

WEST MIDLANDS

CITY REGION EMPLOYMENT PROFILE | NOVEMBER 2023

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SUMMARY

The West Midlands Combined Authority has the largest population of the nine English Combined Authorities at 2,916,100. Its employment rate (69.2%) is lower than the national average, while its unemployment rate (6.3%) is over two percentage points higher. At the same time, the Combined Authority area has a higher level of economic inactivity than the English average (26.1% compared with 21.4%).¹ Workers in the region earn a weekly wage of £616,² which is £14 below the national average.

The West Midlands Combined Authority has a higher rate of severely insecure work compared to the English average (21% compared to 19.4%). It has the third highest rate of severely insecure work out of the nine English Combined Authorities.

The Work Foundation defines insecure work through a single holistic measure which combines:

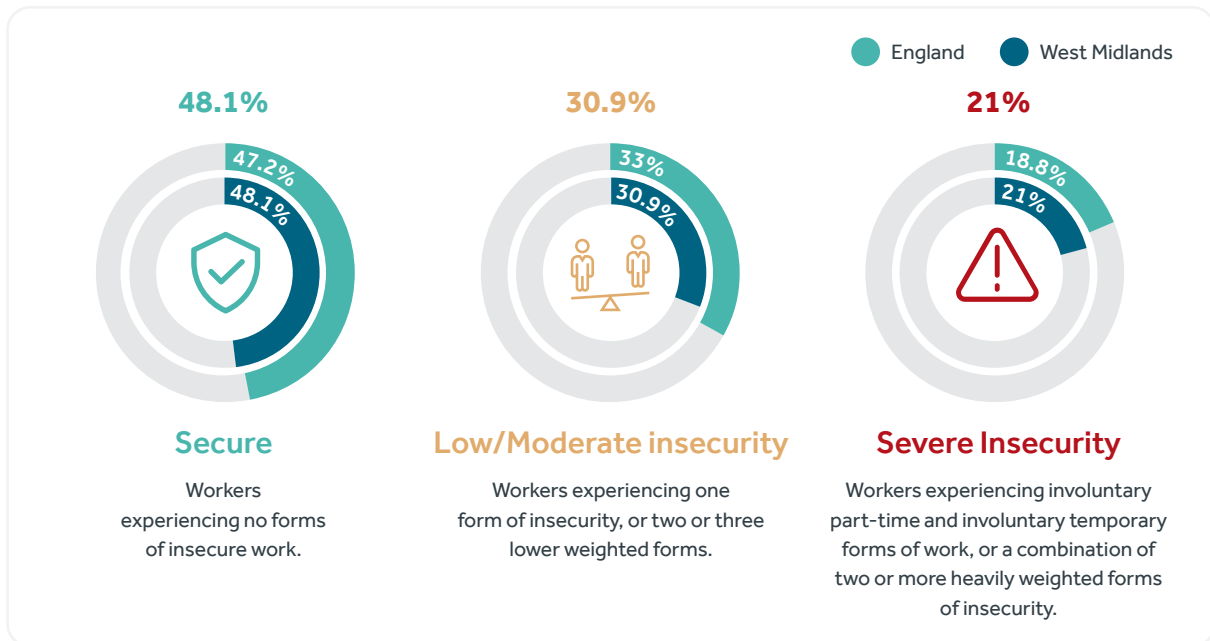
- contractual insecurity, where people are not guaranteed future hours or future work - such as jobs in the gig economy, zero contract work or part-time work
- financial insecurity, where people have unpredictable pay or their pay is simply too low to get by
- lack of access to employment rights and protections.

The West Midlands Combined Authority has a higher number of zero-hour contracts, involuntary and voluntary temporary work than the national average. On the other hand, we see lower levels of second jobs and solo self-employment.

Across the Combined Authority, there is significant variation in the prevalence of severely insecure work amongst the seven local authorities. Wolverhampton is the hotspot in the city region with a quarter of its workers (25.6%) in severely insecure work, which is six percentage points above the English average. In Dudley, 13.6% of workers are in severely insecure work which is approximately six percentage points below the English average.

Analysis shows that women, workers from ethnic minority backgrounds, disabled people and workers between the ages of 16 and 24 are more likely than other workers to be in severely insecure work in the West Midlands Combined Authority.

Figure 1: Insecurity amongst the West Midlands workforce, 2021-2022



Source: Work Foundation calculations of the Office for National Statistics Labour Force Survey; 2021- 2022.

