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Labour market update: April 2019

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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

This briefing provides an overview of the Scottish labour market from the latest regional labour market statistics ¹ and UK labour market statistics ² published by the Office for National Statistics (ONS). The majority of the data is for Dec-Feb 2019, unless otherwise stated.

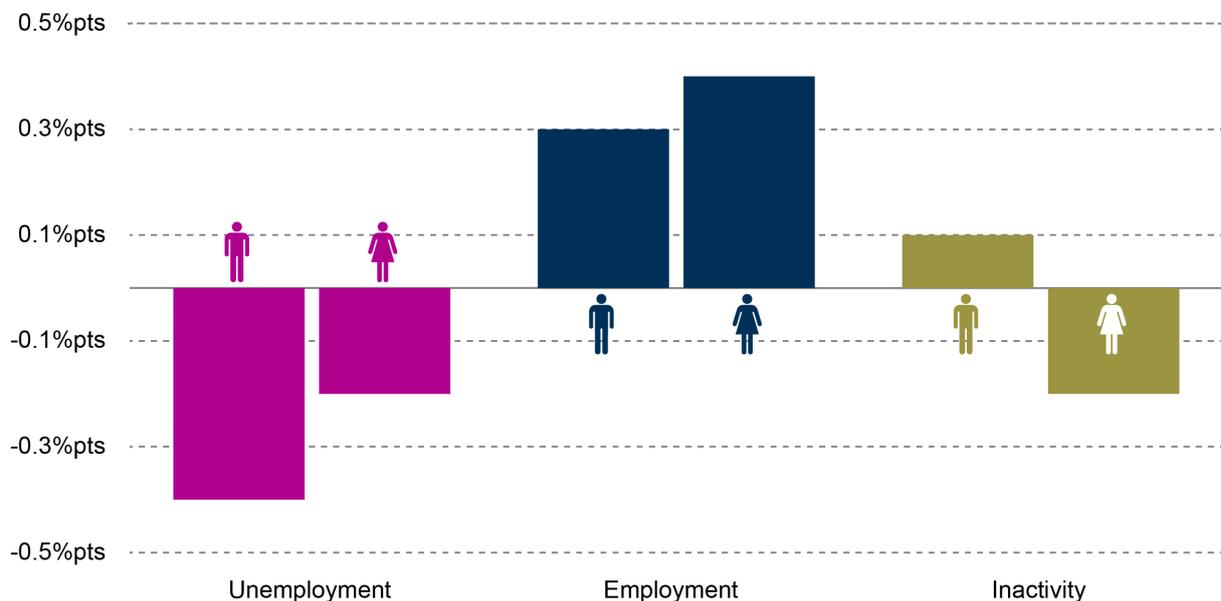
The latest data show that the current unemployment rate (3.3%) is the lowest since comparable records began in 1992, whilst the employment rate is the highest (75.6%). The inactivity rate is the joint third highest of the nations and regions of the UK (21.8%).

The unemployment rates for men (3.8%) and women (2.8%) are also at an all time low, falling at a faster rate than the UK as a whole. When looking at employment over the year, the growth came entirely from men as the number of women in employment fell.

While the inactivity rate fell over the quarter, it increased over the year. Over the quarter, the number of inactive men increased while the number of women fell. However, over the year the number of inactive men fell, while the number of inactive women increased.

Figure 1 shows the change in unemployment, employment and inactivity rates over the quarter by gender.

Figure 1: Change in unemployment, employment and inactivity rates over the quarter by gender (Sep-Nov 2018 to Dec-Feb 2019) (percentage points)



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

The following table shows the unemployment, employment and inactivity rates and the change on the previous quarter.

Scottish headline labour market figures, Dec-Feb 2019

	Overall		Men		Women	
	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)	Rate (%)	Change over the qtr (% pts)
Unemployment	3.3%	-0.3	3.8%	-0.4	2.8%	-0.2
Employment	75.6%	+0.3	79.5%	+0.3	71.8%	+0.4
Economic Inactivity	21.8%	-0.1	17.3%	+0.1	26.0%	-0.2

[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/or 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.

You can find out more information on labour market statistics in the [SPICe Labour market statistics briefing](#).

Unemployment

The number of unemployed people in Scotland decreased by 8,000 over the quarter and by 24,000 over the year.

