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Labour Market update: May 2017

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This briefing provides an overview of the Scottish labour market from the latest regional labour market statistics from the Office for National Statistics (ONS).



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Executive Summary

The unemployment rate in Scotland sits at 4.4% which is the lowest rate since 2008. Over the year it saw the biggest decrease since 1995. The youth unemployment rate is the lowest since comparable record began in 2001. The employment rate increased slightly to 74.0%, but is still below the overall figure for the UK.

Scottish headline labour market figures, Jan-Mar 2017

	Overall		Men		Women	
	Rate	Change over the qtr (% pts)	Rate	Change over the qtr (% pts)	Rate	Change over the qtr (% pts)
Unemployment	4.4%	-0.5	4.5%	-0.6	4.2%	-0.4
Employment	74.0%	+0.3	77.5%	+0.9	70.8%	-0.3
Economic Inactivity	22.5%	+0.1	18.8%	-0.3	26.0%	+0.6

[Regional labour market: Headline indicators for Scotland](#)

What are the labour market measurements?

The International Labour Organisation provides the official definition of labour market statistics.

What is Unemployment?

Level: Any individual aged 16 and over without a job who has been actively seeking work within the last four weeks and is available to start work within the next two weeks

Rate: Number of unemployed individuals as a proportion of the total number of economically active people, which includes both the unemployed and those in work.

What is Employment?

Level: Any individual aged 16 and over who is undertaking one hour or more a week of paid work

Rate: Number of people in employment expressed as a percentage of all people aged 16-64

What is Economic Inactivity?

Level: Any individual aged 16 to 64 who is not in employment, has not looked for work in the last four weeks, and is unable to start work within the next two weeks.

Rate: Number of people economically inactive expressed as a percentage of all people aged 16-64

The main reasons for economic inactivity are:

- Being a student and not having or looking for a job
- Looking after the family and/or home
- Being sick (temporary and long-term)
- Being retired
- Being discouraged

Unemployment

The number of unemployed people in Scotland fell by 14,000 over the quarter and 48,000 over the year.

The unemployment rate for the UK has fallen to 4.6% and has not been lower since 1975. The rate in Scotland sits at 4.4%. This is the lowest rate since 2008 (Apr-Jun 2008 4.2%)

Over the year Scotland has seen the biggest decrease in the unemployment rate since 1995.

Unemployment (16+) - seasonally adjusted, Jan-Mar 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	120	-14	-48	4.4%	-0.5	-1.7
UK	1,541	-53	-152	4.6%	-0.2	-0.5

[Regional labour market statistics in the UK: May 2017](#) and [UK labour market statistics: May 2017](#)

Unemployment by Gender

Over the year in Scotland, the fall in the unemployment level was mainly due to a decrease in the number of unemployed men of 39,000.

Over the year the unemployment rate for men in Scotland saw a decrease of 2.7 percentage points compared to 0.4 for the UK.

In Scotland this is the largest fall since comparable records began in 1993. The male unemployment rate has not been this low since 2008 (Apr-Jun 2008: 4.4%).

Unemployment by Gender (16+) - seasonally adjusted, Jan-Mar 2017

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	64	-8	-39	4.5%	-0.6	-2.7
	Women	56	-6	-8	4.2%	-0.4	-0.7
UK	Men	852	-23	-66	4.8%	-0.1	-0.4
	Women	688	-30	-86	4.4%	-0.2	-0.6

[Regional labour market statistics in the UK: May 2017](#) and [UK labour market statistics: May 2017](#)

Unemployment by age

The youth unemployment rate in Scotland is now at the lowest rate since comparable records began in 2002. Jan-Mar 2017 saw the largest fall in the unemployment rate since 2013.

The unemployment rate for 25-34 year olds is the lowest since comparable records began in 2002.