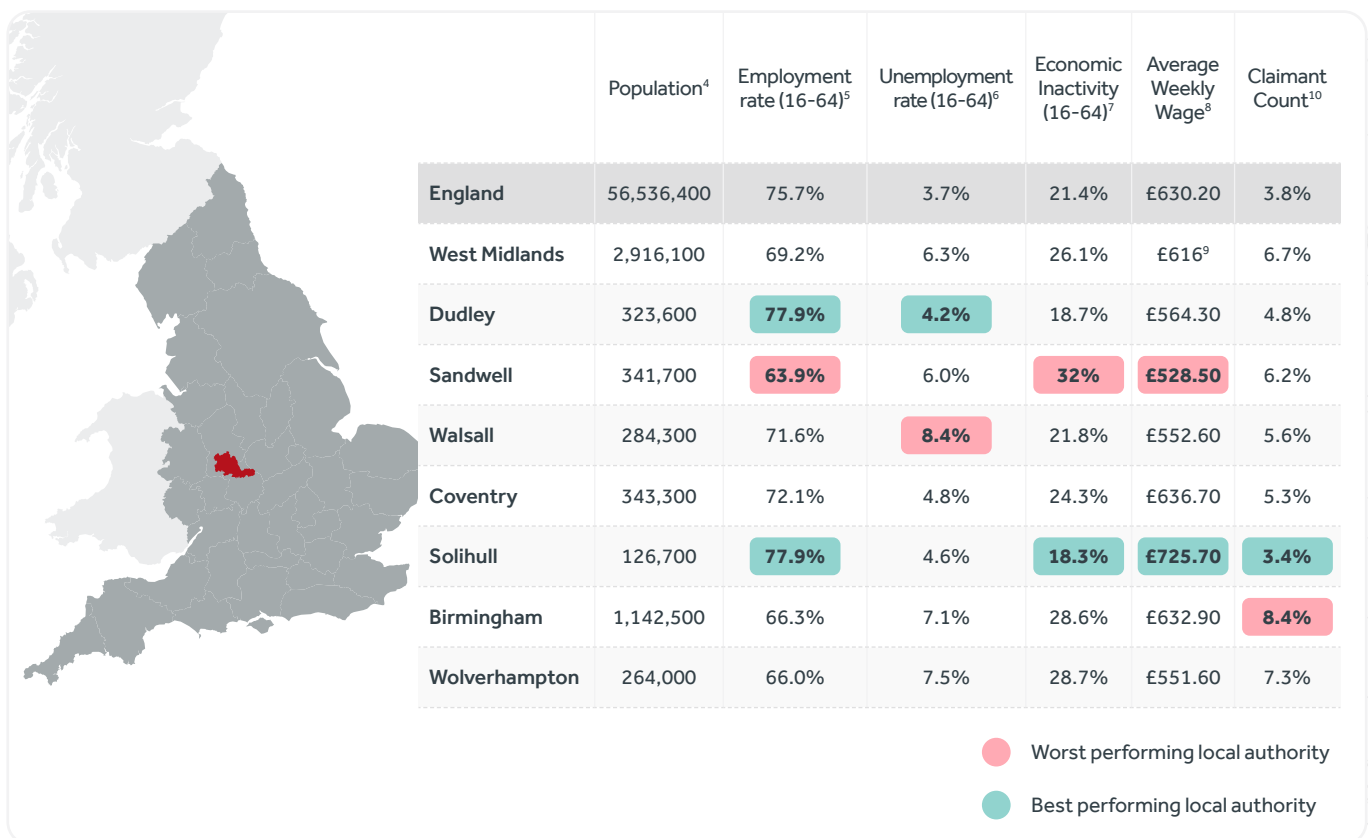
1. ONS 2023, Annual Population Survey, January-December 2022.
 2. Centre for Cities (2023). West Midlands Combined Authority Factsheet. Available at: <https://www.centreforcities.org/combined-authority/west-midlands-3/>

1. WEST MIDLANDS OVERVIEW

The West Midlands became a Combined Authority in June 2016 and brings together seven local authorities: Dudley, Sandwell, Walsall, Coventry, Solihull, Birmingham and Wolverhampton. It has a population of 2,916,100 with a working age population of 1,842,600. The elected mayor, Andy Street, came to office in 2017, and has focussed on creating better homes, improving transportation links and boosting economic growth.

