

20<sup>th</sup> March 2019

# Labour Force Survey Annual Summary 2018

Theme: Labour Market

Frequency: Annual

Geographical Area: Northern Ireland

This summary provides the key labour market results from the Labour Force Survey for the year ending 31 December 2018. Headline employment, unemployment and economic inactivity are included and the summary also contains updates for two of the Outcomes Delivery Plan (ODP 16 & ODP 17) indicators for Northern Ireland.

## Key Points

- The Northern Ireland (NI) unemployment rate (16+) in 2018 was 3.7%. The unemployment rate decreased from the previous year (4.4%) by 0.7 percentage points (pps). The change was not statistically significant.
- The NI employment rate (the proportion of people aged 16-64 in work) in 2018 was 70.0%. The NI employment rate increased from the previous year (69.1%) by 0.9pps. The change was not statistically significant.
- The NI economic inactivity rate (the proportion of people aged 16-64 who were not working nor seeking or available to work) in 2018 was 27.2%. The inactivity rate decreased from the previous year (27.6%) by 0.4pps. The change was not statistically significant.

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## NATIONAL STATISTICS STATUS

National Statistics status means that our statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.



These statistics were designated as National Statistics in August 2010 following a full [assessment](#) against the [Code of Practice](#).

Since the assessment by the UK Statistics Authority, we have continued to comply with the Code of Practice for Statistics, and have made the following improvements:

- Redesigned the release of annual data outputs into both a summary and detailed report which has improved timeliness of dissemination;
- Improved quality of the LFS data by boosting the sample size and improving precision around headline estimates.

## 2 Context

This report provides an overview of the main indicators from the Labour Force Survey (LFS) January - December 2018 Annual Dataset. The LFS is the largest regular household survey in Northern Ireland and provides information on the labour force using internationally agreed concepts and definitions. The annual dataset provides a larger range of statistics from the LFS than is available from the monthly Labour Market Report. This is because the annual dataset contains more records than is available each quarter.

As the LFS is a sample survey estimates are subject to sampling error. Data in the annual summary estimated below 6,000 are suppressed. The Further Information section provides more detail on sampling variability (in the 'precision of estimates' section).

Key users of Northern Ireland labour market statistics include government departments, in particular the Department for the Economy (DfE), the Department for Communities (DfC) and the Executive Office (TEO), to design and monitor the impact of economic and labour market policy. Other government departments such as the Department of Finance (DoF) and the Department of Agriculture, Environment and Rural Affairs (DAERA), as well as bodies such as Invest NI and Belfast City Council, regularly require specific ad hoc labour market analysis in order to monitor policies for example, equality and employment. In addition, significant 'non-governmental' users of labour market statistics include the media, banks, academics, private consultants and the general public, primarily for reporting or researching the performance of the economy in general. Labour market statistics attract widespread media coverage, with a number of broadcasters publishing articles on the labour market on a monthly basis, generally on the publication day of the monthly Labour Market Report.

Labour market statistics feature in the [Economic Commentary](#) which provides an overview of the state of the Northern Ireland economy, setting it in context with the UK and Republic of Ireland. The most up-to-date official statistics on the economy and labour market are available on the [Economic Overview section](#) of the website. The NINIS website also contains [economic area profiles](#) containing a range of labour market data organised by Local Government District.

**Further information on using labour market statistics can be found on the Office for National Statistics (ONS) website:**

- [Interpreting Labour Market statistics](#)
- [Guide to Labour Market Statistics](#)
- [Glossary](#)

### **Outcomes Delivery Plan Indicators (ODP)**

The delivery plan sets out the actions that departments intend to take during 2018/19 to give effect to the previous Executive's stated objective of improving wellbeing for all – by tackling disadvantage and driving economic growth. The [2018/19 ODP](#) contains 12 strategic outcomes supported by 49 indicators overall. The framework reflects population conditions in 12 key areas of economic and societal wellbeing identified through consultation as priorities.

The LFS annual dataset informs seven indicators, two of which have been detailed in the following sections of this report. A further four indicators will be reported in the more detailed annual report due for publication in June. The 7th indicator (ODP 42, Life Satisfaction score of people with disabilities) is published in the [Personal Wellbeing](#) section of the NISRA website.

