



**June 2019** 

# Northern Ireland Labour Market Report

Theme: Labour Market Frequency: Monthly Geographical Area: Northern Ireland

# **Key Points**

- The latest Labour Force Survey (LFS) estimates for the period February-April 2019 indicate that, over the quarter, the unemployment rate decreased while the employment rate increased and the inactivity rate did not change.
- The LFS indicated that the NI unemployment rate (16+) decreased over the quarter (0.4pps) and the year (0.2pps) to 3.1% in February-April 2019. Although the recent changes were not statistically significant, the unemployment rate was significantly below rates in mid-2017. The NI unemployment rate was below the UK rate (3.8%), the Republic of Ireland rate (4.6%) and the EU rate (6.4%).
- The proportion of people aged 16 to 64 in work (the employment rate) increased over the quarter (0.4pps) and increased over the year (1.5pps) to a joint record high of 71.3%. Although the recent changes were not statistically significant, the employment rate was significantly above rates in mid-2017. The latest employment rate recorded for the whole of the UK was also a joint high of 76.1%.
- The NI economic inactivity rate (the proportion of people aged from 16 to 64 who were not working and not seeking or available to work) did not change over the quarter and decreased by 1.4pps over the year to 26.4%. Although the recent changes were not statistically significant, the inactivity rate was significantly below rates in mid-2017. The latest inactivity rate recorded for the whole of the UK was 20.8%.
- The total number of seasonally adjusted employee jobs in March 2019 was estimated at a record high of 778,240. This was an increase of 4,010 jobs over the quarter and 15,580 jobs over the year.
- The number of confirmed redundancies (2,501) in the most recent 12 months was slightly higher than the previous 12 months (2,165).
- There were 581 confirmed redundancies notified to the Department in May 2019, an increase from the revised total of 60 notified in April 2019.

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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 <u>assessment</u> against the <u>Code of Practice</u>.

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 Labour Market Report, providing more context to results by setting recent changes within context of longer term trends;
- Removed pre-release access to enhance trustworthiness, and brought forward the publication date as a result;
- Improved timeliness of <u>calendar quarter data</u> (ranging from 1 week to 3 months) by incorporating quarterly tables in the main Labour Market Publication
- Improved quality of the LFS data by boosting the sample size and improving precision around headline estimates

# 1 Summary of Labour Market Statistics

**Updated June 2019** 

# Change over quarter

Seasonally adjusted LFS estimates for Northern Ireland for the period February-April 2019 showed that, over the quarter:

• the unemployment rate decreased by 0.4pps to 3.1%

the employment rate increased by 0.4pps to 71.3%

• the economic inactivity rate stayed constant at 26.4%

Not statistically significant Not statistically significant Not statistically significant

# During May 2019 there were:

 581 confirmed redundancies notified to the Department, higher than the previous month's revised total of 60.

The number of employee jobs at March 2019 was estimated at 778,240. This was:

• an increase of 0.5% (4,010 jobs) over the quarter from the revised December 2018 estimate of 774,230.

Table 1: Labour Market Summary	Time Period	Estimate (sampling variability of estimate)	Change over quarter (Sampling variability of change) (S	Change over year Sampling variability of change)
Unemployment <sup>1</sup>	Feb-Apr 2019	28,000	-3,000	-1,000
		(+/-6,000)	(+/-6,000)	(+/-9,000)
Employment <sup>2</sup>	Feb-Apr 2019	865,000	7,000	21,000
		(+/-19,000)	(+/-14,000)	(+/-28,000)
Economically inactive <sup>2</sup>	Feb-Apr 2019	575,000	-2,000	-14,000
		(+/-17,000)	(+/-13,000)	(+/-25,000)
Unemployment rate <sup>1</sup>	Feb-Apr 2019	3.1%	-0.4pps	-0.2pps
		(+/-0.7)	(+/-0.7)	(+/-1.1)
Employment rate <sup>2</sup>	Feb-Apr 2019	71.3%	0.4pps	1.5pps
		(+/-1.4)	(+/-1.0)	(+/-2.0)
Economic inactivity rate <sup>2</sup>	Feb-Apr 2019	26.4%	0.0pps	-1.4pps
		(+/-1.4)	(+/-1.0)	(+/-2.0)
Employee Jobs	March 2019	778,240	4,010	15,580
		(+/- 6,240)		
Redundancies <sup>3</sup>	May 2019	581		

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LFS data are seasonally adjusted.

<sup>&</sup>lt;sup>1</sup> People aged 16 and over. Unemployment rate = total unemployed as a proportion of the economically active.

<sup>&</sup>lt;sup>2</sup> Levels for all persons aged 16 and over, rates for working age (16-64).

<sup>&</sup>lt;sup>3</sup> Confirmed redundancies in the calendar month, not seasonally adjusted.

