

FIFE LABOUR MARKET UPDATE - APRIL 2025

This quarterly update reports on the performance of Fife’s labour market – both for people in work (rates of employment) and 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, during the 12 months to December 2024, an estimated **75.5% of people aged 16 to 64 years in Fife were in work**. This was the same employment rate as in 2023, but 1.8 percentage points higher than the rate prior to the pandemic in 2019.

In comparison, the estimated Scottish employment rate (74.5%) was lower than both the previous year and before the pandemic.

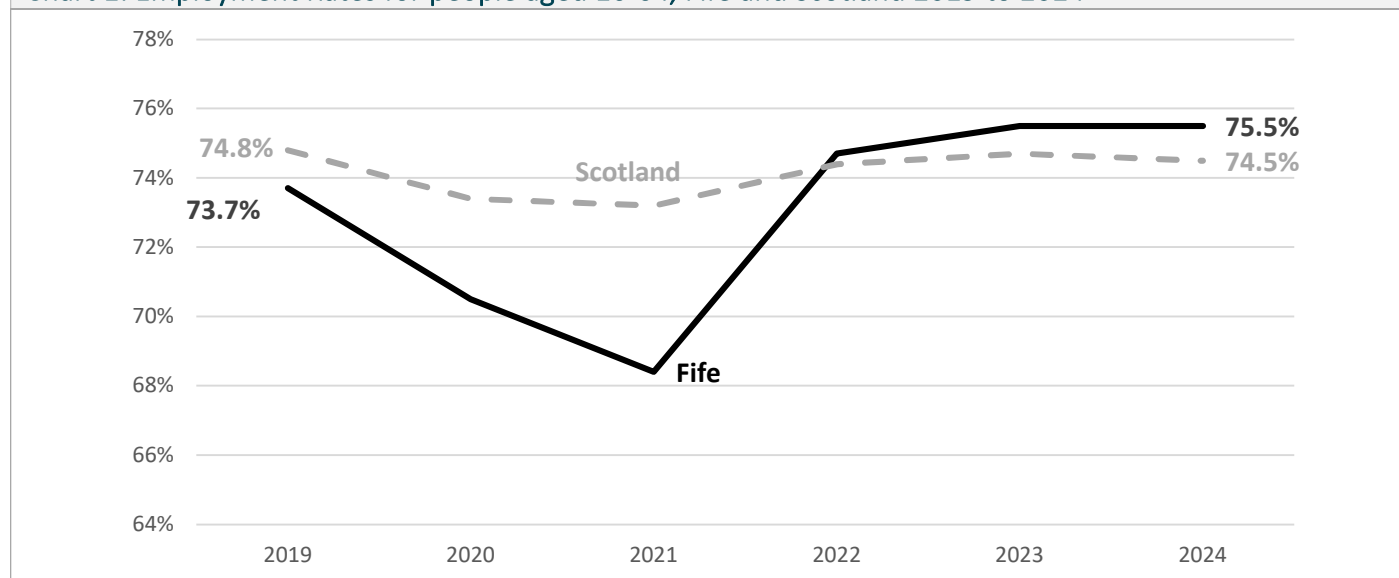
Fife’s employment rate has been higher than the Scottish rate since 2022 (Chart 1). It is also much more volatile than the Scottish rate, which could be related to the fact that Fife estimates are less robust than those for Scotland due to smaller sample sizes at the sub-national level.

Table 1: Percentage of people aged 16-64 in work in Fife and Scotland

	Employment Rate Jan-Dec 2024	Annual Change (2023 – 2024)		Difference with pre-pandemic rate (2019 - 2024)	
Fife	75.5%	0.0 pp		+1.8 pp	
Scotland	74.5%	-0.2 pp		-0.3 pp	

Source: Annual Population Survey, Jan-Dec dataset, Office for National Statistics. The changes shown represent the difference in percentage points (pp) between the latest rates and the rates for previous periods.

Chart 1: Employment Rates for people aged 16-64, Fife and Scotland 2019 to 2024



Source: Annual Population Survey, January to December datasets, Office for National Statistics .

