

# Labour Force Survey Annual Summary 2020

Theme: Labour Market

Frequency: Annual

Geographical Area: Northern Ireland

This summary provides key labour market results from the Labour Force Survey (LFS) for the year ending 31<sup>st</sup> December 2020. Headline employment, unemployment and economic inactivity estimates are included. Further, the summary contains updates to two of the Outcomes Delivery Plan indicators (16 & 17) for Northern Ireland.

## Key points

- The Northern Ireland (NI) unemployment rate (16+) in 2020 was estimated at 2.8%. The unemployment rate increased from the previous year (2.6%) by 0.3 percentage points (pps), following a period of general decline in the unemployment rate between 2013 and 2019. The annual change was not statistically significant.
- The NI employment rate (the proportion of people aged 16-64 in work) in 2020 was estimated at 70.6%. The NI employment rate decreased from the previous year (71.9%) by 1.3pps, following the peak employment rate in 2019. The change was not statistically significant.
- The NI economic inactivity rate (the proportion of people aged 16-64 who were not working nor seeking or available to work) in 2020 was estimated at 27.2%. The inactivity rate increased from the previous year (26.2%) by 1.1pps. The change was not statistically significant.

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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 of Labour Market Statistics for Northern Ireland](#) against the [Code of Practice for statistics](#). A compliance check in March 2020 of the Labour Market Report, which contained LFS statistics, recommended the continued designation of the Labour Market Report as a National Statistic. These statistics were considered as part of a wider [assessment of the UK employment and jobs statistics](#).

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 (Please note since the COVID-19 pandemic sample sizes have decreased due to difficulty of collecting survey information from households).
- Reviewed and updated [quality protocols for release](#) for LFS data
- Improved accessibility of labour market statistics by [changing the release dates of statistics to avoid public holidays](#) and amended the format and structure of reports in line with accessibility regulations.

# 1. Context

This report provides the first release of annual data for 2020 from the Labour Force Survey (LFS). The LFS is the largest regular household survey in Northern Ireland.

NISRA suspended all face-to-face household interviews in the middle of March 2020 due to COVID-19 and from April 2020 all LFS interviews were conducted by telephone. As a result, the achieved sample size (16+) for January-December 2020 was 27% lower than January-December 2019. This has impacted the precision of the estimates. For example the employment rate 95% confidence interval increased by +/-0.2pps from January-December 2019. The [further information](#) section provides more detail on sampling variability (in the 'reporting change and sampling variability' section).

When interpreting the LFS data consideration should be given to government schemes implemented to address the impact of the pandemic on the labour market. In particular users should note that those furloughed under the Coronavirus Job Retention Scheme (CJRS) or receiving a grant through the Self Employment Income Support Scheme (SEISS) are likely\* to be included in the LFS estimates of employment and not within the LFS unemployment estimates. (\*As labour market status is self-defined by respondents in the survey).

Data are presented in charts and tables from 2010 to 2020. Peak or low values highlighted in this publication refer to maximum or minimum values in the annual data series and not the quarterly data series that is published in the monthly [Labour Market Report](#).

A recent Labour Market Outputs [consultation](#) showed labour market statistics are used for policy monitoring and research, academic and private sector research, service planning and delivery. 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 (TEO), 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 publication day of the monthly [Labour Market Report](#).

Labour market statistics feature in the [DfE Economic Commentary](#), 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 [Economic Overview section](#) of the NISRA website.

**Further information on using labour market statistics can be found on the Office for National Statistics (ONS) website:**

- [Guide to Labour Market Statistics](#)
- [Glossary](#)

## **Outcomes Delivery Plan Indicators (ODP) and Programme for Government**

On the 25th January 2021, the Northern Ireland Executive launched a [public consultation](#) on the new Programme for Government draft Outcomes Framework, which closed on 22nd March 2021. The draft Outcomes Framework contains nine strategic outcomes.

The 2016-2021 draft Outcomes framework reflects population conditions in 12 key areas of economic and societal wellbeing identified through consultation as priorities, the 12 areas are then supported by 49 indicators.

The LFS annual dataset informed seven indicators related to the 2016-2021 draft Outcomes Framework; two of which are detailed within this publication for 2020 and a further four indicators were reported in the [Annual Report \(2019\)](#) in October 2020. The 7th indicator (ODP 42, Life Satisfaction score of people with disabilities) is published in the [Personal Wellbeing](#) section of the NISRA website.

