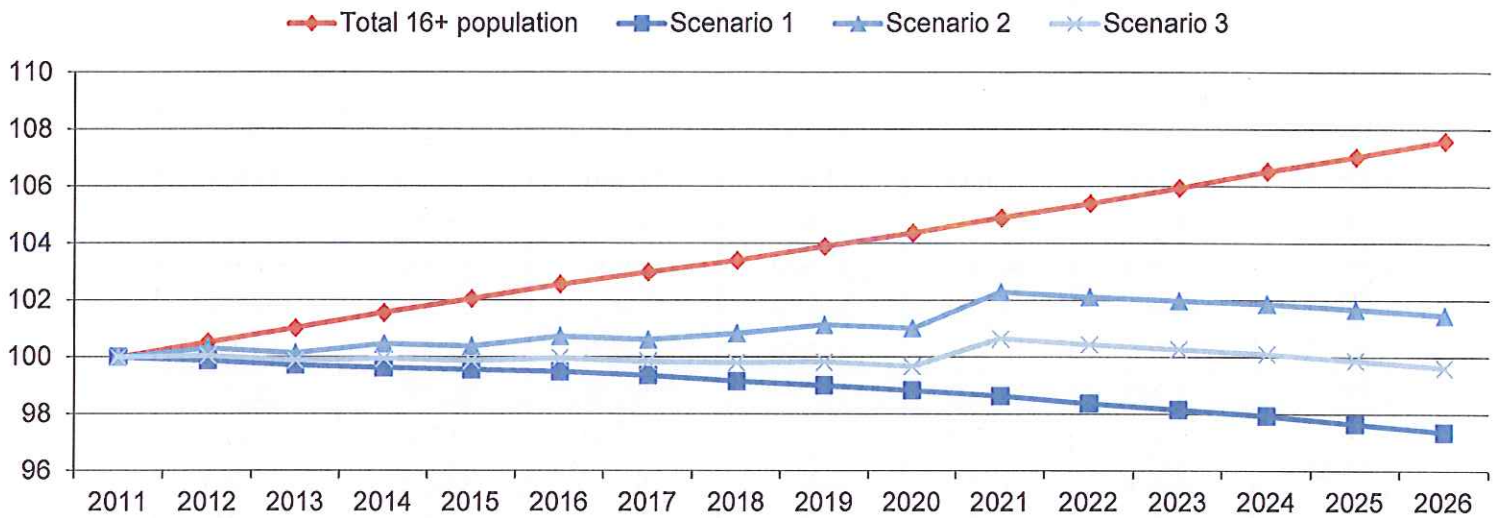


Chart A.1: SNPP Labour Force and 16+ Population Indexed Growth, 2011-2026



Source: Research & Intelligence Team, Shropshire Council

A.8 As shown above, the size of the labour force is projected to decline according to two of the three presented scenarios based on the SNPP. This is particularly acute in Scenario 1, where economic activity rates are kept constant. Only in Scenario 2 will the assumed increases in economic activity be sufficient to grow the labour force.

Table A.4: SNPP: Projected Size of the Labour Force and Overall Economic Activity Rates, 2026

	Projected labour force	Projected economic activity rate
Scenario 1	156,800	57.3%
Scenario 2	163,400	59.8%
Scenario 3	160,500	58.7%

Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

SNPP Labour Force Components of Change

A.9 Shropshire's ageing demographic means that the county's labour supply will shrink in the future unless economic activity rates change. The following table shows that if rates do not change (as assumed in Scenario 1), the labour force will reduce by 4,200 people by 2026. According to Scenario 2, changes in economic activity will more than offset demographic change, resulting in a labour force with an increased capacity of 2,400 people by 2026. According to Scenario 3, adjusted activity rates will be insufficient to offset the negative population effect.

Table A.5: SNPP: Analysis of Labour Force Change, 2011-2026

Persons aged 16+	Population effect	Activity effect	Total change	% change 2011-2026
SNPP Scenario 1	-4,200	0	-4,200	-2.6%
SNPP Scenario 2	-4,200	+6,600	+2,400	+1.5%
SNPP Scenario 3	-4,200	+3,700	-600	-0.4%

Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

A.10 Shropshire's ageing population will result in a reduction in the male labour force of 1,300 people by 2026 unless economic activity rates change. The same assumptions are made for the male population for both Scenario 2 and 3 to take into account a rise in the retirement age to 66, and although this will have some positive effect, it will not be sufficient to offset the negative population effect.

Table A.6: SNPP: Analysis of Male Labour Force Change, 2011-2026

Persons aged 16+	Population effect	Activity effect	Total change	% change 2011-2026
SNPP Scenario 1	-1,300	0	-1,300	-1.4%
SNPP Scenario 2	-1,300	+1,000	-200	-0.2%
SNPP Scenario 3	-1,300	+1,000	-200	-0.2%

Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

A.11 Changing demographics will also have a significant impact on the female labour force, with the economically active female population looking set to fall by 3,000 by 2026 unless levels of participation rise. Changes to SPA and corresponding higher economic activity levels will have a positive effect on the size of the female labour force – in the case of Scenario 2, this will be substantial enough to offset the negative population effect.

