

FIFE LABOUR MARKET UPDATE - MARCH 2025

This new quarterly update reports on the performance of Fife’s labour market – both people in work (rates of employment and earnings) and people out of work (unemployment and inactivity rates along with the number of people in Fife claiming out-of-work benefits).

PEOPLE IN WORK

1.0 Employment Rate

As shown in Table 1, in the 12 months to September 2024, **Fife’s employment rate was higher than both the previous year and prior to the pandemic in 2019/20.**

Fife’s latest employment rate was also higher than the Scottish employment rate, which was lower than both the previous year and before the pandemic.

	Employment Rate Oct 23 – Sep 24	Annual Change (2022/23 – 2023/24)		Difference with pre-pandemic rate (2019/20-2023/24)	
Fife	75.9%	+0.9	↑	+3.8	↑
Scotland	74.0%	-1.2	↓	-0.5	↓

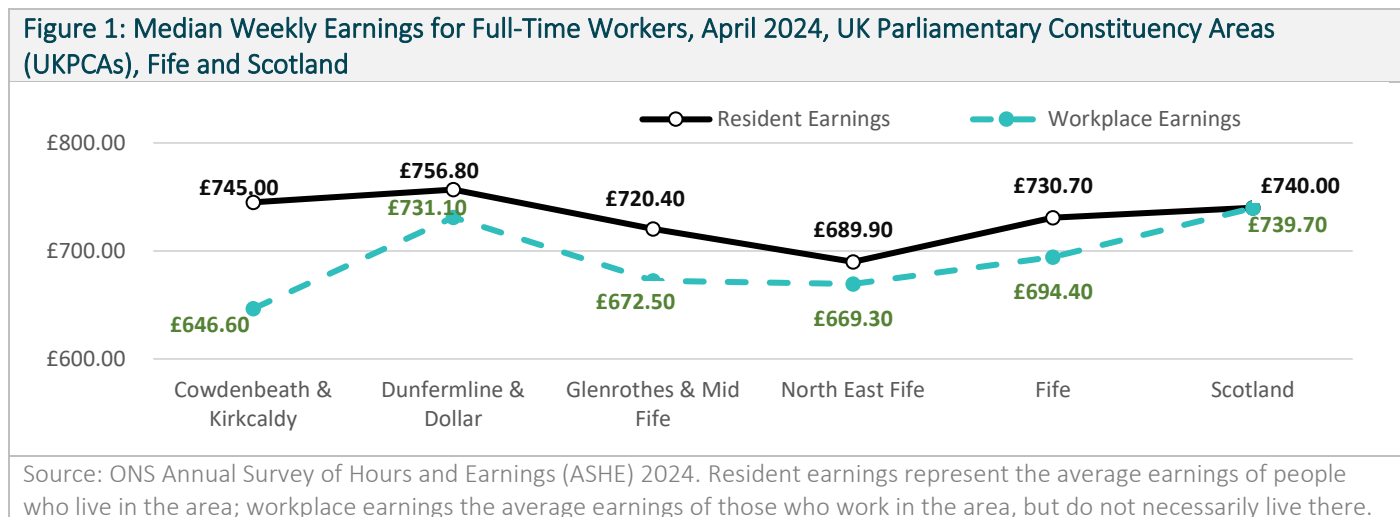
Source: ONS Annual Population Survey, October to September datasets. The changes shown represent the difference in percentage points between the latest rates and the rates for previous periods.

2.0 Earnings

Dunfermline & Dollar and Cowdenbeath & Kirkcaldy UK Parliamentary Constituency Areas (PCAs) were the only parts of Fife where resident earnings were above Scottish average earnings (Figure 1). Workplace earnings were below the Scottish average in all parts of Fife.

The Dunfermline & Dollar PCA had the highest resident and workplace earnings; North East Fife PCA had the lowest resident earnings and Cowdenbeath & Kirkcaldy the lowest workplace earnings.

The largest gap between resident and workplace earnings was in the Cowdenbeath and Kirkcaldy PCA.