Unemployment by Age - not seasonally adjusted, Jan-Mar 2017

Age group		Scotland	UK
16-24	Rate	9.4%	12.0%
	Year change (% pts)	-6.4	-1.2
25-34	Rate	3.1%	4.5%
	Year change (% pts)	-1.9	-0.2
35-49	Rate	3.6%	3.2%
	Year change (% pts)	-0.5	-0.2
50-64	Rate	4.1%	3.2%
	Year change (% pts)	-0.4	-0.6

Regional labour market: Estimates of unemployment by age, Educational status and labour market status for people aged from 16 to 24 (not seasonally adjusted) and Employment, unemployment and economic inactivity by age group (not seasonally adjusted)

Employment

The number of people aged 16 and over in employment in Scotland increased by 5,000 over the quarter and 41,000 over the year.

The employment rate in Scotland increased by 0.3 percentage point over the year while the UK saw an increase of 0.2 percentage point.

The UK employment rate is the highest since comparable records began in 1971.

Employment (Level 16+, rate 16-64) - seasonally adjusted, Jan-Mar 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	2,620	+5	+41	74.0%	+0.3	+0.9
UK	31,947	+122	+381	74.8%	+0.2	+0.6

[Regional labour market statistics in the UK: May 2017](#) and [UK labour market statistics: May 2017](#)

Employment by Gender

Employment levels and rates are higher for men than for women at both the Scottish and UK level.

The employment level in Scotland increased despite 9,000 women leaving employment. This was due to 14,000 men entering employment.

The UK saw an overall increase in employment of 122,000 people over the quarter mainly due to 70,000 men finding work.

Employment by Gender (Level 16+, rate 16-64) - seasonally adjusted, Jan-Mar 2017

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,345	+14	+24	77.5%	+0.9	+1.3
	Women	1,275	-9	+17	70.8%	-0.3	+0.5
UK	Men	16,966	+70	+122	79.5%	+0.2	+0.3
	Women	14,982	+52	+260	70.2%	+0.2	+1.0

[Regional labour market statistics in the UK: May 2017](#) and [UK labour market statistics: May 2017](#)

Employment by Age

The employment rate for 16-24 year-olds in Scotland has increased by 3.9 percentage points over the year and is the highest since 2015. (Jan-Mar 2017: 59.2%).

The 1.5 percentage point increase for 25-34 year olds is the biggest since 2014 (Jan-Mar 2013 to Jan-Mar 2014: +3.0 percentage points)

It is the third consecutive year where there has been a decrease in the employment rate for 35-49 year olds with the rate now the lowest since 2013 (Jan-Mar 2013: 81.0%)

Employment by Age - not seasonally adjusted, Jan-Mar 2017

Age group		Scotland	UK
16-24	Rate	58.7%	54.3%
	Year change (% pts)	+3.9	+0.4
25-34	Rate	82.0%	82.4%
	Year change (% pts)	+1.5	+0.8
35-49	Rate	82.0%	83.9%
	Year Change (% pts)	-0.1	+0.2
50-64	Rate	69.3%	71.1%
	Year Change (% pts)	+0.4	+1.1

[Regional labour market: Estimates of employment by age, Educational status and labour market status for people aged from 16 to 24 \(not seasonally adjusted\) and Employment, unemployment and economic inactivity by age group \(not seasonally adjusted\)](#)

Economic Inactivity

The number of people economically inactive in Scotland increased by 4,000 over the quarter and 15,000 over the year.

Over the quarter the economic inactivity rate in Scotland increased by 0.1 percentage points whilst the UK's fell by 0.1.

Economic Inactivity (16-64) - seasonally adjusted, Jan-Mar 2017

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	767	+4	+15	22.5%	+0.1	+0.5
UK	8,829	-40	-82	21.5%	-0.1	-0.3

[Regional labour market statistics in the UK: May 2017](#) and [UK labour market statistics: May 2017](#)

Economic Inactivity by Gender

Economic inactivity rates are higher for women than for men.

The number of economically inactive people in Scotland increased mainly due to 10,000 women becoming economically inactive. While there was a decrease of 6,000 men.

Since 2015 when female inactivity was at its lowest (Jan-Mar 2015: 23.4%) the rate has increased by 2.6 percentage points.

