

Research Bulletin 26/5 | Economic Inactivity in Northern Ireland: A Demographic and Regional Analysis

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Summary

This Research Bulletin examines the patterns of economic inactivity in Northern Ireland, focusing on how trends have evolved in recent years. It considers overall inactivity rates alongside measures that exclude students, as this can provide greater insight on labour market participation among the working-age population. The analysis highlights key demographic differences illustrating how inactivity varies by gender, age and shows how health-related inactivity has evolved over time. Regional analysis shows the variation in inactivity rates across Northern Ireland. The findings demonstrate that economic inactivity in Northern Ireland is a complex and multifaceted issue, influenced by a combination of demographic and regional factors, rather than a single underlying cause.

Introduction

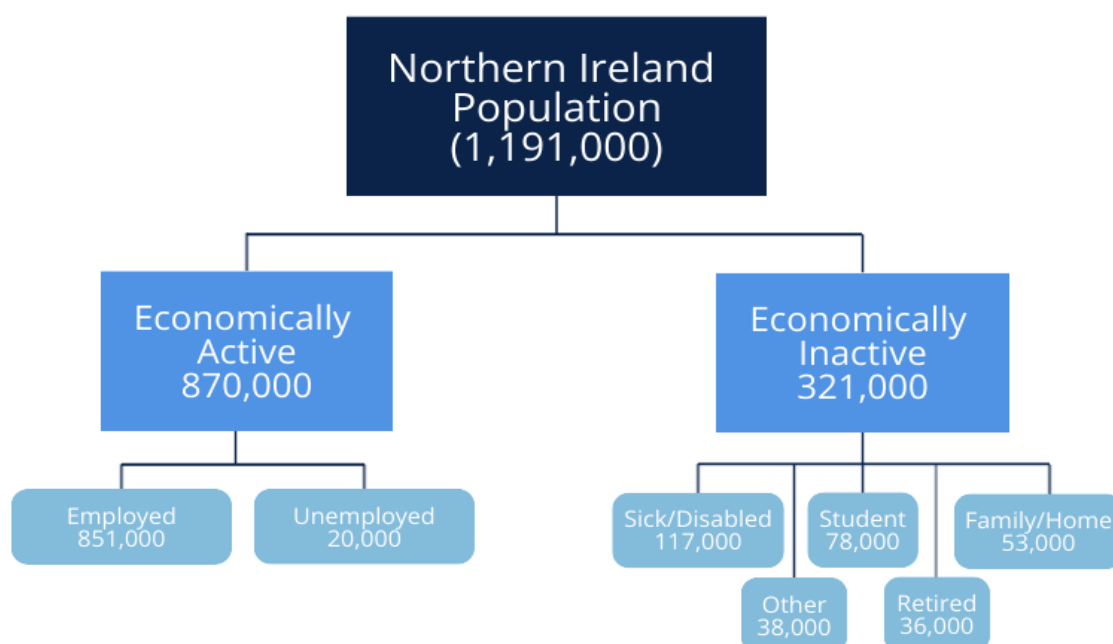
Economic inactivity has been a long-standing feature of Northern Ireland's (NI) labour market. Despite periods of employment growth, a significant share of the working age population remains outside the labour force, resulting in Northern Ireland consistently recording higher rates of economic inactivity than the United Kingdom (UK) overall.

In 2024, Minister Murphy launched the Department for the Economy's Economic Vision which places a stronger emphasis on creating good jobs and ensuring good opportunities across Northern Ireland through improved regional balance. In line with the Minister's ambition to increase the number of good jobs across all areas, it is essential that individuals re-entering the labour market are supported to access these roles, with a particular emphasis on fair pay, effective representation, and a healthy work-life balance.ⁱ

The Office for National Statistics (ONS) determines individuals who are economically inactive as those people who have not been seeking work within the last four weeks and/or are unable to start work within the next two weeks.ⁱⁱ Over the last decade, economic inactivity in Northern Ireland has fluctuated between approximately 26% and 29% compared to 21% and 22% in the UK.ⁱⁱⁱ

Figure 1 divides Northern Ireland's population into two groups: those who are economically active and those who are economically inactive. Individuals who are economically active are either in employment or unemployed and actively seeking work. Those who are economically inactive are not currently employed and are not looking for work and the reasons for this are highlighted in the flow chart below.

Figure 1: Labour Market Status of NI Population (Aged 16-64), 2026



Source: Labour Force Survey – Labour Market Structure, unadjusted, Dec – Feb 2026

With a significant share of the working-age population economically inactive, there is a clear opportunity in Northern Ireland to strengthen labour market supply, support economic growth and ease recruitment pressures facing businesses. The NI Skills Barometer also highlights that re-engaging people who are economically inactive is critical to addressing projected skills imbalances in Northern Ireland, as it broadens the effective labour supply. It will also help alleviate recruitment pressures in key sectors and support better alignment between skills provision within the education system and the needs of the economy, thereby contributing to sustainable economic growth.^{iv}

Addressing economic inactivity in Northern Ireland has historically been a long-term challenge and remains a key priority for the NI Executive. Recent policy developments at UK level have placed increased emphasis on tackling this issue as part of a wider rebalancing of the labour market.

