

**Impact of Labour Force Survey Revisions**

Theme: Labour Market

Geographical Area: Northern Ireland

**Background**

The October Labour Market Report includes a revision of Labour Force Survey results from January 2020 onwards.

The revision results from a change in the weighting methodology used, and was required as investigations by ONS showed the composition of the achieved sample of the Labour Force Survey had changed since the beginning of the coronavirus pandemic.

The Labour Force Survey is a ‘five-wave’ household survey. This means selected households are interviewed five times over a period of 15 months. Traditionally the first interview of the Labour Force Survey was conducted ‘face-to-face’ in respondents’ houses, and the follow up interviews were conducted face-to-face or by telephone.

The necessary cessation of face-to-face interviews from mid-March 2020 due to COVID-19 changed survey operations and communication with households, and the survey is now fully conducted by telephone. These changes have resulted in an achieved sample comprising an increased proportion of owner occupiers and a decreased proportion of rented accommodation households when compared to previous years.

To improve the estimates and account for these changes in sample composition an additional weight based on tenure type has been introduced in the calculation of results. More detail on Labour Force Survey weighting is available on the [ONS website](https://www.ons.gov.uk/file?uri=/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/labourforcesurveyuserguidance/volume1.pdf) and within an [ONS blog](https://blog.ons.gov.uk/2020/10/12/measuring-the-labour-market-during-the-pandemic) detailing the changes.

**Impact**

The overall impact of the revisions on estimates has been to increase the unemployment rate and economic inactivity rate, and decrease the employment rate.

The three graphs below show the previously published seasonally adjusted estimates for Northern Ireland and the new revised estimates. The largest difference between previously published and revised estimates are seen in the May-July data. Compared to previously published estimates for May-July 2020, the revised employment rate is 1.1 percentage points lower, the revised economic inactivity rate is 1.1 percentage points higher, and the unemployment rate is 0.1 percentage points higher.

**Employment Rate – the revised estimates are lower than those previously published**

**NI Employment Rates (16-64), Previously Published and Revised Estimates (non-zero axis)**

**Economic Inactivity Rate – the revised estimates are higher than those previously published**

**NI Economic Inactivity Rates (16-64), Previously Published and Revised Estimates (non-zero axis)**

**Unemployment Rate - the revised estimates are higher than those previously published**

**NI Unemployment Rates (16+), Previously Published and Revised Estimates (non-zero axis)**

**Table 1 Comparison of Previously Published and Revised headline Estimates**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Employment rate (16-64) | | Economic Inactivity Rate (16-64) | | Unemployment Rate (16+)1 | |
| Previously Published | Revised | Previously Published | Revised | Previously Published | Revised |
| Jan-Mar 2020 | 72.4% | 71.9% | 25.8% | 26.2% | 2.4% | 2.4% |
| Feb-Apr 2020 | 71.6% | 71.2% | 26.7% | 27.1% | 2.3% | 2.3% |
| Mar-May 2020 | 71.6% | 70.9% | 26.6% | 27.3% | 2.4% | 2.4% |
| Apr-Jun 2020 | 71.7% | 71.0% | 26.4% | 27.1% | 2.5% | 2.5% |
| May-Jul 2020 | 71.5% | 70.4% | 26.3% | 27.3% | 2.9% | 3.0% |

**[Download in excel link box](https://www.nisra.gov.uk/publications/background-information-lfs)**LFS data are seasonally adjusted

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

**Notes**

Data in graphs and quoted differences between revised and previously published data based on unrounded data.