Nearly half of the workforce in the West Midlands Combined Authority area work in the public administration, education, wholesale and retail, and health and social care sectors. Nearly three in ten jobs (28.9%) in the Combined Authority are publicly funded while 12.7% of jobs are high-skilled jobs in the private sector.³ The West Midlands economy has an average annual economic growth rate (2001-2021) of 3%, which is below the national average. Its unemployment rate is 6.3% which is higher than the national average.

Figure 2: West Midlands economy



Source: Work Foundation calculations of the Office for National Statistics Labour Force Survey; 2021- 2022.

3. Centre for Cities (2023). West Midlands Combined Authority Factsheet. Available at: <https://www.centreforcities.org/combined-authority/west-midlands-3/>

4. ONS 2022, Population estimates-local authority based by five-year age band, 2021 data.

5. ONS 2023, Annual Population Survey, January-December 2022.

6. ONS 2023, Annual Population Survey, January-December 2022.

7. ONS 2023, Annual Population Survey, January-December 2022.

8. ONS 2022, Annual Survey of Hours and Earnings (ASHE), average gross weekly workplace-based earnings, 2022 data.

9. Centre for Cities (2023). West Midlands Combined Authority Factsheet. Available at:

<https://www.centreforcities.org/combined-authority/west-midlands-3/>

