



October 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 June-August 2019 indicate that, over the quarter, the unemployment rate and employment rate decreased while the economic inactivity rate increased.
- The LFS indicated that the NI unemployment rate (16+) decreased over the quarter (0.2pps) and over the year (1.1pps) to one of the lowest rates on record (2.9%) in June-August 2019. The annual change was statistically significant. The NI unemployment rate was below the UK rate (3.9%), the Republic of Ireland rate (5.3%) and the EU rate (6.3%).
- The proportion of people aged 16 to 64 in work (the employment rate) decreased over the quarter (0.3pps) and increased over the year (1.7pps) to 71.5%. Although recent changes were not statistically significant, the employment rate was significantly above rates in late-2017. The latest employment rate recorded for the whole of the UK was 75.9%.
- 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) increased by 0.4pps over the quarter and decreased by 0.9pps over the year to 26.4%. Although recent changes were not statistically significant, the economic inactivity rate was significantly below rates in mid-2017. The NI economic inactivity rate remained above the UK rate (21.0%).
- There were 1,452 proposed redundancies and 286 confirmed redundancies notified to the Department in September 2019. The proposed redundancies is the highest monthly total since 2003. The number of confirmed redundancies (1,976) in the most recent 12 months was lower than the previous 12 months (2,896).

## **Contents**

1. Summary of labour market statistics	4
- Labour market summary table	4
- Infographic summary	7
- Things users need to know	8
- Context	8
2. Unemployment	9
- LFS unemployment	9
- Redundancies	11
3. Employment	13
- LFS employment	13
- Quarterly Employment Survey (QES)	15
- Vacancies	17
4. Economic Inactivity	18
- LFS economic inactivity	18
5. Earnings	20
- Annual Survey of Hours and Earnings	20
Allitadi Salvey of Flours and Lamings	20
6. Further Information	22
7. Index of Tables	26



## **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 Report 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 October 2019** 

## Change over quarter

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

• the unemployment rate decreased by 0.2pps to 2.9%

the employment rate decreased by 0.3pps to 71.5%

• the economic inactivity rate increased by 0.4pps to 26.4%

Not statistically significant Not statistically significant Not statistically significant

### During September 2019 there were:

• 286 confirmed redundancies notified to the Department, higher than the previous month's total of 121.

Table 1: Labour Market	Time Period	Estimate	Change over	Change over
Summary		(Confidence interval)	quarter (Confidence interval)	year (Confidence interval)
Unemployment <sup>1</sup>	Jun-Aug 2019	26,000	-2,000	-10,000
		(+/-6,000)	(+/-6,000)	(+/-9,000)
Employment <sup>2</sup>	Jun-Aug 2019	863,000	-8,000	19,000
		(+/-19,000)	(+/-18,000)	(+/-28,000)
Economically inactive <sup>2</sup>	Jun-Aug 2019	581,000	12,000	-3,000
		(+/-19,000)	(+/-18,000)	(+/-28,000)
Unemployment rate <sup>1</sup>	Jun-Aug 2019	2.9%	-0.2pps	-1.1pps
		(+/-0.6)	(+/-0.6)	(+/-1.0)
Employment rate <sup>2</sup>	Jun-Aug 2019	71.5%	-0.3pps	1.7pps
		(+/-1.5)	(+/-1.4)	(+/-2.3)
Economic inactivity rate <sup>2</sup>	Jun-Aug 2019	26.4%	0.4pps	-0.9pps
	_	(+/-1.5)	(+/-1.4)	(+/-2.2)
Redundancies <sup>3</sup>	Sept 2019	286		

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LFS data are seasonally adjusted

More information on understanding confidence intervals is available on the LFS Background Information section of the NISRA website

<sup>-</sup> Estimating and reporting uncertainty paper

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 June-August 2019 showed that over the year:

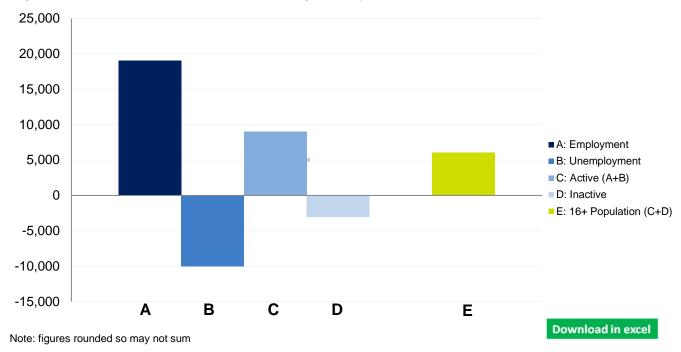
- the unemployment rate decreased by 1.1pps (to 2.9%)
- the employment rate increased by 1.7pps (to 71.5%)
- the economic inactivity rate decreased by 0.9pps (to 26.4%)

Statistically significant Not statistically significant Not statistically significant

Over the latest twelve month period there were:

• 1,976 confirmed redundancies which was a decrease of 32% from the previous year (2,896).

Figure 1: NI labour market structure: change over year



## **UK** summary

Seasonally adjusted LFS estimates for the UK for the period June-August 2019 showed:

- the unemployment rate (3.9%) increased over the quarter by 0.1pps and decreased by 0.2pps over the year
- the employment rate (75.9%) decreased over the quarter by 0.2pps and increased by 0.3pps over the year
- the economic inactivity rate (21.0%) increased over the quarter by 0.1pps and decreased over the year by 0.2pps.

### Commentary

The Labour Force Survey shows that the employment rate decreased over the quarter to (71.5%), while the unemployment rate decreased to one of its lowest rates of 2.9% and economic inactivity increased to 26.4%.

Despite the quarterly decrease, the employment rate at 71.5% is one of the highest on record and significantly above rates in 2017. Similarly the economic inactivity rate remains significantly below rates in mid-2017.

Although the NI unemployment rate remains below the UK rate and is the second lowest of all the UK regions, NI has the second lowest employment rate and highest inactivity rate in the UK.

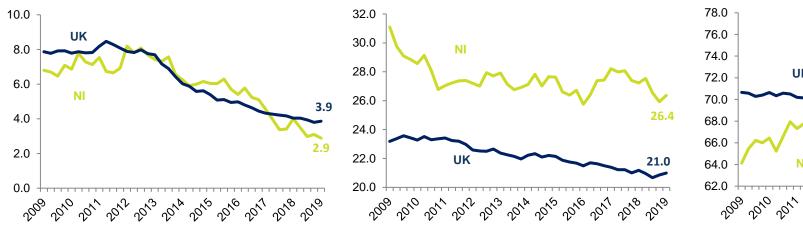
Further information is available on the NISRA - Economic and Labour Market Statistics website: LMR Headline Tables.

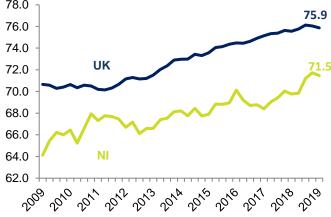
# June - August 2019



## **Economic Inactivity – 26.4%**

## **Employment – 71.5%**





Quarterly Change

NI - 0.2pps<sup>1</sup>

L UF

UK 0.1pps

NI +0.4pp

1

**UK** +0.1pps

NI -0.3pps

1

**UK** -0.2pps

1

Annual Change

NI -1.1pps

1

**UK** -0.2pps

NI - 0.9pps

1

**UK** -0.2pps

NI +1.7

1

**UK** +0.3pps



pps<sup>1</sup> = percentage points

Labour Force Survey, seasonally adjusted and subject to future revisions.

Data published – 15th October 2019



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>.

More information on the production of LFS outputs can be found in the NISRA website:

- LFS Summary Process Diagram
- Background to the Labour Force Survey
- Background Quality Report

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 <u>NOMIS</u>.

