



Economic Inactivity in Cumbria

Health and Wellbeing and the Economic Threat of Inactivity
Executive Summary

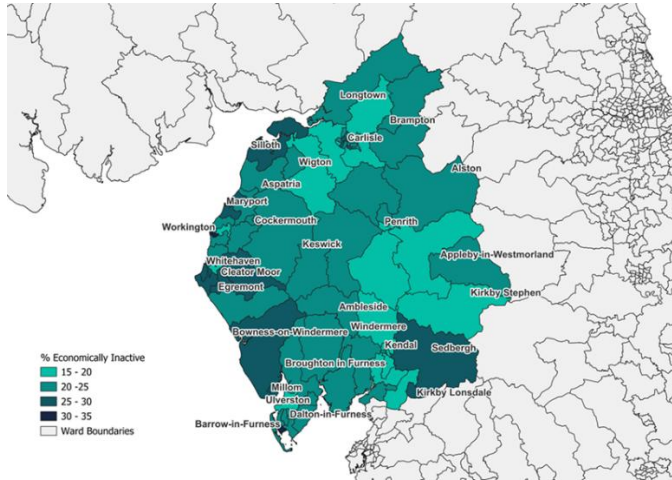


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Executive Summary

Economic inactivity in Cumbria is a persistent and multifaceted issue, primarily driven by health and demographic factors. There are 57,000 economically inactive people in Cumbria, and while the overall rate of economic inactivity is similar to the national average (20% in Cumbria, vs 21% in England), the local context—rurality, areas of deprivation, an ageing population, and health challenges—amplifies its impact. This results in variation across the area.

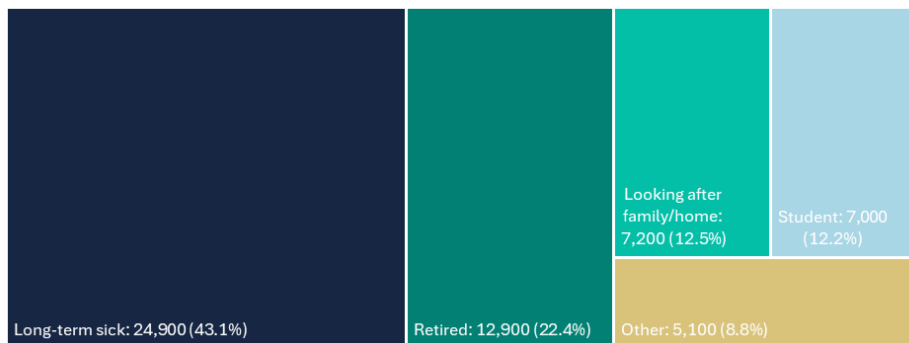
Economic Inactivity Population (%) in Cumbria



Source: Census 2021

Notably, about one in five economically inactive people in Cumbria say they want to work. This represents a substantial pool of potential talent that could be supported into employment with the right interventions.

Economic Inactivity by Reason



Note: Temporary sick and discouraged estimates are not available due to zero or disclosive sample sizes

Source: ONS Annual Population Survey, Jan 2024-Dec 2024

This report identifies key groups facing specific barriers to employment, including:

- People with disabilities or long-term sickness
- People over 50 (including early retirees and those with age-related barriers)
- Young people (especially those not in education, employment, or training - NEET)
- People with caring responsibilities (with women disproportionately represented)
- Other disadvantaged groups (e.g., survivors of domestic abuse, people with substance dependencies, veterans, and the homeless).

Economic inactivity in Cumbria is driven by a complex mix of social and economic challenges, often with overlapping barriers such as health, caring responsibilities, and transitions between life stages.

- **Long-term sickness and health conditions** is the most common reason for economic inactivity, accounting for 43% of all economically inactive people.
- **Retirement**, including early retirement, is the second most common reason for economic inactivity, responsible for 22% of economically inactive people.
- **Caring responsibilities**, either caring for children or adults with illness/disability is a significant factor. Over 31,800 working-age people in Cumbria provide unpaid care, and about half of those who provide 35+ hours of care per week are economically inactive.
- **Young people not in education, employment or training (NEET)** experience economic inactivity due to a mix of factors.
- **Gender inequalities and structural barriers:** women are disproportionately affected by economic inactivity, largely due to caring responsibilities and lower earning potential. For men, industry shifts and health inequalities are key factors.
- **Ethnicity:** people from ethnic minorities in Cumbria are more likely to be economically inactive compared to White residents, despite being more likely to be higher qualified and less likely to have a disability or unpaid caring responsibilities. This suggests structural barriers to labour market participation.
- **Other challenging life circumstances:** additional groups at risk include veterans, survivors of domestic abuse, people with substance dependencies, the homeless, refugees, asylum seekers, and ex-offenders. Each group faces unique barriers, such as lack of transferable skills, safety concerns, or disrupted employment histories.

The experiences of the economically inactive cohort are wide ranging:

Personal impacts

- Many economically inactive individuals face financial hardship and long-term career impacts. When they do return to work, they are 1.5 times more likely to be in insecure, lower-quality jobs with less pay and stability.
- Most - though not all - participants in the research reported being financially better off when they were in employment. Financial difficulties can lead to food and fuel insecurity and increase the risk of homelessness.
- Economic inactivity is closely linked to mental and physical health. Once someone becomes economically inactive due to ill health, it becomes less likely they will return to work.
- Economically inactive individuals often report feelings of isolation, loss of confidence, depression, and loss of motivation.

“After six months of not working, your confidence is down, you are less motivated, and you have a big gap on your CV.”

