Northern Ireland Labour Market Report

Key Points

- The latest Labour Force Survey (LFS) estimates for the period September-November 2018 indicate that, over the quarter, the unemployment rate decreased while both the employment rate and the inactivity rate increased.

- The LFS indicated that the NI unemployment rate (16+) decreased over the quarter (1.0pps) and the year (0.4pps) to 3.4% in September-November 2018. 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 (4.0%), the Republic of Ireland rate (5.3%) and the EU rate (6.7%).

- The proportion of people aged 16 to 64 in work (the employment rate) increased over the quarter (0.4pps) and increased over the year (0.6pps) to 69.6%. Although the quarterly and annual changes were not statistically significant, the employment rate was statistically significantly above rates in 2013. The latest employment rate recorded for the whole of the UK was 75.8%.

- 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) increased by 0.4pps over the quarter and decreased by 0.3pps over the year to 27.9%. Whilst the recent changes in the economic inactivity rate were not statistically significant, the inactivity rate was significantly below rates in 2009.

- The number of people on the NI claimant count (experimental) remained unchanged over the month at 29,500 in December 2018. Please note these figures include Jobseeker's Allowance Claimants and those claimants of Universal Credit who were claiming it principally for the reason of being unemployed.

- The number of confirmed redundancies (2,498) in the most recent 12 months was 40% higher than in the previous 12 months (1,790).

This Labour Market Report (LMR) contains the following chapters:

1. **Summary of labour market statistics**

   - Labour market summary table
   - Infographic summary
   - Context

2. **Unemployment**

   - LFS unemployment
   - Claimant count unemployment (experimental)
   - Redundancies

3. **Employment**

   - LFS employment
   - Quarterly Employment Survey (QES)
   - Vacancies

4. **Economic inactivity**

   - LFS economic inactivity

5. **Earnings**
   - Annual Survey of Hours and Earnings

6. **Further Information**

7. **Index of Tables**

National Statistics

The United Kingdom Statistics Authority has designated these statistics* as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Official Statistics. They are awarded National Statistics status following an assessment by the Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

It is a producer's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

*Experimental Statistics

From 21st March 2018, the Claimant Count based on Jobseeker's Allowance has been replaced by an experimental measure based on Jobseeker's Allowance Claimants and those out-of-work Universal Credit claimants who were claiming principally for the reason of being unemployed. Please see Further Information Section 6 for more details.

1 Summary of Labour Market Statistics

Change over quarter / month

Seasonally adjusted LFS estimates for Northern Ireland for the period September-November 2018 showed that, over the quarter:

- the unemployment rate decreased by 1.0pps to 3.4%   Not statistically significant
- the employment rate increased by 0.4pps to 69.6%   Not statistically significant
- the economic inactivity rate increased by 0.4pps to 27.9% Not statistically significant

The seasonally adjusted experimental claimant count (Jobseekers Allowance plus some out-of-work claimants of Universal Credit) showed that, in December 2018, there was:
- no change over the month at 29,500.

During December 2018 there were:
- 41 confirmed redundancies notified to the Department, down from 96 in the previous month.

The number of employee jobs at September 2018 was estimated at 765,880:
- an increase of 2,240 over the quarter from the revised June 2018 estimate.

Table 1: Labour Market Summary	Time Period	Estimate (sampling variability of estimate)	Change over quarter (Sampling variability of change)	Change over year (Sampling variability of change)
Unemployment[1]	Sep-Nov 2018	29,000 +/-9,000	-9,000 +/-9,000	-4,000 +/-12,000
Employment[2]	Sep-Nov 2018	845,000 +/-25,000	2,000 +/-19,000	8,000 +/-32,000
Economically inactive[2]	Sep-Nov 2018	597,000 +/-23,000	8,000 +/-17,000	3,000 +/-30,000
Unemployment rate[1]	Sep-Nov 2018	3.4% +/-1.0pps	-1.0pps +/-1.1pps	-0.4pps +/-1.4pps
Employment rate[2]	Sep-Nov 2018	69.6% +/-1.9pps	0.4pps +/-1.4pps	0.6pps +/-2.4pps
Economic inactivity rate[2]	Sep-Nov 2018	27.9% +/-1.8pps	0.4pps +/-1.3pps	-0.3pps +/-2.3pps
Employee Jobs	September 2018	765,880 +/-6,700	2,240	14,700
			Change over month	**Change over year**
Claimant Count[3] (experimental)	December 2018	29,500	0	200
Redundancies[4]	December 2018	41		

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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.
[2] Levels for all persons aged 16 and over, rates for working age (16-64).
[3] Jobseekers Allowance plus some out-of-work claimants of Universal Credit.
[4] 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 September-November 2018 showed that over the year:

- the unemployment rate decreased by 0.4pps (to 3.4%)   Not statistically significant
- the employment rate increased by 0.6pps (to 69.6%)   Not statistically significant
- the economic inactivity rate decreased by 0.3pps (to 27.9%)   Not statistically significant

In December 2018, the claimant count (experimental) showed that there was:
- an increase of 200 over the year to 29,500.

Over the latest twelve month period there were:
- 2,498 confirmed redundancies which was an increase of 40% from the previous year (1,790).

The employee jobs total in Northern Ireland at September 2018 was 765,880 jobs representing:
- an increase of 2.0% (14,700) from the revised September 2017 estimate of 751,180. The annual change in employee jobs is statistically significant.

Figure 1: NI labour market structure: change over year
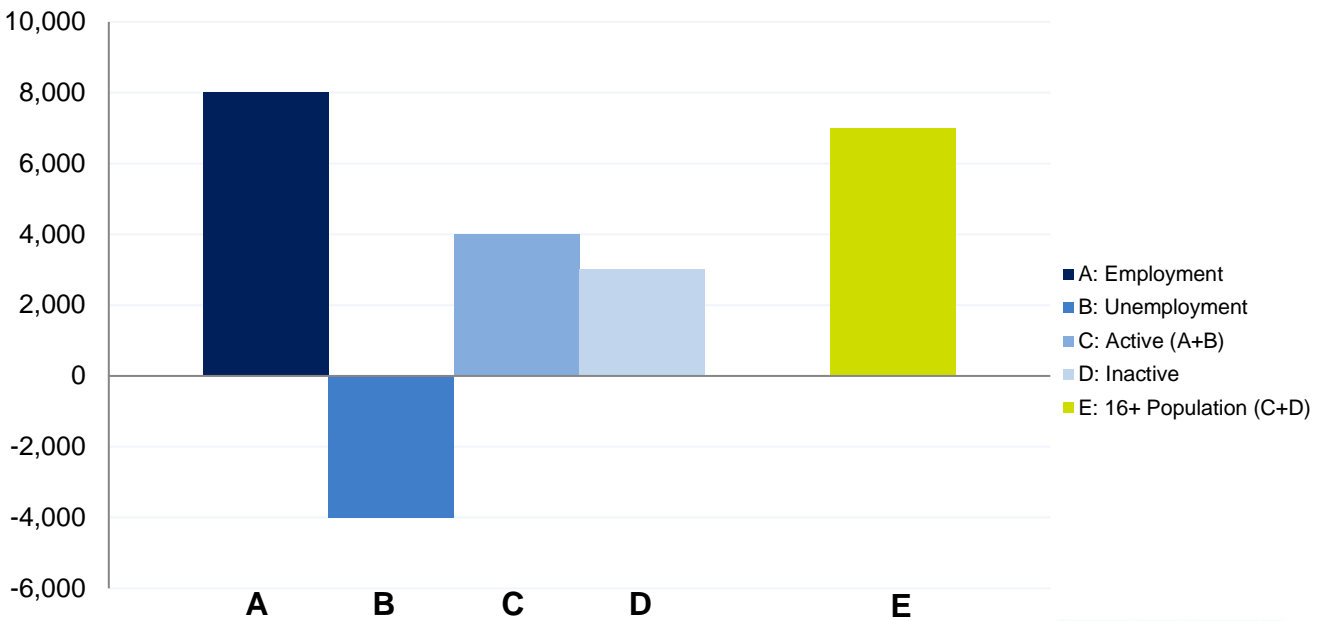
Note: figures rounded so may not sum