Table A.7: SNPP: Analysis of Female Labour Force Change, 2011-2026

Persons aged 16+	Population effect	Activity effect	Total change	% change 2011-2026
SNPP Scenario 1	-3,000	0	-3,000	-4.1%
SNPP Scenario 2	-3,000	+5,600	+2,600	+3.5%
SNPP Scenario 3	-3,000	+2,600	-400	-0.5%

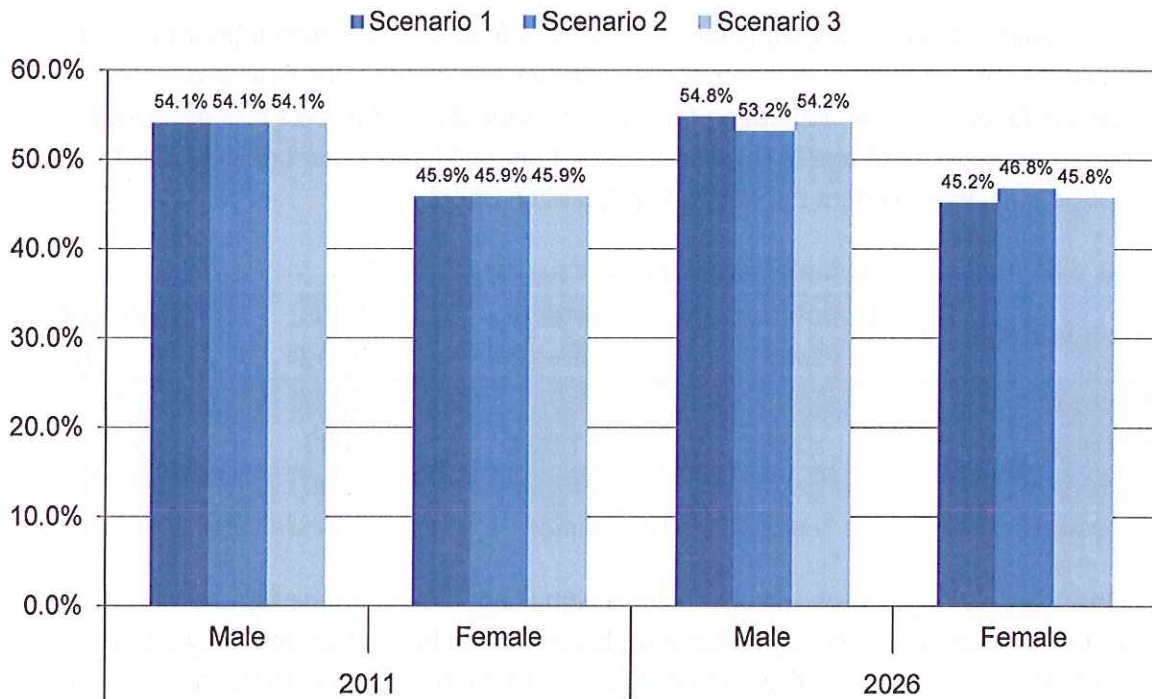
Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

SNPP Labour Force Gender Breakdown Projections

A.12 Males will continue to account for more than half of the labour force against all three scenarios using the SNPP population projections. Under the assumptions made for Scenario 2, this male bias will be lessened slightly.

Chart A.2: SNPP Labour Force Gender Breakdown Projections, 2011 & 2026



Source: Research & Intelligence Team, Shropshire Council

SNPP Labour Force Age Breakdown Projections

A.13 The following table shows the projected 2026 age breakdown of the labour force against each of the three scenarios. In each case, Shropshire is becoming increasingly dependent on an older work force, and this is particularly acute in Scenarios 2 and 3 where economic activity rates for the over 60s have been adjusted upwards. According to Scenario 2, more than a fifth of the labour force will be aged 60 and over by 2026.

Table A.8: SNPP Labour Force Age Breakdown Projections, 2026

	Scenario 1	Scenario 2	Scenario 3
16-19	4.7%	4.5%	4.5%
20-24	7.0%	6.7%	6.9%
25-29	8.5%	8.2%	8.3%
30-34	9.6%	9.2%	9.3%
35-39	10.5%	10.0%	10.2%
40-44	10.1%	9.7%	9.9%
45-49	10.1%	9.7%	9.8%
50-54	10.8%	10.3%	10.5%
55-59	12.1%	11.6%	11.8%
60-64	8.6%	10.8%	9.4%
65+	8.1%	9.3%	9.2%

Source: Research & Intelligence Team, Shropshire Council

Labour Force Projections based on Population Projections A

Labour Force Projections A Scenario 1

- A.14 Shropshire labour force projections (projections A) show that there will be a very slight decline in the available for work population of 400 people (-0.2%) by 2026 should economic activity rates across all age groups remain at the same level as they were in 2011. Meanwhile, the overall population aged 16 and above is projected to grow. Hence, the rate of economic activity will reduce to 59.2% by the end of the forecast period. The overall size of the labour force according to this scenario is projected to stand at 160,700 in 2026.
- A.15 The most notable change in the age composition of the labour force will be a sharp rise in the number of economically active people who are aged 65 and over (+31.8%). Growth in the labour force aged between 55 and 64 is also forecast to grow. Other than moderate growth in the labour force aged 30-39, the level of labour force capacity in other age bands is projected to fall.

