National Assembly for Wales
Research paper

Labour Market Briefing

June 2015

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The Research Service provides expert and impartial research and information to support Assembly Members and committees in fulfilling the scrutiny, legislative and representative functions of the National Assembly for Wales.

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National Assembly for Wales
Research paper

Labour Market Briefing

June 2015

Gareth Thomas

This briefing paper provides a statistical overview of the labour market.

Information is included on Assembly constituencies,Wales and UK nations and regions.

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Labour Market Briefing: June 2015

Introduction

Labour market statistics are published each month by the Office for National Statistics (ONS). This paper is released shortly after the ONS data and aims to provide a brief summary of the latest situation across the labour market in Wales and the UK.

This paper includes comparative information on unemployment, employment and economic inactivity rates in Wales and the other UK nations. Additionally, the latest headline labour market figures for Welsh constituencies are provided.

The Research Service is able to provide **Assembly Members and their staff** with more detailed analyses in relation to unemployment and long-term labour market trends on request. If you would like us to do this, please contact Gareth Thomas on 0300 200 6307 or at **garethdavid.thomas@assembly.wales**

June 2015

Wales Labour Market Update

February to April 2015

Cynulliad Cenedlaethol Cymru
National Assembly for Wales
Research Service

HEADLINE STATISTICS FOR WALES

Employed
16-64
70.3%
16+
1,398,000
▲
+9,000

Unemployed
16+
6.4%
16+
95,000
▲
+3,000

Economic Inactivity
16-64
24.8%
16-64
474,000
▼
-15,000

Change from previous quarter

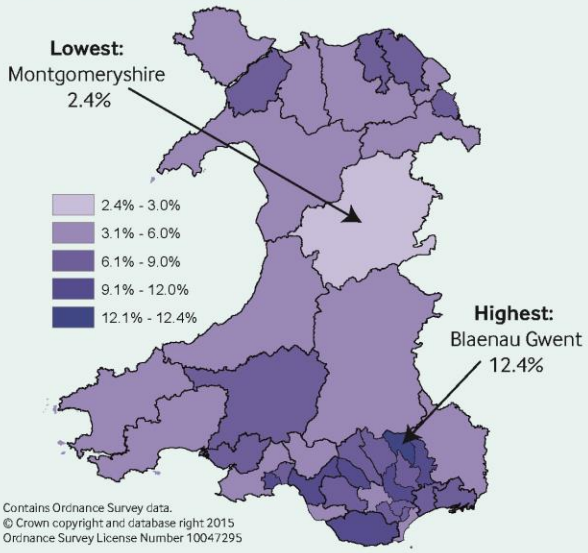
Claimant Count
18+
3.0%
18+
44,800
▼
-100

From May 2015

ILO UNEMPLOYMENT IN WALES

By Constituency

For 12 months to December 2014



Contains Ordnance Survey data.
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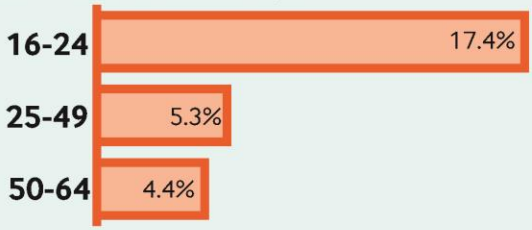
By Age Group

For 12 months to December 2014



By Gender

7.1% 56,000 Men are unemployed

5.5% 39,000 Women are unemployed

ILO UNEMPLOYMENT RATE - UK NATIONS

England	UK	Scotland	Northern Ireland	Wales
5.4%	5.5%	5.9%	6.1%	6.4%

WORKING AGE EMPLOYMENT RATE - UK NATIONS

Percentage of people aged 16-64 who are employed

Northern Ireland	Wales	UK	England	Scotland
68.4%	70.3%	73.4%	73.7%	74.4%

Source: Office for National Statistics, Regional Labour Market Statistics

Definitions of key terms relating to being in and out of work

When the Office for National Statistics (ONS) publishes statistics on the labour market, people are classed as being in one of three groups. These are being in employment, being unemployed or being economically inactive.

