

September 2018

Northern Ireland Labour Market Report

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

Key Points

- The latest Labour Force Survey (LFS) estimates for the period May-July 2018 indicate that, over the quarter, the employment rate and the economic inactivity rate both decreased while the unemployment rate increased. The number of people on the Northern Ireland claimant count (experimental) decreased in August 2018.
- The proportion of people aged 16 to 64 in work (the employment rate) decreased over the quarter (0.3pps) and increased over the year (1.1pps) to 69.3%. Although the quarterly and annual changes were not statistically significant, the increase from 2013 was statistically significant. The latest employment rate recorded for the whole of the UK was 75.5%.
- The LFS indicated that the NI unemployment rate (16+) increased over the quarter and decreased over the year to 4.0% in May-July 2018. Although the quarterly and annual changes were not statistically significant, the decrease from the beginning of 2017 was statistically significant.
- The UK unemployment rate (4.0%) decreased over the quarter and over the year to its joint lowest rate on record. The NI unemployment rate was the same as the UK unemployment rate, and below the European Union (6.9%) and Republic of Ireland (5.1%) rates (June 2018).
- 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) decreased by 0.2pps over the quarter and year to 27.7%. Although neither the annual nor quarterly changes were statistically significant, the decrease from 2009 was statistically significant.
- The number of people on the NI claimant count (experimental) decreased by 100 over the month to 28,000 in August 2018. Please note these figures include Jobseeker's Allowance Claimants and those claimants of Universal Credit who were claiming it principally for the reason of being unemployed.
- Businesses reported an increase in employee jobs over the quarter and year, to a series high of 765,100 jobs in June 2018. Increases were seen across all broad industry sectors over the quarter and year, with the services sector accounting for the majority of the quarterly and annual growth.
- During August 2018, 117 redundancies took place, a decrease from July's total (133).

This Labour Market Report (LMR) contains the following chapters:

1. Summary of labour market statistics

- Labour market summary table
- Infographic summary
- Context

2. Unemployment

- LFS unemployment
- Claimant count unemployment (experimental)
- Redundancies

3. Employment

- LFS employment
- Quarterly Employment Survey (QES)
- Vacancies

4. Economic inactivity

- LFS economic inactivity

5. Earnings

- Annual Survey of Hours and Earnings

6. Further Information

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National Statistics

The United Kingdom Statistics Authority has designated these statistics* as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Official Statistics. They are awarded National Statistics status following an assessment by the Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

It is a producer's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

Experimental Statistics

From 21st March 2018 the Claimant Count based on Jobseeker's Allowance has been replaced by an experimental measure based on Jobseeker's Allowance Claimants and those out-of-work Universal Credit claimants who were claiming principally for the reason of being unemployed. Please see Further Information Section 6 for more details.

1 Summary of Labour Market Statistics

Updated September 2018

Change over quarter / month

Seasonally adjusted LFS estimates for Northern Ireland for the period May-July 2018 showed that, over the quarter:

- the unemployment rate (4.0%) increased by 0.7pps
- the employment rate (69.3%) decreased by 0.3pps
- the economic inactivity rate (27.7%) decreased by 0.2pps

None of the reported changes over the quarter were statistically significant i.e. the recorded changes did not exceed the variability expected from a sample survey of this size and are not likely to reflect real change.

The seasonally adjusted experimental claimant count (Jobseekers Allowance plus some out-of-work claimants of Universal Credit) showed that, in August 2018, there was:

- a decrease of 100 over the month to 28,000.

During August 2018 there were:

- 117 confirmed redundancies notified to the Department, down from 133 in the previous month.

The employee jobs total in Northern Ireland at June 2018 was 765,100 representing:

- an increase of 2,550 over the quarter from the revised March 2018 estimate of 762,550.

Table 1: Northern Ireland Labour Market Summary with sampling variability

May-Jul 2018	Estimate	Change over quarter (Sampling variability of change)	Change over year
Unemployment ¹	35,000	6,000 (+/-9,000)	-11,000 (+/-13,000)
Employment ²	848,000	4,000 (+/-19,000)	21,000 (+/-32,000)
Economically inactive ²	586,000	-9,000 (+/-17,000)	-4,000 (+/-29,000)
Unemployment rate ¹	4.0%	0.7pps (+/-1.0pps)	-1.3pps (+/-1.5pps)
Employment rate ²	69.3%	-0.3pps (+/-1.4pps)	1.1pps (+/-2.4pps)
Economic inactivity rate ²	27.7%	-0.2pps (+/-1.3pps)	-0.2pps (+/-2.3pps)
August 2018	Estimate	Change over month	Change over year
Claimant Count ³ (experimental)	28,000	-100	-1,700
Redundancies ⁴	117		

LFS, claimant count and employee jobs data are seasonally adjusted.

¹ People aged 16 and over. Unemployment rate = total unemployed as a proportion of the economically active.

² Levels for all persons aged 16 and over, rates for working age (16-64).

³ Jobseekers Allowance plus some out-of-work claimants of Universal Credit.

⁴ Confirmed redundancies in the calendar month.

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Change over year

Seasonally adjusted LFS estimates for Northern Ireland for the period May-July 2018 showed that over the year:

- the unemployment rate (4.0%) decreased by 1.3pps
- the employment rate (69.3%) increased by 1.1pps
- the economic inactivity rate (27.7%) decreased by 0.2pps.

None of the reported changes over the year were statistically significant i.e. the recorded changes did not exceed the variability expected from a sample survey of this size and are not likely to reflect real change.

The most recent measure of the claimant count (experimental) shows that in the year to August 2018, there was:

- a decrease of 1,700 to 28,000.

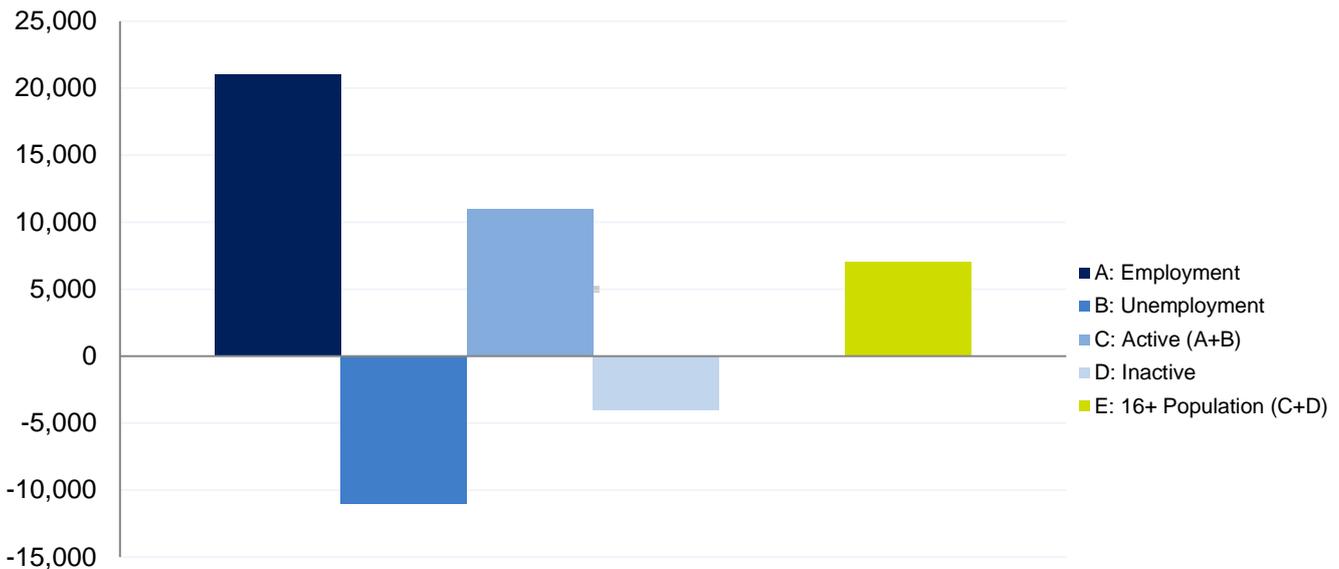
Over the latest twelve month period there were:

- 2,865 confirmed redundancies which was an increase of 35% from the previous year (2,127).