The unemployment rate for Scotland is 3.3%, whilst for the UK as a whole it is 4.9%. The Scottish rate is the lowest since comparable records began in 1992, while the the UK level hasn't been as low since November 1974 to January 1975. ²

The unemployment rate in Scotland fell over the quarter and the year at a faster rate than the UK.

Unemployment (16+) - seasonally adjusted, Dec-Feb 2019

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	93	-8	-24	3.3%	-0.3	-0.9
UK	1,343	-27	-76	3.9%	-0.1	-0.3

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

Looking at unemployment across the UK, the South West of England has the lowest rate at 2.6%, whilst the North East of England has the highest at 5.6%. The rate in Scotland is joint fourth lowest across the UK, along with the South East of England.

The [data also shows](#) that over the year Scotland saw the largest fall in the unemployment rate of the nations and regions of the UK.

Figure 2: Unemployment rates across the UK (16+) - Dec-Feb 2019



[Regional labour market summary](#)

Unemployment by gender

Over the quarter, the unemployment level decreased by 8,000 in Scotland (6,000 men and 2,000 women).

Over the year, the unemployment level fell by 24,000 in Scotland (15,000 men and 9,000 women)

The unemployment rate for both men and women in Scotland fell over the quarter and the year. The unemployment rates for both men and women are the lowest since comparable records began in 1992.

The unemployment rate for both men and women is lower in Scotland than the UK.

Unemployment by gender (16+) - seasonally adjusted, Dec-Feb 2019

		Level ('000)	Quarter change ('000)	Year Change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	55	-6	-15	3.8%	-0.4	-1.1
	Women	38	-2	-9	2.8%	-0.2	-0.6
UK	Men	731	-7	-18	4.1%	0.0	-0.1
	Women	611	-20	-29	3.8%	-0.2	-0.4

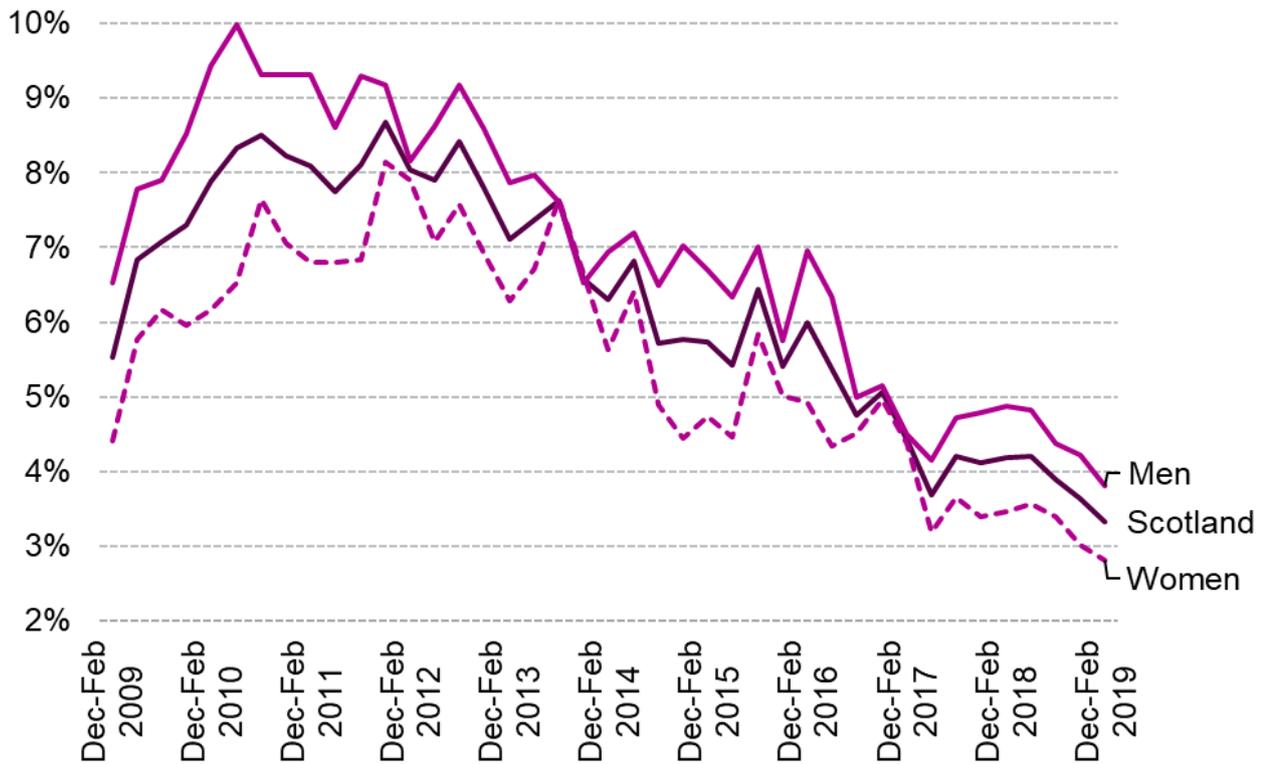
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