- People in employment are those aged 16 and 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;
- People who are classed as ILO unemployed are those aged 16 and over who are without a job, have been actively seeking work in the past four weeks and are available to start work in the next two weeks, or are out of work and are waiting to start a new job in the next two weeks; and
- People who are classed as being economically inactive are those aged 16 and over without a job who have not sought work in the last four weeks and/or are not available to start work in the next two weeks. The main economically inactive groups are students, people looking after families and the home, temporary and long-term sick and disabled people, and retired people.

There are two main measures of unemployment used by the ONS. In addition to the ILO measure outlined above, **the claimant count measures people who are claiming Jobseeker's Allowance (JSA) and Universal Credit**. It is lower than the ILO definition, because some unemployed people are either not entitled to claim benefits, or choose not to do so. **It is the most up-to-date unemployment measure**. For areas below the devolved nations and English regions, the JSA claimant count is used.

To take into account the differences between the number of people in different age groups and geographical areas, **the figures in this paper are mainly expressed as rates** rather than the number of people.

Seasonally adjusted and non-seasonally adjusted data

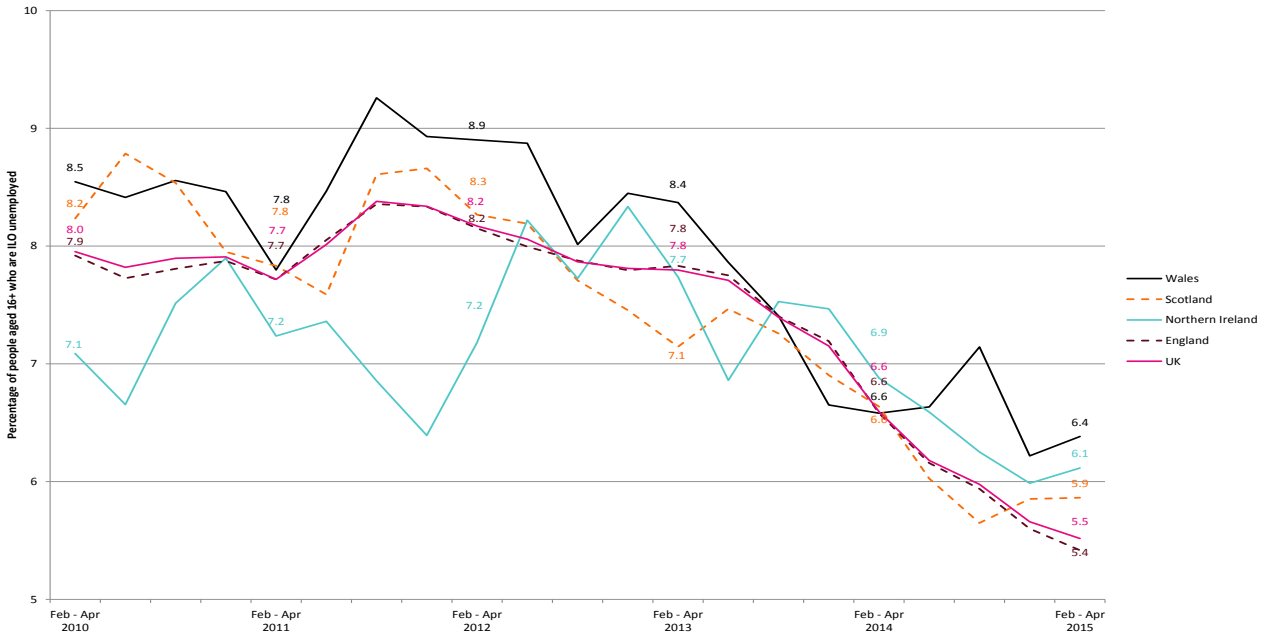
Headline ILO unemployment and claimant count data for Wales and the other UK nations and regions is seasonally adjusted by the ONS. This means that it is statistically adjusted to remove seasonal factors such as holidays and labour market recruitment patterns. For example, a large number of people leave full-time education and enter the labour market in the summer. To make it easier to identify labour market trends the ONS seasonally adjusts this data. Other unemployment data such as that for age groups and Parliamentary Constituencies is not seasonally adjusted by the ONS.