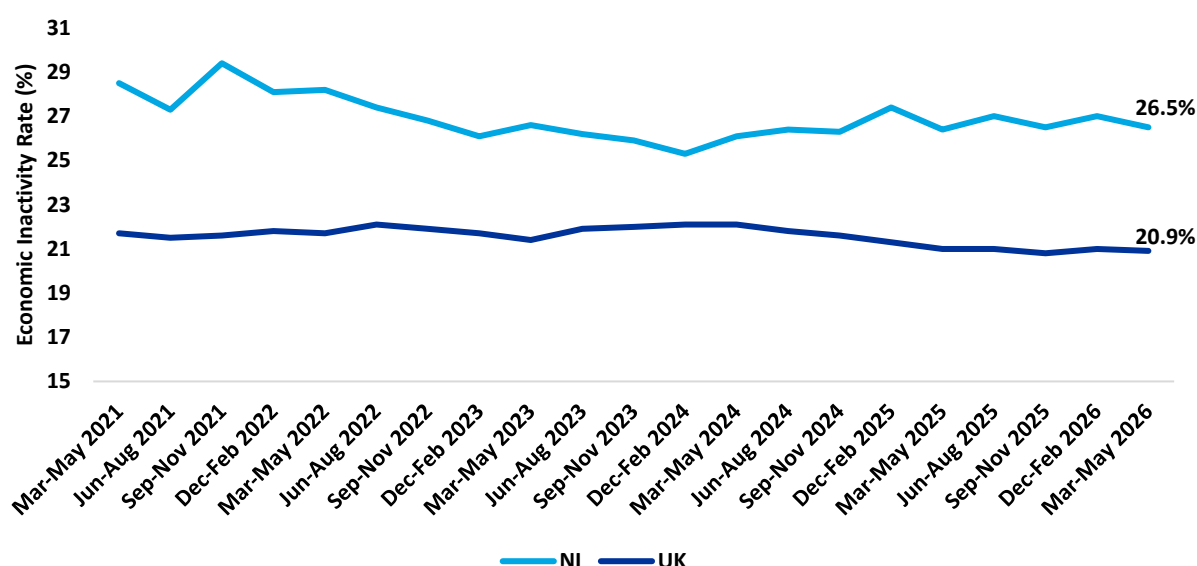
Evidence emerging from the Migration Advisory Committee (MAC) and the UK Labour Market Evidence Group (LMEG) underpins the UK Government's objective to reduce reliance on overseas labour and increase participation within the domestic workforce.^v This policy direction has important implications for Northern Ireland, as the MAC is clear that labour shortages should, in the first instance, be addressed through mobilising the domestic workforce. This includes supporting economically inactive individuals to enter or return to work, with migration used only as a temporary and targeted measure.

In this context, Northern Ireland will require clear and coherent strategies in place to support the engagement, retention, and progression of economically inactive people, to help address domestic labour shortages and strengthen overall labour market resilience.

Northern Ireland Trends

Economic inactivity in Northern Ireland has remained relatively stable, with only a marginal decrease since 2021. Figure 2 illustrates that a persistent gap remains between NI and UK rates, with Northern Ireland consistently recording higher levels of inactivity. The UK average rate has also experienced a modest downward trend in recent years and sits around 6 percentage points (pps) below the NI rate, underscoring the long-standing and sizeable gap in economic inactivity between the two.

Figure 2: Economic Inactivity, NI and UK (16-64), 2021-2026



Source: Labour Market Report – July 2026

Figure 1 sets out the range of factors which contribute to whether an individual is economically inactive. In Northern Ireland, the most common reason for economic inactivity is due to long-term sickness or disability, followed by students, looking after family/ home, retirement and other reasons not listed.^{vi} Inactivity due to sickness has increased by almost 10% over the last 15 years, while other reasons linked to inactivity such as caring for family or home, has declined over the same period. In 2025, individuals aged 16-24 recorded the highest economic inactivity rate among the working age population (16-64) at 41.1%^{vii}, a large share of this reflects full-time students being classified as economically inactive if they are not working or actively seeking work.