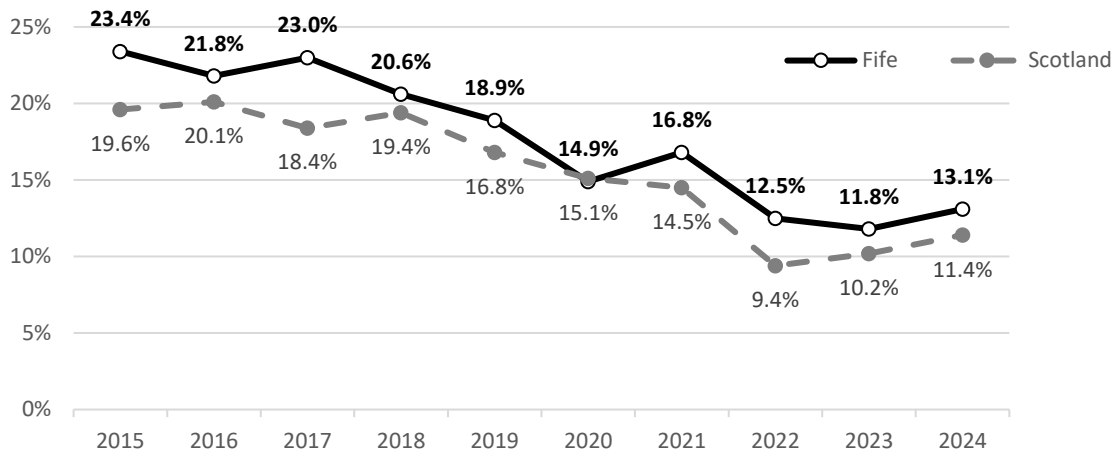


3.0 Earnings Below The Real Living Wage¹

An estimated 13.1% of employees working in Fife aged 18 and over earned less than the real living wage in 2024.

After falling to its lowest level in 2023 (11.8%), the proportion of employee jobs in Fife with hourly pay below the real living wage rose between 2023 and 2024. Rates in Fife are still higher than the Scottish rate (11.4%).

Figure 2: Percentage of employee jobs with hourly pay below the Living Wage Foundation Rates, April 2015 – April 2024, Fife and Scotland



Source: Number and proportion of employee jobs with hourly pay below the living wage, Office for National Statistics.

¹ The real living wage is a voluntary, higher rate of pay than the UK Government's National Living Wage. It is independently calculated each year by the [Living Wage Foundation](#) based on the cost of living in the UK.

PEOPLE NOT IN WORK

1.0 Unemployment Rate

In the 12 months to September 2024, **Fife's unemployment rate was at a record low**, lower than both the previous year and prior to the pandemic in 2019/20. It was also lower than the unemployment rate for Scotland as a whole.

An estimated 5,800 people aged 16 and over were unemployed in Fife during this period.

Table 2: Percentage of economically active residents aged over 16 who are without a job but are actively seeking or waiting to start a job

	Unemployment Rate Oct 23 – Sep 24	Annual Change (2022/23 – 2023/24)		Difference with pre-pandemic rate (2019/20-2023/24)	
Fife	3.1%	-0.6	↓	-1.0	↓
Scotland	3.3%	-0.1	↓	0.0	—

Source: ONS Annual Population Survey, Model-Based Estimates of Unemployment. The changes shown represent the difference in percentage points between the latest rate and the rates for previous periods.

2.0 Economic Inactivity Rate

An estimated 47,800 people in Fife, **one fifth or 21.2% of the area's working age population, were 'economically inactive'²** during the year ending September 2024. This was fewer people than both the previous year and fewer than prior to the Covid pandemic.

An estimated 10,100 people – 21.1% of those who were economically inactive - wanted a job.

Table 3: Percentage of working age (16-64) residents who are neither working nor seeking work and are not available to work

	Economic Inactivity Rate Oct 23 – Sep 24	Annual Change (2022/23 – 2023/24)		Difference with pre-pandemic rate (2019/20-2023/24)	
Fife	21.2%	-1.1	↓	-3.6	↓
Scotland	23.4%	+1.3	↑	+0.4	↑

Source: ONS Annual Population Survey. The changes shown represent the difference in percentage points between the latest inactivity rate and the rates for previous periods.

