickness or disability. ONS data suggests that some 28.5% of economically inactive long-term sick or disabled people in Hampshire have no formal qualifications (Figure 28) compared to 3.6% for the economically active population. Furthermore, just 8.8% of economically inactive long-term sick have a degree or equivalent qualification compared to 51.2% of the economically active population.

Figure 28: Economically inactive long-term sick by qualification level in 2022, Hampshire, 2022 %



Source: ONS 2025
Missing data for Higher Education qualification category

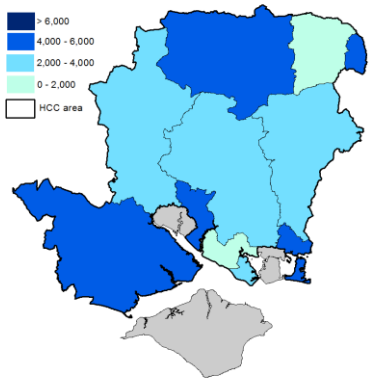
Figure 29: Economically inactive long-term sick by sub-area in 2022, Hampshire, 2022



Source: ONS 2025

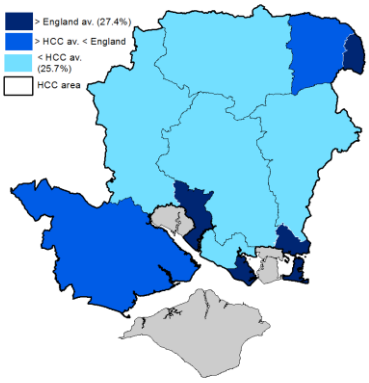
At the local level there are around 5,000 or more economically inactive people of working age that are long-term sick or disabled in Havant, New Forest, Basingstoke, Rushmoor and Eastleigh (Figure 30). The proportion of economically inactive individuals due to long-term sickness or disability is notably high in Havant, Gosport, Rushmoor and Eastleigh (Figure 31). However, data at the local level should be interpreted with caution due to small sample sizes and the need to impute data for missing values in several districts.

Figure 30: Estimated number of economically inactive long-term sick or disabled residents, 2024



Source: ONS 2025
Note: imputed estimates for Fareham, Hart and Winchester

Figure 31: Economically inactive long-term sick or disabled - % excluding students, 2024

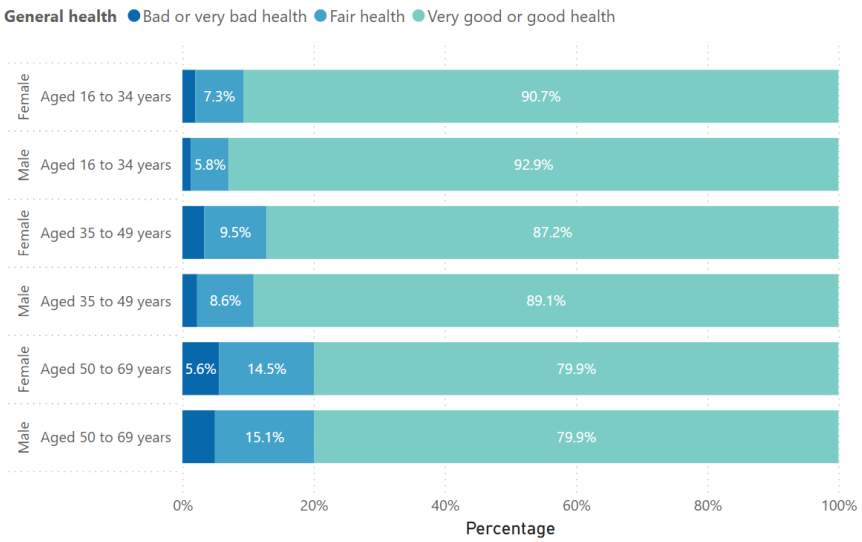


Source: ONS 2025
Note: imputed estimates for Fareham, Hart and Winchester

Overall, the economically inactive population across Hampshire tends to experience poorer health outcomes across a range of measures, including general health and disability.

In Hampshire, 61.5% of working age population with core or work-limiting disability are in employment compared to 85.7% of working age population not affected by core or work limiting disability. This implies that the gap between the two groups stands at 24 percentage points. The gap is comparable to the national average but larger than the South East average (21 percentage points). People who have a disability or report their health to be not good are more likely to not have any qualifications. As shown in Figure 27 people's health declines with age.

Figure 27: Population's health rating in Hampshire



Source: JSNA Health of the working age population

Temporary sickness

In 2024 there were around 4,000 temporary sick economically inactive people of working age in Hampshire or around 2,000 more than in 2019. This group accounts for 4% of all economically inactive people in Hampshire excluding students. At the local level temporary sick are mostly found in North Hampshire and South Hampshire.

Males are more likely to be temporary sick than females in Hampshire - about 63% of temporary sick in 2022 were males. ONS data suggests that in 2022 there was a concentration (about 2,400 people) of temporary sick people of working age in the 30- to 34-year-old age group in Hampshire.[8]

Early retirement

Retired people of working age is the second largest economically inactive group in Hampshire with about 29,000 people in 2024 or about a quarter of all economically inactive people of working age excluding students. In 2024 Hampshire had about 1,000 additional retired people of working age compared to 2019. Females in Hampshire are again more likely to be economically inactive due to early retirement than males. In 2022 some 60% of retired people of working age were females.

ONS data suggests that the largest number of economically inactive retired people in Hampshire is found in the 60- to 64-year-old age group (about three quarters) followed by about a fifth in the 50- to 59-year-old group (Figure 32). The vast majority of retired people of working age in Hampshire are white.

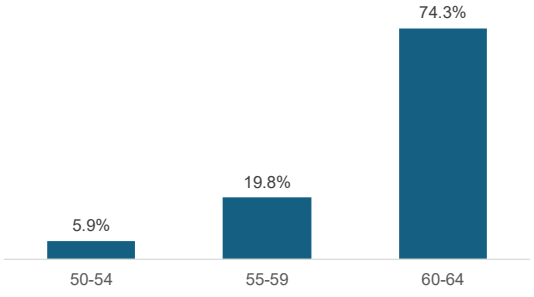
Since the pandemic there has been an increasing proportion of people aged 50–64-year-olds who have chosen to retire early. In addition to possible declining health, House of Lords Economic Affairs Committee report proposed possible reasons for this emerging

[8] Skills profile (education attainment) and main health condition of temporary sick economically inactive people in Hampshire are not available due to small sample sizes.

trend could also be good financial circumstances with the pandemic enabling better savings and pension flexibilities.[9]

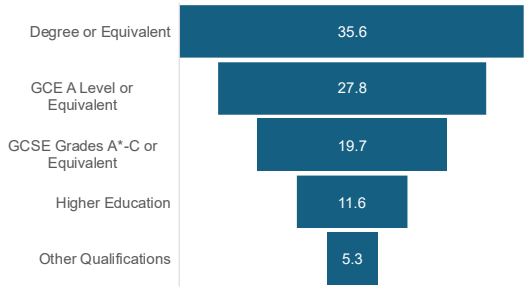
The educational attainment of economically inactive individuals who are retired is significantly higher than that of those who are inactive due to long-term sickness or disability. At the top of the qualification distribution the proportion of retired people with degree is lower than for Hampshire's population as a whole (Figure 33).

Figure 32: Retired economically inactive people by age in Hampshire, % in 2022



Source: ONS 2025
Note: numbers are slightly larger than in 2024

Figure 33: Retired economically inactive people by qualification level – % in 2022, Hampshire



Source: ONS 2025

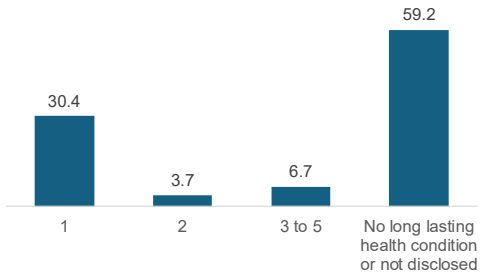
Available data suggests that about two thirds of economically inactive retired people in Hampshire had no long-lasting health condition (or condition was not disclosed), Figure 34. The remaining one third of the population are affected by cardio-vascular health conditions and problems or disabilities connected with legs and feet.

Figure 34: Health conditions affecting retired economically inactive in Hampshire, % in 2022

Health condition	%
No long-lasting health condition or not disclosed	66.1
Heart, blood pressure or blood circulation problems	11.0
Problems or disabilities connected with legs and feet	8.9
Other problems or disabilities	7.9
Progressive illness n.e.c.	6.2

Source: ONS 2025
Note: data available for 5/18 main health categories. Estimates are based on small samples and should be used with caution. Other estimates have been suppressed due to small sample sizes.

Figure 35: Number of health conditions affecting retired economically inactive in Hampshire, % in 2022



Source: ONS 2025
Estimates are based on small samples and should be used with caution.

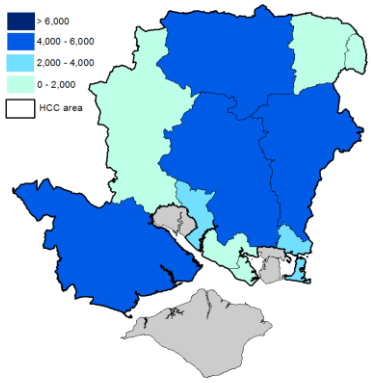
Long-lasting health conditions are not the main cause of early retirement in Hampshire. As shown in Figure 35 about 60% of economically inactive retired people have no long-lasting health condition (or condition was not disclosed). Nevertheless, close to a third of early retirees in Hampshire had one long lasting health condition in 2022.

[9] House of Lords Economic Affairs Committee 2022/23 – Where have all the workers gone?