1. Unemployment in Wales

This section provides headline information on ILO unemployment rates and the claimant count across the UK. It also looks at unemployment by age. Key points from this section of the briefing include:

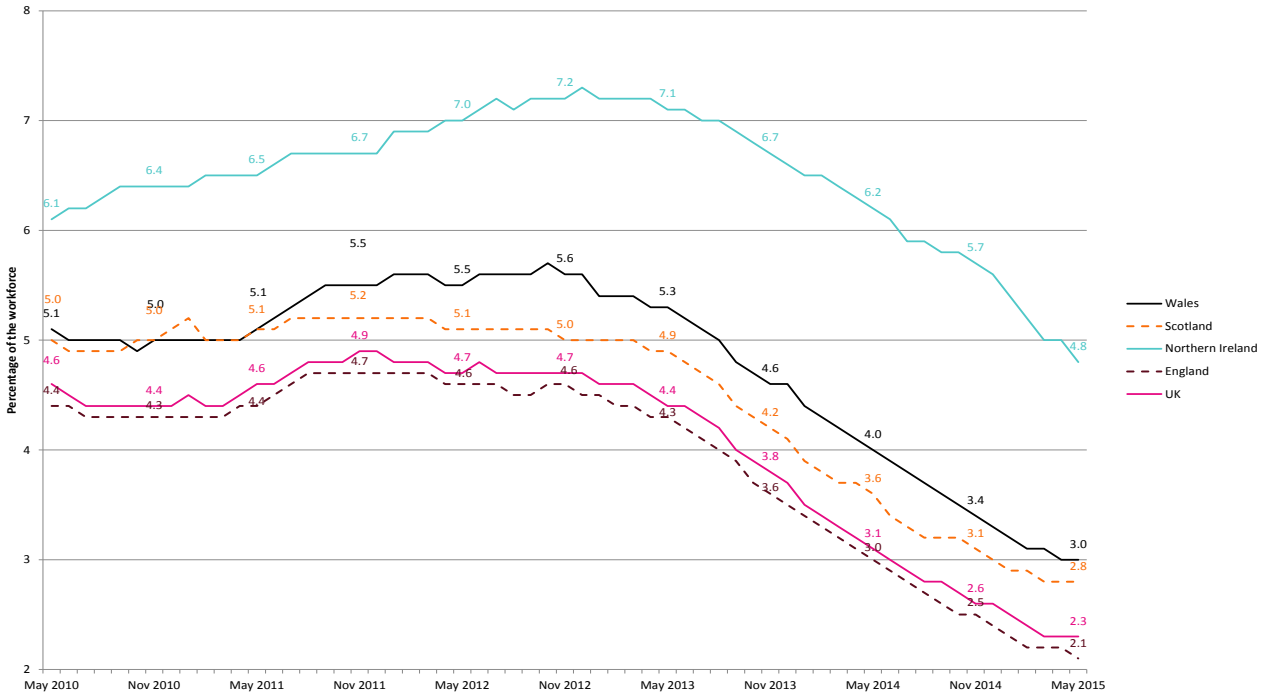
- The latest figures show that **Wales has the highest ILO unemployment rate of the UK nations, at 6.4% in February to April 2015**. Over the last five years, there has been an overall decrease in the Welsh ILO unemployment rate (figure 1.1);
- The **claimant count rate** has seen a decrease across Wales and the other UK nations over the past two years. Wales' claimant count rate has been below only Northern Ireland for this period (figure 1.2);
- **Youth unemployment rates** across Wales have been higher than for other age groups across the last five years. However, these have decreased over the past year from 21.1% to 17.4% in January - December 2014 (figure 1.3);
- Looking across the constituencies, **Blaenau Gwent** has the highest ILO unemployment rate at 12.4%, with **Montgomeryshire** having the lowest at 2.4% in January - December 2014.
- For the 'unofficial' Jobseeker's Allowance (JSA) claimant count statistics calculated by the Research Service, **Blaenau Gwent** had the highest rate at 5.8% in May 2015, with **Alyn and Deeside** and **Brecon and Radnorshire** having the lowest at 1.4%.