# 3 Unemployment

## LFS unemployment

**LFS unemployment:** The International Labour Organisation (ILO) defines unemployed as those aged 16+ without a job who were able to start work in the two weeks following their LFS interview and had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.

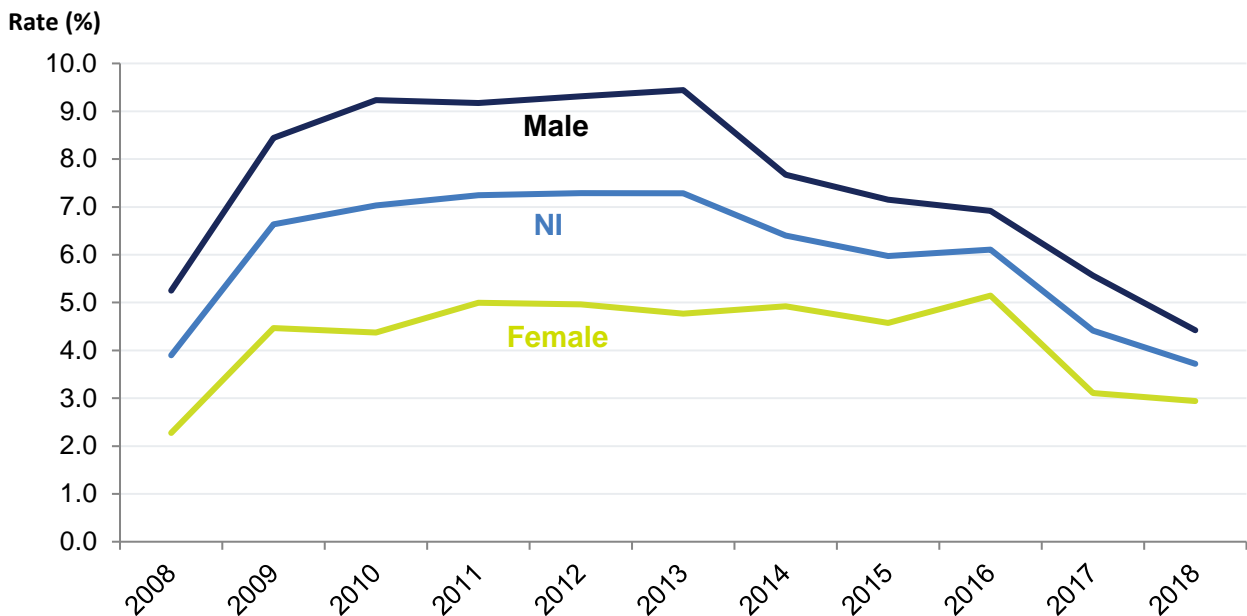
### Key Findings

- The 2018 unemployment rate (16+) in NI was estimated at 3.7%.
- The number of unemployed persons aged 16+ in 2018 was estimated at 33,000.
- The unemployment rate for males (16+) was estimated at 4.4% and the female rate was estimated at 2.9%.

Of those aged 16+ who were unemployed, 63% (20,000) were male and 37% (12,000) were female. The changes by gender included:

- The male (16+) unemployment rate (4.4%) decreased by 1.1pps over the year.
- The female (16+) unemployment rate (2.9%) decreased by 0.2pps over the year.
- The unemployment rate for females has been consistently lower than males over the last decade, however the gap between the two has decreased in the last 5 years.

**Figure 1: Northern Ireland Unemployment Rates, by Gender, January-December 2008 - January-December 2018**



[Download in excel](#)

Further information is available on the NISRA - Economic and Labour Market Statistics website: [LFS unemployment](#)

# 4 Employment

## LFS employment

**LFS employed:** people aged 16 or over who did at least one hour of paid work in the reference week (whether as an employee or self-employed); those who had a paid job that they were temporarily away from; those on government-supported training and employee programmes; and those doing unpaid family work.