Economic Inactivity by gender (16-64) - seasonally adjusted, Jan-Mar 2017

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate	Quarter change (% pts)	Year change (% pts)
Scotland	Men	313	-6	+17	18.8%	-0.3	+1.0
	Women	454	+10	-2	26.0%	+0.6	-0.1
UK	Men	3,347	-18	+29	16.4%	-0.1	+0.1
	Women	5,482	-22	-111	26.5%	-0.1	-0.6

[Regional labour market statistics in the UK: May 2017](#) and [UK labour market statistics: May 2017](#)

Economic Inactivity by Age

The economic inactivity rate for 35-49 year olds is the highest it has been since 2002 (Jan-Mar 2002: 16.2%).

The economic inactivity rate for 50-54 year olds is the lowest it has been since comparable records began in 2002.

Economic Inactivity by Age - not seasonally adjusted, Jan-Mar 2017

Age Group		Scotland	UK
16-24	Rate	35.2%	38.3%
	Year change (% pts)	+0.3	+0.4
25-34	Rate	15.3%	13.7%
	Year change (% pts)	+0.1	-0.6
35-49	Rate	15.0%	13.3%
	Year change (% pts)	+1.5	-0.1
50-64	Rate	27.8%	26.6%
	Year change (% pts)	-0.1	-0.6

Regional labour market: Estimates of economic inactivity by age , Educational status and labour market status for people aged from 16 to 24 (not seasonally adjusted) and Employment, unemployment and economic inactivity by age group (not seasonally adjusted)

Claimant Count

The Claimant Count figures presented here are the experimental statistics from the ONS for Jobseekers Allowance, plus Universal Credit claimants who are out of work.

Under Universal Credit a broader span of claimants are required to look for work than under Jobseekers Allowance. As Universal Credit Full Service is rolled out in particular areas, the number of people recorded as being on the Claimant Count is therefore likely to rise.

This is not an official measure of unemployment, but it does provide accurate information on the labour market at a local level.

Scotland and UK comparison

The seasonally adjusted claimant count rate for April in Scotland increased by 0.1 percentage point over the month as well as the year.

There was no change over the quarter or year in the claimant count rate in the UK.

The Scottish claimant count rate is higher than the UK rate.

Claimant Count - Seasonally adjusted, April 2017

	Level	Month Change	Year Change	Rate	Month Change (% pts)	Year Change (% pts)
Scotland	80,000	+2,100	+4,300	2.3%	+0.1	+0.1
UK	792,800	+19,400	+29,800	1.9%	+0.0	+0.0