The [Outcomes Delivery Plan 2018/19](#) set out the actions that departments intended to take during 2018/19 to give effect to the objective of improving wellbeing for all – by tackling disadvantage and driving economic growth. The [Outcomes Delivery Plan \(December 2019\)](#) is a further update which does not cover a fixed period with the intention to maintain it as a more responsive “live” document.

## 2. Unemployment

**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.

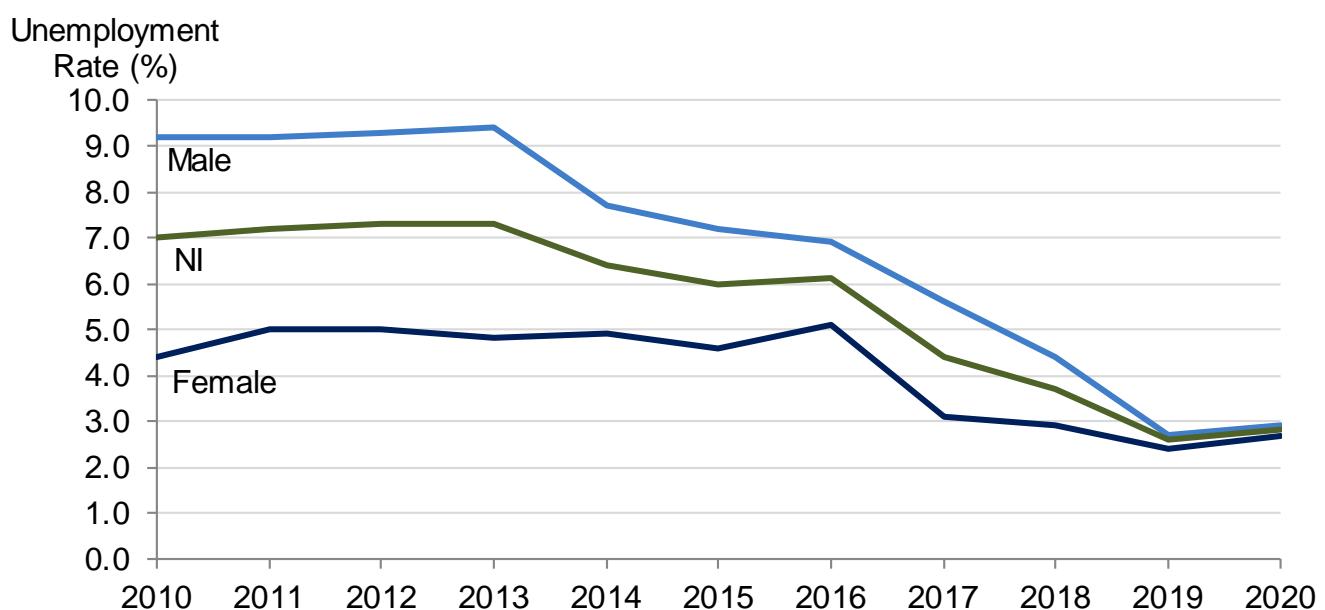
### Key findings

- The unemployment rate (16+) in NI was estimated at 2.8%, an increase of 0.3 percentage points (pps) over the year and a decrease of 4.2 pps over the decade.
- The annual increase to 2020 followed a period of general decline in the unemployment rate between 2013 and 2019.
- The number of unemployed persons aged 16+ in 2020 was estimated at 25,000, an increase of 2,000 over the year and a decrease of 34,000 over the decade.
- The unemployment rate for males (16+) was estimated at 2.9% and the female rate was estimated at 2.7%.

Of those aged 16+ who were unemployed, 55% (14,000) were male and 45% (11,000) were female. The changes by gender included:

- The male (16+) unemployment rate (2.9%) increased by 0.2pps over the year.
- The female (16+) unemployment rate (2.7%) increased by 0.3pps over the year.

**Figure 1: Northern Ireland unemployment rate (16+), Jan-Dec 2010 to Jan-Dec 2020**



[Download figure 1 data](#)

Figure 1 shows the unemployment rates for NI, males and females over the last 10 years, where the unemployment rate for females has been consistently lower than males. However, the gap between the two has decreased in the last 5 years, to a 0.2pps difference in 2020 between males and females.