#### 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> section 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 over the year to 2.9%
- The NI unemployment rate has remained below the UK rate since mid-2017
- The UK unemployment rate is at 3.9%

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

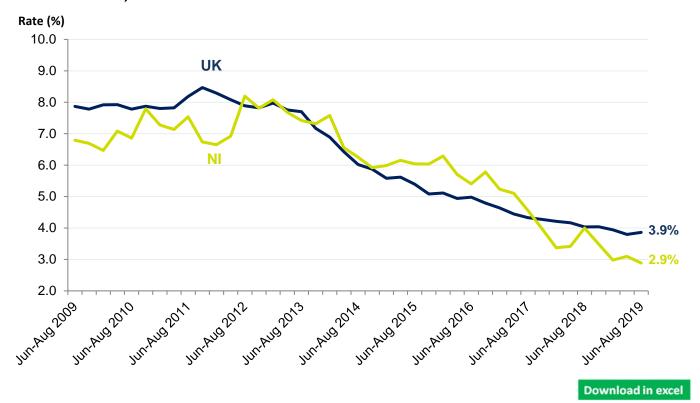


Figure 2 shows unemployment rates on the current 3 month rolling average for NI and the UK over the last decade. The unemployment rate in NI peaked at over 8% in 2012 and is now at a one of its lowest points at 2.9% in June-August 2019. This is in line with the recent trends in the UK unemployment, where the rate is

also at one of its lowest points at 3.9% in June-August 2019. The NI unemployment rate has been below the UK rate since mid-2017.

## LFS unemployment

The unemployment rate (16+) for the period June-August 2019 was estimated at 2.9%, this was:

- a decrease of 0.2pps over the quarter
- · a decrease of 1.1pps over the year

The number of unemployed persons aged 16+ was estimated at 26,000, which was:

- down 2,000 from last quarter
- down 10,000 from the same period last year

## **UK regional and international LFS comparisons**

The most recent NI unemployment rate (2.9%) was:

- below the overall UK average rate (3.9%)
- the second lowest rate among the twelve UK regions (higher than the unemployment rate for South West)
- below the European Union (6.3%) rate for July 2019 and Republic of Ireland (5.3%) rate for July 2019

## Long-term and youth unemployment

The percentage of unemployed who have been unemployed for 1 year or more (long-term) was 33.2%, which was:

- down 18.5pps from the same point last year
- higher than the UK average rate (24.3%).

The youth unemployment rate for June-August 2019 was 8.7%. This is lower than the UK youth unemployment rate of 13.0%.

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

#### Redundancies

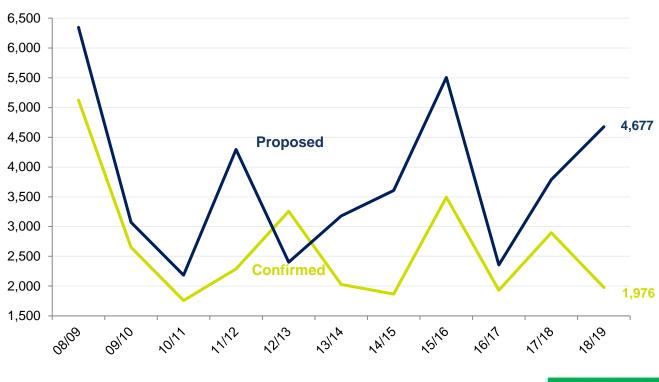
Under the Employment Rights (Northern Ireland) Order 1996 (Amended 8 October 2006) companies are only legally required to notify the Department of impending redundancies of 20 or more employees. Companies who propose less than 20 redundancies are not included in the statistics. As a result, the figures 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**

- 286 confirmed redundancies in September 2019
- 34% of redundancies confirmed in the Manufacturing sector in the last year
- 1,452 redundancies were proposed in September 2019 compared to 331 in August 2019

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



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#### **Confirmed redundancies**

During September 2019, the Department was notified of:

• 286 confirmed redundancies, higher than the previous month's total of 121.

