

Unemployment and claimant count measures in Northern Ireland

Theme: Labour Market
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Background

Economic and Labour Market Statistics (ELMS) branch publishes two measures of unemployment in Northern Ireland – the Labour Force Survey (LFS) unemployment and the claimant count. The two series provide information on different aspects of unemployment, using different definitions and methodologies.

This short paper details the definitional differences between the two measures and provides examples of when a person could be unemployed as defined by both measures, one measure, and neither measure. It also seeks to quantify the differences between the two measures and highlight for which groups the two measures most differ.

Explaining the difference between LFS unemployment and claimant count

Table 1 provides a comparison of the LFS unemployment and the claimant count data sources, including background information, reporting periods, definitions and coverage. It also gives details of the main uses for each.

Further information is available on the NISRA website.

Labour Force Survey:

<https://www.nisra.gov.uk/statistics/labour-market-and-social-welfare/labour-force-survey>

Claimant Count:

<https://www.nisra.gov.uk/statistics/labour-market-and-social-welfare/claimant-count>

Table 1: At a glance - LFS and claimant count unemployment data sources explained

	LFS Unemployment	Claimant Count
Overview	The NI LFS is a sample survey of around 2,800 households annually, carried out by interviewing individuals about their personal circumstances and work.	The claimant count is a measure of the number of people Claiming benefits principally for the reason of being unemployed. It is an administrative data source derived from Jobs and Benefits Offices systems.
Reporting period	The LFS provides estimates of both the unemployment level and the unemployment rate on a monthly basis , based on rolling three monthly data.	Claimant count is a monthly series which provides data on the number of claimants for one particular day each month .
Definitions	LFS is conducted to International Labour Organisation (ILO) definitions therefore it is used as the official unemployment measure in NI and the United Kingdom (UK). The internationally agreed definition states that 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.	Since October 1996, the Claimant Count simply reported the number of people claiming Jobseeker’s Allowance (JSA). However, the introduction of Universal Credit (UC) in September 2017 meant that some claimants began claiming UC instead of JSA. From March 2018 the NI JSA-only claimant count was therefore replaced by an experimental measure based on JSA claimants plus out-of-work UC claimants who were claiming it principally for the reason of being unemployed (those in the “searching for work” conditionality regime).
Rates	The LFS unemployment rate refers to the percentage of economically active people aged 16 and over who are unemployed .	Claimant count rates at national level and for Government Office regions are calculated by expressing the number of claimants (16-64) who are resident in each area as a percentage of workforce jobs plus the claimant count .
Coverage	The LFS is based on statistical samples and is therefore subject to sampling variability , such that if many samples were drawn, each would give a slightly different result. A confidence interval is a range of values, defined by a lower and upper bound, which indicates the variability of an estimate. ELMS publish 95% confidence intervals around key estimates on a monthly basis to show the range within which the true value will lie, in 95% of samples.	The claimant count is based on administrative records of all people claiming benefits . The records hold details on each claimant including their National Insurance number, address, sex, date of birth and marital status. Details are also collected on the start and end dates of each claim and on the reason for ceasing a claim.
Key uses	LFS is the official unemployment measure in NI and is widely used for comparisons at regional level , due to adherence to internationally agreed definitions.	The administrative nature of the claimant count dataset facilitates sub-regional analysis such as Parliamentary Constituency, Local Government District, Travel-to-Work Areas, and Ward.

Relationship between the claimant count and LFS unemployment

Although there is a large degree of overlap between the claimant count and LFS unemployment, the two series' measure unemployment using different criteria, therefore it is possible for a person to be categorised as unemployed on one measure but not the other.

LFS unemployed but not claimant count unemployed

The following groups would not be entitled to claim unemployment related benefits but could be looking for and available to start work:

- people whose partner works more than 24 hours a week
- young people under 18 who are looking for work but do not take up the offer of a Youth Training place
- Students looking for part-time work or vacation work people who have left their job voluntarily people with savings of over £16,000.

Claimant count unemployed but not LFS unemployed

Similarly, those out of work, capable of, available for and actively seeking work may be eligible to claim JSA but not appear in the LFS measure of unemployment if that person:

- when interviewed for the survey, states that they are not seeking, or are not available to start work;
- has done at least one hour's paid work in the week (but less than the 16 hour average as required to be eligible for JSA, depending on income) prior to interview or has a job they are temporarily away from e.g. on holiday;
- is on a Government training scheme e.g. Steps 2 Success.

Table 2 below provides examples of how an individual can be categorised differently in the two series.

Table 2: Examples of LFS employment status and claimant count (CC) eligibility

Example	LFS unemployed?	CC unemployed?
A lost her job as a secretary three months ago. Every week she visits an employment agency to try to find a new job, which she would like to start immediately as she has little savings remaining.	✓	✓
B is currently receiving training through Steps 2 Success at a local business. She works 28 hours a week and goes to college for 1 day per week.	✗	✓
C works 10 hours a week earning minimum wage. She is trying to find alternative or additional employment with more hours and earnings.	✗	✓
D has been looking after her children for the last few years but is looking for a job now that her children are at school. Her husband works full-time and they have almost £20,000 in savings.	✓	✗
E reported to the interviewer that he worked 36 hours last week as a lorry driver.	✗	✗
F has no job from which he receives any pay or profit. However, he helps in his parents' shop for around 20 hours per week and is not currently seeking additional or alternative employment.	✗	✗