



**March 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 November-January 2019 indicate
  that over the quarter, the unemployment rate was unchanged while the employment rate increased
  and the inactivity rate decreased.
- The LFS indicated that the NI unemployment rate (16+) was unchanged over the quarter and increased over the year by 0.3pps to 3.5% in November-January 2019. Although the recent changes were not statistically significant, the unemployment rate was significantly below rates in 2017. The NI unemployment rate was below the UK rate (3.9%), the Republic of Ireland rate (5.3%) and the EU rate (6.6%).
- The proportion of people aged 16 to 64 in work (the employment rate) increased over the quarter (1.4pps) and increased over the year (1.4pps) to a record high of 70.9%. The quarterly change was statistically significant. The latest employment rate recorded for the whole of the UK was 76.1%.
- 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 1.4pps over the quarter and 1.6pps over the year to 26.4%. The recent quarterly change in the economic inactivity rate was statistically significant. The latest inactivity rate recorded for the whole of the UK was 20.7%.
- The number of employee jobs increased over the quarter and the year to a high of 773,750 in December 2018.
- The number of confirmed redundancies (2,354) in the most recent 12 months was 30% higher than in the previous 12 months (1,815).

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## **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 Publication
- Improved quality of the LFS data by boosting the sample size and improving precision around headline estimates

# **Summary of Labour Market Statistics**

**Updated March 2019** 

## Change over quarter

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

the unemployment rate was unchanged at 3.5%

the employment rate increased by 1.4pps to 70.9%

the economic inactivity rate decreased by 1.4pps to 26.4%

Not statistically significant Statistically significant Statistically significant

The number of employee jobs at December 2018 was estimated at 773,750:

an increase of 5,410 over the guarter from the revised September 2018 estimate.

## During February 2019 there were:

14 confirmed redundancies notified to the Department, down from the previous month's revised total of 212.

Time Period	Estimate (sampling variability of estimate)	Change over quarter (Sampling variability of change) (	Change over year (Sampling variability of change)
Nov-Jan 2019	31,000	0	3,000
	(+/-7,000)	(+/-7,000)	(+/-10,000)
Nov-Jan 2019	857,000	18,000	15,000
	(+/-20,000)	(+/-15,000)	(+/-29,000)
Nov-Jan 2019	578,000	-17,000	-12,000
	(+/-19,000)	(+/-14,000)	(+/-27,000)
Nov-Jan 2019	3.5%	0.0pps	0.3pps
	+/-0.8pps	+/-0.8pps	+/-1.2pps
Nov-Jan 2019	70.9%	1.4pps	1.4pps
	+/-1.5pps	+/-1.1pps	+/-2.1pps
Nov-Jan 2019	26.4%	-1.4pps	-1.6pps
	+/-1.4pps	+/-1.1pps	+/-2.1pps
December 2018	773,750 +/-7,300	5,410	14,350
February 2019	14		Download in excel
	Nov-Jan 2019 Nov-Jan 2019 Nov-Jan 2019 Nov-Jan 2019 Nov-Jan 2019 Nov-Jan 2019 December 2018	(sampling variability of estimate)  Nov-Jan 2019  To.9%  +/-1.5pps  Nov-Jan 2019  26.4%  +/-1.4pps  December 2018  773,750  +/-7,300	Nov-Jan 2019   31,000   0   (+/-7,000)   (+/-7,000)   Nov-Jan 2019   857,000   18,000   (+/-15,000)   (+/-15,000)   Nov-Jan 2019   578,000   -17,000   (+/-14,000)   (+/-14,000)   Nov-Jan 2019   3.5%   0.0pps   +/-0.8pps   Nov-Jan 2019   70.9%   1.4pps   +/-1.5pps   Nov-Jan 2019   26.4%   -1.4pps   +/-1.1pps   December 2018   773,750   5,410   1.4

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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.