PEOPLE NOT IN WORK

1.0 Unemployment Rate

In the 12 months to December 2024, Fife's unemployment rate was slightly lower than the previous year and also lower than prior to the pandemic in 2019. It was however higher than the unemployment rate for Scotland as a whole. An estimated 6,200 people aged 16 and over were unemployed in Fife over 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 Jan-Dec 2024	Annual Change (2023 – 2024)		Difference with pre-pandemic rate (2019-2024)	
Fife	3.4%	-0.1 pp	↓	-0.7 pp	↓
Scotland	3.2%	-0.3 pp	↓	-0.3 pp	↓

Source: Model-Based Estimates of Unemployment, Jan-Dec datasets, Office for National Statistics. The changes shown represent the difference in percentage points (pp) 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 21.1% of the area's working age population, were 'economically inactive'**¹ during the year ending December 2024. This is fewer people than both the previous year and prior to the Covid pandemic in 2019. Since 2022, Fife's economic inactivity rate has been below the Scottish economic inactivity rate (Chart 2).

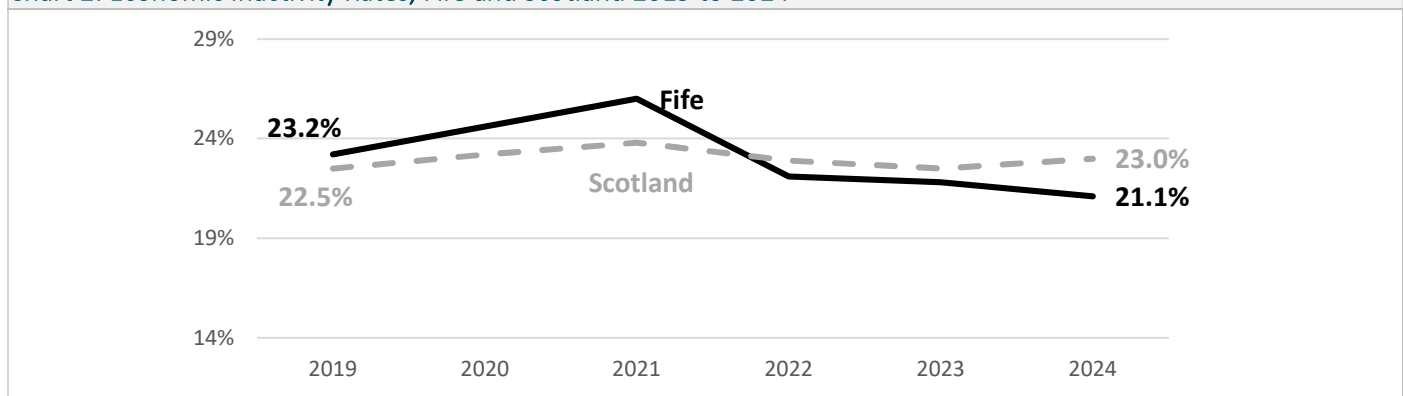
An estimated 10,100 people – 21.1% of those who were economically inactive - wanted a job.

Table 3: Percentage of working age (16-64) residents who are neither working nor seeking or available to work

	Economic Inactivity Rate Jan-Dec 2024	Annual Change (2023 – 2024)		Difference with pre-pandemic rate (2019-2024)	
Fife	21.1%	-0.7 pp	↓	-2.1 pp	↓
Scotland	23.0%	+0.5 pp	↑	+0.5 pp	↑

Source: Annual Population Survey, Jan-Dec datasets, Office for National Statistics. The changes shown represent the difference in percentage points (pp) between the latest inactivity rate and the rates for previous periods.

Chart 2: Economic Inactivity Rates, Fife and Scotland 2019 to 2024



Source: Annual Population Survey, January to December datasets, Office for National Statistics.