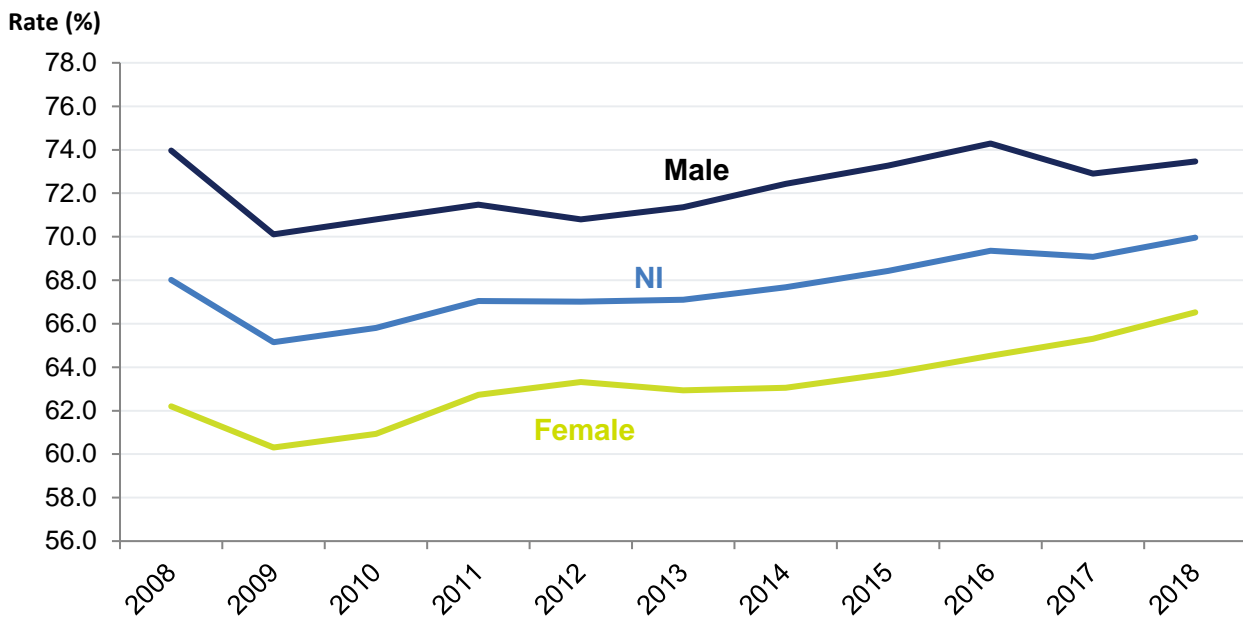
### Key Findings

- The 2018 employment rate (16-64) in NI was estimated at 70.0%.
- The number of persons in employment (16-64) was estimated at 817,000.
- The estimated employment rate (16-64) was 73.5% for males and 66.5% for females.

Of those aged 16-64 who were employed, 52% (424,000) were male and 48% (392,000) were female. The changes by gender included:

- The male (16-64) employment rate (73.5%) increased by 0.6pps over the year
- The female (16-64) employment rate (66.5%) increased by 1.2pps over the year
- The employment rate for males has been consistently higher than for females.

**Figure 2: Northern Ireland Employment Rates, by Gender, January-December 2008 - January-December 2018**



[Download in excel](#)

Further information is available on the NISRA - Economic and Labour Market Statistics website: [LFS employment](#)

**ODP Indicator 16: Increase the proportion of people in work – Employment Rate (16-64).**

**Current position:** The Northern Ireland employment rate for those aged 16-64 in 2018 was 70.0%. This is a 1.5 percentage point increase from the baseline year (2015). This is not a statistically significant change.

Outcome 1 – We prosper through a strong, competitive, regionally balanced economy.

Outcome 3 – We have a more equal society.

Outcome 6 – We have more people working in better jobs.

Outcome 10 – We have created a place to where people want to live and work, to visit and invest.

**Further information is available on the TEO – Outcomes Delivery Plan 2018/19**

**website:** [Outcomes Delivery Plan 2018/19](#)

# 5 Economic Inactivity

## LFS Economic Inactivity

**Economically inactive:** people who are neither in employment nor unemployed on the ILO measure. This group includes all those who are looking after a home, long term sick or disabled, students and retired.