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UK summary

Seasonally adjusted LFS estimates for the UK for the period September-November 2018 showed:
- the joint lowest unemployment rate (4.0%) on record, was unchanged over the quarter and decreased by 0.2pps over the year
- the employment rate (75.8%) increased over the quarter by 0.2pps and increased by 0.4pps over the year. The employment rate of 75.8% is the highest on record
- the economic inactivity rate (21.0%) decreased over the quarter by 0.3pps and the year by 0.3pps respectively. The economic inactivity rate of 21.0% is the joint lowest on record.

Commentary

The Labour Force Survey continues to show low unemployment and high employment and inactivity rates evident since late 2017. The UK as a whole is experiencing its joint lowest unemployment rate and highest employment rate on record, but in contrast to NI the UK inactivity rate is also at its joint lowest on record.

When compared to the other UK regions, NI has the fourth lowest unemployment rate and despite recent increases, also the lowest employment rate. NI continues to have the highest inactivity rate of the regions which is consistent with long term trends.

Further information is available on the NISRA - Economic and Labour Market Statistics website: [LMR Headline Tables](#).
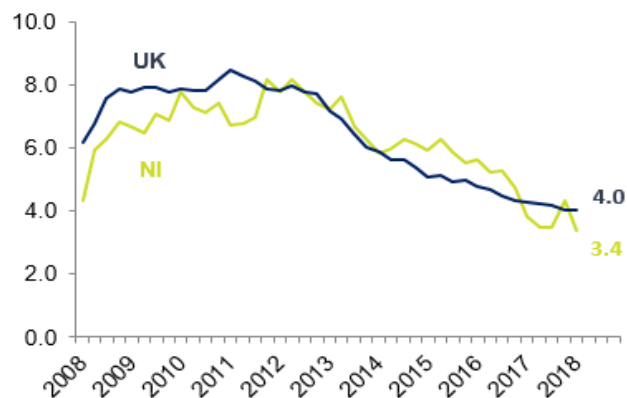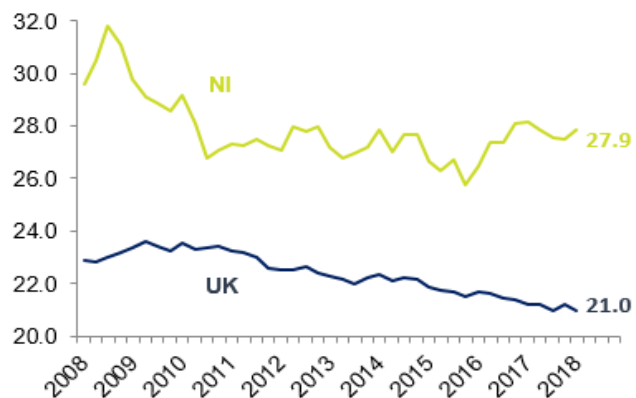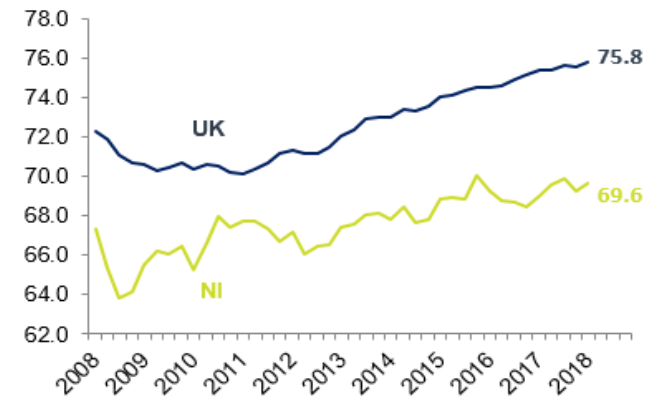
Infographic summary of latest labour market statistics, September-November 2018

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 experimental claimant count, 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.

From November 2018 the LMR has included tables that were previously released in the Quarterly Supplement publication. The data have not been seasonally adjusted and provide additional detail for employment, unemployment and economic activity / inactivity and specific topic areas of those Not in Education, Employment or Training (NEET), self-employment and graduates. The detailed tables can be accessed via the attached index of tables (Page 29) and are updated each calendar quarter.

LFS data is weighted to reflect the profile of the population. Current published estimates are based on 2014 population projection and the 2015 mid-year population estimates. From February 2019, LFS estimates from 2011 to date will be reweighted to the 2016 based population projections and the 2017 mid-year population estimates.

Estimates from November-January 2018 may also be affected by changes to the LFS sample. From January 2018 the number of households sampled has been increasing. The data from the larger sample will be included from February 2019. More information will be made available next month on the impact of the reweighting and increased sample size.

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 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:
- 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. However, the estimates from it are subject to sampling error and care should be taken when making inferences from them (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:** proportion of unemployed people who have been unemployed for 12 months or more.
>
> **Youth Unemployment:** unemployment rate for those aged 18-24.

Key Findings

- **LFS unemployment rate in Northern Ireland decreased over the quarter and the year.**