<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 November-January 2019 showed that over the year:

- the unemployment rate increased by 0.3pps (to 3.5%)
- the employment rate increased by 1.4pps (to 70.9%)
- the economic inactivity rate decreased by 1.6pps (to 26.4%)

Not statistically significant Not statistically significant Not statistically significant

Over the latest twelve month period there were:

• 2,354 confirmed redundancies which was an increase of 30% from the previous year (1,815).

The employee jobs total in Northern Ireland at December 2018 was 773,750 jobs representing:

• an increase of 1.9% (14,350) from the revised December 2017 estimate of 759,400. The annual change in employee jobs is statistically significant.

20,000 15,000 10,000 5,000 ■ A: Employment ■ B: Unemployment C: Active (A+B) 0 D: Inactive E: 16+ Population (C+D) -5,000 -10,000 -15,000 C В D Ε Note: figures rounded so may not sum Download in excel

Figure 1: NI labour market structure: change over year

## **UK summary**

Seasonally-adjusted LFS estimates for the UK for the period November-January 2019 showed:

- the lowest unemployment rate (3.9%) on record, a decrease of 0.1pps over the quarter and a decrease of 0.4pps over the year
- the employment rate (76.1%) increased over the quarter by 0.4pps and increased by 0.8pps over the year. The employment rate of 76.1% is the highest on record
- the economic inactivity rate (20.7%) decreased over the quarter by 0.3pps and the year by 0.5pps. The economic inactivity rate of 20.7% is the lowest on record.

#### Commentary

The latest estimates from businesses and households show continued growth in the NI labour market.

Businesses reported via the Quarterly Employment Survey that employee jobs increased over the quarter and year to a record high of 773,750 jobs. This continues sustained quarter on quarter growth from December 2015. Although increases were seen in all broad industry sectors over the quarter and the year, the services sector continues to account for the majority of growth.

The Labour Force Survey also shows increases in employment and a relatively strong labour market. The unemployment rate at 3.5% remains below the UK rate, continuing the trend of low unemployment evident since late 2017. The employment rate (70.9%) increased over the quarter and the year to the highest on record, while the inactivity rate decreased over the quarter and year. At 26.4% the inactivity rate is now similar to the relatively low levels seen in 2016.

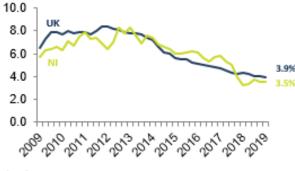
The continued improvements in the NI labour market are consistent with the UK experience, where unemployment and inactivity are lowest on record and employment is at a record high. However, it is worth noting, when compared to the other UK regions, NI has the fifth lowest unemployment rate, the lowest employment rate and highest inactivity rate.

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

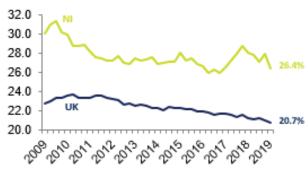
# **NISRA Labour Market Statistics**

## Labour Force Survey - November - January 2019

NI unemployment 3.5% UK unemployment 3.9%



NI economic inactivity 26.4% UK economic inactivity 20.7%

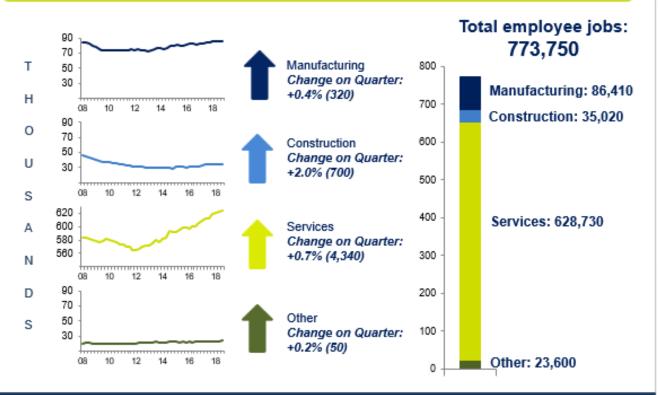


NI Unemployment (Nov-Jan 2019)
Change on Quarter: 0.0 pps1

1

NI Inactivity (Nov-Jan 2019) Change on quarter: -1.4 pps

## Quarterly Employment Survey – December 2018



<sup>1</sup> pps = percentage points All data seasonally adjusted and subject to future revisions. Data published on 19th March 2019 by Economic and Labour Market Statistics branch (NISRA).