Barriers to returning to work

- Many people with long-term health conditions or disabilities struggle to access the support they need. Services are often hard to access, inflexible, or have long waiting times, making it difficult to remove barriers to employment.
- A lack of flexible employment opportunities creates particular barriers for carers and those aged over 50.
- Transport and rurality across the area are wider structural challenges that create significant barriers for many residents.

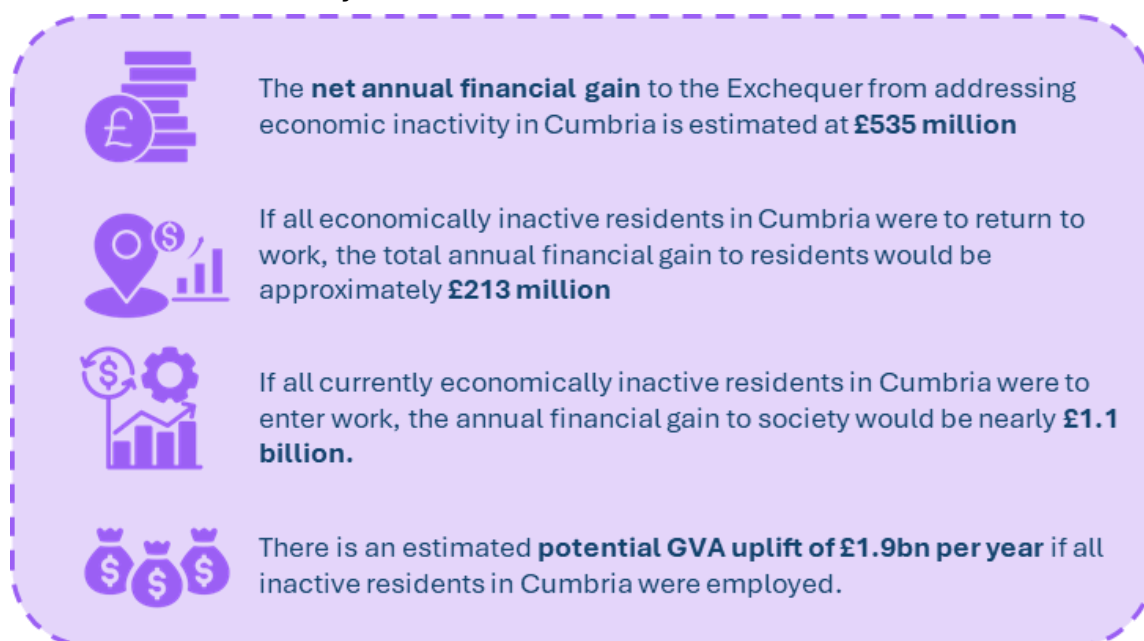
“... there’s hardly any bus service. You can’t get anywhere... even if you have transport - it takes a long time”

Diversity of experience

- The experiences of economic inactivity are not uniform. For example, some older individuals may choose economic inactivity until retirement, while others would prefer to work but cannot find flexible or suitable opportunities.
- Young people who are NEET (not in education, employment, or training) often face a mix of disengagement from education, caring responsibilities, mental health challenges, and limited local job opportunities. Family background and multigenerational unemployment can also play a role.

The consequences of economic inactivity are significant for **individuals** (loss of earnings, career impacts, mental health), **businesses** (skills shortages, productivity issues), and **the wider economy** (public finance pressures).

Costs of Economic Inactivity in Cumbria



Source: GC Insight using PHE's Movement into Employment Tool

Key Findings

- The interplay of health, caring responsibilities, age, gender, and socio-economic status creates multi-faceted barriers and a complex landscape of economic inactivity in Cumbria.
- Experiences of economic inactivity are not uniform. Different circumstances and barriers create different experiences for individuals.
- The research has shown that many economically inactive residents would prefer to work if the right support or opportunities were available.
- The net annual financial gain to the Exchequer from reducing economic inactivity in Cumbria is estimated at £535m.
- Those with skill gaps are more likely to be economically inactive or at risk of being economically inactive.
- Employment challenges in Cumbria include an ageing, slow growing and under-represented working age population, and a large economically inactive population.
- Targeted support and interventions designed to help specific groups can help overcome barriers to participation.

Recommendations

1: Targeted, Person-Centred Support	Develop a targeted focus on the economically inactive that can address labour supply challenges by connecting them to opportunities through tailored support and intervention.
2: Partnership and Collaboration	Embed the key principles of integrated and collaborative working in strategy development and delivery. This should include lived experience as well as cross-sector and service collaboration.
3: Place-based Approaches	Local approaches to economic development should consider the importance of inclusive growth to ensure all residents can access opportunities and live healthy, prosperous and fulfilling lives.
4: Building Trust and Rapport	Recognise the key role the VCFSE sector plays as an equal partner in delivering effective services and solutions. Build trust with services, communities and individuals by leveraging community and third sector networks.
5: Addressing Health-Related Barriers	Reflect approaches to economic inactivity as a result of health-related barriers in health and wellbeing strategies and integrate these with health interventions.
6: Broad and Flexible Support Offer	Embed flexibility in strategic design, delivery and approaches. There must be a holistic offer led by the individual, with an integrated person-centred “no wrong door” to access.
7: Employer Engagement and Support	Engage employers to raise awareness of economic inactivity issues and the support available to them.
8: Skills Development and Retention	Develop ‘skills for all’ strategies to facilitate lifelong learning and pathways to positive destinations, aligned to current and future job opportunities.
9: Continuous Improvement and Feedback	Embed continuous improvement systems and approaches to ensure delivery continues to meet the needs of people who are economically inactive.
10: Strategic Policy	Align recommendations with national and regional policy to coalesce strategic partners around a shared intent, and inform the development of devolved funding.

