

FIFE LABOUR MARKET UPDATE - OCTOBER 2025

This quarterly update reports on the performance of Fife’s labour market – both for people in work (rates of employment, the number of employees and earnings) 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 June 2025, an estimated **75.3% of people aged 16 to 64 years in Fife were in work**. This was a little lower than the employment rate during the same period the previous year (76.0%), but 3.7 percentage points higher than the rate prior to the pandemic in 2019/20 (71.6%).

In comparison, the estimated Scottish employment rate (74.1%) was lower than both the previous year and before the pandemic.

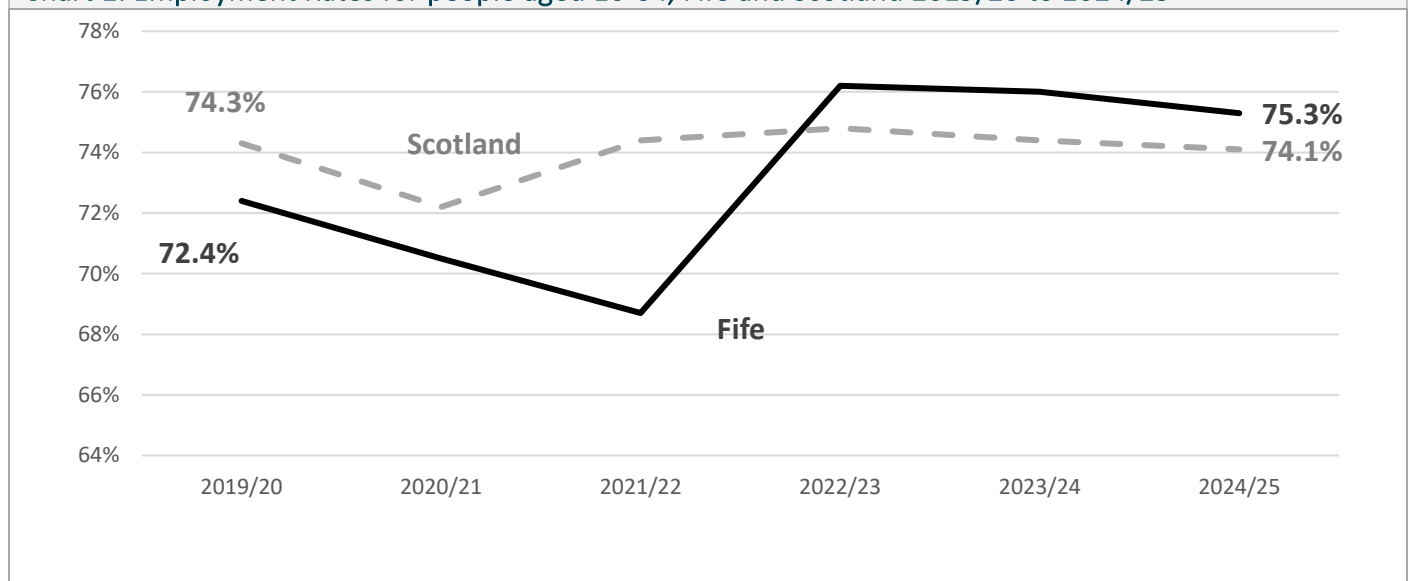
Fife’s employment rate has been higher than the Scottish rate since 2022/23 (Chart 1). It is also much more volatile than the Scottish rate, which could be related to the fact that Fife estimates are less robust than those for Scotland due to smaller sample sizes at the sub-national level.

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

	Employment Rate Jul 2024- Jun 2025	Annual Change (2023/24 – 2024/25)		Difference with pre-pandemic rate (2019/20 – 2024/25)	
Fife	75.3%	-0.7 pp	↓	+2.9 pp	↑
Scotland	74.1%	-0.3 pp	↓	-0.2 pp	↓

Source: Annual Population Survey, Jul-Jun datasets, 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 2019/20 to 2024/25