The employee jobs total in Northern Ireland at June 2018 was 765,100 jobs representing:

- an increase of 2.1% (15,550) from the revised June 2017 estimate of 749,550.

Figure 1: NI labour market structure: change over year



Note: figures rounded so may not sum

A

B

C

D

E

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UK summary

Seasonally adjusted LFS estimates for the UK for the period May-July 2018 showed:

- the joint lowest unemployment rate (4.0%) on record, which decreased by 0.2pps over the quarter and by 0.3pps over the year
- the employment rate (75.5%) decreased by 0.1pps over the quarter and increased by 0.2pps over the year
- the economic inactivity rate (21.2%) increased by 0.3pps over the quarter and was unchanged over the year.

Commentary

The unemployment rate for NI increased by 0.7ppps over the quarter and is now equivalent to the UK unemployment rate. This follows three quarters where the NI unemployment rate was below the UK. However, at 4.0% the May-July unemployment rate is still one of the lowest recorded for NI.

The employment rate decreased over the quarter and increased over the year. At 69.3% the employment rate is statistically significantly above rates estimated in 2013 but remains below the UK (75.5%) and the lowest of the UK regions. The economic inactivity rate (27.7%) decreased over the quarter and the year and is similar to rates 5 years ago. It continues to be the highest of the UK regions.

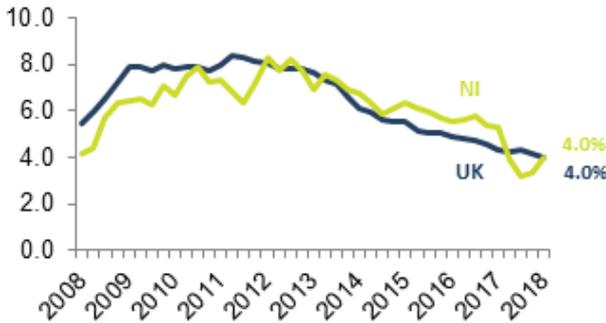
Businesses reported an increase in employee jobs over the quarter and year to June 2018. Increases were experienced across all broad industry sectors and dominated by an increase in service sector jobs.

Further information is available on the NISRA - Economic and Labour Market Statistics website: [LMR Headline Tables](#).

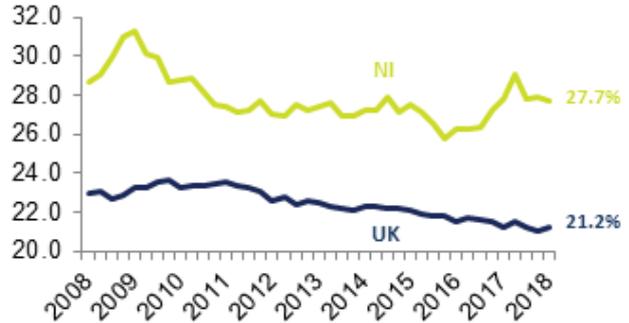
NISRA Labour Market Statistics

Labour Force Survey – May-July 2018

NI unemployment 4.0%
UK unemployment 4.0%



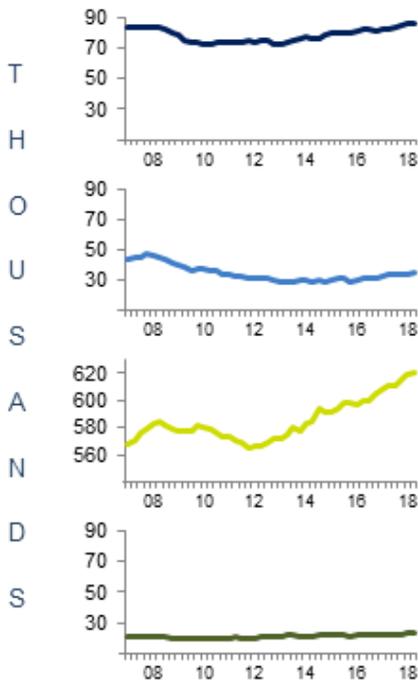
NI economic inactivity 27.7%
UK economic inactivity 21.2%



↑ NI Unemployment (May-Jul 2018)
Change on Quarter: +0.7 pps¹

↓ NI Inactivity (May-Jul 2018)
Change on quarter: -0.2 pps

Quarterly Employment Survey – June 2018



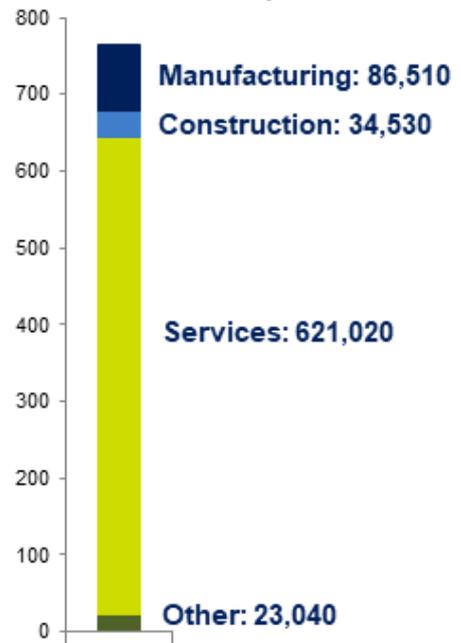
↑ Manufacturing
Change on Quarter: +0.9% (760)

↑ Construction
Change on Quarter: +0.4% (140)

↑ Services
Change on Quarter: +0.2% (1,430)

↑ Other
Change on Quarter: +1.0% (220)

Total employee jobs: 765,100



¹ pps = percentage points
 All data seasonally adjusted and subject to future revisions.
 Data published on 11th September 2018 by Economic and Labour Market Statistics branch (NISRA).

Context

The Labour Market Report is a monthly overview of Northern Ireland key labour market statistics. It includes figures from the Labour Force Survey (LFS), the claimant count, the Quarterly Employment Survey (QES) and the Annual Survey of Hours and Earnings (ASHE) as well as up-to-date redundancies data. More information about the data sources can be found in Section 6.

Comparative UK data produced by the ONS are presented where these are available. 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), 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 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 day of publication of the Labour Market Report.

Labour market statistics feature in the [DfE 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 NISRA website.

