

Statistical bulletin

# **UK Labour Market: April 2015**

Estimates of employment, unemployment, economic inactivity and other employmentrelated statistics for the UK.



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## 1. Main points for the 3 months ending February 2015

- Comparing the estimates for the 3 months ending February 2015 with those for September to November 2014, employment continued to rise and unemployment continued to fall. These changes maintain the general direction of movement since late 2011/early 2012
- There were 31.05 million people in work, 248,000 more than for September to November 2014 and 557,000 more than for a year earlier
- The proportion of people aged from 16 to 64 in work (the employment rate) was 73.4%, the highest since comparable records began in 1971
- There were 1.84 million unemployed people, 76,000 fewer than for September to November 2014 and 416,000 fewer than for a year earlier
- The proportion of the economically active population who were unemployed (the unemployment rate) was 5.6%, lower than for September to November 2014 (5.8%) and for a year earlier (6.9%). The economically active population is those in work plus those seeking and available to work
- There were 8.99 million people aged from 16 to 64 who were out of work and not seeking or available to work (known as economically inactive), 104,000 fewer than for September to November 2014 but 11,000 more than for a year earlier
- The proportion of people aged from 16 to 64 who were economically inactive (the inactivity rate) was 22.1%, lower than for September to November 2014 (22.4%) but unchanged compared with a year earlier
- Comparing the 3 months ending February 2015 with a year earlier, pay for employees in Great Britain increased by 1.7% including bonuses and by 1.8% excluding bonuses

## 2. Summary of latest labour market statistics

Table A shows the latest estimates, for the 3 months ending February 2015, for employment, unemployment and economic inactivity and shows how these estimates compare with the previous quarter (September to November 2014) and the previous year (the 3 months ending February 2014). Comparing the 3 months ending February 2015 with September to November 2014 provides the most robust short-term comparison. See Making comparisons with earlier data at Section (ii).

	Number (thousands)	Change on Sep to Nov 2014	Change on Dec to Feb 2014	Headline Rate (%)	Change on Sep to Nov 2014	Change on Dec to Feb 2014
Employed	31,049	248	557			
Aged 16 to 64	29,872	204	482	73.4	0.5	1.0
Aged 65+	1,176	44	75			
Unemployed	1,838	-76	-416	5.6	-0.3	-1.3
Aged 16 to 64	1,819	-76	-404			
Aged 65+	19	0	-13			
Inactive	18,943	-88	195			
Aged 16 to 64	8,990	-104	11	22.1	-0.3	
Aged 65+	9,953	16	184			

# Table A: Summary of latest labour market statistics for the 3 months to February 2015, seasonally adjusted

Source: Office for National Statistics

Notes:

1. Calculation of headline employment rate: Number of employed people aged from 16 to 64 divided by the population aged from 16 to 64. Population is the sum of employed plus unemployed plus inactive

2. Calculation of headline unemployment rate: Number of unemployed people aged 16 and over divided by the sum of employed people aged 16 and over plus unemployed people aged 16 and over

3. Calculation of headline economic inactivity rate: Number of economically inactive people aged from 16 to 64 divided by the population aged from 16 to 64. Population is the sum of employed plus unemployed plus inactive

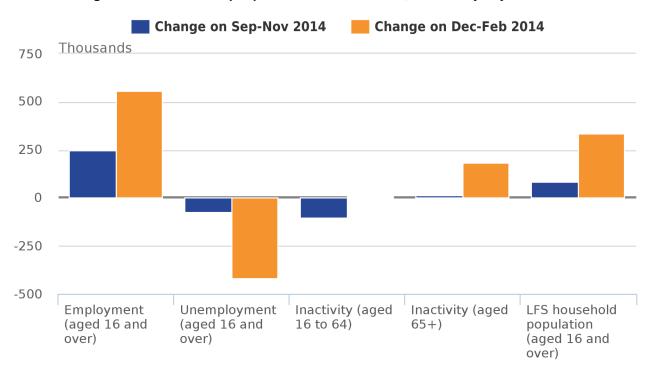
4. Components may not sum exactly to totals due to rounding

Comparing the 3 months ending February 2015 with September to November 2014, the number of:

- people in employment increased by 248,000 (to 31.05 million)
- unemployed people fell by 76,000 (to 1.84 million)
- people aged from 16 to 64 who were out of work but not seeking or available to work (economically inactive) fell by 104,000 (to 8.99 million)

Comparing the 3 months ending February 2015 with a year earlier, the number of:

- people in employment increased by 557,000
- unemployed people fell by 416,000
- people aged from 16 to 64 who were out of work but not seeking or available to work (economically inactive) increased by 11,000



#### Chart A: Changes in the number of people in the labour market, seasonally adjusted

Source: Labour Force Survey - Office for National Statistics

## 3. Understanding and working with labour market statistics

#### Where to find explanatory information

Explaining the concepts of employment, unemployment and economic inactivity is available on our website as a short video.

Interpreting Labour Market statistics, available on our website, is designed to help users interpret labour market statistics and highlight some common misunderstandings.

A more detailed <u>Guide to Labour Market Statistics</u>, which expands on "Interpreting Labour Market Statistics" is also available.

A <u>Glossary</u> which gives an explanation of terms used within Labour Market Statistics, is available on our website.

#### About labour market statuses

Everybody aged 16 or over is either <u>employed</u>, <u>unemployed</u> or <u>economically inactive</u>. The employment estimates include all people in work including those working part-time. People not working are classed as unemployed if they have been looking for work within the last four weeks and are able to start work within the next two weeks. A common misconception is that the unemployment statistics are a count of people on benefits; this is not the case as they include unemployed people not claiming benefits.

Jobless people who have not been looking for work within the last four weeks or who are unable to start work within the next two weeks are classed as economically inactive. Examples of economically inactive people include people not looking for work because they are students, looking after the family or home, because of illness or disability or because they have retired.

## Making comparisons with earlier data derived from the Labour Force Survey

Estimates of employment, unemployment, economic inactivity, hours worked and redundancies are derived from the Labour Force Survey (LFS), a survey of households. The most robust estimates of short-term movements in these estimates are obtained by comparing the estimates for the 3 months ending February 2015 with the estimates for September to November 2014, which were first published on 21 January 2015. This provides a more robust estimate than comparing with the estimates for the 3 months to January 2015. This is because the December and January data are included within both estimates, so effectively observed differences are those between the individual months of November 2014 and February 2015. The LFS is sampled such that it is representative of the UK population over a three month period, not for single month periods.

## Accuracy and reliability of survey estimates

Most of the figures in this Statistical Bulletin come from surveys of households or businesses. Surveys gather information from a sample rather than from the whole population. The sample is designed carefully to allow for this, and to be as accurate as possible given practical limitations such as time and cost constraints, but results from sample surveys are always estimates, not precise figures. This means that they are subject to a margin of error which can have an impact on how changes in the numbers should be interpreted, especially in the short-term.

Changes in the numbers reported in this Statistical Bulletin (and especially the rates) between three month periods are usually not greater than the margin of error. In practice, this means that small, short-term movements in reported rates (for example within +/- 0.3 percentage points) should be treated as indicative, and considered alongside medium and long-term patterns in the series and corresponding movements in administrative sources, where available, to give a fuller picture.

Further information is available in the Accuracy of the Statistics: Estimating and Reporting Uncertainty section of this Statistical Bulletin.

## Seasonal adjustment

All estimates discussed in this Statistical Bulletin are seasonally adjusted except where 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. In order to compare movements other than annual changes in labour market statistics, such as since the previous quarter or since the previous month, the data are seasonally adjusted to remove the effects of seasonal factors and the arrangement of the calendar.

## 4. Detailed commentary

This section of the Statistical Bulletin consists of the following parts.

## **People in work**

- 1. Employment
- 2. Public and Private Sector Employment
- 3. Employment by Nationality and Country of Birth

- 4. Actual Hours Worked
- 5. Workforce Jobs
- 6. Average Weekly Earnings
- 7. Labour Disputes

## People not in work

- 8. Unemployment
- 9. Claimant Count
- 10. Comparison between Unemployment and the Claimant Count
- 11. Economic Inactivity

## Other labour market statistics

- 12. Young People in the Labour Market
- 13. Redundancies
- 14. Vacancies
- 15. Key Out of Work Benefits

# 5. Employment

## What is employment ?

<u>Employment</u> measures the number of people in work and differs from the number of jobs because some people have more than one job. Further information is available at **Notes for Employment** at the end of this section.