Table A.9: Labour Force Projections A Scenario 1, 2011-2026

	2011	2016	2021	2026	Change, 2011-2026	
					Number	%
Total	161,100	162,700	162,700	160,700	-400	-0.2%
16-19	8,100	8,300	7,600	8,000	-100	-1.2%
20-24	14,200	12,800	12,500	11,700	-2,500	-17.6%
25-29	13,900	15,400	14,300	13,500	-400	-2.9%
30-34	13,700	14,600	15,800	14,800	+1,100	+8.0%
35-39	15,400	15,000	15,900	16,900	+1,500	+9.7%
40-44	19,700	16,900	16,400	17,200	-2,500	-12.7%
45-49	21,200	20,700	17,900	17,300	-3,900	-18.4%
50-54	18,500	21,200	20,600	17,800	-700	-3.8%
55-59	15,800	17,100	19,400	18,900	+3,100	+19.6%
60-64	11,700	10,700	11,600	13,100	+1,400	+12.0%
65+	8,800	9,900	10,700	11,600	+2,800	+31.8%

Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

Labour Force Projections A Scenario 2

- A.16 Adjusting economic activity rates to take into account changes to the State Pension Age according to Scenario 2, shows an increase in the labour force of 6,100 people between 2011 and 2026 (+3.8%). As growth in the over 16 population will be superior to this, the overall rate of economic activity will fall to 61.6% by the end of the forecast period. The overall size of the labour force according to this scenario is projected to stand at 167,200 in 2026.
- A.17 Because economic activity rates have been adjusted upwards in two age bands – the 60-64 year olds and those aged 65 and over, it is within this older age bracket that the focus of labour force growth will be. Demographic change plus higher levels of economic activity in those aged 60 and above would see additional labour force capacity in this age band of 10,800 people by 2026.

Table A.10: Labour Force Projections A Scenario 2, 2011-2026

	2011	2016	2021	2026	Change, 2011-2026	
					Number	%
Total	161,100	164,700	168,600	167,200	+6,100	+3.8%
16-19	8,100	8,300	7,600	8,000	-100	-1.2%
20-24	14,200	12,800	12,500	11,700	-2,500	-17.6%
25-29	13,900	15,400	14,300	13,500	-400	-2.9%
30-34	13,700	14,600	15,800	14,800	+1,100	+8.0%
35-39	15,400	15,000	15,900	16,900	+1,500	+9.7%
40-44	19,700	16,900	16,400	17,200	-2,500	-12.7%
45-49	21,200	20,700	17,900	17,300	-3,900	-18.4%
50-54	18,500	21,200	20,600	17,800	-700	-3.8%
55-59	15,800	17,100	19,400	18,900	+3,100	+19.6%
60-64	11,700	12,700	15,200	17,200	+5,500	+47.0%
65+	8,800	9,900	12,900	14,100	+5,300	+60.2%

Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

Labour Force Projections A Scenario 3

- A.18 Adjusting economic activity rates to take into account changes to the State Pension Age according to Scenario 3, shows a moderate increase in the size of the labour force of 3,200 people between 2011 and 2026 (+2.0%). Higher growth in the over 16 population will result in an overall decline in the rate of economic activity to 60.5% by the end of the forecast period. The overall size of the labour force according to this scenario is projected to stand at 164,300 in 2026.
- A.19 Because economic activity rates have been adjusted upwards in two age bands – the 60-64 year olds and those aged 65 and over, it is these age bands that will expand the fastest over the forecast period. Demographic change plus higher levels of economic activity in those aged 60 and above would see additional labour force capacity in this age band of 7,800 people by 2026.

Table A.11: Labour Force Projections A Scenario 3, 2011-2026

	2011	2016	2021	2026	Change, 2011-2026	
					Number	%
Total	161,100	163,500	166,000	164,300	+3,200	+2.0%
16-19	8,100	8,300	7,600	8,000	-100	-1.2%
20-24	14,200	12,800	12,500	11,700	-2,500	-17.6%
25-29	13,900	15,400	14,300	13,500	-400	-2.9%
30-34	13,700	14,600	15,800	14,800	+1,100	+8.0%
35-39	15,400	15,000	15,900	16,900	+1,500	+9.7%
40-44	19,700	16,900	16,400	17,200	-2,500	-12.7%
45-49	21,200	20,700	17,900	17,300	-3,900	-18.4%
50-54	18,500	21,200	20,600	17,800	-700	-3.8%
55-59	15,800	17,100	19,400	18,900	+3,100	+19.6%
60-64	11,700	11,500	13,000	14,700	+3,000	+25.6%
65+	8,800	9,900	12,500	13,600	+4,800	+54.5%