Regional Inactivity

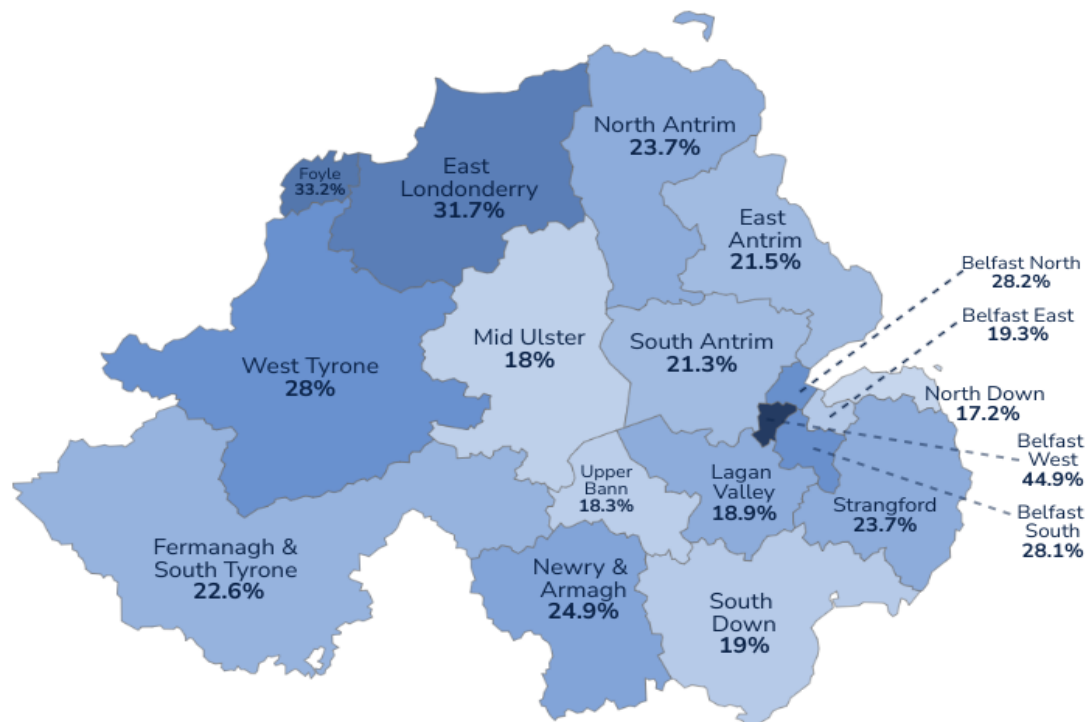
Regional patterns of economic inactivity highlight spatial variation in levels of economic and social participation, reflecting differences in local labour market conditions, health outcomes, and the availability of employment opportunities. At a regional level, inactivity can appear relatively uniform, but this changes when you refine searches to smaller geographical areas such as Local Government Districts (LGD) or Parliamentary Constituencies (PC). As improving regional balance is a key aim of the Economy Minister's Economic Vision, analysing inactivity at these lower levels can help inform policy and support the delivery of this key objective.

Economic inactivity varied widely across Northern Ireland's parliamentary constituencies in 2025, highlighting significant differences in local labour market conditions and population characteristics. Figure 3 highlights that rates are highest in Belfast West (44.9%) and Foyle (33.2%), both of which sit well above the Northern Ireland average of 24.1%. These patterns align with findings from the Pivotal Policy report which notes that, "inactivity in NI is strongly linked to areas of economic deprivation, including places most affected by the Troubles" ^{viii}, with evidence suggesting there has been a potential scarring effect. The high inactivity rate observed in the Foyle constituency is consistent with the overall labour market profile of Derry City and Strabane, which records the highest inactivity rate among LGDs in Northern Ireland. This alignment reflects the significant contribution of the Foyle area to the district-level outcome.

These high regional rates are followed by a second tier of constituencies, including East Londonderry (31.7%) and Belfast North (28.2%). A mix of urban and rural constituencies cluster around the mid 20 per cent range, reflecting more moderate but still elevated levels of inactivity.

At the lower end of the distribution, constituencies such as North Down (17.2%) and Mid Ulster (18%), display lower rates of inactivity, indicating stronger attachment to the labour market in these areas. Overall, the large gap between the highest and lowest rate constituencies underlines the substantial variation in economic inactivity across Northern Ireland.

Figure 3: Economic Inactivity Rate (including students) by Parliamentary Constituency, 2025



Source: LFS, Sub Population Tables, 2025

Large variations also exist within the Belfast region, with inactivity rates ranging from 19.3% in Belfast East to 44.9% in Belfast West. Belfast North and Belfast South record similar levels of inactivity, both in the late-20 percent range. These figures illustrate the differences that can exist between geographical areas in close proximity.

Since 2020, the majority of constituencies have experienced a fall in economic inactivity rates. Labour Force Survey data highlights that only five of the eighteen parliamentary constituencies recorded increases over the five year period (2020-2025), suggesting an overall improvement in labour market engagement, although inactivity levels remain high in some areas. Belfast South experienced the largest increase in percentage point terms, rising from 20% in 2020 to 28.1% in 2025 (8.1pps). Smaller increases were recorded in Belfast West (3.7pps), Newry and Armagh (2.5pps) and Strangford (1pps).

The largest decreases in economic inactivity were observed in North Down (-12.4pps), Upper Bann (-8.6pps) and Mid Ulster (-7.8pps). While these decreasing rates point to an improving labour market picture in these areas, the persistence of wide disparities across constituencies indicates that reductions in inactivity have been uneven, and that structural differences in labour market participation remain. Analysis at parliamentary constituency level provides a more granular and place-based understanding of outcomes, enabling policy to be better tailored to local need. It highlights localised variations that may be obscured by broader

geographic averages, allowing for more precisely targeted interventions supporting a more informed policy discussion to improve regional balance.