10. ONS 2023, Claimant Count, June 2022 data.

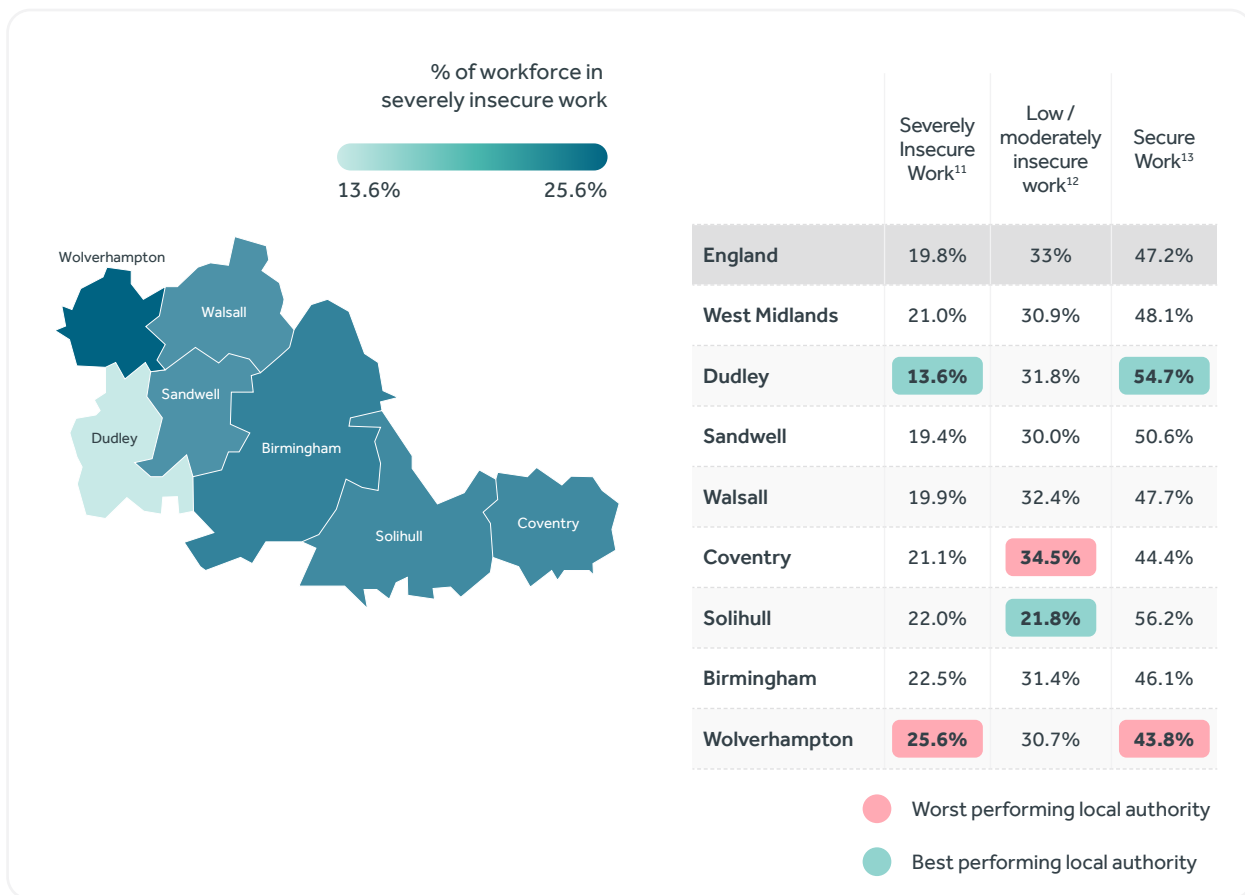
2. INSECURE WORK IN THE WEST MIDLANDS

Between 2021-2022, we found that the West Midlands Combined Authority area was home to a comparatively higher number of zero-hour contracts, involuntary and voluntary temporary work than the national average. On the other hand, we saw lower levels of second jobs and solo-self-employment.

Just over one in five workers (21%) in the West Midlands Combined Authority are in severely insecure work, which is above the English average. The Combined Authority area has the third highest incidence of severely insecure work out of the nine English Mayoral Combined Authorities.

There is some variation in the incidence of severely insecure work within the local authorities of the West Midlands Combined Authority. Wolverhampton has the highest proportion of workers in severely insecure work (25.6%). In Dudley, only 13.6% of workers are in severely insecure work and more than half are in secure work. Sandwell has the lowest employment rate (63.9%) and highest inactivity rate (32%) in this region but falls slightly below the English average for severely insecure work (19.4%).

Figure 3: West Midlands labour market



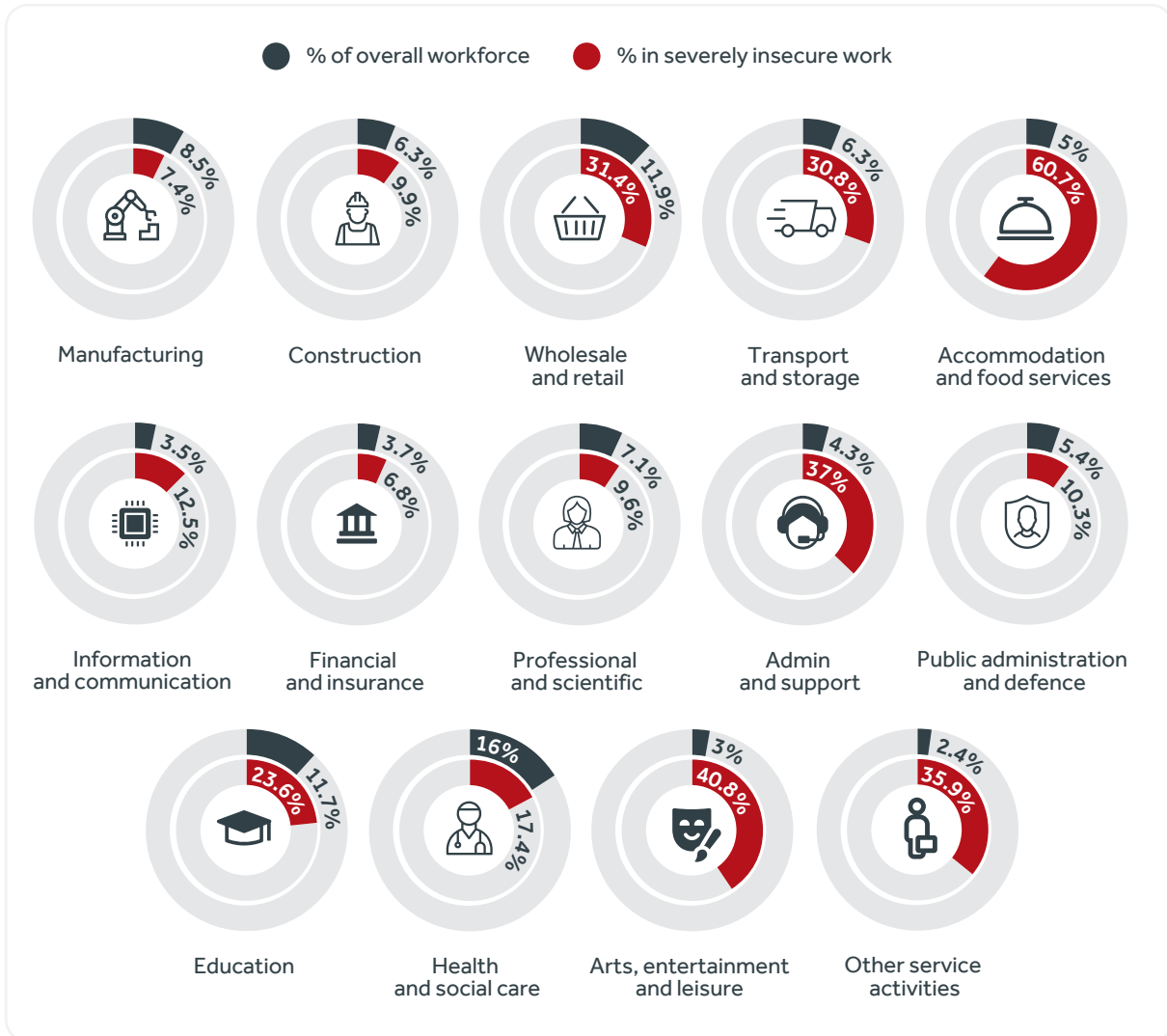
Map created with Datawrapper.

