

Statistical bulletin

UK Labour Market: June 2015

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



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1. Main points for February to April 2015

- Comparing the estimates for February to April 2015 with those for the 3 months to January 2015, employment continued to rise and unemployment continued to fall. These changes maintain the general direction of movement since late 2011 to early 2012
- There were 31.05 million people in work, 114,000 more than for the 3 months to January 2015 and 424,000 more than for a year earlier
- There were 22.74 million people working full-time, 362,000 more than for a year earlier. There were 8.31 million people working part-time, 63,000 more than for a year earlier
- The proportion of people aged from 16 to 64 in work (the employment rate) was 73.4%, up slightly from the 3 months to January 2015 (73.3%) and higher than for a year earlier (72.7%)
- There were 1.81 million unemployed people. This was 43,000 fewer than for the 3 months to January 2015 and 349,000 fewer than for a year earlier
- The proportion of the economically active population who were unemployed (the unemployment rate) was 5.5%, lower than for the 3 months to January 2015 (5.7%) and for a year earlier (6.6%). Economically active people are those in work plus those seeking and available to work
- There were 9.02 million people aged from 16 to 64 who were out of work and not seeking or available to work (known as economically inactive), 10,000 fewer than for the 3 months to January 2015 but 60,000 more than for a year earlier
- The proportion of people aged from 16 to 64 who were economically inactive (the inactivity rate) was 22.2%, little changed compared with the 3 months to January 2015 and with a year earlier
- Comparing February to April 2015 with a year earlier, pay for employees in Great Britain increased by 2.7% both including and excluding bonuses

2. Summary of latest labour market statistics

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

Table A: Summary of latest labour market statistics for February to April 2015, seasonally adjusted

	Number (thousands)	Change on Nov to Jan 2015	Change on Feb to Apr 2014	Headline Rate (%)	Change on Nov to Jan 2015	Change on Feb to Apr 2014
Employed	31,053	114	424			
Aged 16 to 64	29,887	76	371	73.4	0.1	0.7
Aged 65+	1,166	37	53			
Unemployed	1,813	-43	-349	5.5	-0.1	-1.1
Aged 16 to 64	1,793	-42	-339			
Aged 65+	20	0	-9			
Inactive	19,018	12	259			
	9,016	-10	60	22.2		0.1

Aged 65+ 10,002 22 199

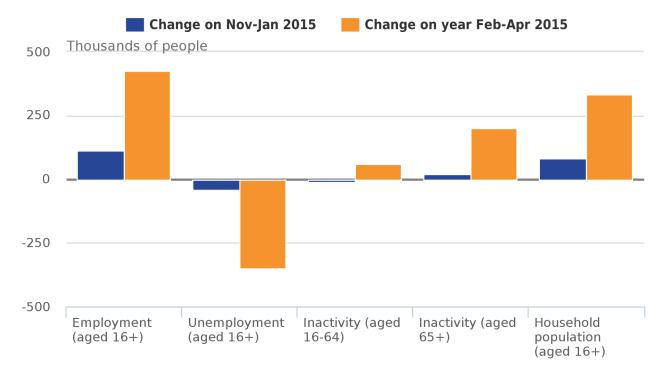
Source: Office for National Statistics

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

Figure A shows how the latest estimates, for February to April 2015, for employment, unemployment and economic inactivity compare with the previous quarter (the 3 months to January 2015) and the previous year (February to April 2014).

Figure A: Changes in the number of people in the UK 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.

<u>Interpreting labour market statistics</u>, 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 Glossary 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 employed, unemployed or economically inactive. 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 4 weeks and are able to start work within the next 2 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 4 weeks or who are unable to start work within the next 2 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 February to April 2015 with the estimates for the 3 months to January 2015, which were first published on 18 March 2015. This provides a more robust estimate than comparing with the estimates for January to March 2015. This is because the February and March data are included within both estimates, so effectively observed differences are those between the individual months of January and April 2015. The LFS is sampled such that it is representative of the UK population over a 3 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 3 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 towards the end of this statistical bulletin in the section **Accuracy of the statistics: estimating and reporting uncertainty**.

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 (experimental statistics)
- 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. Main 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 comparison between estimates of employment and jobs is available in an article on our website.

Where to find data about employment

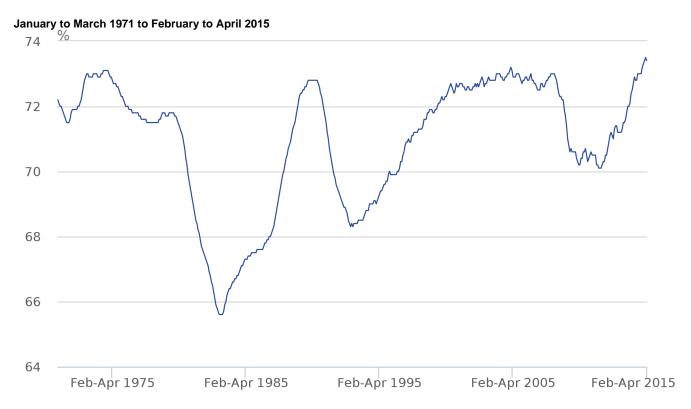
Employment estimates are available at Tables 1 and 3 of the pdf version of this statistical bulletin and at <u>data</u> tables A02 (1.47 Mb Excel sheet) and EMP01 (1.39 Mb Excel sheet).

Estimates for the number of people in employment back to 1855 and for the number of self-employed people back to 1950 (which do not have National Statistics status) have been published by the Bank of England in the spreadsheet Three centuries of macroeconomic data (at columns H and L in worksheet 19).

Commentary

The proportion of people aged from 16 to 64 in work is known as the employment rate. Figure 1.1 shows the employment rate for people aged from 16 to 64 since comparable records began in 1971. 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. The employment rate for the latest time period, February to April 2015, was 73.4%, slightly lower than the record high of 73.5% recorded for January to March 2015.