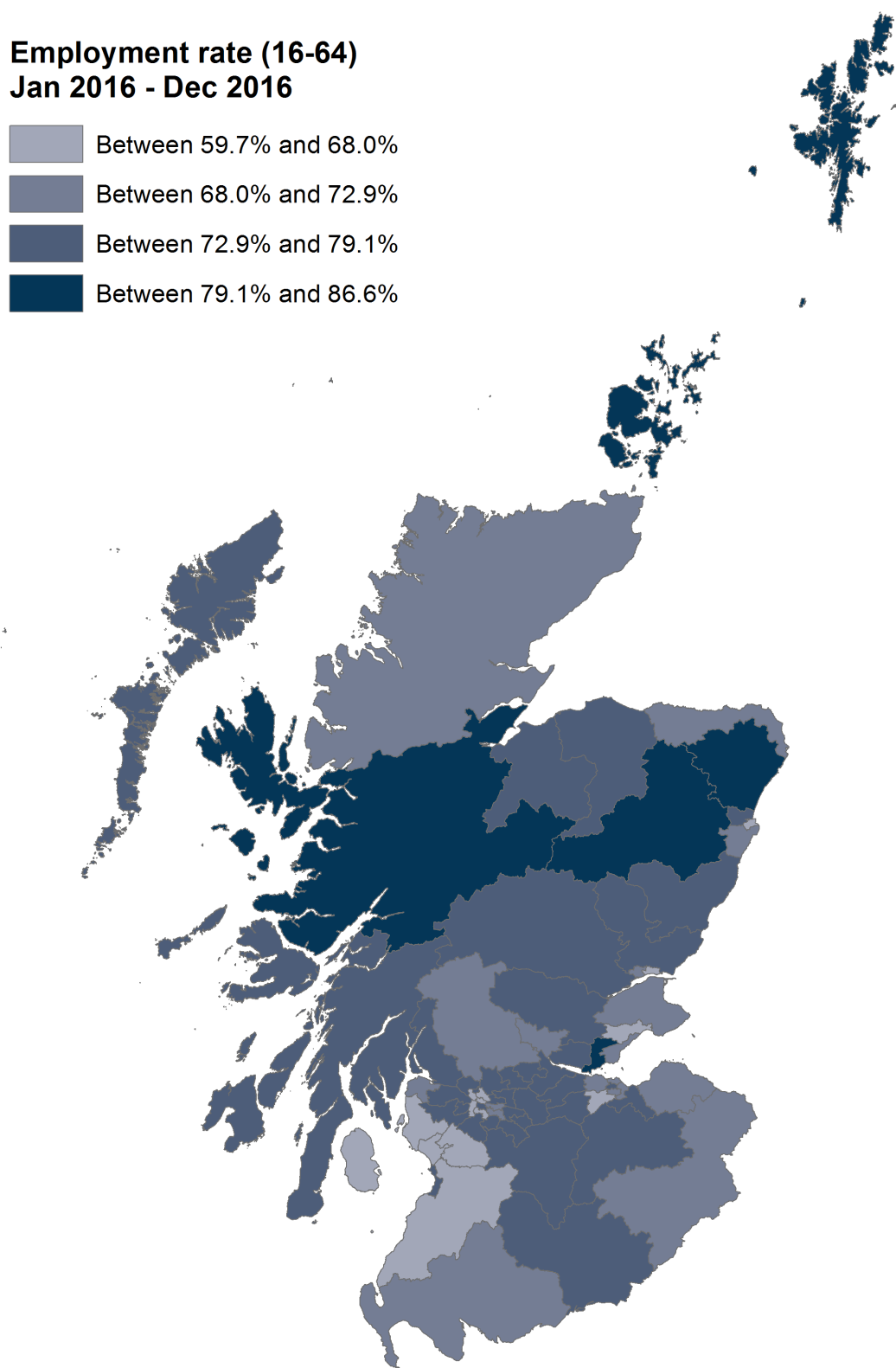
[Claimant Count via nomis](#)

Constituency data: Employment Rate

The constituency data for Scotland comes from the Annual Population Survey (APS). The APS datasets are produced quarterly, with each dataset containing 12 months of data. The latest APS data is for 2016.

The Shetland Islands have the highest employment rate at 86.6% while Glasgow Maryhill and Springburn has the lowest at 59.7%. Glasgow Provan saw the biggest increase over the year, while Glasgow Cathcart saw the largest decrease.