#### Things users need to know

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>.

The experimental Claimant Count data is no longer included in the Labour Market Report. The data tables will continue to be published on the <u>NISRA</u> website and counts will also be available from <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 and redundancies 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 section</u> 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 was unchanged over the quarter and increased over the year.
- The NI unemployment rate has remained below the UK rate for the last 5 quarters
- The UK unemployment rate is at a record low and below 4.0% for the first time

Figure 2: Seasonally adjusted unemployment rate, Nov-Jan 2009 to Nov-Jan 2019

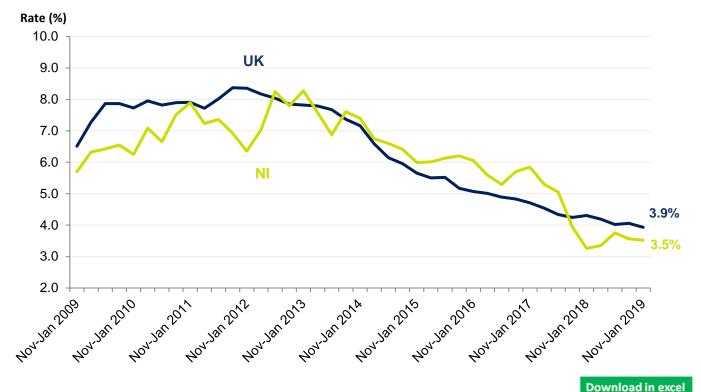


Figure 2 shows unemployment rates on the current 3 month rolling average for NI and the UK over the last decade. On this series, the unemployment rate in NI peaked at 8.3% in Nov-Jan 2013 and reached a low point of 3.3% in Feb-Apr 2018. Notably the UK rate fell to its lowest on record and below 4.0% for the first time, in the most recent quarter. The NI unemployment rate has been below the UK rate for 5 quarters.

## LFS unemployment

The unemployment rate (16+) for the period November-January 2019 was estimated at 3.5%, this was:

- unchanged over the quarter
- an increase of 0.3pps over the year.

The number of unemployed persons aged 16+ was estimated at 31,000, which was:

- unchanged over the quarter
- up 3,000 from the same period last year.

## **UK national and international LFS comparisons**

The most recent NI unemployment rate (3.5%) was:

- below the overall UK average rate (3.9%)
- · the fifth lowest rate among the twelve UK regions
- below the European Union (6.6%) and Republic of Ireland (5.3%) rates for December 2018.

## Long-term and youth unemployment

The percentage of unemployed who have been unemployed for 1 year or more (long-term) was 46.9%, which was:

- down 1.8pps over the year
- higher than the UK average rate (26.7%).

The youth unemployment rate (9.2%) for November-January 2019 was:

• lower than the UK average rate (10.8%).

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**

- 14 confirmed redundancies in February 2019
- 40% of redundancies confirmed in the Manufacturing sector in the last year
- 122 proposed redundancies between mid-February and mid-March 2019

5,000 4,500 4,000 **Proposed** 3,500 3,000 2,662 2,500 2,354 2,000 1,500 Confirmed 1,000 500 O 11/2 11/18 15/16 13/1A

Figure 3: Confirmed and proposed redundancies – annual totals, 08/09-18/19 (Mar-Feb)

#### **Confirmed redundancies**

During February 2019, the Department was notified of:

• 14 confirmed redundancies (although this is the lowest monthly figure recorded since August 2006, it should be considered in the context of the annual figures below).

Over the latest twelve month period there were:

- 2,354 confirmed redundancies, which was an increase of 30% from the previous year (1,815)
- 953 (or 40%) confirmed in manufacturing, which was higher than the previous year (643 or 35%)
- 640 (27% of all confirmed redundancies) in the wholesale and retail trade; repair of motor vehicles and motorcycles
- a further 298 (13% of all confirmed redundancies) in construction.