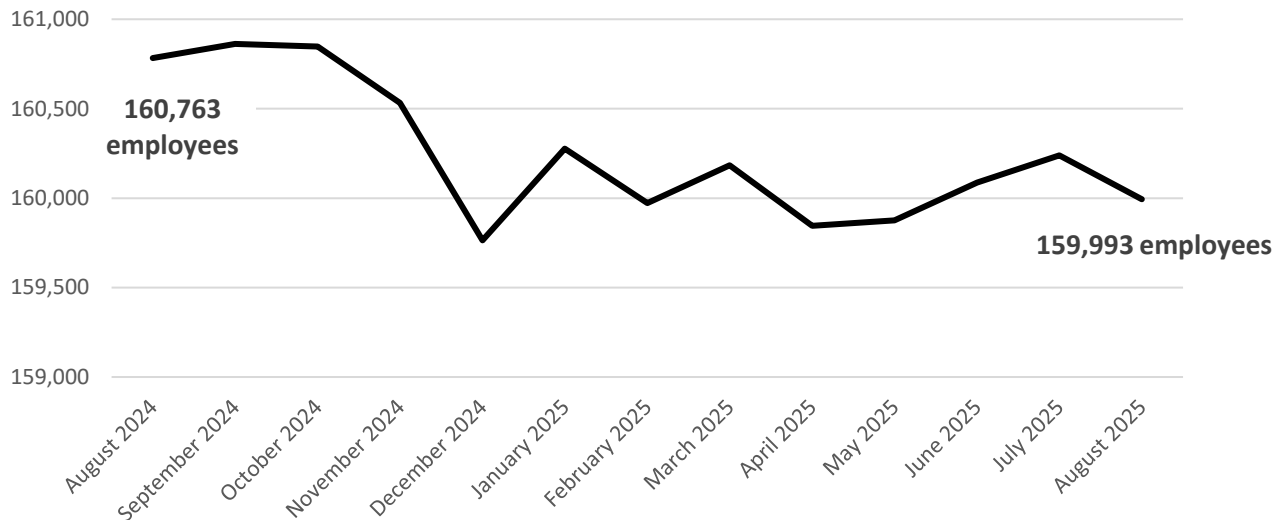
Source: Annual Population Survey, July - June datasets, Office for National Statistics .

2.0 The Number of Payrolled Employees

In August 2025, there were an estimated **159,993 payrolled employees in Fife**, 790 or 0.5% fewer than the same period the previous year (August 2024).

The number of payrolled employees in Fife fell by -0.2% (or 246 jobs) between July and August 2025.

Chart 2: Number of payrolled employees living in Fife August 2024 - August 2025



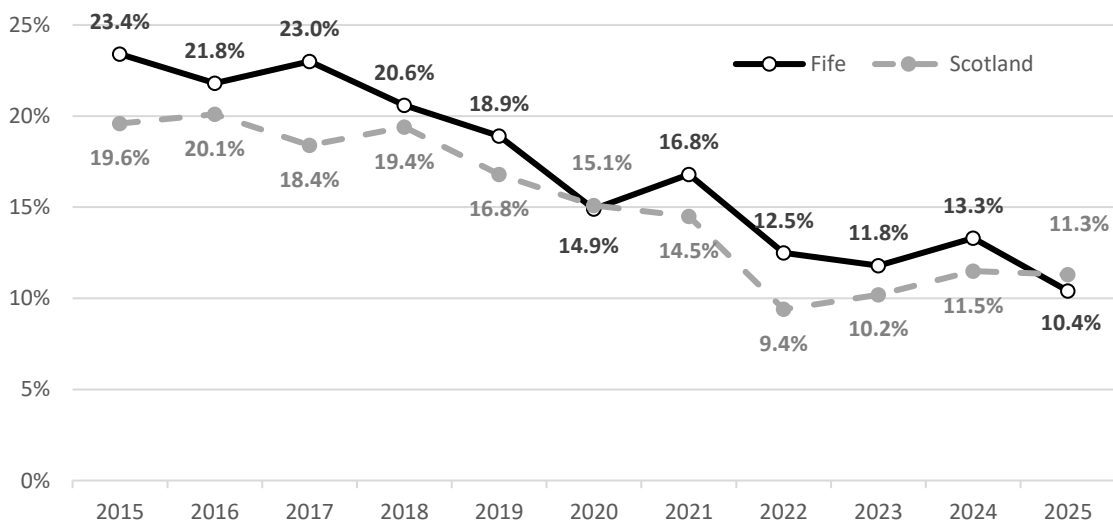
Source: Earnings and Employment from Pay As You Earn Real Time Information, seasonally adjusted, Office for National Statistics. The data are based on where employees live and not the location of their work.

