

Underemployment in Northern Ireland

Theme: Labour Market

Frequency: Ad-hoc

Geographical Area: Northern Ireland

Underemployed refers to those who are employees but would like to work more hours either in their current job, a supplementary job, or in a new job. This short topic paper examines underemployment in Northern Ireland in the context of the UK, and the characteristics of those who are underemployed, as sourced from the Labour Force Survey (LFS).

Key Points

- The number of underemployed in Northern Ireland was estimated at 48,000 in 2019, equivalent to 6.8% of all employees aged 16-64.
- Over the last 15 years underemployment has ranged from a low of 3.4% in 2005 to a high of 8.7% in 2013.
- 7.1% of female employees and 6.5% of male employees reported being underemployed in 2019.
- Underemployment was reported significantly more among 16-24 year olds than any other age group.
- Derry City and Strabane and Causeway Coast and Glen District Council areas had the highest proportion of employees reporting underemployment at 9%. This compares with 3% in Lisburn and Castlereagh and Mid Ulster District Council areas.

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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 [assessment](#) against the [Code of Practice](#).

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 release of annual data outputs into both a summary and detailed report which has improved timeliness of dissemination;
- Improved quality of the LFS data by boosting the sample size and improving precision around headline estimates.

1 Underemployment in Northern Ireland

Employees: those who are in employment and paid a wage by an employer for the work that they do; this category may be further sub-divided into permanent and temporary employees.

Underemployed: Underemployed workers are those people in employment who would like to work more hours, either by working in an additional job, by working more hours in their current job, or by switching to a replacement job. They must also be available to start working longer hours within two weeks and their current weekly hours must be below 40 hours if they are between 16 and 18 and below 48 hours if they are over 18.

