

THE ECONOMY

This report is one in a series profiling Poole produced by the Corporate Research Team. These reports have been designed to help inform service and policy planning, by summarising available research and statistical evidence. They provide a top level view of specific subject areas and identify contacts and websites for people who would like more detailed information.

Purpose of this Report

This **Economy** report provides a snapshot of the economic profile of Poole with respect to the key topics of unemployment, employment, wages, housing affordability and skills levels.

Key Points

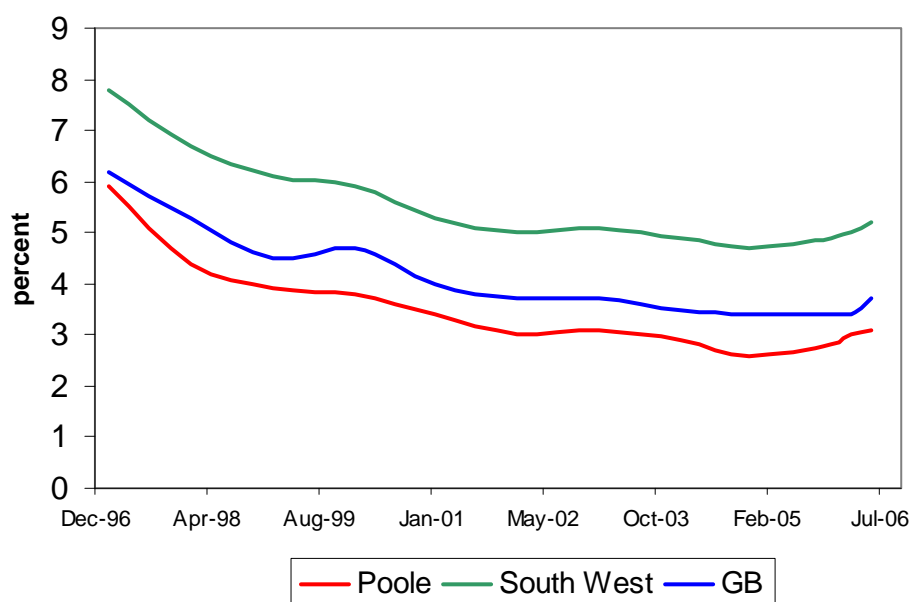
- **Unemployment is low**
- **The area benefits from a diverse economy**
- **Housing affordability remains a serious problem**
- **Skills levels remain disappointing**

Unemployment Rates

Poole benefits from relatively low rates of unemployment. The *economically active* are those either in employment or actively seeking employment. The *unemployment rate* is the proportion of the economically active who are unemployed. In 2006, the unemployment rate was **3.1%** compared with a figure of **5.2%** for Great Britain

Figure 1 below shows (model-based) unemployment rates in Poole between 1997 and 2006.

Figure 1: Unemployment rates



The unemployment rate should not be confused with the Jobseekers' claimant rate, which is lower. In January 2007, the claimant rate in Poole was 1.3%, compared to 1.7% for the South West and 2.6% for Great Britain. (Percentages are of those of working age. Source: ONS)