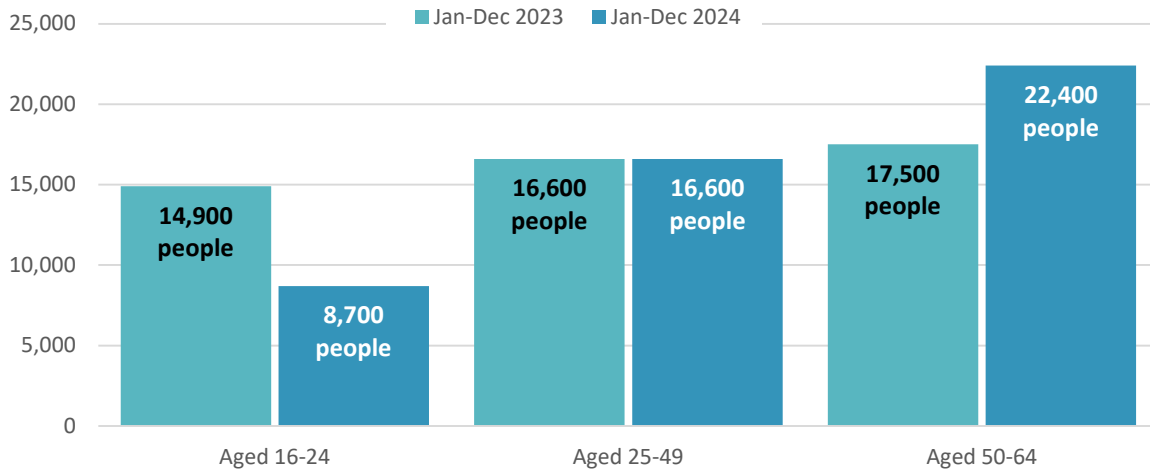
¹ Those who are economically inactive are people aged 16 and over without a job who have not sought work in the last four weeks and/or who are not available to start work in the next two weeks, ie they are neither employed nor unemployed.

3.0 Economic Inactivity Rate by Age

Nearly half of people who were economically inactive in Fife (an estimated 22,400 people) were aged 50-64; over a third (16,600) were aged 25-49 years; and 18% (8,700) were aged 16-24 years (Chart 3).

Between 2023 and 2024, the number of economically inactive people aged over 50 years increased while the number aged between 16-24 years fell.

Chart 3: Estimated numbers of economically-inactive people in Fife by age group, 2023 and 2024



Source: Annual Population Survey, Jan-Dec datasets, Office for National Statistics.

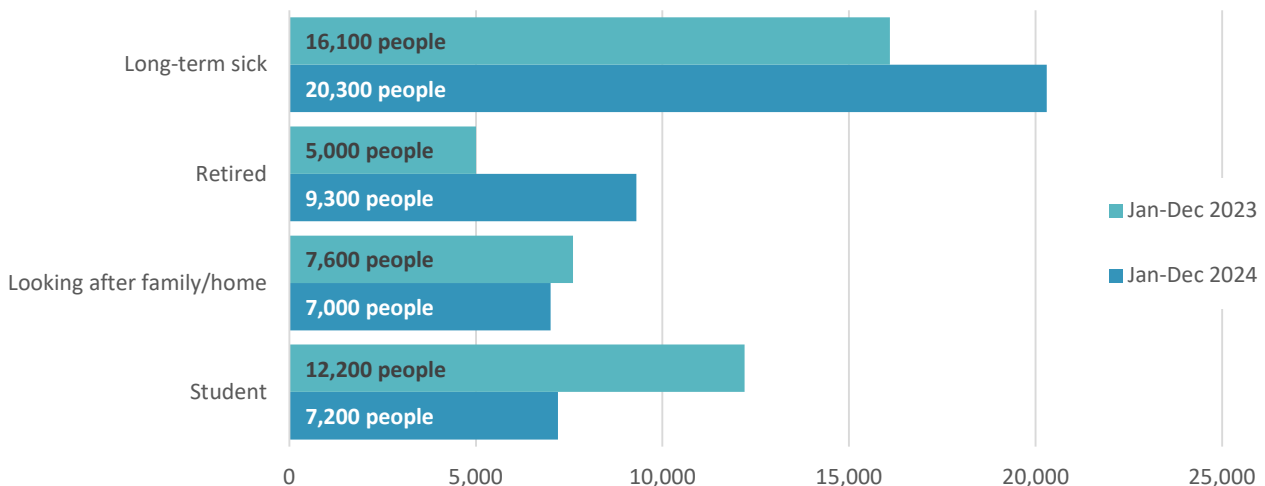
4.0 Economic Inactivity Rate by Reason for Inactivity