Figure 3 shows how unemployment rates by gender in Scotland have changed over the past 10 years.

The unemployment rate for men peaked at 10.0% in Mar-May 2010. Since then it has fallen by 6.2 percentage points, and is the lowest since comparable records began in 1992

The unemployment rate for women peaked at 8.1% in Sep-Nov 2011. Since then it has fallen by 5.1 percentage points to the current rate of 2.8%. This is the lowest rate since comparable records began.

Figure 3: Unemployment rate by gender (16+) - seasonally adjusted, Dec-Feb 2009 to Dec-Feb 2019



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

Unemployment by age

This data is not seasonally adjusted and is compared with the same quarter in previous years.

The unemployment rates for the 16 to 24 (8.4%), 25 to 34 (2.7%) and 35 to 49 (2.5%) age groups are the lowest since comparable records began in 2002.

The only age group in Scotland that deviates significantly from the UK is 16-24 year olds, at 3.4 percentage points lower than the UK.

Unemployment by age - not seasonally adjusted, Dec-Feb 2019

Age group		Scotland	UK
16-24	Rate	7.2%	10.6%
	Year change (% pts)	-2.6	-0.8
25-34	Rate	3.4%	3.6%
	Year change (% pts)	-0.3	-0.3
35-49	Rate	1.9%	2.6%
	Year change (% pts)	-1.3	-0.2
50-64	Rate	3.5%	2.9%
	Year change (% pts)	+0.1	-0.1

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

Employment

The number of people aged 16 and over in employment in Scotland increased by 17,000 over the quarter and by 20,000 over the year.

The rate in Scotland increased over both the quarter and the year, however the UK grew faster over both the quarter and year.

The current employment rate, of 75.6%, is the highest since comparable records began in 1992. While for the UK it is the the joint-highest since comparable estimates began in 1971.

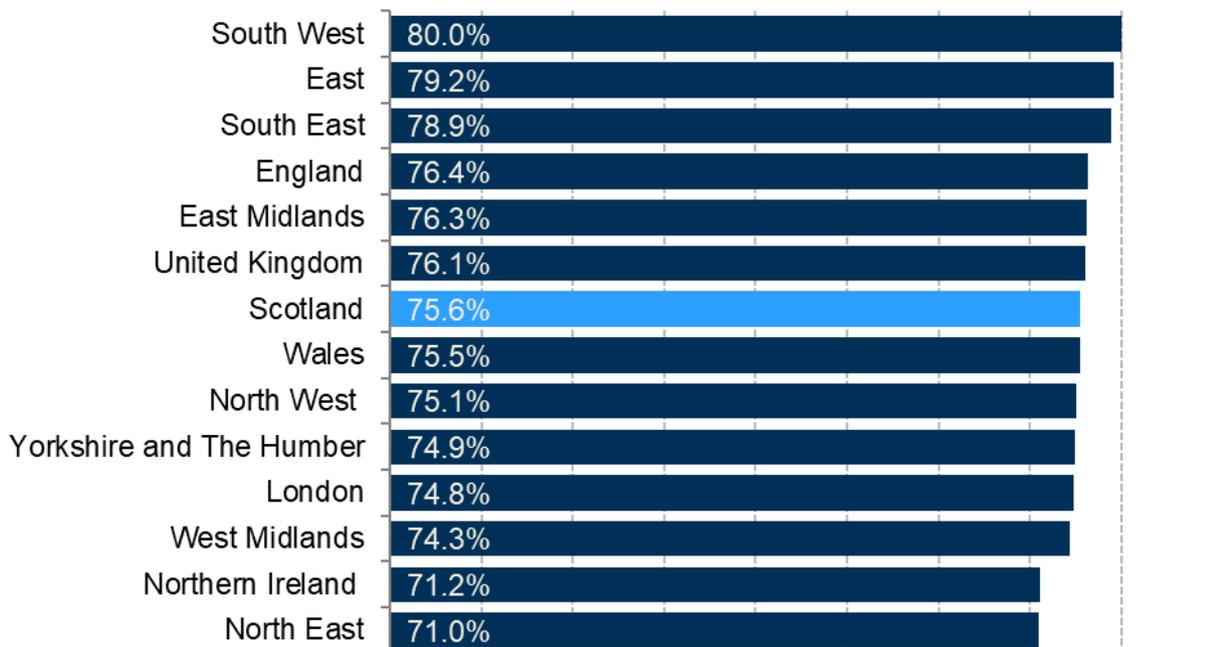
Employment (Level 16+, rate 16-64) - seasonally adjusted, Dec-Feb 2019