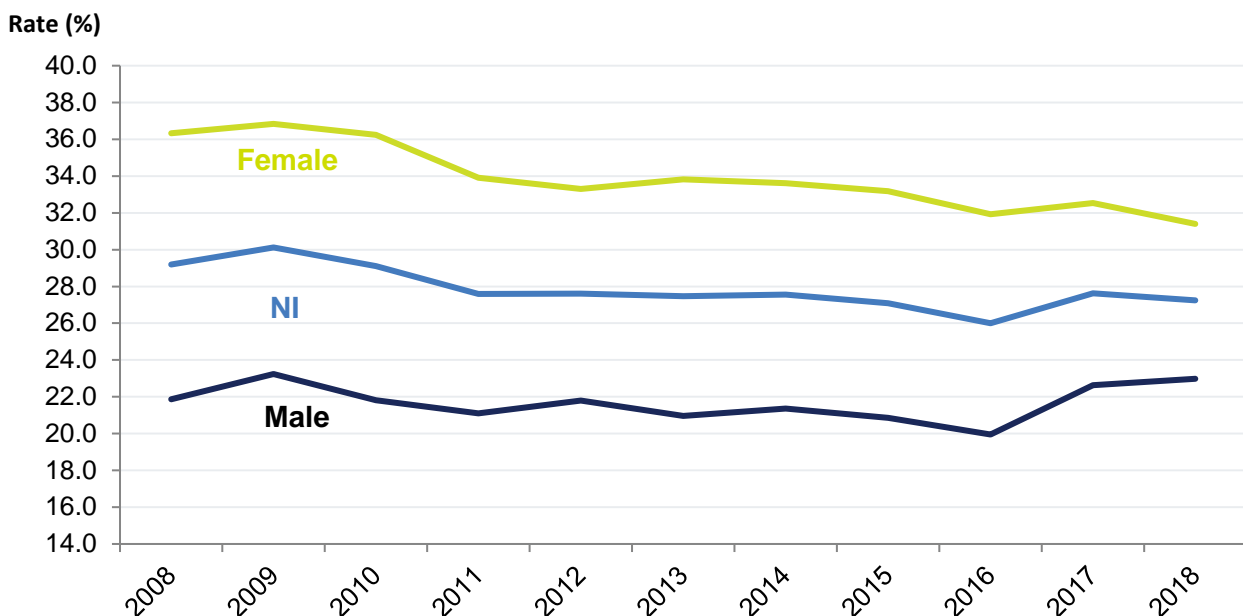
### Key Findings

- The 2018 economic inactivity rate (16-64) in NI was estimated at 27.2%.
- The number of persons who were economically inactive (16+) in 2018 was estimated at 318,000.
- The estimated economic inactivity rate (16-64) was 23.0% for males and 31.4% for females.

Of those aged 16-64 who were economically inactive, 42% (133,000) were male and 58% (185,000) were female. The changes by gender included:

- The male (16-64) economically inactive rate (23.0%) increased by 0.4pps over the year
- The female (16-64) economically inactive rate (31.4%) decreased by 1.1pps over the year
- The inactivity rate for females has been consistently higher than males.

**Figure 3: Northern Ireland Economic Inactivity Rates, by Gender, January-December 2008 - January-December 2018**



[Download in excel](#)

Further information is available on the NISRA - Economic and Labour Market Statistics website: [LFS economic inactivity](#)

**ODP Indicator 17: Reduce economic inactivity – Economic Inactivity rate (16-64) excluding students.**

**Current position:** The Northern Ireland economic inactivity rate (16-64) excluding students in 2018 was 20.0%. This is a 0.1 percentage point decrease from the baseline year (2015). This is not a statistically significant change.

Outcome 3 – We have a more equal society.

Outcome 6 – We have more people working in better jobs.

Further information is available on the TEO – Outcomes Delivery Plan 2018/19 website: [Outcomes Delivery Plan 2018/19](#)



# 6 Further Information

## Background

The Labour Force Survey Annual Summary is derived from four consecutive quarters of the LFS. Each quarter's LFS sample of around 2,500 households in NI is made up of 5 waves with an average of around 500 private households in each wave. This results in a total of around 4,000 individuals included each quarter. Individuals in each wave are interviewed in five successive quarters, such that in any quarter one wave will be receiving their first interview, one wave their second, and so on, with one receiving their fifth and final interview. The annual dataset is created by selecting the relevant cases from each quarter and combining them to create a dataset of unique cases. Selecting all wave one and five interviews allows the maximum number of respondents over a one-year period to be included whilst avoiding double counting. The resulting sample size is approximately 8,000 individuals.