3.0 Employee Jobs Paid Below The Real Living Wage¹

An estimated **10.4%** of employees working in Fife aged 18 and over earned less than the real living wage in April 2025.

This was the lowest level recorded in Fife and for the first time since 2020 was below the Scottish rate.

Chart 3: Percentage of employee jobs with hourly pay below the Living Wage Foundation Rates, April 2015 – April 2025, Fife and Scotland



Source: Number and proportion of employee jobs with hourly pay below the living wage, Office for National Statistics. The Fife annual figures are more volatile than the Scottish data and are rated as 'acceptable' rather than 'precise' by the Office for National Statistics due to small sample sizes at the Fife level. The figures should therefore be viewed with caution.

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

4.0 Unemployment Rate

In the 12 months to June 2025, Fife's unemployment rate was higher than the previous year but lower than prior to the pandemic in 2019/20. It was also slightly higher than the unemployment rate for Scotland as a whole. An estimated 6,800 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 Jul 2024-Jun 2025	Annual Change (2023/24 – 2024/25)		Difference with pre-pandemic rate (2019/20-2024/25)	
Fife	3.7%	+0.2 pp	↑	-0.4 pp	↓
Scotland	3.6%	+0.1 pp	↑	+0.2 pp	↑

Source: Model-Based Estimates of Unemployment, Jul-Jun 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.

5.0 Economic Inactivity Rate

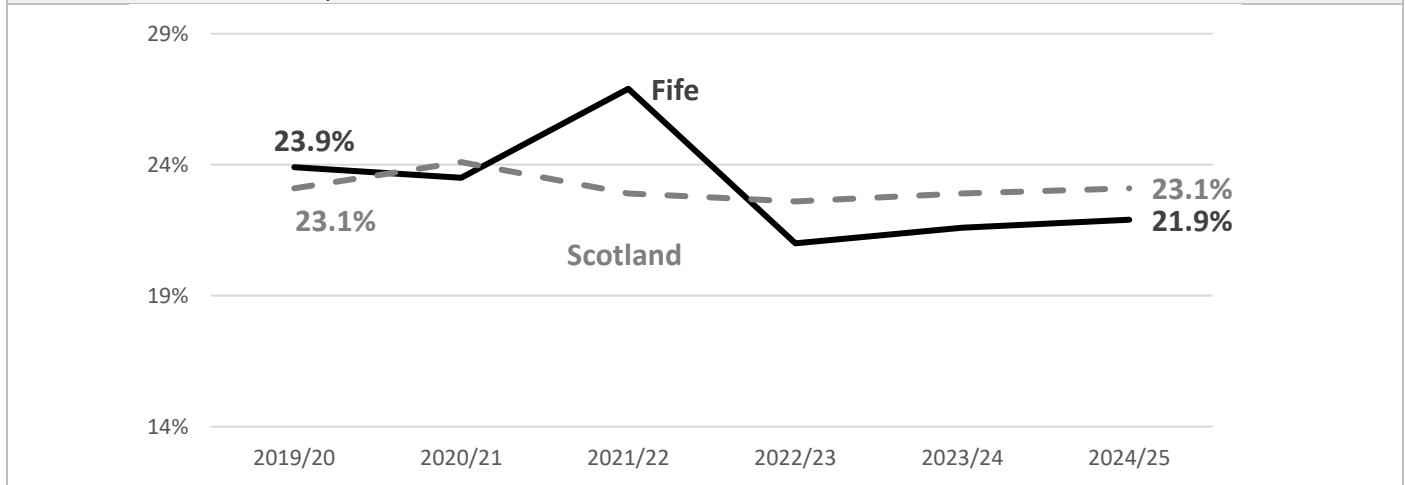
An estimated 49,500 people in Fife, **one fifth or 21.9% of the area's working age population, were 'economically inactive'**² during the year ending June 2025. This is slightly more people than the same period the previous year (49,200) and but fewer than prior to the Covid pandemic in 2019/20 (54,500). Since 2022/23, Fife's economic inactivity rate has been below the Scottish rate (Chart 4).