Explaining the concepts of employment, unemployment and economic inactivity is available on our website as a short video.

A <u>comparison between estimates of employment and jobs</u> is available in an article on our website.

## Where to find data about employment

Employment estimates are available at Tables 1 and 3 of the pdf version of this Statistical Bulletin and at <u>data</u> tables A02 (1.45 Mb Excel sheet) and EMP01 (1.37 Mb Excel sheet).

## Where to find more information about employment

An article looking at <u>self-employed workers in the UK</u> was published on 20 August 2014.

## Commentary

The proportion of people aged from 16 to 64 in work is known as the employment rate. Chart 1.1 shows the employment rate for people aged from 16 to 64 since comparable records began in 1971. The chart shows that the lowest employment rate was 65.6% in 1983, during the economic downturn of the early 1980s. The employment rate has been generally increasing since early 2012 and for the latest time period, the 3 months ending February 2015, it reached a record high of 73.4%.

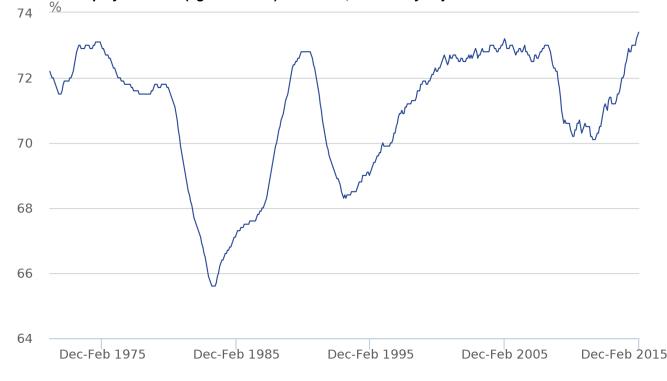


Chart 1.1: Employment rate (aged 16 to 64) from 1971, seasonally adjusted

#### Source: Labour Force Survey - Office for National Statistics

#### Notes:

- 1. Lowest: Feb-Apr to May-Jun 1983 (65.6&)
- 2. Highest: Dec-Feb 2015 (73.4%)

Chart 1.2 looks in more detail at the employment rate for the last five years.



Source: Labour Force Survey - Office for National Statistics

73.4% of people aged from 16 to 64 were in work for the 3 months ending February 2015. This was:

- higher than for September to November 2014 (73.0%)
- higher than for a year earlier (72.4%)
- higher than the pre-downturn peak recorded for early 2008 (73.0%)
- the highest employment rate since comparable records began in 1971

Looking at employment rates by sex, for the 3 months ending February 2015:

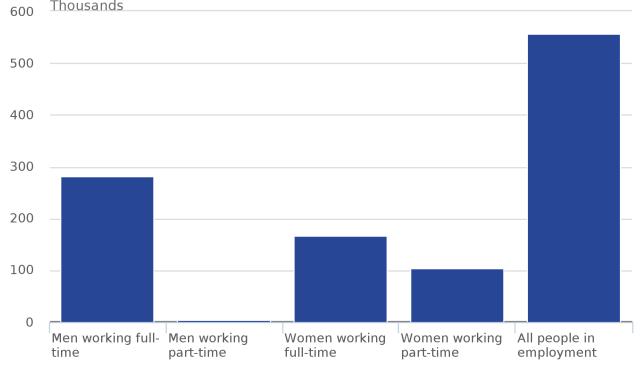
- 78.3% of men and 68.6% of women aged from 16 to 64 were in work
- these employment rates for men and women were higher than those for September to November 2014 and for a year earlier
- the employment rate for men (78.3%) was lower than before the economic downturn of 2008 to 2009, when it peaked at 79.1% in late 2007/early 2008
- the employment rate for women (68.6%) was the highest since comparable records began in 1971, partly due to ongoing changes to the state pension age for women resulting in fewer women retiring between the ages of 60 and 65

For the 3 months ending February 2015, there were 31.05 million people in work, 248,000 more than for September to November 2014 and 557,000 more than for a year earlier.

Comparing the estimates for full-time and part-time employment by sex for the 3 months ending February 2015 with those for a year earlier, the number of:

- men working full-time increased by 281,000 to reach 14.36 million
- men working part-time was little changed at 2.19 million
- women working full-time increased by 167,000 to reach 8.33 million
- women working part-time increased by 104,000 to reach 6.17 million

# Chart 1.3: Changes in people in employment between the three months ending February 2014 and the three months ending February 2015, seasonally adjusted



#### Source: Labour Force Survey - Office for National Statistics

Comparing the estimates for type of employment for the 3 months ending February 2015 with those for a year earlier, the number of:

- employees increased by 583,000 to reach 26.30 million
- self-employed people was little changed at 4.52 million
- unpaid family workers was little changed at 114,000 (see Note 2 for an explanation of the coverage of this series)
- people on government supported training and employment programmes fell by 22,000 to reach 110,000 (see Note 3 for an explanation of the coverage of this series)

#### Notes for employment

- 1. Employment consists of employees, self-employed people, unpaid family workers and people on government supported training and employment programmes
- 2. Unpaid family workers are people who work in a family business who do not receive a formal wage or salary but benefit from the profits of that business

3. The government supported training and employment programmes series does not include all people on these programmes; it only includes people engaging in any form of work, work experience or work-related training who are not included in the employees or self-employed series. People on these programmes NOT engaging in any form of work, work experience or work-related training are not included in the employment estimates; they are classified as unemployed or economically inactive

# 6. Public and private sector employment (first published on 18 March 2015)

## What is public and private sector employment ?

<u>Public sector employment</u> measures the number of people in paid work in the public sector. The public sector comprises central government, local government and public corporations. Estimates of public sector employment are obtained from information provided by public sector organisations.

<u>Private sector employment</u> is estimated as the difference between total employment, sourced from the Labour Force Survey, and public sector employment.

#### Where to find data about public and private sector employment

Public and private sector employment estimates are available at Tables 4 and 4(1) of the pdf version of this Statistical Bulletin and at <u>data tables EMP02 (47 Kb Excel sheet)</u> and <u>EMP03 (40.5 Kb Excel sheet)</u>.

Further information on public sector employment is available in the Public Sector Employment release.

#### Commentary

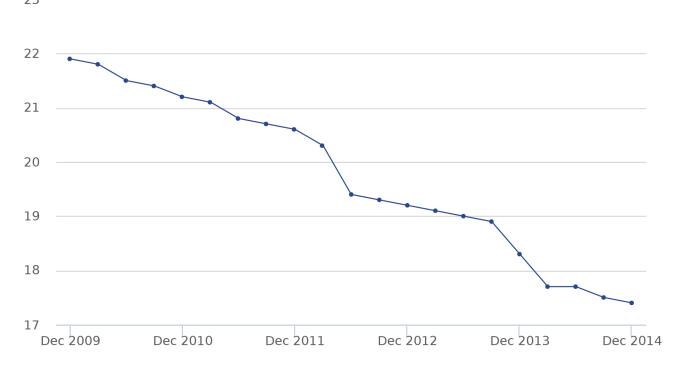
There were 5.40 million people employed in the public sector for December 2014. This was 6,000 fewer than for September 2014 and the lowest figure since comparable records began in 1999.

There were 25.54 million people employed in the private sector for December 2014, 149,000 more than for September 2014.

Between December 2013 and December 2014, the number of people employed in the public sector fell by 140,000 and the number of people employed in the private sector increased by 757,000. These annual movements in public and private sector employment were partly due to the reclassification of Lloyds Banking Group plc which moved from the public sector to the private sector in March 2014. Excluding the effects of this reclassification, public sector employment fell by 42,000 and private sector employment increased by 659,000 between December 2013 and December 2014.

For December 2014, 82.6% of people in employment worked in the private sector and the remaining 17.4% worked in the public sector.

Chart 2.1 shows public sector employment as a percentage of all people in employment for the last five years.





