

Article

Single-month Labour Force Survey estimates: April 2020

Comparison of the Labour Force Survey (LFS) headline three-month average rates for employment, unemployment and economic inactivity with their equivalent single month estimates.

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Notice

21 April 2020

The effect of the coronavirus (COVID-19) pandemic on our capacity means we have reviewed the existing labour market releases and will be suspending some publications.

This will protect the delivery and quality of our remaining labour market outputs as well as ensuring we can respond to new demands as a direct result of COVID-19. More details about the impact on labour market outputs can be found in <u>our statement</u>.

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1. Main points and information

This article contains charts that compare the Labour Force Survey (LFS) single-month estimates with their equivalent three-month average rates for employment, unemployment and economic inactivity. The single-month estimates are derived from the same data source as the headline three-month figures but are not designated as <u>National Statistics</u>. Their use is restricted to helping to understand the movements in the headline three-month averages. For the three-month averages, the dates shown on the charts relate to the last month of the three (for example, December to February is indicated by February).

Model-based single-month estimates are now also produced and included within the <u>data table accompanying</u> <u>this article</u>. The model uses single-month wave-specific time series estimates for each variable, along with estimated variances, to produce modelled seasonally adjusted time series. These are currently <u>experimental</u> <u>statistics</u>.

Main points

- Labour Force Survey estimates presented in this article cover the survey reference period ending February 2020, prior to the implementation of the coronavirus (COVID-19) social distancing measures.
- The single-month estimate for the employment rate in the UK, for February 2020, shows a decrease of 0.2 percentage points compared with the previous month.
- The single-month estimate for the unemployment rate in the UK, for February 2020, shows an increase of 0.1 percentage points compared with the previous month.
- The single-month estimate for the economic inactivity rate in the UK, for February 2020, shows an increase of 0.1 percentage points compared with the previous month.

Summary of Labour Force Survey single-month estimates

Figure 1: Single-month employment rate was down on the previous month

UK employment rates, ages 16 to 64 years (seasonally adjusted), between February 2017 and February 2020

Figure 1: Single-month employment rate was down on the previous month

UK employment rates, ages 16 to 64 years (seasonally adjusted), between February 2017 and February 2020



Source: Office for National Statistics – Labour Force Survey

The single-month estimate of the employment rate for people aged 16 to 64 years in the UK for February 2020 is 76.4%. This represents a decrease of 0.2 percentage points compared with the previous month (January 2020) but an increase of 0.3 percentage points compared with three months ago (November 2019). The headline estimate for the three months from December 2019 to February 2020 increased by 0.2 percentage points compared with the previous quarter (September to November 2019) and stands at a record high of 76.6%.

UK unemployment rates, ages 16 years and over (seasonally adjusted), between February 2017 and February 2020

Figure 2: Single-month unemployment rate was up on the previous month

UK unemployment rates, ages 16 years and over (seasonally adjusted), between February 2017 and February 2020



Source: Office for National Statistics – Labour Force Survey

The single-month estimate for the unemployment rate for people aged 16 years and over in the UK for February 2020 is 4.0%. This represents an increase of 0.1 percentage points compared with the previous month (January 2020) and an increase of 0.1 percentage points compared with three months ago (November 2019). The headline estimate for the three months from December 2019 to February 2020 increased by 0.1 percentage points on the previous quarter (September to November 2019) and currently stands at 4.0%.

UK economic inactivity rates, ages 16 to 64 years (seasonally adjusted), between February 2017 and February 2020

Figure 3: Single-month inactivity rate was up on the previous month

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UK economic inactivity rates, ages 16 to 64 years (seasonally adjusted), between February 2017
and February 2020
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Source: Office for National Statistics – Labour Force Survey

The single-month estimate for the economic inactivity rate for people aged 16 to 64 years in the UK for February 2020 is 20.3%. This represents an increase of 0.1 percentage points on the previous month (January 2020) but a decrease of 0.4 percentage points compared with three months ago (November 2019). The headline estimate for the three months from December 2019 to February 2020 decreased by 0.3 percentage points on the previous quarter (September to November 2019), to a record low of 20.2%.