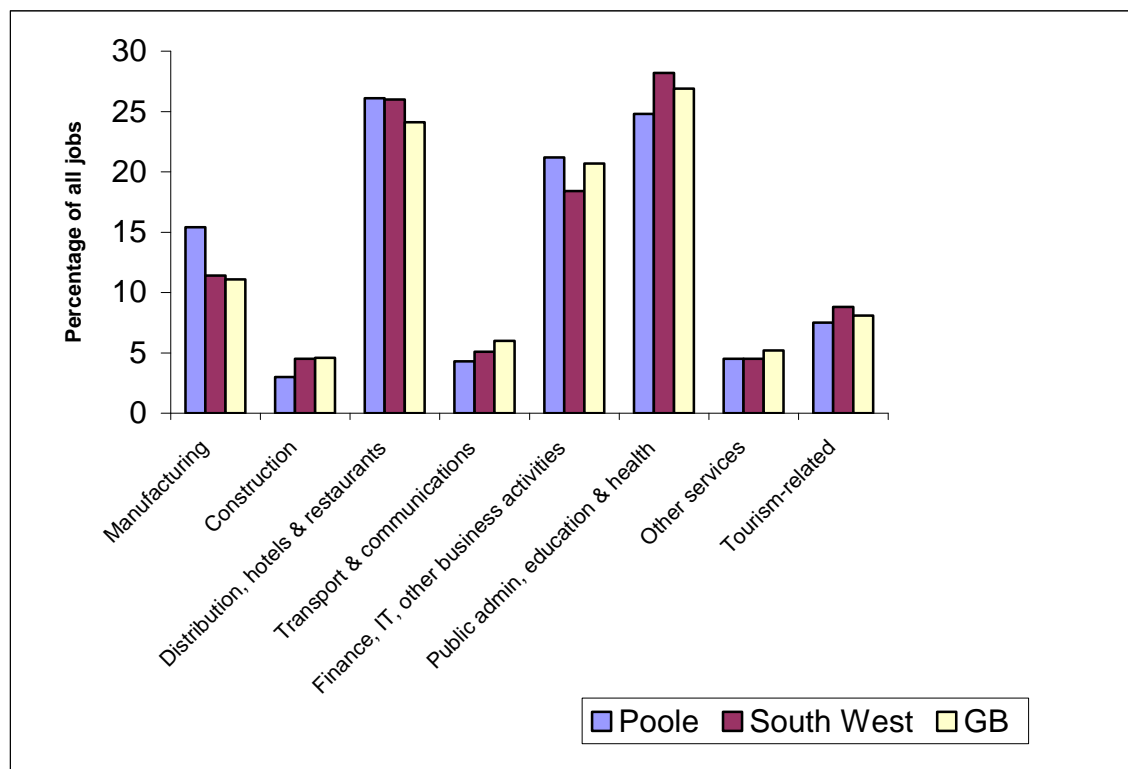
Employment rates

The percentage of the working age population Poole who are in employment was 76.5 % in 2006 compared to 77.7% in the South West and 74.2% for Great Britain. (Source: APS: Jul 05-Jun 06.) Employment rates are been fairly stable over the last few years.

Employment by Broad Industrial Sectors

Figure 2 below shows employment levels by sector with regional and national comparisons.