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

- [Explaining the concepts of employment, unemployment and economic inactivity](#)
- [Interpreting Labour Market statistics](#)
- [Guide to Labour Market Statistics](#)
- [Glossary](#)

Labour Force Survey

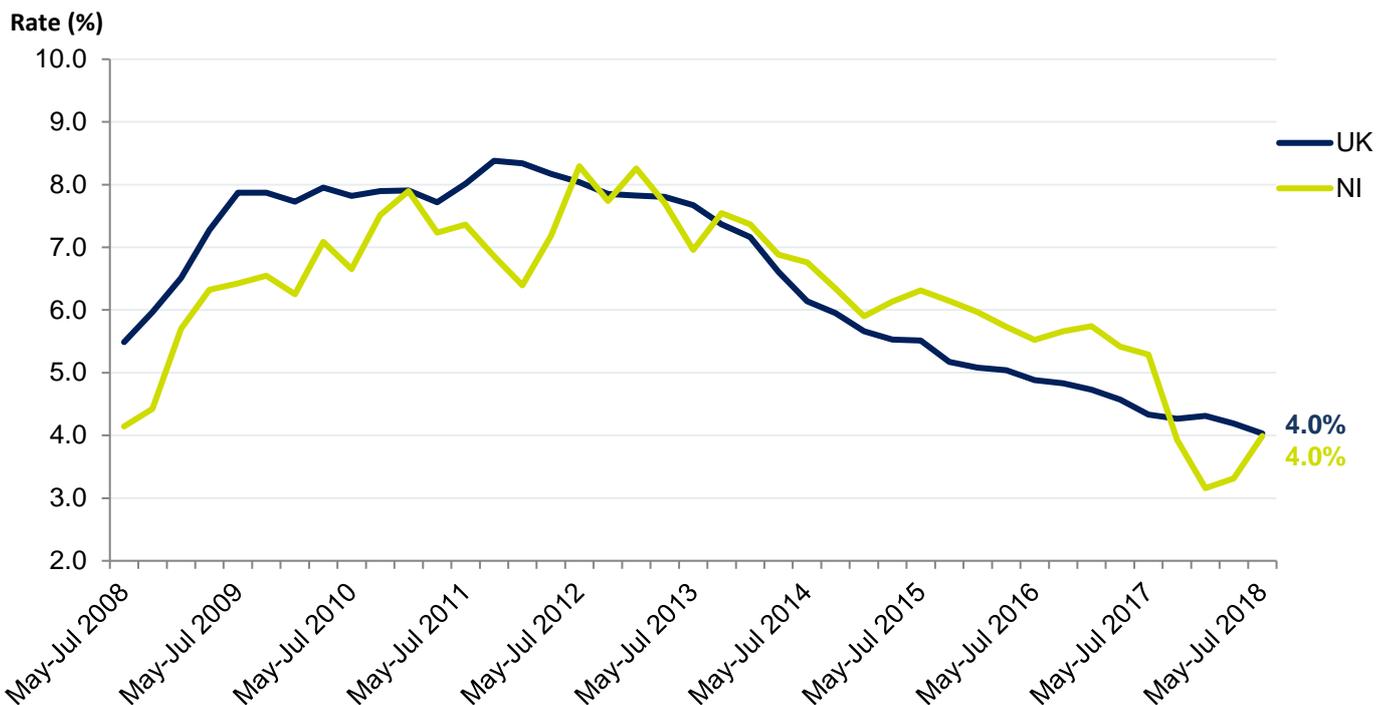
The Labour Force Survey (LFS) is a household sample survey carried out by interviewing individuals about their personal circumstances and work. It provides a rich source of information on the labour force using internationally agreed definitions. However, the estimates from it are subject to sampling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

LFS unemployment: The International Labour Organisation (ILO) defines unemployed as 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.

Key Findings

- LFS unemployment rate increased over the quarter and decreased over the year
- NI long-term unemployment rate increased over the year

Figure 2: Seasonally adjusted unemployment rate, May-Jul 2008 to May-Jul 2018



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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 8.3% in Nov-Jan 2013 which was more than double the most recent rate (4.0%). It is now equal to the UK rate, which is reporting the joint lowest rate on record.

LFS unemployment

The unemployment rate (16+) for the period May-July 2018 was estimated at 4.0%,

This was:

- an increase of 0.7pps over the quarter
- a decrease of 1.3pps over the year.

The number of unemployed persons aged 16+ was estimated at 35,000, which was:

- up 6,000 over the quarter
- down 11,000 over the year.

UK national and international LFS comparisons

The most recent NI unemployment rate (4.0%) was:

- the same as the overall UK average rate (4.0%), which is a joint record low
- the fifth lowest rate among the twelve UK regions
- below the European Union (6.9%) and Republic of Ireland (5.1%) rates for June 2018.

Long-term and youth unemployment

The unadjusted long-term unemployment rate (percentage of unemployed who have been unemployed for 1 year or more) was 59.3%, which was:

- up 7.2pps over the year
- markedly higher than the UK average rate (25.9%).

Estimates of youth unemployment for May-July 2018 did not meet the reliability threshold for publication, however the UK average rate was 10.5%. For more information on thresholds, see Section 6 Further Information.

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

Claimant count (experimental)

The claimant count is an administrative data source derived from Jobs and Benefits Offices systems, which records the number of people claiming unemployment-related benefits. From 21st March 2018 NISRA changed the claimant count measure from one based solely on Jobseekers Allowance to an experimental measure based on Jobseeker's Allowance claimants plus out-of-work Universal Credit claimants who were claiming principally for the reason of being unemployed. The definition of out-of-work Universal Credit Claimants is close to but not exactly the same as Jobseekers Allowance claimants. The GB and NI claimant counts are now calculated on an equivalent basis. Please see Section 6 Further information for more details.

Claimant count (experimental): The NI claimant count consists of all people claiming Jobseeker's Allowance (JSA) plus out-of-work Universal Credit (UC) claimants who were claiming principally for the reason of being unemployed. They must declare that they are out of work, capable of, available for and actively seeking work during the week in which their claim is made.

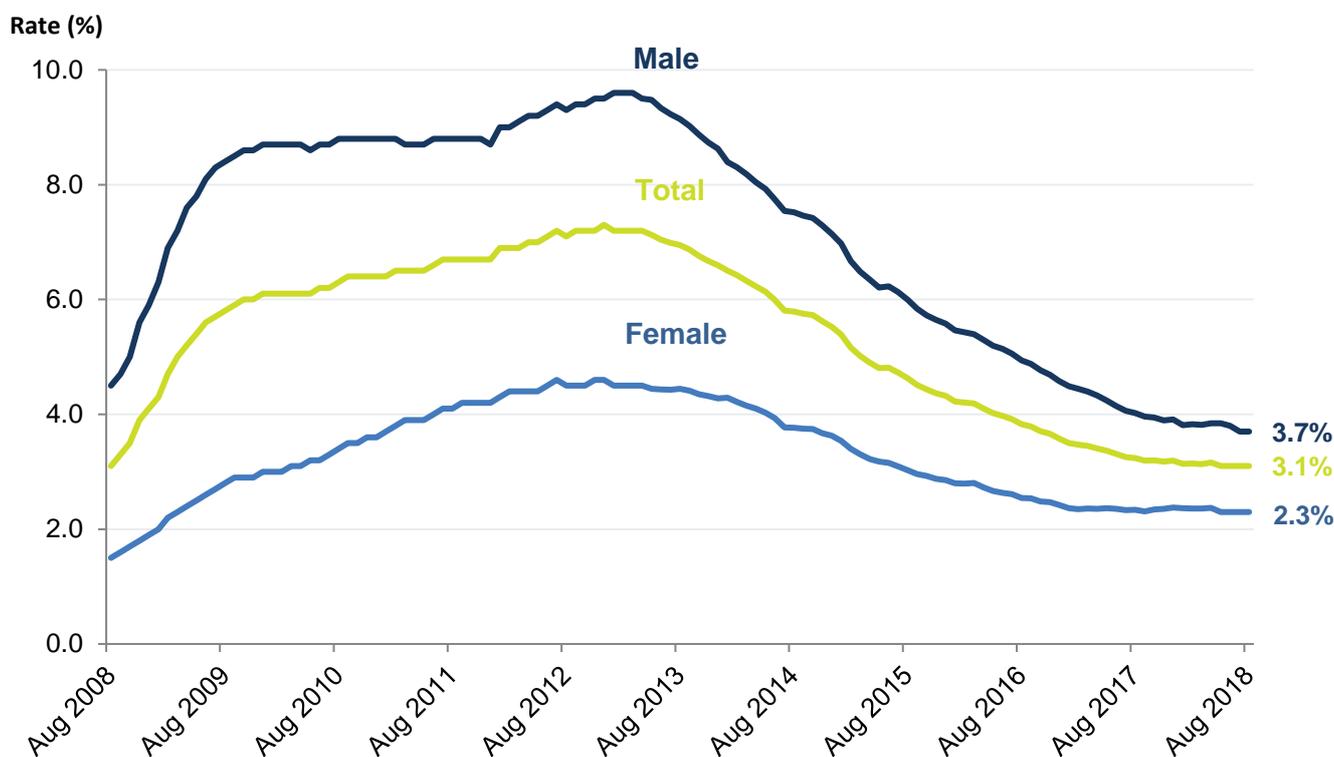
Universal Credit: Universal Credit is being introduced in NI for new claims of six benefits, including income-based JSA, on a phased geographical basis between September 2017 and December 2018. On the August claimant count reference date the claimant count was available in 21 of 35 Jobcentres.