Figure 1: Breakdown of the NI labour market in April to June 2020

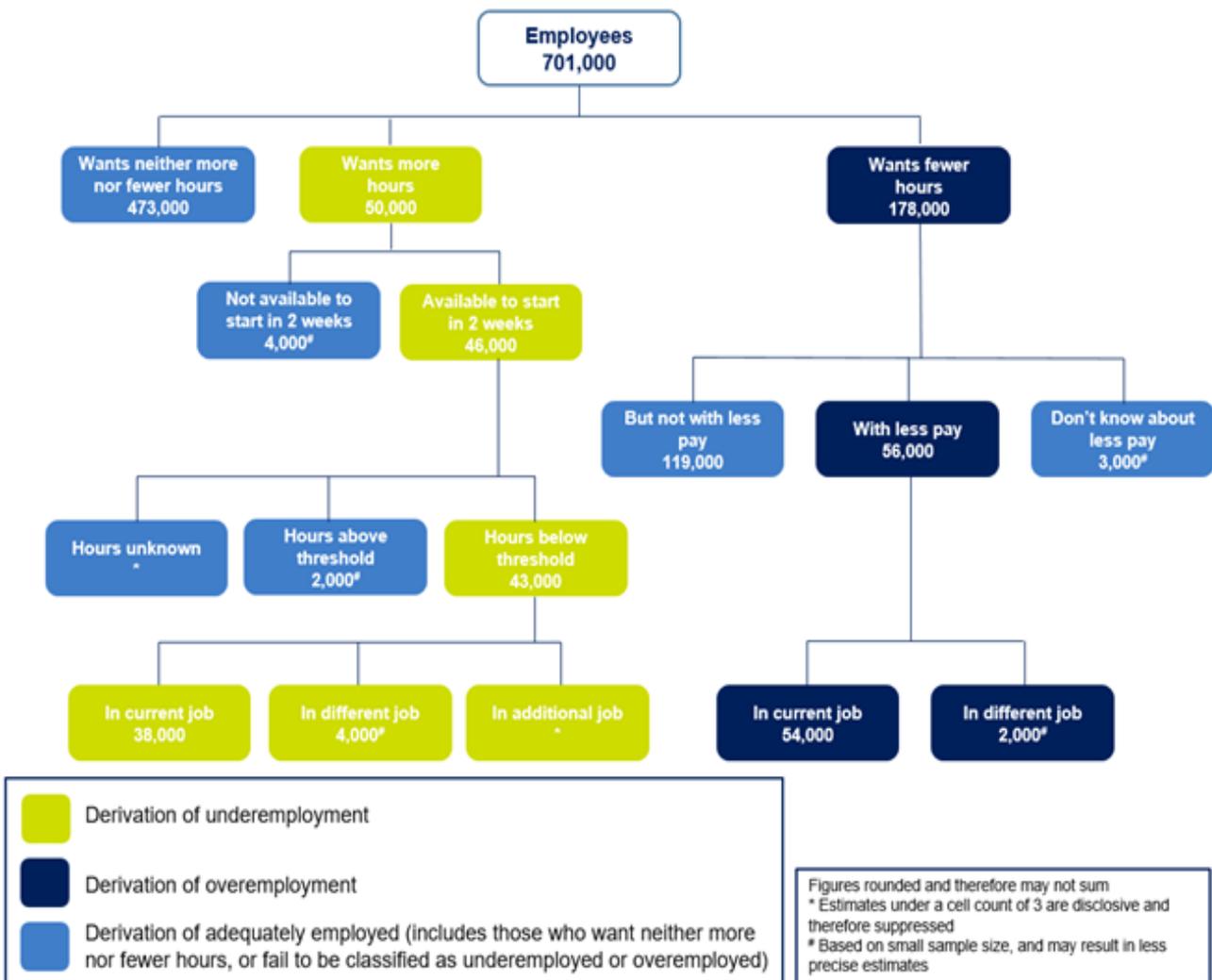
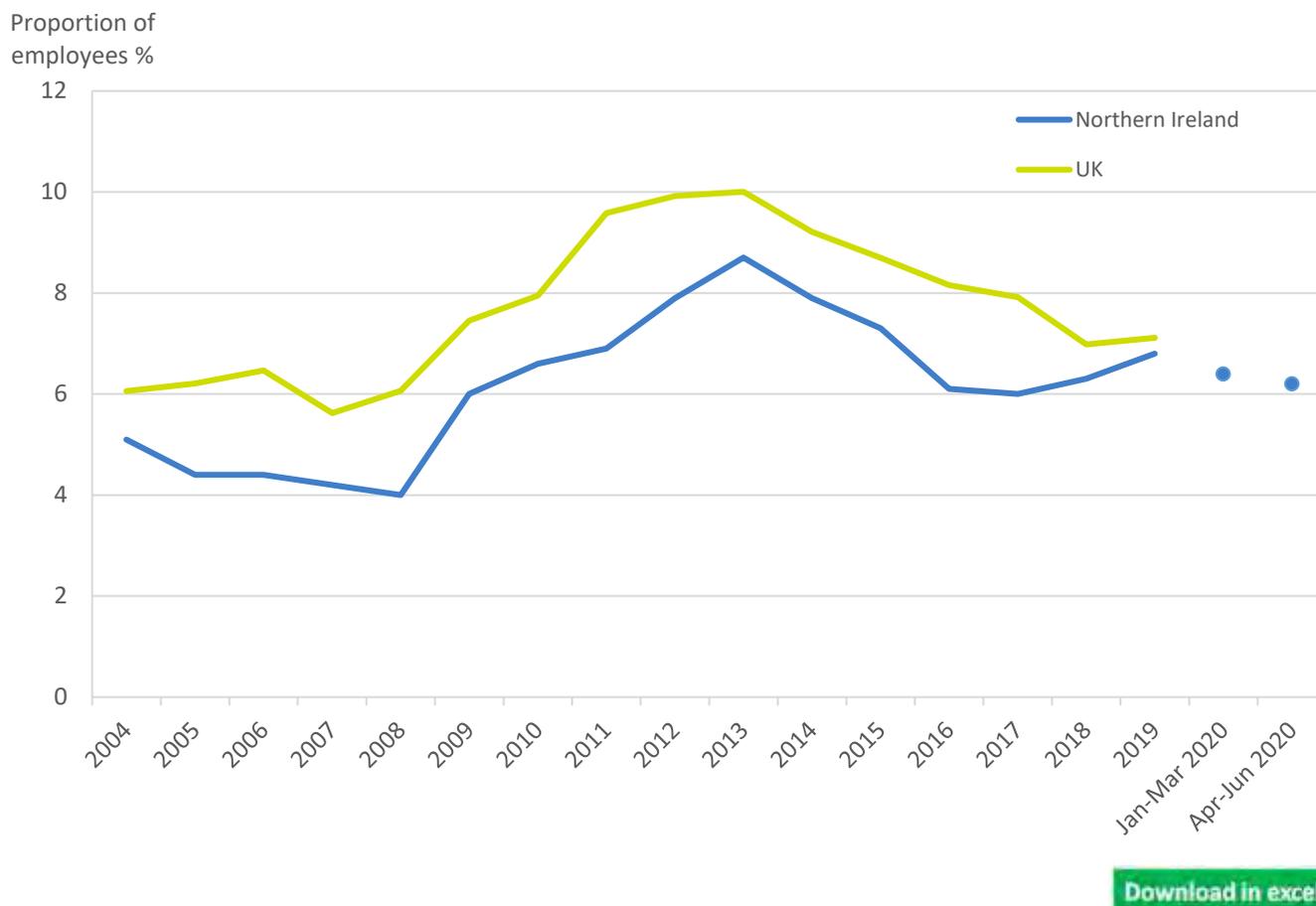