#### NI Labour Market Structure: Change over year

Seasonally-adjusted LFS estimates for Northern Ireland for the period February-April 2019 showed that over the year:

- the unemployment rate decreased by 0.2pps (to 3.1%)
- the employment rate increased by 1.5pps (to 71.3%)
- the economic inactivity rate decreased by 1.4pps (to 26.4%)

Not statistically significant Not statistically significant Not statistically significant

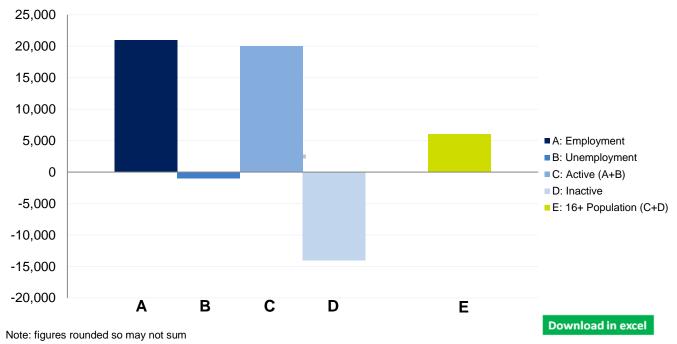
Over the latest twelve month period there were:

• 2,501 confirmed redundancies which was an increase of 16% from the previous year (2,165).

The employee jobs total in Northern Ireland at March 2019 was 778,240 jobs representing:

• an increase of 2.0% (15,580 jobs) from the revised March 2018 estimate of 762,660. The annual change in employee jobs is statistically significant.

Figure 1: NI labour market structure: change over year



# **UK summary**

Seasonally-adjusted LFS estimates for the UK for the period February-April 2019 showed:

- the joint lowest unemployment rate (3.8%) on record, a decrease of 0.1pps over the quarter and a decrease of 0.4pps over the year
- the joint highest employment rate (76.1%) on record, unchanged over the quarter and an increase of 0.5pps over the year.
- the economic inactivity rate (20.8%) increased over the quarter by 0.1pps and decreased over the year by 0.3pps.

#### Commentary

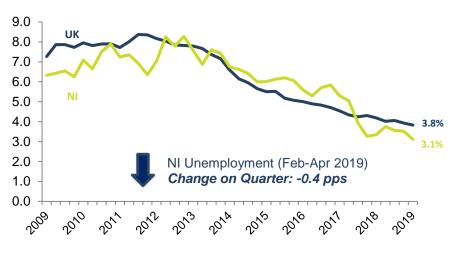
The unemployment rate for February-April 2019 was estimated at 3.1%, while the employment rate was estimated at 71.3%, the joint highest on record. Following a decrease of 1.4pps over the year, the inactivity rate, at 26.4%, is one of the lowest on record, and is similar to the relatively low levels seen in 2016.

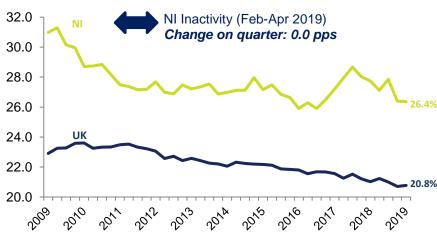
The improvements in the NI labour market since 2017 are consistent with the UK experience, where unemployment is joint lowest on record, employment is at a joint record high and inactivity is one of the lowest on record. However, it is worth noting, while NI has the fourth lowest unemployment rate of all the UK regions, it has the second lowest employment rate and highest inactivity rate.

Further information is available on the NISRA - Economic and Labour Market Statistics website: LMR Headline Tables.

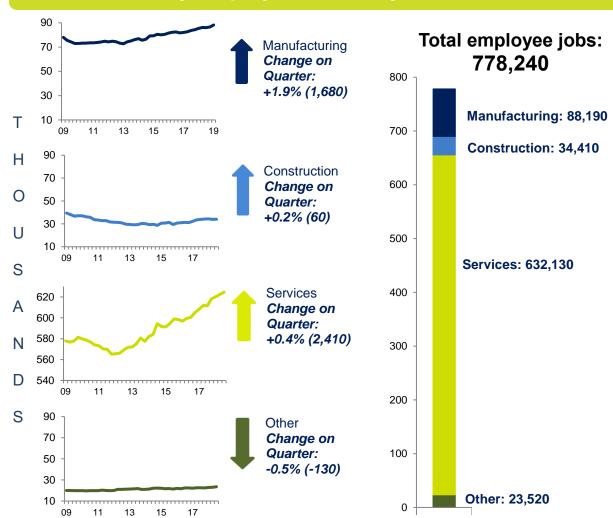
# **NISRA Labour Market Statistics**

# **Labour Force Survey February – April 2019**





# **Quarterly Employment Survey – March 2019**



#### Things users need to know

Estimates derived from the **Labour Force Survey** (including estimates of employment, unemployment and economic inactivity) are calculated using 2016 based population projections and the 2017 mid-year population estimates. In February 2019, estimates from June - August 2011 to September – November 2018 were revised as a result of the reweighting process (using the latest population estimates) and from a review of the seasonal adjustment process.

Additionally, estimates from November-January 2018 include a boost to the Northern Ireland Labour Force Survey sample. More information on the impact of the reweighting and increased sample size is available in a <u>separate paper</u>.