Demographic Analysis (Including Students)

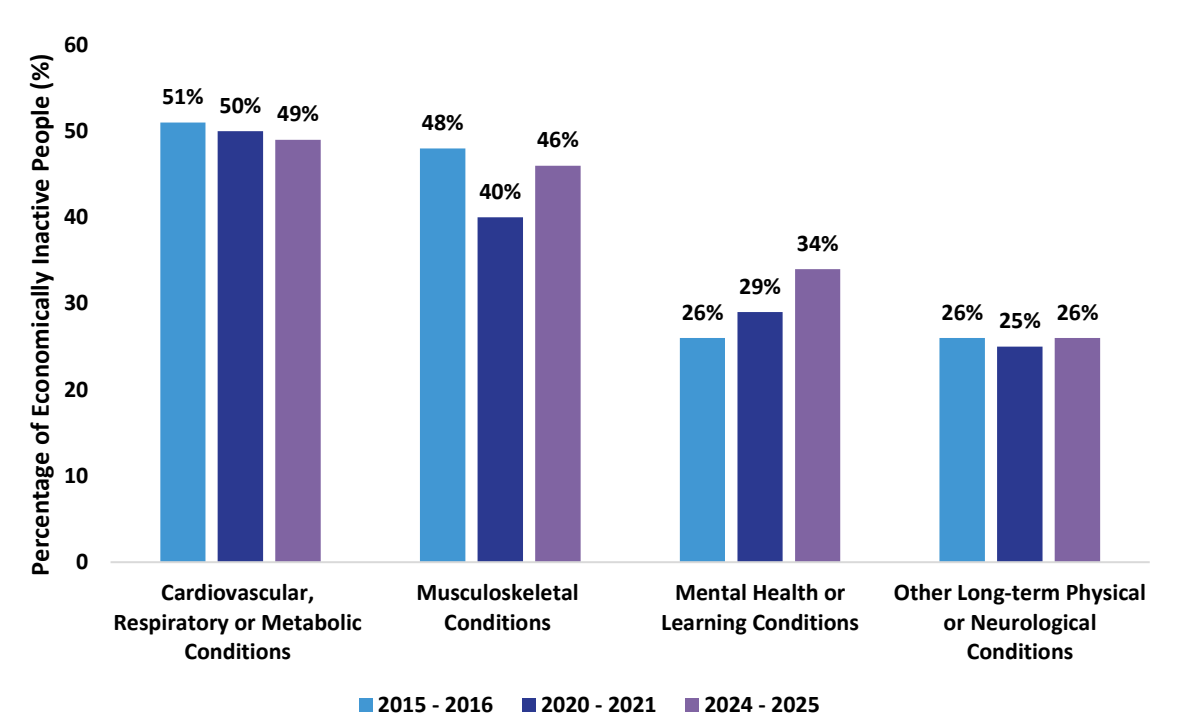
Health Status / Disability

Health conditions and disabilities are the biggest contributor to economic inactivity in Northern Ireland, accounting for a significantly larger share of inactivity than any other UK region. Recent labour market statistics indicate that almost two-fifths (38.8%) of economically inactive individuals in Northern Ireland cite long-term sickness or disability as their main reason for being out of the workforce, compared to approximately one third (33.2%) at UK level.^{ix} Individuals inactive for health-related reasons are more likely to experience prolonged inactivity reducing their chances of entering or re-entering the labour market.

Over the past decade the composition of health conditions experienced by those who are economically inactive in Northern Ireland has changed with notable trends in mental health related conditions and complex long-term illnesses. Figure 4 shows the long-term conditions suffered by the economically inactive population. In 2015-16, the most commonly reported health conditions related to cardiovascular, respiratory, or metabolic conditions (51%), alongside a similarly high prevalence of musculoskeletal problems (48%). During this period, mental health related conditions accounted for a comparatively smaller proportion of reported health issues among the inactive population. It should be noted that individuals can report having more than one health related condition.

By 2020-21, individuals who were inactive reported an increase in mental health or learning conditions to 29%, reflecting a 3pps rise over the 5-year period. Other conditions across the remaining categories highlighted in figure 4 all decreased slightly during the same period. This trend of growing mental health conditions continued into 2024-25 as the number of inactive individuals reporting depression, anxiety or other mental or learning conditions reached 34%, making it the fastest growing category over the 10-year period. On the other hand, conditions involving cardiovascular, respiratory, or musculoskeletal difficulties remained persistently high but mostly stable.

Figure 4: Prevalence of Long-Term Health Conditions among the Economically Inactive Population



Source: ONS, Annual Population Survey, 2024-2025

The rise in mental health conditions is also evident in benefits payment data. The largest proportion of Personal Independence Payment (PIP) claims is linked to psychiatric disorders (mental illness), accounting for 46% of all claims.^x This is followed by musculoskeletal conditions, which make up 19% of PIP claims. Although PIP payments are not exclusive to those who are economically inactive or unemployed, their distribution closely mirror patterns of health-related economic inactivity, with mental illnesses as the leading factor.

Overall, the data indicates a gradual shift away from inactivity primarily driven by physical health conditions, towards a more mixed health picture, with mental health issues increasingly limiting participation in the labour market.

