

Article

Reconciliation of estimates of jobs, UK: April 2025

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

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1. Main points

- The latest published Workforce Jobs (WFJ) estimate for December 2024 is 1.724 million (or 4.9%) higher than the Labour Force Survey (LFS) total jobs estimate for November 2024 to January 2025.
- Once adjusted for measurable factors, the WFJ December 2024 estimate is 0.974 million (or 2.7%) higher than the LFS jobs estimate for November 2024 to January 2025.
- WFJ and Pay As You Earn Real Time Information (PAYE RTI) trends are broadly coherent over the last two years, though the most recent period of WFJ shows stronger annual growth.
- Increased volatility of LFS estimates, resulting from smaller achieved sample sizes, means that estimates of change should be treated with additional caution when comparing with WFJ and PAYE RTI estimates.

2. Workforce Jobs and Labour Force Survey jobs

Background

This report compares the latest Workforce Jobs (WFJ) estimates with the equivalent estimates of jobs from the Labour Force Survey (LFS). 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 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 LFS does not collect information on whether people have more than two jobs. Adjustments to capture those with more than two jobs are made within the reconciliation.

We have been facing the challenge of falling response rates for household surveys, as have other comparable countries. We developed a comprehensive plan to address these concerns, and an update is given in our <u>Labour market transformation – update on progress and plans: April 2025 article</u>.

Following the recovery actions implemented into the LFS from late 2023, all major changes to survey operations will have worked through all five waves of data collection as of Quarter 1 (Jan to Mar) 2025 and will be in the published data by May 2025.

LFS data have also been reweighted to more up to date population estimates as explained in our <u>Impact of reweighting on Labour Force Survey key indicators: December 2024 article</u>.

This article provides an update on our reconciliation of LFS and WFJ analysis last published in October 2022. The estimates in our accompanying X03 dataset include updates to data sources and methodology, following a review of the adjustments used to reconcile levels between the two series.

Comparison: December 2024

The LFS estimate of total UK jobs for December 2024 (based on November 2024 to January 2025 LFS data) is calculated by adding together the LFS estimates for total employment (33.922 million) and workers with second jobs (1.262 million). On comparing this LFS UK jobs estimate (35.184 million) with the corresponding WFJ estimate for December 2024 (36.909 million), the WFJ estimate is 1.724 million (4.9%) higher than the LFS estimate.

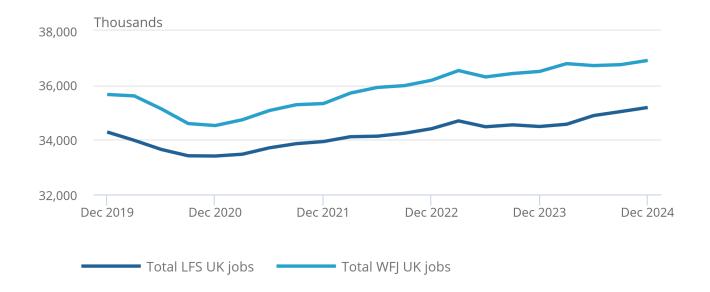
Figure 1 shows this comparison over time. These estimates have not been adjusted for factors causing differences between the two sources because many of these factors cannot be measured on a quarterly basis. Over the latest comparable three-month period, the LFS series shows a quarterly increase of 151,000 jobs (0.4%) and the WFJ series shows an increase of 155,000 (0.4%). On an annual basis, the LFS series shows an increase of 697,000 jobs (2.0%) and the WFJ series shows an increase of 403,000 jobs (1.1%).

Figure 1: Labour Force Survey jobs and Workforce Jobs were both up 0.4% on the quarter

Labour Force Survey and Workforce Jobs estimates of jobs, seasonally adjusted, UK, December 2019 to December 2024

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Labour Force Survey and Workforce Jobs estimates of jobs, seasonally adjusted, UK, December 2019 to December 2024



Source: Labour Force Survey and Workforce Jobs estimates from the Office for National Statistics

Notes:

1. Increased volatility of Labour Force Survey (LFS) estimates, resulting from smaller achieved sample sizes, means that estimates of change should be treated with additional caution.

Around 30 reasons why the LFS and WFJ estimates of jobs can differ from each other are identified in the 2006 National Statistics Quality Review of Employment and Jobs Statistics (PDF, 4.4 MB). 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 our X03: Reconciliation of estimates of employment and jobs dataset.

Reconciliation

Figure 2 shows the two series adjusted to include the measurable factors causing differences between the LFS jobs and WFJ statistics. Once these factors have been taken into consideration, the adjusted WFJ estimate is 0.974 million (2.7%) higher than the adjusted LFS estimate of UK jobs.

Before the coronavirus (COVID-19) pandemic, these adjustments could explain around 40% to 50% of the gap in jobs measured by the two sources. However, this decreased to below 40% for some periods in 2023 and 2024. In more recent periods, it has increased back above 40%.