Over the latest twelve month period there were:

- 1,976 confirmed redundancies, which was a decrease of 32% from the previous year (2,896)
- 677 (or 34%) confirmed in manufacturing, which was lower than the previous year (1,131 or 39%)
- 548 (28% of all confirmed redundancies) in the wholesale and retail trade; repair of motor vehicles and motorcycles
- a further 272 (14% of all confirmed redundancies) in administrative and support service activities.

### **Proposed redundancies**

In September 2019, there were:

- 1,452 proposed redundancies, compared with the previous monthly total of 331 proposed redundancies.
- The number of proposed redundancies is the highest calendar month total since 2003.

Over the latest twelve month period there were:

- 4,677 proposed redundancies, which was an increase from the previous year (3,788)
- 2,084 (45%) proposed in manufacturing, which was higher than one year ago (1,004 or 27%)
- 1,431 (31% of all proposed redundancies) in the wholesale and retail trade; repair of motor vehicles and motorcycles
- a further 425 (9% 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

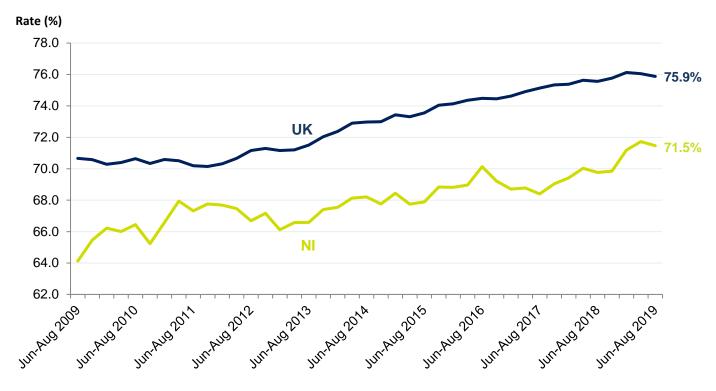
**LFS employed:** people aged 16 or over who did at least one hour of paid work in the reference week (whether as an employee or self-employed); those who had a paid job that they were temporarily away from; those on government-supported training and employee programmes and those doing unpaid family 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 decreased over the quarter and increased over the year to 71.5%
- NI employment rate remained below the UK average and was the second lowest of the twelve UK regions
- UK employment rate is at 75.9%

Figure 4: Seasonally adjusted employment rate, Jun-Aug 2009 to Jun-Aug 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, but showing a similar upward trend. The most recent NI employment rate for those aged 16-64 for the period June-August 2019 was estimated at 71.5%, one of the highest in the series. Similarly, the UK employment rate for those aged 16-64 was one of the highest in the series, 75.9%. Increases were experienced in both male and female employment rates over the year.

### **Employment 16-64**

The most recent NI employment rate for those aged 16-64 for the period June-August 2019 was estimated at 71.5%. This represents:

- a decrease of 0.3pps over the quarter
- an increase of 1.7pps over the year.

Annual changes by gender included:

- the male (16-64) employment rate (76.0%) increased by 3.2pps over the year
- the female (16-64) employment rate (67.0%) increased by 0.2pps over the year

## Regional comparison

The employment rate in NI (71.5%) was:

- below the UK average (75.9%)
- the second lowest rate among the twelve UK regions (higher than the employment rate for North East, 71.2%)
- This is only the fifth time in the past five years that Northern Ireland has not had the lowest employment rate of the 12 UK regions.

## **Employment 16+**

The number of persons in employment (16+) during the period June-August 2019 was estimated at 863,000, which was:

- a decrease of 8,000 over the quarter
- an increase of 19,000 over the year.