Most retired economically inactive people of working age in Hampshire reside in Central Hampshire, about 16,000 in 2024 or 55% followed by about 7,000 in North Hampshire (25%) and about 6,000 in South Hampshire (20%).

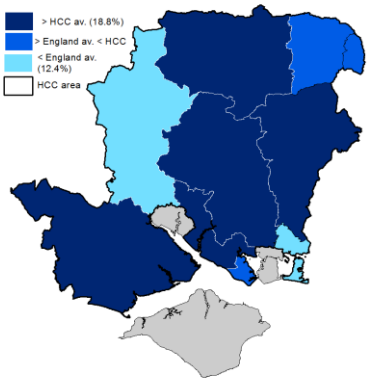
At the local level there are over 5,000 economically inactive retired people in New Forest followed by between 4,000 and 5,000 people respectively in East Hampshire, Basingstoke and Deane and Winchester, Figure 36.

Figure 36: Estimated number of economically inactive early retired residents, 2024



Source: ONS 2025
Note: imputed estimates for Eastleigh, Gosport and Hart

Figure 37: Economically inactive early retired - % excluding students, 2024



Source: ONS 2025
Note: imputed estimates for Eastleigh, Gosport and Hart

Looking after family or home

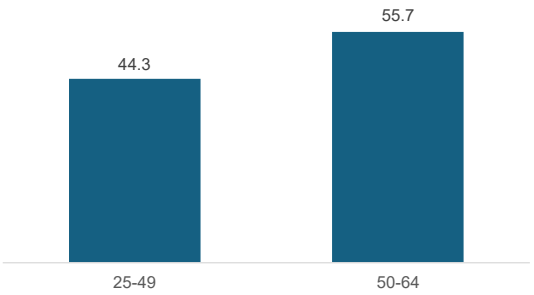
In 2024 there were about 26,000 economically inactive people of working age that look after family or home in Hampshire. This group represents approximately 23% of all economically inactive working-age individuals, excluding students. There were about 8,000 fewer people in this economically inactive group in 2024 than before the pandemic (in 2019).

Females are about five times more likely to be inactive due to family or home commitments than males. In 2022 some 83.5% of all economically inactive people looking after family or home were females in Hampshire compared to 16.5% males.

ONS data suggests that a slightly higher proportion of people that look after family or home is found in the older workers age group (50- to 64-year-olds) than in the prime working age group (25- to 49-year-olds), Figure 38. People from Asian / Asian British background are overrepresented in this economically inactive group in Hampshire. About 8% of all economically inactive people that look after family or home come from Asian or Asian British background.

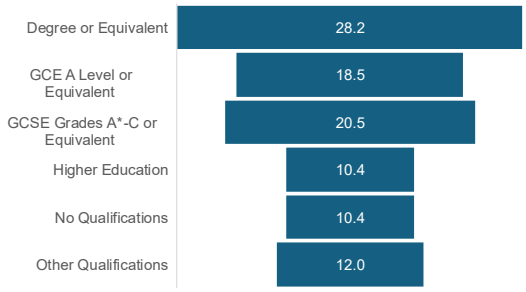
Individuals who are primarily responsible for looking after the home or family tend to have lower levels of skill attainment compared to the general working-age population in Hampshire. For instance, approximately one in ten have no formal qualifications - roughly twice the rate observed among the broader working-age population. Additionally, only about 23% hold a degree or higher qualification, which is half the proportion found among working-age individuals in the region (Figure 39).

Figure 38: Economically inactive people looking after family or home by age in Hampshire, % in 2022



Source: ONS 2025
Note: numbers are slightly larger than in 2024

Figure 39: Economically inactive people looking after family or home by qualification level – % in 2022, Hampshire



Source: ONS 2025

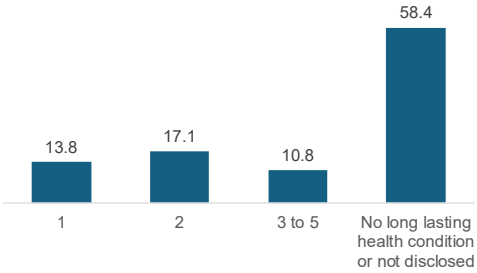
Available data suggests that about two thirds of economically inactive people that look after family or home in Hampshire had no long-lasting health condition (or condition was not disclosed). The remaining one third was equally split between depression, some physical conditions and not specified problems or disabilities, Figure 40.

Figure 40: Health conditions affecting economically inactive people that look after family or home in Hampshire, %

Health condition	%
No long-lasting health condition or not disclosed	66.5
Depression, bad nerves or anxiety	11.3
Other problems or disabilities	11.3
Problems or disabilities connected with legs and feet	10.9

Source: ONS 2025
Note: data available for 5/18 main health categories. Estimates are based on small samples and should be used with caution. Other estimates have been suppressed due to small sample sizes.

Figure 41: Number of health conditions affecting economically inactive people looking after family or home in Hampshire, %



Source: ONS 2025
Estimates are based on small samples and should be used with caution.

About one in 10 of the inactive people in this group had three to five long-lasting conditions followed by about 17% with two health conditions, Figure 41.

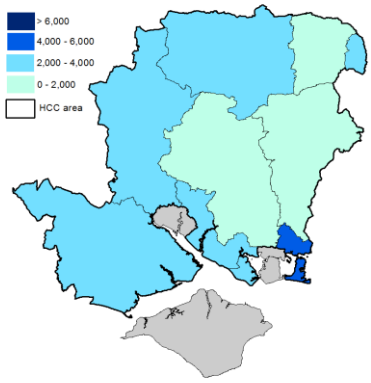
Caring responsibilities can affect people's ability to pursue paid work and limit their options. Carers providing more than 20 hours of care a week are more likely to live in lower-income households than non-carers. Comparisons between 2011 and 2021 Census data suggest that in Hampshire a greater proportion of people are now providing 20 hours or more of unpaid care. Across Hampshire more than 160,000 people of working age provide unpaid care, 41% of these people provide 20 hours or more. 62% of all unpaid carers are female. As the number of hours providing unpaid care increases, those who rate their health as bad also increases.

The majority of economically inactive working-age individuals who look after the home or family in Hampshire reside in South Hampshire - approximately 14,000 people, or about

55% of the total. This is followed by around 6,000 individuals (roughly one-quarter) in North Hampshire, and about 5,000 (around one-fifth) in Central Hampshire.

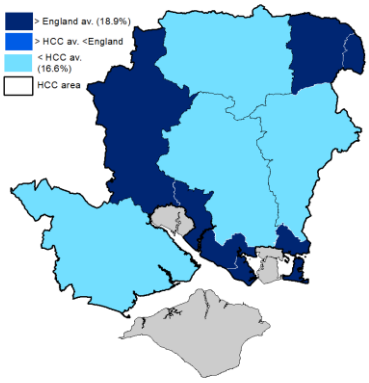
At the local level, a relatively high number of individuals looking after the home or family are found in New Forest, East Hampshire, Winchester, and several other local authorities (Figure 42). As illustrated in Figure 43, seven local authority districts in Hampshire have a higher proportion of people in this category compared to the England average.

Figure 42: Estimated number of economically inactive looking after family or home, 2024



Source: ONS 2025
Note: imputed estimates for Hart, Rushmoor, Test Valley and Winchester

Figure 43: Economically inactive looking after family or home - % of all inactive excluding students, 2024



Source: ONS 2025
Note: imputed estimates for for Hart, Rushmoor, Test Valley and Winchester

As shown above this group primarily consists of women and as such it is hard to reach – bring back into the labour market. Empirical evidence suggests that providing free childcare can significantly reduce economic inactivity in this group, particularly for mothers, by enabling them to return to or remain in the workforce. This is because childcare costs can be a major barrier to employment, especially for low-income families. Recent research by PwC suggests that the UK Government's 2017 increase of state-funded childcare support for 3–4-year-olds in England has contributed a potential £22.3bn in Gross Value Added and drove a 1.3ppt increase in under-50s employment rate, equivalent to 286,000 new workers across the country, after first year of implementation.[10]

'Other' reasons for economic inactivity

Some 15,000 economically inactive people in Hampshire are inactive due to other reasons. This is about one in 10 of all inactive people or about 13% of Hampshire's inactive population of working age excluding students.

Central Hampshire accounts for approximately 8,000 individuals, or 55% of the total economically inactive population in this group, followed by North Hampshire with 4,000 (25%) and South Hampshire with 3,000 (20%). Between 2019 and 2024, the number of

[10] PwC (2023) The economic impact of childcare policy.

economically inactive people in this group decreased by 8,000, with much of the decline attributed to South Hampshire, which saw a reduction of 6,000 working-age residents.

The 'other' group consists of people discouraged from labour market participation, believing there are no available jobs, those that have given no reason or those who don't require employment.

Females are more likely to fall under this category of economically inactive people than males and Asian / Asian British people are overrepresented in this group in Hampshire. In 2022 about one in every eight inactive people in this group were of Asian / Asian British background. Some 54% of inactive people in this group in Hampshire were young people (people aged 16 to 29 year olds) with the remaining aged 50 to 64. Most people in this group had intermediate or lower intermediate qualifications (GCE A level or equivalent or GCSE grades A*-C or equivalent). There is also a substantial number of people with a degree or equivalent qualification.

Most economically inactive people in this group (about three quarters) in Hampshire had no long-lasting health condition or health condition was not disclosed followed by about a fifth of people reporting depression, bad nerves or anxiety.

Analysis of Income and Health-Related Benefits in Hampshire

A significant proportion of both economically inactive and economically active individuals in Hampshire receive one or more income-related or health-related benefits.