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	2,688	+17	+20	75.6%	+0.3	+0.6
UK	32,721	+179	+457	76.1%	+0.4	+0.8

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

Looking at employment across the UK, the Scottish rate is just below the UK. The South West has the highest rate at 80.0%, whilst North East has the lowest at 71.0%.

Figure 4: Employment rates across the UK (16-64), Dec-Feb 2019



[Regional labour market summary](#)

Employment by gender

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

Over the year the employment level increased by 17,000 in Scotland (8,000 men and 8,000 women).

The number of men in employment is currently the highest since comparable records began in 1992.

The rate in Scotland for both men and women increased over the quarter. Whilst it increased over the year for men it was unchanged for women.

The employment rate for women in Scotland is the same as the UK, whilst it is lower for men in Scotland than the UK.

Employment by gender (Level 16+, rate 16-64) - seasonally adjusted, Dec-Feb 2019

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	1,390	+8	+24	79.5%	+0.3	+1.2
	Women	1,298	+8	-4	71.8%	+0.4	0.0
UK	Men	17,311	+37	+221	80.5%	+0.2	+0.7
	Women	15,409	+142	+236	71.8%	+0.6	+0.8

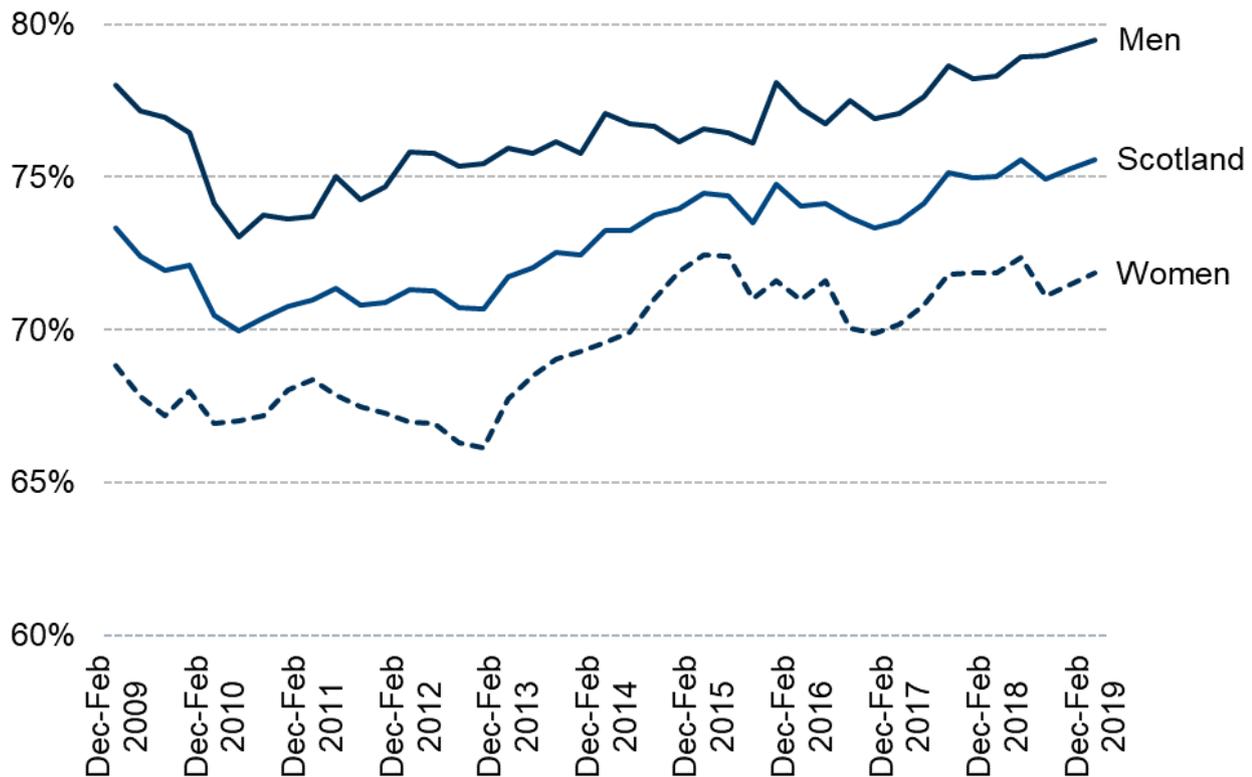
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