Figure 1.1: UK Employment rate (aged 16 to 64), seasonally adjusted



Source: Labour Force Survey - Office for National Statistics

Notes:

1. Lowest: Feb-Apr to May-Jul 1983 (65.6%)

2. Highest: Jan-Mar 2015 (73.5%)

3. See Figure 1.2 for latest 5 years

Figure 1.2 looks in more detail at the employment rate for the last 5 years.





Source: Labour Force Survey - Office for National Statistics

73.4% of people aged from 16 to 64 were in work for February to April 2015. This was:

- slightly higher than for the 3 months to January 2015 (73.3%)
- higher than for a year earlier (72.7%)
- higher than the pre-downturn peak recorded for early 2008 (73.0%)

The employment rate of 73.4% for February to April 2015 is slightly lower than the record high of 73.5% recorded for January to March 2015. However the comparison with the 3 months to January 2015 provides the most robust short-term comparison.

Looking at employment rates by sex, for February to April 2015:

• 78.3% of men and 68.6% of women aged from 16 to 64 were in work

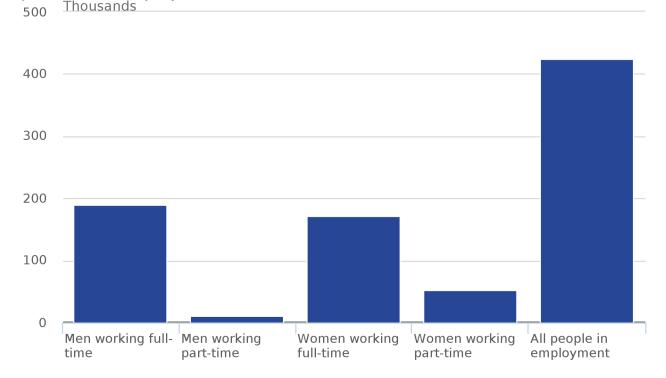
- these employment rates for men and women were higher than those for the 3 months to January 2015 and for a year earlier
- the employment rate for men (78.3%) was lower than before the economic downturn of 2008 to 2009, when it peaked at 79.1% in late 2007 to early 2008
- the employment rate for women (68.6%) was the joint 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 February to April 2015, there were 31.05 million people in work, 114,000 more than for the 3 months to January 2015 and 424,000 more than for a year earlier.

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

- men working full-time increased by 190,000 to reach 14.36 million
- men working part-time increased by 11,000 to reach 2.17 million
- women working full-time increased by 172,000 to reach 8.39 million
- women working part-time increased by 52,000 to reach 6.14 million

Figure 1.3: Changes in people in employment in the UK between February to April 2014 and February to April 2015, seasonally adjusted



Source: Labour Force Survey - Office for National Statistics

Comparing the estimates for type of employment for February to April 2015 with those for a year earlier, the number of:

- employees increased by 545,000 to reach 26.36 million
- self-employed people fell by 91,000 to reach 4.47 million

- unpaid family workers fell by 14,000 to reach 112,000 (see Note 2 for an explanation of the coverage of this series)
- people on government supported training and employment programmes fell by 15,000 to reach 107,000 (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

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 (39.5 Kb Excel sheet)</u>.

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

Commentary

There were 5.37 million people employed in the public sector for March 2015. This was:

- down 22,000 from December 2014
- down 59,000 from a year earlier
- the lowest figure since comparable records began in 1999

There were 25.68 million people employed in the private sector for March 2015. This was 136,000 more than for December 2014 and 483,000 more than for a year earlier.

Welsh Further Education colleges moved from the public sector to the private sector in March 2015. Excluding the effects of this reclassification:

- public sector employment fell by 10,000 compared with December 2014 and by 42,000 compared with a
 vear earlier
- private sector employment increased by 124,000 compared with December 2014 and by 466,000 compared with a year earlier

For March 2015, 82.7% of people in employment worked in the private sector and the remaining 17.3% worked in the public sector.

Figure 2.1 shows public sector employment as a percentage of all people in employment for the last 5 years.

22 21 20 20 19 18 17 Mar 2010 Mar 2011 Mar 2012 Mar 2013 Mar 2014 Mar 2015

Figure 2.1: UK public sector employment as a percentage of total UK employment, seasonally adjusted

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

Notes:

- 1. In June 2012 some educational bodies were reclassified as private sector
- 2. In December 2013 Royal Mail plc. was reclassified 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. We therefore publish 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 13 May 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 January to March 2015 with those for a year earlier rather than with those for October to December 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 (184.5 Kb Excel sheet)</u>.

Commentary

Looking at the estimates by nationality, between January to March 2014 and January to March 2015, the number of:

- UK nationals working in the UK increased by 279,000 to reach 27.91 million
- non-UK nationals working in the UK increased by 294,000 to reach 3.09 million

Looking at changes in non-UK nationals working in the UK between January to March 1997 (when comparable records began) and January to March 2015:

- the number of non-UK nationals working in the UK increased from 928,000 to 3.09 million
- the proportion of all people working in the UK accounted for by non-UK nationals increased from 3.5% to 10.0%
- this increase in non-UK nationals working in the UK reflects the admission of several new member states to the European Union

Looking in more detail at non-UK nationals working in the UK, between January to March 2014 and January to March 2015, the number of:

- non-UK nationals from the European Union (EU) working in the UK increased by 283,000 to reach 1.91 million
- non-UK nationals from outside the EU working in the UK increased by 11,000 to reach 1.18 million

Figure 3.1 shows the number of non-UK nationals from EU and non-EU countries working in the UK since comparable records began in 1997.