Further information is available on the NISRA - Economic and Labour Market Statistics website: [LFS unemployment](#)

### 3. 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.

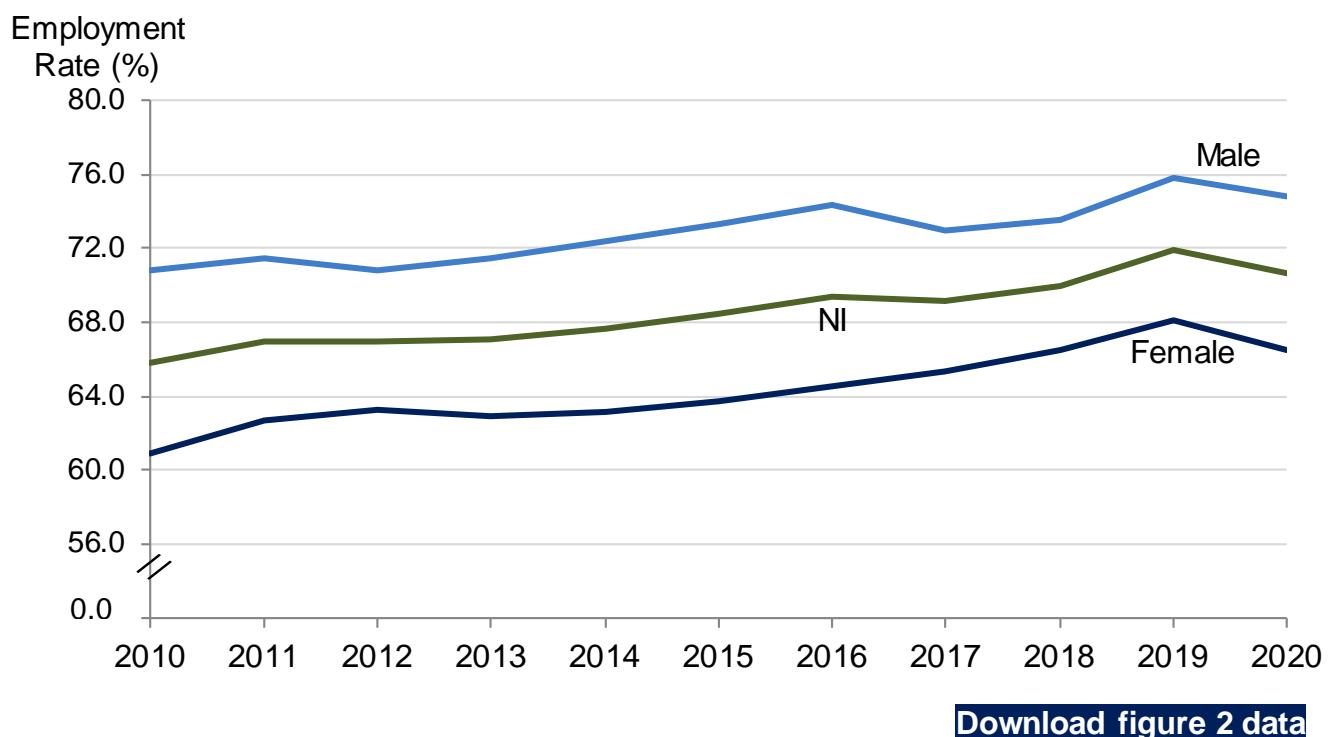
#### Key findings

- The 2020 employment rate (16-64) in NI was estimated at 70.6%, a decrease of 1.3 percentage points over the year, following the peak employment rate in 2019.
- The number of persons in employment (16-64) was estimated at 825,000.
- The estimated employment rate (16-64) was 74.8% for males and 66.5% for females.

Of those aged 16-64 who were employed, 52% (432,000) were male and 48% (392,000) were female. The changes by gender included:

- The male (16-64) employment rate (74.8%) decreased by 1.0pps over the year
- The female (16-64) employment rate (66.5%) decreased by 1.6pps over the year

**Figure 2: Northern Ireland employment rate (16-64), Jan-Dec 2010 to Jan-Dec 2020**



[Download figure 2 data](#)

The employment rate over the last 10 years is presented in figure 2 for NI, males and females. The employment rate for males has been consistently higher than for females over this period.

Further information is available on the NISRA - Economic and Labour Market Statistics website: [LFS employment](#)

## ODP indicator 16: Seasonally adjusted employment rate (16-64)

**Current position:** The Northern Ireland employment rate for those aged 16-64 in 2020 was 70.6%. This was a 2.2 percentage point increase from the baseline year (2015). This was a statistically significant change.

Outcome 6 – We have more people working in better jobs.