Percentage of workforce: This measure expresses the number of claimants as a percentage of workforce jobs plus claimants. Workforce jobs are the sum of employee jobs, self-employment jobs, HM Forces, and government-supported trainees. This measure is only available at the NI level.

Key Findings

- NI claimant count (experimental) decreased over the month and over the year
- 20% of the total unemployment benefit claimants were claiming Universal Credit

Figure 3: Seasonally adjusted claimant count (experimental) monthly rates, August 2008 - August 2018



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Claimant count (experimental) unemployment

The NI seasonally adjusted claimant count stood at 28,000 (3.1% of the workforce) in August 2018, representing:

- a decrease of 100 from last month's revised total
- a decrease of 1,700 (5.8%) over the year
- a decrease of 0.2pps in the workforce unemployment rate over the year.

Since the last peak in February 2013 (64,800) the claimant count has more than halved, decreasing by 36,700.

Claimant count (experimental) gender comparison

The seasonally adjusted claimant count showed:

- the claimant count was made up of 18,300 males and 9,700 females
- 3.7% of the male workforce were on the claimant count, much higher than the proportion of females (2.3%)
- the number of female claimants decreased by 3.0% over the last year, while male claimants decreased by 7.2% (1,400).

Claimant count (experimental) by age (not adjusted for seasonality)

The claimant count showed:

- a decrease of 11.8% (840) over the year for 16-24 year olds to 6,275
- a decrease of 6.8% (1,095) over the year for 25-49 year olds to 14,935
- an increase of 2.8% (205) over the year for people aged 50 and over to 7,635.

District Council and Parliamentary Constituency Area Analysis

The Local Government District and Parliamentary Constituency analyses have been removed from the Labour Market Report due to the potential bias caused by the introduction of Universal Credit on a phased geographical basis.

Further details on changes to the claimant count are available on the NISRA - Economic and Labour Market Statistics website: [Claimant Count](#)

Redundancies

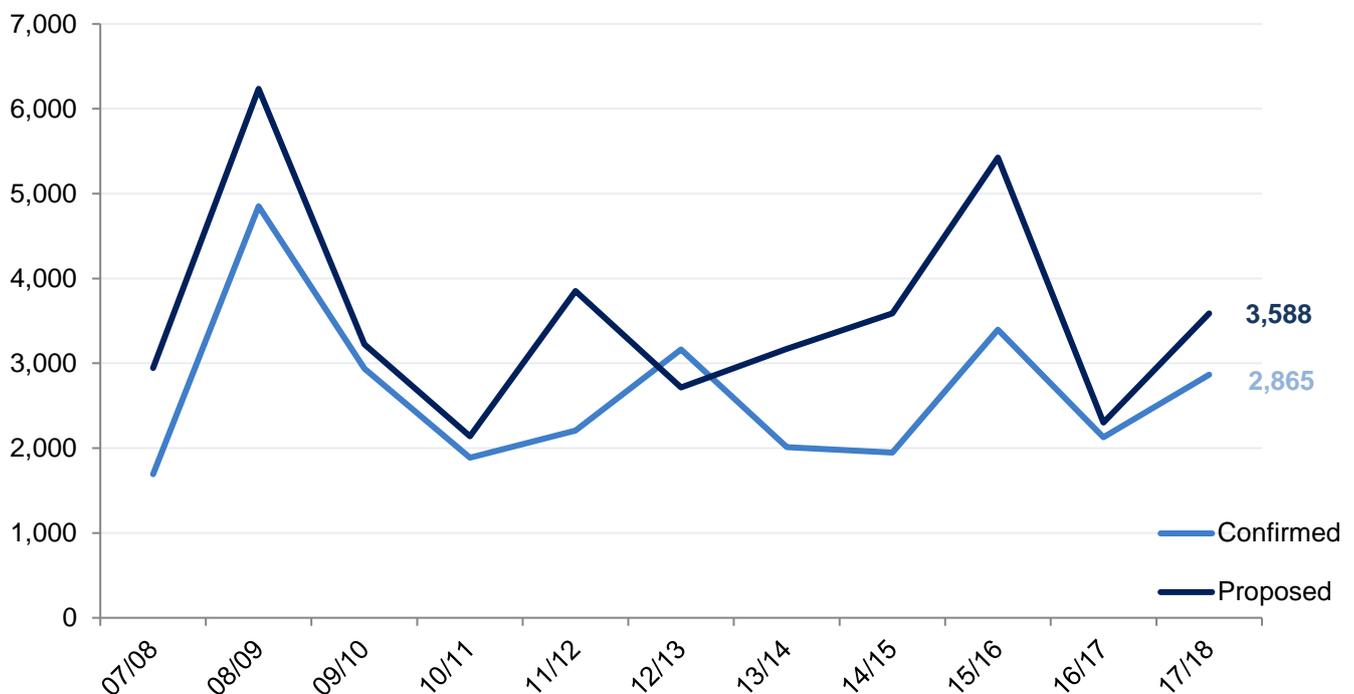
Under the Employment Rights (Northern Ireland) Order 1996 (Amended 8 October 2006) companies are only legally required to notify the Department of impending redundancies of 20 or more employees. Companies who propose less than 20 redundancies are not included in the statistics. As a result, the figures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

- 117 confirmed redundancies in August 2018, a decrease on the previous month.
- 39% of redundancies confirmed in the Manufacturing sector

Figure 4: Confirmed and proposed redundancies – annual totals, 07/08-17/18 (Sep-Aug)



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Confirmed redundancies

During August 2018, the Department was notified of:

- 117 confirmed redundancies, lower than the previous month's total of 133.

Over the latest twelve month period there were:

- 2,865 confirmed redundancies which was an increase of 35% from the previous year (2,127)
- 1,104 or 39% confirmed in manufacturing, which was higher than the previous year (1,080 or 51%)
- 773 (27% of all confirmed redundancies) in the wholesale and retail trade; repair of motor vehicles and motorcycles.
- a further 254 (9% of all confirmed redundancies) in construction and also in professional, scientific and technical activities.

Proposed redundancies

Between mid-August 2018 and mid-September 2018, there were:

- 113 proposed redundancies, representing an increase on the previous monthly period total of 53 proposed redundancies.

Over the latest twelve month period there were:

- 3,588 proposed redundancies which was an increase of 56% from the previous year (2,302)
- 1,148 or 32% proposed in wholesale and retail trade; repair of motor vehicles and motorcycles, which was higher than one year ago (316 or 14%)
- 1,095 (31% of all proposed redundancies) in manufacturing
- a further 300 redundancies (8% of all proposed redundancies) in construction.