All measurable factors used to adjust the series have recently been reviewed resulting in some updates to data and methodology for the following adjustments:

- temporary foreign workers updated estimates up to 2019 from the International Passenger Survey on Short-Term International Migration
- workers living in communal establishments updated estimates from Census England and Wales, Scotland and Northern Ireland

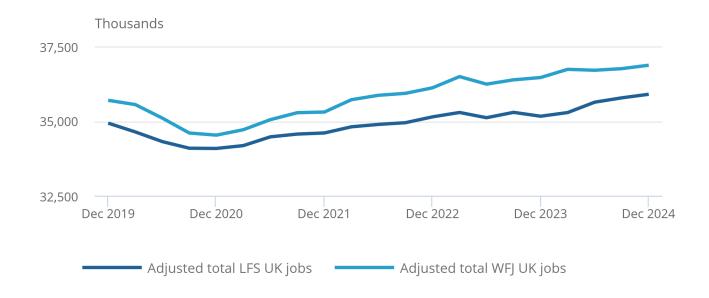
Estimates of these adjustments remain largely unchanged following these changes. The difference between the two adjusted series has decreased, compared with the last published estimates in October 2022. The improved coherence between the two series is largely prompted by the most recent reweighting of LFS data. It is likely that some of the recent movements in LFS estimates are also being affected by the increased sample size and changes in data collection methods introduced over the last year, in addition to any underlying changes in the labour market. Further details of the review of adjustments can be found in our X03: Reconciliation of estimates of employment and jobs dataset.

Figure 2: The latest adjusted Workforce Jobs estimate is 2.7% 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, December 2019 to December 2024

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Labour Force Survey and Workforce Jobs estimates of jobs adjusted for measurable differences, seasonally adjusted, UK, December 2019 to December 2024



Source: Labour Force Survey and Workforce Jobs estimates from the Office for National Statistics

Notes:

1. Increased volatility of Labour Force Survey (LFS) estimates, resulting from smaller achieved sample sizes, means that estimates of change should be treated with additional caution.

The difference between the adjusted LFS jobs and WFJ estimates (0.974 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 300,000 to 400,000. 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.

3. Workforce Jobs, Labour Force Survey, and Pay As You Earn Real Time Information employees

Comparison: December 2024

HM Revenue and Customs's (HMRC's) Pay As You Earn Real Time Information (PAYE RTI) data are derived from administrative tax records and only cover payrolled employees.

All three sources – Workforce Jobs (WFJ) employee jobs, Labour Force Survey (LFS) employee, and PAYE RTI – can be used to measure employees. However, there are definitional differences between these estimates. Each of these sources are collected and processed in different ways. We expect differences in level, for example, because of jobs versus employees, or differing reference periods.

Employee estimates differ from jobs estimates. This is because a single employee can have more than one job, and one job can also be shared by more than one employee. Because labour market status is self-defined on the LFS, differences will include people who have classed themselves as self-employed on the LFS, but are included as employees in WFJ employee jobs.

Figure 3 compares our LFS employee and WFJ employee jobs estimates with HMRC's PAYE RTI estimates of employees. The LFS employee estimate for December 2024 is based on November 2024 to January 2025 LFS data. On comparing this LFS UK employee estimate (29.361 million) with the corresponding WFJ employee estimate for December 2024 (32.432 million), the WFJ estimate is 3.071 million (10.5%) higher than the LFS estimate. The PAYE RTI employee estimate (30.415 million), which is averaged over a three-month period to make it more comparable with the LFS, is 1.054 million (3.6%) higher than the LFS estimate.

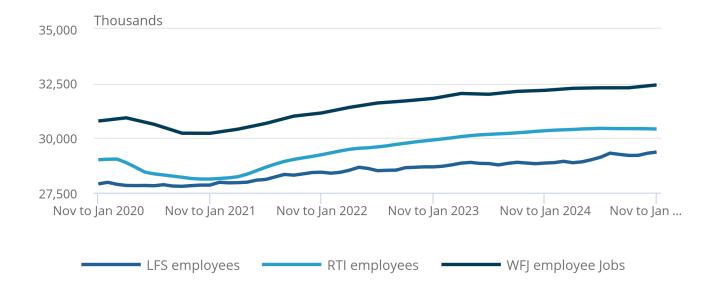
There have been ongoing challenges in assessing the coherence between these statistics in recent periods. LFS estimates are still affected by increased volatility and base effects. Annual growth from PAYE RTI and WFJ employee jobs have been broadly coherent over the last two years. However, WFJ is showing stronger annual growth in the most recent period.