Figure 2: Underemployed in Northern Ireland (16-64) as a proportion of employees, 2004 to April-June 2020, compared with the UK



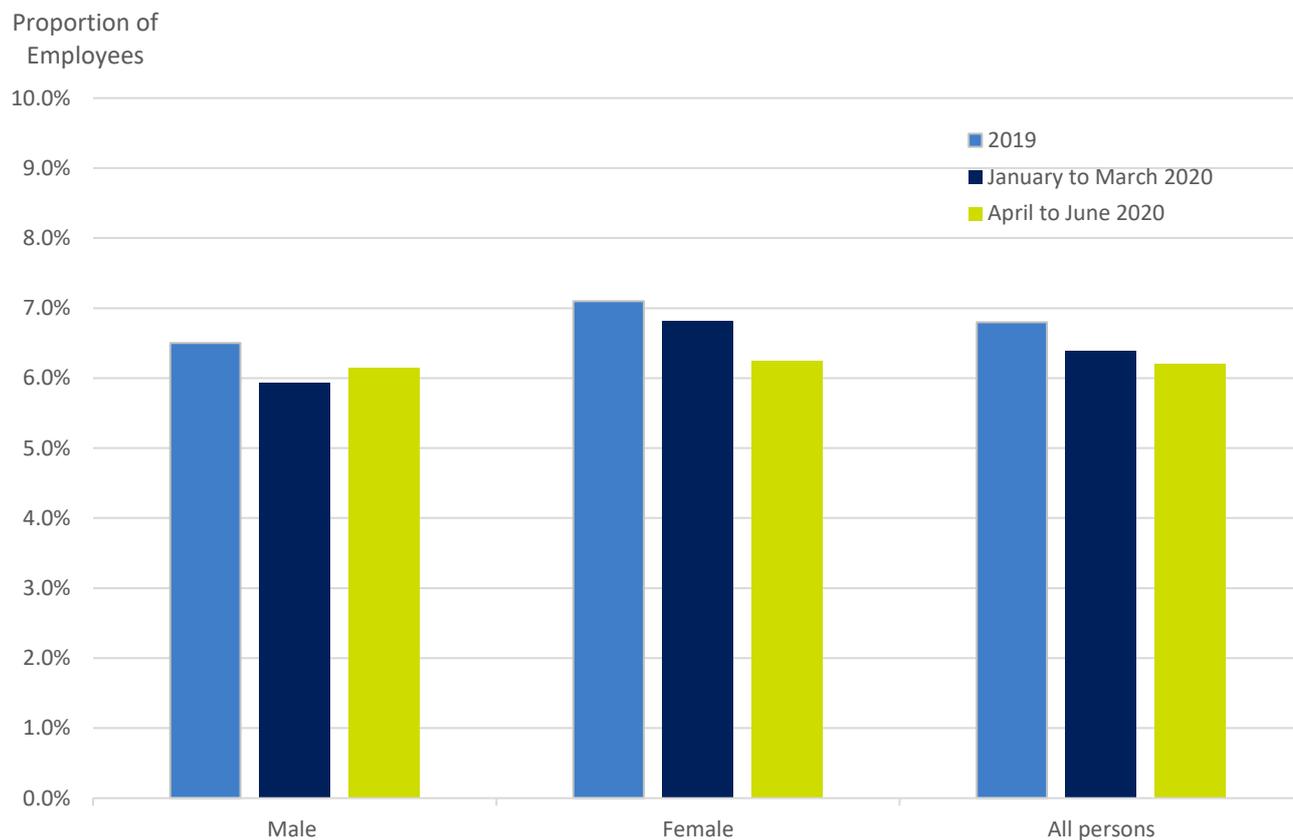
Underemployment in Northern Ireland has been consistently lower than the UK average between 2004 and 2019, although has followed the same general trend.

