

## Labour Market Statistics Concepts and Definitions

**Actual hours worked:** See *hours worked*.

**Claimant count:** The number of people claiming unemployment-related benefits - since October 1996 this has been the number of people claiming Jobseeker's Allowance. The seasonally adjusted claimant count series, which goes back to 1971 for the United Kingdom, is estimated on a basis consistent with the current benefits regime, i.e. it has been adjusted for discontinuities in coverage. The non-seasonally adjusted series includes all claimants aged 16 and over while the seasonally adjusted series includes all claimants aged 18 and over. This difference in coverage exists because restricting the seasonally adjusted series to those aged 18 and over was the only realistic way of maintaining the consistent series back to 1971, following a rule change in 1988 which resulted in most 16-18 year olds becoming ineligible to claim unemployment-related benefits.

From 24 November 2008, the eligibility for claiming lone parent income support changed. Lone parents who were previously eligible until their youngest child reached 16 have, since 24 November 2008, become ineligible once their youngest child reached 12. A further change in the eligibility age to 10 years occurred on 26 October 2009 and a further change to 7 years will occur on 25 October 2010. Although this is not a change in the eligibility for Jobseeker's Allowance, it is likely to have an impact on the level of the claimant count as lone parents who were not previously looking for work start to do so.

**Claimant count rate at national or regional level:** The number of claimants resident in an area as a percentage of the sum of claimants and workforce jobs in the country or region.

**Claimant count proportion:** The number of claimants resident in an area as a percentage of the working age population resident in that area.

**Discouraged worker:** A sub-group of the *economically inactive* population who said although they would like a job their main reason for not seeking work was because they believed there were no jobs available.

**Earnings:** A measure of the money people receive in return for work done, gross of tax. It includes salaries and, unless otherwise stated, bonuses but not unearned income, benefits in kind or arrears of pay. Figures are shown both including and excluding bonuses and are seasonally adjusted.

**Economically active:** People aged 16 and over who are either in *employment* or *unemployed*.

**Economically inactive:** People who are neither in *employment* nor *unemployed*. This includes those who want a job but have not been seeking work in the last four weeks, those who want a job and are seeking work but not available to start work, and those who do not want a job.

**Employment and jobs:** There are two ways of looking at employment: the number of people with jobs, or the number of jobs. The two concepts are not the same as a person can have more than one job.

The number of people with jobs is measured by the *Labour Force Survey* (LFS) and includes people aged 16 or over who did paid work (as an employee or self-employed), those who

had a job that they were temporarily away from, those on government-supported training and employment programmes, and those doing unpaid family work.

The number of jobs is measured by *Workforce Jobs* and is the sum of employee jobs (as measured by surveys of employers), self-employment jobs from the LFS, those in HM Forces, and government-supported trainees. Vacant jobs are not included.

**Full-time:** In the *Labour Force Survey*, respondents are asked to self-classify their main job as either full-time or part-time. However, people on government supported employment and training programmes that are at college in the reference week are classified, by convention, as part-time. In employer surveys, jobs are generally classified as being part-time if the contracted hours of work are 30 hours or less per week.

**Full-time education:** In the *Labour Force Survey*, this is defined to include people over the age of 16 who state that they are still at school or in some other form of full-time education, including sandwich courses. People on part-time courses, day or block-release courses, or government employment and training schemes are not included.

**Government-supported trainees:** Those on government supported training programmes are included in the employee jobs estimate, within *Workforce Jobs*, if they have a contract of employment - otherwise they are included in the *Workforce Jobs* estimate as Government Supported Trainees.

**Hours worked:**

Actual hours worked: Actual hours worked statistics measure how many hours were actually worked. These statistics are directly affected by changes in the number of people in employment and in the number of hours that individuals work. The non seasonally adjusted hours worked figures also reflect public holidays, sickness and other absences from work during the reference period, although the seasonally adjusted figures take account of calendar related absences from work (eg, public holidays).

Usual hours worked: Usual hours worked statistics measure how many hours people usually work per week. Compared with actual hours worked, they are not affected by public holidays, sickness and other absences from work and so can provide a better measure of normal working patterns.

