## Quarterly Supplement to the Labour Market Report October - December 2015



Date: 26 February 2016 Geographical Area: Northern Ireland Theme: Labour Market Frequency: Quarterly



The Quarterly Supplement provides a more detailed range of statistics from the Labour Force Survey than is available from the monthly Labour Market Report <u>Labour Market Report February 2016</u> including information disaggregated by gender, age and for the first time (quarterly) by Local Government District.

The additional information is provided as Excel tables, which can be accessed directly from the attached index of tables (Page 10). The information included is not seasonally adjusted unless otherwise stated. The Further Information section provides detail on sampling variability.

The key points from the supplementary tables are:

#### Unemployment

- In October December 2015, the unemployment rate for males was 6.2% compared with 5.6% for females.
- Over three-fifths of unemployed persons were aged 16 29 (63%).
- A higher proportion of unemployed males (58%) were long term unemployed than females (44%).
- Almost three-fifths (58%) of those unemployed aged 30 years and over were unemployed for more than one year.

## Employment

- There were an estimated 801,000 persons, aged 16 64, in employment in NI in Q4 2015, an increase of approximately 39,000 in the last five years.
- Fewer females than males work beyond the age of 60.
- A higher proportion of females (39%) worked part time than males (11%).
- The main reasons cited by female employees for working part-time were that they did not want a full-time job (71%) or could not find a full-time job (20%).
- The major industries in terms of employment were public administration, education and health (33%) and distribution, hotels and restaurants (20%).
- Professional occupations accounted for the largest proportion of persons in employment (18%).
- In October December 2015, the working age employment rate was highest in Mid and East Antrim (78%) and lowest in Causeway Coast and Glens (52%).

## Economic activity

- At 80%, the 16-64 economic activity rate for males in October December 2015 was 14 percentage points higher than that for females (66%). The current differential between the activity rates of males and females has decreased from a 17 percentage point gap ten years ago.
- Economic activity rates were highest in Ards and North Down (80%) and lowest in Causeway Coast and Glens (64%).

## Economically inactive

- The October December 2015 economic inactivity rate (16-64) was higher for females (34%) than males (20%).
- Over half (53%) of those aged 65 and over were economically inactive in the UK compared to 45% in NI.
- In comparison to the UK, NI had a higher percentage of economically inactive (16-64) who were sick / disabled (33% compared to 25%).
- In October December 2015 the highest level of economic inactivity was reported in Causeway Coast and Glens (37%) and the lowest in Ards and North Down (20%)

## Not in Education, Employment or Training (NEET)

- In October December 2015, there were 29,000 young people (aged from 16 to 24) in Northern Ireland who were NEET.
- The percentage of all young people in NI who were NEET was 13.8%.
- Of the 16-24 year olds who were NEET, 14,000 were economically inactive.
- NI had the highest 16-24 NEET rate (13.8%) of the 4 UK countries. Wales had the second highest rate (12.9%), then England (11.3%) while Scotland had the lowest rate (11.1%). The UK average was 11.5%.

## **Education and training**

- The qualifications levels of those aged 16-64 in employment or economically active were consistently higher than those who were economically inactive.
- Just under one third (32%) of economically inactive persons had no formal qualifications at October December 2015, compared with 10% of economically active.
- A higher proportion of younger employees received job-related training.

## Disability and the labour market

- One in five persons (22%) of working age in NI had a disability.
- Almost three times the proportion (32%) of disabled persons had no qualifications compared to non-disabled persons (12%) at October December 2015.
- People without a disability were more than twice as likely to be in employment (79%) than those with a disability (33%).

## Self-employment

- The number of self-employed people decreased by 10,000 (8%) in the period 2005 to 2015.
- Over the same period, the number of self-employed males decreased by 21,000 (21%), while the numbers of self-employed females has increased by 70% from the level reported in 2005.

- Only 7% of females in employment were self-employed, compared to 18% of males.
- There was a larger proportion of self employed who were 60+ in October December 2015 (17%) compared to October December 2010 (13%).
- Those with a GCE A-level or equivalent qualification, a category which includes trade apprenticeships, were more likely to be self-employed than those with other types of qualifications.
- A quarter (25%) of those classified as self-employed were employed in construction at October December 2015.
- Over one third (36%) of those classified as self-employed were employed in skilled trade occupations.
- Northern Ireland ranked joint third lowest across UK regions in terms of self-employment rates for October December 2015.