The proportion of underemployed employees in NI in 2019 at 6.8% is below the recent peak in 2013 (8.7%) and above the recent low of 4.0% in 2008. The 2019 proportion of underemployed is significantly less than the peak in 2013.

More recent data indicates underemployment of 6.4% and 6.2% of employees in January to March and April to June 2020.

2. Characteristics of Underemployed

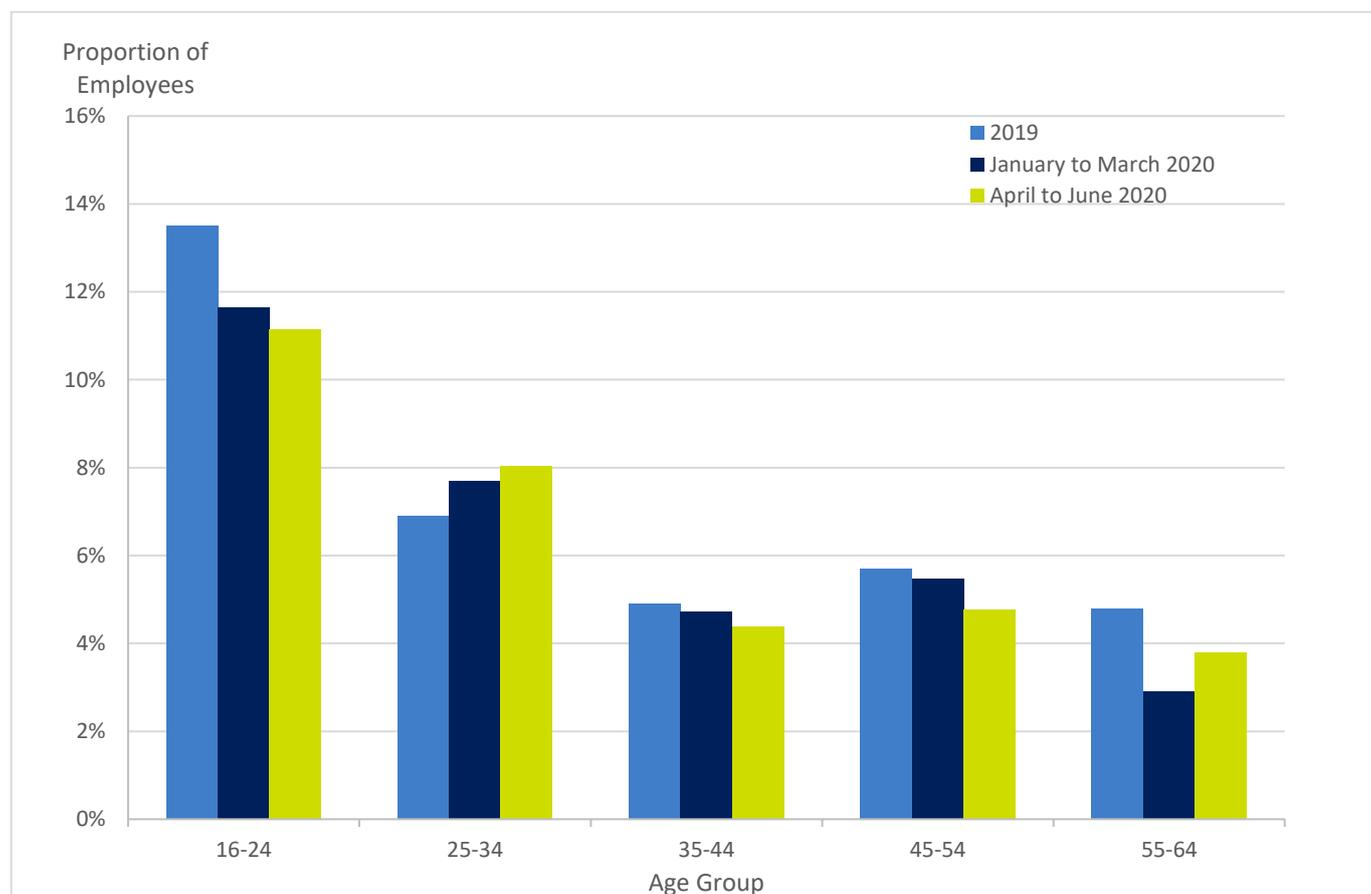
Figure 3: Underemployment by Sex in Northern Ireland (16-64), 2019, January-March 2020 and April-June 2020