The experimental Claimant Count data is no longer included in the Labour Market Report. The data tables will continue to be published on the NISRA website and counts will also be available from NOMIS.

#### Context

The Labour Market Report (LMR) is a monthly overview of Northern Ireland key labour market statistics. It includes figures from the Labour Force Survey (LFS), the Quarterly Employment Survey, the Annual Survey of Hours and Earnings, redundancies counts and vacancies data. More information about the data sources can be found in Section 6.

Where available, comparative UK data (produced by the ONS) have been included. The latest labour market statistics are available on the ONS website.

Key users of Northern Ireland labour market statistics include government departments, in particular the Department for the Economy (DfE), which uses the statistics to design and monitor the impact of economic and labour market policy. Other Government departments such as the Executive Office, 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 (including the media, banks, academics, private consultants and the general public) use the data 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 day of publication of the Labour Market Report.

Labour market statistics feature in the <u>DfE Economic Commentary</u>, 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 <u>Economic Overview</u> <u>section</u> of the NISRA website.

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

# 2 Unemployment

### **Labour Force Survey**

The Labour Force Survey (LFS) is a household sample survey carried out by interviewing individuals about their personal circumstances and work. It provides a rich source of information on the labour force using internationally agreed definitions. Estimates are subject to sampling error and care should be taken when making inferences (see section 6 for details).

**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.

Long-Term Unemployment: those who have been unemployed for 12 months or more.

Youth Unemployment: unemployed people aged 16-24 years.

# **Key Findings**

- LFS unemployment rate in NI decreased over the quarter and the year
- The NI unemployment rate has remained below, or equal to, the UK rate since mid-2017
- The UK unemployment rate is at a joint record low at 3.8%

Figure 2: Seasonally adjusted unemployment rate, Feb-Apr 2009 to Feb-Apr 2019 (non-zero axis)



Figure 2 shows unemployment rates on the current 3 month rolling average for NI and the UK over the last decade. The unemployment rate in NI peaked at over 8% in 2012 and reached a record low of 2.9% in January-March 2019. The UK rate decreased by 0.1pps to the joint lowest on record at 3.8% in February-April 2019. The NI unemployment rate has been at or below the UK rate since mid-2017.

# LFS unemployment

The unemployment rate (16+) for the period February-April 2019 was estimated at 3.1%, this was:

- a decrease of 0.4pps over the quarter
- a decrease of 0.2pps over the year

The number of unemployed persons aged 16+ was estimated at 28,000, which was:

- down 3,000 from last quarter
- down 1,000 from the same period last year

# **UK national and international LFS comparisons**

The most recent NI unemployment rate (3.1%) was:

- below the overall UK average rate (3.8%)
- the fourth lowest rate among the twelve UK regions (higher than the unemployment rate for South West, East and South East)
- below the European Union (6.4%) rate for March 2019 and Republic of Ireland (4.6%) rate for April 2019

#### Long-term and youth unemployment

The percentage of unemployed who have been unemployed for 1 year or more (long-term) was 40.1%, which was:

- down 9.3pps over the year
- higher than the UK average rate (27.7%).

The youth unemployment rate for February-April 2019 was too small for a reliable estimate. The UK youth unemployment rate was 10.1%.

Further information is available on the NISRA - Economic and Labour Market Statistics website: <u>LFS unemployment</u>

#### Redundancies

Under the Employment Rights (Northern Ireland) Order 1996 (Amended 8 October 2006) companies are only legally required to notify the Department of impending redundancies of 20 or more employees. Companies who propose less than 20 redundancies are not included in the statistics. As a result, the figures provided are likely to be an underestimate of total job losses, however, it is not possible to quantify the extent of the shortfall.

**Redundancies:** Subject to the criteria mentioned above, employers must notify the Department of (a) redundancies proposed and (b) redundancies confirmed. Since all proposed redundancies do not actually take place, the confirmed total provides a better indication of real job losses.

# **Key Findings**

- 581 confirmed redundancies in May 2019
- 40% of redundancies confirmed in the Manufacturing sector in the last year
- 323 redundancies were proposed in May 2019 compared to 996 in April 2019

Figure 3: Confirmed and proposed redundancies – Annual totals, Jun-May 08/09 to Jun-May 18/19 (non-zero axis)



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# **Confirmed redundancies**

During May 2019, the Department was notified of:

• 581 confirmed redundancies, 521 higher than the previous month's revised total of 60.

Over the latest twelve month period there were:

- 2,501 confirmed redundancies, which was an increase of 16% from the previous year (2,165)
- 1010 (or 40%) confirmed in manufacturing, which was higher than the previous year (751 or 35%)
- 838 (34% of all confirmed redundancies) in the wholesale and retail trade; repair of motor vehicles and motorcycles
- a further 237 (9% of all confirmed redundancies) in construction.

#### **Proposed redundancies**

Please note, from May 2019 proposed redundancies will be reported on a calendar month basis.

In May 2019, there were:

• 323 proposed redundancies, compared with the previous monthly period total of 996 proposed redundancies.

