

## Article:

# Reconciliation of estimates of jobs: March 2016

Compares the latest Workforce Jobs (WFJ) estimates with the equivalent estimates of jobs from the Labour Force Survey (LFS).



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# 1. Background

This report compares the latest Workforce Jobs (WFJ) estimates with the equivalent estimates of jobs from the Labour Force Survey (LFS). This is produced every quarter, when the latest WFJ estimates are released.

The concept of employment (measured by the LFS as the number of people in work) differs from the concept of jobs, since a person can have more than one job, and some jobs may be shared by more than one person. The LFS, which collects information mainly from residents of private households, is the preferred source of statistics on employment

The LFS can also be used to produce estimates of the total number of jobs in the UK, by adding together the headline employment figures (which are equivalent to main jobs) and those for workers with a second job. The WFJ series, which is compiled mainly from surveys of businesses, is the preferred source of statistics on jobs by industry, since it provides a more reliable industry breakdown than the LFS.

## 2. Reconciliation estimates spreadsheet

A spreadsheet containing Labour Force Survey and Workforce Jobs reconciliation estimates is available on our website at [data table X03](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/reconciliationofestimatesofemploymentandjobsx03) (<http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/reconciliationofestimatesofemploymentandjobsx03>).

## 3. Comparison: December 2015

The LFS estimate of total UK jobs for the November to January 2016 three month period is calculated by adding together the LFS figures for total employment (31.418 million) and workers with second jobs (1.129 million). On comparing this LFS UK jobs estimate (32.547 million) with the corresponding WFJ figure for December 2015, (33.782 million) the LFS total jobs estimate is lower than the WFJ figure by 1.235 million (3.8 per cent).

Figure 1 illustrates this comparison over time. These estimates have not been adjusted for factors causing differences between the two sources because many of these factors cannot be measured on a quarterly basis. Over the latest comparable quarterly periods, the LFS series shows a quarterly increase of 83,000 jobs (0.3 per cent) and the WFJ series shows an increase of 69,000 (0.2 per cent). On an annual basis the LFS series shows an increase of 407,000 (1.3 per cent) and the WFJ series shows an increase of 370,000 (1.1 per cent)

## Figure 1: LFS and WFJ estimates of jobs as published, thousands, UK (seasonally adjusted)

December 2009 to December 2015



Source: Labour Force Survey - Office for National Statistics

The 2006 National Statistics Quality Review of Employment and Jobs Statistics (<http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/guide-method/method-quality/quality/quality-reviews/theme/labour-market/nsqr-44/nsqr-series-report-no--44--review-of-employment-and-jobs-statistics-.pdf>) identified about 30 reasons why the LFS and WFJ estimates of jobs can differ from each other. Some of these factors can be quantified approximately using information from the LFS and other sources, while others are much more difficult to measure. The measurable factors causing differences between the LFS and WFJ figures are included in a downloadable spreadsheet within the 'download chart' option of this report.

## 4. Reconciliation

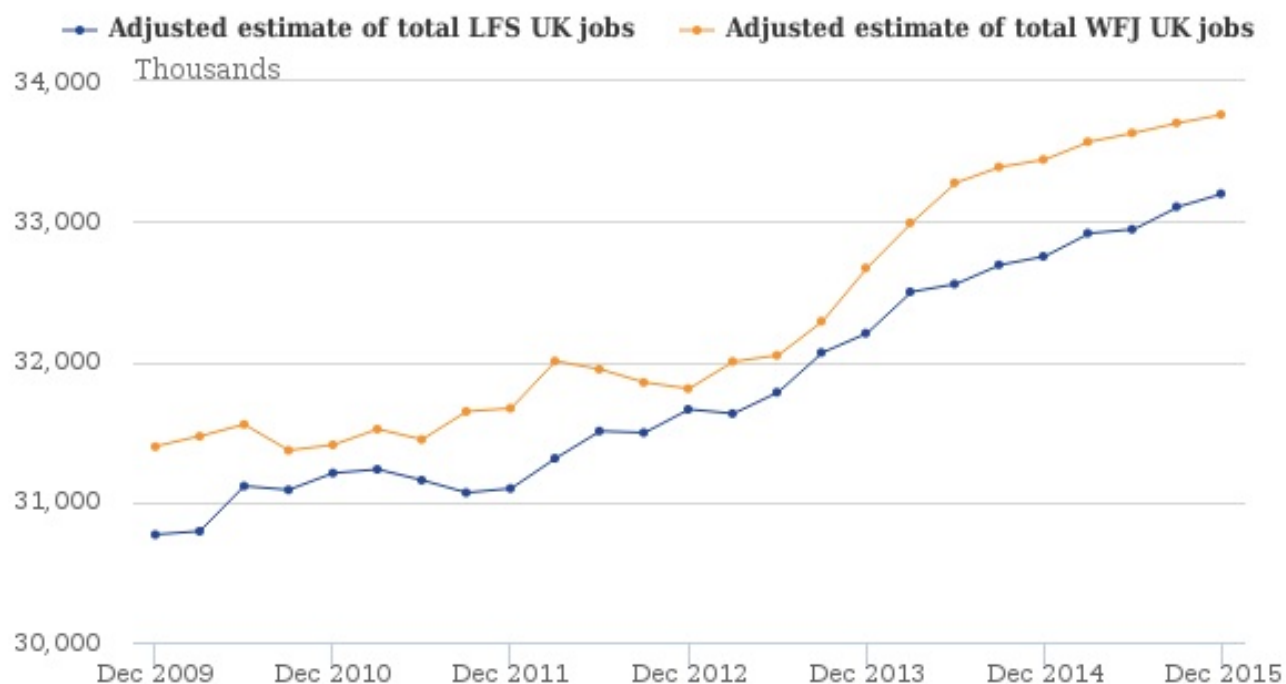
Methodological changes to the reconciliation were made for the December 2015 release implemented for the September 2015 results. These changes followed on from changes made in the April 2013 and December 2014 release

1. The latest IPS estimates for short term migrants in employment were included in the adjustments.
2. WFJ was benchmarked to the 2014 Business Register and Employment Survey (BRES) (<http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/guide-method/method-quality/specific/labour-market/articles-and-reports/index.html>).

Figure 2 shows the two jobs series adjusted to take into account the measurable factors causing differences between the LFS and WFJ statistics. Once these factors have been taken into consideration, the adjusted LFS estimate of total UK jobs is lower than the adjusted WFJ estimate, by 564,000 (1.7 per cent).

## Figure 2: LFS and WFJ estimates of jobs adjusted for measurable differences, thousands, UK (seasonally adjusted)

December 2009 to December 2015



Source: Labour Force Survey - Office for National Statistics

The difference between the adjusted LFS and WFJ estimates (564,000) is beyond the likely bounds of the sampling variability of the difference. The approximate sampling variability (95% confidence interval) is roughly  $\pm 300,000$  to  $\pm 400,000$ . However, it should be noted that the adjustments are themselves subject to a margin of uncertainty, and there are other factors causing differences between the two sources which have not been adjusted for. There are about 20 additional factors that could explain the remaining difference between the LFS and WFJ estimates. As well as sampling variability, they include, for example, timing effects. The LFS estimates are averages for 3-month periods, whereas business surveys measure the number of jobs on a particular day.

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