Thousands

1,500

1,000

1,000

O Jan - Mar Ja

Figure 3.1: Non-UK nationals working in the UK, not seasonally adjusted

2003

Source: Labour Force Survey - Office for National Statistics

2000

1997

As shown in Figure 3.1, since January to March 2009, the number of non-UK nationals from outside the EU working in the UK has been broadly flat but the number of non-UK nationals from EU countries working in the UK has continued to increase.

2006

2009

2012

For January to March 2015, there were 4.88 million people born abroad working in the UK, but the number of non-UK nationals working in the UK was much lower at 3.09 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 January to March 2014 and January to March 2015, the number of:

- UK born people working in the UK increased by 307,000 to reach 26.11 million
- non-UK born people working in the UK increased by 264,000 to reach 4.88 million

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 (499 Kb Excel sheet) and HOUR02 (1.72 Mb Excel sheet).

Commentary

Total hours worked per week were 998.3 million for February to April 2015. This was:

- 1.1 million (0.1%) more than for the 3 months to January 2015
- 14.8 million (1.5%) more than for a year earlier
- 84.5 million (9.2%) more than 5 years previously

Figure 4.1 shows total hours worked for the last 5 years.

Figure 4.1: Total hours worked per week in the UK, seasonally adjusted



Source: Labour Force Survey - Office for National Statistics

For February to April 2015:

- people working full-time worked, on average, 37.4 hours per week in their main job, slightly lower compared with a year earlier
- people working part-time worked, on average, 16.3 hours per week in their main job, 0.3 hours higher than for a year earlier

9. Workforce jobs

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.

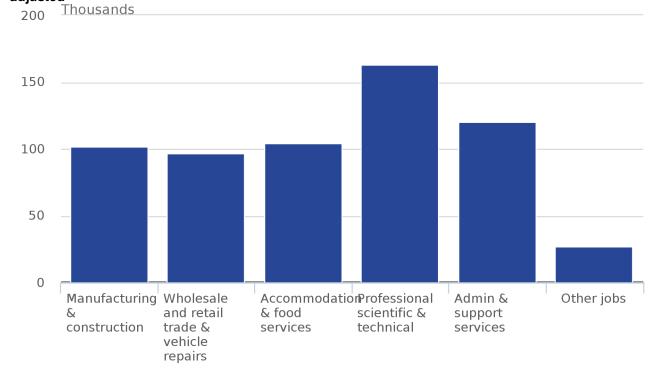
Where to find data about workforce jobs

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 (326 Kb Excel sheet).

Commentary

There were 33.67 million workforce jobs in the UK in March 2015, 160,000 more than for December 2014 and 613,000 more than for a year earlier. Figure 5.1 shows changes in the number of jobs by industrial sector between March 2014 and March 2015.

Figure 5.1: Changes in the number of jobs in the UK between March 2014 and March 2015, 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 March 2015:

- the proportion of jobs accounted for by the manufacturing and mining and quarrying sectors fell from 26.4% to 8.1%
- the proportion of jobs accounted for by the services sector increased from 63.2% to 83.4%

Comparable estimates for workforce jobs by industry begin in 1978 and are available at <u>data table JOBS02 (326 Kb Excel sheet)</u>. Historical information back to 1841, not comparable with the latest estimates, are available from <u>2011 Census Analysis</u>, <u>170 years of industry</u> published on our website.

10. Average weekly earnings

What is average weekly earnings?

Average Weekly Earnings 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 data tables <u>EARN01 (608 Kb Excel sheet)</u>, <u>EARN02 (539.5 Kb Excel sheet)</u> and <u>EARN03 (611 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 (539.5 Kb Excel sheet)</u>.

Estimates back to 1750 (which do not have National Statistics status) have been published by the Bank of England in the spreadsheet Three centuries of macroeconomic data (at column G in worksheet 18).

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 April 2015:

- average regular pay (excluding bonuses) for employees in Great Britain was £462 per week before tax and other deductions from pay
- average total pay (including bonuses) for employees in Great Britain was £493 per week before tax and other deductions from pay

Between February to April 2014 and February to April 2015:

- regular pay for employees in Great Britain increased by 2.7%, the highest annual growth rate since the three months to February 2009
- total pay for employees in Great Britain increased by 2.7%. The last time the annual growth rate was as high as 2.7% was for June to August 2011

For February to April 2015 higher three month average growth rates were recorded, for both regular pay and total pay, across a wide range of industries in the private sector compared with January to March 2015.

The Consumer Prices Index (CPI) fell by 0.1% in the year to April 2015.

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

Figure 6.1: Average earnings and consumer prices annual growth rates



Source: Office for National Statistics

Notes:

- Figure 6.1 shows monthly estimates for the Consumer Prices Index (CPI) from April 2010 to April 2015 and three month average estimates for Average Weekly Earnings (AWE) from February to April 2010 to February to April 2015
- 2. 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 £493 a week in April 2015; an increase of 58.3%. Between January 2000 and April 2015, the Consumer Prices Index increased by 39.0%.

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. We estimate that, if the April 2014 reclassification had not occurred, the public sector single month growth rates between April 2014 and March 2015 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 <u>labour disputes</u> 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> LABD01 (114 Kb Excel sheet).

Commentary

In April 2015, there were 7,000 working days lost from 19 stoppages. For the 12 months ending April 2015, there were 704,000 working days lost from 160 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>.

Figure 7.1 shows cumulative 12 month totals for working days lost for the last 5 years.

1,750

1,250

1,000

750

250

Apr 2010

Apr 2011

Apr 2012

Apr 2013

Apr 2014

Apr 2015

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

Source: Labour Disputes Statistics - Office for National Statistics

Notes:

1. 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 sector workers

12. Unemployment

What is unemployment?

<u>Unemployment</u> measures people without a job who have been actively seeking work within the last 4 weeks and are available to start work within the next 2 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 data table UNEM01 (2.25 Mb Excel sheet).