Figure 1.1: ILO unemployment rate in Wales and other UK nations (seasonally adjusted)



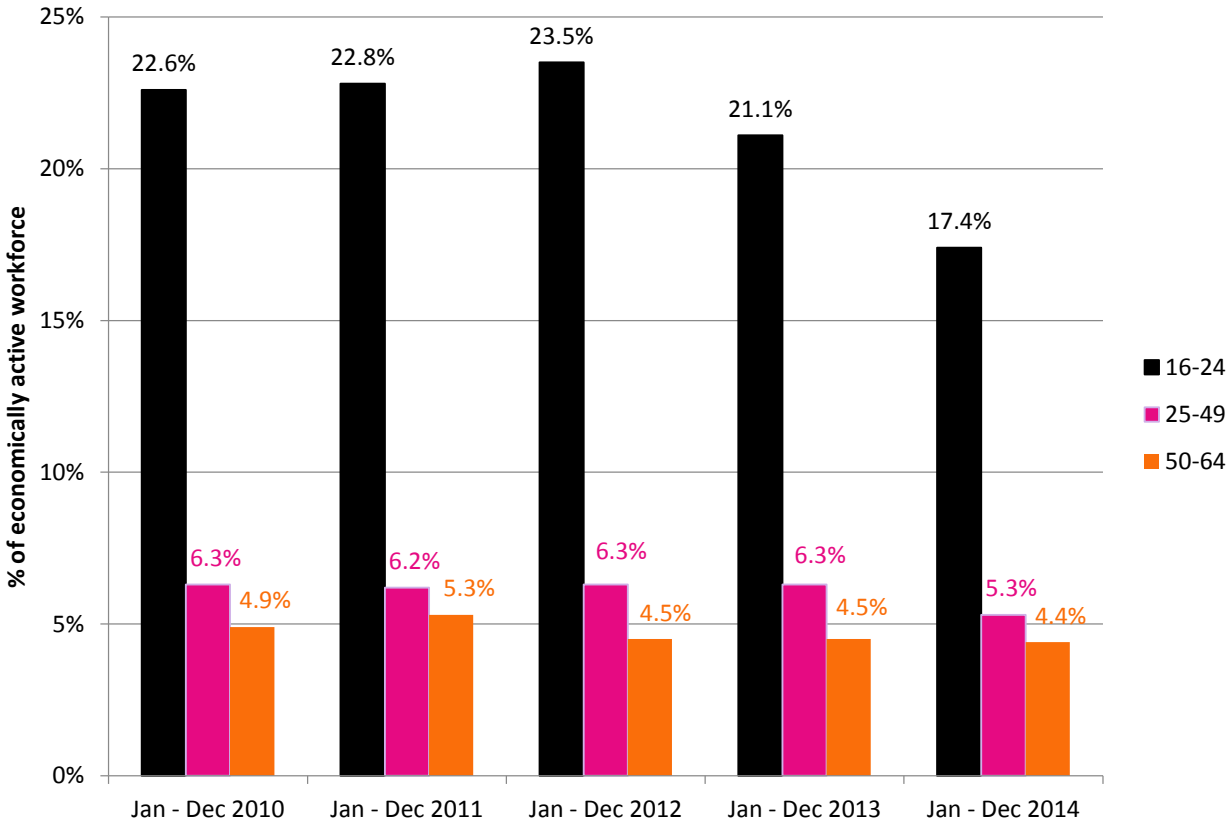
Source: Office for National Statistics, Regional Labour Market Statistics – June 2015 Headline indicators for all regions and Labour Market Statistics – June 2015 Summary of Labour Market Statistics

Figure 1.2: Claimant count rate in Wales and other UK nations (seasonally adjusted)



Source: Office for National Statistics, Claimant Count and Vacancies Series

Figure 1.3: ILO unemployment rate in Wales by age (not seasonally adjusted)