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The rate of underemployment for males and females in 2019 were similar, with less than 1pps of a difference between them (6.5% and 7.1% respectively). Quarters 1 and 2 in 2020 are also plotted and show a similar trend.

Figure 4: Underemployment by Age Group in Northern Ireland (16-64), 2019, January-March 2020 and April-June 2020



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Figure 4 illustrates underemployment rates by age group in 2019 compared with the first two quarters of 2020.

In 2019 the youngest age group had the highest proportion of employees reporting that they are underemployed, almost twice the rate of the next highest age group (25-34 years).

4. Further Information

Background

The LFS annual dataset used for this publication is derived from four consecutive quarters of the LFS. Each quarter's LFS sample of around 4,500 households in NI is made up of 5 waves with around 1,300 private households selected for the first time in wave 1 and the remaining 3,200 private households spread across waves 2 to 5. This results in a total of around 7,000 individuals included each quarter. Individuals in each wave are interviewed in five successive quarters, such that in any quarter one wave will be receiving their first interview, one wave their second, and so on, with one receiving their fifth and final interview. The annual dataset is created by selecting the relevant cases from each quarter and combining them to create a dataset of unique cases. Selecting all wave one and five interviews allows the maximum number of respondents over a one-year period to be included whilst avoiding double counting. The resulting sample size in the 2019 dataset is approximately 11,000 individuals.

The LFS collects information from a sample of the population living in households. To provide estimates for the entire population the data must be grossed. This is achieved by creating grossing factors often referred to as weights, that can be applied to each sampled individual so that grossed results match published population data in terms of age distribution, sex and region of residence. Mid-year population estimates and projections are used to ensure that the LFS is grossed to the most up to date population data available.

Precision of estimates

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.

Thresholds

Estimates under a cell count of 3 are disclosive and therefore suppressed. Shaded estimates are based on a small sample size. This may result in less precise estimates, which should be used with caution. Unshaded estimates are based on a larger sample size. This is likely to result in estimates of higher precision, although they will still be subject to some sampling variability.

Table 1: 95% Confidence interval of 16-64 underemployed, January-December 2019

	Value	Confidence interval	Lower limit	Upper limit
Underemployed	48,000	+/-6,000	43,000	54,000

LFS revisions

LFS microdata are routinely revised to incorporate the latest population estimates. The latest annual revisions were published in March 2019 and affect annual datasets from 2012 onwards. In addition the 2018 and 2019 annual datasets reflect a boost to the LFS sample that began roll-out in January 2018. More information on the revision policy concerning labour market statistics can be found through the following link: [Labour market statistics revisions policy](#)

LFS definitions

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.

Employee

Employees are those who are in employment and paid a wage by an employer for the work that they do; this category may be further sub-divided into permanent and temporary employees.

Underemployed

Underemployed workers are those people in employment who would like to work more hours, either by working in an additional job, by working more hours in their current job, or by switching to a replacement job. They must also be available to start working longer hours within two weeks and their current weekly hours must be below 40 hours if they are between 16 and 18 and below 48 hours if they are over 18.

Further information

If you require further information about the figures contained in this publication or the accompanying tables, please contact the Labour Force Survey section using the details below:

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Und4	<u>Underemployment by Local Government District in Northern Ireland (16-64), 2019</u>