Long-term ill-health was the main reason given for not being in employment or seeking work in Fife. In 2024, 42.6% of inactive people aged 16 to 64 (an estimated 20,300 people) gave their reason for being inactive as 'long-term sick or disabled'. This was higher than the Scottish rate (33.7%) and was also the highest proportion in the time series of this dataset (from 2004 to 2024).

Between 2023 and 2024, the number of inactive students fell while the number of people inactive due to long-term ill-health and retirement increased

14.7% (an estimated 7,000 people) were inactive due to caring responsibilities.

Chart 4: Reasons for Economic Inactivity in Fife



Source: Annual Population Survey, Jan-Dec datasets, Office for National Statistics.

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 (ONS) in its Claimant Count dataset. Due to the provisional nature of the latest monthly statistics (for March 2025), the average claimant counts and claimant rates for the last quarter (January-March 2025) are given for sections 5.2 – 5.6.

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

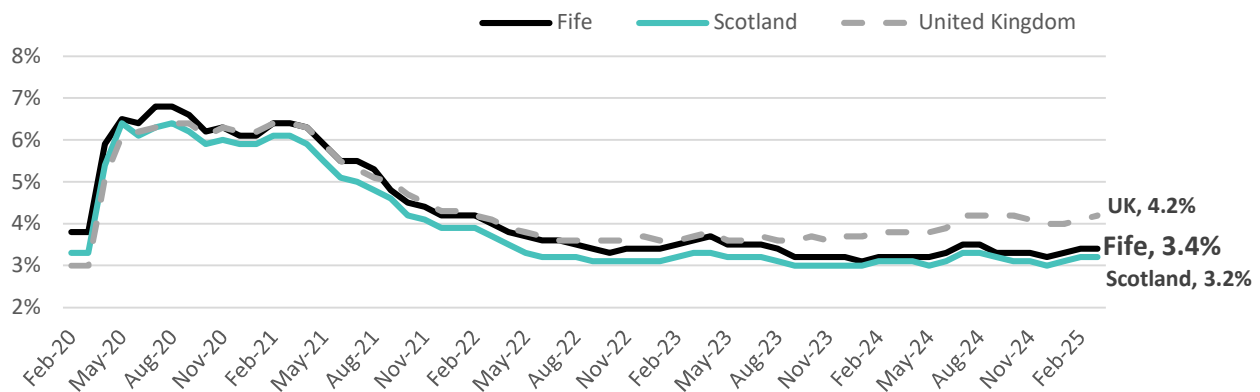
After falling significantly in 2021 and 2022, the number and rate of people claiming out-of-work benefits in Fife remained fairly steady throughout 2023 and 2024 (Chart 5).

In March 2025, Fife's claimant rate was 3.4% with an estimated 7,865 people claiming out-of-work benefits in the region.

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 the rates for Scotland as a whole, but are below the UK rates.

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



Source: ONS Claimant Count.

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

5.2.1 Type of Claimant

Between January and March 2025, **over 200 more people claimed Universal Credit while searching for work** in Fife compared with the previous quarter and 460 more than during the same quarter a year ago. There were **40 fewer Job Seeker's Allowance claimants** compared with the previous quarter and 150 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 (Jan -Mar 25)	Change with previous quarter		Annual change	
People on Universal Credit who are searching for work	7,370	+210	↑	+460	↑
Jobseeker's Allowance claimants	370	-40	↓	-150	↓

Source: Department for Work & Pensions; ONS Jobseeker's Allowance. The change represents the difference between the average claimant count for the latest quarter (January-March 2025), the previous quarter (October-December 2024) and previous year (January-March 2024).