11. Work Foundation calculations of the ONS Labour Force Survey; 2021-2022.
 12. Work Foundation calculations of the ONS Labour Force Survey; 2021-2022.
 13. Work Foundation calculations of the ONS Labour Force Survey; 2021-2022.

Sectors

Insecure work in the West Midlands is driven by the wholesale, retail transportation and administration and support sectors. Nearly 20% of the workforce are employed in these three sectors, and of these workers, nearly one in three are in severely insecure work. The level of insecurity is also very high in the arts, entertainment and leisure sector as well as administration and support, although it is important to note that these sectors make up a small proportion of the overall workforce. Manufacturing is the most secure sector with 66.1% of workers in secure work.

Figure 4: Insecurity across sectors in the West Midlands

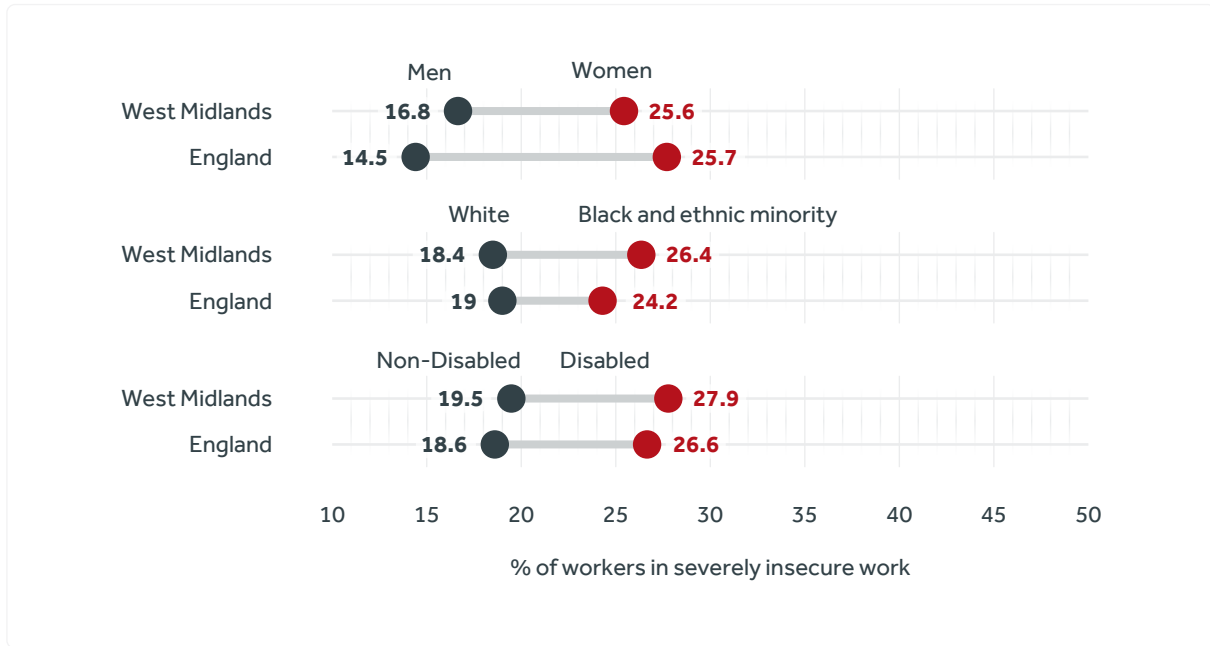


Source: Work Foundation calculations of the Office for National Statistics Labour Force Survey; 2021- 2022.