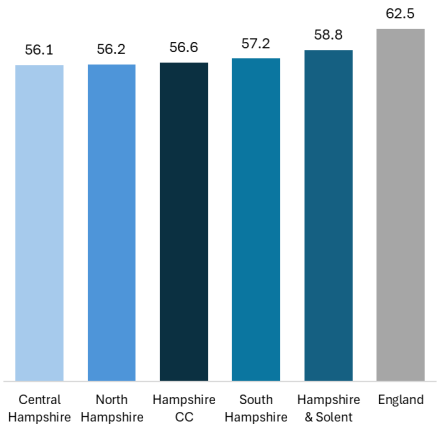
Income Replacement Benefits – Universal Credit (UC)

Many economically inactive people of working age in Hampshire claim Universal Credit (UC), a benefit also available to residents on low incomes, those out of work, or those unable to work. UC replaces several legacy benefits, although the full transition is not expected to be completed until the end of March 2026.

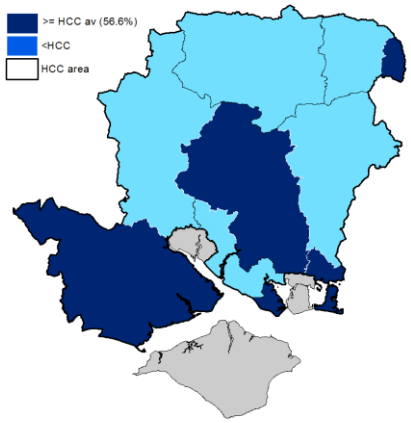
As of December 2024, approximately 104,200 working-age residents in Hampshire were claiming UC. Of these, nearly 59,000 (56.6%) were classified as not in employment (Figure 44). This proportion is lower than the national average of 62.5%. South Hampshire had the highest number of UC claimants (22,400, representing 57.2% of all UC claimants), followed closely by Central Hampshire (20,900), which had the lowest share not in employment (56.1%). North Hampshire had the fewest claimants (15,600), but a slightly higher share not in employment (56.2%). All Hampshire districts reported a lower proportion of UC claimants not in employment compared to the national average, South Hampshire was slightly above the Hampshire average (Figure 45).

Figure 44: % of Universal Credit claimants Not in Employment, December 2024

Figure 45: Universal Credit claimants Not in Employment relative to Hampshire, December 2024



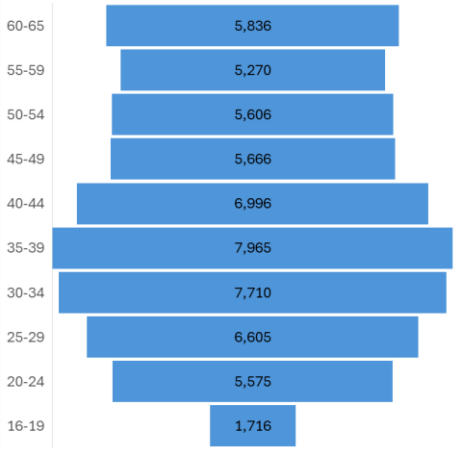
Source: DWP 2025



Source: DWP 2025

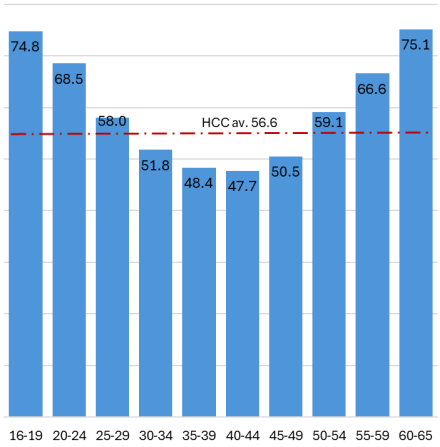
By broad age group, the largest number of Universal Credit (UC) claimants in Hampshire are individuals in their 30s and 40s (Figure 46), who together account for nearly half of all claimants (28,300). However, the age distribution of UC claimants not in employment follows a distinct U-shaped pattern (Figure 47). Approximately three-quarters of both 16–19-year-olds (1,716) and 60–65-year-olds (5,836) receiving UC are not in employment, while the 35–44 age group has the lowest proportion of unemployed UC claimants, at just under 15,000. In contrast to the 30–49 age group, residents aged 16–29 and 50–65 are more likely than the Hampshire average to be claiming UC while not in employment (Figure 47).

Figure 46: Universal Credit Not in Employment by Age Band (number of claimants), December 2024



Source: DWP2025

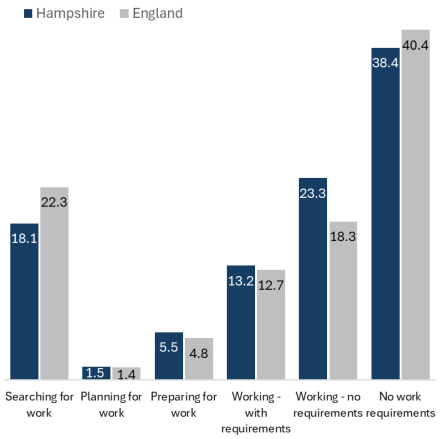
Figure 47: Universal Credit Not in Employment by Age Band (cohort share %), December 2024



Source: DWP2025

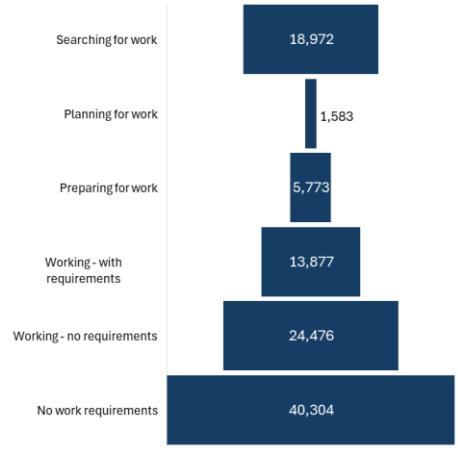
Hampshire residents applying for UC are assigned to one of six conditionality regimes, based on an assessment of their work capability and personal circumstances. As illustrated in Figures 48 and 49, the largest group comprises individuals with no work requirements - those not expected to work due to health conditions or caring responsibilities. In December 2024, this group accounted for approximately 40,300 residents, or 38.4% of all UC claimants in Hampshire—slightly below the national average of 40.4%.

Figure 48: Universal Credit Conditionality %, December 2024



Source: DWP 2025

Figure 49: Hampshire Universal Credit Conditionality, December 2024



Source: DWP 2025

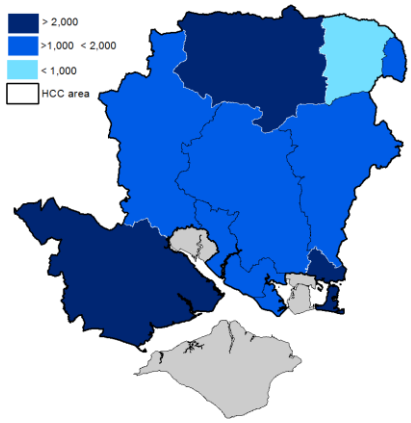
The next largest groups include those in work (24,500 claimants, 23.3%) whose earnings exceed the threshold for conditionality, and those searching for work (19,000 claimants, 18.1%) who are either unemployed or earning very little and are required to actively seek employment or pursue better-paid opportunities.

As shown in Figure 50, Basingstoke and Deane had the highest number of UC claimants actively searching for work with 2,770 individuals (19.1% of all UC claimants). This was followed by Havant (2,740 claimants, 19.0%) and New Forest (2,050 claimants, 17.2%). Despite having the highest numbers, all three districts reported proportions below the national average of 22.3%. Hart recorded the lowest number of UC claimants searching for work, with 880 individuals (18.4%).

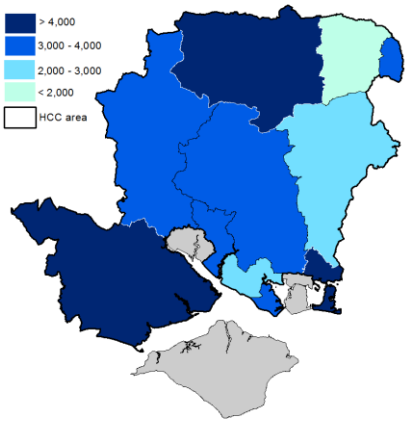
For UC claimants with no work requirements (Figure 51), the same three districts also had the highest numbers, although the ranking differed slightly. Havant led with 5,300 claimants (41.5% of all UC claimants), followed by Basingstoke and Deane (5,300, 36.5%) and New Forest (4,890, 40.9%). Of these, only Basingstoke and Deane had a share below the national average of 40.4%. Hart again had the lowest number, with 1,720 claimants (36.0%).

Figure 50: Universal Credit Claimants Conditionality Searching for Work, December 2024

Figure 51: Universal Credit Claimants Conditionality, No Work Requirements, December 2024



Source: DWP 2025



Source: DWP 2025

‘Extra Cost’ Benefits – Employment and Support Allowance (ESA)

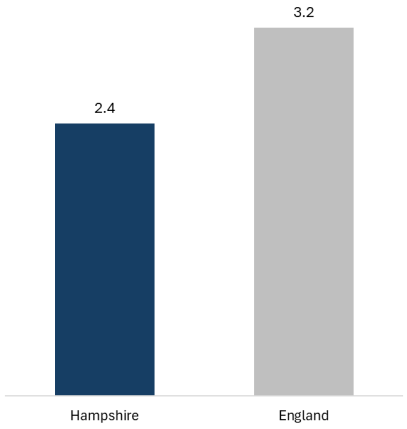
Individuals who are economically inactive due to ill health can receive an ‘extra cost’ benefit, such as Employment and Support Allowance (ESA). While it is possible to work while claiming ESA - typically fewer than 16 hours per week and within a specified income threshold - most recipients do not engage in employment. There are two types of ESA: the Income-related ESA, which is being phased out and replaced by Universal Credit, and the New Style ESA, a contributory benefit based on National Insurance contributions.