- **The NI unemployment rate is below the UK rate**

Figure 2:   **Seasonally adjusted unemployment rate, Sept-Nov 2008 to Sept-Nov 2018**
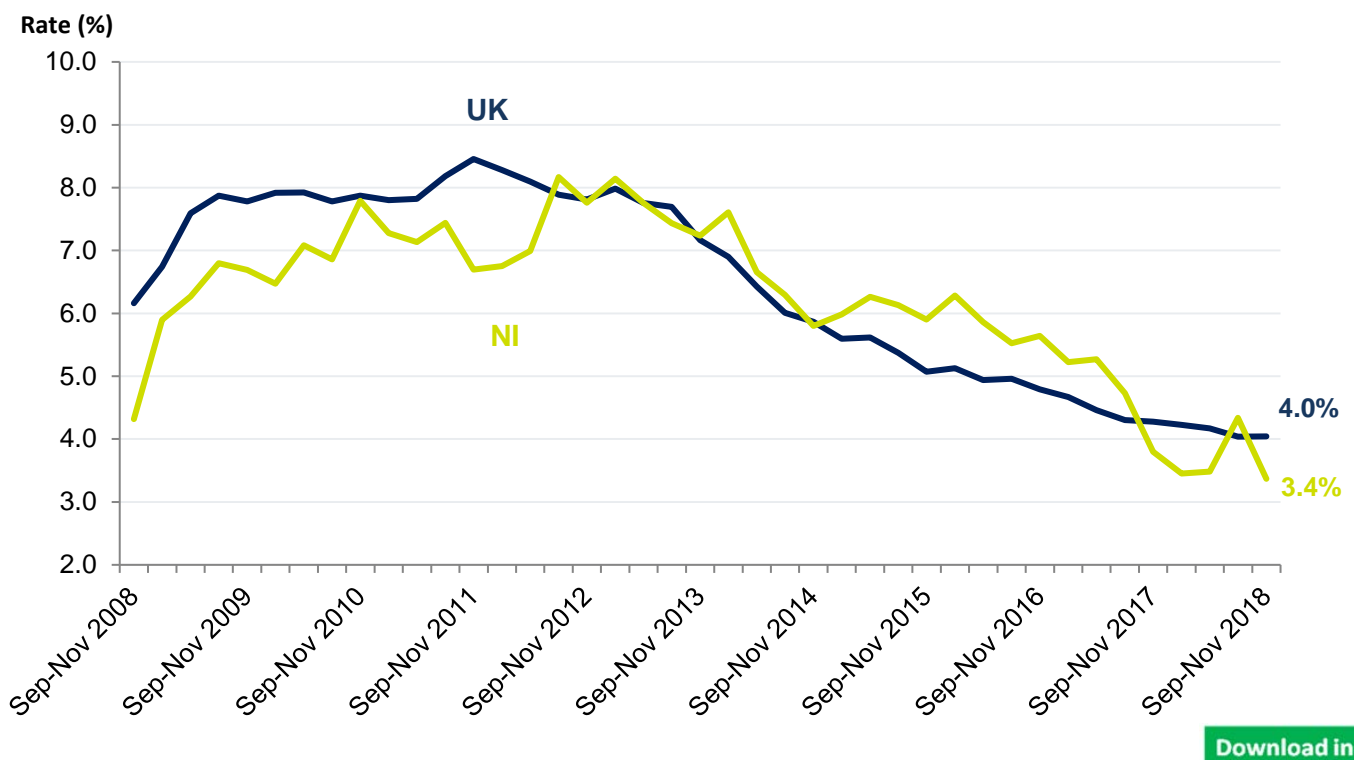

Figure 2 shows unemployment rates on the current 3 month rolling average for NI and the UK over the last decade. The unemployment rate in NI peaked at 8.2% in Jun-Aug 2012. The NI rate is now below the UK rate.

LFS unemployment

The unemployment rate (16+) for the period September-November 2018 was estimated at 3.4%, this was:
- a decrease of 1.0pps over the quarter
- a decrease of 0.4pps over the year.

The number of unemployed persons aged 16+ was estimated at 29,000, which was:
- down 9,000 over the quarter
- down 4,000 from the same period last year.

UK national and international LFS comparisons

The most recent NI unemployment rate (3.4%) was:
- below the overall UK average rate (4.0%)
- the fourth lowest rate among the twelve UK regions
- below the European Union (6.7%) and Republic of Ireland (5.3%) rates for October 2018.

Long-term and youth unemployment

The percentage of unemployed who have been unemployed for 1 year or more (long-term) was 50.3%, which was:
- up 0.4pps over the year
- more than double the UK average rate (24.9%).

The youth unemployment rate for September-November 2018 was:
- 8.9pps unchanged over the year
- below the UK average rate (10.6%)

Further information is available on the NISRA - Economic and Labour Market Statistics website:
LFS unemployment

Claimant count (experimental)

The claimant count is an administrative data source derived from Jobs and Benefits Offices systems, which records the number of people claiming unemployment-related benefits. It is based on Jobseeker's Allowance claimants plus out-of-work Universal Credit claimants who were claiming principally for the reason of being unemployed. The definition of out-of-work Universal Credit Claimants is close to but not exactly the same as Jobseekers Allowance claimants.

The Claimant count is an **experimental** measure. *Users should note that large revisions are to be expected while the series is experimental and improvements are being made to the process.*

Claimant count (experimental): The NI claimant count consists of all people claiming Jobseeker's Allowance (JSA) plus out-of-work Universal Credit (UC) claimants who were claiming principally for the reason of being unemployed. They must declare that they are out of work and capable of, available for and actively seeking work during the week in which their claim is made.

Universal Credit: In September 2017 the roll-out of Universal Credit in NI began for new claims of six benefits, including income-based JSA. From December 2018 Universal Credit has been available for new claimants in all Jobcentres. Existing claimants will be transferred to Universal Credit by March 2023.

Percentage of workforce: This measure expresses the number of claimants as a percentage of workforce jobs plus claimants. Workforce jobs are the sum of employee jobs, self-employment jobs, HM Forces, and government-supported trainees. This measure is only available at the NI level.

Key Findings

- **NI claimant count (experimental) increased over the year**

- **37% of the total unemployment benefit claimants were claiming Universal Credit**

Figure 3: **Seasonally adjusted claimant count (experimental) monthly rates, December 2008 – December 2018**
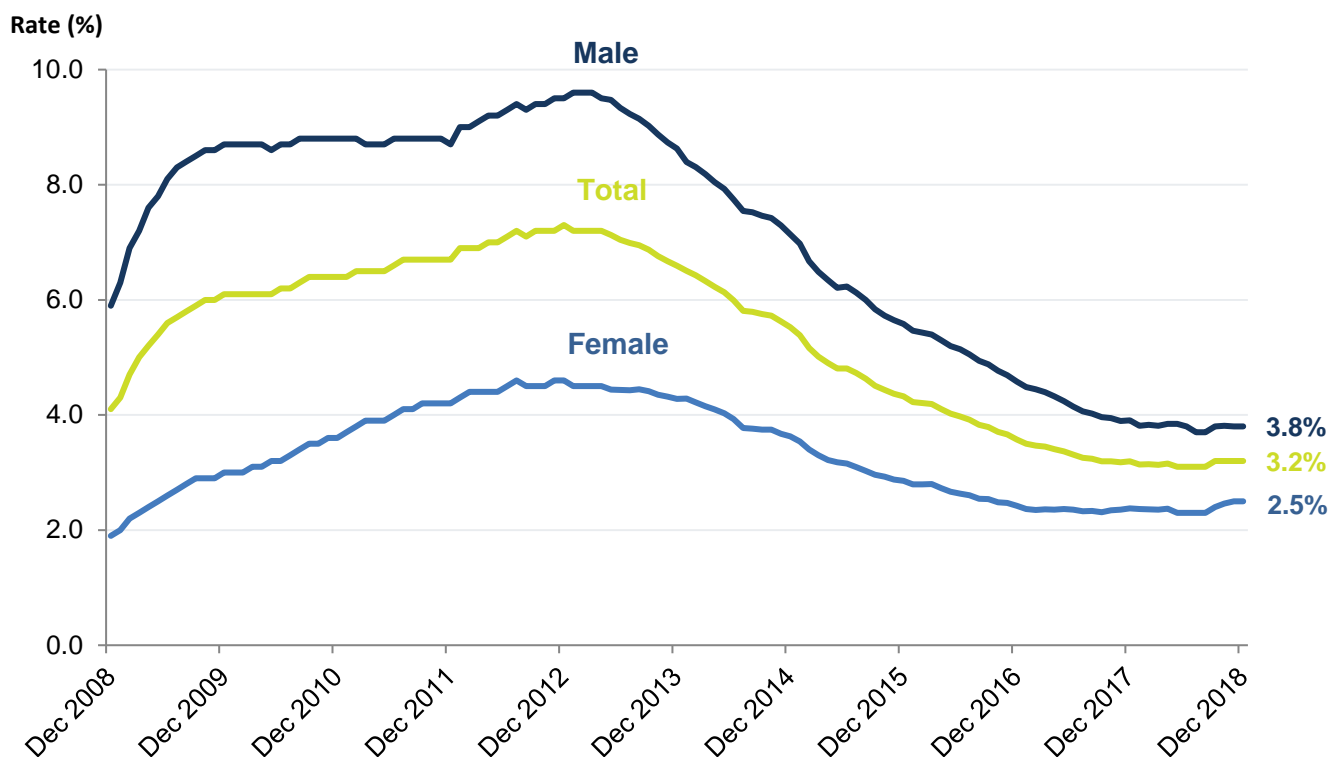
Claimant count (experimental) unemployment

The NI seasonally adjusted claimant count stood at 29,500 (3.2% of the workforce) in December 2018, representing:

- unchanged from last month's revised total
- an increase of 200 (0.5%) over the year
- no change in the workforce unemployment rate over the year.