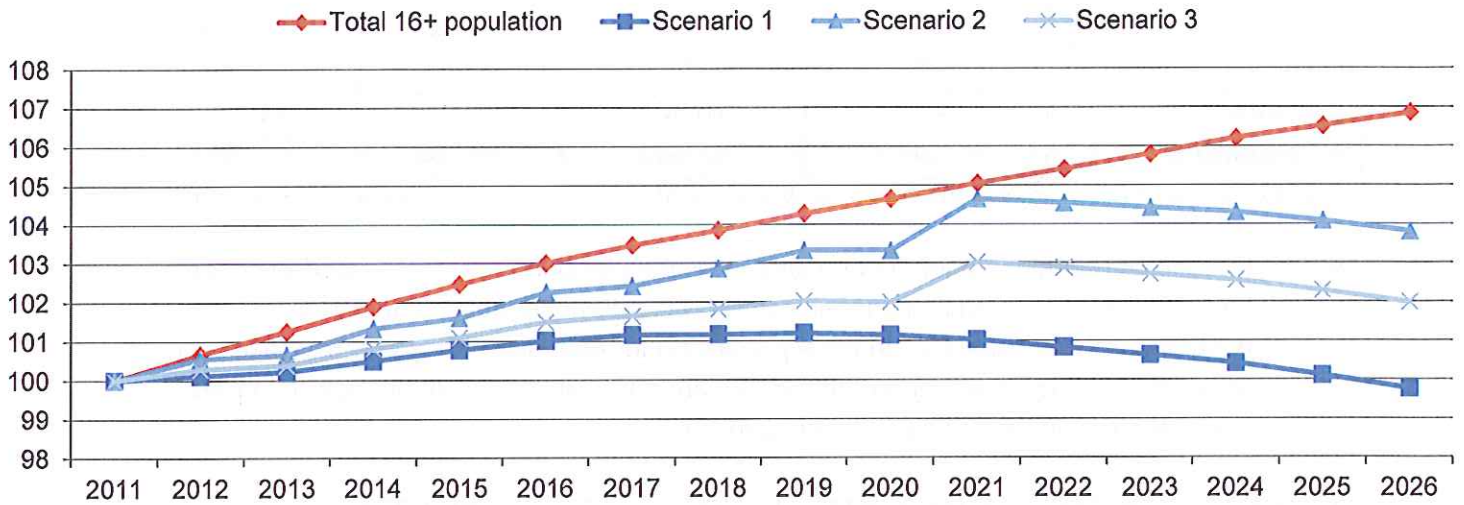
Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

Comparison of Labour Force Projections A Scenarios

A.20 The over 16 population is projected to expand by 6.7% between 2011 and 2026 according to population projections A. This level of growth is discernibly higher than projected labour force growth against each scenario. This means that a declining proportion of the adult population will be economically active by the end of the forecast period. The widening gap between the size of the 16 and over population and the forecast size of the labour force is resulting from the ageing population and the lower rates of economic activity that are associated with older age bands. Although increasing the SPA to 66 will narrow the gap between growth in the labour force and growth in the total 16 and over population in 2021, this will not be sustained over the next five years.

Chart A.3: Projections A Labour Force and 16+ Population Indexed Growth, 2011-



2026

Source: Research & Intelligence Team, Shropshire Council

A.21 As shown above, the size of the labour force is projected to increase according to two of the three presented scenarios based on population projections A. A marginal decline in the number who are economically active occurs in Scenario 1, where economic activity rates are kept constant.

Table A.12: Projections A: Projected Size of the Labour Force and Overall Economic Activity Rates, 2026

	Projected labour force	Projected economic activity rate
Scenario 1	160,700	59.2%
Scenario 2	167,200	61.6%
Scenario 3	164,300	60.5%

Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

Projections A Labour Force Components of Change

A.22 Shropshire’s ageing demographic means that the county’s labour supply will shrink in the future unless economic activity rates change. The following table shows that if rates do not change (as assumed in Scenario 1), the labour force will reduce by 400 people by 2026. According to Scenario 2 and 3, changes in economic activity will more than offset demographic change, resulting in a labour force with an increased capacity of 6,400 people by 2026 in Scenario 2 and 3,200 in Scenario 3.

Table A.13: Projections A: Analysis of Labour Force Change, 2011-2026

Persons aged 16+	Population effect	Activity effect	Total change	% change 2011-2026
A Scenario 1	-400	0	-400	-0.2%
A Scenario 2	-400	+6,800	+6,400	+4.0%
A Scenario 3	-400	+3,600	+3,200	+2.0%

Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

A.23 Despite Shropshire's ageing population, the male labour force is projected to expand by 1,700 by 2026 even if economic activity rates do not change. The same assumptions are made for the male population for both scenario 2 and 3 to take into account a rise in the retirement age to 66, and this will have a slight positive impact, taking the rise in the male labour force to 2,700.

Table A.14: Projections A: Analysis of Male Labour Force Change, 2011-2026

Persons aged 16+	Population effect	Activity effect	Total change	% change 2011-2026
A Scenario 1	1,700	0	1,700	1.9%
A Scenario 2	1,700	1,000	2,700	3.1%
A Scenario 3	1,700	1,000	2,700	3.1%

Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

A.24 Changing demographics will have a significant impact on the female labour force, with the economically active female population looking set to fall by 2,100 by 2026 unless levels of participation rise. Changes to SPA and corresponding higher economic activity levels will have a positive effect on the size of the female labour force – in the case of both Scenarios 2 and 3, this will be substantial enough to offset the negative population effect, but only just for Scenario 3.

Table A.15: Projections A: Analysis of Female Labour Force Change, 2011-2026

Persons aged 16+	Population effect	Activity effect	Total change	% change 2011-2026
A Scenario 1	-2,100	0	-2,100	-2.8%
A Scenario 2	-2,100	+5,500	+3,400	+4.6%
A Scenario 3	-2,100	+2,600	+500	+0.7%