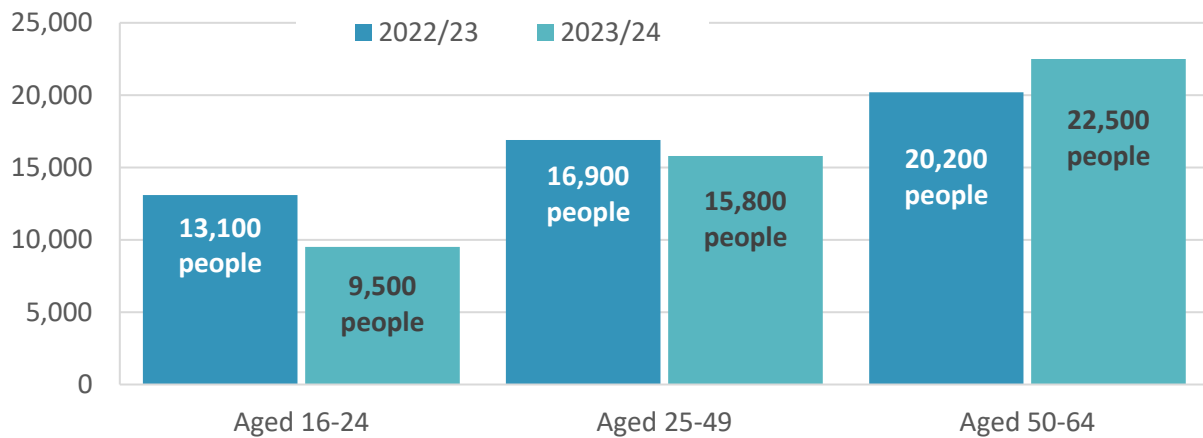
3.0 Economic Inactivity Rate by Age

Nearly half of those who were economically inactive (an estimated 22,500 people) were aged 50-64; a third (15,800) were aged 25-49 years; and 20% (9,500) were aged 16-24 years (Figure 3).

Between 2022/23 and 2023/24, **the number of economically inactive people aged over 50 years increased** while the numbers in both other age groups, in particular the 16-24 age group, fell.

² Those who are economically inactive are people aged 16 and over without a job who have not sought work in the last four weeks and/or who are not available to start work in the next two weeks, ie they are neither employed nor unemployed.

Figure 3: Estimated numbers of economically-inactive people in Fife by age group, 2022/23 and 2023/24



Source: ONS Annual Population Survey, October 2022-September 2023 and October 2023-September 2024.

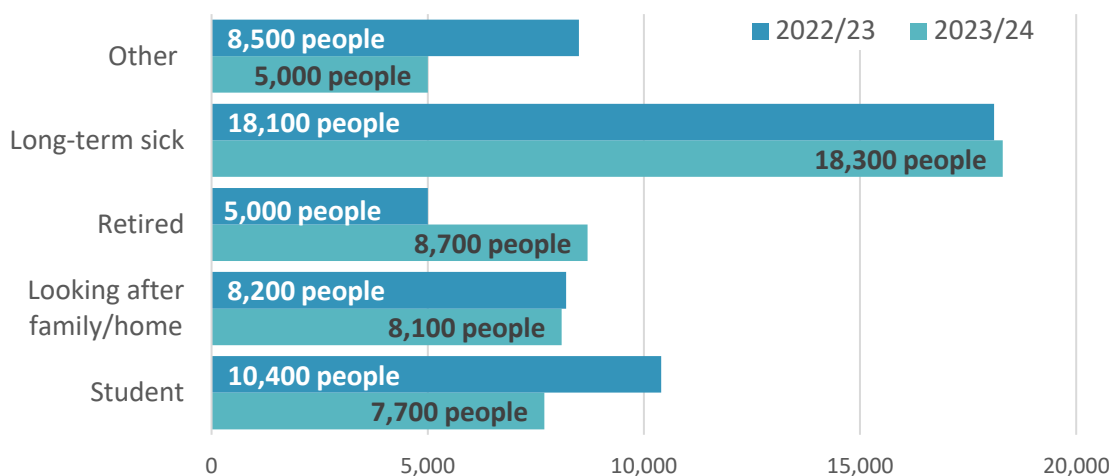
4.0 Economic Inactivity Rate by Reason for Inactivity