The insecurity gap

Women in the West Midlands are 1.5 times more likely to be in severely insecure work than men. Compared with the average in England, there is a larger share of workers from a Black and ethnic minority background in the West Midlands (31.6% compared with 13.8%). However, Black and ethnic minority workers are 1.4 times more likely to experience severely insecure work (26.4% compared to 18.4%). Disabled workers are 1.4 times more likely to be in severely insecure work than non-disabled workers, which is on par with the national average.

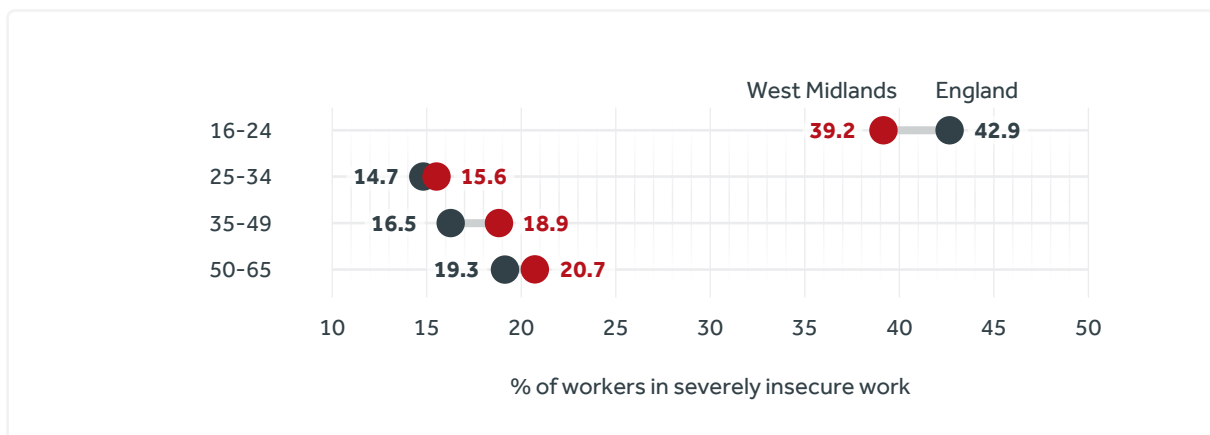
Figure 5: The gender, ethnicity and disability insecurity gaps



Source: Work Foundation calculations of the Office for National Statistics Labour Force Survey; 2021-2022.

The age insecurity gaps in the Combined Authority are approximately on par with the national average. However, severely insecure work in the 16-24 age category is lower at 39.2% relative to the English average of 43%.

Figure 6: The age insecurity gap



Source: Work Foundation calculations of the Office for National Statistics Labour Force Survey; 2021-2022.

3. HOW SECURE WORK CAN REDUCE REGIONAL INEQUALITY

Insecure work is a national issue, but the consequences are felt locally. In order to reduce regional inequalities and limit the impacts of severely insecure work on individuals in the West Midlands, the UK Government and Combined Authority Mayors must focus on two complementary ambitions over the next five years:

1. to significantly reduce levels of severely insecure jobs across the UK by 2030
2. to ensure that no English Mayoral Combined Authority is home to higher levels of severely insecure work than the national average.

Recommendations for Combined Authorities

- **Recognise insecure work in economic development and skills strategies** based on the sectors and roles within where it is concentrated, and the worker groups who are primarily impacted
- **Include the regular tracking of insecure work indicators** as part of existing Combined Authority labour market analysis
- **Explore partnerships and engagement with employment charters** to share lessons and best practice
- **Harness procurement and investment incentives** by building clear employment standards requirements into the commissioning and procuring goods and services
- **Support national enforcement bodies** by helping to build relationships with local employers and reporting non-compliance or violations of rights in your area.

For further research and recommendations on insecure work across England's Mayoral Combined Authorities, please see: [Delivering Levelling up? How secure work can reduce regional inequality \(2023\)](#).

For further information on our methodology, please see our [Technical Annex for the UK Insecure Work Index](#).

Please note: our insecurity measure counts people where they live as opposed to where they work. Household composition and demographic traits can therefore affect results meaning that insecurity at a local level will not always correlate with the level of economic deprivation in that area.

ACKNOWLEDGEMENTS

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CITATION

If you are using this document in your own writing, our preferred citation is: Tigwell, R., Navani, A. & Florisson, R. (2023). West Midlands city region employment profile. The Work Foundation at Lancaster University.

MORE INFORMATION

For further information, please contact the Work Foundation at Lancaster University at: info@theworkfoundation.com.