Further information is available on the TEO website: [Outcomes Delivery Plan \(December 2019\)](#)

## 4. Economic inactivity

**Economically inactive:** People not in employment who have not been seeking work within the last 4 weeks and/or are unable to start work within the next 2 weeks.

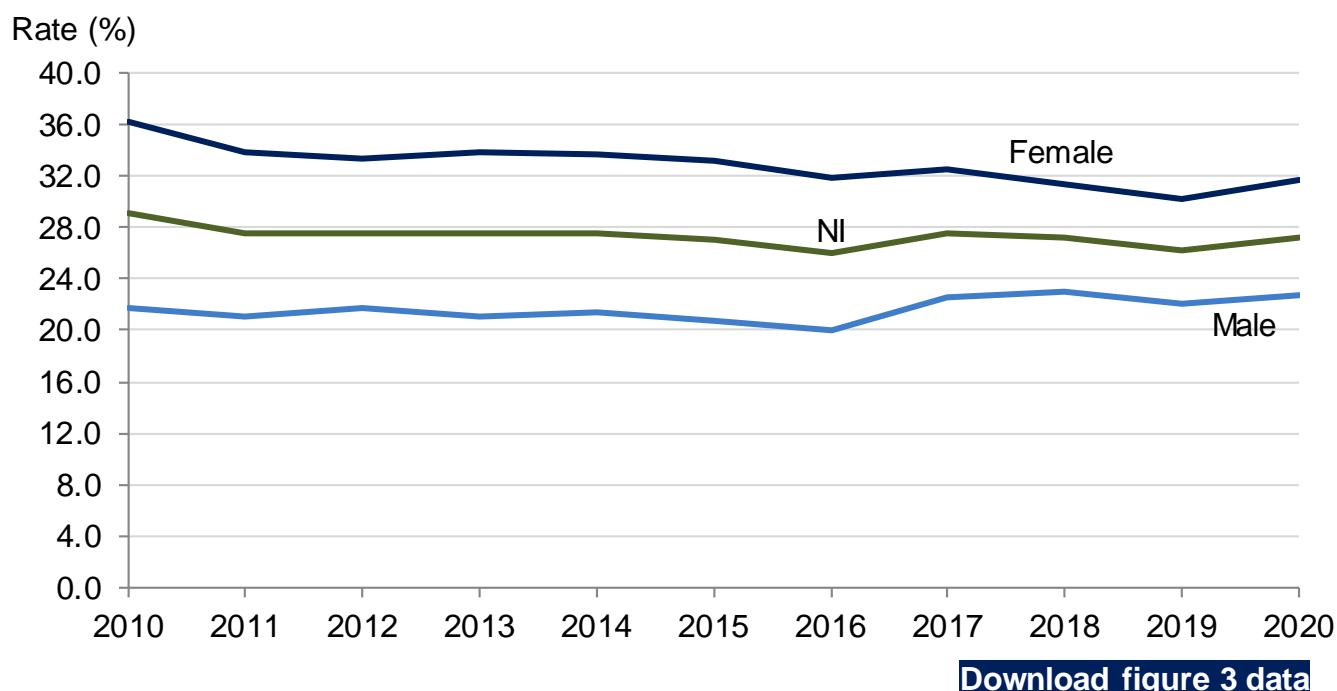
### Key findings

- The 2020 economic inactivity rate (16-64) in NI was estimated at 27.2%, an increase of 1.1 percentage points over the year.
- The number of persons who were economically inactive (16-64) in 2020 was estimated at 318,000.
- The estimated economic inactivity rate (16-64) was 22.8% for males and 31.6% for females.

Of those aged 16-64 who were economically inactive, 41% (132,000) were male and 59% (186,000) were female. The changes by gender included:

- The male (16-64) economically inactive rate (22.8%) increased by 0.8pps over the year
- The female (16-64) economically inactive rate (31.6%) increased by 1.3pps over the year

**Figure 3: Northern Ireland economic inactivity rate (16-64), Jan-Dec 2010 to Jan-Dec 2020**



[Download figure 3 data](#)

Figure 3 shows that the economic inactivity rates for females has been consistently higher than males over the last decade.

Further information is available on the NISRA - Economic and Labour Market Statistics website: [LFS economic inactivity](#)

## ODP indicator 17: Economic inactivity rate (16-64) excluding students

**Current position:** The Northern Ireland economic inactivity rate (16-64) excluding students in 2020 was 20.9%. This was a 0.8 percentage point increase from the baseline year (2015). This was not a statistically significant change.

