

Article

Reconciliation of estimates of jobs: March 2019

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

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1. Background

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

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.

Revisions to estimates derived from the Labour Force Survey

There have been revisions to estimates derived from the Labour Force Survey in this release back to the November 2012 to January 2013 time period, resulting from taking on board the latest population estimates and from a review of the seasonal adjustment process. In addition, a boost to the Northern Ireland Labour Force Survey sample will have caused some minor revisions to estimates derived from that survey from the November 2017 to January 2018 time period.

2. Reconciliation estimates spreadsheet

A dataset containing Labour Force Survey and workforce jobs reconciliation estimates is available at $\frac{\text{data table}}{\text{XO3}}$.

3. Comparison: December 2018

The Labour Force Survey (LFS) estimate of total UK jobs for the three-month period from November 2018 to January 2019 is calculated by adding together the LFS figures for total employment (32.714 million) and workers with second jobs (1.141 million). On comparing this LFS UK jobs estimate (33.855 million) with the corresponding workforce jobs (WFJ) figure for December 2018 (35.271 million), the LFS total jobs estimate is lower than the WFJ figure by 1.416 million (4.2% of the LFS total).

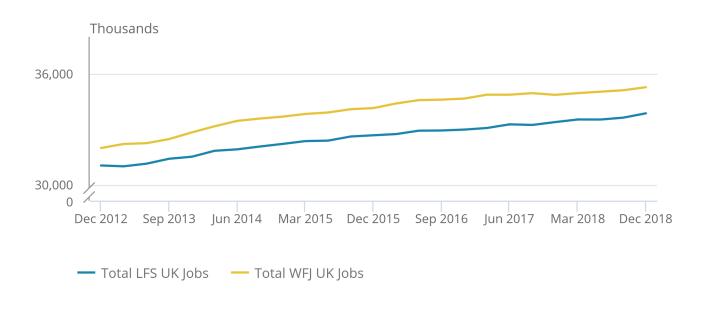
Figure 1 illustrates this comparison over time. These estimates have not been adjusted for factors causing differences between the two sources because many of these factors cannot be measured on a quarterly basis. Over the latest comparable quarterly periods, the LFS series shows a quarterly increase of 236,000 jobs (0.7%) and the WFJ series shows an increase of 167,000 (0.5%). On an annual basis, the LFS series shows an increase of 475,000 (1.4%) and the WFJ series shows an increase of 415,000 (1.2%).

Figure 1: LFS jobs up 0.7% and workforce jobs up 0.5% on quarter

Labour Force Survey and workforce jobs estimates of jobs as published, thousands (seasonally adjusted), UK, December 2012 to December 2018

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Labour Force Survey and workforce jobs estimates of jobs as published, thousands (seasonally adjusted), UK, December 2012 to December 2018



Source: Office for National Statistics - Labour Force Survey

<u>The 2006 National Statistics Quality Review of Employment and Jobs Statistics (PDF, 4.3MB)</u> 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 available in <u>data</u> table X03.

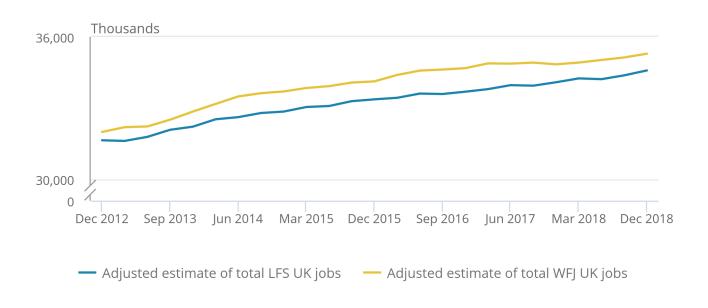
4. Reconciliation

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 703,000 (2.0% of the LFS total).

Labour Force Survey and workforce jobs estimates of jobs adjusted for measurable differences, thousands (seasonally adjusted), UK, December 2012 to December 2018

Figure 2: Latest adjusted workforce jobs estimate 2.0% higher than adjusted LFS jobs estimate

Labour Force Survey and workforce jobs estimates of jobs adjusted for measurable differences, thousands (seasonally adjusted), UK, December 2012 to December 2018



Source: Office for National Statistics - Labour Force Survey

The difference between the adjusted LFS and WFJ estimates (703,000) is beyond the likely bounds of the sampling variability of the difference. The approximate sampling variability (95% confidence interval) is roughly plus or minus 270,000. 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. However, we do not expect uncertainty around the adjustments and other sources of discrepancies to be enough to change the general conclusion.

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.