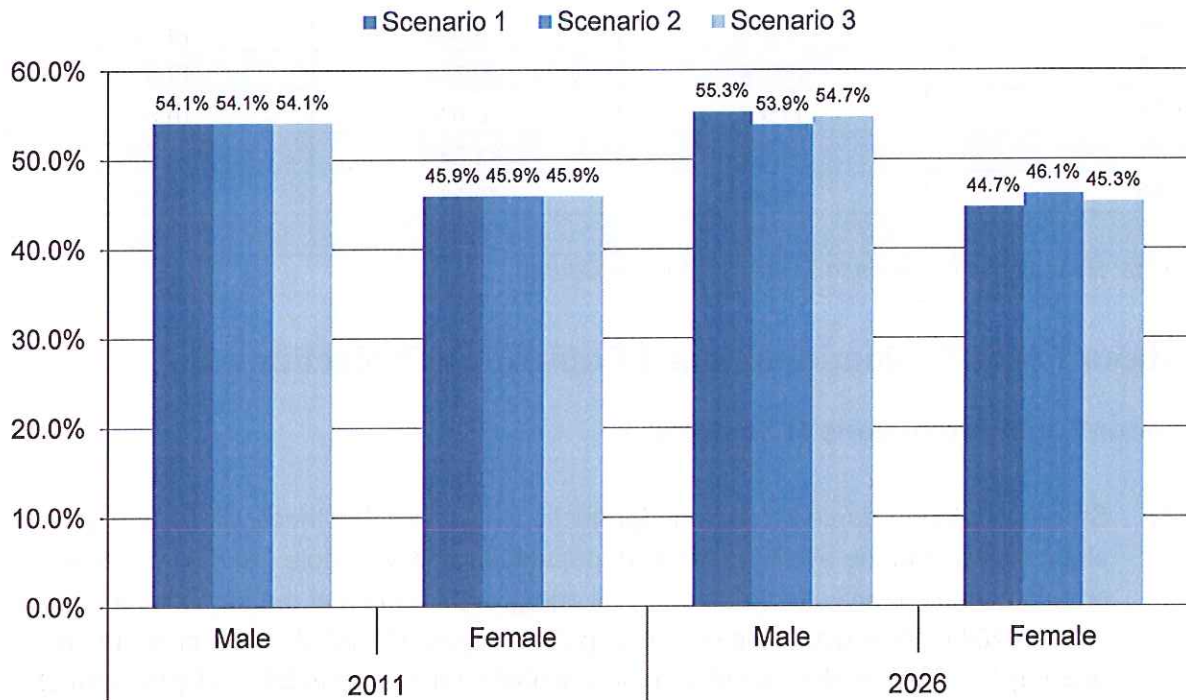
Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

Projections A Labour Force Gender Breakdown Projections

A.25 Males will continue to account for more than half of the labour force against all three scenarios using population projections A. Under the assumptions made for Scenario 2, this male bias will be lessened slightly.

Chart A.4: Projections A Labour Force Gender Breakdown Projections, 2011 & 2026



Source: Research & Intelligence Team, Shropshire Council

Projections A Labour Force Age Breakdown Projections

A.26 The following table shows the projected 2026 age breakdown of the labour force against each of the three scenarios. In each case, Shropshire is becoming increasingly dependent on an older work force, and this is particularly acute in Scenarios 2 and 3 where economic activity rates for the over 60s have been adjusted upwards.

Table A.16: Projections A Labour Force Age Breakdown Projections, 2026

	Scenario 1	Scenario 2	Scenario 3
16-19	5.0%	4.8%	4.9%
20-24	7.3%	7.0%	7.1%
25-29	8.4%	8.1%	8.2%
30-34	9.2%	8.9%	9.0%
35-39	10.5%	10.1%	10.3%
40-44	10.7%	10.3%	10.5%
45-49	10.8%	10.3%	10.5%
50-54	11.1%	10.6%	10.8%
55-59	11.8%	11.3%	11.5%
60-64	8.2%	10.3%	8.9%
65+	7.2%	8.4%	8.3%

Source: Research & Intelligence Team, Shropshire Council

Labour Force Projections based Population Projections B

Labour Force Projections B Scenario 1

- A.27 Shropshire labour force projections (projections B) show that there will be a very slight increase in the available for work population of 700 people (+0.4%) by 2026 should economic activity rates across all age groups remain at the same level as they were in 2011. Meanwhile, the overall population aged 16 and above is projected to grow by 9%. Hence, the rate of economic activity will reduce to 58.4% by the end of the forecast period. The overall size of the labour force according to this scenario is projected to stand at 161,800 in 2026.
- A.28 The most notable change in the age composition of the labour force will be a sharp rise in the number of economically active people who are aged 65 and over (+42.0%). Growth in the labour force aged between 55 and 64 is also forecast. Other than moderate growth in the labour force aged 30-39, the level of labour force capacity in other age bands is projected to fall.

Table A.17: Labour Force Projections B Scenario 1, 2011-2026

	2011	2016	2021	2026	Change, 2011-2026	
					Number	%
Total	161,100	162,800	162,600	161,800	+700	+0.4%
16-19	8,100	6,400	5,800	6,400	-1,700	-21.0%
20-24	14,200	13,100	10,400	9,900	-4,300	-30.3%
25-29	13,900	17,100	15,800	13,000	-900	-6.5%
30-34	13,700	15,000	18,000	16,700	+3,000	+21.9%
35-39	15,400	14,800	16,300	19,300	+3,900	+25.3%
40-44	19,700	16,500	15,900	17,500	-2,200	-11.2%
45-49	21,200	20,400	17,200	16,000	-4,600	-21.7%
50-54	18,500	21,200	20,500	17,400	-1,100	-5.9%
55-59	15,800	17,200	19,700	19,100	+3,300	+20.9%
60-64	11,700	10,800	11,800	13,500	+1,800	+15.4%
65+	8,800	10,200	11,300	12,500	+3,700	+42.0%

Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

Labour Force Projections B Scenario 2

A.29 Adjusting economic activity rates to take into account changes to the State Pension Age according to Scenario 2, shows an increase in the labour force of 7,400 people between 2011 and 2026 (+4.6%). As growth in the over 16 population will be superior to this, the overall rate of economic activity will fall to 60.8% by the end of the forecast period. The overall size of the labour force according to this scenario is projected to stand at 168,500 in 2026.