Figure 1: Employment rate by Constituency (16-64) - 2016



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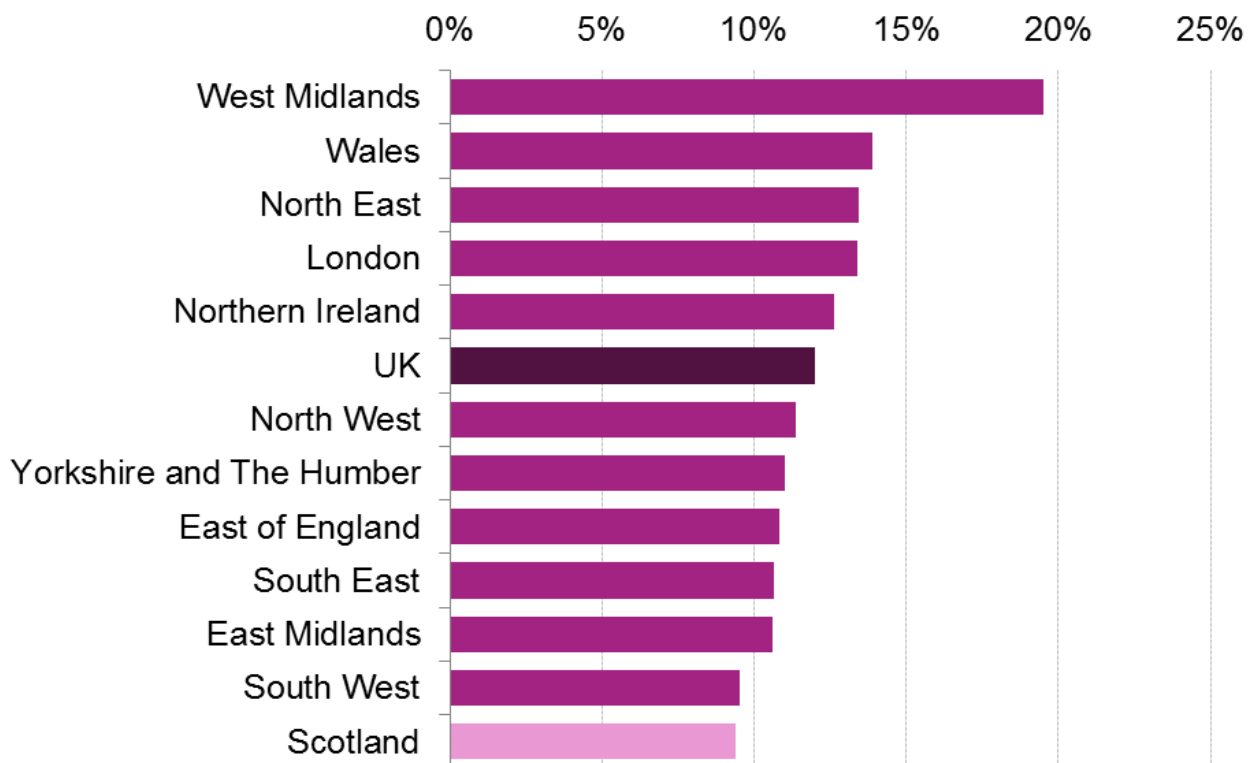
Find out the [latest labour market data for your constituency.](#)

Guest Indicator: 16-24 year olds

The youth unemployment rate in Scotland is the lowest since comparable record began in 2002, at 9.4%. This give Scotland the lowest youth employment rate across the UK.

Scotland has the lowest youth unemployment rate in the UK

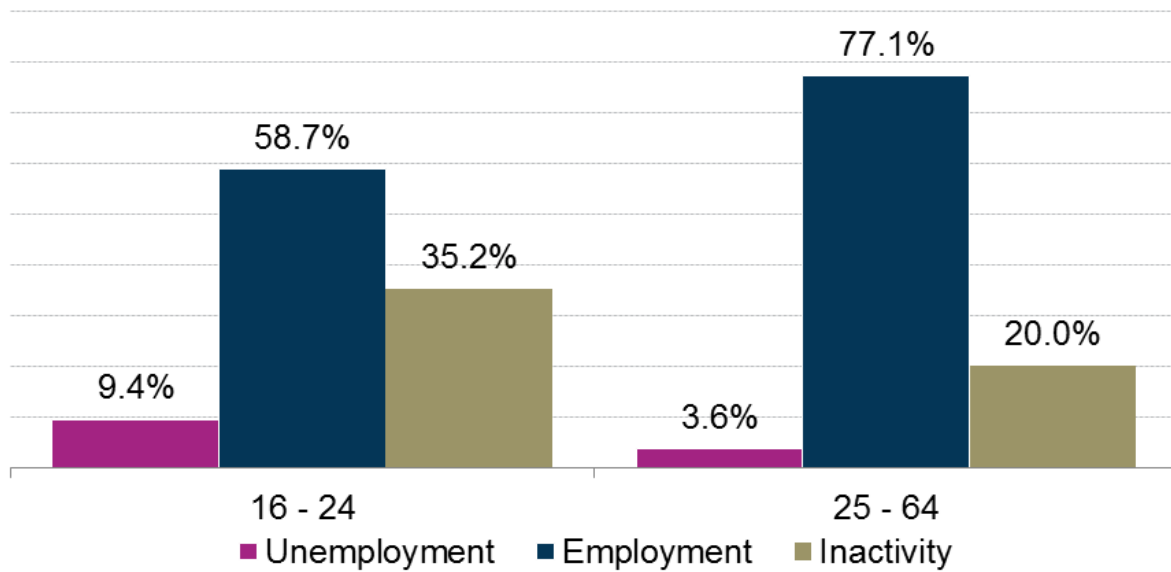
Figure 2: Youth unemployment figures across the UK, Jan-Mar 2017