5.2.2 Age Profile

The **25-49** year old age group had the highest claimant rate (**4.1%**) followed by 16-24 year olds (3.9%) (Table 5).

All working age groups had more people claiming out-of-work benefits compared both with the previous quarter and with the same period a year ago. Claimant numbers in the 65+ age group were lower than a year ago.

Table 5: Age Profile of Claimants

	Average Claimant Rate	Average Claimant Count	Claimant Count - quarterly change		Claimant Count – annual change	
16-24 year olds claiming benefits	3.9%	1,600	+40	↑	+45	↑
25-49 year olds claiming benefits	4.1%	4,418	+110	↑	+125	↑
50-64 year olds claiming benefits	2.0%	1,617	+10	↑	+160	↑
65+ year olds claiming benefits	0.1%	110	+5	↑	-5	↓
All people aged 16+ claiming benefits	3.4%	7,745	+170	↑	+317	↑

Source: ONS Claimant Count. The change represents the difference between the average claimant count for the latest quarter (January-March 2025), the previous quarter (October-December 2024) and previous year (January-March 2024).

5.2.3 Gender Profile

Fife's male claimant rate (4.1%) 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 increased over the quarter and year.

Table 6: Gender Profile of Claimants

	Average Claimant Rate	Average Claimant Count	Claimant Count - quarterly change		Claimant Count - annual change	
Female claimants	2.7%	3,205	-40	↓	+250	↑
Male claimants	4.1%	4,540	+215	↑	+65	↑

Source: ONS Claimant Count. The change represents the difference between the average claimant count for the latest quarter (January-March 2025), the previous quarter (October-December 2024) and previous year (January-March 2024).

5.3 Breakdown of Claimants by Fife's Local Committee Areas²

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

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

The Kirkcaldy Area, Levenmouth and the Cowdenbeath Area had the highest numbers and rates of people claiming out-of-work benefits and 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, Jan-Mar 2025

	Claimant Count	Claimant Rate	Quarterly rate change		Annual rate change	
Cowdenbeath	1,100	4.3%	+0.2		+0.2`	
Dunfermline	1,055	2.8%	+0.1		+0.1	
Glenrothes	1,015	3.3%	+0.1		+0.2	
Kirkcaldy	1,835	5.0%	0.0		0.0	
Levenmouth	1,040	4.6%	-0.1		0.0	
North East Fife	910	1.9%	0.0		+0.1	
South & West Fife	785	2.6%	+0.1		+0.2	
Fife	7,745	3.4%	+0.1		+0.2	

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

5.4 Breakdown by Gender and Local Committee Area

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

The greatest differences were in the Kirkcaldy and Cowdenbeath Areas, followed by Levenmouth. The difference was lowest in South & West Fife.

Table 8: Average Claimant Counts and Rates by Gender Jan-Mar 2025

	Female Claimant Count	Female Claimant Rate	Male Claimant Count	Male Claimant Rate
Cowdenbeath	437	3.3%	668	5.4%
Dunfermline	445	2.3%	610	3.2%
Glenrothes	453	2.9%	563	3.8%
Kirkcaldy	713	3.8%	1,122	6.3%
Levenmouth	412	3.5%	630	5.8%
North East Fife	400	1.6%	508	2.2%
South & West Fife	345	2.2%	438	2.9%

Source: ONS Claimant Count.

² Fife Council's seven [Area Committees](#).