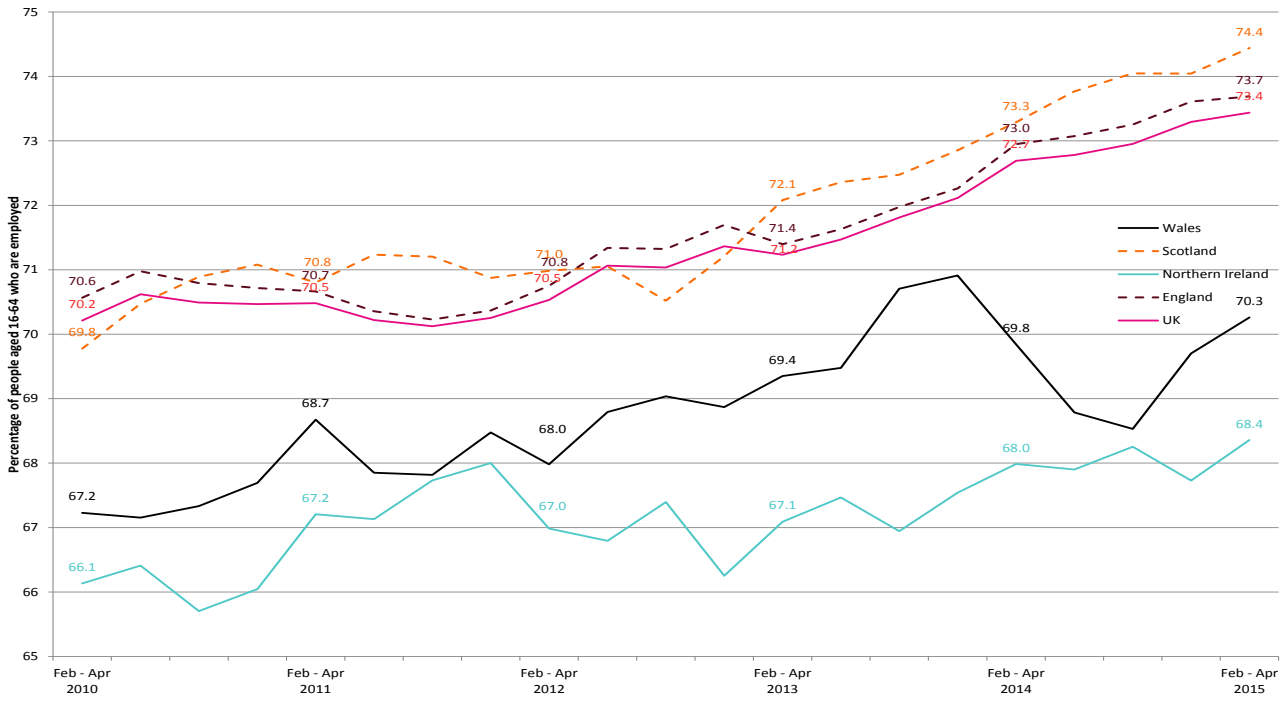
Source: Office for National Statistics, NOMIS Official Labour Market Statistics

2. Employment and Jobs

This part of the paper looks at employment rates across the UK for people of working age (16-64). It also considers changes in employment in the public and private sectors in Wales. The main conclusions that can be drawn from this section include:

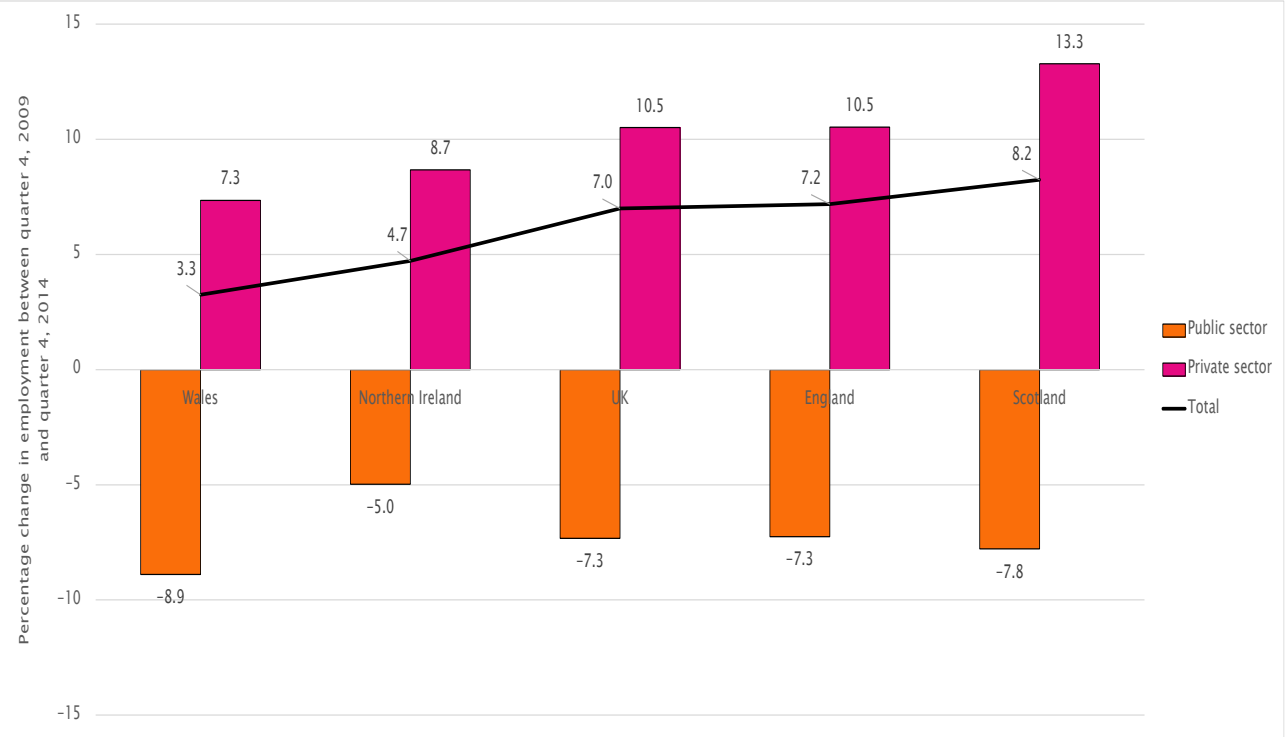
- The **working age employment rate** in Wales has increased over the past five years, with the current rate being 70.3% in February to April 2015 (figure 2.1);
- **Over the past five years the working age employment rate in Wales has been above Northern Ireland, but below the other UK nations**. The gap between the working age employment rates of Wales and the UK has remained over the past five years;
- Over the past five years to quarter 1 of 2015, **employment in the private sector** in Wales has increased by 7.3%, while **employment in the public sector** has decreased by 8.9% (figure 2.2); and
- Looking at the constituency data, 78.3% of people aged 16-64 in **Brecon and Radnorshire** are in work in January - December 2014. In **Cardiff Central**, 54.2% of 16-64 year olds are working, the lowest rate of any of the Welsh constituencies.