Outcome 3 – We have a more equal society.

Outcome 6 – We have more people working in better jobs.

**Further information is available on the TEO website: [Outcomes Delivery Plan \(December 2019\)](#)**

# 5. Further information

## Background

The LFS annual dataset used for this publication is derived from four consecutive quarters of the LFS. For the first two quarters of 2020 the LFS sample in NI consisted of around 4,600 households, made up of 5 waves with around 1,300 private households selected for the first time in wave 1 and the remaining 3,300 private households spread across waves 2 to 5. This resulted in a total of around 6,500 individuals included each quarter (achieved quarterly sample size). To mitigate falling response rates due to the COVID pandemic, the LFS sample in the final two quarters of 2020 consisted of around 7,200 households, made up of 5 waves with around 2,600 private households selected for the first time in wave 1 and the remaining 4,600 private households spread across waves 2 to 5. This resulted in a total of around 4,750 individuals included each quarter (achieved quarterly sample size).

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 of the 2020 dataset is approximately 8,000 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.

## 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 tables 1.1 to 1.3 represent 95% confidence intervals i.e. we would expect that in 95% of samples the range would contain the true value. See the [Estimating and reporting uncertainty paper](#) for details.

If the annual change of an estimate is larger than the ‘confidence interval around the change’, the change is statistically significant. If none of the reported changes over the year were statistically significant, then the recorded changes did not exceed the variability expected from a sample survey of this size.

## Publication thresholds

Thresholds are used to determine whether LFS data are suitably robust for publication.

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, in particular should not be used to make statements on relative size when compared to similar values. 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.

## 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 include a boost to the LFS sample. More information on the revision policy concerning labour market statistics can be found through the following link: [Labour market statistics revisions policy](#)

## Impact of COVID-19 on Labour Force Survey

NISRA suspended all face-to-face household interviews in the middle of March 2020 due to COVID-19 and from April 2020 all LFS interviews were conducted by telephone. As a result, the achieved sample size (16+) for January-December 2020 was 27% lower than the same period in 2019. This change in mode for first interviews has changed the non-response bias of the survey, affecting interviews from March 2020 onwards. In particular, the proportion of households where people own their homes in the sample has increased and rented accommodation households has decreased. As such, in October 2020, the Office for National Statistics (ONS) revised the weighting methodology to include tenure type and provided a consistent reweighted time series back to January to March 2020. More information can be found in [the Coronavirus and its impact on the labour force survey page](#) or in the LFS Revision note on the [background information page](#) of the NISRA website.

## 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. In this publication employment estimates are for the working age (16-64) population.

**Employment rate:** The employment rate is the percentage of all working age (16-64) people who are employed.

**Unemployment:** The definition of unemployment used in the LFS is in accordance with that of the International Labour Organisation (ILO). 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 unemployment rate is the percentage of economically active people (16+) who are unemployed.

**Economic inactivity:** Economic inactivity applies to those individuals who are neither in

employment nor unemployed on the ILO measure.

**Economic inactivity rate:** The economic inactivity rate is the percentage of people of working age who are economically inactive.

**Economic inactivity excluding students:** People who are neither in employment, nor unemployed on the ILO measure, nor economically inactive due to being a student. The rate is calculated as all people of working age who are economically inactive, except those who are economically inactive due to being a student, as a proportion of all people of working age.

### **Further information**

If you require further information about the figures contained in this publication or the accompanying tables, or would like to provide feedback on the publication content please contact the Labour Force Survey section using the details below:

#### **Jennifer McLoughlin**

Economic & Labour Market Statistics Branch,  
Floor 1  
Colby House  
Stranmillis Court,  
BT9 5RR

Tel: (028) 905 29228

Email: [LFS@finance-ni.gov.uk](mailto:LFS@finance-ni.gov.uk)

Web: [Labour Force Survey](#)

## 6. Index of web tables

### Annual Summary Headline Tables 2020

#### Table No. Title

1.1	<a href="#">Unemployment by sex, 16+, 2010 to 2020</a>
1.2	<a href="#">Employment by sex, 16-64, 2010 to 2020</a>
1.3	<a href="#">Economic inactivity by sex, 16-64, 2010 to 2020</a>
ODP16	<a href="#">Employment rate, 16-64, 2010 to 2020</a>
ODP17	<a href="#">Economic inactivity rate excluding students, 16-64, 2010 to 2020</a>