It should be noted that since all proposed redundancies do not 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](#)

LFS employment

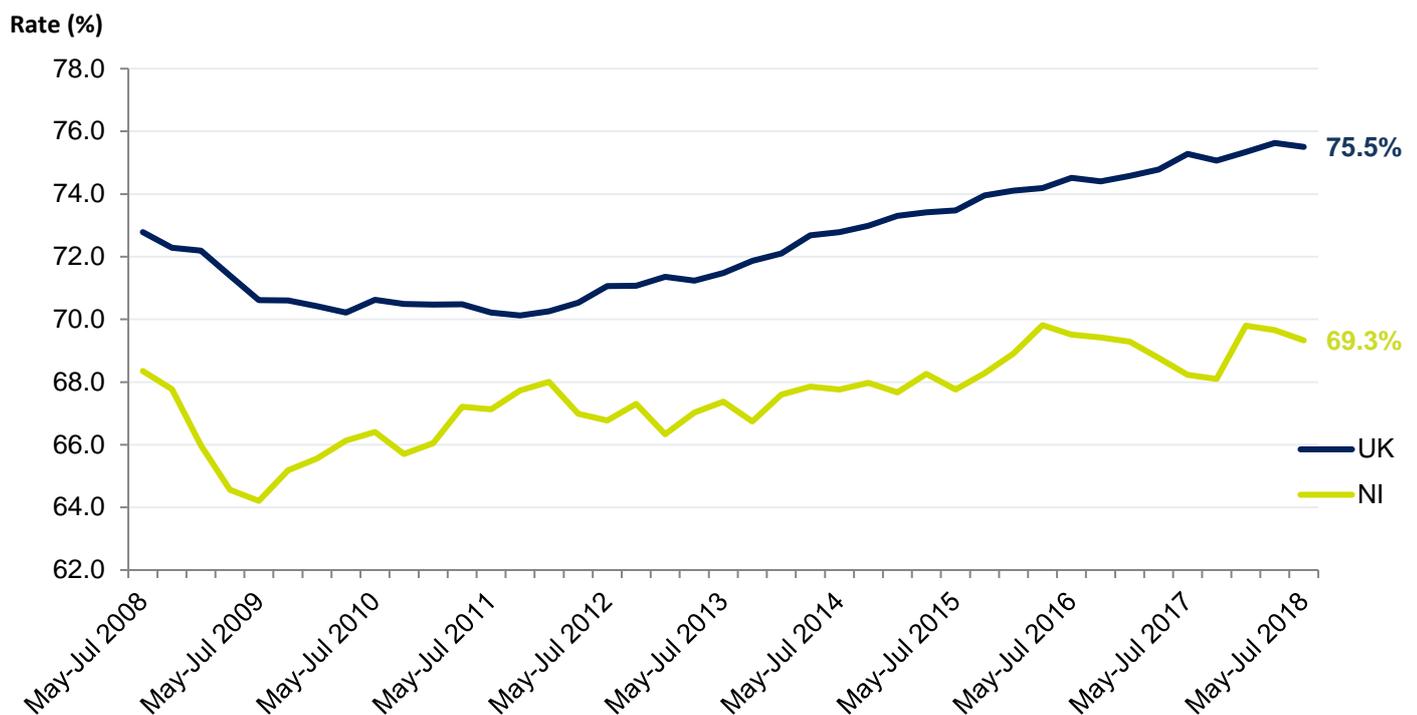
LFS employed: people aged 16 or over who did at least one hour of paid work in the reference week (whether as an employee or self-employed); those who had a paid job that they were temporarily away from; those on government-supported training and employee programmes and those doing unpaid family work.

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

Key Findings

- Employment rate decreased over the quarter and increased over the year
- Employment rate remained below the UK average and was the lowest of the twelve UK regions

Figure 5: Seasonally adjusted employment rate, May-Jul 2008 to May-Jul 2018



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Employment

Figure 5 shows that the NI employment rate has consistently been below the UK average over the last 10 years. The most recent NI employment rate for those aged 16-64 for the period May-July 2018 was estimated at 69.3%. This represents:

- a decrease of 0.3pps over the quarter
- an increase of 1.1pps over the year.

The number of persons in employment (16+) in the period May-July 2018 was estimated at 848,000, which was:

- an increase of 4,000 over the quarter
- an increase of 21,000 over the year.

Employment by gender

Of the total number of those aged 16+ in employment, 51% (433,000) were male and 49% (414,000) were female, within which:

- the male 16-64 employment rate (72.0%) increased by 0.1pps over the year
- the female 16-64 rate (66.8%) increased by 2.1pps over the year

Regional comparison

The employment rate in NI (69.3%) was:

- below the UK average (75.5%)
- the lowest rate among the twelve UK regions.

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

Quarterly Employment Survey (QES) – First published September 2018

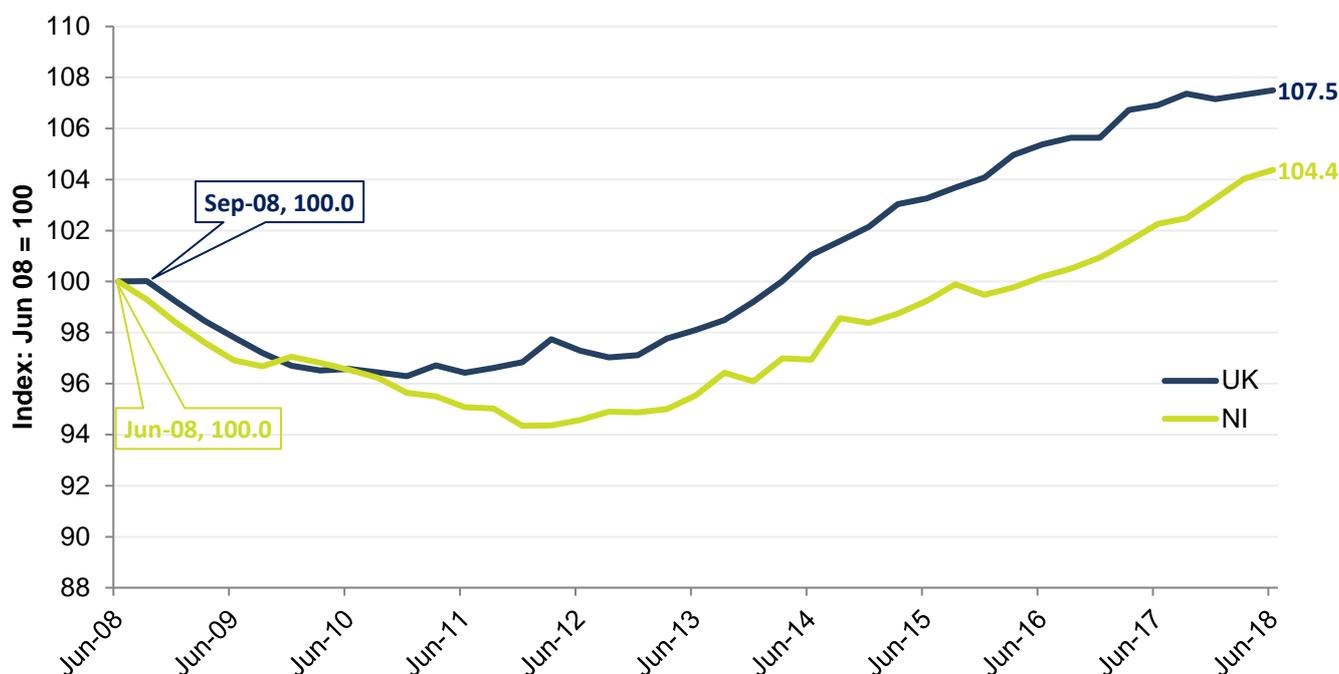
The QES is a business survey which samples approximately 5,700 companies who are asked to supply the Department with employment data for each of their business activities. This information is then collated by Economic and Labour Market Statistics, from which employee jobs estimates are produced.

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 an historical high in June 2018.
- UK employee jobs now stand at almost 8% above their pre-downturn peak, whilst NI employee jobs are 4% above their pre-downturn peak.
- Private and public sector employee jobs increased over the quarter and year with private sector jobs reaching an historical high.

