

Article

Reconciliation of estimates of jobs: November 2021

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



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Table of contents

- 1. Background
- 2. Reconciliation estimates spreadsheet
- 3. Comparison: June 2021
- 4. Reconciliation

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 usually published annually in March. However, this report was delayed until November 2021 while LFS responses were reweighted to new populations. We use growth rates from HM Revenue and Customs (HMRC) Real Time Information (RTI), to allow for different trends during the coronavirus (COVID-19) pandemic. This reweighting will give improved estimates of both rates and levels.

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 as it provides a more reliable industry breakdown than the LFS.

2. Reconciliation estimates spreadsheet

A table containing Labour Force Survey (LFS) jobs and workforce jobs (WFJ) reconciliation estimates is available in <u>dataset X03</u>.

3. Comparison: June 2021

The Labour Force Survey (LFS) estimate of total UK jobs from April 2021 to June 2021 is calculated by adding together the LFS figures for total employment (33.532 million) and workers with second jobs (1.175 million). On comparing this LFS UK jobs estimate (34.706 million) with the corresponding WFJ figure for June 2021 (34.802 million), the LFS total jobs estimate is lower than the WFJ figure by 0.958 million (0.3% of the LFS total).

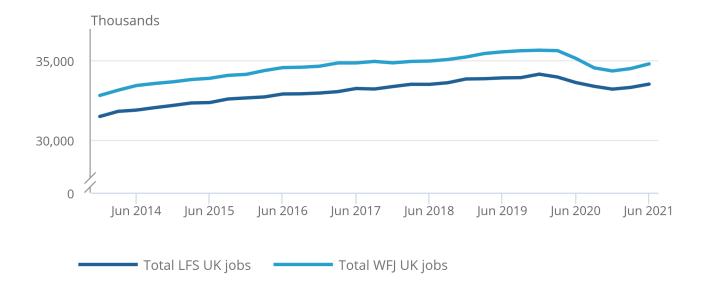
Figure 1 illustrates this comparison over time. These estimates have not been adjusted for factors causing differences between the two sources, because many of these factors cannot be measured on a quarterly basis. Over the latest comparable three-month periods, the LFS series shows a quarterly increase of 205,000 jobs (0.6%) and the WFJ series shows an increase of 293,000 jobs (0.9%). On an annual basis, the LFS series shows a fall of 100,000 jobs (0.3%) and the WFJ series shows a fall of 342,000 jobs (1.0%).

Figure 1: Labour Force Survey jobs were up 0.6% and workforce jobs were up 0.9% on the quarter

Labour Force Survey and workforce jobs estimates of jobs, seasonally adjusted, UK, June 2015 to June 2021

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Source: Office for national Statiscs - Labour Force Survey and Workforce Jobs estimates

The 2006 National Statistics Quality Review of Employment and Jobs Statistics (PDF, 4.35MB) 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 jobs and WFJ figures are available in dataset X03.

4. Reconciliation

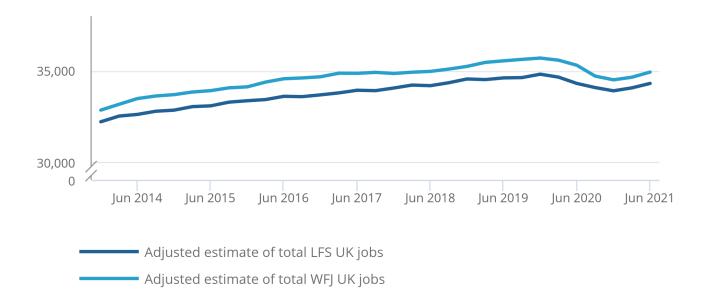
Figure 2 shows the two series adjusted to take into account the measurable factors causing differences between the LFS jobs and WFJ statistics. Once these factors have been taken into consideration, the adjusted LFS estimate of total UK jobs is lower than the adjusted WFJ estimate, by 0.621 million (1.8% of the LFS total).

Figure 2: The latest adjusted workforce jobs estimate is 1.8% higher than the adjusted Labour Force Survey jobs estimate

Labour Force Survey and workforce jobs estimates of jobs adjusted for measurable differences, seasonally adjusted, UK, June 2015 to June 2021

Figure 2: The latest adjusted workforce jobs estimate is 1.8% higher than the adjusted Labour Force Survey jobs estimate

Labour Force Survey and workforce jobs estimates of jobs adjusted for measurable differences, seasonally adjusted, UK, June 2015 to June 2021



Source: Office for National Statistics - Labour Force Survey and Workforce jobs estimates

The difference between the adjusted LFS jobs and WFJ estimates (0.621 million) is beyond the likely bounds of the sampling variability of the difference. The approximate sampling variability (95% confidence interval) is roughly plus or minus 270,000. 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. However, we do not expect uncertainty around the adjustments and other sources of discrepancies to be enough to change the general conclusion.

There are about 20 additional factors that could explain the remaining difference between the LFS jobs and WFJ estimates. As well as sampling variability, they include, for example, timing effects. The LFS estimates are averages for three-month periods, whereas business surveys measure the number of jobs on a particular day.