#### Source: Quarterly Public Sector Employment Survey - Office for National Statistics

Notes:

- 1. In June 2012 some educational bodies were reclassified to the private sector
- 2. In December 2013 Royal Mail plc was reclassifies to the private sector
- 3. In March 2014 Lloyds Banking Group plc was reclassified to the private sector

The number of people employed in the public sector has been generally falling since March 2010. Quarterly estimates of public and private sector employment are available back to 1999. Comparisons of public and private sector employment over time are complicated by a number of changes to the composition of these sectors over this period with several large employers moving between the public and private sectors. ONS therefore publishes estimates of public and private sector employment excluding the effects of major reclassifications alongside estimates of total public and private sector employment at Table 4 of the pdf version of this Statistical Bulletin and at data table EMP02 (47 Kb Excel sheet).

# 7. Employment by nationality and country of birth, not seasonally adjusted (first published on 18 February 2015)

#### What is employment by nationality and country of birth?

The estimates of employment by both nationality and country of birth relate to the number of people in employment rather than the number of jobs. Changes in the series therefore show net changes in the number of people in employment, not the proportion of new jobs that have been filled by UK and non-UK workers. These estimates should not be used as a proxy for flows of foreign migrants into the UK.

The estimates are not seasonally adjusted and it is therefore best practice to compare the estimates for October to December 2014 with those for a year earlier rather than with those for July to September 2014.

## Where to find data about employment by nationality and country of birth

Estimates of employment by nationality and country of birth are available at Table 8 of the pdf version of this Statistical Bulletin and at <u>data table EMP06 (183.5 Kb Excel sheet)</u>.

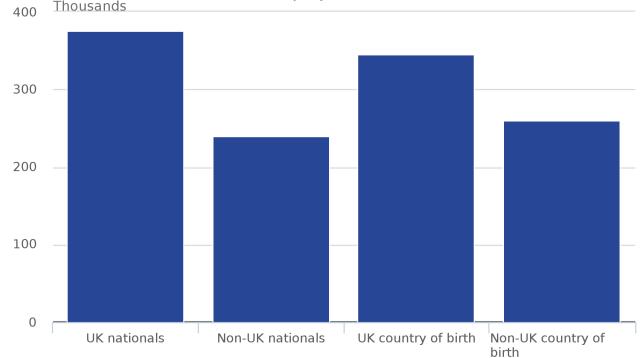
#### Commentary

Looking at the estimates by nationality, between October to December 2013 and October to December 2014, the number of:

- UK nationals working in the UK increased by 375,000 to reach 28.00 million
- non-UK nationals working in the UK increased by 239,000 to reach 2.96 million

For October to December 2014, there were 4.78 million people born abroad working in the UK, but the number of non-UK nationals working in the UK was much lower at 2.96 million. This is because the estimates for people born abroad working in the UK include some UK nationals. Looking at the estimates by country of birth, between October to December 2013 and October to December 2014, the number of:

- UK born people working in the UK increased by 345,000 to reach 26.16 million
- non-UK born people working in the UK increased by 260,000 to reach 4.78 million



# Chart 3.1: Employment by nationality and country of birth, changes between October to December 2013 and October to December 2014, not seasonally adjusted

#### Source: Labour Force Survey - Office for National Statistics

Notes:

1. Between October to December 2013 and October to December 2014, the total number of people in employment increased by 611,000

 Changes in the UK and non-UK estimates may not sum exactly to changes in the total number of people in employment because some people do not state their country of birth or nationality in their Labour Force Survey interviews

Estimates of employment by nationality and country of birth are available back to 1997. Between January to March 1997 and October to December 2014, the number of non-UK nationals working in the UK increased from 928,000 (3.5% of all people working in the UK) to 2.96 million (9.6% of all people working in the UK). This increase in the number of non-UK nationals working in the UK since 1997 reflects the admission of several new member states to the European Union.

# 8. Actual hours worked

## What is actual hours worked ?

<u>Actual hours worked</u> measures the number of hours worked in the economy. Changes in actual hours worked reflect changes in the number of people in employment and the average hours worked by those people.

## Where to find data about hours worked

Hours worked estimates are available at Tables 7 and 7(1) of the pdf version of this Statistical Bulletin and at <u>data</u> tables HOUR01 (485.5 Kb Excel sheet) and HOUR02 (1.69 Mb Excel sheet).

## Commentary

Total hours worked per week were 997.9 million for the 3 months ending February 2015. This was:

- 5.3 million (0.5%) more than for September to November 2014
- 22.4 million (2.3%) more than for a year earlier
- 79.3 million (8.6%) more than five years previously

Chart 4.1 shows total hours worked for the last five years.



Source: Labour Force Survey - Office for National Statistics

For the 3 months ending February 2015:

- people working full-time worked, on average, 37.5 hours per week in their main job, virtually unchanged compared with a year earlier
- people working part-time worked, on average, 16.2 hours per week in their main job, 0.3 hours higher than for a year earlier

# 9. Workforce Jobs (first published on 18 March 2015)

## What is Workforce Jobs ?

<u>Workforce jobs</u> measures the number of filled jobs in the economy. The estimates are mainly sourced from employer surveys. Workforce jobs is a different concept from employment, which is sourced from the Labour Force Survey, as employment is an estimate of people and some people have more than one job.

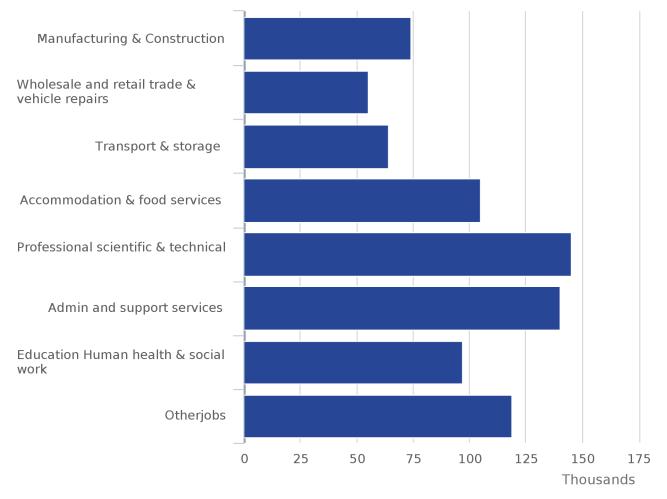
A comparison between estimates of employment and jobs is available in an article published on our website.

## Where to find data about workforce jobs

Jobs estimates are available at Tables 5 and 6 of the pdf version of this Statistical Bulletin and at <u>data tables</u> JOBS01 (55.5 Kb Excel sheet) and JOBS02 (325 Kb Excel sheet).

## Commentary

For December 2014 there were 33.52 million workforce jobs, 87,000 more than for September 2014 and 800,000 more than for a year earlier. Chart 5.1 shows changes in the number of jobs by industrial sector between December 2013 and December 2014.



#### Chart 5.1: Workforce jobs changes between December 2013 and December 2014, seasonally adjusted

#### Source: Office for National Statistics

Since comparable records began in 1978, the number of jobs in the manufacturing and mining and quarrying sectors has declined, but jobs in the service sectors have increased substantially. Between June 1978 and December 2014:

- the proportion of jobs accounted for by the manufacturing and mining and quarrying sectors fell from 26.4% to 8.0%
- the proportion of jobs accounted for by the services sector increased from 63.2% to 83.4%

While comparable estimates for workforce jobs by industry begin in 1978, <u>some information back to 1841, based</u> <u>on Census data</u>, are available in a report published by ONS in June 2013.

# **10. Average Weekly Earnings**

## What is Average Weekly Earnings ?

<u>Average Weekly Earnings</u> measures money paid to employees in Great Britain in return for work done, before tax and other deductions from pay. The estimates do not include earnings of self-employed people. Estimates are available for both total pay (which includes bonuses) and for regular pay (which excludes bonus payments). The estimates are not just a measure of pay settlements as they also reflect compositional changes within the workforce. Further information is available at **Notes for Earnings** at the end of this section.

## Where to find data on Average Weekly Earnings

Average Weekly Earnings estimates are available at Tables 15, 16 and 17 of the pdf version of this Statistical Bulletin and at <u>data tables EARN01 (609 Kb Excel sheet)</u>, <u>EARN02 (536.5 Kb Excel sheet)</u> and <u>EARN03 (607 Kb Excel sheet)</u>. While comparable records for Average Weekly Earnings start in 2000, modelled estimates back to 1963 (which do not have National Statistics status) are available at <u>data table EARN02 (536.5 Kb Excel sheet)</u>.

## Where to find more information about Earnings

An article looking at bonus payments was published on 29 August 2014.