Since the last peak in February 2013 (64,800) the claimant count has more than halved, decreasing by 35,200.

Claimant count (experimental) gender comparison

The seasonally adjusted claimant count showed:

- the claimant count was made up of 18,700 males and 10,800 females
- a higher proportion of the male workforce (3.8%) were on the claimant count, than the female workforce (2.5%)
- the number of female claimants increased by 6.1% (600) over the last year, while male claimants decreased by 2.4% (500).

Claimant count (experimental) by age (not adjusted for seasonality)

The claimant count showed:

- a decrease of 2.6% (160) over the year for 16-24 year olds to 5,920
- a decrease of 0.5% (75) over the year for 25-49 year olds to 14,775
- an increase of 6.6% (495) over the year for people aged 50 and over to 7,955.

District Council and Parliamentary Constituency Area Analysis

The Local Government District and Parliamentary Constituency analyses have been removed from the Labour Market Report due to the potential bias caused by the introduction of Universal Credit on a phased geographical basis.

Further details on changes to the claimant count are available on the NISRA - Economic and Labour Market Statistics website: Claimant Count
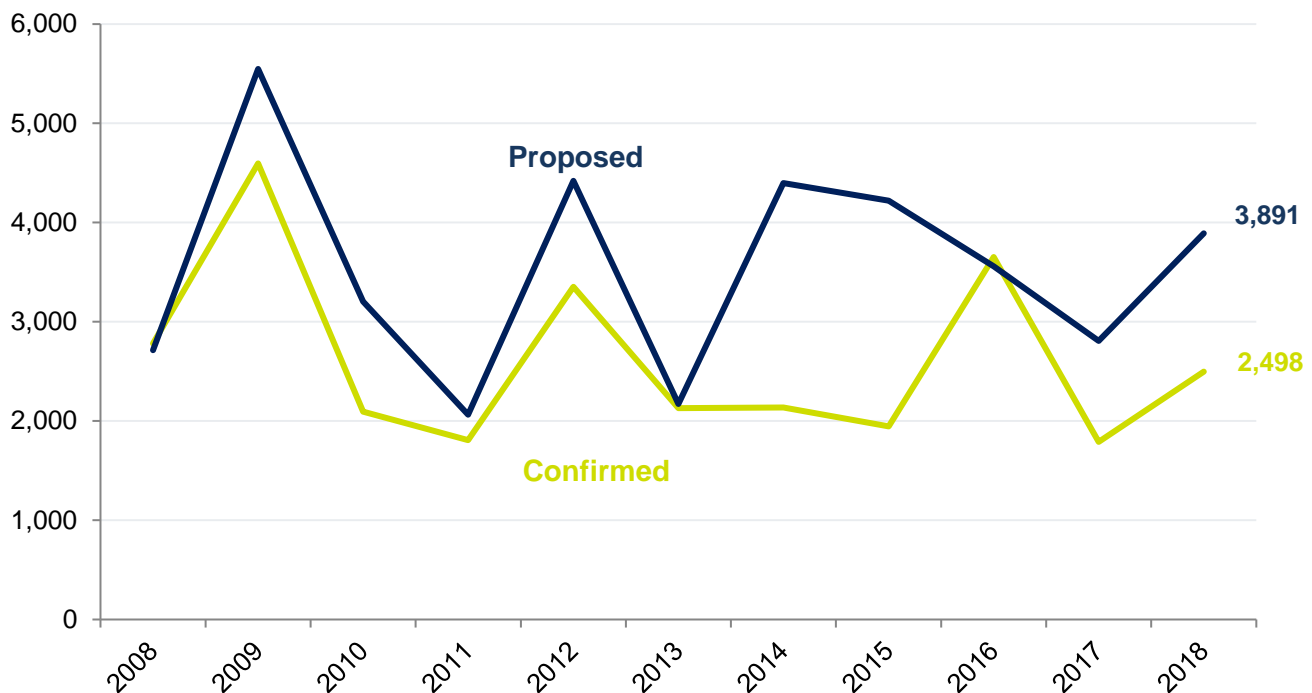
Redundancies

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

- **41 confirmed redundancies in December 2018, a decrease on the previous month**
- **43% of redundancies confirmed in the Manufacturing sector**
- **58 proposed redundancies between mid-December and mid-January 2019**

Figure 4:   Confirmed and proposed redundancies – annual totals, 2008-2018 (Jan-Dec)

Confirmed redundancies

During December 2018, the Department was notified of:
- 41 confirmed redundancies, 55 lower than the previous month's revised total of 96.

Over the latest twelve month period there were:
- 2,498 confirmed redundancies, which was an increase of 40% from the previous year (1,790)
- 1,062 (or 43%) confirmed in manufacturing, which was higher than the previous year (767 or 43%)
- 663 (27% of all confirmed redundancies) in the wholesale and retail trade; repair of motor vehicles and motorcycles
- a further 255 (10% of all confirmed redundancies) in construction.

Proposed redundancies

Between mid-December 2018 and mid-January 2019, there were:
- 58 proposed redundancies, representing a decrease on the previous monthly period total of 515 proposed redundancies.

Over the latest twelve month period there were:
- 3,891 proposed redundancies, which was an increase of 39% from the previous year (2,807)
- 1,141 or 29% proposed in wholesale and retail trade; repair of motor vehicles and motorcycles, which was higher than one year ago (380 or 14%)
- 1,072 (28% of all proposed redundancies) in manufacturing
- a further 782 proposed redundancies (20% 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

Key Findings

- **Employment rate increased over the quarter and the year**
- **Employment rate remained below the UK average and was the lowest of the twelve UK regions**