Estimates for the unemployment rate back to 1870 (which do not have National Statistics status) have been published by the Bank of England in the spreadsheet <u>Three centuries of macroeconomic data</u> (at column S in worksheet 19).

International comparisons of unemployment rates are available at Table 19 of the pdf version of this statistical bulletin and at <u>data table A10 (274 Kb Excel sheet)</u>.

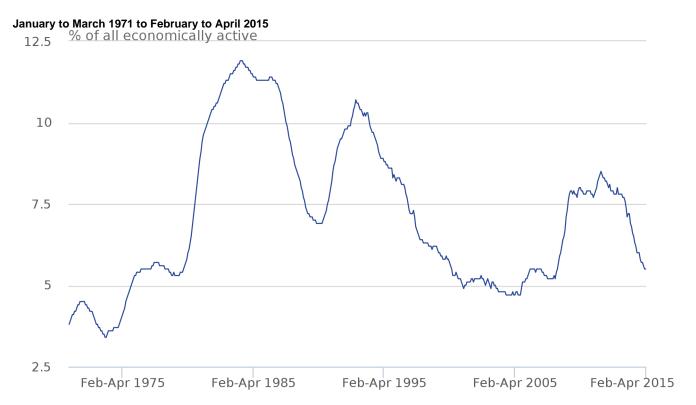
European Union (EU) unemployment rates were published in a Eurostat News Release on 3 June 2015.

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 UK unemployment rates are broadly comparable with those published by other countries.

Figure 8.1 shows that the lowest unemployment rate recorded since comparable records began in 1971 was 3.4% in late 1973 to 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, February to April 2015, was 5.5%.

Figure 8.1: UK Unemployment rate (aged 16 and over), seasonally adjusted



Source: Labour Force Survey - Office for National Statistics

Notes:

1. Lowest: Oct-Dec 1973 & Nov-Jan 1974 (3.4%)

2. Highest: Feb-Apr to Apr-Jun 1984 (11.9%)

3. Latest Feb-Apr 2015 (5.5%)

4. See Figure 8.2 for latest 5 years

Figure 8.2 looks in more detail at the unemployment rate for the last 5 years.

Figure 8.2: UK Unemployment rate (aged 16 and over), seasonally adjusted



Source: Labour Force Survey - Office for National Statistics

The unemployment rate for those aged 16 and over for February to April 2015 was 5.5%. This was:

- down from 5.7% for the 3 months to January 2015
- down from 6.6% for a year earlier
- higher than the pre-downturn trough of 5.2% for late 2007 to early 2008

For February to April 2015, there were 1.81 million unemployed people. This was 43,000 fewer than for the 3 months to January 2015 and 349,000 fewer than for a year earlier.

Looking at unemployment for men and women for February to April 2015, there were:

- 1.00 million unemployed men, 23,000 fewer than for the 3 months to January 2015 and 201,000 fewer than for a year earlier
- 811,000 unemployed women, 20,000 fewer than for the 3 months to January 2015 and 148,000 fewer than for a year earlier

Looking at unemployment by how long people have been out of work and seeking work, for February to April 2015 there were:

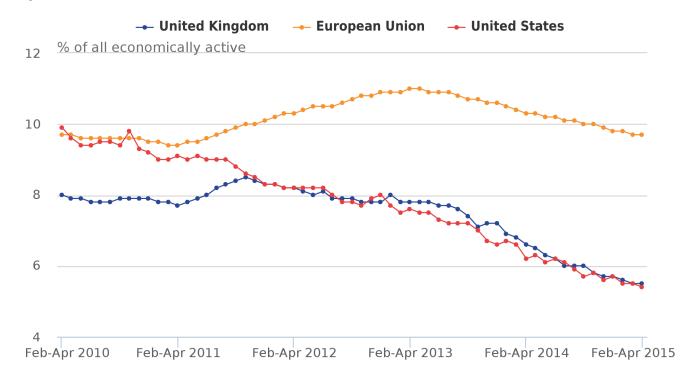
- 947,000 people who had been unemployed for up to 6 months, little changed compared with the 3 months to January 2015 but 80,000 fewer than for a year earlier
- 293,000 people who had been unemployed for between 6 and 12 months, 11,000 more than for the 3 months to January 2015 but 51,000 fewer than for a year earlier

• 574,000 people who had been unemployed for over 12 months, 55,000 fewer than for the 3 months to January 2015 and 219,000 fewer than for a year earlier

Looking at international comparisons, the unemployment rate for the European Union (EU) was 9.7% of the economically active population for April 2015. Within the EU, the highest unemployment rates were for Greece (25.4% for February 2015) and Spain (22.7% for April 2015). The UK unemployment rate of 5.5%, for February to April 2015, was the second lowest in the EU, with Germany the only EU country with a lower unemployment rate (4.7% for April 2015). The unemployment rate for the United States was 5.4% for April 2015 and 5.5% for May 2015.

Figure 8.3 shows the unemployment rates for the UK, the EU and the United States (US) for the last 5 years. It 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. For the most recent time periods the unemployment rates for the UK and the USA have been very similar. However, for January to March 2015, the employment rate for those aged from 16 to 64 for the UK (73.5%) was higher than that for the USA (68.6%).

Figure 8.3: Unemployment rates for the United Kingdom, European Union and United States, seasonally adjusted



Source: Labour Force Survey - Office for National Statistics

Notes:

- 1. The unemployment rates for the UK and the United States are for those aged 16 and over. The unemployment rate for the EU is for those aged from 15 to 74
- 2. Figure 8.3 shows monthly estimates for the EU and for the United States from April 2010 to April 2015 and three month average estimates for the UK from February to April 2010 to February to April 2015

13. Claimant Count (experimental statistics)

Special note: Changes to the Claimant Count

In previous editions of this statistical bulletin, the headline measure of the Claimant Count included claimants of Jobseeker's Allowance (JSA) only. In this month's edition the headline measure of the Claimant Count includes, for the first time, some claimants of Universal Credit as well as JSA claimants. These Universal Credit estimates are still being developed by the Department for Work and Pensions. We have therefore decided that the Claimant Count estimates including Universal Credit (which have been published as an alternative measure since July 2014) will continue to be designated as experimental statistics even though they are now the headline measure.