Figure 6: Index of Employee Jobs, June 2008 to June 2018



Figures are indexed to June 2008

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Figure 6 shows the estimated seasonally adjusted employee jobs, indexed to allow comparison between NI and the UK. For NI the pre-downturn peak was in June 2008 and the UK in September 2008. The UK reached its lowest point in December 2010, one year before the NI low in December 2011. Both NI and the UK have surpassed their pre-downturn peaks; NI jobs are now 4% above their June 2008 level while UK jobs are 8% above.

Employee Jobs

The seasonally adjusted employee jobs total in Northern Ireland at June 2018 was 765,100, which was:

- an increase of 0.3% (2,550 jobs) from the March 2018 estimate of 762,550.
- an increase of 2.1% (15,550 jobs) over the year.

Employee jobs by sector

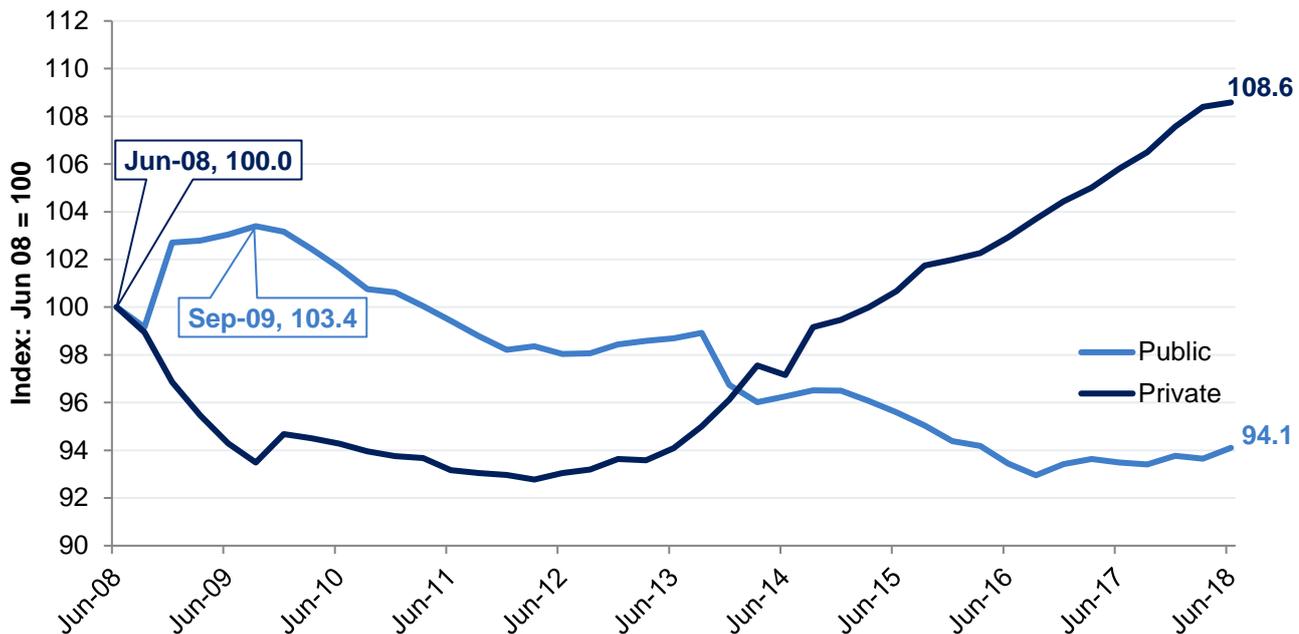
The seasonally adjusted quarterly change consisted of:

- An increase in all sectors; services sector (0.2% or 1,430 jobs), manufacturing sector (0.9% or 760 jobs), construction sector (0.4% or 140 jobs) and other sector (1.0% or 220 jobs).
- an increase of 0.2% (980 jobs) in the private sector and
- an increase of 0.5% (1,010 jobs) in the public sector.

Over the year to June 2018:

- the private sector increased by 2.6% (14,150 jobs).
- the public sector increased by 0.7% (1,360 jobs).

Figure 7: Index of NI Private and Public Sector Jobs, June 2008 – June 2018



Figures are indexed to June 2008

[Download in excel](#)

¹ Royal Mail plc is included in the public sector for September 2013 and earlier periods, but not for subsequent periods.

² Lloyds Banking Group and its subsidiaries are included in public sector estimates from December 2008 to December 2013 but not in earlier or subsequent periods.

³ All registered housing associations in Northern Ireland have been reclassified to public sector from Q3 1992 onwards, more detail on the decision to reclassify can be found on the [ONS website](#).

Private sector employee jobs have grown to a series high in June 2018 (556,250 jobs), and are now 8.6% above a pre-downturn peak which occurred in June 2008. Public sector jobs showed an increase over the year to June 2018 to 207,610 jobs.

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

Further breakdowns of employee jobs by geography and industry are available from the [Business Register and Employment Survey](#).

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 2018

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 14,768 vacancies notified in the first quarter of the 2018/19 financial year
- A decrease of 1.6% when compared against the same period in the 2017/18 financial year

Table 2: Monthly Notified Vacancies, 2017/18

Date	Full-time	Part-time	Casual	Total
July 2017	2,474	1,241	214	3,929
August 2017	3,701	1,816	402	5,919
September 2017	3,360	1,930	366	5,656
October 2017	3,130	1,888	390	5,408
November 2017	2,504	1,307	281	4,092
December 2017	1,547	795	130	2,472
January 2018	3,143	1,492	265	4,900
February 2018	2,892	1,379	244	4,515
March 2018	3,021	1,470	261	4,752
April 2018	3,068	1,373	222	4,663
May 2018	3,355	1,704	266	5,325
June 2018	2,997	1,498	285	4,780
Total	35,192	17,893	3,326	56,411

[Download in excel](#)

Figures in the above table are not National Statistics.

(1) 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) on 6th July, 2018.

(2) Vacancies data is published quarterly and reported by financial year. Data for April-June 2018 was published on 25th July 2018.

Further statistics are available on the DfC website: [DfC Statistics](#)

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 decreased over the quarter and the year
- NI economic inactivity highest of the twelve UK regions
- Of the 16-64 economically inactive, 18% wanted to work

Figure 8: Seasonally adjusted economic inactivity rates (16-64), May-Jul 2008 to May-Jul 2018