Figure 5:   **Seasonally adjusted employment rate, Sep-Nov 2008 to Sep-Nov 2018**
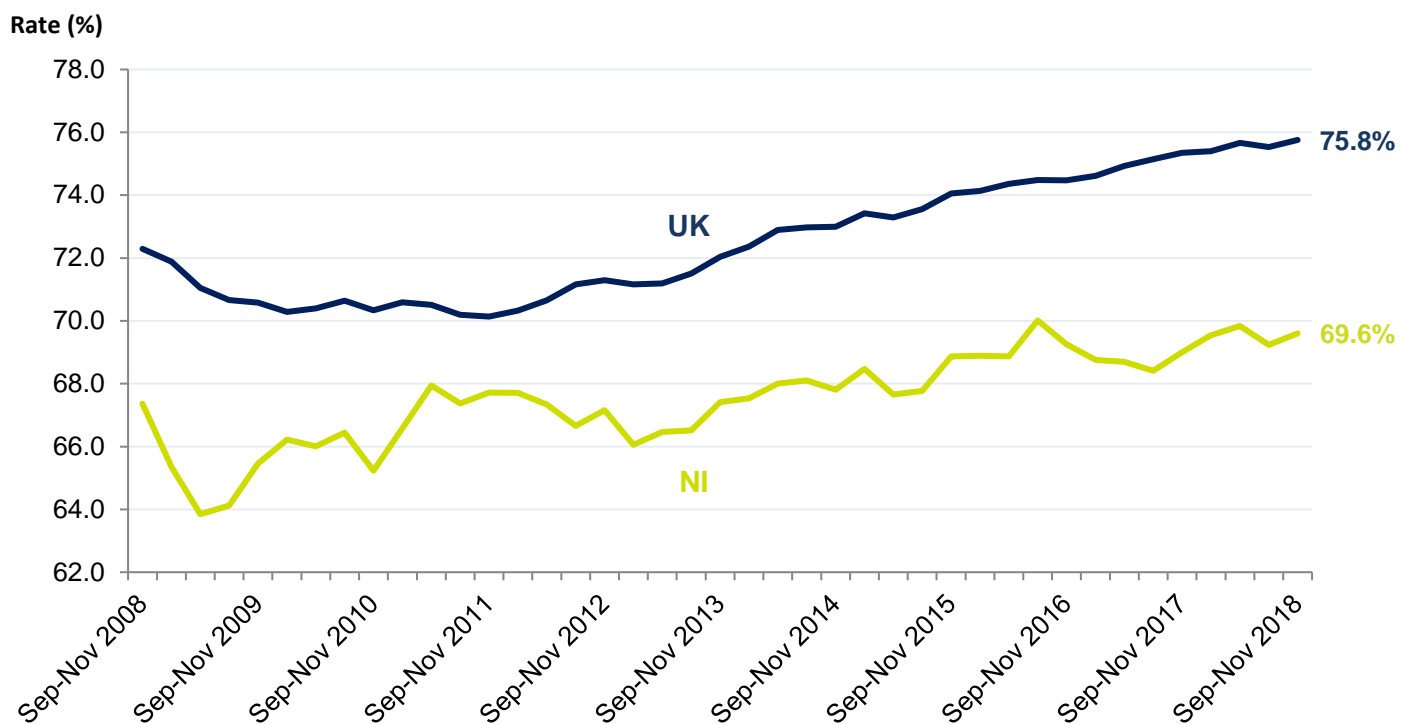
Figure 5 shows that the NI employment rate has consistently been below the UK average over the last 10 years. The most recent NI employment rate for those aged 16-64 for the period September-November 2018 was estimated at 69.6%, whereas the UK employment rate for those aged 16-64 was 75.8%. Increases 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 Sep-Nov 2018, was estimated at 69.6%. This represents:
- an increase of 0.4pps over the quarter
- an increase of 0.6pps over the year.

The number of persons in employment (16+) in the period Sep-Nov 2018 was estimated at 845,000, which was:
- an increase of 2,000 over the quarter
- an increase of 8,000 over the year.

Employment by gender

Of the total number of those aged 16+ in employment, 53% (445,000) were male and 47% (400,000) were female. Annual changes by gender included:
- the male aged 16-64 employment rate (73.5%) increased by 0.6pps over the year
- the female aged 16-64 rate (65.8%) increased by 0.6pps over the year

Regional comparison

The employment rate in NI (69.6%) was:
- below the UK average (75.8%)
- 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 December 2018

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 an historical high in September 2018.**
- **Private sector employee jobs increased over the quarter and year reaching an historical high.**
- **Public sector employee jobs decreased over the quarter and increased over the year.**

Figure 6:   **Index of Employee Jobs, September 2008 to September 2018**
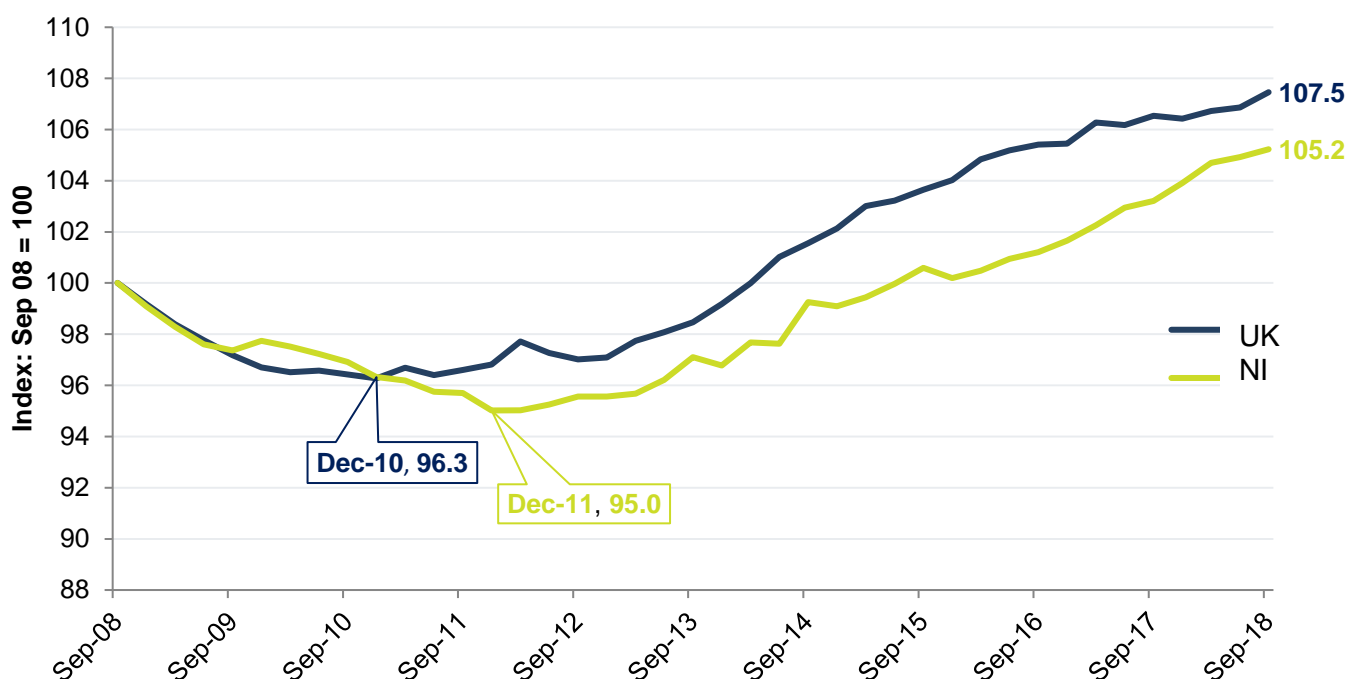
Figures are indexed to September 2008

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Figure 6 shows the estimated seasonally adjusted employee jobs, indexed to allow comparison between NI and the UK. For NI the pre-downturn peak was in June 2008 (not on chart range) and the UK in September 2008. The UK reached its lowest point in December 2010, one year before the NI low in December 2011. Both NI and the UK have surpassed their pre-downturn peaks; NI jobs are now 4.5% above their June 2008 level while UK jobs are 7.5% above.