Long term ill-health was the main reason given for not being in employment or seeking work in Fife. In the 12 months to September 2024, 38.4% of inactive people aged 16 to 64 (an estimated 18,300 people) gave their reason for being inactive as 'long-term sick or disabled'. This was higher than the Scottish rate (33.5%) and was also the highest proportion in the time series of this dataset (from 2004/05 to 2023/24).

Between 2022/23 and 2023/24, **the number of inactive students fell** while the number of people inactive **due to retirement increased** significantly from 5,000 to 8,700.

16.9% (an estimated 8,100 people) were inactive due to caring responsibilities.

Figure 4: Reasons for Economic Inactivity in Fife



Source: ONS Annual Population Survey, October 2022-September 2023 and October 2023-September 2024.

5.0 Claimants of Out-of-Work Benefits (Claimant Count)

The information in this section is based estimates of the number of people claiming unemployment-related benefits collected by the Office for National Statistics in its Claimant Count datasets. Due to the provisional nature of the latest monthly statistics (for January 2025), average claimant counts and claimant rates for the last quarter (November 2024 -January 2025) are given for sections 6.2 – 6.4.

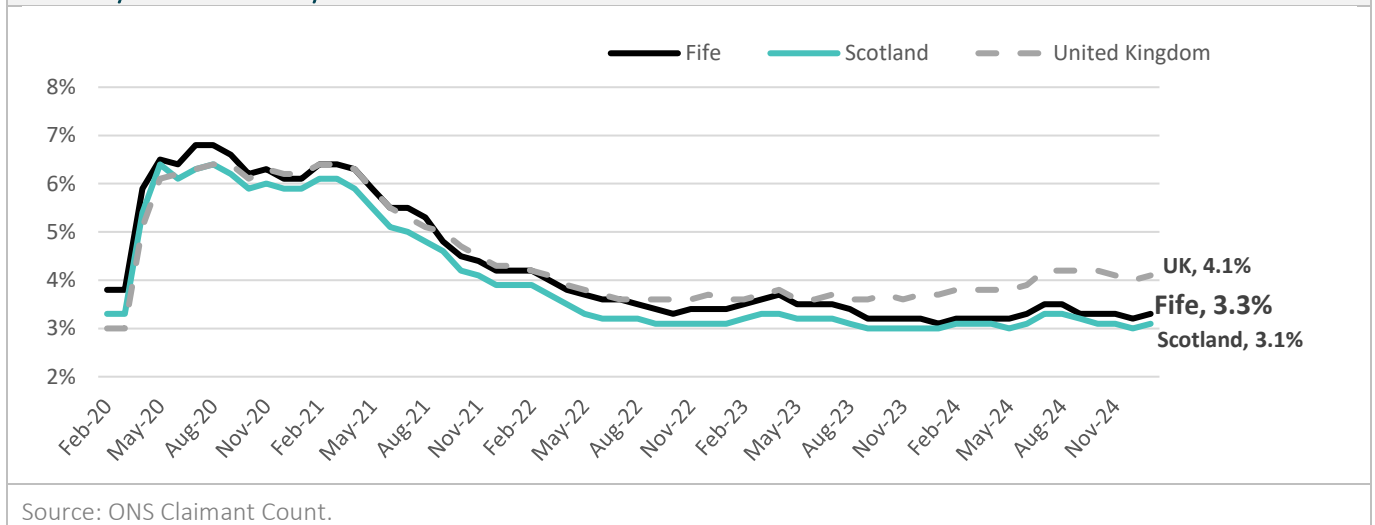
5.1 Fife, Scotland & UK Claimant Rates Feb 2020-Jan 2025

After falling significantly in 2021 and 2022, the number and rate of people claiming out-of-work benefits in Fife remained fairly steady throughout 2023 and 2024 (Figure 5).