Over the latest twelve month period there were:

- 3,592 proposed redundancies, which was an increase of 2% from the previous year (3,538)
- 1,494 (42%) proposed in wholesale and retail trade; repair of motor vehicles and motorcycles, which was higher than one year ago (947 or 27%)
- 762 (21% of all proposed redundancies) in manufacturing
- a further 652 (18% of all proposed redundancies) in administrative and support service activities.

It should be noted that since not all proposed redundancies actually take place, the confirmed total provides a better indication of real job losses.

Further information is available on the NISRA - Economic and Labour Market Statistics website: Redundancies

# 3 Employment

#### LFS employment

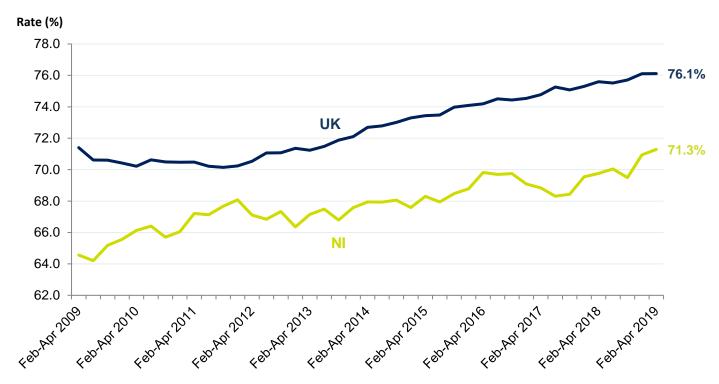
**LFS employed:** people aged 16 or over who did at least one hour of paid work in the reference week (whether as an employee or self-employed); those who had a paid job that they were temporarily away from; those on government-supported training and employee programmes and those doing unpaid family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

**Note:** For analysis purposes, numbers refer to people aged 16 and over while rates relate to people aged between 16 and 64 years

#### **Key Findings**

- Employment rate increased over the quarter and the year to the joint highest on record
- NI employment rate remained below the UK average and was the second lowest of the twelve UK regions
- UK employment rate is also at its joint highest on record

Figure 4: Seasonally adjusted employment rate, Feb-Apr 2009 to Feb-Apr 2019



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Figure 4 shows that, over the last 10 years, the NI employment rate has consistently been below the UK average. The most recent NI employment rate for those aged 16-64 for the period February-April 2019 was estimated at a joint record high of 71.3%. The UK employment rate for those aged 16-64 was 76.1%, the joint highest on record. Increases were experienced in both male and female employment rates over the year.

#### **Employment**

The most recent NI employment rate for those aged 16-64 for the period February-April 2019 was estimated at 71.3%. This represents:

- an increase of 0.4pps over the quarter
- an increase of 1.5pps over the year.

The number of persons in employment (16+) during the period February-April 2019 was estimated at 865,000, which was:

- an increase of 7,000 over the quarter
- an increase of 21,000 over the year.

# **Employment by gender**

Of those aged 16+ in employment, 52% (452,000) were male and 48% (412,000) were female. Annual changes by gender included:

- the male (16-64) employment rate (74.9%) increased by 2.7pps over the year
- the female (16-64) employment rate (67.8%) increased by 0.3pps over the year

# **Self-Employment**

Of those aged 16+ in employment, 15.2% (132,000) were self-employed. Of these, 73.6% (97,000) were male and 26.4% (35,000) were female.

# Regional comparison

The employment rate in NI (71.3%) was:

- below the UK average (76.1%)
- the second lowest rate among the twelve UK regions (higher than the employment rate for North East, 70.7%)
- This is the second time in the past five years that Northern Ireland has not had the lowest employment rate of the 12 UK regions.

Further information is available on the NISRA - Economic and Labour Market Statistics website: <u>LFS employment</u>

# Quarterly Employment Survey (QES) – First published June 2019

The QES is a business survey of approximately 6,000 companies that are asked to provide employment data for each of their business activities.

**QES employee:** An employee is defined as anyone aged 16 years or over that is directly paid from a business's payroll for carrying out a full-time or part-time job or being on a training scheme in Northern Ireland.

# **Key Findings**

- Employee jobs increased over the quarter and year to a record high in March 2019.
- Private sector employee jobs increased over the quarter and year to a record high.
- Public sector employee jobs increased over both the quarter and the year.

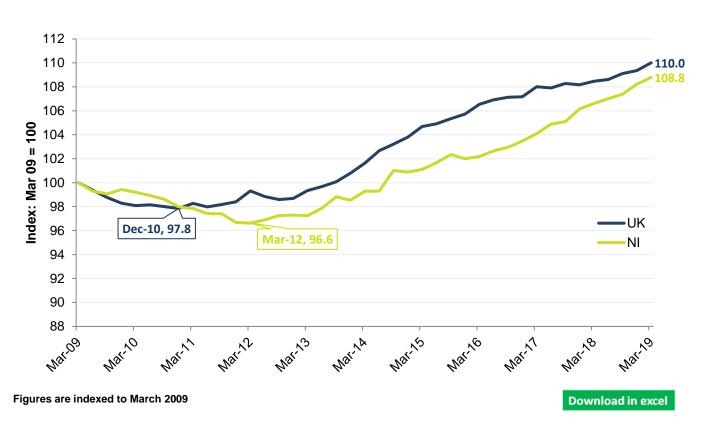


Figure 5: Index of Employee Jobs, March 2009 to March 2019

Figure 5 shows the estimated seasonally adjusted employee jobs, indexed to allow comparison between NI and the UK.