A.30 Because economic activity rates have been adjusted upwards in two age bands – the 60-64 year olds and those aged 65 and over, it is within this older age bracket that the focus of labour force growth will be. Demographic change plus higher levels of economic activity in those aged 60 and above would see additional labour force capacity in this age band of 12,100 people by 2026.

Table A.18: Labour Force Projections B Scenario 2, 2011-2026

	2011	2016	2021	2026	Change, 2011-2026	
					Number	%
Total	161,100	164,800	168,500	168,500	+7,400	+4.6%
16-19	8,100	6,400	5,800	6,400	-1,700	-21.0%
20-24	14,200	13,100	10,400	9,900	-4,300	-30.3%
25-29	13,900	17,100	15,800	13,000	-900	-6.5%
30-34	13,700	15,000	18,000	16,700	+3,000	+21.9%
35-39	15,400	14,800	16,300	19,300	+3,900	+25.3%
40-44	19,700	16,500	15,900	17,500	-2,200	-11.2%
45-49	21,200	20,400	17,200	16,600	-4,600	-21.7%
50-54	18,500	21,200	20,500	17,400	-1,100	-5.9%
55-59	15,800	17,200	19,700	19,100	+3,300	+20.9%
60-64	11,700	12,800	15,400	17,600	+5,900	+50.4%
65+	8,800	10,200	13,600	15,000	+6,200	+70.5%

Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

Labour Force Projections B Scenario 3

- A.31 Adjusting economic activity rates to take into account changes to the State Pension Age according to Scenario 3, shows a moderate increase in the size of the labour force of 4,400 people between 2011 and 2026 (+2.7%). Higher growth in the over 16 population will result in an overall decline in the rate of economic activity to 59.7% by the end of the forecast period. The overall size of the labour force according to this scenario is projected to stand at 165,500 in 2026.
- A.32 Because economic activity rates have been adjusted upwards in two age bands – the 60-64 year olds and those aged 65 and over, it is these age bands that will expand the fastest over the forecast period. Demographic change plus higher levels of economic activity in those aged 60 and above would see additional labour force capacity in this age band of 9,100 people by 2026.

Table A.19: Labour Force Projections B Scenario 3, 2011-2026

	2011	2016	2021	2026	Change, 2011-2026	
					Number	%
Total	161,100	163,600	165,900	165,500	+4,400	+2.7%
16-19	8,100	6,400	5,800	6,400	-1,700	-21.0%
20-24	14,200	13,100	10,400	9,900	-4,300	-30.3%
25-29	13,900	17,100	15,800	13,000	-900	-6.5%
30-34	13,700	15,000	18,000	16,700	+3,000	+21.9%
35-39	15,400	14,800	16,300	19,300	+3,900	+25.3%
40-44	19,700	16,500	15,900	17,500	-2,200	-11.2%
45-49	21,200	20,400	17,200	16,600	-4,600	-21.7%
50-54	18,500	21,200	20,500	17,400	-1,100	-5.9%
55-59	15,800	17,200	19,700	19,100	+3,300	+20.9%
60-64	11,700	11,600	13,200	15,100	+3,400	+29.1%
65+	8,800	10,200	13,100	14,500	+5,700	+64.8%

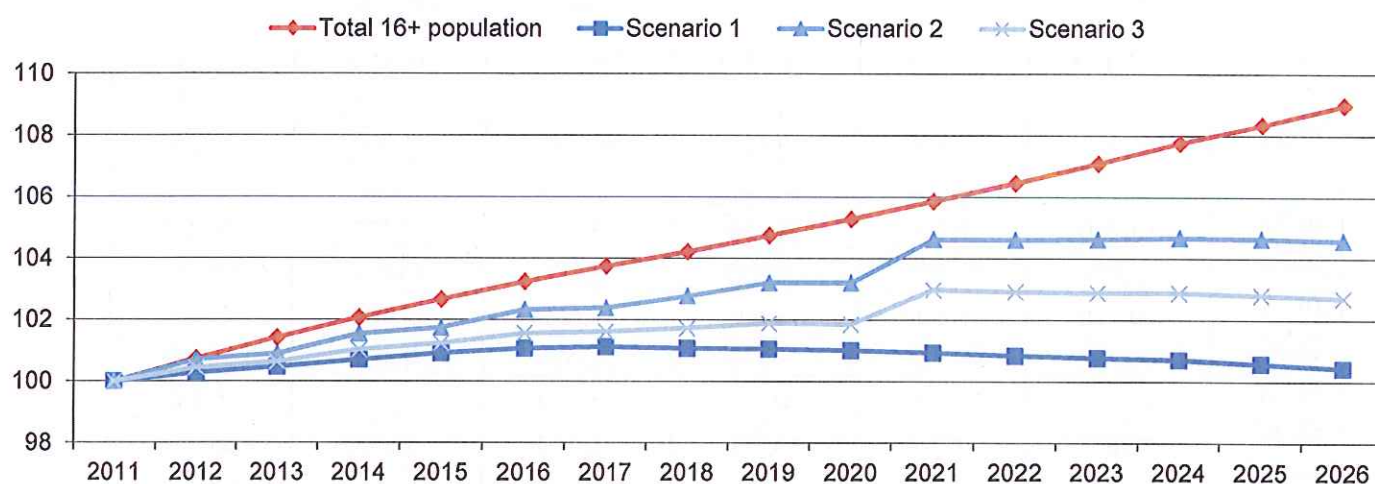
Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