An article looking at <u>UK wages over the last four decades</u> was published on 3 July 2014.

The <u>Annual Survey of Hours and Earnings (ASHE)</u>, published on 19 November 2014, provides more detailed data.

## Commentary

For February 2015:

- average regular pay (excluding bonuses) for employees in Great Britain was £459 per week before tax and other deductions from pay
- average total pay (including bonuses) for employees in Great Britain was £485 per week before tax and other deductions from pay

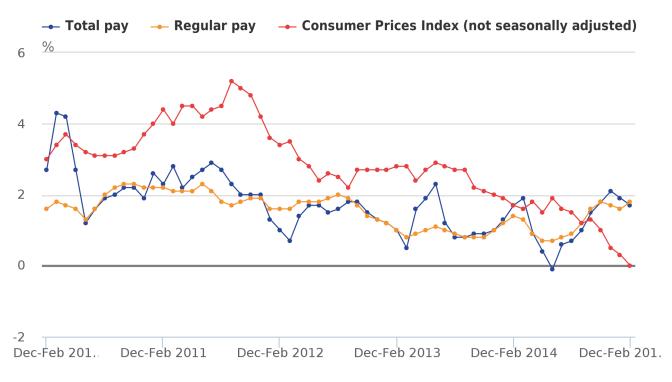
Between the 3 months ending February 2014 and the 3 months ending February 2015:

- regular pay for employees in Great Britain increased by 1.8%, higher than the growth rate between the three months to January 2014 and the three months to January 2015 (1.6%)
- total pay for employees in Great Britain increased by 1.7%, lower than the growth rate between the three months to January 2014 and the three months to January 2015 (1.9%)

The Consumer Prices Index (CPI) was unchanged in the year to February 2015, that is, a 12-month growth rate of 0.0%.

Chart 6.1 compares the annual growth rates for both regular and total pay with consumer price inflation.

#### Chart 6.1: Average earnings and consumer prices annual growth rates



#### Source: Office for National Statistics

#### Notes:

- This chart shows monthly estimates for the Consumer Prices Index (CPI) from February 2010 to February 2015 and three month average estimates for Average Weekly Earnings (AWE) from the 3 months to February 2010 to the 3 months to February 2015
- The CPI series is for the United Kingdom and is compiled from prices data based on a large and representative selection of individual goods and services. The AWE series are for Great Britain and are sourced from the Monthly Wages and Salaries Survey
- 3. The AWE series are seasonally adjusted. The CPI series is not seasonally adjusted

Since comparable records began in 2000, average total pay for employees in Great Britain has increased from £311 a week in January 2000 to £485 a week in February 2015; an increase of 55.6%. Between January 2000 and February 2015, the Consumer Prices Index increased by 38.3%.

#### Notes for Average Weekly Earnings

- 1. The estimates are in current prices; this means that they are not adjusted for price inflation. The estimates relate to Great Britain and include salaries but not unearned income, benefits in kind or arrears of pay
- 2. As well as pay settlements, the estimates reflect bonuses, changes in the number of paid hours worked and the impact of employees paid at different rates joining and leaving individual businesses. The estimates also reflect changes in the overall structure of the workforce; for example, fewer low paid jobs in the economy would have an upward effect on the earnings growth rate
- 3. Lloyds Banking Group plc is reclassified to the private sector from April 2014 following the sale of some government owned shares to private sector investors. It is classified to the public sector between July 2009 and March 2014. ONS estimates that, if the April 2014 reclassification had not occurred, the public sector single month growth rates from April 2014 would have been around 0.3 percentage points higher and the corresponding private sector growth rates would have been around 0.1 percentage points lower

# 11. Labour disputes (not seasonally adjusted)

## What is labour disputes?

The labour disputes estimates measure strikes connected with terms and conditions of employment.

#### Where to find data about labour disputes

Labour disputes estimates are available at Table 20 of the pdf version of this Statistical Bulletin and at <u>data table</u> <u>LABD01 (114 Kb Excel sheet)</u>.

#### Commentary

In February 2015, there were 24,000 working days lost from 11 stoppages. For the 12 months ending February 2015, there were 794,000 working days lost from 151 stoppages.

Since records began in December 1931:

- the highest cumulative 12 month estimate for working days lost was 32.2 million for the 12 months to April 1980
- the lowest cumulative 12 month estimate for working days lost was 143,000 for the 12 months to March 2011

Working days lost are at historically low levels when looking at the longer run time series back to the 1930s, available at <u>data table LABD01 (114 Kb Excel sheet)</u>.

Chart 7.1 shows cumulative 12 month totals for working days lost for the last five years.



#### Chart 7.1: Working days lost cumulative 12 months totals, not seasonally adjusted

#### Source: Labour Disputes Statistics - Office for National Statistics

Notes:

 The figures from November 2011 to October 2012 and from July 2014 are affected by one day strikes on 30 November 2011 and 10 July 2014 relating to changes in pension schemes and pay for some public workers

# 12. Unemployment

#### What is unemployment ?

<u>Unemployment</u> measures people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks.

Explaining the concepts of employment, unemployment and economic inactivity is available on our website as a short video.

## Where to find data about unemployment

Unemployment estimates for the UK are available at Table 9 of the pdf version of this Statistical Bulletin and at <u>data table UNEM01 (2.22 Mb Excel sheet)</u>.

International comparisons of unemployment rates are available at Table 19 of the pdf version of this Statistical Bulletin and at <u>data table A10 (272 Kb Excel sheet)</u>.

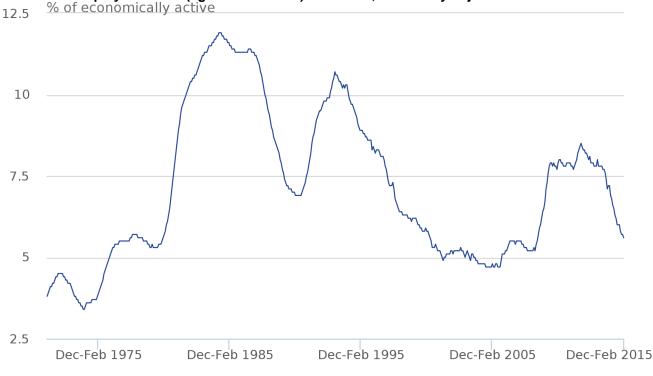
European Union (EU) unemployment rates were published in a Eurostat News Release on 31 March 2015.

## Commentary

The unemployment rate is not the proportion of the total population who are unemployed. It is the proportion of the economically active population (those in work plus those seeking and available to work) who are unemployed. This follows <u>guidelines specified by the International Labour Organisation</u> and it ensures that unemployment rates published by ONS are broadly comparable with those published by other countries.

Chart 8.1 shows the unemployment rate for people aged 16 and over since comparable records began in 1971. The chart shows that the lowest unemployment rate was 3.4% in late 1973/early 1974 and the highest rate, of 11.9%, was recorded in 1984 during the downturn of the early 1980s. The unemployment rate for the latest time period, the 3 months ending February 2015, was 5.6%.

#### Chart 8.1: Unemployment rate (aged 16 and over) from 1971, seasonally adjusted



#### Source: Labour Force Survey - Office for National Statistics

#### Notes:

- 1. Highest: Feb-Apr to Apr-June 1984 (11.9%)
- 2. Lowest: Oct-Dec 1973 and Nov-Jan 1974 (3.4%)
- 3. Latest: Dec-Feb 2015 (5.6%)

Chart 8.2 looks in more detail at the unemployment rate for the last five years.



#### Chart 8.2: Unemployment rate (aged 16 and over), seasonally adjusted

As shown in Charts 8.1 and 8.2, the unemployment rate for those aged 16 and over for the 3 months ending February 2015 was 5.6%. This was:

- down from 5.8% for September to November 2014
- down from 6.9% for a year earlier
- higher than the pre-downturn trough of 5.2% for late 2007/early 2008

For the 3 months ending February 2015, there were 1.84 million unemployed people. This was 76,000 fewer than for September to November 2014 and 416,000 fewer than for a year earlier.