Employee Jobs

The seasonally adjusted employee jobs total in Northern Ireland at September 2018 was 765,880, which was:

- an increase of 0.3% (2,240 jobs) from the June 2018 estimate of 763,640.
- an increase of 2.0% (14,700 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 services sector (0.3% or 1,610 jobs), construction sector (0.8% or 260 jobs) and other sector (1.6% or 370 jobs).
- the manufacturing sector reported no change over the quarter
- an increase of 0.6% (3,520 jobs) in the private sector and
- a decrease of 0.2% (-370 jobs) in the public sector.

Over the year to September 2018:
- the private sector increased by 2.6% (13,900 jobs).
- the public sector increased by 0.6% (1,160 jobs).

Figure 7:   Index of NI Private and Public Sector Jobs, September 2008 – September 2018
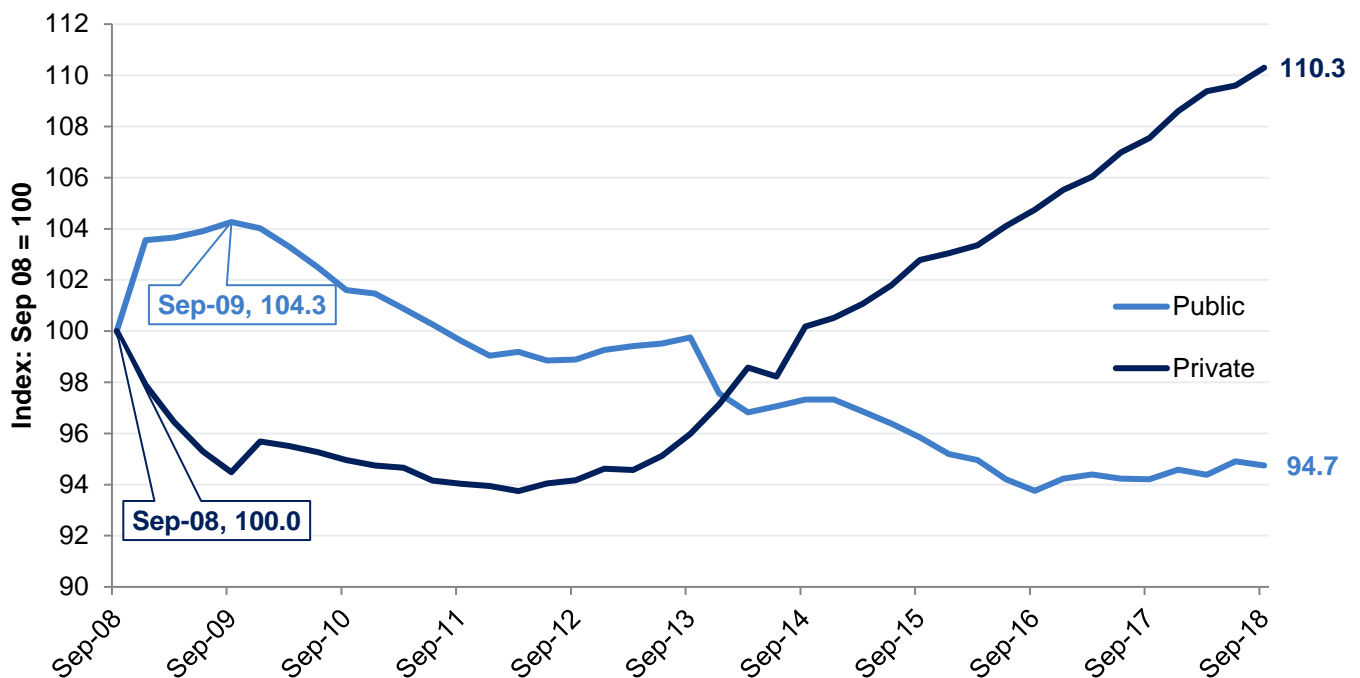
Figures are indexed to September 2008

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[1] Royal Mail plc is included in the public sector for September 2013 and earlier periods, but not for subsequent periods.
[2] Lloyds Banking Group and its subsidiaries are included in public sector estimates from December 2008 to December 2013 but not in earlier or subsequent periods.
[3] All registered housing associations in Northern Ireland have been reclassified to public sector from Q3 1992 onwards, more detail on the decision to reclassify can be found on the ONS website.

Private sector employee jobs have grown to a series high in September 2018 (559,110 jobs), and are now 8.6% above a pre-downturn peak which occurred in June 2008 (not on chart range). Public sector jobs showed an increase over the year to September 2018 to 207,290 jobs.

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 Business 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 October 2018

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 16,135 vacancies notified in the second quarter of the 2018/19 financial year**
- **An increase of 4.2% when compared against the same period in the 2017/18 financial year**

Table 2: Monthly Notified Vacancies, 2017/18

Date	Full-time	Part-time	Casual	Total
October 2017	3,130	1,888	390	5,408
November 2017	2,504	1,307	281	4,092
December 2017	1,547	795	130	2,472
January 2018	3,143	1,492	265	4,900
February 2018	2,892	1,379	244	4,515
March 2018	3,021	1,470	261	4,752
April 2018	3,068	1,373	222	4,663
May 2018	3,355	1,704	266	5,325
June 2018	2,997	1,498	285	4,780
July 2018	2,902	1,336	290	4,528
August 2018	3,894	1,848	355	6,097
September 2018	3,378	1,807	325	5,510
Total	35,831	17,897	3,314	57,042

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Figures in the above table are not National Statistics.
(1) 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).
(2) Vacancies data is published quarterly and reported by financial year. Data for July-September 2018 was published on 8th October 2018.

**Further statistics are available on the DfC website: DfC Statistics**

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 increased over the quarter, but decreased over the year**
- **NI economic inactivity highest of the twelve UK regions**

Figure 8: **Seasonally adjusted economic inactivity rates (16-64), Sep-Nov 2008 to Sep-Nov 2018**