## **Employment by gender**

Of those aged 16+ in employment, 53% (458,000) were male and 47% (406,000) were female. Annual changes by gender included:

- the number of males who were employed increased over the year by 23,000 to 458,000
- the number of females who were employed decreased over the year by 4,000 to 406,000

#### **Self-Employment**

Of those aged 16+ in employment, 15.5% (134,000) were self-employed. Annual changes by gender included:

- the number of males who were self-employed increased over the year by 15,000 to 100,000
- the number of females who were self-employed decreased over the year by 4,000 to 34,000

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

## Quarterly Employment Survey (QES) – First published September 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 June 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, June 2009 to June 2019

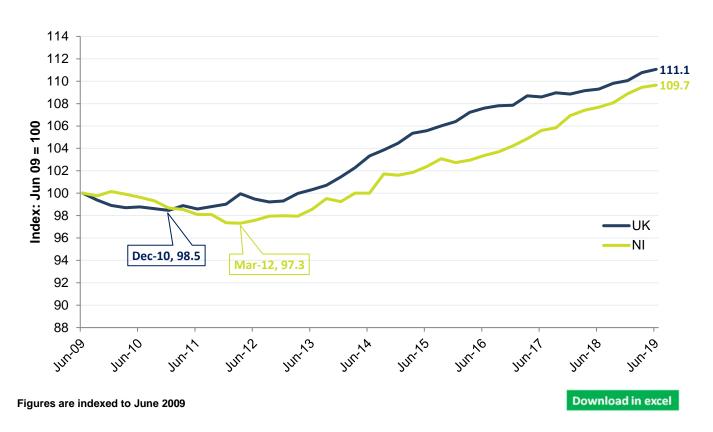


Figure 5 shows the estimated seasonally adjusted employee jobs, indexed to allow comparison between NI and the UK.

The UK reached its lowest point in December 2010, more than a year before the NI low in March 2012. There are now 87,610 more employee jobs in NI since March 2012, and 3,493,000 more jobs in the UK since December 2010.

## **Employee Jobs**

The seasonally adjusted employee jobs total in Northern Ireland at June 2019 was 778,890, which was:

- an increase of 0.2% (1,380 jobs) from the revised March 2019 estimate of 777,510.
- an increase of 1.8% (14,020 jobs) over the year from the revised June 2018 estimate of 764,870. The annual increase in employee jobs was statistically significant.

## Employee jobs by sector

The seasonally adjusted quarterly change consisted of:

- increases in the construction (1.6% or 550 jobs), services (0.1% or 460 jobs) and other industries sectors (2.1% or 490 jobs).
- a decrease in the manufacturing sector (-0.1% or -130 jobs).
- an increase of 0.3% (1,650 jobs) in the private sector.
- an increase of 0.5% (960 jobs) in the public sector.

Over the year to June 2019:

- increases were seen in the manufacturing (2.1% or 1,790 jobs), construction (2.9% or 970 jobs), services (1.7% or 10,300 jobs) and other industries sectors (4.1% or 960 jobs).
- the private sector increased by 2.2% (12,040 jobs).
- the public sector increased by 1.0% (2,100 jobs).

Private sector employee jobs have grown to a series high in June 2019 (569,510 jobs), and are now 11.1% above the pre-downturn peak which occurred in June 2008. Public sector jobs showed an increase over the year to June 2019 to 209,680 jobs. There are now 18,500 fewer public sector jobs than the public sector series peak in September 2009 (-8.1%).

Further information is available on the NISRA - Economic and Labour Market Statistics <u>website</u> and further breakdowns of employee jobs by geography and industry are available from the <u>Business</u> <u>Register and Employment Survey 2017</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 August 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.

Following the centralisation of the vacancy management process, caution should be taken when comparing the most recent quarter's statistics with the same quarter last year.