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#### **Proposed redundancies**

Between mid-February 2019 and mid-March 2019, there were:

 122 proposed redundancies, representing an increase on the previous monthly period total of 42 proposed redundancies.

Over the latest twelve month period there were:

- 2,662 proposed redundancies, which was a decrease of 19% from the previous year (3,268)
- 810 or 30% proposed in manufacturing, which was lower than one year ago (934 or 29%)
- 651 (24% of all proposed redundancies) in proposed in wholesale and retail trade; repair of motor vehicles and motorcycles
- a further 614 proposed redundancies (23% 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

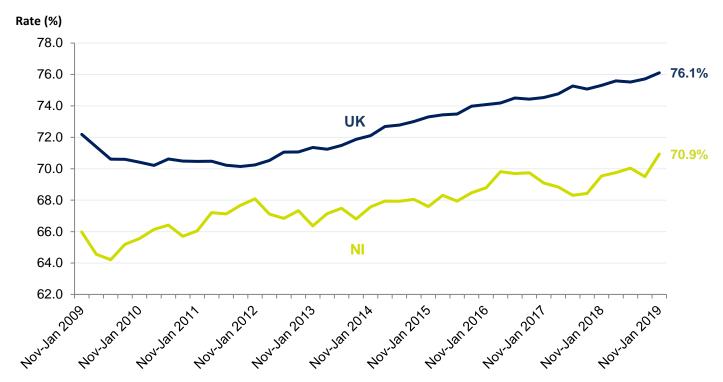
**LFS employed:** people aged 16 or over who did at least one hour of paid work in the reference week (whether as an employee or self-employed); those who had a paid job that they were temporarily away from; those on government-supported training and employee programmes and those doing unpaid family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

Figure 4: Seasonally adjusted employment rate, Nov-Jan 2009 to Nov-Jan 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. The most recent NI employment rate for those aged 16-64 for the period November-January 2019 was estimated at a record high of 70.9%. The UK employment rate for those aged 16-64 was also a record high of 76.1%. Increases were experienced in both male and female employment rates over the year.

## **Employment**

The most recent NI employment rate for those aged 16-64, for the period Nov-Jan 2019, was estimated at 70.9%. This represents:

- an increase of 1.4pps over the quarter
- an increase of 1.4pps over the year.

The number of persons in employment (16+) in the period Nov-Jan 2019 was estimated at 857,000, which was:

- an increase of 18,000 over the quarter
- an increase of 15,000 over the year.

## **Employment by gender**

Of those aged 16+ in employment, 52% (447,000) were male and 48% (411,000) were female. Annual changes by gender included:

- the male (16-64) employment rate (74.3%) increased by 1.0pps over the year
- the female (16-64) employment rate (67.6%) increased by 1.8pps over the year

## Regional comparison

The employment rate in NI (70.9%) was:

- below the UK average (76.1%)
- 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 March 2019

The QES is a business survey which samples approximately 6,000 companies who are asked to provide 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 a record high in December 2018.
- 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, December 2008 to December 2018

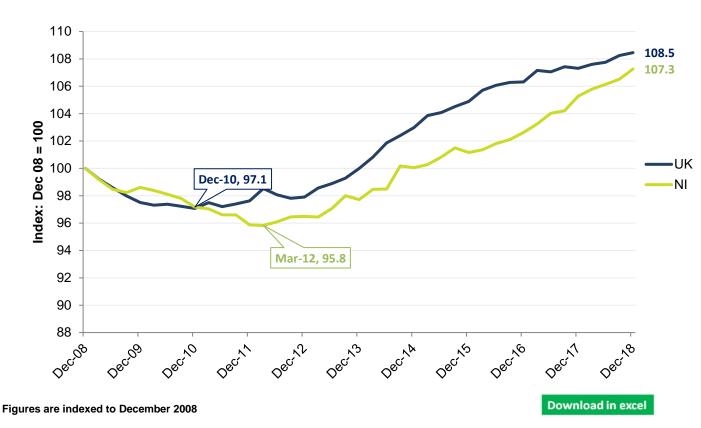


Figure 5 shows the estimated seasonally adjusted employee jobs, indexed to allow comparison between NI and the UK.