Comparison of Labour Force Projections B Scenarios

A.33 The over 16 population is projected to expand by 9.0% between 2011 and 2026 according to population projections B. This level of growth is discernibly higher than projected labour force growth against each scenario. This means that a declining proportion of the adult population will be economically active by the end of the forecast period. The widening gap between the size of the 16 and over population and the forecast size of the labour force is resulting from the ageing population and the lower rates of economic activity that are associated with older age bands. Although increasing the SPA to 66 will narrow the gap between growth in the labour force and growth in the total 16 and over population in 2021, this will not be sustained over the next five years.

Chart A.5: Projections B Labour Force and 16+ Population Indexed Growth, 2011-2026



Source: Research & Intelligence Team, Shropshire Council

A.34 As shown above, the size of the labour force is projected to increase according to all of the three presented scenarios based on population projections B, although in the case of Scenario 1 this expansion is only very slight.

Table A.20: Projections B: Projected Size of the Labour Force and Overall Economic Activity Rates, 2026

	Projected labour force	Projected economic activity rate
Scenario 1	161,800	58.4%
Scenario 2	168,500	60.8%
Scenario 3	165,500	59.7%

Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

Projections B Labour Force Components of Change

A.35 Shropshire's ageing demographic is putting pressure on the supply of labour. The following table shows that if rates do not change (as assumed in Scenario 1), the labour force will expand by just 700 people by 2026. According to Scenario 2 and 3, changes in economic activity will result in a labour force with an increased capacity of 7,400 people by 2026 in Scenario 2 and 4,400 in Scenario 3.

Table A.21: Projections B: Analysis of Labour Force Change, 2011-2026

Persons aged 16+	Population effect	Activity effect	Total change	% change 2011-2026
B Scenario 1	+700	0	+700	+0.4%
B Scenario 2	+700	+6,700	+7,400	+4.6%
B Scenario 3	+700	+3,700	+4,400	+2.7%

Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

A.36 Despite Shropshire's ageing population, the male labour force is projected to expand by 800 by 2026 even if economic activity rates do not change. The same assumptions are made for the male population for both Scenario 2 and 3 to take into account a rise in the retirement age to 66, and this will have a slight positive impact, taking the rise in the male labour force to 1,800.

Table A.22: Projections B: Analysis of Male Labour Force Change, 2011-2026

Persons aged 16+	Population effect	Activity effect	Total change	% change 2011-2026
B Scenario 1	+800	0	+800	+0.9%
B Scenario 2	+800	+1,000	+1,800	+2.1%
B Scenario 3	+800	+1,000	+1,800	+2.1%

Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

A.37 Changing demographics suggest that the size of the female labour force will remain unaltered in 2026 compared with 2011 if participation rates remain constant. Changes to SPA and corresponding higher economic activity levels will have a positive effect on the size of the female labour force – in the case of both Scenarios 2 and 3, this will be substantial enough to expand the number of females who are economically active by 7.6% and 3.4% respectively.

Table A.23: Projections B: Analysis of Female Labour Force Change, 2011-2026

Persons aged 16+	Population effect	Activity effect	Total change	% change 2011-2026
B Scenario 1	0	0	0	0
B Scenario 2	0	+5,600	+5,600	+7.6%
B Scenario 3	0	+2,600	+2,600	+3.4%

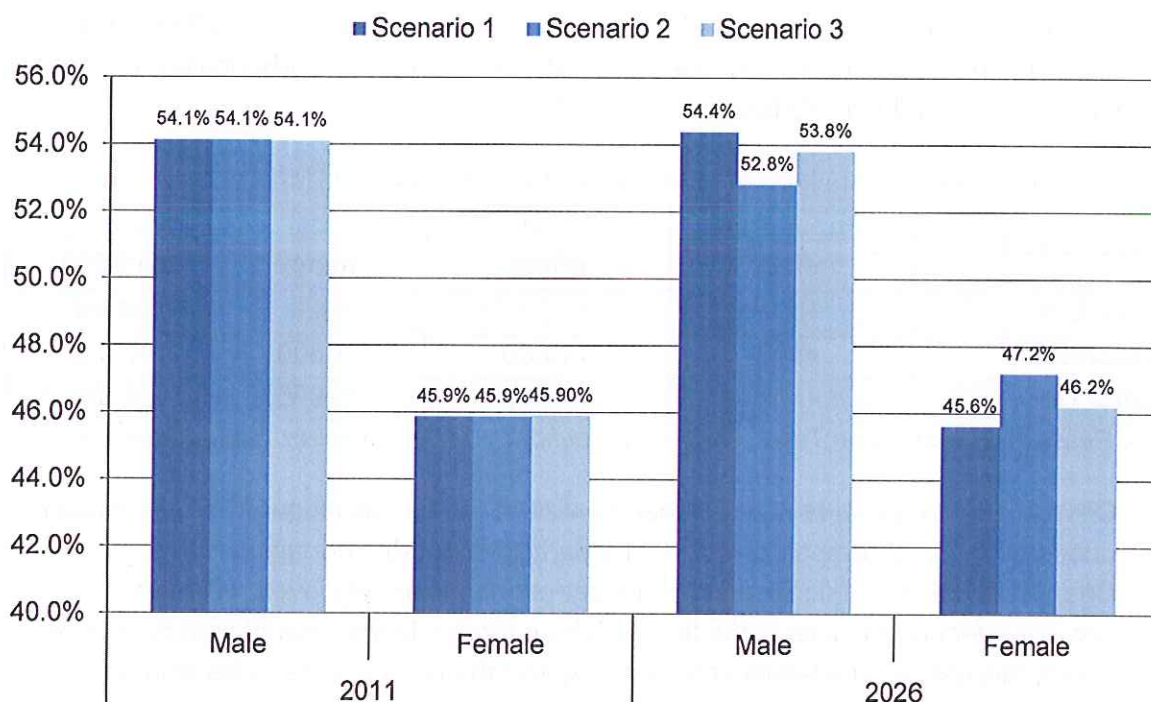
Source: Research & Intelligence Team, Shropshire Council