Figure 2.1: Working age employment rate in Wales and other UK nations (seasonally adjusted)



Source: Office for National Statistics, Regional Labour Market Statistics – June 2015 Headline indicators for all regions and Labour Market Statistics – June 2015 Summary of Labour Market Statistics

Figure 2.2: Percentage change in employment in public and private sectors over past five years (not seasonally adjusted)



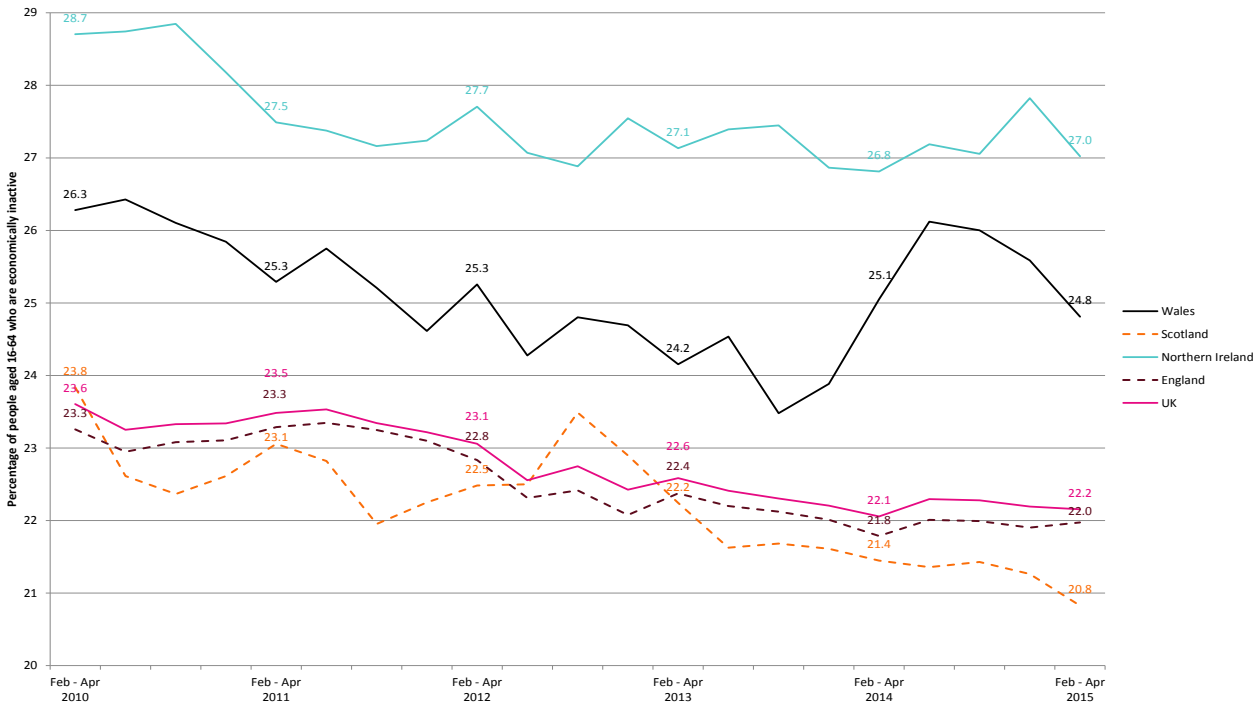
Source: Office for National Statistics, Public Sector Employment, Quarter 1 2015