The UK reached its lowest point in December 2010, more than a year before the NI low in March 2012. Both NI and the UK have surpassed their pre-downturn peaks; NI jobs are now 5.6% above their June 2008 level while UK jobs are 7.6% above their September 2008 level.

#### **Employee Jobs**

The seasonally adjusted employee jobs total in Northern Ireland at December 2018 was 773,750, which was:

- an increase of 0.7% (5,410 jobs) from the revised September 2018 estimate of 768,340.
- an increase of 1.9% (14,350 jobs) over the year.
- The annual increase in employee jobs was statistically significant.

## Employee jobs by sector

The seasonally adjusted quarterly change consisted of:

- an increase in the manufacturing sector (0.4% or 320 jobs), services sector (0.7% or 4,340 jobs), construction sector (2.0% or 700 jobs) and other sector (0.2% or 50 jobs).
- an increase of 0.7% (4,160 jobs) in the private sector and
- an increase of 0.1% (180 jobs) in the public sector.

Over the year to December 2018:

- an increase in the manufacturing sector (2.5% or 2,110 jobs), services sector (1.7% or 10,360 jobs), construction sector (2.2% or 760 jobs) and other sector (5.0% or 1,130 jobs).
- the private sector increased by 2.3% (12,860 jobs).
- the public sector increased by 0.6% (1,260 jobs).

Private sector employee jobs have grown to a series high in December 2018 (565,480 jobs), and are now 10.4% above a pre-downturn peak which occurred in June 2008. Public sector jobs showed an increase over the year to December 2018 to 207,950 jobs, however there are now 20,240 fewer public sector jobs than the public sector series peak in September 2009 (-8.9%).

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 <u>Business</u> 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 January 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.

## **Key Findings**

- There were 13,492 vacancies notified in the third quarter of the 2018/19 financial year
- An increase of 12.7% when compared against the same period in the 2017/18 financial year

Table 2: Monthly Notified Vacancies, 2018

Date	Full-time	Part-time	Casual	Total
January 2018	3,143	1,492	265	4,900
February 2018	2,893	1,379	244	4,516
March 2018	3,021	1,470	261	4,752
April 2018	3,076	1,373	222	4,671
May 2018	3,379	1,704	266	5,349
June 2018	3,000	1,497	285	4,782
July 2018	2,902	1,336	290	4,528
August 2018	3,897	1,845	355	6,097
September 2018	3,377	1,808	325	5,510
October 2018	3,789	1,720	359	5,868
November 2018	3,120	1,359	261	4,740
December 2018	1,946	794	144	2,884
Total	37,543	17,777	3,277	58,597

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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.

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).

<sup>(2)</sup> Vacancies data is published quarterly and reported by financial year. Data for October-December 2018 was published January 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 decreased over the quarter and over the year
- NI economic inactivity remains the highest of the twelve UK regions

Figure 6: Seasonally adjusted economic inactivity rates (16-64), Nov-Jan 2009 to Nov-Jan 2019

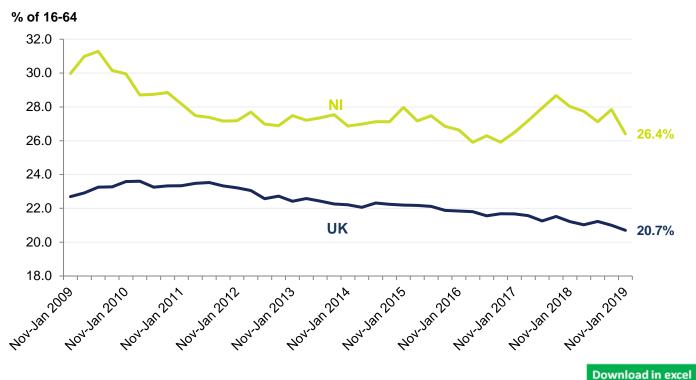


Figure 6 shows that, over the last 10 years, economic inactivity in NI has been consistently higher than the UK average. During the past 10 years, the UK inactivity rate has been on a downward trend. Economic inactivity in NI has mostly been decreasing from 2017, following a period of increasing inactivity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

The current inactivity rate (26.4%) is one of the lowest in the last ten years and significantly below the recent peak in August-October 2017.