As of December 2024, approximately 20,100 Hampshire residents were claiming ESA, with a slightly higher proportion of females (53%) than males (47%). ESA claimants represented around 2.4% of Hampshire’s working-age population, a rate lower than the national average (Figure 52). At the sub-regional level, ESA rates ranged from 2.0% in North Hampshire (4,930 claimants) to 3.9% in South Hampshire (7,790 claimants). Central Hampshire reported 7,430 claimants, equating to 3.0% of its working-age population.

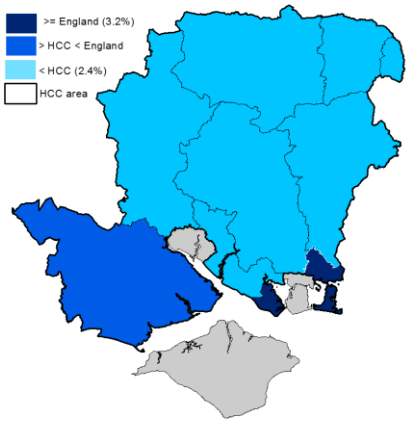
Among local authority districts, Havant had the highest number of ESA claimants (2,810; 3.9% of the working-age population), followed by New Forest (2,760; 2.9%). Hart recorded the lowest number of ESA claimants, with 850 individuals and a rate of just 1.4%, (Figure 53).

Figure 52: ESA claimants working age (16-64) %, December 2024

Figure 53: Hampshire district ESA claimants working age (16-64) %, December 2024



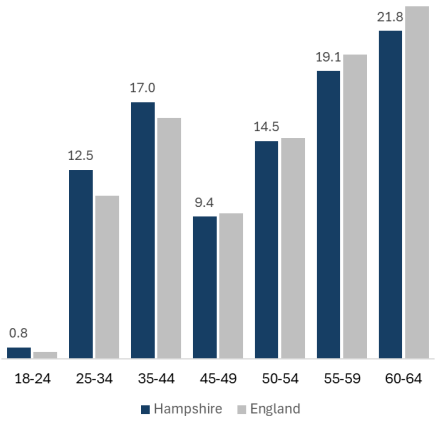
Source: DWP 2025



Source: DWP 2025

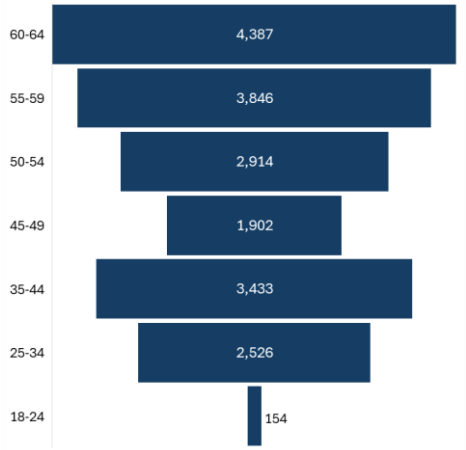
Analysis of ESA claimants by age group shows that Hampshire has a proportionately higher number of claimants than the national average among individuals aged 18 to 44. In contrast, the county has fewer claimants in the older age groups (50 to 64 years). Fewer than 200 ESA claimants in Hampshire are under the age of 24. The number of claimants rises steadily up to the 44-year age group, dips slightly in the 45–49 age group, and then increases again across older age bands, peaking among those aged 60–64 (Figure 55). Additionally, there are nearly 1,000 ESA claimants aged over 65.

Figure 54: ESA claimants share by Age %, November 2024



Source: DWP 2025

Figure 55: Hampshire ESA claimants by Age, November 2024



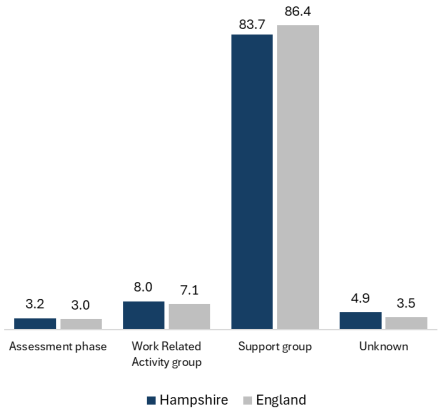
Source: DWP 2025

Ethnicity data provides limited insight, as nearly two-thirds of ESA claimants in Hampshire self-identified as ‘White’, while the ethnicity of approximately one-third of claimants is either unknown or not disclosed.

Residents making an application for ESA will be first placed in an assessment phase and following that are assigned to one of two groups. The Work-related activity group are Hampshire residents assessed as having a limited capability for work but also assessed as capable of taking steps towards returning to work, and this is a relatively small group numbering 1,600 claimants.

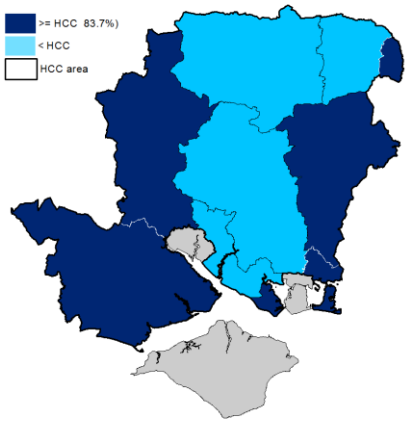
By far the largest group are those assigned to the Support group who have been assessed as having a limited capability for work-related activity and are not expected to work in the future. In Hampshire the Support group numbers around 16,900 residents. Proportionately (Figure 56), Hampshire has more residents in the work-related activity group (8.0%) and fewer in the Support group (83.7%) compared to the national averages (7.1% and 86.4%, respectively). All 11 Hampshire districts have a lower share of residents in the Support group compared to the national average (Figure 57).

Figure 56: Share of all ESA claimants by Phase %, November 2024



Source: DWP 2025

Figure 57: Hampshire Districts Share of all ESA claimants by Support Group Phase %, November 2024



Source: DWP 2025

Prevalence of Health Conditions Among ESA Claimants

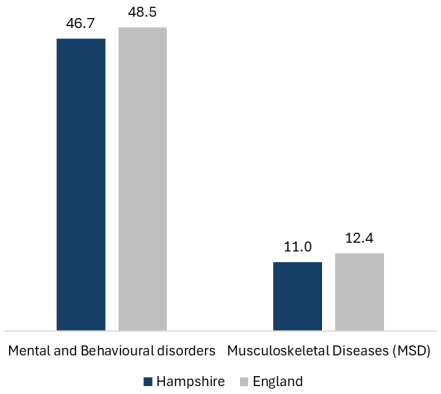
Historically, ESA claims were predominantly associated with musculoskeletal (MSK) conditions, particularly among older age groups. While MSK-related claims remain common - some now linked to rising obesity - there has been a notable shift since the 2008 global financial crisis, with a significant increase in claims related to mental ill health and neurological disorders.

This trend is likely influenced by growing public awareness and acceptance of mental health issues, which may be encouraging more individuals to seek support. Among Hampshire ESA claimants, a wide range of health conditions are recorded; however, the two most prevalent are mental health disorders and musculoskeletal diseases (MSK).

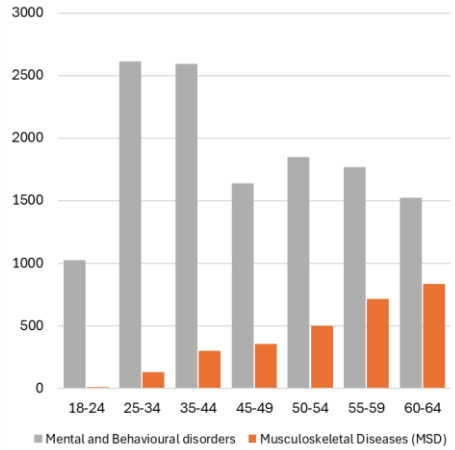
Mental and behavioural disorders are the most common primary condition among ESA claimants in Hampshire, accounting for 46.7% of cases—slightly below the national average of 48.5% (Figure 58). In December 2024, Hampshire recorded approximately 13,000 working-age ESA claimants with mental health conditions. Musculoskeletal (MSK) disorders were the second most prevalent, affecting around 2,900 claimants, representing 11% of the total—marginally below the national average of 12.4%.

Figure 58: Mental and MSK % of ESA claimants, November 2024

Figure 59: Hampshire Mental & MSK Claimants by age group, November 2024



Source: DWP 2025



Source: DWP 2025

Mental health issues affect all age groups but are particularly prevalent among individuals aged 25 to 44. In contrast, MSK conditions tend to increase with age, which is expected given their association with older workers (Figure 59). These conditions - such as arthritis, fractures, sprains, back pain, and other disorders affecting bones, muscles, and joints - can significantly impair work capacity and are a common underlying factor in reduced labour market participation.

Research suggests that individuals with lower levels of educational attainment, older adults, and people from certain ethnic minority backgrounds are more likely to be economically inactive due to ill health.

Disability, Incapacity and Employment

There is a significant overlap between incapacity and disability. Nationally, around two-thirds of individuals receiving ESA or UC also receive Personal Independence Payment (PIP) or Disability Living Allowance (DLA). DLA is currently being phased out and replaced by other benefits. The UK Government has proposed stricter eligibility criteria for PIP, particularly for the daily living component, which may make it more difficult for some individuals to qualify. National research indicates that approximately one in six PIP recipients are in employment - a proportion that has remained relatively stable in recent years.