3. Economic Inactivity

This part of the paper looks at people outside the labour market, those who are classed as being economically inactive. This includes people aged 16-64 without a job who have not sought work in the last four weeks and/or are not available to start work in the next two weeks. The graphs below consider the economic inactivity rate for people of working age across the UK, and look at the reasons why people in Wales are economically inactive. The key points from this section of the briefing are:

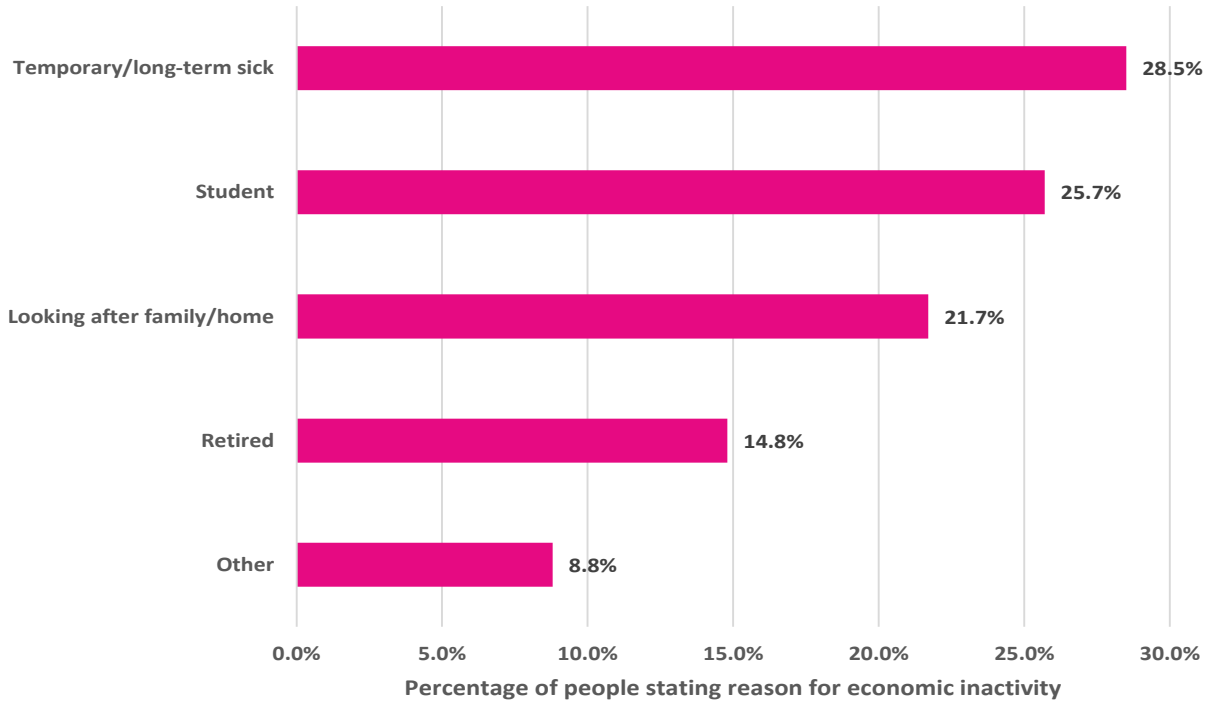
- **Wales has had a higher working age economic inactivity rate than the UK average throughout the past five years**. This has decreased slightly over the past year, and is 24.8% in February - April 2015 (figure 3.1);
- The main reasons given by economically inactive people in Wales in January – December 2014 were temporary and long-term sickness (28.5%), being a student (25.7%) and looking after the family/home (21.7%) (figure 3.2); and
- At constituency level, **Cardiff North** had the lowest working age economic inactivity rate, at 18.2%, with **Cardiff Central** having the highest at 42.5%. This is partially due to the high number of university students living in Cardiff Central.