The UK reached its lowest point in December 2010, more than a year before the NI low in March 2012. There are now 87,000 more employee jobs in NI since March 2012, and 3,394,000 more jobs in the UK since December 2010.

#### **Employee Jobs**

The seasonally adjusted employee jobs total in Northern Ireland at March 2019 was 778,240, which was:

- an increase of 0.5% (4,010 jobs) from the revised December 2018 estimate of 774,230.
- an increase of 2.0% (15,580 jobs) over the year from the revised March 2018 estimate of 762,660.
- the annual increase in employee jobs was statistically significant.

# Employee jobs by sector

The seasonally adjusted quarterly change consisted of:

- increases in the manufacturing (1.9% or 1,680 jobs), services (0.4% or 2,410 jobs) and construction sectors (0.2% or 60 jobs)
- a decrease in the other industries sector (-0.5% or -130 jobs)
- an increase of 0.7% (3,710 jobs) in the private sector and
- an increase of 0.2% (450 jobs) in the public sector.

Over the year to March 2019:

- increases were seen in the manufacturing (3.3% or 2,860 jobs), services (1.9% or 11,930 jobs), construction (0.3% or 90 jobs) and other industries sectors (3.1% or 710 jobs).
- the private sector increased by 2.4% (13,350 jobs).
- the public sector increased by 1.0% (2,040 jobs).

Private sector employee jobs have grown to a series high in March 2019 (569,460 jobs), and are now 11.1% above a pre-downturn peak which occurred in June 2008. Public sector jobs showed an increase over the year to March 2019 to 208,480 jobs. There are now 19,700 fewer public sector jobs than the public sector series peak in September 2009 (-8.6%).

Further information is available on the NISRA - Economic and Labour Market Statistics website:

<u>Quarterly Employment Survey and further breakdowns of employee jobs by geography and industry are available from the <u>Business Register and Employment Survey 2017</u>.</u>

# Comparisons between LFS Employment and QES Employee Jobs

The concept of employment (measured by the LFS as the number of people in work) differs from the concept of jobs, since a person can have more than one job, and some jobs may be shared by more than one person.

The LFS and QES measure employment in different ways. The LFS is a sample survey carried out by interviewing individuals about their personal circumstances and work. The QES is a quarterly survey of businesses which provides short term employee jobs estimates for Northern Ireland. It surveys all public sector jobs, all private sector firms with 25 or more employees and a sample of the remainder. LFS employment figures are based on a rolling three month period and QES measures the number of jobs on a particular day.

LFS employment includes those who are employed, self-employed, unpaid family workers and those on Government supported training programmes. QES employee jobs include full-time and part-time jobs and those on a training scheme and excludes self-employed.

#### Vacancies - First published April 2019

Headline figures are presented for vacancies which have been notified to Job Centres / Jobs & Benefits Offices (J&BO) of the Department for Communities (DfC). A small proportion of vacancies notified are based in the UK mainland or in the Republic of Ireland. The statistics do not represent the total unsatisfied demand for staff by employers, but are only those vacant positions notified by employers to DfC.

# **Key Findings**

- There were 14,134 vacancies notified in the fourth quarter of the 2018/19 financial year
- A decrease of 0.2% when compared against the same period in the 2017/18 financial year

Table 2: Monthly Notified Vacancies, 2018-2019

Date	Full-time	Part-time	Casual	Total
Apr-18	3,076	1,373	222	4,671
May-18	3,379	1,704	266	5,349
Jun-18	3,000	1,497	285	4,782
Jul-18	2,902	1,336	290	4,528
Aug-18	3,897	1,845	355	6,097
Sep-18	3,377	1,808	325	5,510
Oct-18	3,789	1,720	359	5,868
Nov-18	3,120	1,359	261	4,740
Dec-18	1,946	794	144	2,884
Jan-19	3,524	1,455	326	5,305
Feb-19	2,731	1,295	296	4,322
Mar-19	2,909	1,341	257	4,507
Total	37,650	17,527	3,386	58,563

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Figures in the above table are not National Statistics.

Further statistics are available on the DfC website: DfC Statistics

<sup>(1)</sup> Monthly notified vacancies are all new vacancy positions notified and added to JobCentres / Jobs & Benefits Offices of the Department for Communities.

Notified is subdivided by financial years which run from 1st April to 31st March.

All statistics are derived from data extracted from the Department for Communities Client Management System (CMS).

<sup>(2)</sup> Vacancies data is published quarterly and reported by financial year. Data for January-March 2019 was published in April 2019.