Fife’s claimant rate has been below the 2019 pre-pandemic rate of 3.8% since September 2022.

Fife’s claimant rates are consistently higher than Scottish average rates, but below the UK rates.

Figure 5: Percentage of working age (16-64) residents claiming out-of-work benefits – Fife, Scotland and UK, February 2020 to January 2025



5.2 Profile of Fife’s out-of-work benefit claimants

5.2.1 Type of Claimant

Between November 2024 and January 2025, around 100 fewer people claimed Universal Credit while searching for work in Fife compared with the previous quarter but there were 240 more claimants than during the same quarter a year ago. There were 95 fewer Job Seeker’s Allowance claimants compared with the previous quarter and 20 fewer than a year ago.

Table 4: Number of people claiming Jobseeker’s Allowance or Universal Credit who are required to seek work

	Average Number of Claimants (Nov 24- Jan 25)	Change with previous quarter (Aug-Oct 24)	Annual change
People on Universal Credit who are searching for work	7,230	-100 ↓	+240 ↑
Jobseeker’s Allowance claimants	375	-95 ↓	-20 ↓

Source: Department for Work & Pensions; ONS Jobseeker’s Allowance; November 2024-January 2025 average rates.

5.2.2 Age Profile

The 25-49 year-old age group had the highest claimant rate (4.0%) followed by 16-24 year-olds (3.8%) (Figure 5).

All age groups, apart from the 65+ age group, saw the number of people claiming out-of-work benefits fall compared with the previous quarter but rise compared with the same period a year ago. Claimant numbers in the 65+ age group were lower than a year ago.

	Average Claimant Rate	Average Claimant Count	Claimant Count - quarterly change		Claimant Count – annual change	
16-24 year olds claiming benefits	3.8%	1,565	-20	↓	+55	↑
25-49 year olds claiming benefits	4.0%	4,335	-120	↓	+60	↑
50-64 year olds claiming benefits	2.0%	1,595	-55	↓	+140	↑
65+ year olds claiming benefits	0.1%	110	0	—	-15	↓

Source: ONS Claimant Count, November 2024-January 2025 average rates.

5.2.3 Gender Profile

Fife's male claimant rate (3.9%) was significantly higher than the female rate (2.7%) (Table 6).

While there were fewer women claiming out-of-work benefits than the previous quarter, there were more female claimants than a year ago. The number of male claimants fell slightly.

	Average Claimant Rate	Average Claimant Count	Claimant Count - quarterly change		Claimant Count - annual change	
Female claimants	2.7%	3,215	-190	↓	+240	↑
Male claimants	3.9%	4,585	-5	↓	-5	↓

Source: ONS Claimant Count, November 2024-January 2025 average rates.

5.3 Breakdown of Claimants by Fife's Local Committee Areas³

Levenmouth was the only area where the claimant rate rose compared with the previous quarter.

In all areas, claimant rates were higher than a year ago apart from Glenrothes, Kirkcaldy and Levenmouth Area.

Kirkcaldy, Levenmouth and Cowdenbeath Areas had the highest numbers and rates of people claiming out-of-work benefits. North East Fife and South & West Fife had the lowest.

Table 7: The average number and rate of out-of-work benefit claimants by Local Committee Area, Nov 2024-Jan 2025

	Claimant Count	Claimant Rate	Quarterly rate change		Annual rate change	
Cowdenbeath	1,080	4.2%	0.0		+0.2`	
Dunfermline	1,020	2.7%	-0.1		+0.1	
Glenrothes	980	3.2%	-0.1		0.0	
Kirkcaldy	1,840	5.0%	-0.1		0.0	
Levenmouth	1,050	4.6%	-0.2		0.0	
North East Fife	890	1.9%	0.0		+0.2	
South & West Fife	750	2.5%	-0.1		+0.1	

Source: ONS Claimant Count, November 2024-January 2025 average claimant counts and rates. The change represents the difference in percentage points between the average claimant rates for the previous quarter (August to October 2024) and latest quarter (November to January 2025).