Figure 3.1: Working age economic inactivity in Wales and other UK nations (seasonally adjusted)



Source: Office for National Statistics, Regional Labour Market Statistics – June 2015 Headline indicators for all regions and Labour Market Statistics – June 2015 Summary of Labour Market Statistics

Figure 3.2: Reasons for working age economic inactivity in Wales, January – December 2014 (in %)



Source: Office for National Statistics, Regional Labour Market Statistics – May 2015 Headline indicators for Wales

4. What's happening in your constituency?

Table 4.1 sets out the latest headline labour market statistics for Welsh constituencies. The three constituencies with the best performance for each variable are highlighted in yellow, and the three worst performing constituencies are highlighted in purple.

Additional information on the labour market in your constituency including comparisons over time is available on the Research Service **constituency support pages.**

Table 4.1: Headline labour market statistics by Welsh constituency, January-December 2014

Constituency	ILO unemployment rate 16+	Unofficial JSA claimant count rate (May 2015)	Employment rate 16-64	Economic Inactivity rate 16-64
Aberavon	9.4	3.3	64.8	28.3
Aberconwy	5.1	2.5	70.9	25.3
Alyn and Deeside	4.6	1.4	74.9	21.4
Arfon	7.3	3.5	70.1	24.2
Blaenau Gwent	12.4	5.8	65.4	25.4
Brecon and Radnorshire	3.4	1.4	78.3	19.0
Bridgend	5.4	2.4	72.6	23.1
Caerphilly	10.7	4.4	68.0	23.8
Cardiff Central	6.1	3.8	54.2	42.5
Cardiff North	6.7	1.9	76.2	18.2
Cardiff South and Penarth	5.3	3.9	70.5	25.4
Cardiff West	8.2	4.2	69.9	23.7
Carmarthen East and Dinefwr	8.4	2.2	66.7	26.8
Carmarthen West and South Pembrokeshire	4.4	2.6	69.5	27.2
Ceredigion	4.2	1.5	64.7	32.3
Clwyd South	4.6	2.3	72.1	24.5
Clwyd West	3.8	2.6	73.1	23.9
Cynon Valley	7.1	4.3	65.3	29.5
Delyn	6.8	2.2	66.6	28.6
Dwyfor Meirionnydd	4.5	1.6	68.6	28.1
Gower	5.5	2.1	74.2	21.3
Islwyn	7.8	3.9	65.8	28.4
Llanelli	8.2	3.2	68.0	25.7
Merthyr Tydfil and Rhymney	8.6	4.6	66.1	27.5
Monmouth	5.1	1.6	73.2	22.6
Montgomeryshire	2.4	1.5	77.9	20.0
Neath	4.6	3.1	71.9	24.5
Newport East	7.1	4.4	70.7	23.9
Newport West	7.6	4.6	70.1	24.0
Ogmore	8.3	3.0	67.5	26.2
Pontypridd	5.6	2.5	72.1	23.8
Preseli Pembrokeshire	5.9	2.8	72.8	22.6
Rhondda	9.3	4.7	63.9	29.5
Swansea East	6.4	3.9	73.5	21.4
Swansea West	11.5	4.2	59.0	33.1
Torfaen	9.1	3.5	68.4	24.6
Vale of Clwyd	7.8	3.5	67.6	26.5
Vale of Glamorgan	9.2	3.0	70.1	22.3
Wrexham	6.6	2.6	71.7	23.2
Ynys Mon	5.5	4.0	72.2	23.6

Source: Office for National Statistics, Regional Labour Market Statistics – May 2015: Table LI02 Local Indicators for Parliamentary Constituencies and Regional Labour Market Statistics – June 2015: Table JSA02 Jobseekers' Allowance for Parliamentary Constituencies