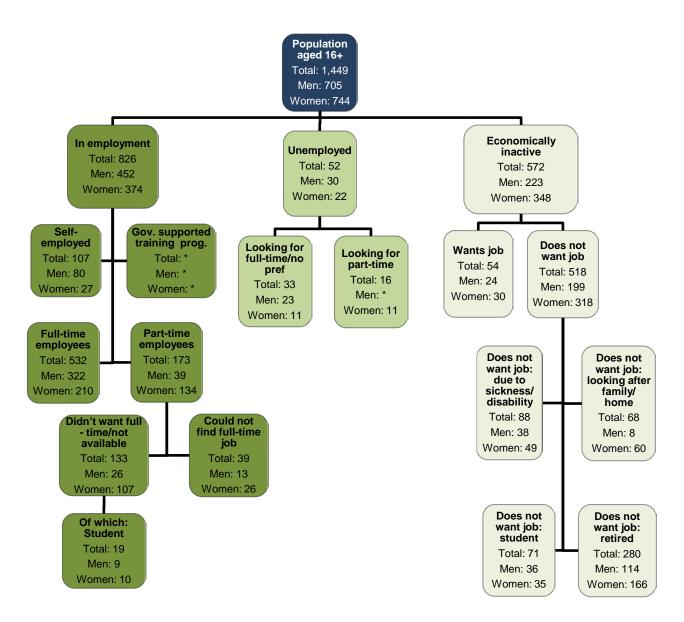
#### Graduates

- The number of NI graduates has increased by 4% in the last five years, to 242,000 in October December 2015.
- The 30-39 age group in NI had the largest proportion of graduates with 72,000 (30%).
- The NI working age employment rate was considerably higher for graduates (87%) than for non-graduates (64%).
- The largest occupation group for graduates was professional occupations, where 49% of graduates were employed, compared to only 8% of non-graduates.
- The median gross weekly earnings of graduate employees (£519) were much higher than those of non-graduate employees (£346).

#### Households

- In April June 2015, the most common type of household in NI consisted of a couple with children, which accounted for 30% of all households.
- NI had the second highest proportion of working age workless households (23%) among the UK regions. This compared to 16% in the UK as a whole.
- An estimated 71% of females of working age with dependent children under 19 were economically active, which is higher than the rate for those without dependent children (66%).
- When the youngest dependent child was aged 0-4, the economic activity rate of the female head of family (68%) was 5.2 percentage points lower than the rate for the 16-18 age group (73%).





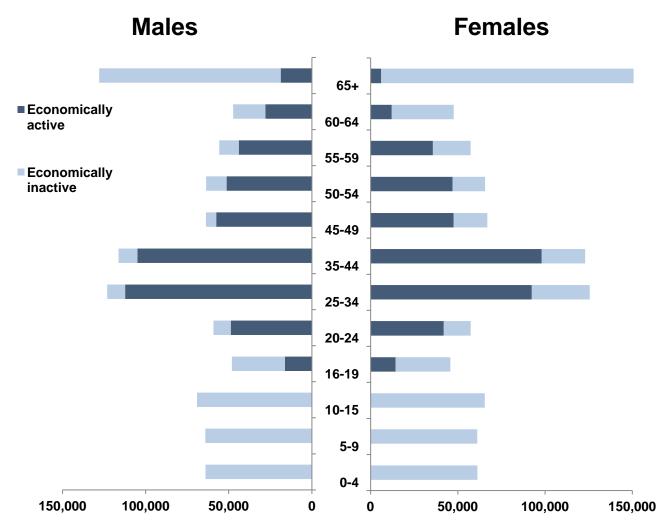
#### Source: Labour Force Survey, October - December 2015

Notes:

This chart illustrates the structure of the private household population in relation to the key ILO defined categories of in employment, unemployed and economically inactive (see Further Information for definitions).

\* Sample size is too small to provide a reliable estimate (this explains why a gender split for some categories is omitted).

Figures may not sum due to rounding.



Source: Labour Force Survey, October - December 2015

#### **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.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

#### Context

The Quarterly Supplement to the Labour Market Report provides more detailed statistics from the most recent quarterly Labour Force Survey (LFS). The Quarterly Supplement analyses data which has not been adjusted for seasonality whereas the monthly LMR provides headline data adjusted for seasonality. The quarterly publication provides additional data in key areas such as employment, unemployment and economic activity / inactivity. In addition, it provides the most up-to-date information on specific areas such as those Not in Education, Employment or Training (NEET), disability and the labour market, self-employment and graduates. Each quarter, a special topic paper will publish alongside the Quarterly Supplement which will explore a specific labour market topic of interest in more detail, for example self-employment, NEETs, education and graduates, health and work.

