

Article:

# Reconciliation of estimates of jobs: June 2016

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



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Release date:  
15 June 2016

Next release:  
14 September 2016

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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](#).

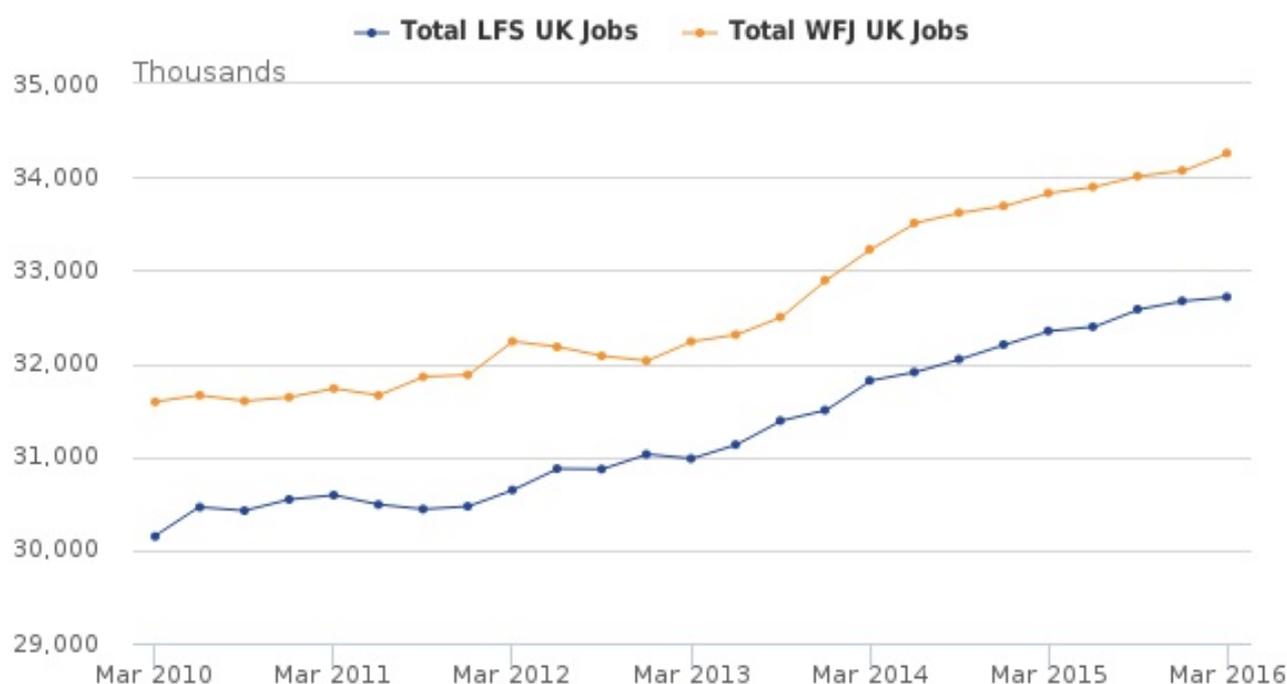
## 3. Comparison: March 2016

The LFS estimate of total UK jobs for the 3 month period February to April 2016 is calculated by adding together the LFS figures for total employment (31.594 million) and workers with second jobs (1.119 million). On comparing this LFS UK jobs estimate (32.713 million) with the corresponding WFJ figure for March 2016, (34.256 million) the LFS total jobs estimate is lower than the WFJ figure by 1.543 million (4.7%).

Figure 1 illustrates this comparison over time. These estimates have not been adjusted for factors causing differences between the 2 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 43,000 jobs (0.1%) and the WFJ series shows an increase of 186,000 (0.5%). On an annual basis the LFS series shows an increase of 363,000 (1.1%) and the WFJ series shows an increase of 429,000 (1.3%).

# Figure 1: Labour Force Survey and Workforce Jobs estimates of jobs as published, thousands, UK (seasonally adjusted)

March 2010 to March 2016



Source: Labour Force Survey - Office for National Statistics

The 2006 National Statistics Quality Review of Employment and Jobs Statistics 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 the downloadable spreadsheet for Figure 2.