## **Key Findings**

There were 18,607 vacancies notified in the second quarter of 2019

Table 2: Monthly Notified Vacancies, 2018-2019

Date	Full-time	Part-time	Casual	Total
Jul-18	2,882	1,272	286	4,440
Aug-18	3,844	1,756	345	5,945
Sep-18	3,322	1,668	311	5,301
Oct-18	3,744	1,642	357	5,743
Nov-18	3,067	1,323	247	4,637
Dec-18	1,916	764	136	2,816
Jan-19	3,501	1,423	321	5,245
Feb-19	2,698	1,230	282	4,210
Mar-19	2,893	1,291	250	4,434
Apr-19	3,849	1,374	568	5,791
May-19	4,615	1,639	497	6,751
Jun-19	4,174	1,422	469	6,065
Total	40,505	16,804	4,069	61,378

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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.

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 April-June 2019 was published in July 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 increased 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), Jun-Aug 2009 to Jun-Aug 2019

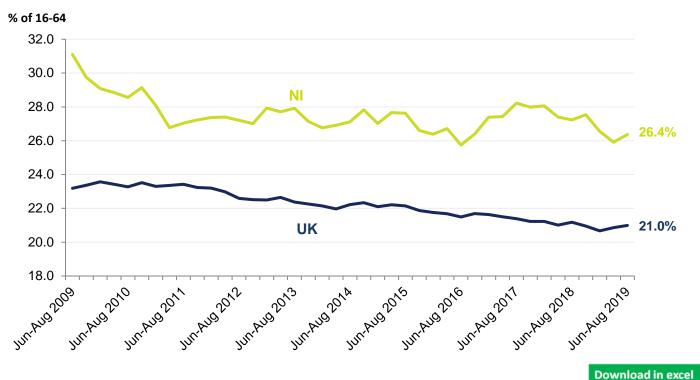


Figure 6 shows that, over the last 10 years, economic inactivity in NI has been consistently higher than the UK average. During the past 10 years, the UK inactivity rate has mostly been on a downward trend. Though the latest quarter shows a slight uptick in economic inactivity, economic inactivity in NI has mostly been decreasing from 2017, following a period of increasing inactivity between 2016 and 2017.

#### **Economically inactive**

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

- an increase of 0.4pps over the quarter
- a decrease of 0.9pps over the year.

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

- an increase of 5,000 over the quarter
- a decrease of 10,000 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 (21.0%)
- 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.

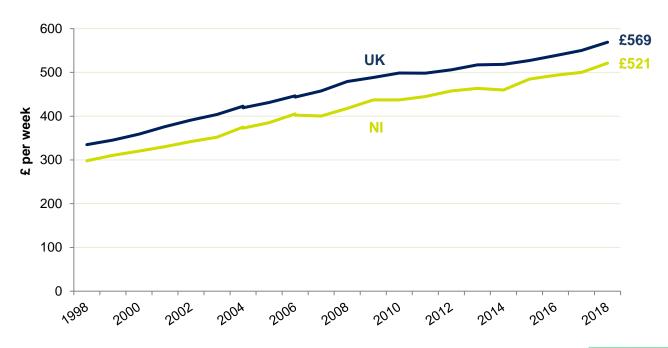
**Median** measures the amount earned by the average individual, i.e. the level of earnings at which half the population are above and half the population are below.

**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

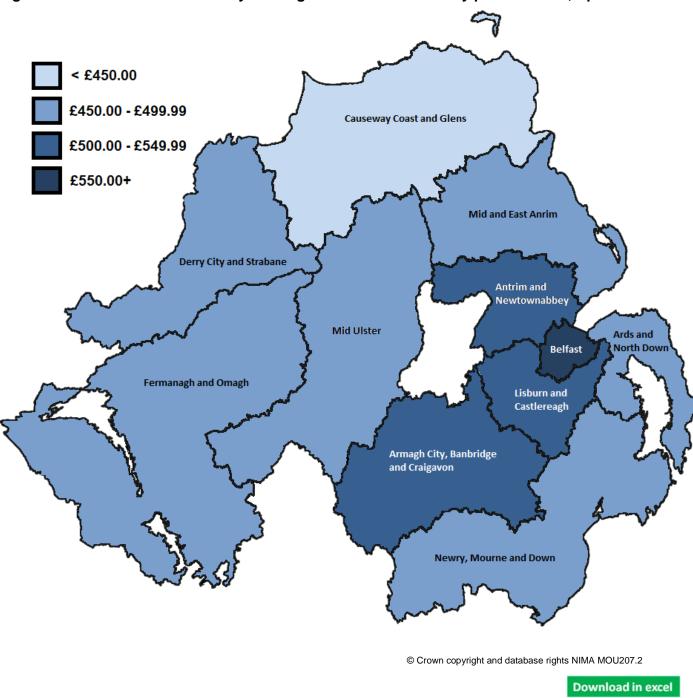
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The median gross weekly earnings for full-time employees in NI at April 2018:

- 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

6

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 confidence interval 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 'confidence interval around 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

June-August 2019	Estimate	Confidence interval around estimate	Change over quarter	Confidence interval around quarterly change	Change over year	Confidence interval around annual change	Confidence interval around change
Unemployment <sup>1</sup>	26,000	+/-6,000	-2,000	+/-6,000	-10,000	+/-9,000	+/-10,000
Employment <sup>2</sup>	863,000	+/-19,000	-8,000	+/-18,000	19,000	+/-28,000	+/-30,000
Economically inactive <sup>2</sup>	581,000	+/-19,000	12,000	+/-18,000	-3,000	+/-28,000	+/-29,000
Unemployment rate <sup>1</sup>	2.9%	+/-0.6pps	-0.2pps	+/-0.6pps	-1.1pps	+/-1.0pps	+/-1.1pps
Employment rate <sup>2</sup>	71.5%	+/-1.5pps	-0.3pps	+/-1.4pps	1.7pps	+/-2.3pps	+/-2.4pps
Economic inactivity rate <sup>2</sup>	26.4%	+/-1.5pps	0.4pps	+/-1.4pps	-0.9pps	+/-2.2pps	+/-2.3pps

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

**Download in excel** 

Please see link for further LFS notes and definitions: <u>LFS Background Information</u>

### Response Rates – Updated quarterly (last updated 13/08/2019)

The total eligible sample for the April-June 2019 LFS consisted of 3,670 addresses (1,124 chosen at random from the Valuation & Lands Agency list of domestic properties and 2,546 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, April-June 2019

Fully and partially responding	2,655
Eligible sample	3,670
Response rate (%)	72.3%

<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 June-August 2019 should be compared with the estimates for March-May 2019. This provides a more robust estimate than comparing with the estimates for May-July 2019, as the June and July data are included within both estimates. Effectively, observed differences are those between the individual months of May 2019 and August 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 March 2019 seasonally adjusted estimate first published in June 2019 has subsequently been revised down 0.1%. For further details of QES revisions please see the following link: QES Revisions

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.

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## 7 Index of Web Tables

Tab	le No	. Title
·		

## **Labour Force Survey**

### **Labour Market Status**

2.1	<u> Labour Market Structure – Seasonally Adjusted</u>
2.2	Labour Market Structure
2.3	Economic Activity by Age Including Rates
2.4	Economic Inactivity Reasons 16-64
2.5	Economically Inactive Who Want Work 16-64
2.6	Economically Inactive Who Do Not Want Work 16-64
2.7	Economically Inactive by Age Including Rates
2.8	Employment by Category
2.9	Actual Weekly Hours of Work
2.10	Employment by Age Including Rates
2.11	Unemployment by Age
2.12	<b>Unemployment by Duration of Employment</b>
2.13	International Comparisons of Unemployment

## Labour Market Status – Updated quarterly – last updated 13.08.19

Employment by age
Females working part-time by reason
Employment by industry section
Employment by occupation
Employment by sex and local government district
Economic activity by sex and local government district
Economic inactivity by sex
Economically inactive by age
Economic inactivity by reason
Economic inactivity by local government district
Self-employment by sex
Self-employment by age group
Highest qualification of the self-employed and those in employment
Self-employed persons by industry section
Self-employed persons by occupation

