

# Background Information

## Claimant Count Background Information Overview

The Claimant Count records the number of people claiming unemployment-related benefits. The series has been used as a main indicator of labour market activity since the 1970's and figures are derived from records of claimants held at Job Benefit Offices. The term 'claimants' in the claimant count is used to include those who claim Jobseekers Allowance and National Insurance credits. The figures include the severely disabled claimants, but exclude students seeking vacation work and the temporarily stopped. Claimant Count data is disseminated by:

- Age
- Duration
- Geography
- Occupation

## Claimant Count Seasonally Adjusted Revisions

Seasonally Adjusted claimant count figures are provisional when published and subject to revision, mainly the following month and are only available at Northern Ireland level. Seasonally Adjusted totals are subject to an annual update, which revises back for 3 years (usually April) to take account of latest assessment trends. The magnitudes of the revisions are relatively small, with the change of the monthly total claimants within +/- 0.8%.

## Difference between Claimant Count and ILO Unemployment (Labour Force Survey)

Official estimates of unemployment are produced by NISRA/ONS based upon the ILO (International Labour Organisation) definition. A separate series - the claimant count - measures how many unemployed people are claiming unemployment-related benefits. There is a difference between the two series, and although they move broadly in line often one measure increases while the other falls. The reason for this is simply that they measure different things.

Unemployment is a count of jobless people who want to work, are available to work, and are actively seeking employment. The ILO definition is used internationally, so comparisons between countries can be made, and it also allows for consistent comparisons over time. Unemployment is calculated using data from the Labour Force Survey (LFS), so it is subject to sampling differences.

The claimant count measures only those people who are claiming unemployment-related benefits (Jobseeker's Allowance). Benefits rules vary over time and between different countries, so it is more difficult to make comparisons. The claimant count comes from the administrative system of Social Security Offices and is available earlier than the LFS-based unemployment data.

Not all those who register for unemployment benefits meet the criteria for LFS

unemployment. Conversely, not all those defined as unemployed in the LFS are eligible for unemployment benefits. For example, a person who is receiving unemployment benefits could still be entitled to undertake some (low paid, part-time) work in certain circumstances. If they worked for at least 1 hour in the reference week (even without pay) they would be recorded as employed in the LFS, whereas they could be unemployed in the claimant count. Conversely, a person could be unemployed in LFS terms, but not entitled to unemployment benefits if they did not satisfy the contribution based or income based Job seekers Allowance conditions (e.g. if their partner was working).

As some jobless people who were not previously looking for work start to do so they may choose not to claim benefit. By actively looking for work they may become classified as unemployed under the ILO definition. However they will not necessarily feature in the claimant count.

Estimates of the number unemployed may also differ between the two sources because timing differences. The claimant count refers to the situation in the month immediately prior to publication, whereas the LFS uses a three month rolling average centred in the period three months before the publication month. Also, since the LFS is a sample survey, estimates from it are subject to an associated degree of sampling error.

Unemployment data are available in their current format back to 1984 (non-seasonally adjusted) and 1995 (seasonally adjusted). The present seasonally adjusted claimant count series goes back to 1971, and is adjusted to allow for significant changes to benefit rules.

## **The production and dissemination of Claimant Count statistics following the introduction of universal credit**

The Claimant Count measures the number of people claiming benefits principally for the reason of being unemployed. Since October 1996 it has been a count of the number of people claiming JSA. Following a consultation in 2012 by ONS, it was agreed that, with the introduction of Universal Credit, the Claimant Count would include:

- People claiming contribution-based JSA (which is not affected by the introduction of Universal Credit),
- People claiming means-tested JSA during the transition period while this benefit is being gradually phased out, and
- People claiming Universal Credit who are not earning and who are subject to a full set of labour market jobseeker requirements, that is required to be actively seeking work and available to start work.

The Office of National Statistics is working with the Department for Work and Pensions (DWP) to include jobseeker Universal Credit claims in the Claimant Count statistics as soon as possible. Universal Credit information will be collated and quality assured by DWP statisticians to ensure that they meet the necessary quality standards before being passed to ONS for inclusion in the Claimant Count estimates.