## **Economically inactive**

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

- a decrease of 1.4pps over the quarter
- a decrease of 1.6pps over the year.

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

- a decrease of 17,000 over the quarter
- a decrease of 19,000 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 (20.7%)
- the highest of the twelve UK regions.

Further information is available on the NISRA - Economic and Labour Market Statistics website: <u>LFS economic inactivity</u>

## **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.

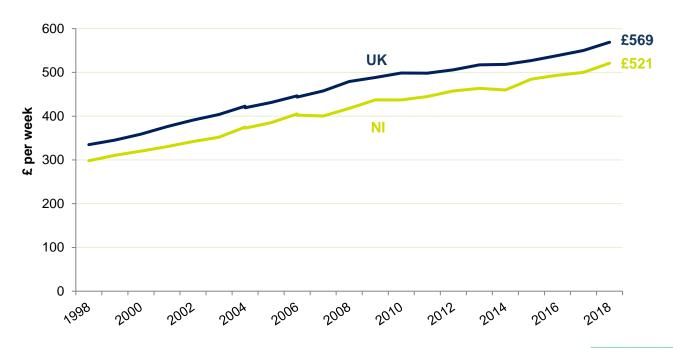
**Median** measures the amount earned by the average individual, i.e. the level of earnings at which half the population are above and half the population are below.

**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

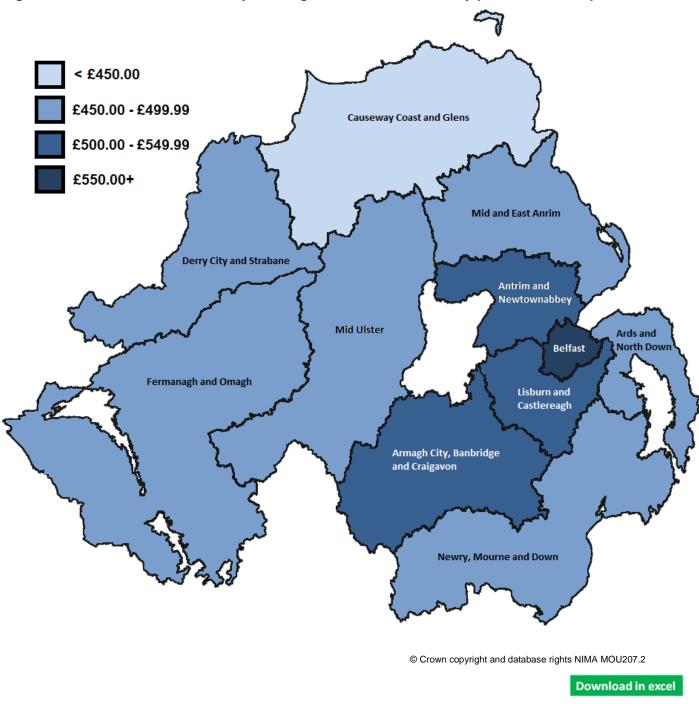
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The median gross weekly earnings for full-time employees in NI at April 2018:

- 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

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.

## **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. 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 are 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 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. Please note that the terms 'statistically significantly' and 'significantly' are used interchangeably throughout the report but always refer to the statistical significance of changes.