Looking at unemployment for men and women for the 3 months ending February 2015, there were:

- 1.01 million unemployed men, 56,000 fewer than for September to November 2014 and 248,000 fewer than for a year earlier
- 825,000 unemployed women, 20,000 fewer than for September to November 2014 and 168,000 fewer than for a year earlier

Looking at unemployment by how long people have been out of work and seeking work, for the 3 months ending February 2015, there were:

- 931,000 people who had been unemployed for up to 6 months, 141,000 fewer than for a year earlier
- 284,000 people who had been unemployed for between 6 and 12 months, 87,000 fewer than for a year earlier
- 623,000 people who had been unemployed for over 12 months, 188,000 fewer than for a year earlier

Looking at international comparisons, the unemployment rate for the European Union (EU) was 9.8% of the economically active population for February 2015. Within the EU, the highest unemployment rates were for Greece (26.0% for December 2014) and Spain (23.2% for February 2015) and the lowest were for Germany (4.8% for February 2015) and Austria (5.3% for February 2015). The unemployment rate for the United States was 5.5% for both February and March 2015.

Chart 8.3 shows the unemployment rates for the UK, the EU and the United States (US) for the last five years. The chart shows that the unemployment rate for the UK has been substantially lower than that for the whole of the EU. The unemployment rate for the US has moved in a downward direction since early 2010 and the UK unemployment rate has been generally falling since early 2012. Since early 2013 the unemployment rate for the US has generally been slightly lower than the rate for the UK.

# 13. Claimant Count

#### Introduction

The <u>Claimant Count</u> measures the number of people claiming benefits principally for the reason of being unemployed.

Since July 2014, ONS has published two measures of the Claimant Count; the headline Claimant Count (which is a National Statistic) and a new experimental measure which, unlike the headline measure, includes some claimants of Universal Credit (UC).

## Where to find data about the Claimant Count

Claimant Count estimates are available at Tables 10, 10(1) and 11 of the pdf version of this Statistical Bulletin and at data tables CLA01 (396.5 Kb Excel sheet), CLA02 (543 Kb Excel sheet) and CLA03 (71 Kb Excel sheet).

While comparable records start in 1971, some data back to 1881 (which do not have National Statistics status) are available from the "Historic Data" worksheet within <u>data table CLA01 (396.5 Kb Excel sheet)</u>.

## What is the headline Claimant Count ?

Since October 1996 it has been a count of the number of people claiming Jobseeker's Allowance (JSA). Between January 1971 (when comparable estimates start) and September 1996 it is an estimate of the number of people who would have claimed JSA if it had existed at that time.

It includes people who claim JSA but who do not receive payment. For example some claimants will have had their benefits stopped for a limited period of time by Jobcentre Plus. Some people claim JSA in order to receive National Insurance Credits.

## **Commentary (Headline Claimant Count)**

Chart 9.1 shows the headline Claimant Count since comparable records began in 1971. The chart shows that the lowest number of people claiming unemployment related benefits was 422,600 in December 1973 and the highest figure was 3.09 million in July 1986. For the latest month, March 2015, there were 772,400 people claiming Jobseeker's Allowance (JSA).

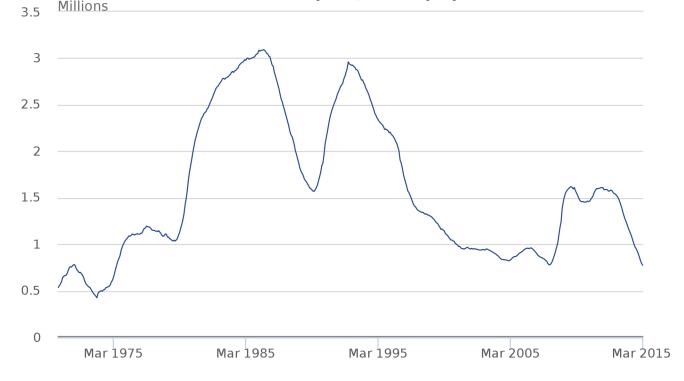


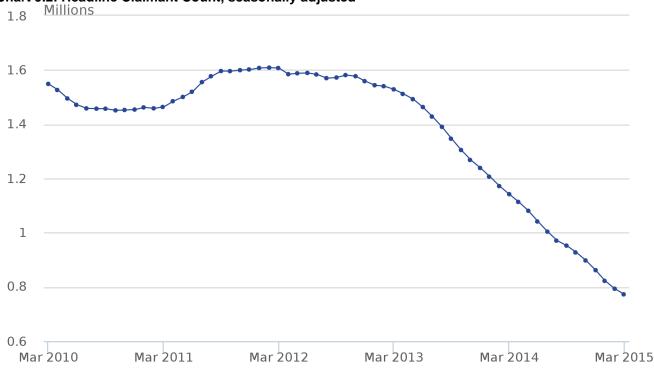
Chart 9.1: Headline Claimant Count from January 1971, seasonally adjusted

#### Source: Office for National Statistics, Department for Work and Pensions

#### Notes:

- 1. Highest: 3.09 million (July 1986)
- 2. Lowest: 422.600 (December 1973)
- 3. Latest: 772.400 (March 2015)

Looking in more detail at the most recent five years, Chart 9.2 shows the headline Claimant Count, which excludes claimants of Universal Credit, from March 2010 to March 2015.



#### Chart 9.2: Headline Claimant Count, seasonally adjusted

Source: Office for National Statistics, Department for Work and Pensions

For March 2015 there were 772,400 people claiming JSA. The number of JSA claimants has fallen for 29 consecutive months and it is:

- down 20,700 from February 2015
- down 369,400 from a year earlier
- 6,000 lower than the pre-downturn trough of 778,400 for February 2008

#### What is the experimental adjusted Claimant Count ?

The experimental adjusted Claimant Count differs from the headline Claimant Count because, as well as JSA claimants, it also includes some claimants of Universal Credit (UC) from May 2013 (the first month in which the Claimant Count is affected by UC).

- Between May 2013 and October 2013, the UC estimates included in the adjusted Claimant Count include all claimants of UC including those who were in work
- From November 2013 they include all **out of work** UC claimants but include some claimants who are not required to look for work (who should ideally be excluded from the Claimant Count)

See Background Notes to this Statistical Bulletin for further details.

## **Commentary (experimental adjusted Claimant Count)**

The experimental adjusted Claimant Count shows that, for March 2015, there were 802,500 people claiming unemployment related benefits. This was:

- down 16,100 from February 2015
- down 343,000 from a year earlier
- 24,100 higher than the pre-downturn trough of 778,400 for February 2008

# 14. Comparison between unemployment and the Claimant Count

<u>Unemployment</u> is measured according to internationally accepted <u>guidelines specified by the International Labour</u> <u>Organisation (ILO)</u>. Unemployed people in the UK are:

- without a job, have actively sought work in the last four weeks and are available to start work in the next two weeks
- out of work, have found a job and are waiting to start it in the next two weeks

People who meet these criteria are classified as unemployed irrespective of whether or not they claim Jobseeker' s Allowance or other benefits. The estimates are derived from the Labour Force Survey and are published for three month average time periods.

The <u>Claimant Count</u> measures the number of people claiming benefits principally for the reason of being unemployed. As explained at Section 9 of this Statistical Bulletin, since July 2014 ONS has published two measures of the Claimant Count; the headline Claimant Count (which is a National Statistic) and a new experimental measure. In this section of the Bulletin, quarterly movements in unemployment are compared with quarterly movements in the headline Claimant Count.

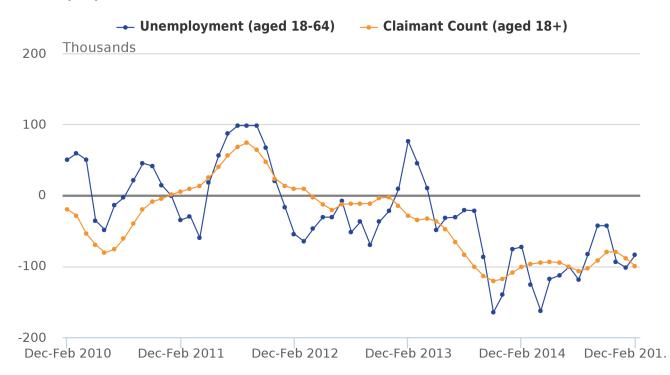
Since October 1996, the headline Claimant Count has been a count of the number of people claiming Jobseeker' s Allowance (JSA). Some JSA claimants will not be classified as unemployed. For example, people in employment working fewer than 16 hours a week can be eligible to claim JSA depending on their income.