Figure 5 shows how employment rates by gender in Scotland have changed over the past 10 years.

The employment rate for women has increased by 5.7 percentage points since Sep-Nov 2012, when it was its lowest in the last 10 years, at 66.1%. It is, however, slightly below its peak of 72.5% in Dec-Feb 2015.

The men's employment rate has increased by 6.5 percentage points since Mar-May 2011, when it was at its lowest in the last 10 years, at 73.0%. The rate is currently the highest it has been for the last 10 years.

Figure 5: Employment rate by gender (16-64) - seasonally adjusted, Sep-Nov 2008 to Dec-Feb 2019



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

Employment by age

This data is not seasonally adjusted and is compared with the same quarter in previous years.

Despite a slight decrease over the year, the employment rate for 50-64 year olds has increased by 10.4 percentage points since 2002.

The employment rate for the 25 to 34 year old age group is the highest since comparable records began in 2002.

The youth employment rate (16-24) and the 50-65 year old age groups deviate from the UK, 4.5 percentage points higher and 4.4 percentage points lower respectively.

Employment by age - not seasonally adjusted, Dec-Feb 2019

Age group		Scotland	UK
16-24	Rate (%)	59.5%	55.1%
	Year change (% pts)	+2.2	+1.4
25-34	Rate (%)	84.4%	84.2%
	Year change (% pts)	+1.5	+0.8
35-49	Rate (%)	85.0%	85.3%
	Year change (% pts)	+2.9	+0.2
50-64	Rate (%)	67.9%	72.3%
	Year change (% pts)	-3.2	+0.8

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

Economic inactivity

The number of people economically inactive in Scotland fell over the quarter by 3,000, but increased by 3,000 over the year.

The inactivity rate in Scotland fell over the year but increased over the quarter, while it fell over both the year and the quarter for the UK as a whole.