2. Things you need to know about this release

In June 2019, we released additional new <u>experimental</u> versions of the single-month estimates alongside the current estimates. The new estimates are based on time series models using single-month wave-specific time series estimates.

In December 2019, we also started to publish new experimental single-month wave estimates, alongside the current wave estimates, based on the new time series models.

Coronavirus (COVID-19)

In response to the developing coronavirus (COVID-19) pandemic, we are working to ensure that we continue to publish economic statistics. For more information, please see <u>COVID-19 and the production of statistics</u>.

We have reviewed all publications and data published as part of the labour market release in response to the COVID-19 pandemic. This has led to the <u>postponement of some publications and datasets</u> to ensure that we can continue to publish our main labour market data. This will protect the delivery and quality of our remaining outputs as well as ensuring we can respond to new demands as a direct result of COVID-19.

Ahead of the latest labour market statistics release, David Freeman, head of labour market statistics at the Office for National Statistics (ONS), has looked at how the ONS is responding to the pressing need for new information in his blog, <u>Measuring the labour market during Coronavirus</u>.

For more information on how labour market data sources, among others, will be affected by the COVID-19 pandemic, see the <u>statement</u> published on 27 March 2020.

Data in this statistical bulletin and accompanying datasets relate to Labour Force Survey interviews that took place throughout the month of February 2020 and are largely unaffected by recent developments.

Our latest data and analysis on the impact of COVID-19 on the UK economy and population is now available on our dedicated <u>COVID-19 webpage</u>. This will be the hub for all special COVID-19-related publications, drawing on all available data.

3. Quality and methodology

The Labour Force Survey (LFS) single-month estimates provide additional information about the latest quarterly movements in the headline three-monthly aggregates of employment, unemployment and economic inactivity. The production and evaluation of the estimates is an important part of our quality assurance of the three-monthly averages published in the Labour market overview.

Single-month estimates are based on one-third of the sample of the three-monthly series; this is approximately 15,000 households. Consequently, sampling variability of the changes in the single-month estimates is higher in relative terms than those of the headline aggregates, and so any interpretation of them can only be in fairly broad terms.

The LFS sample is designed so that the data collected for any three consecutive monthly reference periods (or rolling quarters) are representative of the UK population. However, the data for any given single month are unlikely to be representative of the UK. These sampling effects can cause movements in the single month that are a consequence of the survey nature of the LFS and are not a true reflection of change in the wider economy. The movement in the latest single-month figures is, in theory, a better indication of the latest change in the labour market than the difference between the latest two overlapping three-month periods, but it must still be treated with caution.

The sample design of the LFS often produces clear patterns in the single-month series, which can aid interpretation of the LFS aggregates. The estimates help users determine how closely the movements in the headline aggregates reflect changes in the UK labour market and how far they reflect the survey nature of the LFS, in particular sampling variability. For example, 80% of the households surveyed in one month will also have been surveyed three months ago. This means the comparison between the latest month and three months ago usually provides a better indicator of the latest underlying change than the comparison with the previous month, for which there is no sample overlap.

The single-month estimates are regarded as an <u>official statistic</u> and are not considered National Statistics because they do not have sufficient methodological robustness.

A methodological article explaining the <u>background to the LFS single-month estimates and describing how they</u> <u>are calculated</u> is available.

The model-based single-month LFS estimates are derived from a state-space model and aim to improve on the current experimental single-month estimates. The model uses single-month wave-specific time series estimates for each variable, along with estimated variances, to produce modelled seasonally adjusted time series. These new model-based estimates are considered to be Experimental Statistics.

A methodological article giving more detail regarding the new series is available.

4. Other quality information

A Labour Force Survey (LFS) Quality and Methodology Information (QMI) report and a set of LFS performance and quality monitoring reports are available.

Further information about the LFS is available from the LFS – user guidance.

After EU withdrawal

As the UK leaves the EU, it is important that our statistics continue to be of high quality and are internationally comparable. During the transition period, those UK statistics that align with EU practice and rules will continue to do so in the same way as before 31 January 2020.

After the transition period, we will continue to produce our labour market statistics in line with the UK Statistics Authority's <u>Code of Practice for Statistics</u> and in accordance with International Labour Organization (ILO) definitions and agreed international statistical guidance.