Numbers rounded to nearest 100

Projections B Labour Force Gender Breakdown Projections

A.38 Males will continue to account for more than half of the labour force against all three scenarios using population projections B. Under the assumptions made for Scenario 2, this male bias will be lessened slightly.

Chart A.6: Projections B Labour Force Gender Breakdown Projections, 2011 & 2026



Source: Research & Intelligence Team, Shropshire Council

Projections B Labour Force Age Breakdown Projections

A.39 The following table shows the projected 2026 age breakdown of the labour force against each of the three scenarios. In each case, Shropshire is becoming increasingly dependent on an older work force, and this is particularly acute in Scenarios 2 and 3 where economic activity rates for the over 60s have been adjusted upwards.

Table A.24: Projections B Labour Force Age Breakdown Projections, 2026

	Scenario 1	Scenario 2	Scenario 3
16-19	4.0%	3.8%	3.9%
20-24	6.1%	5.9%	6.0%
25-29	8.0%	7.7%	7.9%
30-34	10.3%	9.9%	10.1%
35-39	11.9%	11.5%	11.7%
40-44	10.8%	10.4%	10.6%
45-49	10.3%	9.9%	10.0%
50-54	10.8%	10.3%	10.5%
55-59	11.8%	11.3%	11.5%
60-64	8.3%	10.4%	9.1%
65+	7.7%	8.9%	8.8%

Source: Research & Intelligence Team, Shropshire Council

Detailed Methodology Statements

Projection 2

A.40 The following methodology has been applied:

- For females, in 2012 we have assumed that 20% of those aged 60-64 (i.e. those aged 60) will adopt the same level of economic activity as those aged 55-59. The remaining 80% are assumed to retain the same economic activity rate as the 60-64 age group had the previous year.
- In 2014, we have assumed that 40% of those aged 60-64 (i.e. those aged 60 and 61) will have the same level of economic activity as those aged 55-59, with the remaining 60% having the same economic activity rate as the 60-64 age band had in the base year (2011).
- In 2016, we have assumed that 60% of those aged 60-64 (i.e. those aged 60, 61 and 62) will have the same level of economic activity as those aged 55-59, with the remaining 40% having the same economic activity rate as those aged 60-64 had in the base year.
- In 2018, we have assumed that 80% of those aged 60-64 (i.e. those aged 60, 61, 62 and 63) will have the same level of economic activity as those aged 55-59, with the remaining 20% having the same economic activity rate as those aged 60-64 had in the base year.
- By 2019, we have assumed that the level of economic activity for all females aged 60-64 will be the same as for those aged 55-59².

For males and females, the SPA will rise to 66, so by 2021, everyone aged 65 will be of working age. Economic activity rates have been adjusted to take account of this by using the following formula:

- the percentage of males or females in the 65+ age bracket who are 65 in 2021 multiplied by the economic activity rate for 60-64 year olds plus the percentage of those aged 66 and over in the 65+ age bracket multiplied by the economic activity rate for the 65+ population.
- The calculated rate of economic activity for the 65+ age band has then been held constant for the remainder of the forecast period.

Projection 3

A.41 The following methodology has been applied:

- In 2019, when all females as well as all males aged 60-64 will be of working age, we have assumed that the differential between the

² Applying this methodology takes the female economic activity rate for 60-64 year olds to a higher level than it is for males of the same age by 2019

proportion of females who are economically active and the proportion of males who are economically active in this age band will be the same as the differential between the proportion of females who were economically active and the proportion of males who were economically active in the 55-59 age band in the base year (2011).

- The proportional increase in the female economic activity rate that this results in between 2011 and 2019 has been applied incrementally in 2012, 2014, 2016 and 2018.

For males and females, the SPA will rise to 66, so by 2021, everyone aged 65 will be of working age. Economic activity rates have been adjusted to take account of this by using the following formula:

- the percentage of males or females in the 65+ age bracket who are 65 in 2021 multiplied by the economic activity rate for 60-64 year olds plus the percentage of those aged 66 and over in the 65+ age bracket multiplied by the economic activity rate for the 65+ population.
- The calculated rate of economic activity for the 65+ age band has then been held constant for the remainder of the forecast period.