Figure 2: Employment by broad industrial sectors, 2005



Source: Annual Business Inquiry, 2005

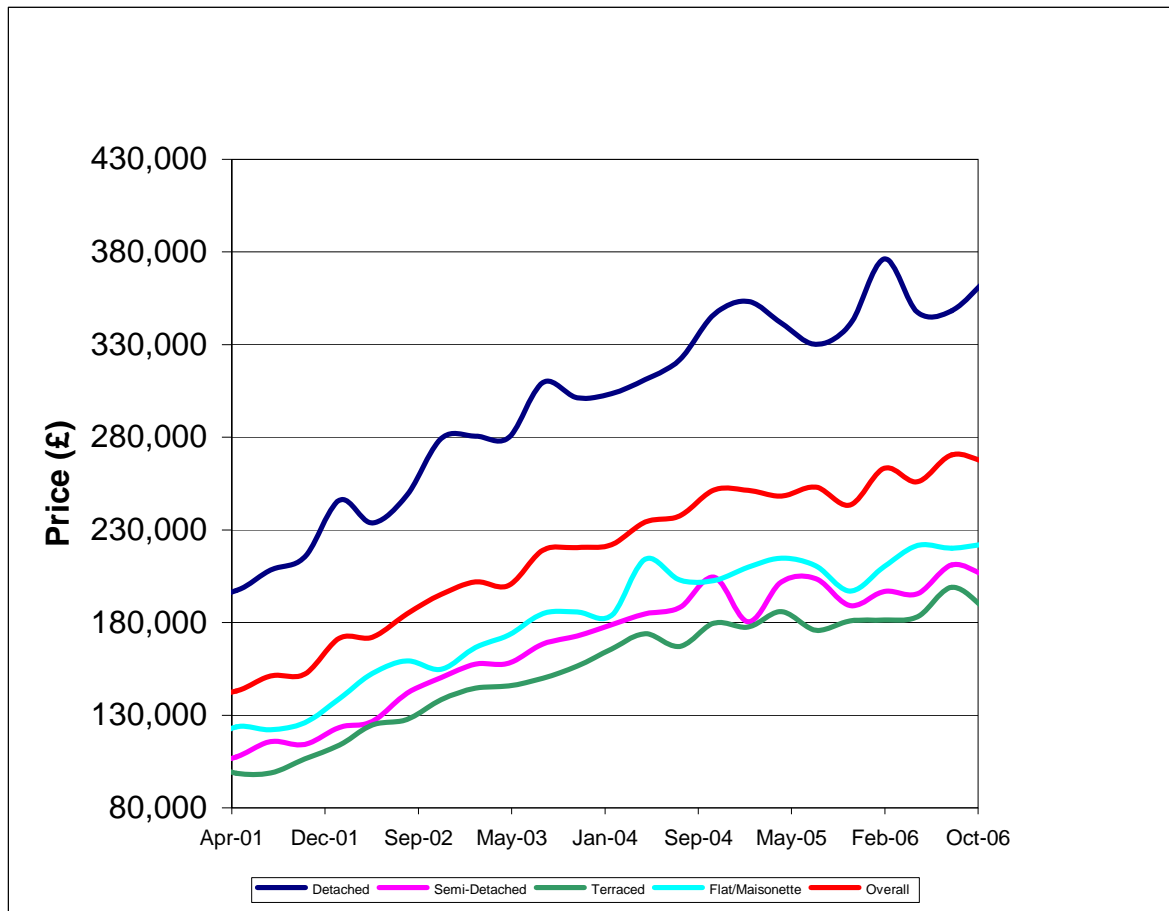
Wage Levels

The situation with respect to earnings appears to be improving. Historically, Poole has lagged behind national average earnings. However, the median full-time weekly earnings for Poole's residents in 2006 is reported as **£447.50**, compared to **£449.60** for Great Britain. *We are sceptical as to whether this is truly the case given the high standard errors reported in the latest survey.* (Source: Annual Survey of Hours and Earnings)

Housing Affordability

For those not in the housing market, entering it is becoming increasingly difficult. House prices are charted in **Figure 3** below.

Figure 3: House Prices



Source: Land Registry

The most commonly used measure of housing affordability is the ratio of average house price to average full-time income. This measure has the advantage of being easy to understand but is not really appropriate. The question we seek to address is: how difficult is it for younger people to buy the kind of home younger people live in? Homes are bought by households, not individuals, (though some households will have sole residents), so a more sensible measure of affordability is the ratio of the average price of two- and three- bedroom houses to the average household income of those residents aged 20-39. (Strictly, we consider households where the “household reference person” is aged 20 –39.)

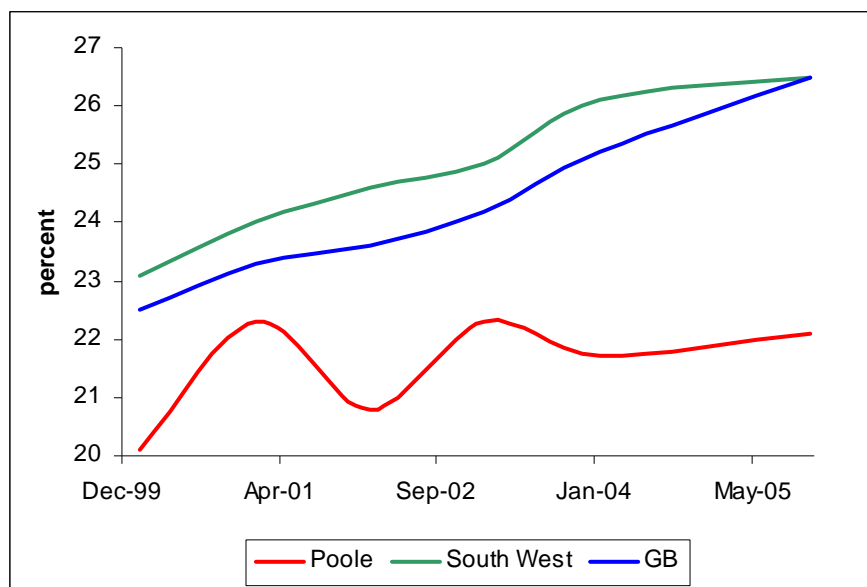
Using these measures of price and income then, at the regional level, it comes as no surprise to find that London is the least affordable region with a ratio 5.01. Interestingly, the South West is the second least affordable region in the country, with a ratio of 4.88. (For comparison, the ratio for the South East is 4.76.) The ratio for Poole is 5.44. The multiple of household income required to get on the housing ladder is therefore prohibitively high. In fact, Poole is ranked **43** out of 407 areas where 1 is worst (least affordable). (Data for this exercise was kindly supplied by the Joseph Rowntree Foundation.)

Skill levels

Only 22.1% of Poole's residents of working age are in possession of qualifications at NVQ4 or above compared to 26.5% nationally (GB). 39.7% of Poole's workforce is employed at Soc. group levels 1–3 (managerial or professional) compared to 41.9% nationally (GB).

Poole consistently underachieves in terms of NVQ4+ both in comparison to GB and to the South West. **Figure 4** below shows the percentage of the working age resident population with higher level skills (NVQ4+ or equivalent)

Figure 4: Higher level skills (NVQ4+)



Source: LFS, APS

For further information on this subject contact **Corporate Research** on **01202 633388** or visit our website under Statistics for Poole at www.boroughofpoole.com Other useful websites include: www.neighbourhoodstats.gov.uk, www.nomisweb.co.uk and www.statistics.gov.uk

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