Figure 3: Workforce Jobs and Pay As You Earn Real Time Information estimates have remained broadly coherent

Labour Force Survey, Workforce Jobs, and Pay As You Earn Real Time Information estimates of employees, seasonally adjusted, UK, December 2019 to December 2024

Figure 3: Workforce Jobs and Pay As You Earn Real Time Information estimates have remained broadly coherent

Labour Force Survey, Workforce Jobs, and Pay As You Earn Real Time Information estimates of employees, seasonally adjusted, UK, December 2019 to December 2024



Source: Labour Force Survey, Workforce Jobs and Pay As You Earn Real Time Information employee estimates from the Office for National Statistics

Notes:

- 1. Increased volatility of Labour Force Survey (LFS) estimates, resulting from smaller achieved sample sizes, means that estimates of change should be treated with additional caution.
- 2. Workforce Jobs are published for the months of March, June, September and December. For presentational purposes, they have been plotted against the middle month of the LFS three-month period, for example, December is plotted against November to January.
- 3. Three-month averages of Real Time Information (RTI) payrolled employees have been used here for comparability.
- 4. RTI employees here are consistent with those published in April 2025

The PAYE RTI statistics published each month are a measure of people, compared with WFJ, which measures jobs. The data published by HMRC on employments are conceptually closer to jobs. Data are available up to the end of 2024. Making this comparison between WFJ employee jobs and PAYE RTI employments suggests good coherence between these two sources in recent years.

4. Future developments

Understanding coherence challenges around the Labour Force Survey (LFS) continues to be a priority. Reweighting has improved the coherence picture, as strong population growth in recent years is now incorporated into our LFS estimates. We are also continuing to improve the quality of the LFS, building on our work to date. However, the wave structure of the LFS means that any changes in sampling and data collection can take a substantial amount of time to fully feed through the survey.

We are investigating how we can use the regular supply of Pay As You Earn Real Time Information data that we now receive to link to the LFS. This will further build our understanding and help with the reconciliation of our jobs and employee estimates. In the future, we will also extend this analysis to the Transformed Labour Force Survey.

We plan to publish an article on the quality of the LFS and Annual Population Survey in May 2025. We are also planning to update our <u>Comparison of labour market data sources methodology</u> later in 2025 to reflect any updates to data sources and methodology.

5. Data on jobs and employees

Reconciliation of estimates of employment and jobs

Dataset X03 | Released 15 April 2025

Reconciles estimates of workforce jobs (derived primarily from employer surveys) with estimates of employment (derived from the Labour Force Survey).

Full-time, part-time and temporary workers (seasonally adjusted)

Dataset EMP01 | Released 15 April 2025

Full-time, part-time and temporary workers, by sex, UK, rolling three-monthly figures published monthly, seasonally adjusted. Labour Force Survey. These are official statistics in development.

Workforce Jobs summary

Dataset JOBS01 | Released 20 March 2025

Workforce jobs summary, UK, published quarterly, seasonally adjusted.

Earnings and employment from Pay As You Earn Real Time Information, seasonally adjusted

Dataset | Released 15 April 2025

Earnings and employment statistics from Pay As You Earn (PAYE) Real Time Information (RTI), seasonally adjusted. These are official statistics in development.

6. Glossary

Employment

The number of people in employment is measured by the Labour Force Survey (LFS). The termemploymentmeasures the number of people in paid work or who had a job that they were temporarily away from (for example, because they were on holiday or off sick). This differs from the number of jobs because some people have more than one job. The employment rate is the proportion of people aged between 16 and 64 years who are in employment. LFS statistics are official statistics in development.

Jobs

A job is an activity performed for an employer or customer by a worker in exchange for payment, usually in cash, or in kind, or both. The number of jobs is not the same as the number of people in employment. This is because a person can have more than one job. The number of jobs is the sum of employee jobs from employer surveys, self-employment jobs from the LFS, those in HM Forces and government-supported trainees. For more information, see Section 10: Jobs in our A guide to labour marketstatistics methodology. The Workforce Jobs statistics are accredited official statistics.

Pay As You Earn Real Time Information employees

These data come from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) system. They cover the whole population, rather than a sample of people or companies, and they will allow for more detailed estimates of the population. The PAYE RTI statistics are official statistics in development.

A more detailed explanation is available in our Guide to labour market statistics.

7. Data sources and quality

For data sources and quality information please see:

- Section 7: Data sources and quality of our <u>Vacancies and jobs in the UK: April 2025 bulletin</u>
- Section 11: Data sources and quality of our <u>Employment in the UK: April 2025 bulletin</u>
- Section 9: Data sources and quality of our <u>Earnings and employment from Pay As You Earn Real Time</u> <u>Information, UK: April 2025 bulletin</u>

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in our<u>Labour Force Survey QMI</u>, <u>Workforce Jobs QMI</u> and <u>Pay As You Earn Real Time</u> <u>Information methodology</u>.

For a comparison of our labour market data sources and the main differences, read our <u>Comparison of labourmarket data sources methodology</u>.

8. Related links

Employment in the UK: April 2025

Bulletin | Released 15 April 2025

Estimates of employment, unemployment, and economic inactivity for the UK.

Vacancies and jobs in the UK: April 2025

Bulletin | Released 15 April 2025

Estimates of the number of vacancies and jobs for the UK.

Earning and employment from Pay As You Earn Real Time Information.UK: April 2025

Bulletin | Released 15 April 2025

Monthly estimates of payrolled employees and their pay from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) data. This is a joint release between HMRC and the Office for National Statistics (ONS). These are official statistics in development.

9. Cite this article

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