The coverage of the Universal Credit estimates does not precisely match the Claimant Count definition because it includes some claimants who are not required to seek work. However our analysis indicates that any bias in the new experimental measure of the Claimant Count is now less than in the old measure which only included JSA claimants.

Detailed estimates of Jobseeker's Allowance (JSA) are no longer available from this statistical bulletin, but they continue to be available at <u>data tables BEN02 (307 Kb Excel sheet)</u> and <u>BEN03 (548 Kb Excel sheet)</u>. The estimates continue to provide an accurate measure of the number of people claiming JSA but they are no longer the best estimate of the number of people claiming unemployment related benefits. The UK Statistics Authority has therefore decided that the JSA estimates should no longer be designated as National Statistics, as explained in correspondence between the National Statistician and the UK Statistics Authority:

Letter from National Statistician to UK Statistics Authority, 9 June 2015

Reply from UK Statistics Authority to National Statistician, 10 June 2015

See Background Notes to this statistical bulletin for further details.

Where to find data about the Claimant Count

Claimant Count estimates are available at Table 10 of the pdf version of this statistical bulletin and at <u>data table CLA01 (309.5 Kb Excel sheet)</u>.

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 (309.5 Kb Excel sheet)</u>.

What is the Claimant Count?

The Claimant Count measures the number of people claiming unemployment related benefits:

- between January 1971 (when comparable estimates start) and September 1996 it is an estimate of the number of people who would have claimed unemployment related benefits if the current benefit system had existed at that time
- between October 1996 and April 2013 the Claimant Count is a count of the number of people claiming Jobseeker's Allowance (JSA)
- between May 2013 and October 2013 the Claimant Count includes all claimants of Universal Credit (including those who were in work) as well as all JSA claimants
- from November 2013 the Claimant Count includes all out of work Universal Credit claimants as well as all JSA claimants

Ideally only those Universal Credit claimants who are out of work and required to seek work should be included in the Claimant Count but it is not currently possible to produce estimates on this basis. The Claimant Count therefore currently includes some out of work claimants of Universal Credit who are not required to look for work; for example, due to illness or disability.

The Claimant Count includes people who claim unemployment related benefits 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

Figure 9.1 shows the Claimant Count since comparable records began in 1971. It 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, May 2015, there were 791,800 people claiming unemployment related benefits.

Figure 9.1: UK Claimant Count from January 1971, seasonally adjusted



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

Notes:

1. Lowest: 422,600 (December 1973)

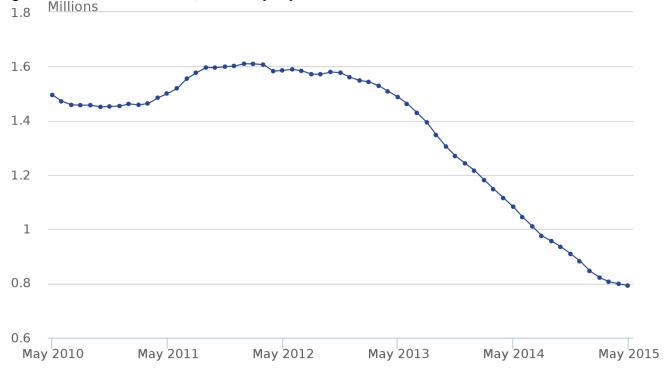
2. Highest: 3.09 million (July 1986)

3. Latest: 791,800 (May 2015)

4. See Figure 9.2 for latest 5 years

Looking in more detail at the most recent 5 years, Figure 9.2 shows the Claimant Count from May 2010 to May 2015.

Figure 9.2: UK Claimant Count, seasonally adjusted



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

For May 2015 there were 791,800 people claiming unemployment related benefits. The number of people claiming unemployment related benefits has fallen for 31 consecutive months and it is:

- down 6,500 from April 2015 (the smallest monthly fall since February 2013)
- down 290,900 from a year earlier
- 13,400 higher than the pre-downturn trough of 778,400 for February 2008

For May 2015 there were:

- 506,300 men claiming unemployment related benefits, 4,300 fewer than for April 2015 and 186,900 fewer than for a year earlier
- 285,400 women claiming unemployment related benefits, 2,200 fewer than for April 2015 and 104,000 fewer than for a year earlier

14. Comparison between unemployment and the Claimant Count

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

- without a job, have actively sought work in the last 4 weeks and are available to start work in the next 2 weeks
- out of work, have found a job and are waiting to start it in the next 2 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.

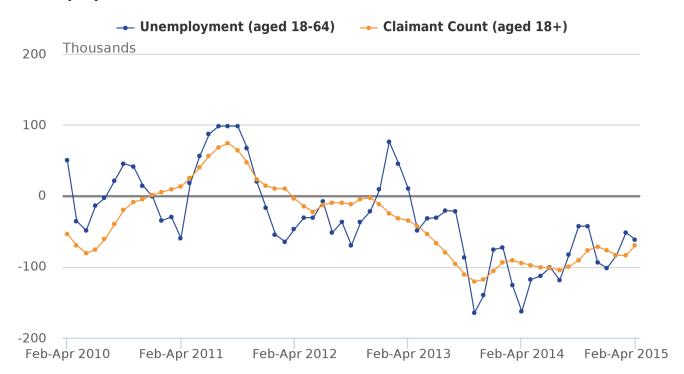
The <u>Claimant Count</u> measures the number of people claiming unemployment related benefits. As explained at Section 9 of this statistical bulletin, the Claimant Count estimates are designated as experimental statistics. In this section of the bulletin, quarterly movements in unemployment are compared with quarterly movements in the Claimant Count. Some 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.