In keeping with feedback from various user consultation exercises, which highlighted a demand for data in re-usable format, the quarterly supplement has moved from a traditional publication style to being primarily tabular, with key points highlighted in this summary report alongside figures and notes which are useful for context. The detailed tables are available on the NISRA-ELMS webpage and can be accessed via the attached index of tables (Page 10).

Key users of Northern Ireland labour market statistics include government departments, in particular the Department of Enterprise, Trade and Investment (DETI) and the Department for Employment and Learning (DEL), to design and monitor the impact of economic and labour market policy. Other Government departments such as the Office of the First Minister and Deputy First Minister (OFMDFM), the Department of Finance and Personnel (DFP) and the Department of Agriculture and Rural Development (DARD), 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.

LFS is used in the measurement of targets set in the Northern Ireland Executive's <u>Programme for</u> <u>Government</u> (PSA targets). The LFS data feeds into productivity estimates for NI and are therefore indirectly used to measure progress towards PSA 1: Productivity growth. In addition, LFS data are used to measure the proportion of the working age population qualified to Skill levels 2 and 3. These data therefore feed into the measurement of PSA 2: Skills for prosperity.

Labour market statistics feature in the <u>DETI Economic Commentary</u> which provides an overview of the state of the Northern Ireland economy, setting it in context with the UK and Republic of Ireland. The most up-to-date official statistics on the economy and labour market are available on the <u>Economic Overview</u> <u>section</u> of the 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
- <u>Glossary</u>

# **Further information**

## 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.

## 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 done 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.

## LFS economic activity

The economic activity rate is the percentage of people aged 16-64 who are economically active.

## 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.

## Sampling

Because the LFS is a sample survey, results are subject to sampling error, i.e. the actual proportion of the population in private households with a particular characteristic may differ from the proportion of the LFS sample with that characteristic. Accordingly, although percentages in most tables are quoted to one decimal place, they should not be regarded as having this degree of accuracy, and indeed some apparent trends over time may be misleading due to sampling error. In general, the larger the group, the more precise (proportionately) is the LFS estimate.

The following table shows the proportions obtained from the October - December 2015 survey for some key LFS variables and indicates their sampling accuracy. The confidence intervals represent the ranges

either side of the LFS proportions which are 95% certain to include the true values of the quantities estimated.

## LFS proportions of total private household population (16+), including 95% confidence intervals, October - December 2015

	LFS estimate	
Economically active	61%	+/- 1.8
In employment Employees* Self-employed*	57% 85% 13%	+/- 1.8 +/- 1.3 +/- 1.2
Unemployed	4%	+/-0.7
Economically inactive (16+)	39%	+/- 1.8
Unemployment rate	5.9%	+/- 1.1

\* As a percentage of all in employment.

Confidence intervals for other proportions produced in this publication may be obtained on request from contacts given at the end of this note.

#### **Response Rates**

The sample for the October - December 2015 LFS consisted of 1,970 addresses, (882 chosen at random from the Valuation & Lands Agency list of domestic properties, 1,369 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 NI.

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.

#### **Response rates, October - December 2015**

Total addresses sampled	2,251
Fully and partially responding	1,369
Eligible sample	1,970
Response rate (%)	69.5%

\*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.

#### Breakdown of non-response and ineligible addresses, October - December 2015

Non-response/non-contact:	Number
- Outright refusal	250
- Circumstantial refusal	94
- Non-contact	257
Ineligible addresses:	
- Vacant/derelict/under construction	201
- Holiday accommodation	25
- Non-residential	3
- Second residence	31
- Other ineligible	12
- Household moves	9
Total	882

#### LFS revisions

LFS microdata have recently been revised to incorporate estimates from the 2011 Census. The revisions affect LFS data from the period June to August 2001 onwards and were first published in October 2014. 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 link: Labour market statistics revisions policy

## For further information: AN ELECTRONIC VERSION OF THIS DOCUMENT WITH ASSOCIATED HYPERLINKS IS AVAILABLE ON THE <u>NISRA – ECONOMIC AND LABOUR MARKET STATISTICS WEBSITE</u>

You can also contact Economic & Labour Market Statistics Branch by:

Writing to: Andrew Mawhinney Economic & Labour Market Statistics Branch, Room 110, Netherleigh, Massey Avenue, Belfast BT4 2JP.

Tel: (028) 9052 9668 Fax: (028) 9052 9658 Textphone: (028) 9052 9304 Email: <u>statistics@dfpni.gov.uk</u> **Twitter:** <u>@ELMSNISRA</u>

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