Office for National Statistics

Article

Reconciliation of estimates of jobs: June 2018

Compares the latest workforce jobs (WFJ) estimates with the equivalent estimates of jobs from the Labour Force Survey (LFS).

Contact:
Yanitsa Petkova
labour.market@ons.gov.uk
+44 (0)1633 651599

Release date:
12 June 2018

Next release:
19 March 2019

Table of contents

1 . Background

This report compares the latest workforce jobs (WFJ) estimates with the equivalent estimates of jobs from the Labour Force Survey (LFS).

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, which collects information mainly from residents of private households, is the preferred source of statistics on employment.

The LFS can also be used to produce estimates of the total number of jobs in the UK, by adding together the headline employment figures (which are equivalent to main jobs) and those for workers with a second job. The WFJ series, which is compiled mainly from surveys of businesses, is the preferred source of statistics on jobs by industry, since it provides a more reliable industry breakdown than the LFS.

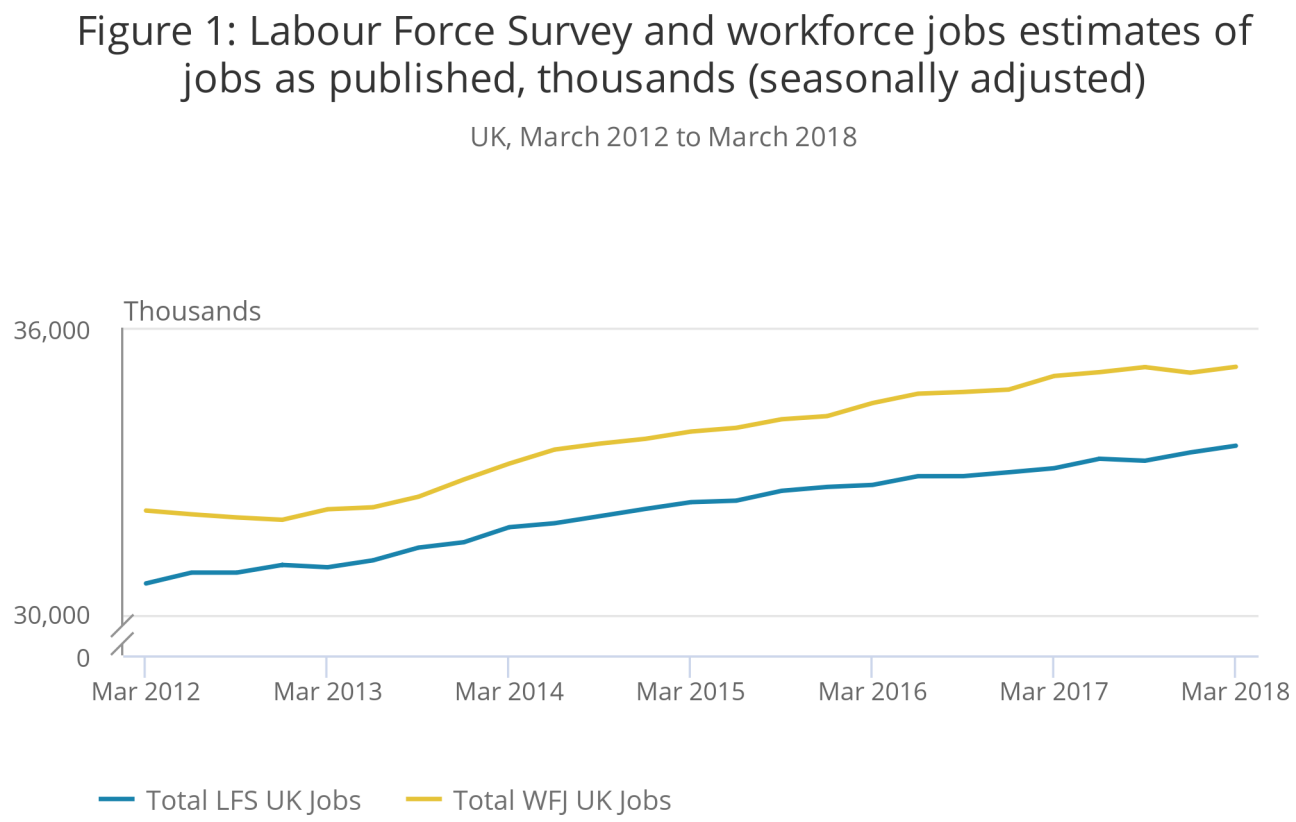
2 . Comparison: March 2018

The Labour Force Survey (LFS) estimate of total UK jobs for the three-month period from February to April 2018 is calculated by adding together the LFS figures for total employment (32.394 million) and workers with second jobs (1.132 million). On comparing this LFS UK jobs estimate (33.527 million) with the corresponding workforce jobs (WFJ) figure for March 2018 (35.180 million), the LFS total jobs estimate is lower than the WFJ figure by 1.654 million (4.9% of the LFS total).

Figure 1 illustrates this comparison over time. These estimates have not been adjusted for factors causing differences between the two sources because many of these factors cannot be measured on a quarterly basis. Over the latest comparable quarterly periods, the LFS series shows a quarterly increase of 140,000 jobs (0.4%) and the WFJ series shows an increase of 123,000 (0.4%). On an annual basis, the LFS series shows an increase of 471,000 (1.4%) and the WFJ series shows an increase of 193,000 (0.6%).