Chart 10.1 and the associated spreadsheet compare quarterly movements in unemployment and the headline Claimant Count for the same three month average time periods. The unemployment estimates shown in this comparison exclude unemployed people in the 16 to 17 and 65 and over age groups as well as unemployed people aged from 18 to 24 in full-time education. This provides a more meaningful comparison with the headline Claimant Count than total unemployment because people in these population groups are not usually eligible to claim JSA.

When three month average estimates for the headline Claimant Count are compared with unemployment estimates for the same time periods and for the same population groups (people aged from 18 to 64 excluding 18 to 24 year olds in full-time education), between September to November 2014 and the 3 months ending February 2015:

- unemployment fell by 84,000
- the headline Claimant Count fell by 100,000

# Chart 10.1: Quarterly changes in Unemployment and the headline Claimant Count (aged 18 to 64), seasonally adjusted



#### Source: Office for National Statistics, Department for Work and Pensions

#### Notes:

- 1. Unemployment estimates are sourced from the Labour Force Survey (a survey of households). The unemployment figures in this chart, and the associated spreadsheet, exclude unemployed people aged from 18 to 24 in full-time education
- 2. Claimant Count estimates are sourced from administrative data from Jobcentre Plus (part of the Department for Work and Pensions)

# 15. Economic inactivity

## What is economic inactivity ?

<u>Economically inactive</u> people are not in employment but do not meet the internationally accepted definition of unemployment because they have not been seeking work within the last four weeks and/or they are unable to start work within the next two weeks.

Explaining the concepts of employment, unemployment and economic inactivity is available on our website as a short video.

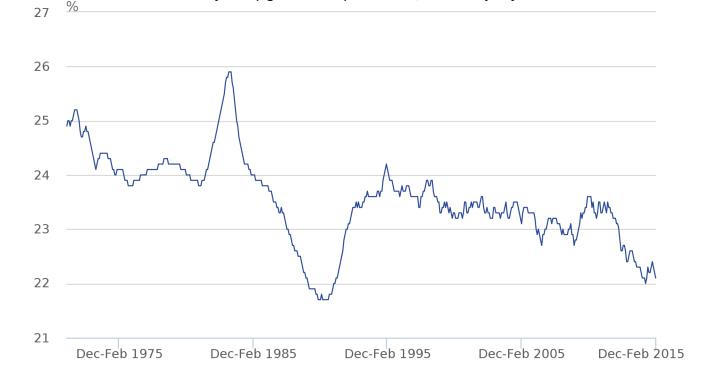
## Where to find data on economic inactivity

Economic inactivity estimates are available at Tables 1 and 13 of the pdf version of this Statistical Bulletin and at data tables A02 (1.45 Mb Excel sheet) and INAC01 (2.7 Mb Excel sheet).

#### Commentary

The proportion of people, aged from 16 to 64, not in work and neither seeking nor available to work is known as the economic inactivity rate. Chart 11.1 shows the economic inactivity rate for people aged from 16 to 64 since comparable records began in 1971.

Chart 11.1 shows that the economic inactivity rate increased during the downturn of the early 1980s reaching a record high of 25.9% in 1983. As the economy improved in the late 1980s, the economic inactivity rate resumed its downward path, reaching a record low of 21.7% in late 1989 and 1990, before the economic downturn of the early 1990s drove it back up again. Following an increase in the economic inactivity rate during the economic downturn of 2008 to 2009, it continued its downward path.



#### Chart 11.1: Economic Inactivity rate (aged 16 to 64) from 1971, seasonally adjusted

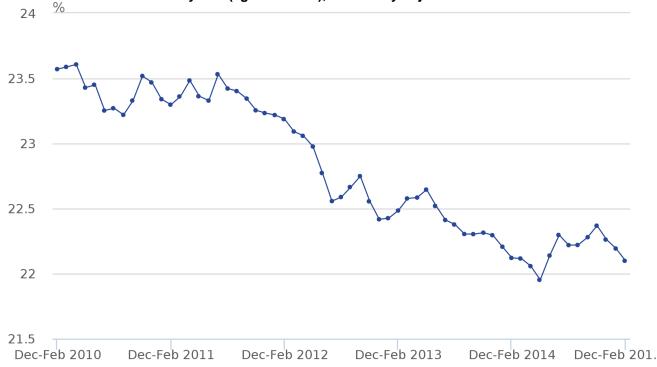
Source: Labour Force Survey - Office for National Statistics

Notes:

- 1. Highest: Feb-Apr to Apr-Jun 1983 (25.9%)
- 2. Lowest: Late 1989 and 1990 (21.7%)
- 3. Latest: Dec-Feb 2015 (22.1%)

Since comparable records began in 1971, the economic inactivity rate for men has been gradually rising while the rate for women has been gradually falling.

Chart 11.2 looks in more detail at the economic inactivity rate for the last five years.



#### Chart 11.2: Economic inactivity rate (aged 16 to 64), seasonally adjusted

Source: Labour Force Survey - Office for National Statistics

As shown in Charts 11.1 and 11.2, the economic inactivity rate for those aged from 16 to 64 for the 3 months ending February 2015 was 22.1%. This was down from 22.4% for September to November 2014 but unchanged compared with a year earlier.

For the 3 months ending February 2015, there were 8.99 million people aged from 16 to 64 not in work and neither seeking nor available to work (known as economically inactive), 104,000 fewer than for September to November 2014 but 11,000 more than for a year earlier.

Looking in more detail at the 8.99 million people aged from 16 to 64 who were economically inactive for the 3 months ending February 2015, the two largest categories were students and people looking after the family or home (each of which accounted for just over a quarter of the total):

- there were 2.33 million people who were not looking for work because they were studying, 33,000 fewer than for September to November 2014 but 27,000 more than for a year earlier
- there were 2.27 million people (of which 2.04 million were women) who were not looking for work because they were looking after the family or home, 49,000 fewer than for September to November 2014 and 22,000 fewer than for a year earlier

The third and fourth largest categories were long-term sick (around 22% of the total) and retired (around 14% of the total):

- there were 2.01 million people who were not looking for work due to long-term sickness, 24,000 fewer than for September to November 2014 but 13,000 more than for a year earlier
- there were 1.29 million people who were not looking for work because they had retired, little changed compared with September to November 2014 but 35,000 fewer than for a year earlier, partly due to ongoing changes to the state pension age for women resulting in fewer women retiring between the ages of 60 and 65

A more detailed breakdown of economic inactivity by reason is available at Table 13 of the pdf version of this Statistical Bulletin and at <u>data table INAC01 (2.7 Mb Excel sheet)</u>.

# 16. Young people in the labour market

#### Where to find data on young people in the labour market

Estimates for young people in the labour market are available at Table 14 of the pdf version of this Statistical Bulletin and at <u>data table A06 (2.55 Mb Excel sheet)</u>.

#### Where to find more information about young people in the labour market

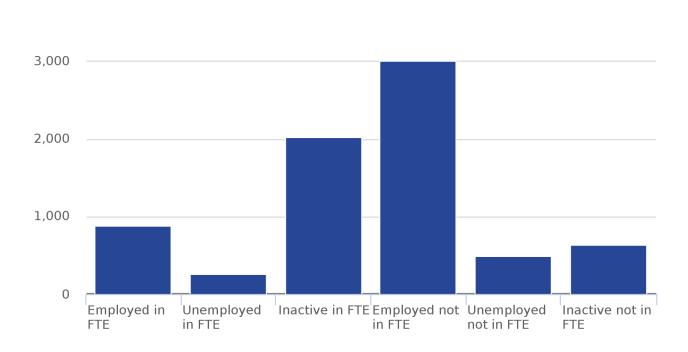
Estimates for <u>young people who were Not in Education, Employment or Training (NEET)</u> for October to December 2014 were published on 26 February 2015.

#### Commentary

For the 3 months ending February 2015, for people aged from 16 to 24, there were:

- 3.87 million people in work (including 877,000 full-time students with part-time jobs)
- 742,000 unemployed people (including 253,000 full-time students looking for part-time work)
- 2.66 million economically inactive people, most of whom (2.02 million) were full-time students

It is a common misconception that all people in full-time education are classified as economically inactive. This is not the case as people in full-time education are included in the employment estimates if they have a part-time job and are included in the unemployment estimates if they are seeking part-time work.