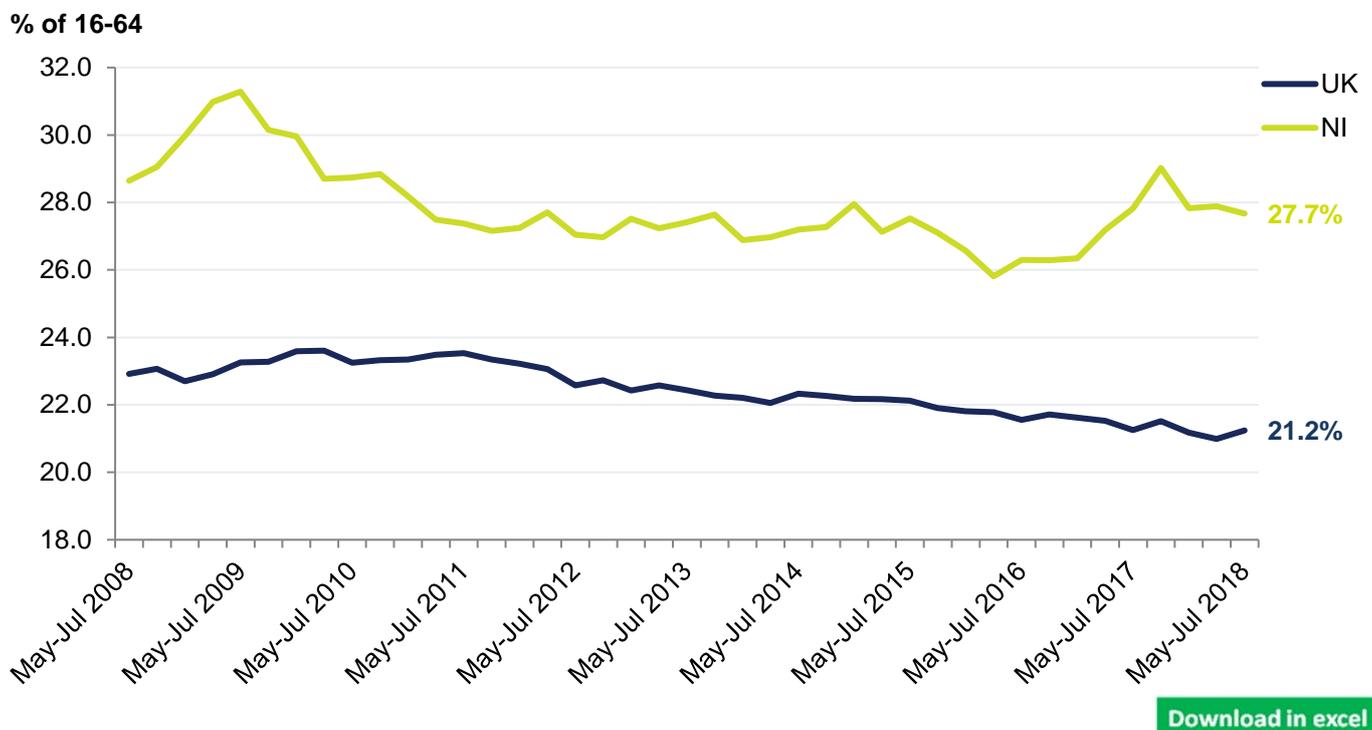


Figure 8 shows that over the last 10 years the NI economic inactivity rate was consistently higher than the UK.

Economically inactive

The seasonally adjusted economic inactivity rate (16-64) for May-July 2018 was estimated at 27.7%, which represented:

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

The number of economically inactive persons (16-64) was estimated at 324,000, which was:

- a decrease of 3,000 over the quarter
- a decrease of 2,000 over the year.

Of the economically inactive:

- 43% (138,000) were male and 57% (186,000) were female.

Figures unadjusted for seasonality show that, of the economically inactive:

- 82% did not want a job while 18% did
- 29% were long-term sick / disabled, 27% were students, 21% were looking after the family / home, 12% were retired and 11% cited an 'other' reason for inactivity.

Regional comparison

The NI economic inactivity rate for those aged 16-64 stood at 27.7%. This was:

- significantly higher than the UK average rate (21.2%)
- the highest of the twelve UK regions.

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

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.

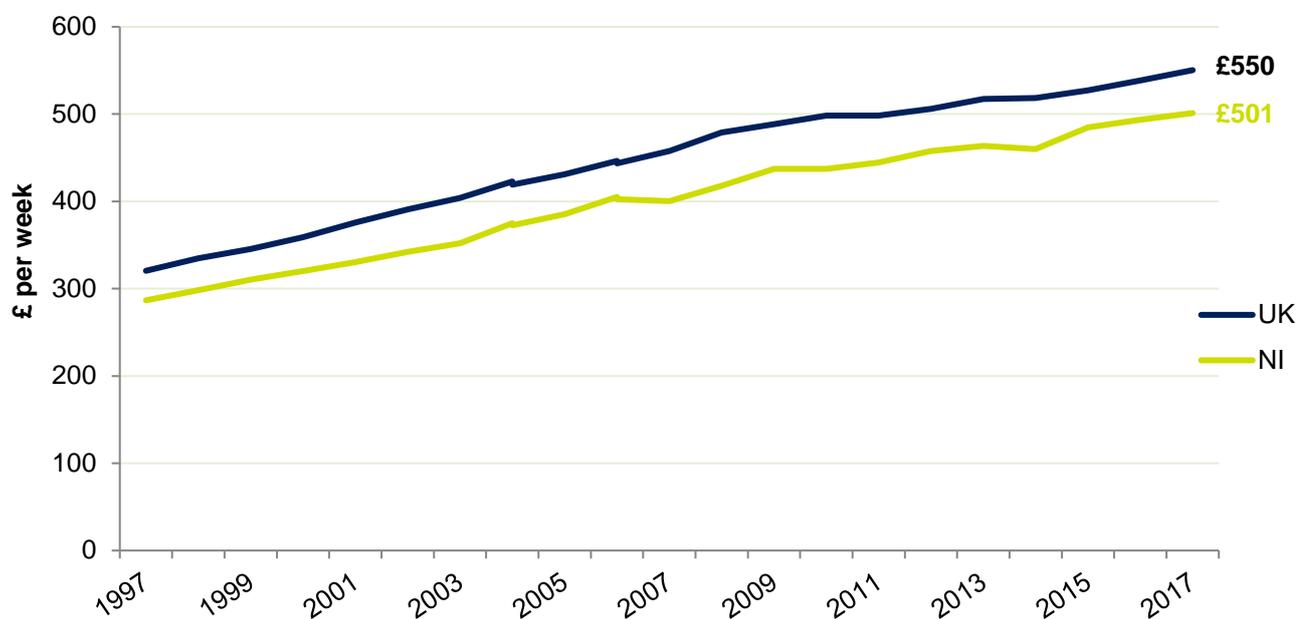
Median measures the amount earned by the average individual, i.e. the level of earnings at which half the population are above and half the population are below.

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 £501 compared with £550 in the UK
- Earnings increased over the year in both NI and the UK
- When adjusted for inflation, weekly earnings decreased over the year in NI and the UK

Figure 9: Median gross weekly earnings for full-time employees in NI and the UK, 1997-2017



Note: there were a number of methodological changes during the series in 2004, 2006 and 2011 – see Section 9 Further information for full details