# 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 economic inactivity rate was unchanged over the quarter and decreased over the year
- NI economic inactivity remains the highest of the twelve UK regions

Figure 6: Seasonally adjusted economic inactivity rates (16-64), Feb-Apr 2009 to Feb-Apr 2019

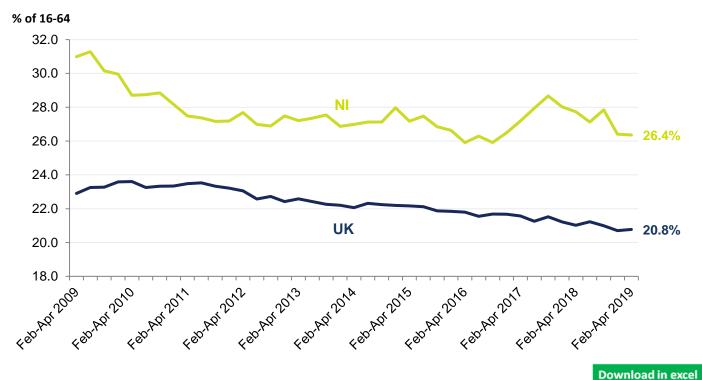


Figure 6 shows that, over the last 10 years, economic inactivity in NI has been consistently higher than the UK average. During the past 10 years, the UK inactivity rate has been on a downward trend. Economic inactivity in NI has mostly been decreasing from 2017, following a period of increasing inactivity between 2016 and 2017. The current inactivity rate (26.4%) is one of the lowest in the series.

#### **Economically inactive**

The seasonally adjusted economic inactivity rate (aged 16-64) for February-April 2019 was estimated at 26.4%, which represented:

- no change over the quarter
- a decrease of 1.4pps over the year.

The number of economically inactive persons (aged 16-64) was estimated at 308,000, which was:

- a decrease of 1,000 over the quarter
- a decrease of 16,000 over the year.

# Regional comparison

The NI economic inactivity rate for those aged 16-64 stood at 26.4%. This was:

- higher than the UK average rate (20.8%)
- the highest of the twelve UK regions.

Further information is available on the NISRA - Economic and Labour Market Statistics website:

**LFS Economic Inactivity** 

**Economic Inactivity in Northern Ireland topic paper** 

# **Annual Survey of Hours and Earnings (ASHE)**

ASHE provides information on employees' hourly, weekly and annual earnings by gender, work pattern, industry and occupation. It has been designed by the Office for National Statistics and is carried out in Northern Ireland by NISRA statisticians.

**Gross weekly pay** includes basic pay, overtime pay, commissions, shift premium pay, bonus or incentive pay and allowances, and is before deductions for PAYE, National Insurance, pension schemes, student loan repayments and voluntary deductions.

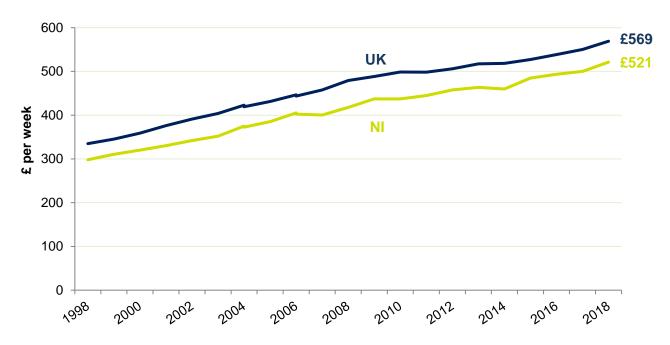
**Median** measures the amount earned by the average individual, i.e. the level of earnings at which half the population are above and half the population are below.

**Full-time employee** is defined as anyone aged 16 years or over that is directly paid from a business's payroll for carrying out more than 30 paid hours per week (or 25 or more for the teaching professions).

#### **Key Findings**

- The median full-time weekly earnings in NI was £521 compared with £569 in the UK
- Earnings increased over the year in both NI and the UK
- When adjusted for inflation, weekly earnings increased over the year in NI and the UK

Figure 7: Median gross weekly earnings for full-time employees in NI and the UK,
April 1998-2018



Note: there were a number of methodological changes during the series in 2004, 2006 and 2011 – see Section 6 of the <u>Annual Survey of Hours and Earnings</u> publication for further information

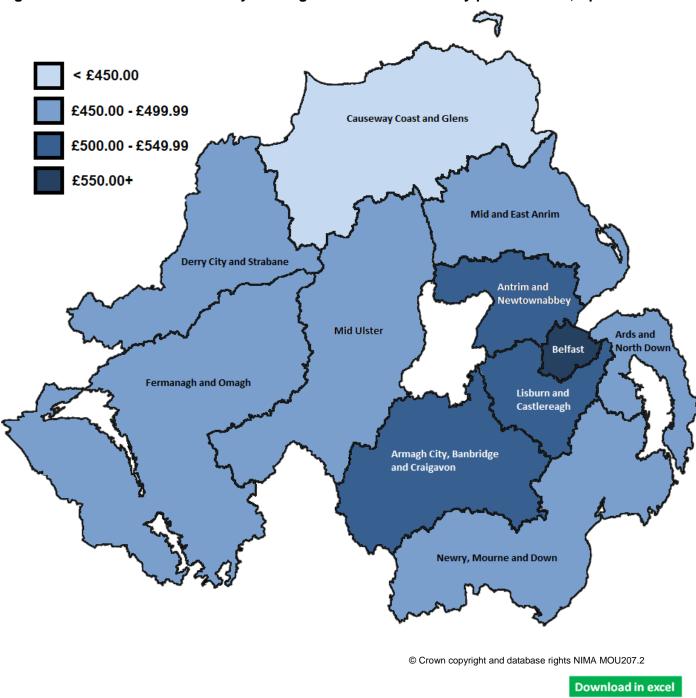
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The median gross weekly earnings for full-time employees in NI at April 2018:

- was £521, 8.4% lower than the UK median (£569)
- was the fifth lowest out of 12 UK regions

- increased by more (4.2%) than the UK median (3.5%) and had the joint highest increase of the UK regions over the year
- when adjusted for inflation increased by 2.0%
- was highest for those who work in Belfast (£565) Local Government District (LGD), which was the only LGD where earnings were above £550 per week
- was lowest in the Causeway Coast and Glens LGD (£431), the only LGD where earnings were below £450 per week.

Figure 8: Median Gross Weekly Earnings in Northern Ireland by place of work, April 2018



Further information is available on the NISRA - Economic and Labour Market Statistics website: Annual Survey of Hours and Earnings

#### 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.

The definition of unemployment rate is the percentage of economically active people who are unemployed.

Please note that it is possible for the number of unemployed to increase and the unemployment rate to fall during the same period, as the latter measure is a ratio e.g. if the number of economically active has increased at a faster rate than the number unemployed, the unemployment rate will fall.

#### 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.

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

The ILO measures are particularly useful for examining short term and long term trends over time and key LFS time series data are available both seasonally adjusted and unadjusted.

# LFS economic inactivity

Economic inactivity is defined as those individuals who are neither in employment nor unemployed as determined by the ILO measure. This economic status includes all those who are looking after a home, are long term sick or disabled, are students or are retired.

# Reporting Change and Sampling variability

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. Table 3 shows the sampling variability of the estimates, and quarterly and annual changes using 95% confidence intervals. We would expect that in 95% of samples the range would contain the true value. The final column contains the sampling variability that can be used when assessing change between two independent samples. Due to the LFS five wave structure, this means it can be used to assess changes over six quarters or more. The confidence intervals have been calculated using data that are not seasonally adjusted, with the relevant sampling errors produced then applied to the seasonally adjusted data.

If the 'quarterly or annual change' of an estimate is larger than the 'sampling variability of the change', the change is statistically significant. If none of the reported changes over the year or the quarter were statistically significant, then the recorded changes did not exceed the variability expected from a sample survey of this size.

Table 3: Sampling variability of labour market estimates

February-April 2019	Estimate	Sampling variability of estimate	Change over quarter	Sampling variability of quarterly change	Change over year	Sampling variability of annual change	Sampling variability of change
Unemployment <sup>1</sup>	28,000	+/-6,000	-3,000	+/-6,000	-1,000	+/-9,000	+/-10,000
Employment <sup>2</sup>	865,000	+/-19,000	7,000	+/-14,000	21,000	+/-28,000	+/-30,000
Economically inactive <sup>2</sup>	575,000	+/-17,000	-2,000	+/-13,000	-14,000	+/-25,000	+/-28,000
Unemployment rate <sup>1</sup>	3.1%	+/-0.7pps	-0.4pps	+/-0.7pps	-0.2pps	+/-1.1pps	+/-1.1pps
Employment rate <sup>2</sup>	71.3%	+/-1.4pps	0.4pps	+/-1.0pps	1.5pps	+/-2.0pps	+/-2.2pps
Economic inactivity rate <sup>2</sup>	26.4%	+/-1.4pps	0.0pps	+/-1.0pps	-1.4pps	+/-2.0pps	+/-2.2pps

<sup>&</sup>lt;sup>1</sup> People aged 16 and over. Unemployment rate = total unemployed as a proportion of the economically active.

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#### Please see link for further LFS notes and definitions: LFS Background Information

#### Response Rates – Updated quarterly (last updated 14/05/19)

The total eligible sample for the January-March 2019 LFS consisted of 3,655 addresses (1,124 chosen at random from the Valuation & Lands Agency list of domestic properties and 2,531 carried forward from the previous quarter). A random start, fixed interval sampling technique of the addresses, which are ordered by Council Area and Ward, is used. This ensures a proportional representation across the Council Areas in Northern Ireland.

Only private household addresses were eligible, since the LFS is a survey of the private household population. Every selected address is interviewed on five successive occasions, such that in any one quarter, a fifth of the sample will be receiving their first interview, one fifth their second and so on, with one fifth receiving their fifth and final interview. This results in an 80% sample overlap between quarters.

Table 4: Response rates, January-March 2019

Fully and partially responding	2,555
Eligible sample	3,655
Response rate (%)	69.9%

<sup>\*</sup>Of the addresses sampled, a small number contained more than one household and some contained households which moved during the quarter. Residents in NHS hospital accommodation (formerly called nurses' homes) and students living in halls of residence or boarding schools are included to improve the coverage of young people.