In Hampshire, around 57,000 residents claim PIP, of whom approximately 47,500 (83%) are of working age (16–64 years). South Hampshire accounts for the largest share (18,200; 38.3%), followed by Central Hampshire (17,600; 37.1%), while North Hampshire represents one-quarter of working-age claimants (11,700; 24.6%). At the district level, Basingstoke & Deane, Havant, and New Forest each have more than 6,000 PIP claimants.

Survey data also provides insight into the employment status of residents defined as disabled under the Equality Act 2010 (EA), either as core or work-limiting disabled. Recent research suggests that the rise in disability rates is largely driven by increased reporting of mental health conditions and “other health problems or disabilities.” Not all disabilities

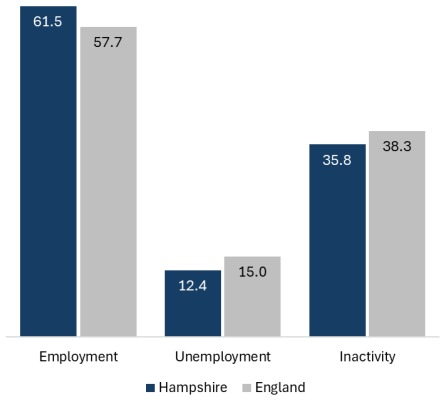
are permanent - nearly one in three individuals classified as disabled in one year are no longer classified as such the following year.

According to the latest data, just over one in four (26.4%) working-age residents in Hampshire are classed as EA core or work-limiting disabled, equating to approximately 219,300 individuals. This is slightly above the national average of 25.9%. North and Central Hampshire both report rates of 24.5%, while South Hampshire is higher at 28.2%.

At the district level, Eastleigh (35.2%) and Havant (36.6%) have the highest rates - more than three times the rate in Winchester (11.1%). However, caution is advised when interpreting district-level data due to potential reliability issues.

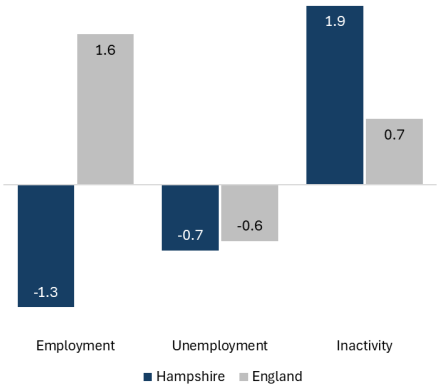
Of Hampshire's EA core or work-limiting disabled working-age population, just over three-fifths (134,800) are in employment, while just over one-third (78,400) are economically inactive, and around one in ten (6,100) are unemployed (Figure 60). Compared to national figures, Hampshire has a higher proportion of disabled residents in employment and lower proportions who are unemployed or inactive. However, since 2019, employment among this group has declined in Hampshire, in contrast to national growth, while inactivity rates have risen more sharply than the national average (Figure 61).

Figure 60: EA core or work-limiting disabled (16-64) %, December 2024



Source: ONS 2025

Figure 61: EA core or work-limiting disabled (16-64) ppts, Change Dec 2019- 2024



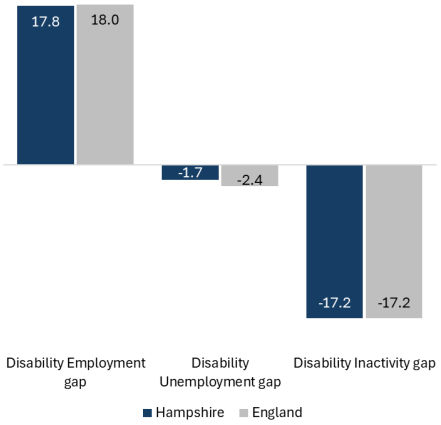
Source: DWP 2025

There are significant disparities in employment outcomes between disabled and non-disabled residents in Hampshire. The overall employment rate in Hampshire stands at 79.3%, while the employment rate among disabled residents is 61.5% a gap of 17.8 percentage points. In contrast, the unemployment gap is much narrower. However, the economic inactivity rate among disabled residents (35.8%) is substantially higher than the overall rate (18.6%), resulting in a 17.2 percentage point gap (Figure 62).

These patterns are broadly consistent with national trends across all three economic status categories, employment, unemployment, and inactivity. However, there is notable variation in the disability employment gap at the district level. Eastleigh, Hart, Havant, Rushmoor, and Test Valley all report gaps above the national average (Figure 63).

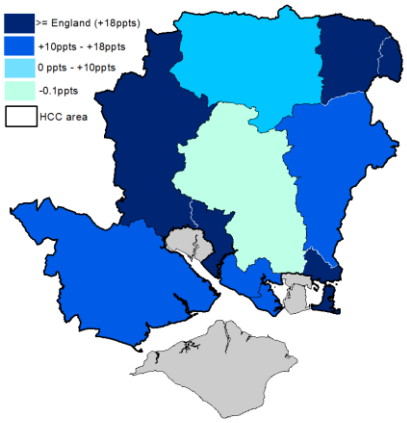
Interestingly, the data suggests no disability employment gap in Winchester, a finding that is likely due to data limitations and should be interpreted with caution.

Figure 62: Working Age Disability Employment, Unemployment and Inactivity Gaps (ppts)



Source: ONS 2025

Figure 63: Hampshire Disability Employment Gap (ppts), December 2024



Source: ONS 2025

Research by the Department for Work and Pensions (DWP, 2024) highlights that the disability employment gap is wider among certain demographic groups. These include males; older individuals aged 50 to 64; people with no formal qualifications; those living in social housing; individuals not living in a couple; and people identifying as White.

In addition, disabled individuals are more likely than their non-disabled counterparts to be employed in specific sectors such as Health, Retail, and Education. They are also more likely to work in lower-skilled occupations, be self-employed, work part-time (and therefore fewer hours), and be employed in the public sector.

Broader Impacts of Deprivation in Hampshire

Hampshire is among the least deprived local authority areas in England overall. However, it contains pockets of multiple deprivation, particularly concentrated in South Hampshire, with smaller clusters in North Hampshire (notably Rushmoor and Test Valley) and Central Hampshire (notably New Forest), Figure 64.

Figure 64: Index of Multiple Deprivation

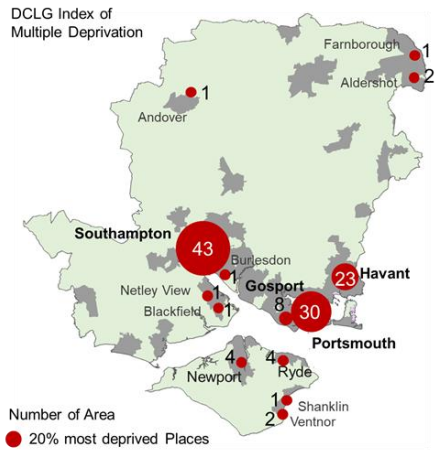
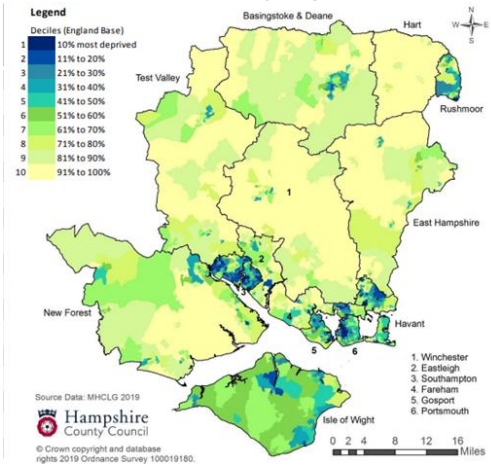