[Regional labour market: Estimates of unemployment by age](#)

The youth employment rate is higher than for the rest of the population in Scotland (ie, those aged 25-64). Figure 3 shows the economic inactivity rate is also higher for 16-24 year olds. This is because this age group will have the highest proportion of people in full-time education, which is one of the main reasons for economic inactivity classification.

Figure 3: Composition of the labour market for 16-24 year old and 25-64 year olds - Jan-Mar 2017

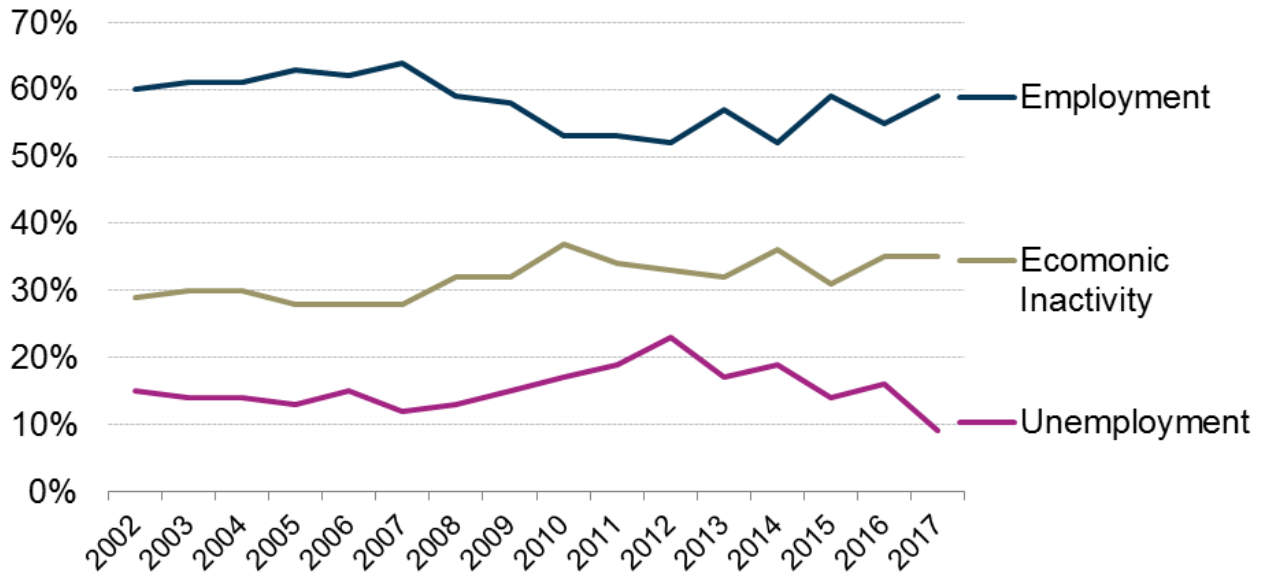


[Regional labour market: Estimates of employment by age](#), [Regional labour market: Estimates of unemployment by age](#) and [Regional labour market: Estimates of economic inactivity by age](#)

Figure 4 show how employment, unemployment and economic inactivity has changed for 16-24 year olds since 2003.

- Since 2012 the youth unemployment rate has decreased significantly, from 22.9% to 9.4%. Over the same period employment has grown from 52.1% to 58.7% and economic inactivity has increased from 32.5% to 35.2%.
- Since 2008 the employment rate has been below 60%.
- Since 2008 the economic inactivity rate has remained above 30%.

Figure 4: 16-24 years in the labour market form 2002 - 2017 (Jan-Mar)



[Regional labour market: Estimates of employment by age](#), [Regional labour market: Estimates of unemployment by age](#) and [Regional labour market: Estimates of economic inactivity by age](#)

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