Figure 10.1 and the associated spreadsheet compare quarterly movements in unemployment and the Claimant Count for the same 3 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 Claimant Count than total unemployment because people in these population groups are not usually eligible to claim JSA.

When 3 month average estimates for the 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 the 3 months to January 2015 and February to April 2015:

- unemployment fell by 62,000
- the Claimant Count fell by 70,000

Figure 10.1: Quarterly changes in Unemployment and the Claimant Count for the UK (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 4 weeks and/or they are unable to start work within the next 2 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

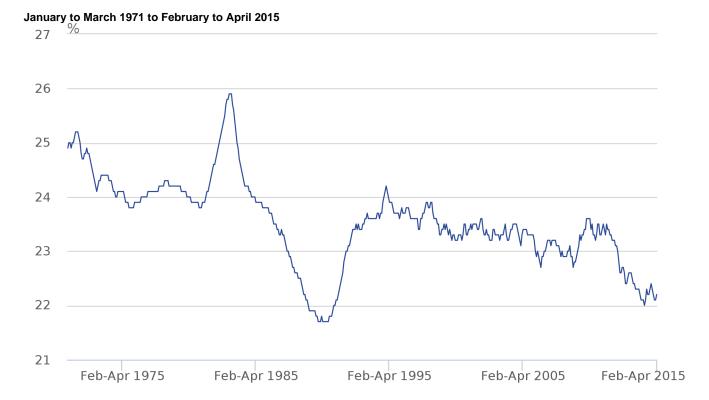
Economic inactivity estimates are available at Tables 1 and 13 of the pdf version of this statistical bulletin and at data tables A02 (1.47 Mb Excel sheet) and INAC01 (2.72 Mb Excel sheet).

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. Figure 11.1 shows the economic inactivity rate for people aged from 16 to 64 since comparable records began in 1971.

Figure 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 resumed its generally downward path.

Figure 11.1: UK Economic inactivity rate (aged 16 to 64), 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: Feb-Apr 2015 (22.2%)

4. See Figure 11.2 for latest 5 years

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.

Figure 11.2 looks in more detail at the economic inactivity rate for the last 5 years.

Figure 11.2: UK Economic inactivity rate (aged 16 to 64), seasonally adjusted



Source: Labour Force Survey - Office for National Statistics

The economic inactivity rate for those aged from 16 to 64 for February to April 2015 was 22.2%. This was little changed compared with the 3 months to January 2015 and with a year earlier.

For February to April 2015, there were 9.02 million people aged from 16 to 64 not in work and neither seeking nor available to work (known as economically inactive), 10,000 fewer than for the 3 months to January 2015 but 60,000 more than for a year earlier.

Looking in more detail at the 9.02 million people aged from 16 to 64 who were economically inactive for February to April 2015, the 2 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 2.32 million people who were not looking for work because they were studying, little changed compared with the 3 months to January 2015 but 26,000 more than for a year earlier
- there were 2.26 million people (of which 2.02 million were women) who were not looking for work because they were looking after the family or home, 49,000 fewer than for the 3 months to January 2015 and 9,000 fewer than for a year earlier

The third and fourth largest categories were long-term sick (around 23% of the total) and retired (around 14% of the total):

- there were 2.04 million people who were not looking for work due to long-term sickness, 28,000 more than for the 3 months to January 2015 and 37,000 more than for a year earlier
- there were 1.29 million people who were not looking for work because they had retired, 11,000 more than for the 3 months to January 2015 but 36,000 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 (2.72 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 data table A06 (2.58 Mb Excel sheet).

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 January to March 2015 were published on 21 May 2015.

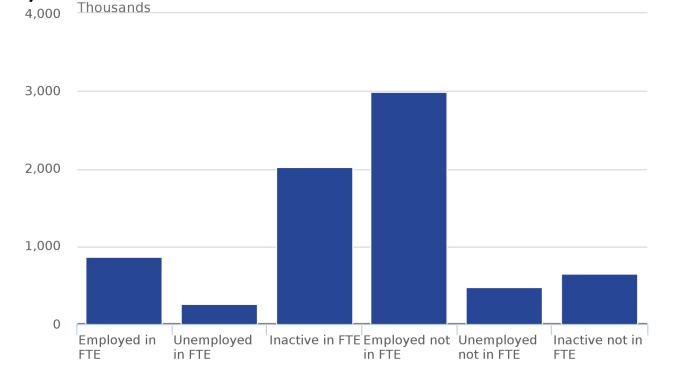
Commentary

For February to April 2015, for people aged from 16 to 24, there were:

- 3.86 million people in work (including 873,000 full-time students with part-time jobs)
- 740,000 unemployed people (including 265,000 full-time students looking for part-time work)
- 2.67 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.

Figure 12.1: Young people (aged 16 to 24) in the UK labour market for February to April 2015, seasonally adjusted



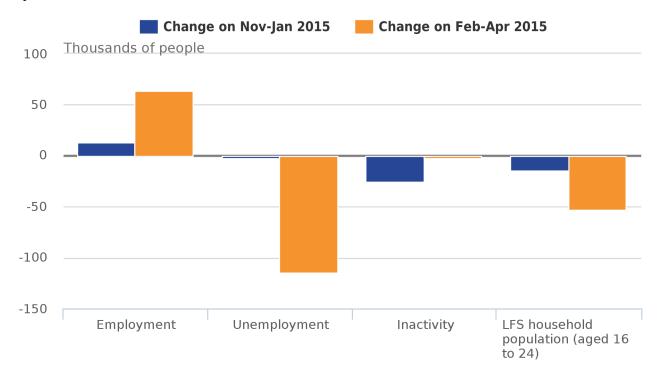
Source: Labour Force Survey - Office for National Statistics

Notes:

- 1. FTE = Full-time education
- 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 (FTE) were in work

Figure 12.2 shows how the latest estimates, for February to April 2015, for employment, unemployment and economic inactivity for people aged from 16 to 24 compare with the previous quarter (the 3 months to January 2015) and the previous year (February to April 2014).