## 4. Reconciliation

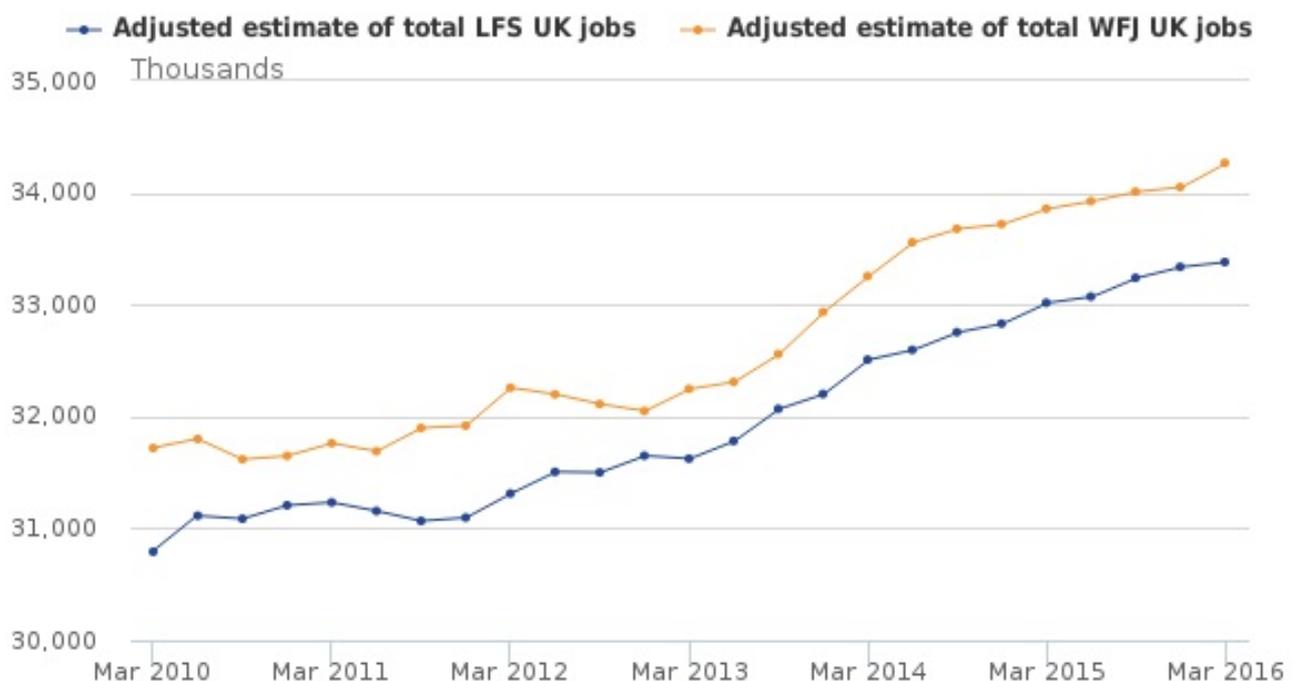
There have been revisions to estimates used in the reconciliation for March 2016:

1. there have been revisions to estimates of Workforce Jobs back to the start of the series in 1959 resulting from an improvement to the coverage of businesses on the Inter-Departmental Business Register, used by ONS as the sampling frame for its business surveys. An article published on 21 December 2015 provides more detail.
2. there have been revisions to estimates derived from the Labour Force Survey back to 2012, resulting from taking on board the latest population estimates and a review of the seasonal adjustment process.

Figure 2 shows the 2 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 886,000 (2.7%).

## Figure 2: Labour Force Survey and Workforce Jobs estimates of jobs adjusted for measurable differences, thousands, UK (seasonally adjusted)

March 2010 to March 2016



Source: Labour Force Survey - Office for National Statistics

The difference between the adjusted LFS and WFJ estimates (886,000) 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 2 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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