The LFS collects information from a sample of the population living in households. To provide estimates for the entire population the data must be grossed.

This is achieved by creating grossing factors often referred to as weights, that can be applied to each sampled individual so that grossed results match published population data in terms of age distribution, sex and region of residence. Mid-year population estimates and projections are used to ensure that the LFS is grossed to the most up to date population data available. For 2018, the 2017 mid-year population estimates and 2016 based population projections were used.

## Precision of estimates

Reported change is calculated using unrounded data and is presented to 1 decimal place. When a change is less than 0.05pps, it is rounded to 0.0pps and the data is reported as unchanged.

The LFS is a sample survey and, as such, estimates obtained from it are subject to sampling variability. If we drew many samples each would give a different result. The ranges shown for the LFS data in the tables LFSAS 1.1 to 1.3 represent 95% confidence intervals i.e. we would expect that in 95% of samples the range would contain the true value. These confidence intervals have been calculated using data that are not seasonally adjusted.

If the annual change for an estimate has increased or decreased by more than the 'sampling variability of the change', the change is statistically significant. If none of the reported changes over the year were statistically significant, then the recorded changes did not exceed the variability expected from a sample survey of this size.

## Thresholds

Thresholds are used to determine whether LFS data are suitably robust for publication. The threshold used for the annual LFS datasets is 6,000. As such, data below 6,000 are suppressed. In general, the smaller the estimate, the greater the margin of error as a proportion of the estimate.

## LFS revisions

LFS microdata are routinely revised to incorporate the latest population estimates. The latest annual revisions were published in March 2019 and affect annual datasets from 2012 onwards. In addition the 2018 annual dataset reflects a boost to the LFS sample that began roll-out in January 2018. More information on the revision policy concerning labour market statistics can be found through the following link: [Labour market statistics revisions policy](#)

## **LFS definitions**

### **LFS employment**

The definition of ILO employed applies to anyone (aged 16 or over) who has carried out at least one hour's paid work in the week prior to interview, or has a job they are temporarily away from (e.g. on holiday). Also included are people who do unpaid work in a family business and people on Government-supported employment training schemes.

### **Employment rate**

The employment rate is the percentage of working age (16-64) people who are employed.

### **LFS unemployment**

The definition of unemployment used in the Labour Force Survey (LFS) is in accordance with that of the International Labour Organisation (ILO). The ILO unemployed includes those without a job who were able to start work in the two weeks following their LFS interview and had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.

### **Unemployment rate**

The unemployment rate is the percentage of economically active people (16+) who are unemployed.

### **Economic Inactivity**

People who are neither in employment nor unemployed on the ILO measure. This group includes all those who are looking after a home, long term sick or disabled, students and retired.

### **Economic Inactivity Rate**

The economic inactivity rate is the percentage of people of working age who are economically inactive.

### **Economic Inactivity Excluding Students**

People who are neither in employment, nor unemployed on the ILO measure, nor economically inactive due to being a student. This group includes all those who are looking after a home, long term sick or disabled and retired. The rate is calculated as all people of working age who are economically inactive, except those who are economically inactive due to being a student, as a proportion of all people of working age.

## **Further information**

If you require further information about the figures contained in this publication or the accompanying tables, please contact the Labour Force Survey section using the details below:

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Web: [Labour Force Survey](#)

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Table No.

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LFSAS18 1.2	<a href="#"><u>Employment by Gender, 2008-2018</u></a>
LFSAS18 1.3	<a href="#"><u>Economic Inactivity by Gender, 2008-2018</u></a>
ODP16 2018	<a href="#"><u>Persons in Employment, 2008-2018</u></a>
ODP17 2018	<a href="#"><u>Economic Inactivity Rate, Excluding Students, 2008-2018</u></a>