# Chart 12.1: Young people (aged 16 to 24) in the labour market for the three months ending February 2015, seasonally adjusted

#### Source: Labour Force Survey - Office for National Statistics

#### Notes:

1. FTE = Full-time education

Thousands

4.000

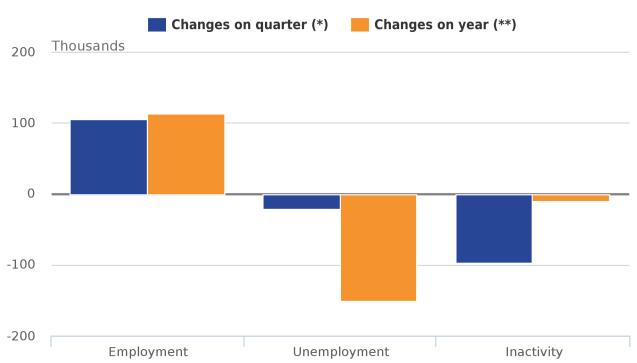
- 2. The "Not in full-time education" series includes people in part-time education and/or some form of training
- 3. Most people in full time education (FTE) were economically inactive and most people not in full time education were in work

Comparing the 3 months ending February 2015 with September to November 2014, the number of people aged from 16 to 24:

- in employment increased by 105,000
- who were unemployed fell by 22,000
- who were economically inactive fell by 98,000

Comparing the 3 months ending February 2015 with a year earlier, the number of people aged from 16 to 24:

- in employment increased by 113,000
- who were unemployed fell by 151,000
- who were economically inactive fell by 10,000



# Chart 12.2: Changes in the number of young people (aged 16 to 24) in the labour market, seasonally adjusted

#### Source: Labour Force Survey - Office for National Statistics

Notes:

- 1. (\*) Changes between September to November 2014 and December 2014 to February 2015
- 2. (\*\*) Changes between December 2013 to February 2014 and December 2014 to February 2015

For the 3 months ending February 2015, the unemployment rate for 16 to 24 year olds was 16.1%. This was:

- lower than for September to November 2014 (16.9%)
- lower than for a year earlier (19.2%)
- higher than the pre-downturn trough of 13.8% for the 3 months ending February 2008

The unemployment rate for those aged from 16 to 24 has been consistently higher than that for older age groups. Since comparable records began in 1992:

- the lowest youth unemployment rate was 11.6% for March to May 2001
- the highest youth unemployment rate was 22.5% for late 2011

Comparisons of youth unemployment rates over time are complicated by the fact that, since comparable records began in 1992, the proportion of people aged from 16 to 24 in full-time education has increased substantially from 26.2% for March to May 1992 to 43.3% for the three months ending February 2015. Unemployment rates are not the proportion of the total population who are unemployed. They are the proportion of the economically active population (those in work plus those seeking and available to work) who are unemployed. The long-term increase in the proportion of young people going into full-time education reduces the size of the economically active population and therefore increases the unemployment rate.

Looking at international comparisons, the youth unemployment rate (for those aged from 15 to 24) for the European Union (EU) was 21.1% for February 2015. Within the EU, the highest youth unemployment rates were for Spain (50.7% for February 2015) and for Greece (51.2% for December 2014). The lowest youth unemployment rates were for Germany (7.2% for February 2015) and for Austria (9.0% for February 2015). These EU youth unemployment rates were published in a <u>Eurostat News Release</u> on 31 March 2015.

# 17. Redundancies

#### What are redundancies ?

The <u>redundancies</u> estimates measure the number of people who have been made redundant or have taken voluntary redundancy.

#### Where to find data on redundancies

Redundancies estimates are available at Tables 23 and 24 of the pdf version of this Statistical Bulletin and at data tables RED01 (199.5 Kb Excel sheet) and RED02 (2.34 Mb Excel sheet).

#### Commentary

For the 3 months ending February 2015, 107,000 people had become redundant in the 3 months before the Labour Force Survey interviews. This was little changed compared with September to November 2014 and with a year earlier, but 204,000 fewer than the peak of 311,000 recorded for February to April 2009.

Chart 13.1 shows the number of people made redundant (including voluntary redundancies) for the last five years.



#### Chart 13.1: Redundancies, seasonally adjusted

#### Source: Labour Force Survey - Office for National Statistics

# 18. Vacancies

## What are vacancies ?

<u>Vacancies</u> are defined as positions for which employers are actively seeking to recruit outside their business or organisation.

#### Where to find data about vacancies

Vacancies estimates are available at Tables 21, 21(1) and 22 of the pdf version of this Statistical Bulletin and at data tables VACS01 (69 Kb Excel sheet), VACS02 (148 Kb Excel sheet) and VACS03 (83 Kb Excel sheet).

## Commentary

There were 743,000 job vacancies for January to March 2015. This was:

- up 32,000 from October to December 2014
- up 124,000 from a year earlier
- the highest since comparable records began in 2001

Chart 14.1 shows the number of job vacancies since comparable records began in 2001.





#### Source: Vacancy Survey - Office for National Statistics

#### Notes:

1. Highest: Jan-Mar 2015 (743,000)

2. Lowest: Apr-Jun and May-Jul 2009 (429,000)

# 19. Key out of work benefits, not seasonally adjusted (first published on 18 February 2015)

#### What are key out of work benefits ?

Key out of work benefits includes claimants of Jobseeker's Allowance and Employment and Support Allowance and other incapacity benefits. It also includes claimants of Income Support and Pension Credit. While most people claiming these benefits are out of work a small number are in employment. These estimates exclude claimants in Northern Ireland.

The estimates are not seasonally adjusted and it is therefore best practice to compare the estimates for August 2014 with those for a year earlier rather than with those for May 2014.

#### Where to find data about key out of work benefits

Estimates of claimants of key out of work benefits are available at Table 25 of the pdf version of this Statistical Bulletin and at <u>data table BEN01 (58.5 Kb Excel sheet)</u>.

## Commentary

For August 2014 there were 4.01 million people claiming key out of work benefits. This was:

- 395,900 fewer than for August 2013
- 1.09 million fewer than the peak of 5.10 million recorded for February 2010

For August 2014, 10.1% of the population aged from 16 to 64 were claiming key out of work benefits. This was:

- down from 11.1% for a year earlier
- the lowest since comparable records began in 1999

Chart 15.1 shows, for the last five years, the proportion of the population aged from 16 to 64 claiming key out of work benefits.

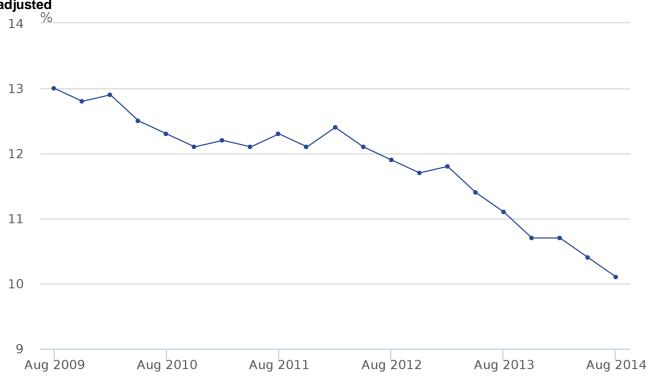


Chart 15.1: Proportion of population (aged 16 to 64) claiming key out of work benefits, not seasonally adjusted

Source: Department for Work and Pensions, Office for National Statistics

# 20. Where to find more information about Labour Market Statistics

## Other regularly published labour market releases

Regional Labour Market statistics (\*)

Public Sector Employment

Young People who were Not in Employment, Education or Training (NEET)

Labour Productivity

Annual Survey of Hours and Earnings (ASHE)

Business Register and Employment Survey (BRES)

(\*) Regional and local area statistics are available at NOMIS®

## Recently published reports on labour market topics

Workers aged 65 and over in the 2011 Census (25 March 2015)

Participation rates in the UK Labour Market (19 March 2015)

Contracts with no guaranteed hours (25 February 2015)

Families in the Labour Market (9 December 2014)

Underemployment and overemployment in the UK (25 November 2014)

Public and Private Sector Earnings (19 November 2014)

Working and workless households (29 October 2014)

Employment in tourism industries (26 September 2014)

Bonus payments in Great Britain (29 August 2014)

Self-employed workers in the UK (20 August 2014)

UK wages over the last four decades (3 July 2014)

Characteristics of home workers in the UK (4 June 2014)

# Historic articles published in Economic & Labour Market Review and Labour Market Trends

Articles about labour market statistics were published in Labour Market Trends (up until 2006) and in Economic and Labour Market Review (from 2007 to 2011). Editions of <u>Labour Market Trends</u> are available on our website from July 2001 until December 2006 when the publication was discontinued. Editions of <u>Economic and Labour</u> <u>Market Review</u> are available on our website from the first edition, published in January 2007, up until the last edition published in May 2011.