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



Source: Labour Force Survey - Office for National Statistics

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

- slightly lower than for the 3 months to January 2015 (16.2%)
- lower than for a year earlier (18.4%)
- 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 43.5% for February to April 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 20.7% for April 2015. Within the EU, the highest youth unemployment rates were for Greece (50.1% for February 2015) and for Spain (49.6% for April 2015). The lowest youth unemployment rates were for Germany (7.2% for April 2015) and for Austria and Denmark (10.1% for April 2015). These EU youth unemployment rates were published in a <u>Eurostat news release</u> on 3 June 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 <u>data</u> tables RED01 (212.5 Kb Excel sheet) and RED02 (2.34 Mb Excel sheet).

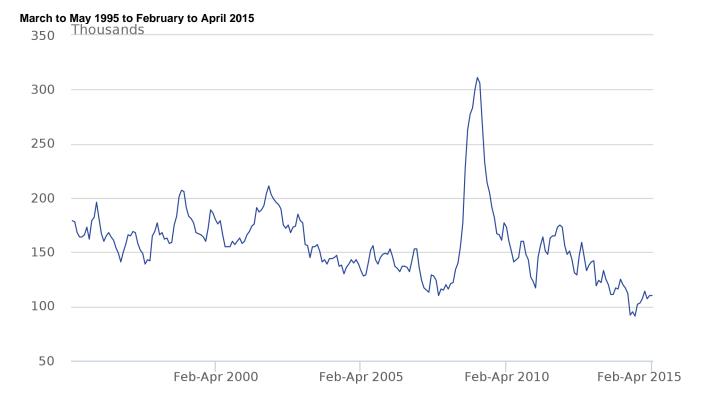
Commentary

For February to April 2015, 110,000 people had become redundant in the 3 months before the Labour Force Survey interviews. This was:

- little changed compared with the 3 months to January 2015
- 10,000 fewer than for a year earlier
- 202,000 fewer than the peak of 311,000 recorded for February to April 2009

Figure 13.1 shows the number of people who had become redundant since comparable records began in March to May 1995.

Figure 13.1: Number of redundancies in the UK, seasonally adjusted



Source: Labour Force Survey - Office for National Statistics

Notes:

1. Highest: Feb-Apr 2009 (311,000)

2. Lowest: Jul-Sep 2014 (91,000)

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

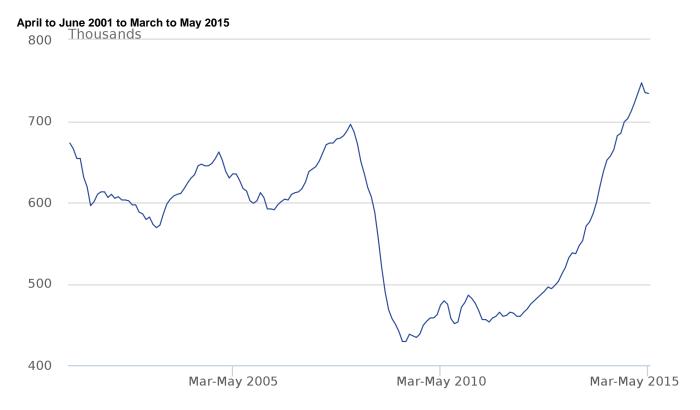
Vacancies estimates are available at Tables 21, 21(1) and 22 of the pdf version of this statistical bulletin and at data tables VACS01 (66 Kb Excel sheet), VACS02 (149 Kb Excel sheet) and VACS03 (79.5 Kb Excel sheet).

Commentary

There were 734,000 job vacancies for March to May 2015. This was:

- little changed compared with the 3 months to February 2015
- up 82,000 from a year earlier

Figure 14.1: Number of vacancies in the UK, seasonally adjusted



Source: Vacancy Survey - Office for National Statistics

Notes:

1. Lowest: Apr-Jun & May-Jul 2009 (429,000)

2. Highest: Jan-Mar 2015 (747,000)

19. Main out of work benefits, not seasonally adjusted (first published on 13 May 2015)

What are main out of work benefits?

Main 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 November 2014 with those for a year earlier rather than with those for August 2014.

Where to find data about main out of work benefits

Estimates of claimants of main out of work benefits are available at Table 11 of the pdf version of this statistical bulletin and at <u>data table BEN01 (60.5 Kb Excel sheet)</u>.

Commentary

For November 2014 there were 3.90 million people claiming main out of work benefits. This was:

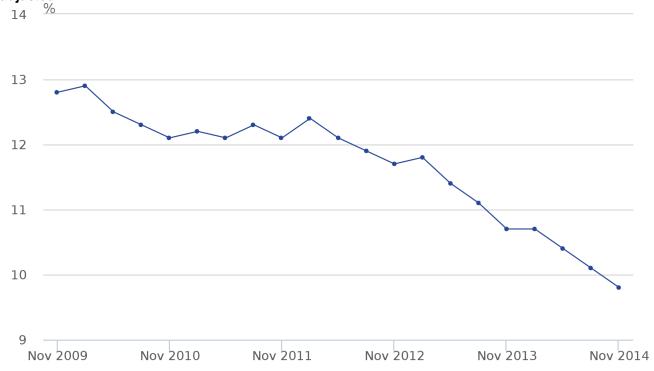
- 350,800 fewer than for November 2013
- 1.20 million fewer than the peak of 5.10 million recorded for February 2010

For November 2014, 9.8% of the population aged from 16 to 64 were claiming main out of work benefits. This was:

- down from 10.7% for a year earlier
- the lowest since comparable records began in 1999

Figure 15.1 shows, for the last 5 years, the proportion of the population aged from 16 to 64 claiming main out of work benefits.