5.5 Breakdown by Age and Local Committee Area

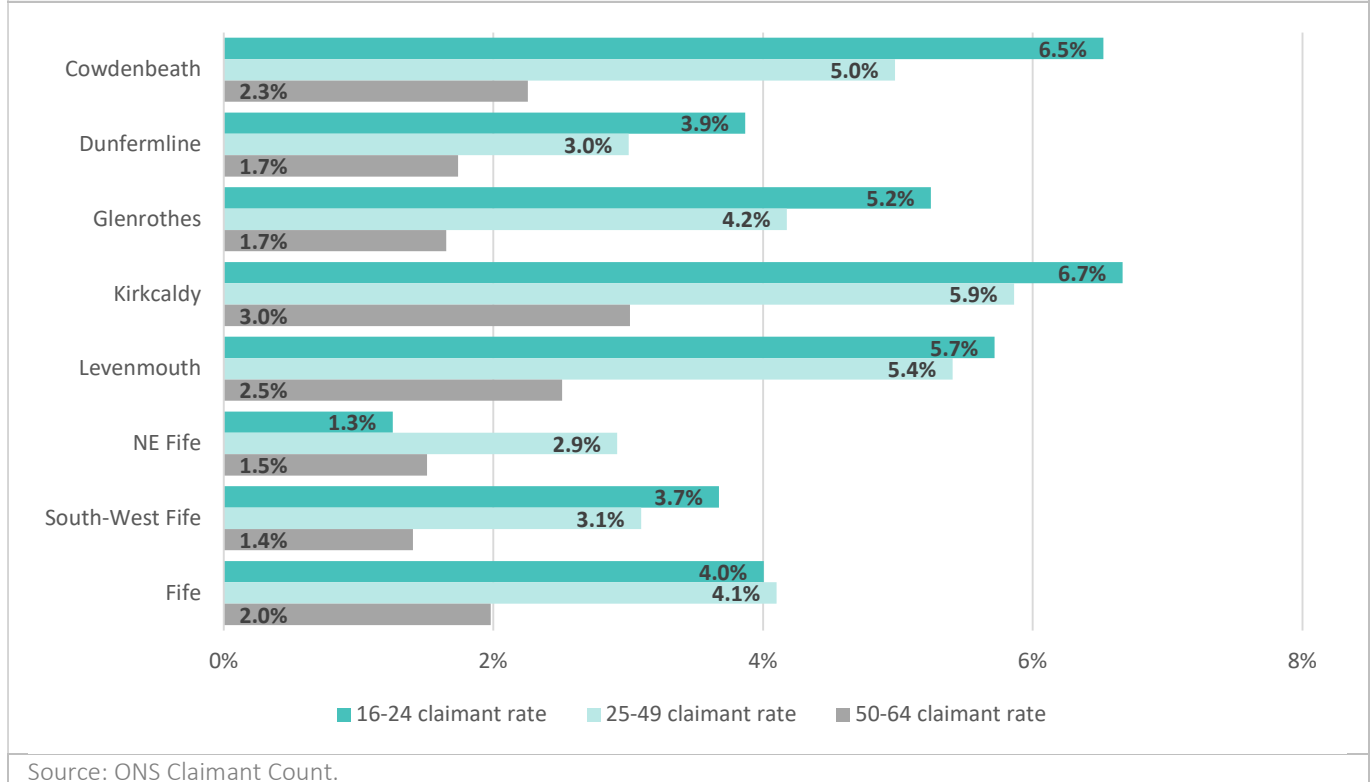
In all parts of Fife, with the exception of North East Fife, **16-24 year olds had the highest rate of people claiming out-of-work benefits** of the three main working age groups (Chart 6).

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

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

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

Chart 6: Average Claimant Rates by Age Group, January-March 2025



5.6 Breakdown of Claimants by Electoral Ward

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

WARDS WITH THE HIGHEST CLAIMANT RATES		WARDS WITH THE LOWEST CLAIMANT RATES	
Kirkcaldy Central	6.8%	Howe of Fife & Tay Coast	2.3%
Kirkcaldy East	6.4%	Inverkeithing & Dalgety Bay	2.1%
Buckhaven, Methil & Wemyss Villages	5.7%	St Andrews	0.7%

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

DATA SOURCES

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

Annual Population Survey

The Office for National Statistics' (ONS) 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.

Claimant Count

Claimant counts and claimant rates given in this update are based on experimental data collected by the Office for National Statistics. 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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