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

	Economic Inactivity Rate Jul 2024-Jun 2025	Annual Change (2023/24 – 2024/25)		Difference with pre-pandemic rate (2019/20-2024/25)	
Fife	21.9%	+0.3 pp	↑	-2.0 pp	↓
Scotland	23.1%	+0.2 pp	↑	0	—

Source: Annual Population Survey, Jul-Jun 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 4: Economic Inactivity Rates, Fife and Scotland 2019/20 to 2024/25



Source: Annual Population Survey, Jul-Jun datasets, Office for National Statistics.

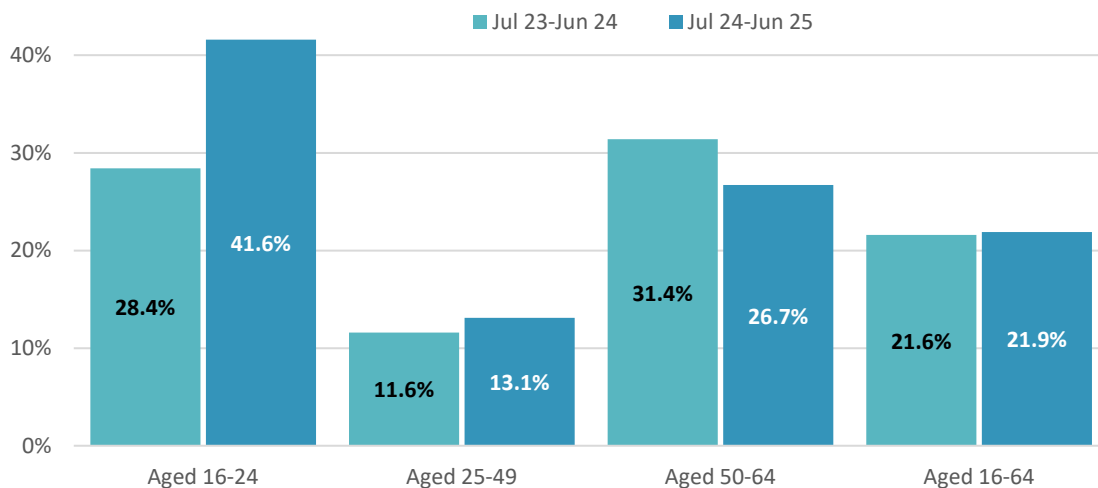
² Those who are economically inactive are people aged 16 and over without a job who have not sought work in the last four weeks and/or who are not available to start work in the next two weeks, ie they are neither employed nor unemployed.

5.1 Economic Inactivity Rate by Age

The 16-24 age group had the highest rate of economic inactivity (41.6%) and the 25-49 age group the lowest (13.1%) (Chart 5).

Between 2023/24 and 2024/25, the proportion of people aged 16-24 who were economically inactive increased significantly while the proportion aged over 50 years fell.

Chart 5: Economic inactivity rates in Fife by age group, 2023/24 and 2024/25



Source: Annual Population Survey, Jul-Jun datasets, Office for National Statistics.

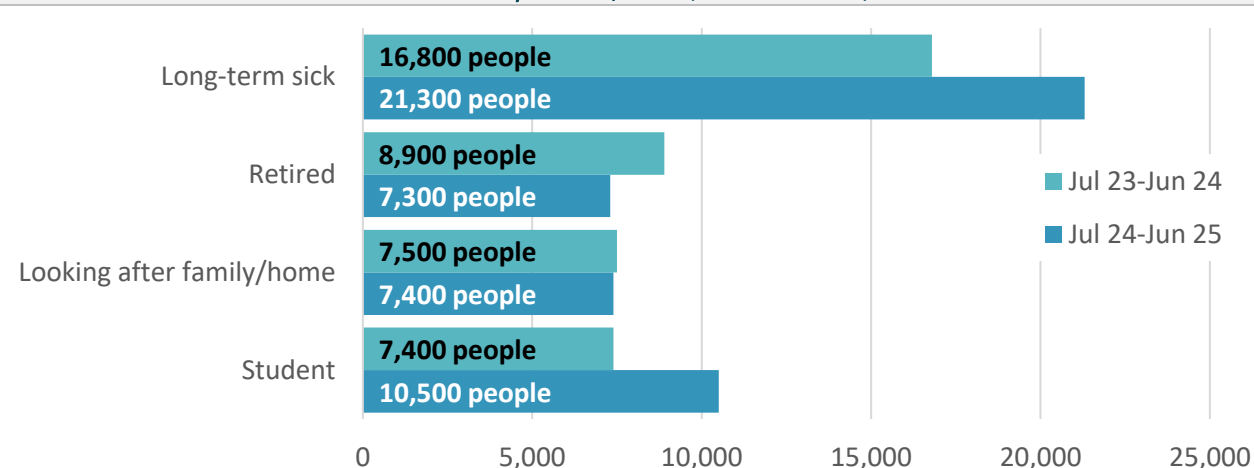
5.2 Economic Inactivity Rate by Reason for Inactivity