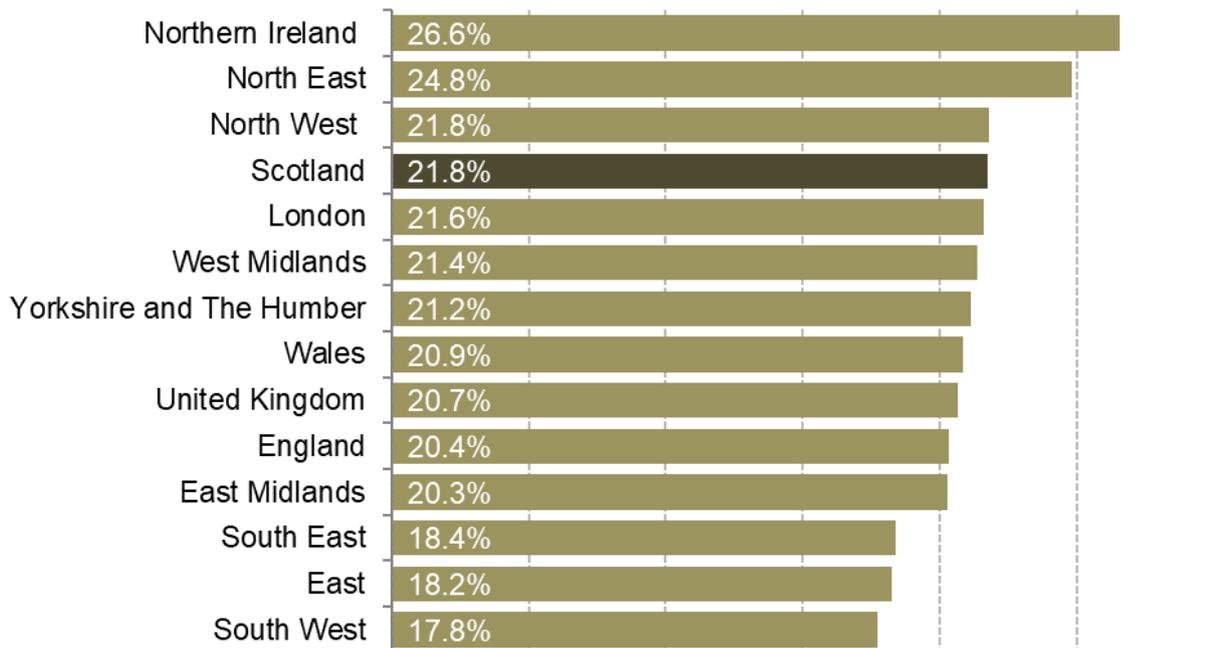
Economic inactivity (16-64) - seasonally adjusted, Dec-Feb 2019

	Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	749	-3	+3	21.8%	-0.1	+0.1
UK	8,536	-114	-213	20.7%	-0.3	-0.6

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

Looking at economic inactivity across the UK, the Scottish rate is joint third highest of the nations and regions of the UK. Northern Ireland has the highest rate at 26.6%, whilst the South West has the lowest at 17.8%.

Figure 6: Economic inactivity rates across the UK (16-64)-Dec-Feb 2019



[Regional labour market summary](#)

Economic inactivity by gender

Economic inactivity rates are higher for women than for men.

Over the quarter, the number of inactive men increased by 1,000, whilst the number of inactive women fell by 4,000.

Over the the year, the number of inactive men fell by 6,000 while the number of inactive women increased by 9,000.

The inactivity rates for men and women are higher in Scotland than in the UK overall.

Economic Inactivity by gender (16-64) - seasonally adjusted, Dec-Feb 2019

		Level ('000)	Quarter change ('000)	Year change ('000)	Rate (%)	Quarter change (% pts)	Year change (% pts)
Scotland	Men	291	+1	-6	17.3%	+0.1	-0.4
	Women	458	-4	+9	26.0%	-0.2	+0.5
UK	Men	3,290	-24	-113	16.0%	-0.1	-0.6
	Women	5,246	-90	-100	25.3%	-0.4	-0.5

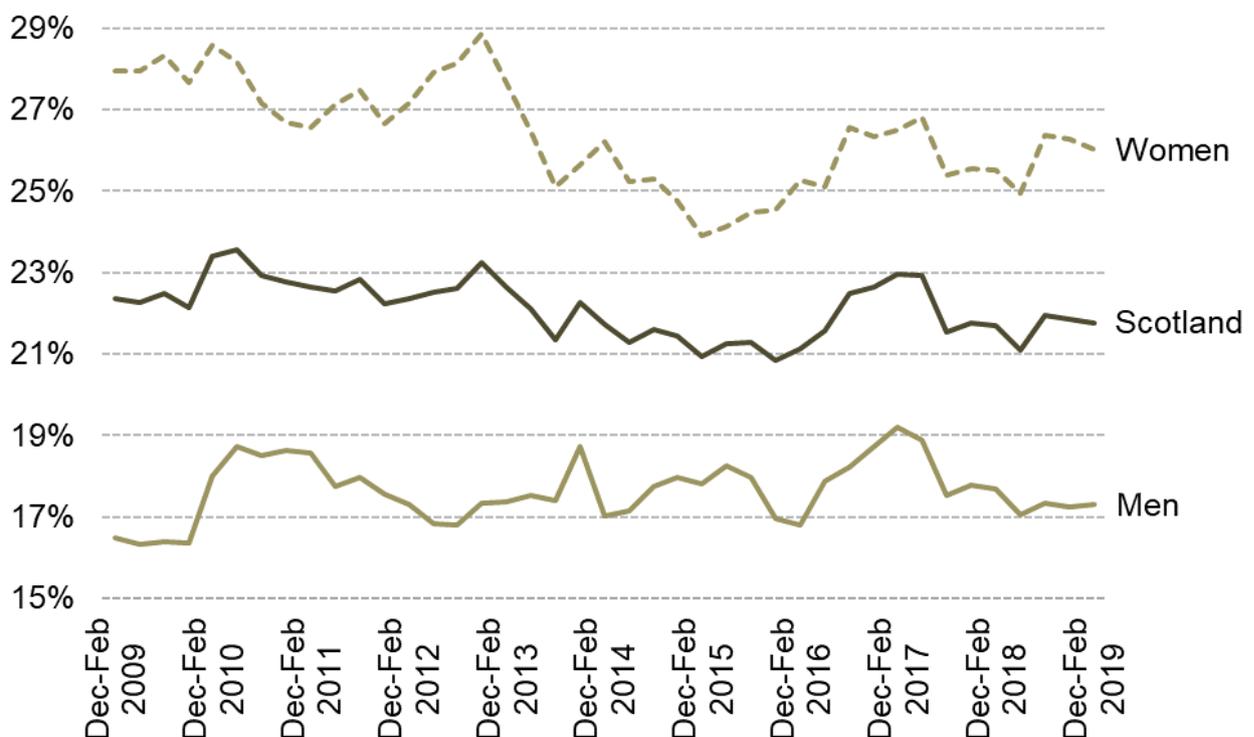
[UK labour market](#) and [Regional labour market: Headline indicators for Scotland](#)

