

Article

Single month Labour Force Survey estimates: Jan 2017

Comparison of the Labour Force Survey (LFS) headline 3-month average rates for employment, unemployment and economic inactivity with their equivalent single month estimates.

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1. Labour Force Survey single month estimates

This report contains charts that compare the Labour Force Survey (LFS) headline 3-month average rates for employment, unemployment and economic inactivity with their equivalent single month estimates. The single month estimates are derived from the same data source as the headline 3-month figures but are not designated as National Statistics and their use is restricted to helping to understand the movements in the headline 3-month averages.

Main points to note are as follows:

- the LFS single month estimates provide additional information about the latest quarterly movements in the headline 3-monthly aggregates of employment, unemployment and economic inactivity
- the production and evaluation of the estimates is an important part of our quality assurance of the 3monthly averages published in the Labour Market statistical bulletin
- single month estimates are based upon a third of the sample of the 3-monthly series approximately 15,000 households – subsequently sampling variability of the changes in the single month estimates is higher in relative terms than those of the headline aggregates and so any interpretation of them can only be in fairly broad terms
- the LFS sample is designed so that the data collected for any 3 consecutive monthly reference periods (or rolling quarters) are representative of the UK population, however, the data for any given single month is unlikely to be representative of the UK – these sampling effects can cause movements in the single month that are a consequence of the survey nature of the LFS and are not a true reflection of change in the wider economy
- the movement in the latest single month figures is, in theory, a better indication of the latest change in the labour market than the difference between the latest 2 overlapping 3-month periods, but it must still be treated with caution
- the sample design of the LFS often produces clear patterns in the single month series which can aid interpretation of the LFS aggregates – the estimates help users determine the extent to which the movements in the headline aggregates are true reflections of changes in the UK labour market and the extent to which they reflect the survey nature of the LFS, in particular sampling variability
- for example, 80% of the households surveyed in one particular month will also have been surveyed 3 months ago; this means the comparison between the latest month and 3 months ago usually provides a better indicator of the latest underlying change than the comparison with the previous month, for which there is no sample overlap
- the single month estimates are regarded as an "official statistic" and are not considered National Statistics in their own right because they do not have sufficient methodological robustness
- improvements to the methodology for producing the single month estimates have been identified and work is ongoing to implement them in the future. Recommendations for this future work are set out in the report of the <u>National Statistics Quality Review of the Labour Force Survey</u>, published in February 2014

For the 3 month averages, the dates shown on the charts relate to the last month of the 3 (for example April to June is indicated by June).

2. Methodological article

A methodological article explaining the <u>background to the LFS single month estimates and describing how they</u> <u>are calculated</u> is available.

3. UK employment rates ages 16 to 64 (seasonally adjusted)

The single month estimate for November 2016 shows an increase of 0.7 percentage points on the previous month.

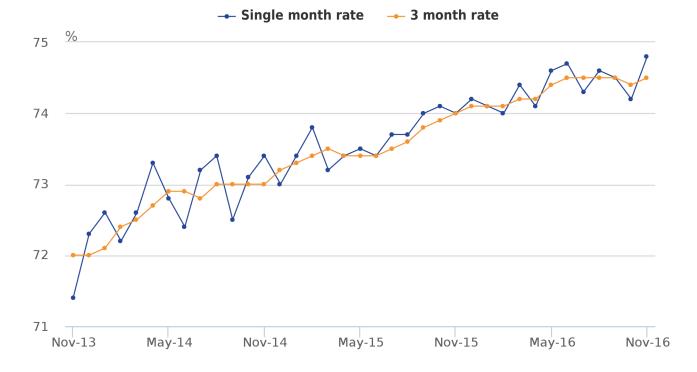


Figure 1: UK employment rates, ages 16 to 64 (seasonally adjusted), November 2013 to November 2016

Source: Labour Force Survey - Office for National Statistics

4 . UK unemployment rates, ages 16 and over (seasonally adjusted)

The single month estimate for November 2016 is unchanged on the previous month.

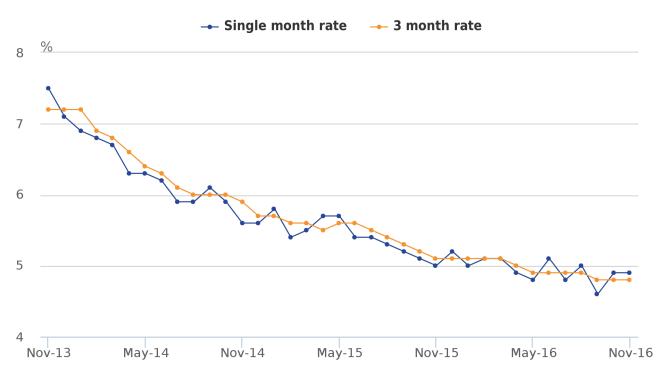


Figure 2: UK unemployment rates (ages 16 and over), per cent (seasonally adjusted), November 2013 to November 2016

Source: Labour Force Survey - Office for National Statistics

5. UK economic inactivity rates, ages 16 to 64 (seasonally adjusted)

The single month estimate for November 2016 shows a decrease of 0.8 percentage points from the previous month.

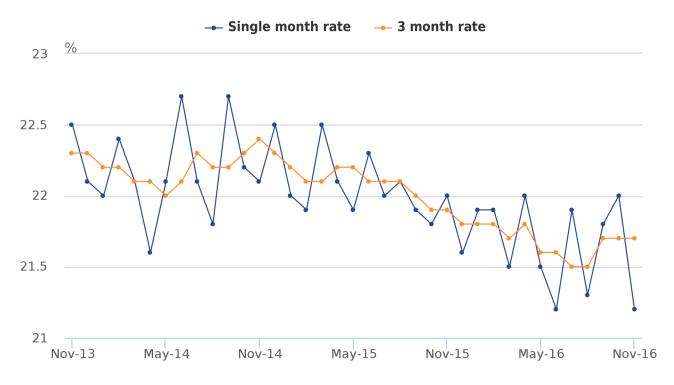


Figure 3: UK economic inactivity rates (ages 16 to 64), per cent (seasonally adjusted), November 2013 to November 2016

Source: Labour Force Survey - Office for National Statistics