Long-term ill-health was the main reason given for not being in employment or seeking work in Fife. In 2024/25, 43.0% of inactive people aged 16 to 64 (an estimated 21,300 people) gave their reason for being inactive as 'long-term sick or disabled'. This was higher than the Scottish rate (35.2%) and a higher number of people than the same period the previous year (16,800 people).

Between 2023/24 and 2024/25, **the number of inactive students also increased** while the number of people inactive **due to retirement fell**.

15.0% of economically inactive people (an estimated 7,400) were inactive due to caring responsibilities.

Chart 6: Reasons for Economic Inactivity in Fife, 2023/24 and 2024/25



Source: Annual Population Survey, Jul-Jun datasets, Office for National Statistics.

6.0 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 September 2025), the average claimant counts and claimant rates for the last quarter (July-September 2025) are given for sections 5.2 – 5.6. All data are rounded to the nearest 5 and totals may not therefore equal the sums of breakdowns.

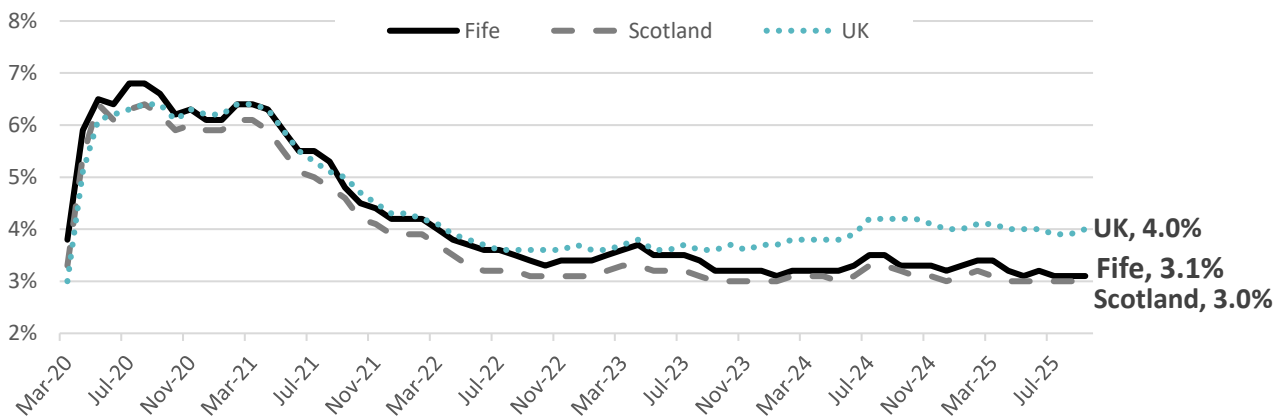
6.1 Fife, Scotland & UK Claimant Rates March 2020 - September 2025

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, 2024 and 2025 (Chart 7).

In September 2025, Fife's claimant rate was 3.1% with an estimated 7,065 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 7: Percentage of working age (16-64) residents claiming out-of-work benefits – Fife, Scotland and UK, February 2020 to September 2025



Source: ONS Claimant Count.

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

6.2.1 Type of Claimant

Between July and September 2025, around 215 fewer people claimed Universal Credit while searching for work in Fife compared with the previous quarter and 655 fewer than during the same quarter a year ago. There were 5 fewer Job Seeker's Allowance claimants compared with the previous quarter and 165 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 (Jul-Sep 25)	Change with previous quarter		Annual change	
People on Universal Credit who are searching for work	6,805	-215	↓	-655	↓
Jobseeker's Allowance claimants	320	-5	↓	-165	↓

Sources: Department for Work & Pensions; ONS Jobseeker's Allowance. The change represents the difference between the average claimant count for the latest quarter (July-September 2025), the previous quarter (April-June 2025) and previous year (July-September 2024).