**Inflows and Outflows:** The claimant count records are analysed to provide information about inflows onto the count and outflows from the count on a monthly basis. To make comparisons over time consistent, these figures are standardised to a  $4\frac{1}{3}$  week month before seasonal adjustment. These figures for people starting to or ceasing to claim Jobseeker's Allowance can be helpful towards interpreting changes in the claimant count.

**Jobs:** See *Employment and jobs*.

**Key out of work benefits:** The Department for Work and Pensions consider the key out of work benefits to be those that are paid to client groups subject to labour market activation policies. This includes recipients of Jobseeker's Allowance, Incapacity Benefit, Employment and Support Allowance, Severe Disablement Allowance, Lone Parents Income Support and other income related benefits. However it excludes recipients of Carers Allowance, Bereavement or Widow's Benefit and Disability Living Allowance, unless the claimant is also in receipt of one of the key out of work benefits.

**Labour disputes:** Disputes connected with terms and conditions of employment.

These statistics relate to persons both directly and indirectly involved at the establishments where the disputes occurred. The estimates of stoppages exclude disputes which do not result in a stoppage of work, those involving fewer than ten workers or lasting less than one day unless the total number of working days lost in the dispute is 100 or more.

**Labour Force Survey:** The main source for information on the labour market in the UK. It is a random household survey of approximately 53,000 households every three months conducted by the Office for National Statistics. As well as private households, the survey includes people living in student residence halls and National Health Service accommodation.

**Outflows:** See *Inflows and Outflows*.

**Part-time:** See *full-time*.

**Private sector employment:** See *Public sector / private sector employment*.

**Productivity:** Whole economy output per worker is the ratio of Gross Value Added (GVA) at basic prices and Labour Force Survey total employment. Manufacturing output per filled job is the ratio of manufacturing output (from the Index of Production) and productivity jobs for manufacturing (constrained to LFS jobs at the whole economy level).

**Public sector / private sector employment:** Public sector employment comprises employment in central government, local government and public corporations as defined for the UK National Accounts. Data are collected from public sector organisations via the ONS Quarterly Public Sector Employees Survey and other sources. Employment estimates for the private sector are derived as the difference between Labour Force Survey employment estimates for the whole economy and the public sector employment estimates.

**Rates:** Generally the preferred measure of Labour Market statistics as they allow changes in the Labour Market to be interpreted in a wider context by allowing for changes in the overall population.

**Redundancies:** The number of people, whether working or not working, who had been made redundant or had taken voluntary redundancy in the month of the Labour Force Survey reference week or in the two calendar months prior to this.

**Sampling variability:** Data based on statistical samples are subject to sampling variability. If many samples were drawn, each would give a different result. The ranges shown for the *Labour Force Survey* data in the monthly Labour Market Statistics First Releases, for example, represent 95 per cent confidence intervals; in 95 per cent of samples the range would contain the true value.

**Seasonal adjustment:** A process of estimating regularly occurring seasonal effects and removing them from the raw data.

**Second jobs:** Jobs which *Labour Force Survey* respondents hold in addition to a main full-time or part-time job.

**Temporary employees:** In the *Labour Force Survey* these are defined as employees who say that their main job is non-permanent in one of the following ways: fixed period contract, agency temping, casual work, seasonal work, other temporary work.

**Unemployment:** The number of unemployed people in the UK is measured through the *Labour Force Survey* following the internationally agreed definition recommended by the International Labour Organisation (ILO) – an agency of the United Nations. Unemployed people are:

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

**Unit wage costs:** A measure of the cost of wages and salaries per unit of output.

**Unpaid family workers:** Persons doing unpaid work for a business they own or for a business that a relative owns.

**Usual hours worked:** See *hours worked*.

**Vacancies:** The statistics are based on ONS's Vacancy Survey, a survey of businesses designed to provide comprehensive estimates of the stock of vacancies across the economy, excluding Agriculture, Forestry and Fishing. Vacancies are defined as positions for which employers are actively seeking recruits from outside their business or organisation. Further information is available at:

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=9390>

**Workforce jobs:** See *Employment and Jobs*.