Skills and Qualifications of the Economically Inactive

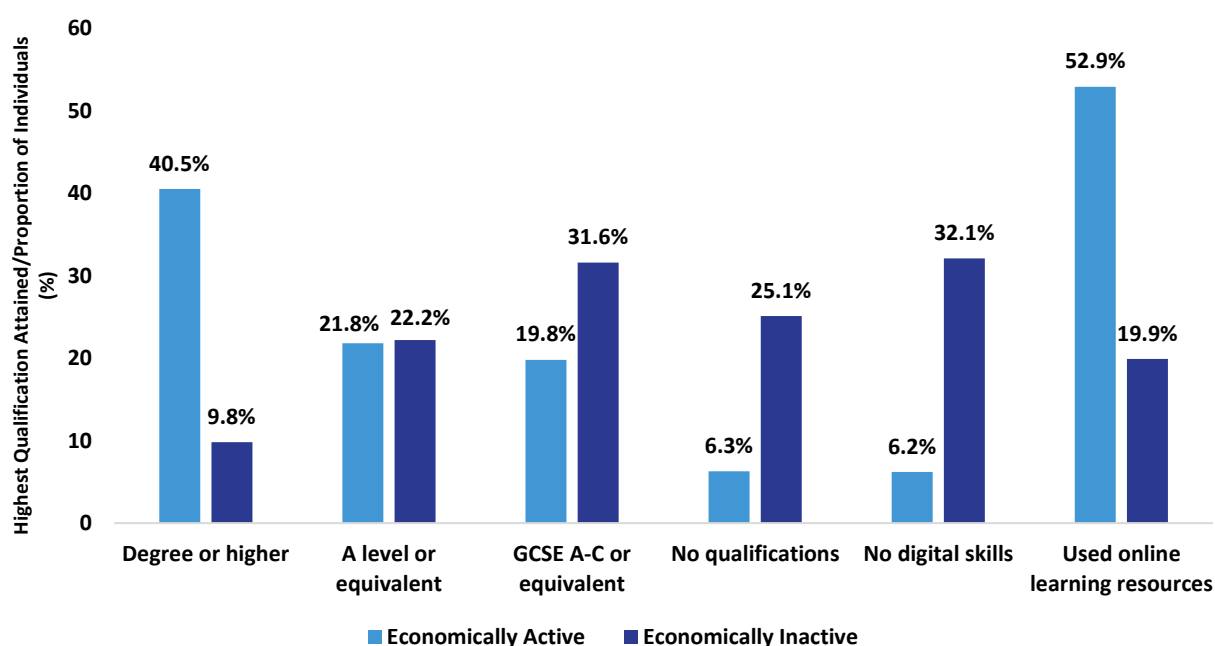
The skills and qualification levels of an individual can play an important role in determining labour market participation as to whether an individual is able or willing to participate in employment. Higher qualification levels are generally associated with better labour market outcomes, while individuals with lower levels of attainment may face greater barriers as demand for lower-skilled roles declines.

Figure 5 illustrates the clear differences in the qualification profiles and digital skills of economically active and economically inactive people in Northern Ireland. Lower levels of educational attainment are more common among the inactive population with 31.6% reporting GCSEs at grades A-C or equivalent as their

highest qualification. A further 25.1% of those who are inactive had no formal qualifications, almost four times the rate observed among the economically active population (6.3%).

Higher-level qualifications are far less prevalent among the inactive group, with only 9.8%, holding a degree or higher, compared with 40.5% of those who are economically active. However, the proportion of individuals whose highest qualification was A-level or equivalent was broadly similar across both active and inactive groups.

Figure 5: Highest Qualification and Digital Skills by Labour Market Status



Source: Labour Force Survey Quarterly Tables, October - December 2025, NI Digital Skills, Continuous Household Survey, April 2024-March 2025

Marked differences in digital skills also exist between economically active and inactive individuals particularly in areas linked to employability, finance, and online safety. Figure 5 illustrates that approximately one fifth of economically inactive individuals (19.9%) reported using online learning resources, compared to over half of those who are economically active (52.9%), highlighting a significant gap in digital engagement and access to skills development opportunities.

This evidence highlights a strong association between economic inactivity and both lower levels of educational attainment and weaker digital skills in Northern Ireland. ONS figures on the UUEPC LMI Dashboard show that productivity and wages are positively correlated with high qualification levels and illustrates that better-skilled working age individuals are more likely to be in employment and less likely to be unemployed or economically inactive.^{xi} These patterns suggest that qualifications and skills play an important role in labour market participation, indicating that education, training, and upskilling opportunities

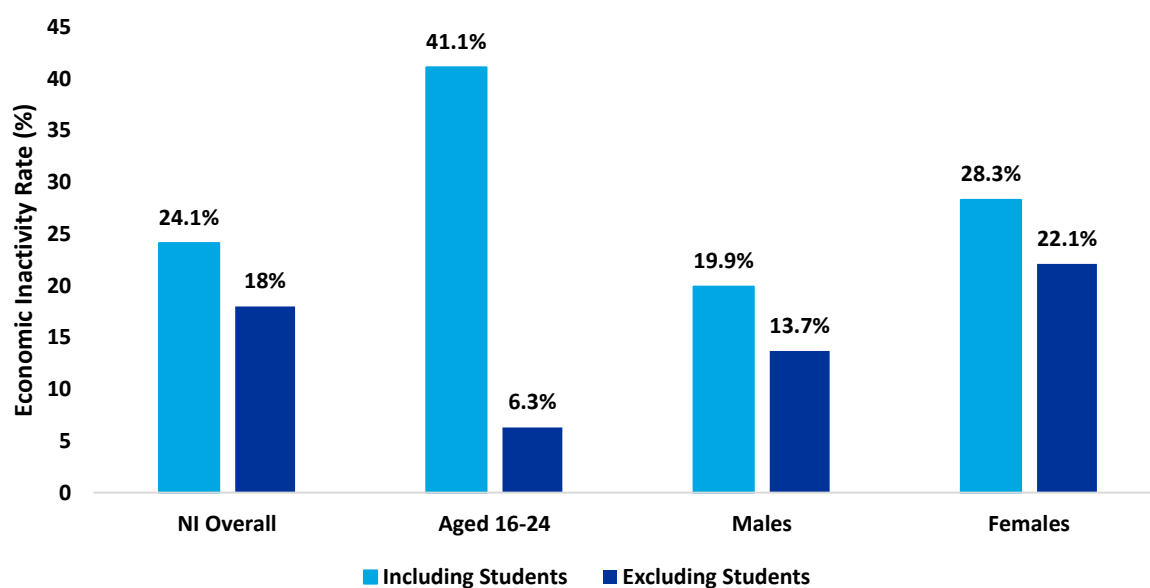
and interventions play a key role in supporting economically inactive individuals who wish to move closer to employment and re-enter the labour market.