6.2.2 Age Profile

The 16-24 year old age group had the highest average claimant rates (3.8%) (Table 5).

All age groups, apart from the 65+ age group, had fewer benefit claimants the same period 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	3.8%	1,565	-10	↓	-45	↓
25-49 year olds claiming benefits	3.7%	4,010	-145	↓	-560	↓
50-64 year olds claiming benefits	1.8%	1,445	-60	↓	-210	↓
65+ year olds claiming benefits	0.1%	110	0	▬	+5	↑
All people aged 16+ claiming benefits	3.1%	7,125	-215	↓	-815	↓

Source: ONS Claimant Count. The change represents the difference between the average claimant count for the latest quarter (July-September 2025), the previous quarter (April-June 2024) and previous year (July-September 2024).

6.2.3 Gender Profile

Fife's male claimant rate (3.7%) was significantly higher than the female rate (2.5%) (Table 6).

Both genders saw claimant numbers and rates fall 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	2.5%	2,905	-80	↓	-550	↓
Male claimants	3.7%	4,185	-135	↓	-265	↓

Source: ONS Claimant Count. The change represents the difference between the average claimant count for the latest quarter (July-September 2025), the previous quarter (April-June 2025) and previous year (July-September 2024).

6.3 Breakdown of Claimants by Fife's Local Committee Areas³

Claimant rates and numbers fell in all parts of Fife compared with the previous quarter apart from in South & West Fife.

In all areas, claimant rates were lower than a year ago.

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 had the lowest.

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

	Claimant Count	Claimant Rate	Quarterly rate change		Annual rate change	
Cowdenbeath	1,010	4.0%	-0.1	↓	-0.4	↓
Dunfermline	930	2.5%	-0.1	↓	-0.3	↓
Glenrothes	945	3.1%	-0.1	↓	-0.3	↓
Kirkcaldy	1,695	4.6%	-0.1	↓	-0.6	↓
Levenmouth	985	4.4%	-0.2	↓	-0.6	↓
North East Fife	830	1.7%	-0.1	↓	-0.2	↓
South & West Fife	740	2.4%	0.0	▬	-0.2	↓
Fife	7,125	3.1%	-0.1	↓	-0.4	↓

Source: ONS Claimant Count, July-September 2025 average claimant counts and rates. The change represents the difference in percentage points between the average claimant rates for the latest quarter (July-September 2025), the previous quarter (April-June 2025) and previous year July-September 2024).

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

Table 8: Average Claimant Counts and Rates by Gender July to September 2025

	Female Claimant Count	Female Claimant Rate	Male Claimant Count	Male Claimant Rate
Cowdenbeath	410	3.1%	595	4.9%
Dunfermline	380	2.0%	550	3.0%
Glenrothes	410	2.7%	535	3.6%
Kirkcaldy	680	3.6%	1,015	5.7%
Levenmouth	395	3.4%	590	5.4%
North East Fife	345	1.4%	485	2.1%
South & West Fife	325	2.1%	415	2.7%

Source: ONS Claimant Count.

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

6.5 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 8).