Figure 15.1: Proportion of population (aged 16 to 64) claiming main 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 (*)

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

<u>Understanding average earnings for the "continuously employed" (18 May 2015)</u>

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)

<u>Underemployment and overemployment in the UK (25 November 2014)</u>

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)

Historic articles published in Economic and 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 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> revisions policy (36.7 Kb Pdf).

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 (1.25 Mb Excel sheet), UNEM04 (2.06 Mb Excel sheet), JOBS06 (370.5 Kb Excel sheet) and CLA02 (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. Our standard presentation is to show 5 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 February to April 2015 was estimated to be 5.5%. 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 February to April 2015 was between 5.3% and 5.7%. However, the best estimate from the survey was that the unemployment rate was 5.5%.

The number of people unemployed for the same period was estimated at 1,813,000, with a stated 95% confidence interval of +/- 73,000. This means that we can be 95% sure that the true number of unemployed people was between 1,740,000 and 1,886,000. Again, the best estimate from the survey was that the number of unemployed people was 1,813,000.

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 February to April 2015, the estimated change in the number of unemployed people since the 3 months to January 2015 was a fall of 43,000, with a 95% confidence interval of +/- 78,000. This means that we can be 95% certain the actual change in unemployment was somewhere between an increase of 35,000 and a fall of 121,000, with the best estimate being a fall of 43,000. As the estimated fall in unemployment of 43,000 is smaller than the confidence interval of 78,000, 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

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

<u>Data table JOBS07 (44.5 Kb Excel sheet)</u> 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 (608 Kb Excel sheet)</u> and <u>EARN03 (611 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 quide
- LFS performance and quality monitoring reports

24. Background notes

1. This month's release

There have been revisions to the Claimant Count back to January 2012, resulting from the annual review of the seasonal adjustment process, and revisions to national and regional Claimant Count rates back to 2001, resulting from updating the denominators to take account of the latest estimates of Workforce Jobs.

There have been further revisions to the Claimant Count back to May 2013 resulting from incorporating estimates of Universal Credit. See Background Note 3 for further details.

2. Next month's release

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

3. Incorporation of estimates of Universal Credit into the Claimant Count

In this release, the headline measure of the Claimant Count has been changed to include some claimants of Universal Credit (UC) as well as JSA claimants, resulting in upward revisions to the Claimant Count back to May 2013. Previously the headline measure did not include UC claimants.

The Claimant Count measures the number of people claiming unemployment related benefits. 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.

The introduction of 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. A <u>list of Jobcentres where Universal Credit is available</u> can be found on the GOV.UK website.

Universal Credit is replacing a number of means-tested benefits including the means-tested element of Jobseeker's Allowance (JSA). It will not replace contributory based JSA.

Following a consultation in 2012, 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

From the July 2014 edition of this statistical bulletin up until the May 2015 edition, we published two measures of the Claimant Count:

• a measure that only included JSA claimants (which was, until now, the headline measure)

 an experimental measure which includes some claimants of Universal Credit (which has now become the headline measure)

The experimental estimates of Universal Credit are still being developed by the Department for Work and Pensions and they currently include 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).

The number of Jobcentre Plus offices introducing Universal Credit has increased substantially over the last few months. Consequently we have concluded that the experimental measure of the Claimant Count has now become the best estimate of the number of people claiming unemployment related benefits. We are therefore no longer publishing two measures of the Claimant Count. Instead we are publishing a single measure of the Claimant Count which includes the experimental estimates of Universal Credit claimants. These experimental Claimant Count estimates are available at Table 10 of the pdf version of this statistical bulletin and at data table CLA01 (309.5 Kb Excel sheet).

It is not currently possible to produce estimates of inflows and outflows for the new measure of the Claimant Count. Consequently estimates of Claimant Count inflows and outflows have been removed from table 10 of the pdf version of this statistical bulletin and from <u>data table CLA01 (309.5 Kb Excel sheet)</u>.

While we are currently unable to produce estimates of inflows and outflows for the new measure of the Claimant Count, estimates of JSA inflows and outflows continue to be available and are now published at data table BEN02 (307 Kb Excel sheet).

Similarly, it is not currently possible to produce an age or duration breakdown for the new measure of the Claimant Count. Consequently, table 11 of the pdf version of last month's statistical bulletin, has been suspended. To maintain continuity of table numbering within the statistical bulletin, table 25 (Main out of work benefits) of last month's edition has been renumbered as table 11. Corresponding changes have been made to the Labour Market Statistics Time Series Dataset.

While we are currently unable to produce an age or duration breakdown for the new measure of the Claimant Count, estimates of JSA by age and duration continue to be available and are now published at data table BEN03 (548 Kb Excel sheet).

The JSA estimates published at <u>data tables BEN02 (307 Kb Excel sheet)</u> and <u>BEN03 (548 Kb Excel sheet)</u> are no longer designated as National Statistics because they are no longer the best estimate of the number of people claiming unemployment related benefits, as explained in correspondence between the National Statistician and the UK Statistics Authority:

Letter from National Statistician to UK Statistics Authority, 9 June 2015

Reply from UK Statistics Authority to National Statistician, 10 June 2015

"Jobseeker's Allowance, Universal Credit and the Claimant Count: Changes to the Measurement of the Claimant Count" provides further information and is available at the <u>Labour Market articles and reports page</u> on our website.

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 www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk

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.