#### LFS Comparisons

Estimates of employment, unemployment, and economic inactivity are derived from the LFS. The most robust estimates of short-term movements in these estimates are obtained by comparing the estimates over separate three month periods. For example, estimates relating to February- April 2019 should be compared with the estimates for November-January 2019. This provides a more robust estimate than comparing with the estimates for January-March 2019, as the February and March data are included within both estimates. Effectively, observed differences are those between the individual months of January 2019 and April 2019. The LFS is sampled such that it is representative of the NI population over a three month period, not for single month periods.

<sup>&</sup>lt;sup>2</sup> Levels for all persons aged 16 and over, rates for working age (16-64).

# Seasonal adjustment

All estimates discussed in this Statistical Bulletin are seasonally adjusted unless otherwise stated. Like many economic indicators, the labour market is affected by factors that tend to occur at around the same time every year, for example, school leavers entering the labour market in July and whether Easter falls in March or April. To compare over months or quarters, the data are seasonally adjusted to remove the effects of seasonal factors and the arrangement of the calendar.

#### **Thresholds**

Thresholds are used to determine whether LFS data are suitably robust for publication. The threshold used for the quarterly LFS datasets is 8,000. As such, data below 8,000 are suppressed.

#### LFS revisions

LFS microdata are routinely revised to incorporate the latest population estimates. The latest revisions were published in February 2019 and affect LFS data from the period June-August 2011 onwards. In addition, data from November-January 2018 onwards also reflects a boost to the LFS sample that has been rolled out from January 2018 beginning with wave 1 and will be fully implemented through all 5 waves by April-June 2019. A review of seasonal adjustment methodology has also taken place and affects seasonally adjusted data from June-August 2011 onwards. The majority of revisions to the unemployment rate fell within +/-0.1 percentage points and the largest revision was -0.3pps; the working age employment rate mostly fell within +/- 0.1 percentage points and the largest revision was 1.0pps. More information on the revision policy concerning labour market statistics can be found through the following link: Labour market statistics revisions policy

# Experimental Claimant Count (Jobseekers Allowance claimants <u>plus</u> some out-of-work Universal Credit claimants)

In March 2018, the NI JSA-only claimant count was replaced by an experimental measure based on JSA claimants plus out-of-work UC claimants who were claiming principally for the reason of being unemployed.

The new claimant count is categorised as experimental as the statistics are in the testing phase and not yet fully developed. The ONS have produced a useful 'Guide to Experimental Statistics' and an FAQ document explaining the difference between the two measures is available on the NISRA website.

The experimental Claimant Count data are *no longer* included in the Labour Market Report. The data tables are published on the <u>NISRA</u> website and counts are available from <u>NOMIS</u>.

# **Redundancy Legal Requirements**

Under the Employment Rights (Northern Ireland) Order 1996 (amended 8 October 2006), companies are only legally required to notify the Department of impending redundancies of 20 or more employees. Companies who propose less than 20 redundancies are not included in the statistics, so there is likely to be an undercount.

# **Annual Survey of Hours and Earnings (ASHE)**

Please note, changes in NI earnings over the year and relative to the UK can be influenced by a range of factors including the timing of pay settlements, the extent of overtime and differences in the composition of the workforce. As ASHE is a sample survey, results are also subject to an associated level of sampling variability. Further information is available at: Northern Ireland Annual Survey of Hours and Earnings

# **Quarterly Employment Survey (QES)**

All QES data contained in the LMR are adjusted for seasonality. The seasonally adjusted series started in 2005. Public sector and private sector series are seasonally adjusted separately to the industry breakdowns. As such, the two series may differ at the NI level.

#### Revisions

QES estimates are revised quarterly to reflect the latest information provided to the Department by employers. The December 2018 seasonally adjusted estimate first published in March 2019 has subsequently been revised up 0.1%. For further details of QES revisions please see the following link: QES Revisions

#### **Pre Release Access**

The UK Office for National Statistics (ONS) announced the removal of early access by Ministers and officials to all ONS official statistics from 1 July. For further information please see <u>correspondence</u> between John Pullinger the National Statistician on this issue and the <u>reply</u> from Sir David Norgrove, the Chair of the UK Statistics Authority.

As a number of ONS publications affected by this decision include Northern Ireland (NI) level statistics, NISRA also removed early release access for NI officials to the equivalent NISRA publications and associated economic output statistics. This is based on analysis of the proxy nature of NI data for UK trends. The Labour Market Report published on 12<sup>th</sup> July 2017 was the first release under these new arrangements.

The Northern Ireland Statistics and Research Agency wishes to thank the participating households for their co-operation in agreeing to take part in the survey and for facilitating the collection of the relevant data.

#### For further information contact:

Carly Gordon
Economic & Labour Market Statistics Branch,
Floor 1
Colby House
Stranmillis Court,
BT9 5RR

Tel: (028) 9025 5172

Email: economicstats@nisra.gov.uk

Web: <u>Labour Force Survey</u> Twitter: <u>@ELMSNISRA</u>

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