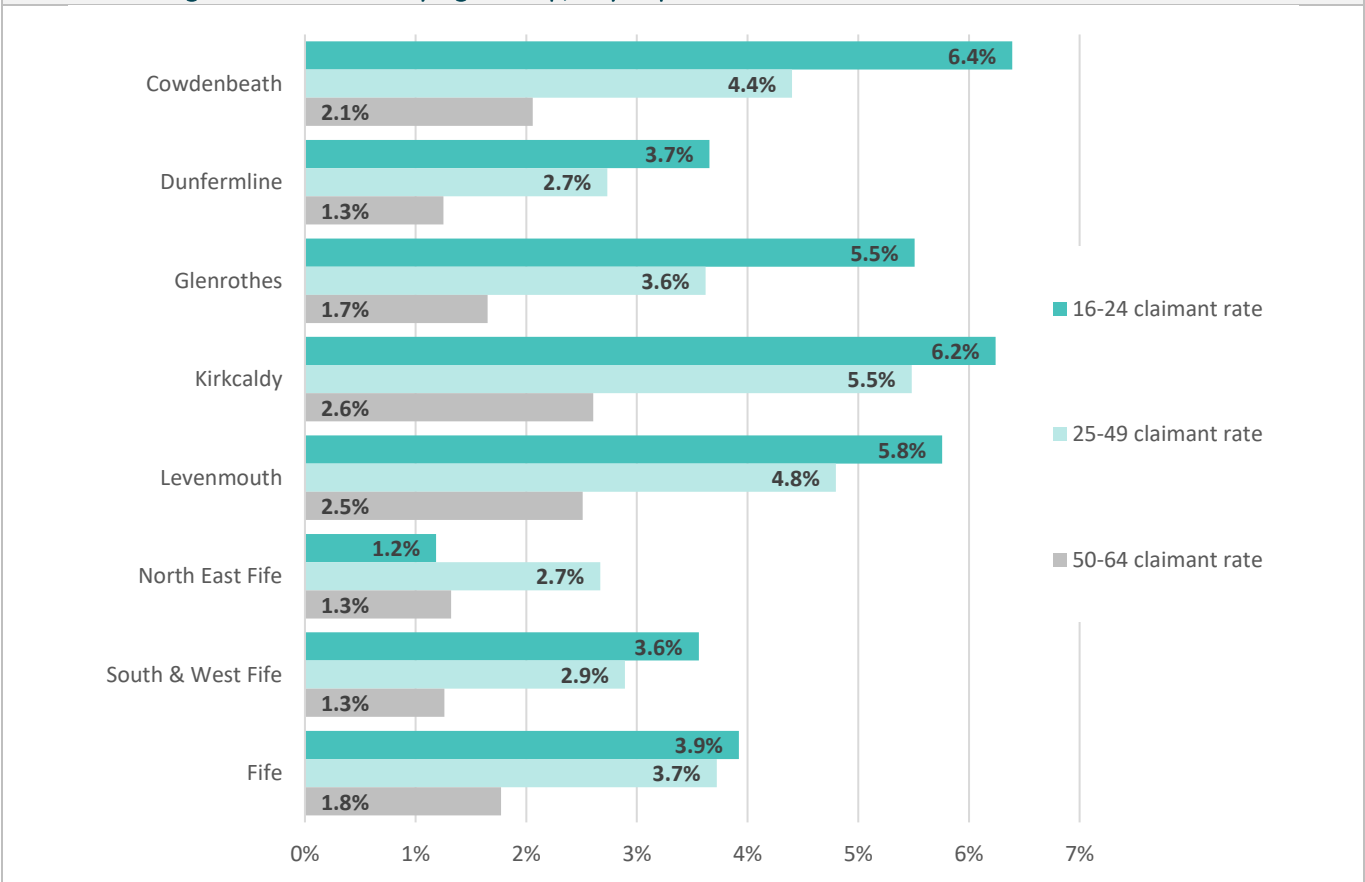
In the Cowdenbeath and Kirkcaldy Areas, the 16-24 age group's claimant rate was the highest of all age groups in Fife.

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

North East Fife had a particularly low 16-24 year old claimant rate (1.2%).

North East Fife, Dunfermline and South & West Fife had the lowest claimant rates for people aged 50-64 years (1.3%).

Chart 8: Average Claimant Rates by Age Group, July-September 2025



Source: ONS Claimant Count, July-September 2025 average rates.

6.6 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	6.2%	Cupar	2.1%
Kirkcaldy East	5.8%	Inverkeithing & Dalgety Bay	2.0%
Buckhaven, Methil & Wemyss Villages	5.4%	St Andrews	0.7%

Source: ONS Claimant Count, July-September 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.

Earnings and Employment from Pay As You Earn Real Time Information, seasonally adjusted

This Office for National Statistics dataset provides earnings and employment statistics from Pay As You Earn (PAYE) Real Time Information (RTI) at the UK, NUTS 1,2 and 3 areas and local authorities each month - [Earnings and employment from Pay As You Earn Real Time Information, seasonally adjusted - Office for National Statistics](#). The data are based on where employees live rather than the location of their work and are official statistics in development.

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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