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

November – January 2019	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 <sup>1</sup>	31,000	+/-7,000	0	+/-7,000	3,000	+/-10,000	+/-10,000
Employment <sup>2</sup>	857,000	+/-20,000	18,000	+/-15,000	15,000	+/-29,000	+/-32,000
Economically inactive <sup>2</sup>	578,000	+/-19,000	-17,000	+/-14,000	-12,000	+/-27,000	+/-29,000
Unemployment rate <sup>1</sup>	3.5%	+/-0.8pps	0.0pps	+/-0.8pps	0.3pps	+/-1.2pps	+/-1.2pps
Employment rate <sup>2</sup>	70.9%	+/-1.5pps	1.4pps	+/-1.1pps	1.4pps	+/-2.1pps	+/-2.3pps
Economic inactivity rate <sup>2</sup>	26.4%	+/-1.4pps	-1.4pps	+/-1.1pps	-1.6pps	+/-2.1pps	+/-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 19/02/19)

The total eligible sample for the October-December 2018 LFS consisted of 3,441 addresses (1,116 chosen at random from the Valuation & Lands Agency list of domestic properties and 2,325 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, October-December 2018

Fully and partially responding	2,161
Eligible sample	3,441
Response rate (%)	62.8%

<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.

<sup>&</sup>lt;sup>2</sup> Levels for all persons aged 16 and over, rates for working age (16-64).

#### **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 rolling three month periods. For example, the 3 months ending January 2019 should be compared with the estimates for August-October 2018, which were first published on 11<sup>th</sup> December 2018. This provides a more robust estimate than comparing with the estimates for October-December 2018, as the November and December data are included within both estimates. Effectively, observed differences are those between the individual months of October 2018 and January 2019. 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 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 magnitude of the revisions are relatively small, with the majority of revisions to the unemployment rate falling within +/-0.1 percentage points but the biggest revision being -0.3pps; and the working age employment rate mostly falling within +/- 0.1 percentage points but the biggest revision being 1.0pps. 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.

## Changes to the Disability data

As of May 2016, the definition of Disability used on the Labour Force Survey in Northern Ireland has changed from the DDA-based definition to the GSS Harmonised Standard definition of Disability. This is to ensure consistence and comparability with the UK. It has caused a discontinuity in the time series at April 2013.

The GSS Harmonised Standards focus on a 'core' definition of people whose condition currently limits their activity. In summary the core definition covers people who report:

- (current) physical or mental health condition(s) or illnesses lasting or expected to last 12 months or more; and
- the condition(s) or illness(es) reduce their ability to carry out day-to-day activities.

This differs from the DDA-based definition of disability previously used in the LFS in that it excludes the following groups which are "non-core" under the new Act:

- people with a progressive condition (specified in the Equality Act as HIV/AIDS, cancer or multiple sclerosis) that does not currently reduce their ability to carry out day-to-day activities.
- people whose activities would be restricted only without medication or treatment.

### **Disability**

In November 2017, ONS advised suspending the publication of disability estimates due to a large increase between Quarter 2 and 3 in 2017. Although a discontinuity was not visible at the NI level, NISRA removed disability estimates in the October - December 2017 Quarterly Supplement while further investigations took place.

In November 2018, ONS published results of further analysis about the nature of the large increase and advice to users about interpretation of the disability series. ONS have acknowledged that the quarterly increase in Quarter 3 (July to Sept) 2017 was unusual but cannot be explained by any discontinuities in the data. Users should note that estimates derived from sample surveys can be affected by sampling variability and that short-term comparisons should not be made using non-seasonally adjusted datasets.

Previous health warnings have been removed and ONS have no plans for further updates to its analysis of the unusual increase. ONS will also continue to monitor LFS disability data in line with their standard quality assurance practices.

An <u>article</u> on the ONS website has further information on the analysis conducted.

# 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 will continue to be published on the NISRA website and counts will also be available from NOMIS.

## **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 September 2018 seasonally adjusted estimate first published in December 2018 has subsequently been revised up 0.3%.

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 <u>correspondence</u> between John Pullinger the National Statistician on this issue and the <u>reply</u> 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 12<sup>th</sup> July 2017 was the first release under these new arrangements.

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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