#### Published ad hoc data and analysis

Additional statistical data and analyses for labour market statistics that have not been included in our standard publications are available on our website.

## **Methodological articles**

A number of methodological articles about labour market statistics are available on our website.

## 21. Revisions

Estimates for the most recent time periods are subject to revision due to the receipt of late and corrected responses to business surveys and revisions to seasonal adjustment factors which are re-estimated every month. Estimates are subject to longer run revisions, on an annual basis, resulting from reviews of the seasonal adjustment process. Estimates derived from the Labour Force Survey (a survey of households) are usually only revised once a year. Revisions to estimates derived from other sources are usually minor and are commented on

in the Statistical Bulletin if this is not the case. Further information is available in the <u>Labour Market Statistics</u> <u>Revisions Policy (36.7 Kb Pdf)</u>.

One indication of the reliability of the key indicators in this Statistical Bulletin can be obtained by monitoring the size of revisions. Data tables EMP05 (1.24 Mb Excel sheet), UNEM04 (5.25 Mb Excel sheet), JOBS06 (383 Kb Excel sheet) and CLA04 (2.04 Mb Excel sheet) record the size and pattern of revisions over the last five years. These indicators only report summary measures for revisions. The revised data itself may be subject to sampling or other sources of error. The ONS standard presentation is to show five years worth of revisions (60 observations for a monthly series, 20 for a quarterly series).

# 22. Accuracy of the statistics: Estimating and reporting uncertainty

Most of the figures in this Statistical Bulletin come from surveys of households or businesses. Surveys gather information from a sample rather than from the whole population. The sample is designed carefully to allow for this, and to be as accurate as possible given practical limitations like time and cost constraints, but results from sample surveys are always estimates, not precise figures. This means that they are subject to some uncertainty. This can have an impact on how changes in the estimates should be interpreted, especially for short-term comparisons.

We can calculate the level of uncertainty (also called "sampling variability") around a survey estimate by exploring how that estimate would change if we were to draw many survey samples for the same time period instead of just one. This allows us to define a range around the estimate (known as a "confidence interval") and to state how likely it is in practice that the real value that the survey is trying to measure lies within that range. Confidence intervals are typically set up so that we can be 95% sure that the true value lies within the range – in which case we refer to a "95% confidence interval".

For example, the unemployment rate for the 3 months ending February 2015 was estimated to be 5.6%. This figure had a stated 95% confidence interval of +/- 0.2 percentage points. This means that we can be 95% certain that the true unemployment rate for the 3 months ending February 2015 was between 5.4% and 5.8%. However, the best estimate from the survey was that the unemployment rate was 5.6%.

The number of people unemployed for the same period was estimated at 1,838,000, with a stated 95% confidence interval of +/- 74,000. This means that we can be 95% sure that the true number of unemployed people was between 1,764,000 and 1,912,000. Again, the best estimate from the survey was that the number of unemployed people was 1,838,000.

As well as calculating precision measures around the numbers and rates obtained from the survey, we can also calculate them for changes in the numbers. For example, for the 3 months ending February 2015, the estimated change in the number of unemployed people since September to November 2014 was a fall of 76,000, with a 95% confidence interval of +/- 80,000. This means that we can be 95% certain the actual change in unemployment was somewhere between an increase of 4,000 and a fall of 156,000, with the best estimate being a fall of 76,000. As the estimated fall in unemployment of 76,000 is smaller than the confidence interval of 80,000, the estimated fall in unemployment is said to be "not statistically significant".

## Working with uncertain estimates

In general, changes in the numbers (and especially the rates) reported in this Statistical Bulletin between three month periods are small, and are not usually greater than the level that is explainable by sampling variability. In practice, this means that small, short-term movements in reported rates (for example within +/- 0.3 percentage points) should be treated as indicative, and considered alongside medium and long-term patterns in the series and corresponding movements in administrative sources, where available, to give a fuller picture.

## Seasonal adjustment and uncertainty

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. In order to compare movements other than annual changes in labour market statistics, such as since the previous quarter or since the previous month, the data are seasonally adjusted to remove the effects of seasonal factors and the arrangement of the calendar. All estimates discussed in this Statistical Bulletin are seasonally adjusted except where otherwise stated. While seasonal adjustment is essential to allow for robust comparisons through time, it is not possible to estimate uncertainty measures for the seasonally adjusted series.

## Where to find data about uncertainty and reliability

Data table A11 (48 Kb Excel sheet) shows sampling variabilities for estimates derived from the Labour Force Survey.

Data table JOBS07 (44.5 Kb Excel sheet) shows sampling variabilities for estimates of workforce jobs.

The sampling variability of the three month average vacancies level is around +/- 1.5% of that level.

Sampling variability information for **Average Weekly Earnings** growth rates are available from the "Sampling Variability" worksheets within <u>data tables EARN01 (609 Kb Excel sheet)</u> and <u>EARN03 (607 Kb Excel sheet)</u>.

# 23. Other quality information

Quality and Methodology Information papers for labour market statistics are available on our website.

Further information about the Labour Force Survey (LFS) is available from:

- the LFS User Guide
- LFS Performance and Quality Monitoring Reports

# 24. Background notes

#### 1. This month's release

There have been revisions to estimates of vacancies back to the start of the time series in 2001 resulting from the annual review of the seasonal adjustment process and taking on board the latest estimates of workforce jobs for the estimates of vacancies per 100 employee jobs.

#### 2. Next month's release

There are no major developments planned for next month's release.

#### 3. Introduction of Universal Credit

The Pathfinder for Universal Credit started on 29 April 2013 with the introduction of this new benefit in one Jobcentre Plus office. This has been extended to further Jobcentre Plus offices across Great Britain:

 by 12 June 2014 (the Claimant Count date for June 2014), Universal Credit had been introduced in 10 Jobcentre Plus offices across Great Britain

- by 12 March 2015 (the Claimant Count date for March 2015), Universal Credit had been introduced in 148 Jobcentre Plus offices across Great Britain, around 20% of all Jobcentre Plus offices
- more detailed information is available on our website at List of Jobcentre Plus Offices under Universal Credit (90.6 Kb Pdf)
- Universal Credit will replace a number of means-tested benefits including the means-tested element of Jobseeker's Allowance (JSA). It will not replace contributory based JSA

The Claimant Count measures the number of people claiming benefits principally for the reason of being unemployed. Between October 1996 and April 2013, the only unemployment-related benefit in the UK was Jobseeker's Allowance (JSA) and the Claimant Count was therefore a count of the number of people claiming JSA.

Following a consultation in 2012 by ONS, it was decided that, with the introduction of Universal Credit, the Claimant Count would include:

- people claiming contribution-based JSA (which is not affected by the introduction of Universal Credit)
- people claiming income-based JSA during the transition period while this benefit is being gradually phased out
- people claiming Universal Credit who are not working and who are subject to a full set of labour market jobseeker requirements, that is required to be actively seeking work and available to start work

Since July 2014, ONS has published two measures of the Claimant Count:

- a measure that only includes JSA claimants (this National Statistic is currently the headline measure)
- a new experimental measure which includes some claimants of Universal Credit

The experimental measure is still being developed by the Dept. for Work & Pensions and it currently includes all out of work Universal Credit claimants including those who are not required to look for work (who should ideally be excluded from the Claimant Count).

#### 4. Publication policy

Publication dates up to the end of 2015 are available in the Background Notes to the <u>June 2014 edition of this Statistical Bulletin</u>.

A list of the job titles of those given <u>pre-publication access</u> to the contents of this Statistical Bulletin is available on our website.

5. Details of the policy governing the release of new data are available by visiting <u>www.statisticsauthority.gov.</u> <u>uk/assessment/code-of-practice/index.html</u> or from the Media Relations Office email: <u>media.relations@ons.</u> <u>gsi.gov.uk</u>

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.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs
- are well explained and readily accessible
- are produced according to sound methods
- are managed impartially and objectively in the public interest

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.