Inactivity Rates Excluding Students

Many headline economic inactivity rates include individuals who are inactive due to human capital development rather than detachment from the labour market. Inactivity data that excludes students can help give a better understanding of non-participation linked to short-term or longer-term barriers. Excluding students from inactivity measures provides a more informed picture which produces a different profile across age groups and gender, highlighting that much of this non-participation is linked to education rather than disengagement.

Figure 6 highlights the importance of treating student status separately, as excluding students leads to noticeable changes in inactivity rates. Northern Ireland's inactivity rate falls from 24.1% to 18% in 2025 excluding students, representing the scale of inactivity as a result of education. Differences in gender are evident when students are excluded from this data. For females, inactivity falls from 28.3% to 22.1% when students are excluded, while for males there is a reduction from 19.9% to 13.7%.^{xii} These figures suggest that a greater share of female economic inactivity is associated with participation in education. Despite this adjustment, females continue to have higher inactivity rates than males suggesting that while student status explains part of the gender gap, other non-education related factors also contribute to differences in labour market participation.

Figure 6: Inactivity Rates Including and Excluding Students



Source: Labour Force Survey – Annual Tables 2025

These patterns reinforce the importance of treating student inactivity separately, as it reflects investment in skills and future labour market participation rather than a structural barrier to employment.

Demographic Analysis (Excluding Students)

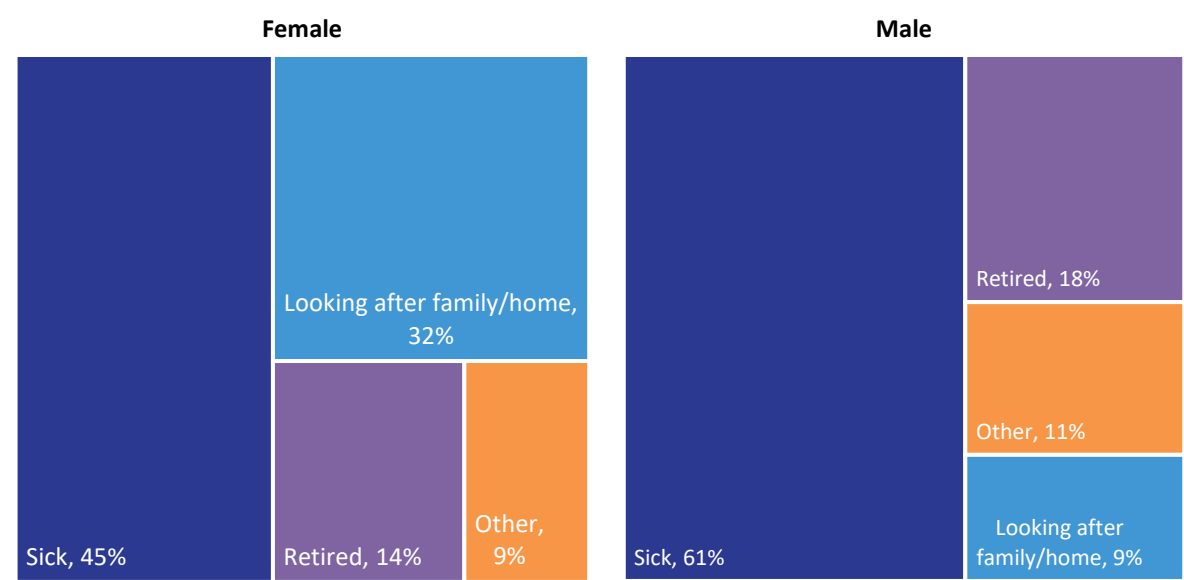
Gender Differences

Although the gender composition of economic inactivity has changed significantly over time, female inactivity rates continue to exceed those of males. This pattern is not unique to Northern Ireland and is evident across other UK regions, raising ongoing policy questions around how to encourage greater participation among women in the labour market.

The main reasons for economic inactivity among males and females have remained broadly consistent in recent years. Excluding students, long-term sickness or disability is the most common reason for inactivity for both genders, affecting 45% of inactive females and 61% of inactive males (Figure 7). Among females, this is followed by caring for family or home (32%) and retirement (14%). For males, retirement accounts for 18% of inactivity, while caring responsibilities are much less prevalent at 9%, highlighting a clear gender difference.

Although caring remains a significant factor for female inactivity, its importance has declined over time. In 2015, 45% of inactive females cited caring as the main reason, but sickness has since become the dominant factor. In contrast, the reasons for male inactivity have changed little over time, with long-term sickness remaining proportionally more prevalent among men.