## Education and Training – last updated 13.08.19

2.31	Highest qualification by labour market status
2.32	Employees receiving job-related training by age group

## Disability and the Labour Market - last updated 13.08.19

2.33	Disability by age and sex
2.34	Highest qualification of persons with or without a disability
2.35	Labour market status of persons with or without a disability

## Graduates - last updated 13.08.19

2.36	Number of NI graduates
2.37	Number of graduates by age

2.39 Occupational groups for graduates and non-graduates

## Not in Education, Employment or Training (NEET) - last updated 22.08.19

2.40	Not in Education Employment or Training (NEET) 16-24
2.41	Labour Market status of young people aged 16-24

2.42 NEET rate by UK country 16-24

## Households – last updated 28.08.19

2.43	Household type NI and UK
2.44	Households by combined labour market status of household members
2.45	Economic activity rates for females 16-64 by number of dependent children
2.46	Economic activity rates for females 16-64 with and without dependent children by age
2.47	Economic activity rates for females 16-64 by age of youngest dependent child

## **Claimant Count (Experimental)**

3.1	Headline Time Series
3.2	Age Breakdown

3.3 <u>Geographical Breakdown</u>

a. Local Government District (new 11 councils)b. Local Government District (old 26 councils)

c. Parliamentary Constituency Area

d. Travel-to-work Area

e. Ward

## Redundancies

4.1	Council Area
4.2	Parliamentary Constituency
4.3	Travel-to-Work Area
4.4	Standard Industrial Classification

## **Quarterly Employment Survey**

5.1	Northern Ireland Seasonally Adjusted Employee Jobs by Gender – June 2019
5.2	Northern Ireland Seasonally Adjusted Employee Jobs by Industry Section December
	<u>2005 – June 2019</u>
5.3	Northern Ireland Unadjusted Employee Jobs by Industry Section - December 2005 -
	<u>June 2019</u>
5.4	Northern Ireland Employee Jobs (Unadjusted) by Industry Section – June 2019
5.5	Northern Ireland Unadjusted Employee Jobs by Industry Section – June 2018, March
	2019 and June 2019
5.5b	Northern Ireland Seasonally Adjusted Employee Jobs by Industry Section – June
	2018, March 2019 and June 2019
5.6	Northern Ireland Unadjusted Employee Jobs by Industry Section – June 2019
5.7	Northern Ireland Unadjusted Public Sector Jobs – June 2019
5.8	Northern Ireland Seasonally Adjusted Public and Private Sector Employee Jobs
	<u>December 2005 – June 2019</u>

5.9	Northern Ireland Unadjusted Public and Private Sector Employee Jobs December
	<u>2005 – June 2019</u>
5.10	Northern Ireland Employee Jobs by SIC code June 1971 to June 2019
5.11	Northern Ireland Employee Jobs by broad industry sector December 1978 to June
	<u>2019</u>
5.12	Northern Ireland Employee Jobs for public sector December 2007 to June 2019
5.13	Northern Ireland Seasonally Adjusted Employee Jobs by Section Level March 2005-
	<u>June 2019</u>

## **Annual Survey of Hours and Earnings**

1.1	ASHE 2018 (provisional)
2.1	ASHE 2018 (provisional) by industry
2.2	ASHE 2018 (provisional) by occupation (2 digit)
2.3	ASHE 2018 (provisional) by occupation (4 digit)
2.4	ASHE 2018 (provisional) by age
2.5	ASHE 2018 (provisional) by public/private sector
2.6	ASHE 2018 (provisional) by skill level
3.1	ASHE 2018 (provisional) Local Government District (by place of work)
3.2	ASHE 2018 (provisional) Local Government District (by residence)
3.3	ASHE 2018 (provisional) Parliamentary Constituency (by place of work)
3.4	ASHE 2018 (provisional) Parliamentary Constituency (by residence)