Figure 65: Health & Disability Deprivation

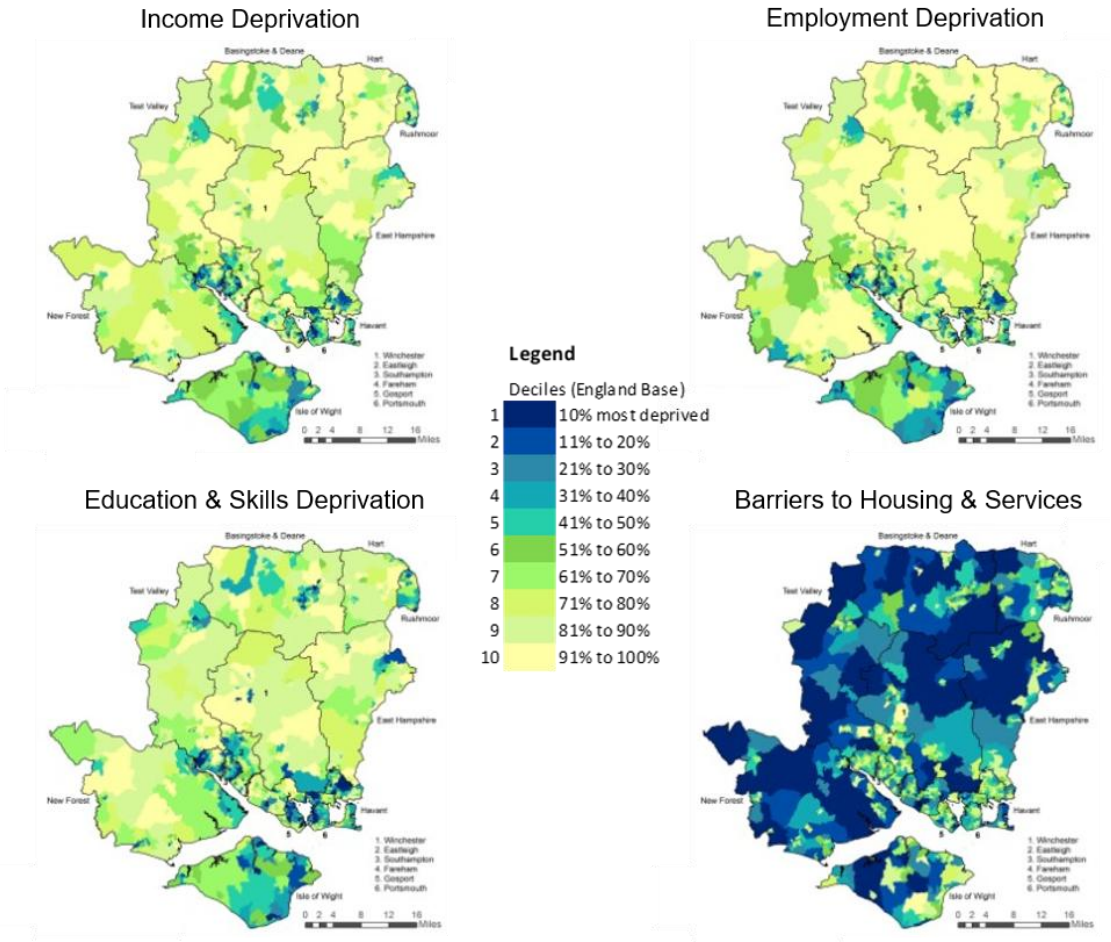


Source: MCHLG 2019 Source: MCHLG 2019

The county contains 40 Lower Super Output Areas (LSOAs) ranked among the most deprived in England. Of these, 23 are located in Havant, with notable concentrations in Leigh Park and the Wecock Estate. Areas of higher deprivation such as Havant have the highest proportion of economically inactive people whose general health is bad, are disabled or are long term sick and disabled.

In addition to the well-documented effects of deprivation on individuals and communities, a range of potential impacts specific to Hampshire have been identified through hearings conducted by the Commission of Inquiry 2050. Key themes include:

Figure 66: Other Types of Deprivation Impacting on Work



Source: MCHLG 2019 Source: MCHLG 2019

- Multi-morbidity and Ageing: The prevalence of multiple long-term health conditions increases with age and is strongly associated with socio-economic deprivation (Figure 65). Even among the least deprived groups, multi-morbidity becomes more common with age.

- Lack of Affordable Housing: This is particularly acute for lower-paid key workers. Affordability and housing-related deprivation were recurring concerns raised during the hearings.
- Hidden Deprivation: Small but significant pockets of deprivation exist across various districts. These areas may be overlooked but have wide-ranging impacts on health, education, and skills development.
- Community Diversity and Inclusion: Ensuring communities are diverse in terms of age and ethnicity is seen as a way to reduce social isolation and loneliness - issues that are increasingly relevant in a rapidly digitising society.
- Infrastructure and Service Planning: Effective planning for schools, healthcare, and older persons' housing is essential. Access to green spaces was also highlighted as a key factor in improving health outcomes and mitigating the effects of deprivation.

There is a strong spatial correlation between income, employment, and education and skills deprivation in urban areas. In contrast, barriers to services and housing are more prevalent in rural areas (Figure 66). Families on low incomes, those with higher levels of welfare dependency, and older residents are particularly vulnerable to both individual and place-based deprivation. In rural communities, access to public transport is often a critical need.

Jobs and Earnings in Hampshire

Official data from the ONS, alongside more timely insights from private sources, highlight significant disparities in labour demand at the local level. In several areas with high rates of economic inactivity, the availability of jobs relative to the working-age population is notably low. This may indicate underdeveloped local labour markets or a reliance on out-commuting to access employment opportunities elsewhere.

Jobs Density

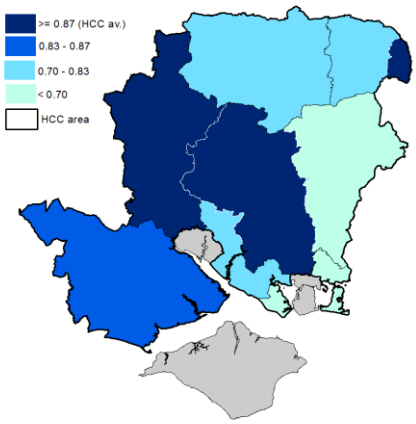
In 2023, Hampshire had approximately 712,000 jobs, equating to 0.83 jobs per resident of working age. This job density is below both the South East average (0.86) and the England average (0.88), indicating a relative shortfall in employment opportunities in the area as a whole.

Of these jobs, around 315,000 (44%) were located in Central Hampshire, with the remainder split almost equally between North Hampshire (204,000) and South Hampshire (196,000). Despite similar job counts in North and South Hampshire, there are notable disparities in job density. In 2023, South Hampshire recorded a job density of 0.71, compared to 0.82 in North Hampshire and 0.95 in Central Hampshire. As illustrated in Figure 67, job density varies significantly at the local level, with the lowest densities observed in Gosport, Havant, and East Hampshire. Thus, data suggests that there is a relative shortfall in employment opportunities in the areas with concentrations of economically inactive people of working age.

Between 2019 and 2023, Hampshire experienced a net loss of approximately 13,000 jobs (-1.8%), contrasting with a 1.8% increase nationally. At the sub-area level, North

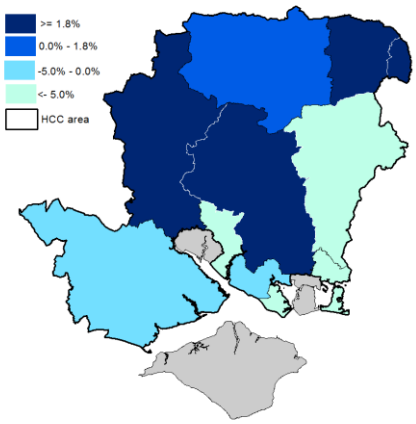
Hampshire saw a modest increase of 2%, Central Hampshire declined slightly (-0.3%), and South Hampshire experienced a more substantial decrease of around 6%. Local authorities with relatively high rates of economic inactivity - such as East Hampshire, Gosport, and Havant - also saw the most significant job losses during this period. Conversely, areas like Winchester, Rushmoor, Test Valley, and Hart demonstrated relatively strong job growth (Figure 68).

Figure 67: Job density, 2023
(jobs per resident of working age).



Source: ONS 2025

Figure 68: % change in the number of local jobs 2019 to 2023



Source: ONS 2025

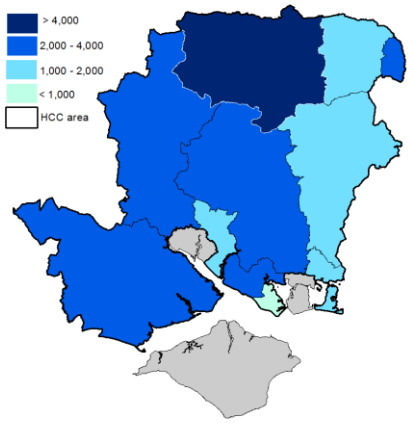
Overall, job density in Hampshire decreased slightly faster than in England between 2019 and 2023. At the district level, only Rushmoor and New Forest saw increases in job density, while all other districts experienced declines.

Demand for Labour - Vacancies

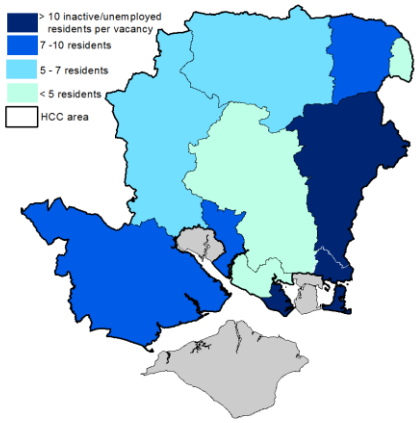
Recent data from private sources indicates that Hampshire recorded approximately 12,800 unique online job postings (vacancies) in May 2025. This marks a 17.5% decline compared to May 2024 and a 41.3% drop relative to May 2023, highlighting a significant contraction in advertised employment opportunities. Over the past 12 months, the distribution of vacancies across the county has remained uneven. South Hampshire's share of vacancies is lower than its share of total inactive people in Hampshire (35%).

Figure 69: Average number of unique online job postings per month to May 2025

Figure 70: Inactive/unemployed residents per online job posting, 2025 vacancies



Source: Lightcast 2025



Source: Lightcast 2025 and ONS 2025

As illustrated in Figure 69, several districts notably Gosport, Havant, East Hampshire, Rushmoor, and Eastleigh consistently report lower volumes of job vacancies. These areas also tend to have fewer vacancies per economically inactive or unemployed resident of working age, suggesting potential barriers to labour market access (Figure 70). Moreover, coastal districts in particular tend to have a relatively low number of low-skilled and lower-intermediate vacancies - roles that are more likely to align with the employment needs of a significant proportion of the economically inactive working-age population.

Demand for Labour by Occupation and Industry

There is currently strong demand for care workers and home carers in Hampshire, followed by sales-related occupations. In addition, there is notable demand for high-skilled roles, including programmers and software development professionals, as well as managerial and accountancy-related occupations (Table 1). Among lower- and lower-intermediate-skilled occupations, demand remains high for cleaning staff, sales assistants, administrative roles, and certain teaching-related positions (Table 2).