Figure 7: Female and Male Reasons for Economic Inactivity



Source: ONS, Annual Population Survey, 2025

At the end of 2025, the majority of economically inactive individuals in Northern Ireland reported that they did not want a job, with similar percentages observed between males and females. Among inactive males (excluding students), 65% stated they did not want a job. A higher proportion of inactive females (77%) reported that they did not want a job. Overall, for both sexes the majority held the position that they did not want a job.^{xiii}

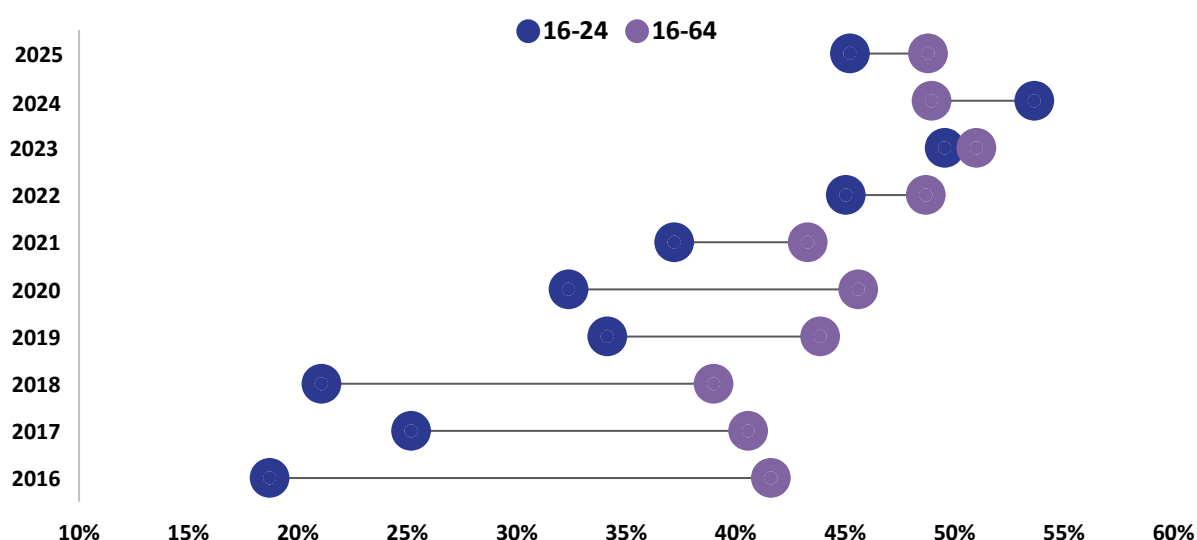
Age

Age is a key factor which shapes patterns of economic inactivity, it gives an indication of differences in stages of life in terms of health, education, and proximity to retirement. Inactivity varies across different age groups with higher rates typically observed among younger people engaged in full-time education and older individuals who have left the labour market because of retirement. Working age adults may also experience periods of inactivity linked to caring responsibilities or as mentioned above, long-term health conditions. Analysing economic inactivity by age helps indicate whether inactivity may be temporary or long-term and helps identify effective policy interventions.

Excluding 'students' as a reason for economic inactivity, the most notable change across age groups is observed among those aged 16–24. With the highest rate of inactivity in Northern Ireland, it falls sharply from 41.1% to 6.3%, when students are excluded, indicating that the majority of inactivity at this younger age group is driven by full-time study rather than disengagement from the labour market.

However, recent data indicates a shift in the composition of economic inactivity among 16-24 year olds, with an increase in long-term sickness when students are excluded. Between 2016 and 2025, the proportion of this age group reporting long-term sickness increased from 18.7% to 45.2%. This figure peaked at 53.7% in 2024 which exceeded the 51.0% recorded for the wider working-age population (16-64) in the previous year. Despite a fall in the total number of economically inactive 16-24 year olds from 2016-2025, the number reporting long-term sickness increased by 119%, which is approximately 3,100 individuals over this period.^{xiv}

Figure 8: Changing Inactivity due to Long-term Sickness among 16-24 Year Olds



Source: ONS - Annual Population Survey, 2025

Those aged 25-49 consistently show low levels of economic inactivity, suggesting their prime working-age status as many move out of education but remain too young for retirement. Inactivity for those aged 25-34 and 35-49 stood at similar levels, at 13% and 14%, in 2025.

Economic inactivity excluding students is highest among those aged 50-64, suggesting that education has less of a role to play as a reason for inactivity in these older age groups. The Labour Force Survey data highlights that economic inactivity for those aged 50-64 has fallen from 35.9% in 2020 to 30.5% in 2025.

This suggests that earlier expectations of rising inactivity within this cohort, driven by increased early retirement and deteriorating post pandemic health, have not been borne out in the observed data.

Disability

Disability prevalence in Northern Ireland has increased steadily over the past decade rising from 20.2% in Q4 2015 to 24.7% in Q4 2025. Labour market outcomes for those with disabilities remain weaker than those without disabilities. Of those aged 16-64 years old (including students) who are classified as disabled, more than half (54.4%) were economically inactive at the end of 2025, while 43.7% were in employment. This data highlights the association between disability and detachment from the labour market in Northern Ireland.