5.4 Breakdown by Gender and Local Committee Area

In all areas of Fife, the number and rate of men claiming out-of-work benefits were both higher than the number and rate of women.

The greatest difference was in Kirkcaldy , followed by the Levenmouth Area. The difference was lowest in South & West Fife.

Table 8: Average Claimant Counts and Rates by Gender Nov 2024 – Jan 2025

	Female Claimant Count	Female Claimant Rate	Male Claimant Count	Male Claimant Rate
Cowdenbeath	450	3.4%	635	5.2%
Dunfermline	440	2.3%	580	3.1%
Glenrothes	430	2.8%	540	3.7%
Kirkcaldy	725	3.9%	1,115	6.2%
Levenmouth	420	3.6%	625	5.8%
North East Fife	400	1.6%	490	2.1%
South & West Fife	345	2.3%	405	2.6%

Source: ONS Claimant Count, November 2024-January 2025 average claimant counts and rates.

³ Fife Council's seven [Area Committees](#).

5.5 Breakdown by Age and Local Committee Area

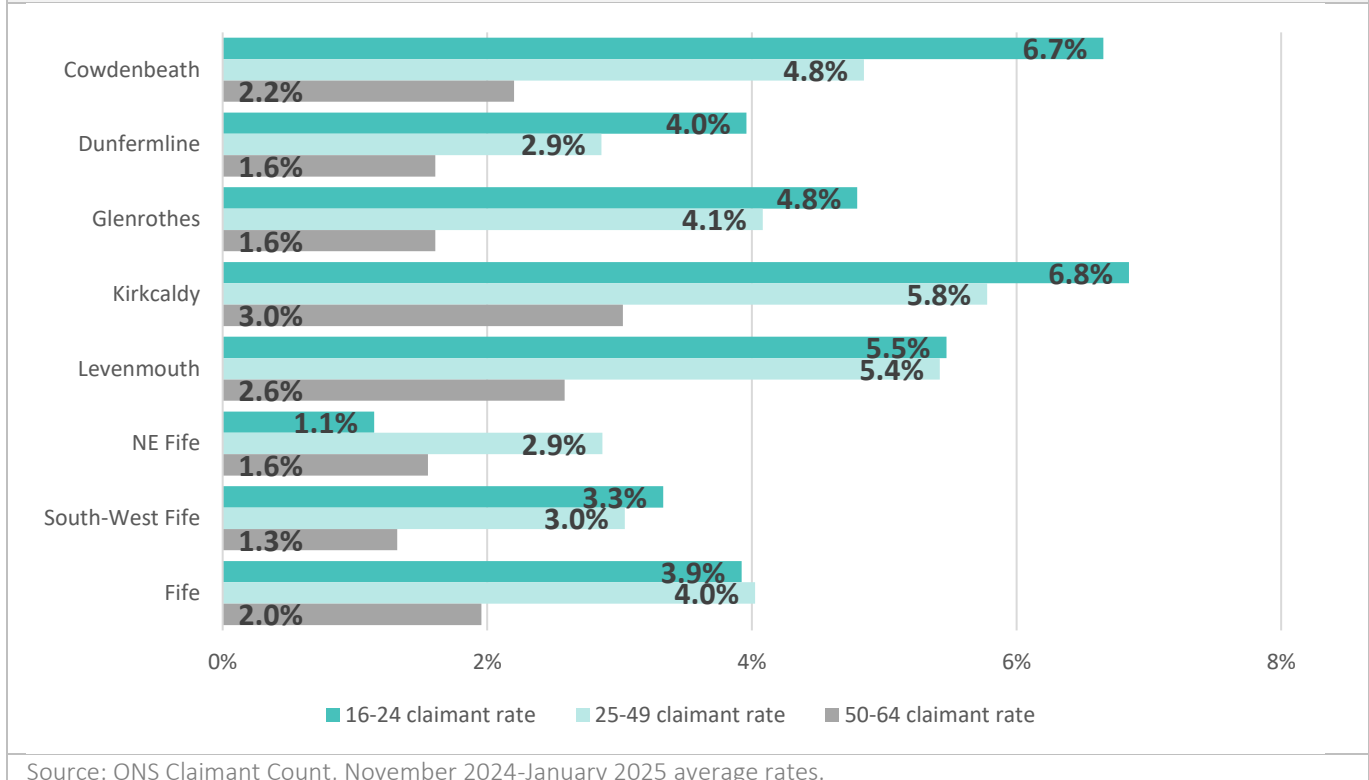
In all parts of Fife, except for North East Fife, **16-24 year olds had the highest rate of people claiming out-of-work benefits** of the three main age groups (Figure 6).