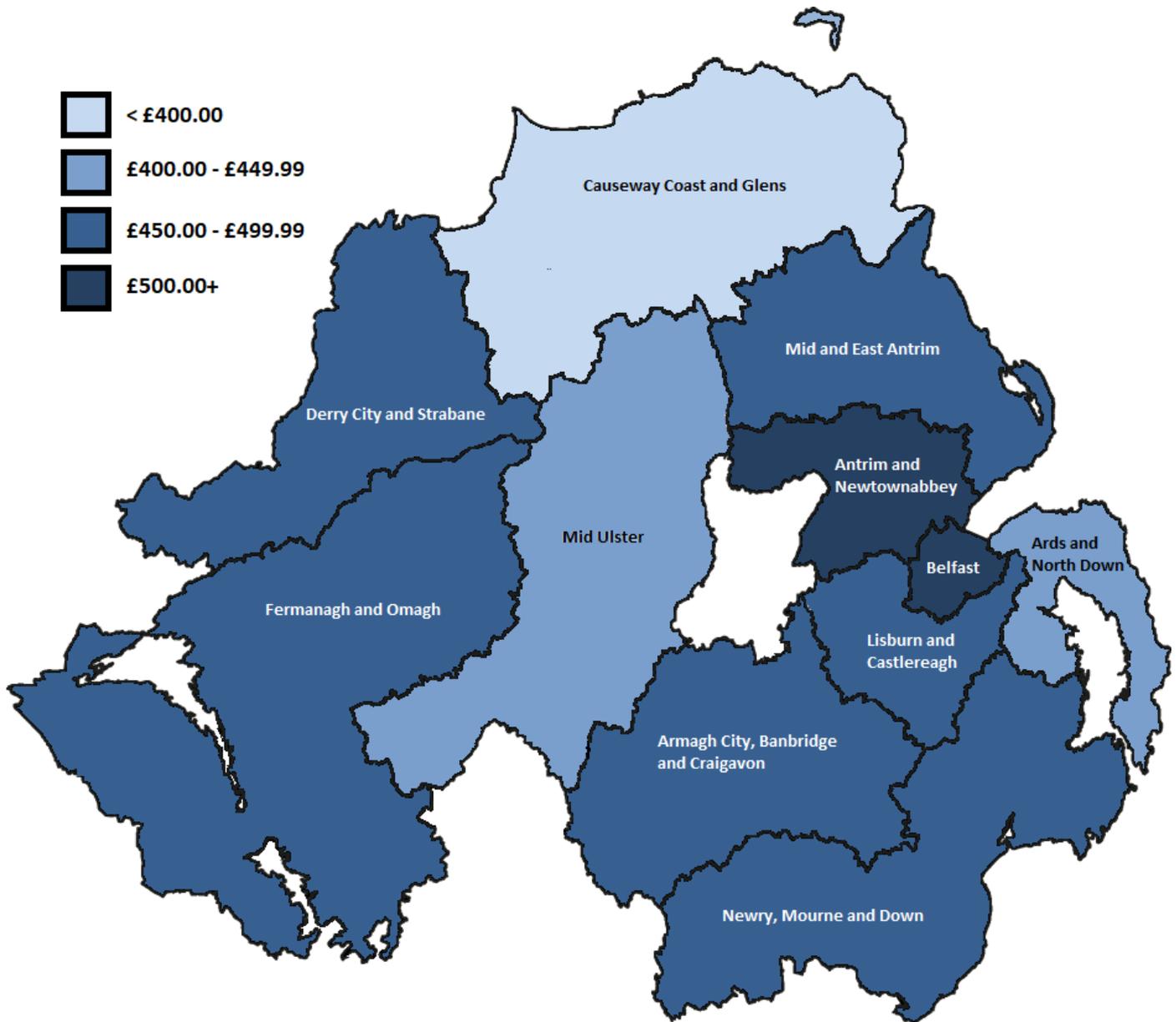
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The median gross weekly earnings for full-time employees in NI at April 2017 (£501):

- was the third lowest out of 12 UK regions
- was 8.9% lower than the UK median (£550)
- increased by 1.5% over the year which was lower than the 2.2% increase in the UK median
- when adjusted for inflation decreased by 1.0%

- was highest for those who work in Belfast (£550) and Antrim and Newtownabbey (£518) Local Government Districts (LGDs).
- Was lowest in the Causeway Coast and Glens LGD (£385), which was the only LGD where earnings were below £400 per week on average.

Figure 10: Median Gross Weekly Earnings in Northern Ireland by place of work, 2017



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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.

Unemployment rate - 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 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.

Sampling variability

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 table overleaf 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 is not seasonally adjusted, with the relevant sampling errors produced then applied to the seasonally adjusted data.

If the 'annual change' for an estimate has increased or decreased by more than the 'sampling variability of the change', this change would be statistically significant. The annual and quarterly changes for the main LFS categories of employment, unemployment and economic inactivity were tested for statistical significance. None of the reported changes over the year or the quarter were statistically significant i.e. the recorded changes did not exceed the variability expected from a sample survey of this size and are not likely to reflect real change.

Table 3 shows the sampling variability of the estimates, and quarterly and annual changes. 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.

Table 3: Sampling variability of labour market estimates

May-July 2018	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 ¹	35,000	+/-9,000	6,000	+/-9,000	-11,000	+/-13,000	+/-13,000
Employment ²	848,000	+/-26,000	4,000	+/-19,000	21,000	+/-32,000	+/-35,000
Economically inactive ²	586,000	+/-23,000	-9,000	+/-17,000	-4,000	+/-29,000	+/-32,000
Unemployment rate ¹	4.0%	+/-1.0pps	0.7pps	+/-1.0pps	-1.3pps	+/-1.5pps	+/-1.5pps
Employment rate ²	69.3%	+/-1.9pps	-0.3pps	+/-1.4pps	1.1pps	+/-2.4pps	+/-2.6pps
Economic inactivity rate ²	27.7%	+/-1.8pps	-0.2pps	+/-1.3pps	-0.2pps	+/-2.3pps	+/-2.5pps

¹ People aged 16 and over. Unemployment rate = total unemployed as a proportion of the economically active.

² Levels for all persons aged 16 and over, rates for working age (16-64).

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Please see link for further LFS notes and definitions: [LFS Background Information](#)

LFS Comparisons

Estimates of employment, unemployment, and economic inactivity are derived from the LFS, a survey of households. The most robust estimates of short-term movements in these estimates are obtained by comparing the estimates over rolling three month periods. For example the 3 months ending July 2018 should be compared with the estimates for February-April 2018, which were first published on 12th June 2018. This provides a more robust estimate than comparing with the estimates for April-June 2018 as the May and June data are included within both estimates, so effectively observed differences are those between the individual months of April 2018 and July 2018. The LFS is sampled such that it is representative of the NI population over a three month period, not for single month periods.

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 is suppressed.

LFS revisions

LFS microdata have recently been revised to incorporate the latest population estimates. The revisions affect LFS data from the period May - July 2012 onwards and were first published in May 2017. The magnitude of the revisions are relatively small, with the revisions to the unemployment rate falling within +/- 0.1 percentage points and the working age employment rate within +/- 0.2 percentage points. The procedures being applied to the NI LFS results are consistent with those applied by the Office for National Statistics to other UK regions.

More information on the revision policy concerning labour market statistics can be found through the following link: [Labour market statistics revisions policy](#)

Definition of 'working age'

The 'working age' definition, used in the calculation of employment and economic inactivity rates, was changed in August 2010 to include those aged from 16 to 64 for both men and women. Previously these rates were based on upper age limits of 59 for women and 64 for men, reflecting the state pension ages in the UK.

Experimental Claimant Count (Jobseekers Allowance claimants plus some out-of-work Universal Credit claimants)

The roll-out of Universal Credit (UC) began in Northern Ireland on the 27th September 2017 and is currently available in 21 of the 35 Job Centres. Since March 2018 the NI JSA-only claimant count has been 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 NI and GB claimant counts are now calculated on a consistent basis.

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 original series of claimants of JSA, although still available, will no longer be designated as a National Statistic. Although the original measure will continue to reflect the number of people claiming JSA, the relevance of it as a measure of unemployment will diminish each month as UC is introduced in more and more Job Centres across NI. The [letter](#) from NISRA requesting de-designation and the [reply](#) from the Office for Statistics Regulation are available on the UK Statistics Authority website.

This move to the experimental measure follows the approach taken by the Office for National Statistics in 2015. The full correspondence between ONS and the Statistics Authority can be accessed at the links below:

[Letter from National Statistician to UK Statistics Authority, 9 June 2015](#)

[Reply from UK Statistics Authority to National Statistician, 10 June 2015](#)

Claimant Count Revisions

Seasonally adjusted claimant count figures are only available at the NI level and are provisional when they are published so they are subject to revision. These revisions are usually made the following month, however, seasonally adjusted totals are also subject to an annual update, which revises data for the previous 5 years to take account of the latest assessment trends. The most recent revision was published on 15th May 2018. The magnitude of the revisions is relatively small, with the changes within +/- 0.8% to the monthly claimant totals. For further information see: [Claimant Count Revisions](#)

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 under count.

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 seasonal 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 2018 seasonally adjusted estimate first published in June 2018 has subsequently been revised down 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 [correspondence](#) between John Pullinger the National Statistician on this issue and the [reply](#) 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 12th July 2017 was the first release under these new arrangements.

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: [Labour Force Survey](#)

Twitter: [@ELMSNISRA](#)

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