Table 1: Online job postings by top occupations, May 2024 – May 2025 Hampshire

Occupation (SOC)	% of unique postings	median posting duration
Care Workers and Home Carers	6.3	29 days
Sales Related Occupations n.e.c.	6.2	26 days
Cleaners and Domestics	5.5	22 days
Kitchen and Catering Assistants	3.7	24 days
Customer Service Occupations n.e.c.	3.3	25 days
Programmers and Software Devel. Professionals	3.1	26 days
Chefs	3.0	26 days
Managers and Directors in Retail and Wholesale	2.9	26 days
Book-keepers, Payroll Managers and Wages Clerks	2.8	26 days
Teaching Assistants	2.3	29 days

Source: Lightcast 2025

Table 2: Online job postings by low skilled and lower-intermediate skilled occupations, May 2024 – May 2025 Hampshire

Occupation	% of unique postings	median posting duration
Janitor / Cleaner	5.5	22 days
Home Health Aide	4.4	29 days
Office / Administrative Assistant	4.0	23 days
Sales Representative	3.9	27 days
Customer Service Representative	3.7	26 days
Retail Sales Associate	3.6	23 days
Preschool / Childcare Teacher	3.5	29 days
Chef	3.4	26 days
Teacher Assistant	2.9	29 days
Caregiver / Personal Care Aide	2.7	28 days

Source: Lightcast 2025

Between May 2024 and May 2025 the top industries for job postings in Hampshire were human health, retail trade, food and beverage services, education, and residential care.

Jobs Quality

There is a growing emphasis on the quality of work across Hampshire and the UK, reflecting increasing recognition of its impact on individuals' lives. This heightened focus on what constitutes 'good jobs' is partly a response to labour market trends observed over the past 15 years. These trends include high employment rates and low unemployment, alongside rising economic inactivity, wage stagnation, and increasing job insecurity for many workers.

In areas with already high employment rates, such as Hampshire, it is essential to place equal emphasis on the quality of work as on the quantity. However, there is no universally agreed measure of what constitutes 'quality employment'. In practice various job quality indicators have been used such as: satisfactory hours, overtime, desired contract, zero-hour contracts, low pay, career progression, employee involvement, union representation, workplace injury and illness.

Satisfactory Hours

ONS estimates suggest that across Hampshire and the Solent, 83% of employees worked satisfactory hours (48 hours or less and do not consider themselves underemployed) in 2023. This was similar to Berkshire, Buckinghamshire and Oxfordshire but slightly lower than in Surrey, East and West Sussex.

Women were more likely to be working satisfactory hours than men across Hampshire and the Solent. In 2023 some 88% of women worked satisfactory hours compared to 78% for men.

Between the ages of 16 and 64 years, the total proportion of employees working satisfactory hours in Hampshire and the Solent ranges from 78% among 21- to 24-year-olds to 85% among 25- to 34-year-olds. This increases to 86% for employees over 65 years.

Overtime

More employees in Hampshire and the Solent reported working unpaid overtime (16%) than being paid overtime (10%). Just 1.5% of employees reported working both paid and unpaid overtime.

About a quarter of employees aged 45 to 54 years and 23% of 35 to 45 years reported working unpaid overtime in Hampshire and the Solent in 2023. The proportion of employees who reported working paid overtime was highest for those aged 21 to 34 years, at 15%, compared to just 7% for employees aged 45 to 54.

Survey data suggests that whether employees work paid or unpaid, overtime is largely driven by industry and job pay, which in turn is influenced by education level. ONS research suggests that employees with undergraduate or postgraduate degrees were more likely to report higher levels of unpaid overtime compared with those without degrees. Working unpaid overtime was also more common in highly paid occupations.[11]

[11] Job quality in the UK – analysis of job quality indicators - Office for National Statistics

Desired Contract and Zero-Hour Contract

Across Hampshire and the Solent, almost all employees (99%) had a desired contract (either a permanent contract or non-permanent contract for a reason other than "could not find a permanent job"), this is above Berkshire, Buckinghamshire and Oxfordshire but slightly lower than in Surrey, East and West Sussex (99.5%).

The proportion of employees with zero-hour contracts in Hampshire and the Solent was very low, at 4%. However, this was higher than in Surrey, East and West Sussex (3%) and Berkshire, Buckinghamshire and Oxfordshire (3%).

Men in Hampshire and the Solent were slightly more likely to be working zero-hour contracts than women (4% and 3.8% respectively), in contrast with the national average. Relatively high proportion of young and older employees are on zero-hour contract. Some 30% of employees aged 16 to 20 are on zero-hour contracts in Hampshire and the Solent, followed by 6% of 21- to 24-year-olds and 12% of people over the working age.

Disabled employees in Hampshire and the Solent were also more likely to be on zero-hour contracts (5%) than non-disabled employees (4%). Part-time employees (12%) were far more likely to be on zero-hour contracts than full-time employees (1%).

When broken down by industry, 26% of employees in the arts, entertainment and recreation services industry and 20% in accommodation and food service activities were on zero-hour contracts. These industries employ a significant number of people in Hampshire and the Solent including people that were previously classified as economically inactive.

Low Pay

Using two-thirds of the UK median hourly pay as a measure for low pay, 12% of employees in Hampshire and the Solent were in low-pay employment in 2023 compared to 9% in Surrey, East and West Sussex and 9% in Berkshire, Buckinghamshire and Oxfordshire. The proportion of women in low pay was 14%, compared with 10% for men.

Using the local low pay measure which defines low-pay employment as below two-thirds of the average (median) hourly pay of all employees living in the same local authority, 13% of employees in Hampshire and the Solent were categorized as in low pay, lower than in Surrey, Esat and West Sussex and Berkshire, Buckinghamshire and Oxfordshire.

Across Hampshire and the Solent, disabled employees were more likely to be in low pay (19%) than non-disabled employees (11%).

By education, employees with no qualifications in Hampshire and the Solent were most likely to be in low pay (27%), whereas employees with an undergraduate or a higher degree were least likely to be in low pay, at 7% and 6% respectively. Some 18% of employees with GCSE grades A*-C or equivalent were in low pay, considerably lower than people with no qualifications.

Younger employees were more likely to be in low-pay employment, with 31% of employees aged 16 to 20 years in Hampshire and the Solent categorised as in low pay. This is largely explained by the fact that the threshold for the National Living Wage stands at 23. The proportion of employees in low pay drops until 35 to 44 years, before gradually increasing again. Some 10% of 45-54 year olds and 15% of 55- to 64-year-old employee in Hampshire are in low pay based on using two-thirds of the UK median hourly pay as a measure for low pay. Estimates based on local measures are similar.

Career Progression

Just over half of employees in Hampshire and the Solent (56%) believed they had good opportunities for career progression, above Surrey, East and West Sussex and Berkshire, Buckinghamshire and Oxfordshire. However, just 55% of employees with disabilities believed they had good opportunities for career progression compared to 61% of not disabled employees.

Employees with undergraduate degrees were also more likely to report good progression opportunities (66%) compared with those with lower levels of qualification, such as GCSEs (56%).

When analysed by industry, the proportion of employees who reported good career progression opportunities in the UK ranged from 41% in retail to almost 73% in information and communication. By occupation, employees in elementary occupations, such as caring, leisure, and other service occupations (36%) and sales and customer service occupations, (25%) were most likely to be in low-pay employment in Hampshire and the Solent. Employees in professional occupations were least likely to be in low-pay employment, at 5%.

The proportion of employees who reported good career progression initially increases with age, reaching 72% in the 25 to 34 years age group, and then decreases, falling to 44% for those aged 55 to 64.

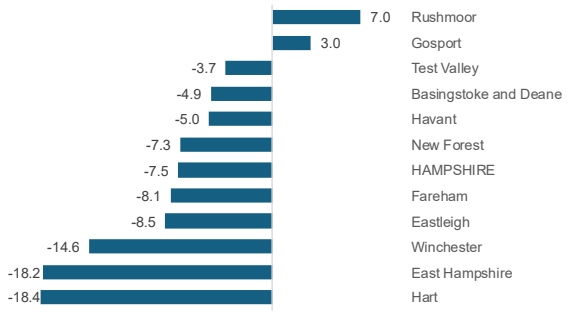
Earnings Disparities

In 2024, the median annual pay for full-time workers employed in Hampshire was £37,500, compared to £40,550 for full-time residents of Hampshire, regardless of their place of work. This indicates that workplace-based earnings in Hampshire were, on average, 7.5% lower than residence-based earnings. The difference is primarily explained by commuter incomes. As shown in Figure 71, workplace-based earnings exceeded residence-based earnings in all but two local authorities - Rushmoor and Gosport. In the remaining districts, residence-based earnings were boosted by the inclusion of income earned by commuters working in nearby areas or outside Hampshire.

Gosport has relatively few high-paying businesses, and its residents, on average, face limited access to higher-paying employment opportunities outside the district. In contrast, Rushmoor hosts a concentration of high-paying industries; however, its residents appear less able to compete with highly skilled commuters who fill many of

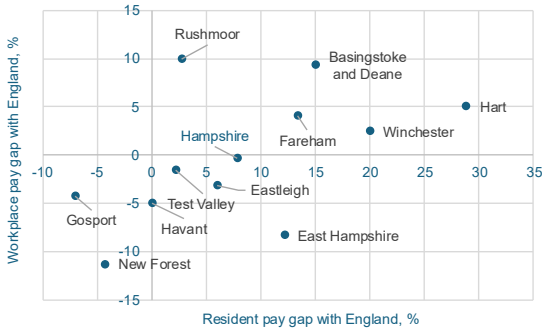
these roles. This dynamic contributes to the unusual pattern where workplace-based earnings in Rushmoor exceed those of its resident population.

Figure 71: Annual wage gap, workplace vs residence, % 2024 (full-time workers)



Source: ONS 2025

Figure 72: Residence and workplace pay relative to England, % 2024 (full-time workers)



Source: ONS 2025

In 2024, the full-time gross annual earnings of Hampshire residents were approximately 7.8% higher than the England average. However, workplace-based earnings in Hampshire were slightly below the national average. This marks a relative decline from 2010, when workplace earnings in Hampshire were 4% above the England average, to 0.3% below in 2024. As shown in Figure 72, six local authority districts in Hampshire have workplace pay gaps compared to the England average. The largest gap is in New Forest, where workplace earnings are over 11% lower, followed by East Hampshire, Havant, and Gosport.