In Kirkcaldy and the Cowdenbeath Area, the 16-24 age group's claimant rate is the highest of all age groups in Fife.

Kirkcaldy Area has the highest claimant rates for all three age groups.

North East Fife had the lowest claimant rates for all age groups, with particularly low rates in the 16-24 and 50-64 age groups.

Figure 6: Average Claimant Rates by Age Group, Nov 2024-Jan 2025



6.0 Breakdown of Claimants by Electoral Ward

Kirkcaldy Central, Kirkcaldy East and Buckhaven, Methil & Wemyss Villages remain the electoral wards with the highest claimant rates in Fife.

WARDS WITH THE HIGHEST CLAIMANT RATES		WARDS WITH THE LOWEST CLAIMANT RATES	
Kirkcaldy Central	6.7%	Howe of Fife & Tay Coast and Tay Bridgehead	2.3%
Kirkcaldy East	6.5%	Inverkeithing & Dalgety Bay	2.1%
Buckhaven, Methil & Wemyss Villages	5.8%	St Andrews	0.7%

Source: ONS Claimant Count, November 2024-January 2025 average rates.

DATA SOURCES

The data used in this update come from the following sources:

Annual Population Survey

The Office for National Statistics' Annual Population Survey (APS), which combines results from its Labour Market Survey with English, Welsh and Scottish boosts, provides data on employment, unemployment and economic inactivity.

Data are obtained from a sample survey and are therefore subject to some error. In addition, over the last several years, and particularly since the pandemic, sample sizes have fallen dramatically. The ONS states that although the APS estimates as robust at a national (Scottish) level, there are concerns with the quality of estimates for smaller groups of the population, for example local authority level estimates. Users are therefore advised to note the increased uncertainty around the estimates for employment, unemployment and economic inactivity.

Annual Survey of Hours and Earnings (ASHE)

This survey, conducted by the Office for National Statistics in April each year, provides information about earning levels, distribution and paid hours worked by employees across all industries and occupations. It collects data based on employer responses from a 1% sample of employee jobs, using HM Revenue and Customs Pay As You Earn (PAYE) records to identify current employers. ASHE does not cover the self-employed.

Claimant Count

Claimant counts and claimant rates given in this update are based on experimental data collected by the Office for National Statistics (ONS). The claimant count represents the number of people claiming Jobseeker's Allowance plus the number of people on Universal Credit who are required to search for work and are available for work.

Universal Credit replaces six legacy benefits and tax credits (including Jobseeker's Allowance and Income-related Employment and Support Allowance) and was fully introduced in Fife on 6 January 2017 after initially going live in the region in April 2016.

Universal Credit requires more people to look for work than was the case for legacy benefits; new claimants who are waiting on or appealing Work Capability Assessments are also required to look for work. In addition, from May 2024, the Department for Work and Pensions rolled out an increase in the administrative earnings threshold for full work search conditionality.

The claimant count dataset is still classified by the ONS as experimental statistics. These figures are also not seasonally adjusted so that each month's figures will be influenced by seasonal effects. Please note that care should therefore be taken when analysing and interpreting the figures.

For more information and to access all the labour market statistics from official sources for the UK visit www.nomisweb.co.uk.

For further information about the content of this publication, or to request any bespoke economic information, please contact fifemeansbusiness@fife.gov.uk

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