% of 16-64
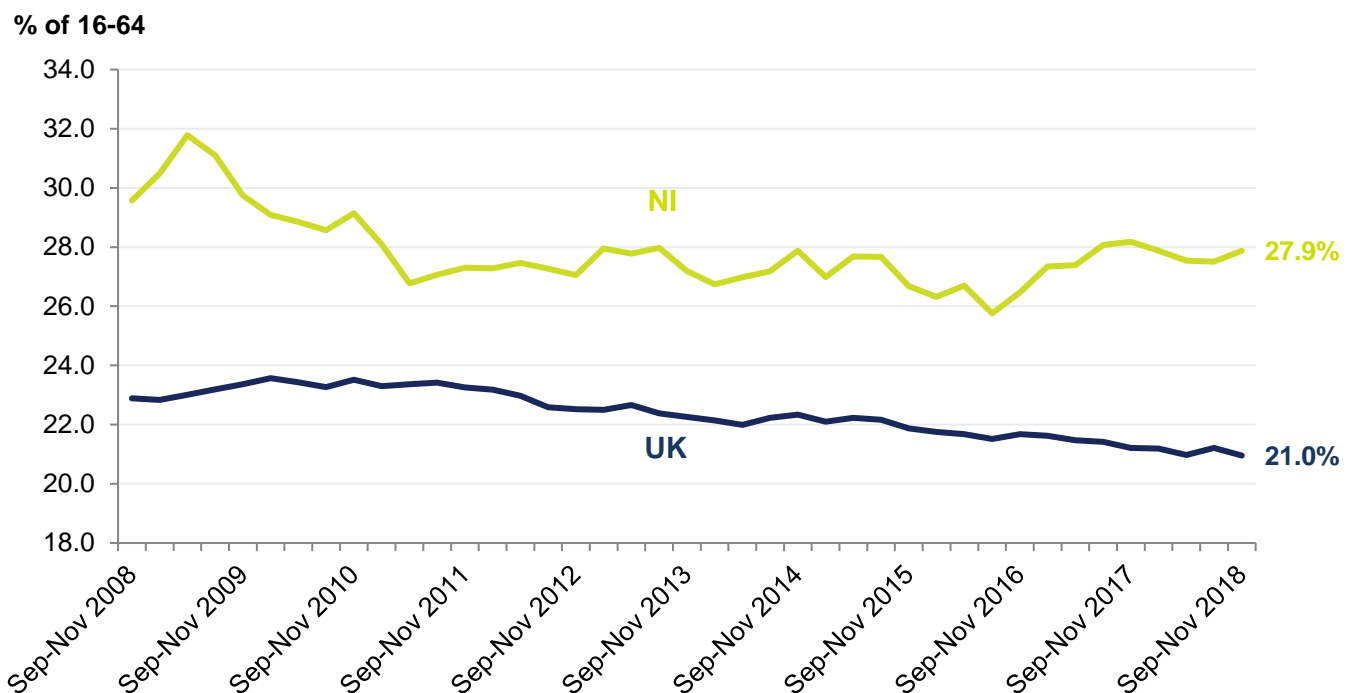
Figure 8 shows that, over the last 10 years, economic inactivity in NI has been consistently higher than the UK average. During the past 10 years, the UK inactivity rate has been on a downward trend. Whilst there have been periods of decreasing inactivity, and the current rate is below those in 2009, a consistent downward trend is not apparent in the NI data.

NI inactivity was on a downward trend from the peak of 31.8% in 2009 until 2011. From 2011 to mid- 2015, the inactivity rate displayed less fluctuation, with rates fluctuating by no more than 0.7pps around the average of 27.3% over this four year period. Over the last year and a half there has been less variation than previous years, with inactivity rates within 0.4pps of the most recent inactivity rate, 27.9%

The current inactivity rate of 27.9% is significantly below rates in 2009.

Economically inactive

The seasonally adjusted economic inactivity rate (aged 16-64) for Sep-Nov 2018 was estimated at 27.9%, which represented:
- an increase of 0.4pps over the quarter
- a decrease of 0.3pps over the year.

The number of economically inactive persons (aged 16-64) was estimated at 327,000, which was:
- an increase of 4,000 over the quarter
- a decrease of 3,000 over the year.

Of the economically inactive:
- 41% (134,000) were male and 59% (193,000) were female.

Figures unadjusted for seasonality show that, of the economically inactive:
- 80% did not want a job while 20% did
- 28% were long-term sick / disabled, 27% were students, 23% were looking after the family / home, 11% were retired and 11% cited an 'other' reason for inactivity.

Regional comparison

The NI economic inactivity rate for those aged 16-64 stood at 27.9%. This was:
- higher than the UK average rate (21.0%)
- the highest of the twelve UK regions.

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

5   Earnings

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 9:   **Median gross weekly earnings for full-time employees in NI and the UK, April 1998-2018**
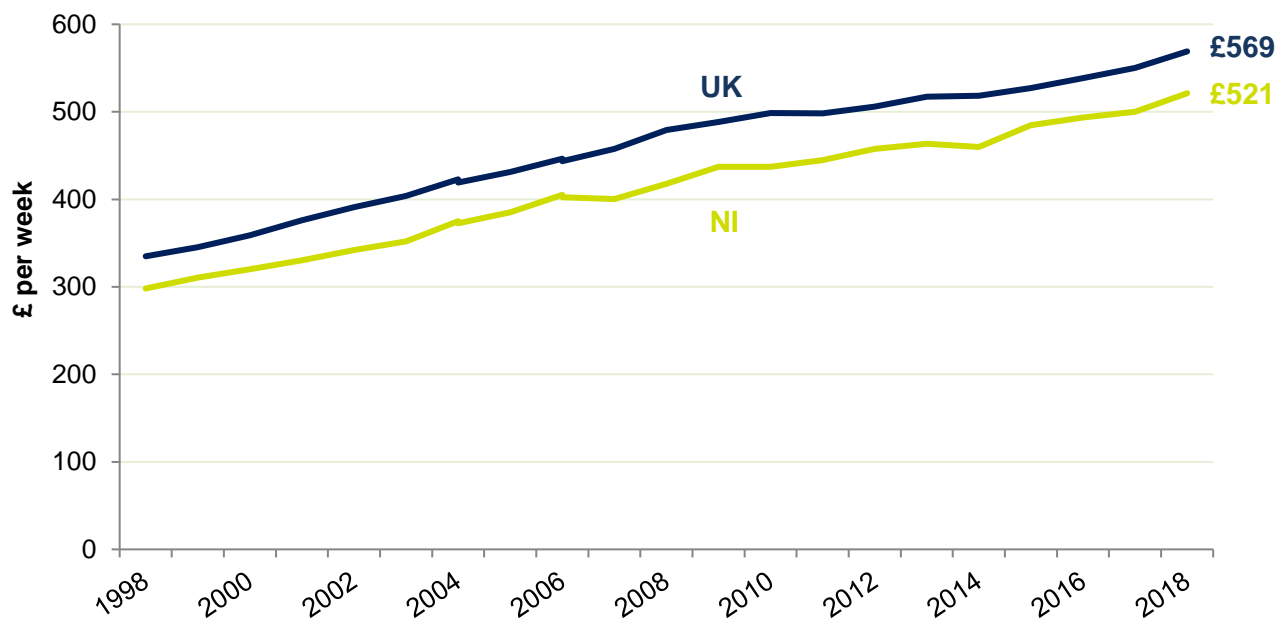
Note: there were a number of methodological changes during the series in 2004, 2006 and 2011 – see Section 6 of the Annual Survey of Hours and Earnings publication for further information