Figure 1: Labour Force Survey and workforce jobs estimates of jobs as published, thousands (seasonally adjusted)

UK, March 2012 to March 2018



Source: Labour Force Survey - Office for National Statistics

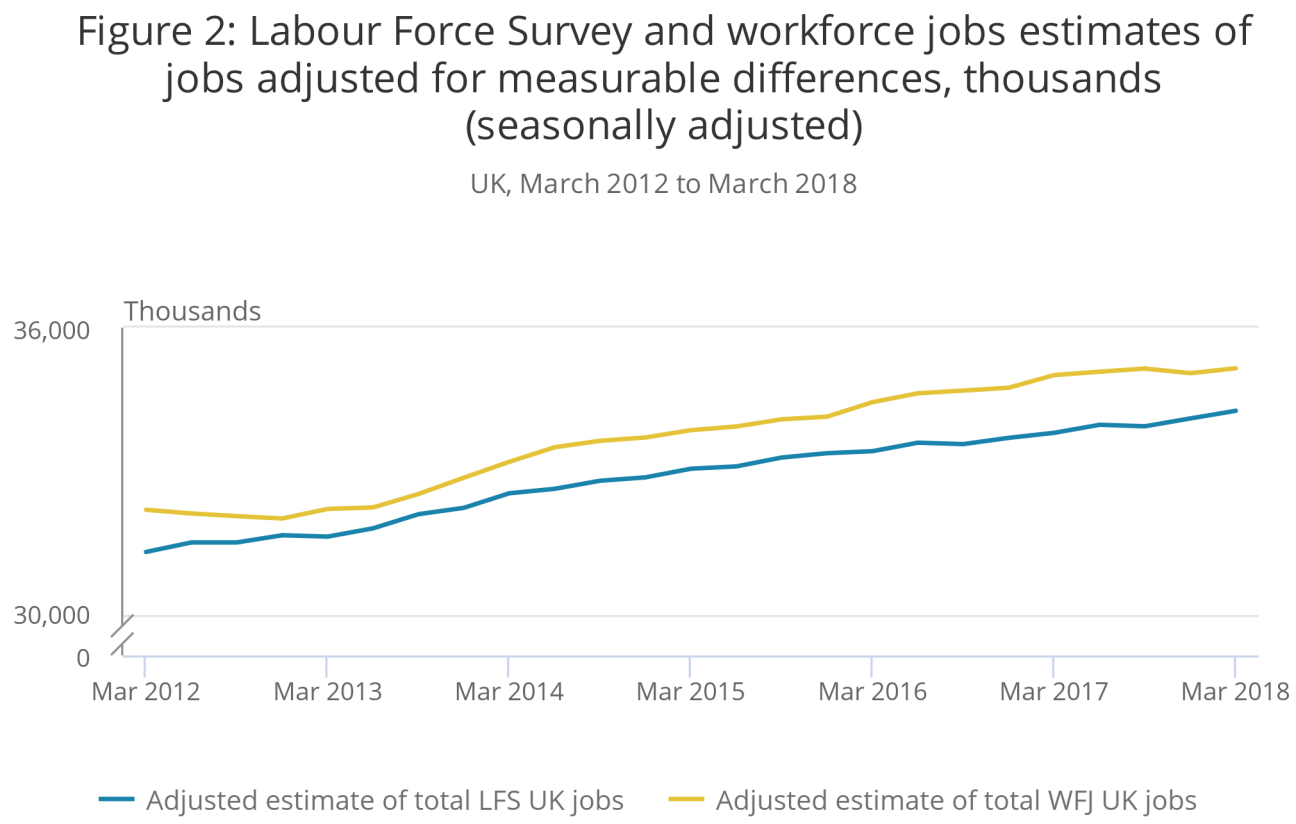
The 2006 National Statistics Quality Review of Employment and Jobs Statistics (PDF, 4.35MB) identified about 30 reasons why the LFS and WFJ estimates of jobs can differ from each other. Some of these factors can be quantified approximately using information from the LFS and other sources, while others are much more difficult to measure. The measurable factors causing differences between the LFS and WFJ figures are included in a downloadable spreadsheet within the “download chart” option of this report.

3 . Reconciliation

Figure 2 shows the two jobs series adjusted to take into account the measurable factors causing differences between the Labour Force Survey (LFS) and workforce jobs (WFJ) statistics. Once these factors have been taken into consideration, the adjusted LFS estimate of total UK jobs is lower than the adjusted WFJ estimate, by 891,000 (2.6% of the LFS total).

Figure 2: Labour Force Survey and workforce jobs estimates of jobs adjusted for measurable differences, thousands (seasonally adjusted)

UK, March 2012 to March 2018



Source: Labour Force Survey - Office for National Statistics

The difference between the adjusted LFS and WFJ estimates (891,000) is beyond the likely bounds of the sampling variability of the difference. The approximate sampling variability (95% confidence interval) is roughly plus or minus 300,000 to plus or minus 400,000. However, it should be noted that the adjustments are themselves subject to a margin of uncertainty and there are other factors causing differences between the two sources, which have not been adjusted for.

There are about 20 additional factors that could explain the remaining difference between the LFS and WFJ estimates. As well as sampling variability, they include, for example, timing effects. The LFS estimates are averages for three-month periods, whereas business surveys measure the number of jobs on a particular day.

4 . Additional notes

There have been some historical revisions to the adjustments used for the reconciliation between workforce jobs and Labour Force Survey statistics.

In February 2018 we launched a consultation on the proposed changes to certain labour market tables and related publications. Following the results of the consultation we are going to change the publication schedule for this article from every quarter to once a year. The next publication will take place in March 2019.