The disability economic inactivity gap measures the difference in inactivity rates between disabled and non-disabled individuals. In 2024, data excluding students indicated that Northern Ireland had a gap of 43.8pps, indicating that disabled people were substantially more likely to be economically inactive than those who are non-disabled. This equates to around 136,000 disabled individuals in Northern Ireland who are economically inactive and represents a potential source of labour supply. The disability gap varies across LGDs in Northern Ireland, ranging from -26.6pps in Ards and North Down, where around 8,000 disabled

individuals are economically inactive, to the biggest gap in Belfast at -53.7pps, accounting for approximately 29,000 inactive disabled people.

Many LGDs have experienced a change in their disability economic inactivity gap since 2020, with some areas recording notable improvements while others have experienced a widening gap. The largest reduction in the disability inactivity gap was observed in Fermanagh and Omagh, where the gap narrowed by 13.1pps, followed by Ards and North Down, which recorded a reduction of 11.3pps. These improvements suggest a relative strengthening of labour market participation among disabled residents in these areas, suggesting that barriers to engagement may be easing and opportunities for inclusion are beginning to broaden, while also indicating the potential for transferable lessons to inform policy and practice in other regions. In contrast, Causeway Coast and Glens experienced the largest increase in the disability economic inactivity gap over the same period, widening by 2.8pps, indicating growing disparities in economic activity between disabled and non-disabled populations in other regions.

Conclusion

Levels of economic inactivity in Northern Ireland vary considerably across regions, sex, age groups, and health status. The analysis within this article shows that health-related inactivity continues to be a key driver of overall inactivity, with mental health conditions increasingly prominent. At the same time, significant variation across demographic groups and geographic areas highlights persistent inequalities, reinforcing the need for targeted, evidence-based policies that integrate health, employability and regional development interventions to effectively re-engage those furthest from the labour market.

These differences highlight that economic inactivity is not a uniform challenge but one that reflects a range of structural and individual barriers to labour market participation, with patterns shifting depending on whether students are included or excluded from the analysis.

Addressing economic inactivity remains a key economic priority for the Department, given its importance in enhancing productivity and supporting sustainable economic growth. Increasing participation among those currently inactive has the potential to ease labour market pressures, support employer demand and promote regional balance in Northern Ireland, an important objective of the Minister's economic vision. Addressing economic inactivity will also become increasingly important in light of the UK Government and Migration Advisory Committee work, which is likely to reduce the availability of migrant labour. This is expected to place greater pressure on the domestic workforce, reinforcing the need to engage inactive individuals and support more people into employment.

The findings reinforce the importance of skills and training to reduce inactivity. Programmes such as Skill Up provide a valuable pathway for economically inactive individuals, particularly those with low or no

qualifications, to re-engage with education and training.^{xv} By offering accessible, entry level courses, these programmes can act as a first step back into learning and employment, helping to improve qualification levels within the working age population. Further strengthening support for such initiatives will be important in addressing skills related barriers to participation.

Reducing economic inactivity is an important objective of the Northern Ireland executive, however achieving meaningful progress may become more challenging in the future, with potential funding constraints to the UK Shared Prosperity Fund (UKSPF), which funds training and employability programmes to help get inactive individuals into and stay in work.^{xvi} The UKSPF is being replaced by the Local Growth Fund, with the proportion of revenue funding for these programmes set to fall by 64%. This contraction is likely to undermine the delivery of employment support and community programmes for vulnerable groups which risks exacerbating economic inactivity in Northern Ireland by weakening preventative and re-engagement support at a local level.

While Northern Ireland continues to lag behind UK counterparts, targeted improvements in skills and health, alongside a more geographically focused approach to reducing inactivity, have the potential to strengthen the economy by supporting greater labour market participation among inactive individuals.

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For further information or queries please contact: Analytical.Services@economy-ni.gov.uk.

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- ⁱ [The 'Good Jobs' Employment Rights Bill](#)
 - ⁱⁱ [Economic inactivity - Office for National Statistics](#)
 - ⁱⁱⁱ [Northern Ireland Labour Market Report](#)
 - ^{iv} [Northern Ireland Skills Barometer: 2023-2033](#)
 - ^v [MAC Labour Shortage Report](#)
 - ^{vi} Other reasons for being economically inactive include those who are waiting for the results of a job application; have not yet started looking for work; do not need or want employment; have given an uncategorised reason for being economically inactive; or have not given a reason for being economically inactive. Source: [Employment in UK | ONS](#)
 - ^{vii} [Labour Force Survey Annual Tables 2025 | NISRA](#)
 - ^{viii} [Pivotal Policy Report - Economic Inactivity in NI](#)
 - ^{ix} [Quarterly Labour Force Survey Tables – February 2026 | NISRA](#)
 - ^x [Personal Independence Payment statistics | Department for Communities](#)
 - ^{xi} [Labour Market Intelligence \(LMI\) Portal | Economic Policy Centre](#)
 - ^{xii} [Labour Force Survey Annual Tables 2025 | NISRA](#)
 - ^{xiii} [Labour Market Report - February 2026 | NISRA](#)
 - ^{xiv} [Annual Population Survey - Nomis - Official Census and Labour Market Statistics](#)
 - ^{xv} [Skill Up | NI Direct](#)
 - ^{xvi} [Economic growth in Northern Ireland: new and emerging sectors](#)