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 10:   Median Gross Weekly Earnings in Northern Ireland by place of work, April 2018
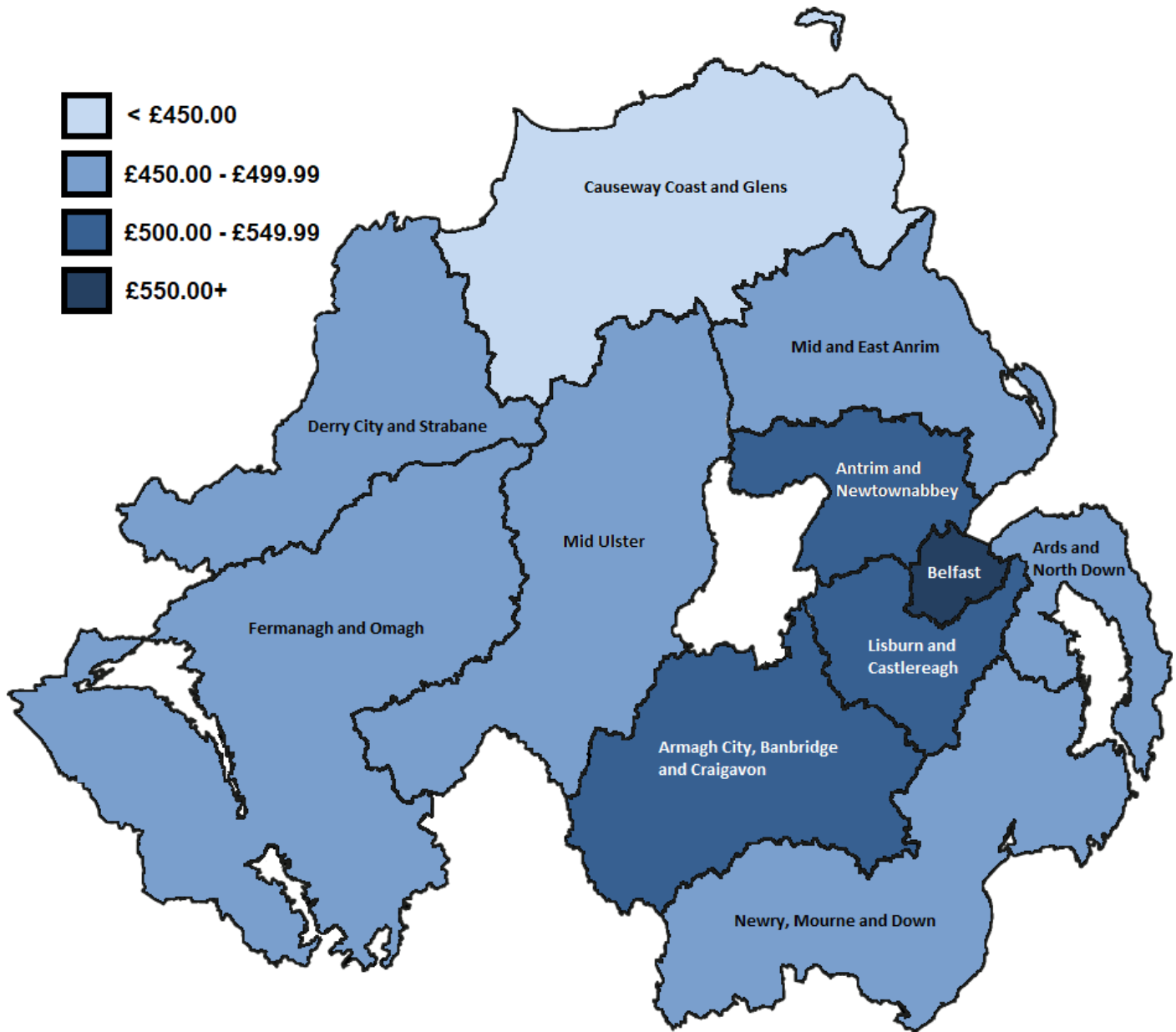
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Further information is available on the NISRA - Economic and Labour Market Statistics website:
Annual Survey of Hours and Earnings

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 economically active 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. For example, the unemployment rate reported for July-September 2018 was 4.1%, compared with 4.0% for the same period in 2017. However, since the change, calculated using unrounded data, was less than 0.05pps, the rate has been described 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 and are not likely to reflect real change. 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

September-November 2018	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[1]	29,000	+/-9,000	-9,000	+/-9,000	-4,000	+/-12,000	+/-12,000
Employment[2]	845,000	+/-25,000	2,000	+/-19,000	8,000	+/-32,000	+/-36,000
Economically inactive[2]	597,000	+/-23,000	8,000	+/-17,000	3,000	+/-30,000	+/-32,000
Unemployment rate[1]	3.4%	+/-1.0pps	-1.0pps	+/-1.1pps	-0.4pps	+/-1.4pps	+/-1.4pps
Employment rate[2]	69.6%	+/-1.9pps	0.4pps	+/-1.4pps	0.6pps	+/-2.4pps	+/-2.6pps
Economic inactivity rate[2]	27.9%	+/-1.8pps	0.4pps	+/-1.3pps	-0.3pps	+/-2.3pps	+/-2.5pps

[1] People aged 16 and over. Unemployment rate = total unemployed as a proportion of the economically active.
[2] Levels for all persons aged 16 and over, rates for working age (16-64).

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Please see link for further LFS notes and definitions: LFS Background Information

Response Rates – Updated quarterly (last updated 13/11/2018)
The total eligible sample for the July-September 2018 LFS consisted of 2,378 addresses (683 chosen at random from the Valuation & Lands Agency list of domestic properties and 1,695 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.

Response rates, July-September 2018

Fully and partially responding	1,476
Eligible sample	2,378
Response rate (%)	62.1%

*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.

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 November 2018 should be compared with the estimates for June-August 2018, which were first published on 16th October 2018. This provides a more robust estimate than comparing with the estimates for August-October 2018, as the September and October data are included within both estimates. Effectively, observed differences are those between the individual months of August 2018 and November 2018. 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 first published in May 2017 and affect LFS data from the period May - July 2012 onwards. The magnitude of the revisions were relatively small, with the revisions to the unemployment rate falling within +/-0.1 percentage points and the working age employment rate within +/- 0.2 percentage points. The procedures being applied to the NI LFS results are consistent with those applied by the Office for National Statistics to other UK regions. More information on the revision policy concerning labour market statistics can be found through the following link: Labour market statistics revisions policy

In February 2019, LFS estimates are due to be reweighted and data from the larger sample will be included.

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 article on the ONS website has further information on the analysis conducted.

Experimental Claimant Count (Jobseekers Allowance claimants plus some out-of-work Universal Credit claimants)

Universal Credit (UC) was first introduced in Northern Ireland on the 27th September 2017 and has now been rolled out to all 35 Job Centres. Initially, only new applicants will be eligible for Universal Credit, however, all existing benefit claimants will be transferred by March 2023.

Since March 2018, the NI JSA-only claimant count has been 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 NI and GB claimant counts are now calculated on a consistent basis.

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 original series of claimants of JSA, although still available, will no longer be designated as a National Statistic. Although the original measure will continue to reflect the number of people claiming JSA, the relevance of it as a measure of unemployment will diminish each month as UC is rolled out to all claimants. The letter from NISRA requesting de-designation and the reply from the Office for Statistics Regulation are available on the UK Statistics Authority website.

This move to the experimental measure follows the approach taken by the Office for National Statistics in 2015. The full correspondence between ONS and the Statistics Authority can be accessed at the links below:
Letter from National Statistician to UK Statistics Authority, 9 June 2015
Reply from UK Statistics Authority to National Statistician, 10 June 2015

Claimant Count Revisions

Users should note that revisions are to be expected while the Claimant Count is experimental and improvements continue to be made to the process. The experimental Claimant Count series is subject to three types of revisions:

> 1: Monthly revisions due to updated information
> 2: Monthly revisions due to seasonally adjusted data
> 3: Annual revisions to seasonally adjusted data

Further details on these revisions can be found on the NISRA website – Claimant Count Revisions

Monthly revisions were particularly high for the October and December 2018 counts, with adjustments of around 1000 claimants each month. These large revisions were due to issues with the processing of geographic information for new claimants, which has now been resolved. This was a UK-wide issue, however, the majority of cases related to NI. Annual changes have, however, remained small.

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 June 2018 seasonally adjusted estimate first published in September 2018 has subsequently been revised down 0.2 %.

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 correspondence

between John Pullinger the National Statistician on this issue and the reply 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 12th July 2017 was the first release under these new arrangements.

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