There are also significant disparities in earnings across the income distribution of full-time workers in Hampshire. In 2024, the bottom 10% of full-time earners made £23,600 or less, while the bottom 20% earned under £27,000. In Havant and Gosport, around 20% of full-time workers earned less than £25,000 annually. For part-time workers, the median annual pay in Hampshire was £13,400, with the bottom 20% earning less than £6,400 per year - highlighting a substantial income gap for those in part-time roles. A significant number of economically inactive residents in Hampshire - particularly older workers and those with health-related disabilities - are likely to be engaged in some form of part-time work.

In 2024, approximately 132,000 jobs in Hampshire - representing 26% of all employee jobs (excluding the self-employed) were part-time positions. Female part-time workers accounted for around 79% of these roles, a proportion notably higher than the regional and national averages, both at 74%. Among employed women in Hampshire (excluding the self-employed), around 40% held part-time jobs, in stark contrast to 13% of employed men.

The gross median annual pay for part-time workers in Hampshire was approximately £13,400 in 2024, equating to 36% of the median pay for full-time workers (£37,500). While female part-time workers earned slightly more than their male counterparts, the gender pay gap among full-time workers remained significant, with female full-time employees earning around 20% less than males - £32,800 compared to £41,400.

Timely data from online job postings indicates that the median advertised salary in Hampshire stood at £29,600 in May 2025. However, there is considerable variation around this median. Approximately 13.6% of all advertised roles offered salaries below £24,000 per annum, while over 20% were in the £24,000 to £27,000 range. At the upper end of the scale, around 17% of advertised positions offered salaries of £45,000 or more.

Growth in secondary employment

The term "double jobbers" has gained traction as more individuals take on multiple roles to cope with rising living costs. According to the ONS Labour Force Survey, the number of people with second jobs in the UK rose to 1.325 million in the quarter from March to May 2025, representing 3.9% of all employed people.[12] This marks a notable increase following declines in early 2023. The rise is attributed to persistent cost-of-living pressures, with many workers seeking additional income to cover basic expenses.

Over half of Gen Z workers in the UK are reportedly considering second jobs to manage basic living expenses.[13] This trend is particularly pronounced among recent graduates entering sectors like healthcare, education, and social services, where starting salaries may not match rising living costs.

A Nursing Notes survey of 1,893 registered nurses found that 17% were actively seeking a second job outside healthcare to supplement their income.[14] Of those, 97% reported struggling to pay essential bills, and many considered roles in retail, hospitality, or admin work. The survey also highlighted broader dissatisfaction, with 20% of nurses considering leaving the NHS, citing poor pay, work-life balance, and unsafe working conditions.

This trend is reflected in the most recent nursing course enrolment data from UCAS. In 2023, applications for nursing courses fell by 13.4% from pandemic highs, though they remained 9.7% above pre-pandemic levels. However, by 2025, applications to study nursing in England had declined by 35% compared to 2021.

Anecdotal insights from Hampshire indicate that local experiences align with those seen across the UK.

Multiple Barriers to (Re) Entering the Labour Market

When examining the reasons why economically inactive individuals do not return to employment, research consistently highlights the presence of multiple, overlapping barriers to re-entering the labour market.

Rather than facing a single, easily resolvable issue, many individuals encounter a complex interplay of challenges that hinder their return to work. Commonly cited barriers among those identified as economically inactive include, but are not limited to:

- Access to health care

[12] Employment in the UK - Office for National Statistics
[13] Our latest report reveals majority of Gen Z considering second jobs to survive - Boostworks
[14] One in six already exhausted nurses seeking second job outside healthcare – NursingNotes

- Previous / recent work experience
- Age
- Qualifications
- Access to child care
- Local job opportunities
- Household finances
- Benefits system

Research suggests that current approaches may need to be enhanced through more personalized support. There is also likely to be a growing need for stronger partnerships, including cross-departmental collaboration and greater engagement with the third sector. Organisations in this sector often have established relationships with economically inactive individuals and can play a vital role in supporting their journey back into employment. Additionally, closer collaboration with businesses - who ultimately shape labour market opportunities and outcomes is essential to ensure that support services align with real-world employment demands.

Policy Implications for Supporting Economically Inactive People in Hampshire

Current and future health and social care challenges which are driving economic inactivity, need to be understood at a very local level to inform the 'Get Hampshire Working' programme. A good workplace can provide a channel to reach its employees with proactive advice and interventions to support individuals with current concerns and help prevent future ill health. Local insights from a Public Health pilot in Hampshire found that for those people who are not in work their needs and challenges may be complex and go beyond physical health conditions. A local multi-agency approach to understand and support people at an individual level is necessary. We must also recognize that not all economically inactive people are able to work. However, volunteering could have a positive impact on their health and wellbeing enabling them to be productive and contribute to their local communities.

Place-Based Interventions

Stimulate Local Job Creation: Implement targeted economic development initiatives in underrepresented districts, particularly those with high economic inactivity and low job density (e.g., Havant and Gosport).

Prioritise Skills and Employment Support: Focus training and employment programmes in areas with low vacancy-to-inactivity or unemployment ratios to better match local labour supply with demand.

Improve Infrastructure and Connectivity: Invest in transport, broadband, and digital infrastructure to reduce spatial inequalities in access to employment, particularly in rural and coastal areas.

Supporting Economically Inactive Individuals

Targeted Skills Training: Develop localised training pathways aligned with sectors experiencing labour shortages - such as health and social care, education and some skilled trades such as construction.

Flexible Work Incentives: Promote flexible, part-time, and remote work opportunities tailored to carers, older adults, and individuals with long-term health conditions.

Integrated Employment Support: Expand access to personalised employment coaching, mental health and wellbeing services, and affordable childcare to address complex barriers to work.

Volunteering as a Pathway: Encourage volunteering as a stepping stone to employment, particularly for those with limited recent work experience or health-related barriers.

Addressing In-Work Poverty and Low Pay

Promote the Real Living Wage: Encourage adoption of the Real Living Wage among local employers, especially in low-pay hotspots such as Havant and Gosport.

Support In-Work Progression: Expand access to apprenticeships, modular upskilling, and employer-led training to help low-paid workers move into higher-paying roles.

Enhance Transport Access: Improve public transport links for low-income workers in poorly connected areas in Hampshire.

Ensure Part-Time Pay Equity: Encourage adoption of fair pay policies for part-time workers.

Inclusive Labour Market Strategies

Tackle Disability Employment Gaps: Develop targeted support for disabled residents, including workplace adjustments, supported employment schemes, and employer engagement to reduce stigma.

Support Older Workers: Introduce mid-life career reviews, retraining grants, and health support to retain older workers in the labour market.

Address Gendered Inactivity: Expand access to affordable childcare and promote shared parental leave to reduce economic inactivity among women, particularly those with caring responsibilities.

Engage Underrepresented Groups: Work with community organisations to reach groups underrepresented in the labour market, including ethnic minorities, care leavers, and people with low or no qualifications.

Local insights from the Skills, Health and Wellbeing Pilot

Public Health are currently delivering a Skills, Health and Wellbeing programme in Leigh Park in Havant and Town Centre/Forton area of Gosport. This is in partnership with local partners such as DWP, Citizens Advice and Hampshire County Council's Hampshire Achieves. The ambition was to develop and deliver an innovative programme that

supports economically inactive residents with new knowledge and skills to help grow confidence, experience new opportunities, make positive changes and ultimately boost their health, wellbeing, social and/or economic productivity.

This programme has provided local insight into the challenges and barriers people have to manage in their day-to-day life. These ultimately may make job seeking feel unachievable or unmanageable. Some of the challenges identified by the participants were:

- Social isolation
- Anxiety and low confidence
- Lack of awareness of local services and opportunities
- Limited knowledge on financial support such as social tariffs for household bills
- Digital exclusion
- Busy and complex home life
- Managing health conditions
- Poor experience when previously engaging with services

Participant found elements of the course really helpful and for some it enabled behaviour changes these included:

- Advice on household budgets/bills
- Volunteering opportunities
- Lifestyle advice including advice on healthy diet, smoking cessation
- Mental wellbeing – 5 steps to wellbeing discussion
- Numeracy and literacy training courses
- A known contact at the local Citizens Advice and Job Centre which they then went on to meet.

Locally it is evident is that not all health conditions will be amenable to efforts to improve or support employment opportunity, so understanding local profiles and support accordingly is key. Where ill health is a primary reason for economic inactivity, it is often a complex picture involving more than one health issue and other personal and social circumstances in particular poor mental wellbeing, housing and financial concerns. These factors coupled with lack of knowledge of what local services and support are available, creates huge barriers for people becoming economically active.

There may also be other factors affecting an individual's opportunities: accessibility/availability of suitable work, level of training and qualifications, co-occurring caring responsibilities and lack of knowledge of the support that is available. Holistic support which can offer support and advice on these wider personal circumstances is vital to enabling this population becoming economically active.[15]

[15] Further information on Hampshire's economy and labour market is available at:
Economy Intelligence (2025), Skills Strategy Evidence Base, Economy and Skills (Hampshire 2050), Hampshire County Council, forthcoming.

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Economy Intelligence (2024), *Economic Strategy Evidence Base: Hampshire Employment and Skills*, Economy and Skills (Hampshire 2050), Hampshire County Council.
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Economy Intelligence (2024), *Economic Strategy Evidence Base: Innovation and Investment*, (Hampshire 2050), Hampshire County Council.
Hampshire and the Isle of Wight Joint Strategic Needs Assessment (JSNA) Hampshire's JSNA looks at the current and future health and wellbeing needs and inequalities within our Hampshire population. Further intelligence and data from JSNA is available at: Joint Strategic Needs Assessment (JSNA) | Health and social care | Hampshire County Council and JSNA Health of the working age population

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