Figure 7 shows how inactivity rates by gender in Scotland have changed over the past 10 years.

The inactivity rate for men peaked in Dec-Feb 2017, at 19.2%. Since then it has fallen by 2.9 percentage points. The lowest rate for men was in Mar-May 2009, at 16.3%.

The inactivity rate for women peaked at 28.9% in Sep-Nov 2012. It then fell to 23.9% by the Dec-Feb 2015, and now sits 2.1 percentage points higher, at 26.0%.

Figure 7: Inactivity rate by gender (16-64) - seasonally adjusted, Sep-Nov 2008 to Dec-Feb 2019



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

Economic inactivity by age

This data is not seasonally adjusted and is compared with the same quarter in previous years.

The rise of 3.3 percentage points over the year in the inactivity rate for the 50-64 year old age group is the largest since comparable records began in 2002. Despite this,

overall it has fallen by 10.1 percentage points since 2002.

The inactivity rate for the 25-34 year old age group is the lowest since comparable records began in 2002.

Economic Inactivity by Age - not seasonally adjusted, Dec-Feb 2019

Age Group		Scotland	UK
16-24	Rate (%)	35.9%	38.3%
	Year change (% pts)	-0.6	-1.1
25-34	Rate (%)	12.7%	12.7%
	Year change (% pts)	-1.3	-0.5
35-49	Rate (%)	13.4%	12.4%
	Year change (% pts)	-1.8	-0.1
50-64	Rate (%)	29.6%	25.5%
	Year change (% pts)	+3.3	-0.7

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

Claimant Count

The Claimant Count figures presented here are experimental statistics from the ONS for Jobseekers Allowance (JSA), plus Universal Credit claimants who are required to look for work.

Universal Credit combines both in work and out of work benefits. As a result, people may be more likely to be on Universal Credit for very short periods of unemployment compared to JSA. As Universal Credit rolls out, 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 March increased by 0.1 percentage points from February and by 0.6 percentage points over the year for both Scotland and the UK.

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

Claimant Count - Seasonally adjusted, March 2019

	Level	Month Change	Year Change	Rate (%)	Month Change (% pts)	Year Change (% pts)
Scotland	104,900	+2,200	+19,900	3.0%	+0.1	+0.6
UK	1,066,200	+28,300	+217,700	2.6%	+0.1	+0.6

[Claimant Count via nomis](#)

Constituency data: unemployment

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. This data is based on residence analysis of the APS.

The latest APS data is for Jan 2018-Dec 2018.

Dumfriesshire and Eastwood have the lowest unemployment rate at 1.6%, whilst Glasgow Pollok has the highest at 12.2%. Glasgow Pollok saw the biggest increase over the year, whilst Kirkcaldy saw the largest decrease.

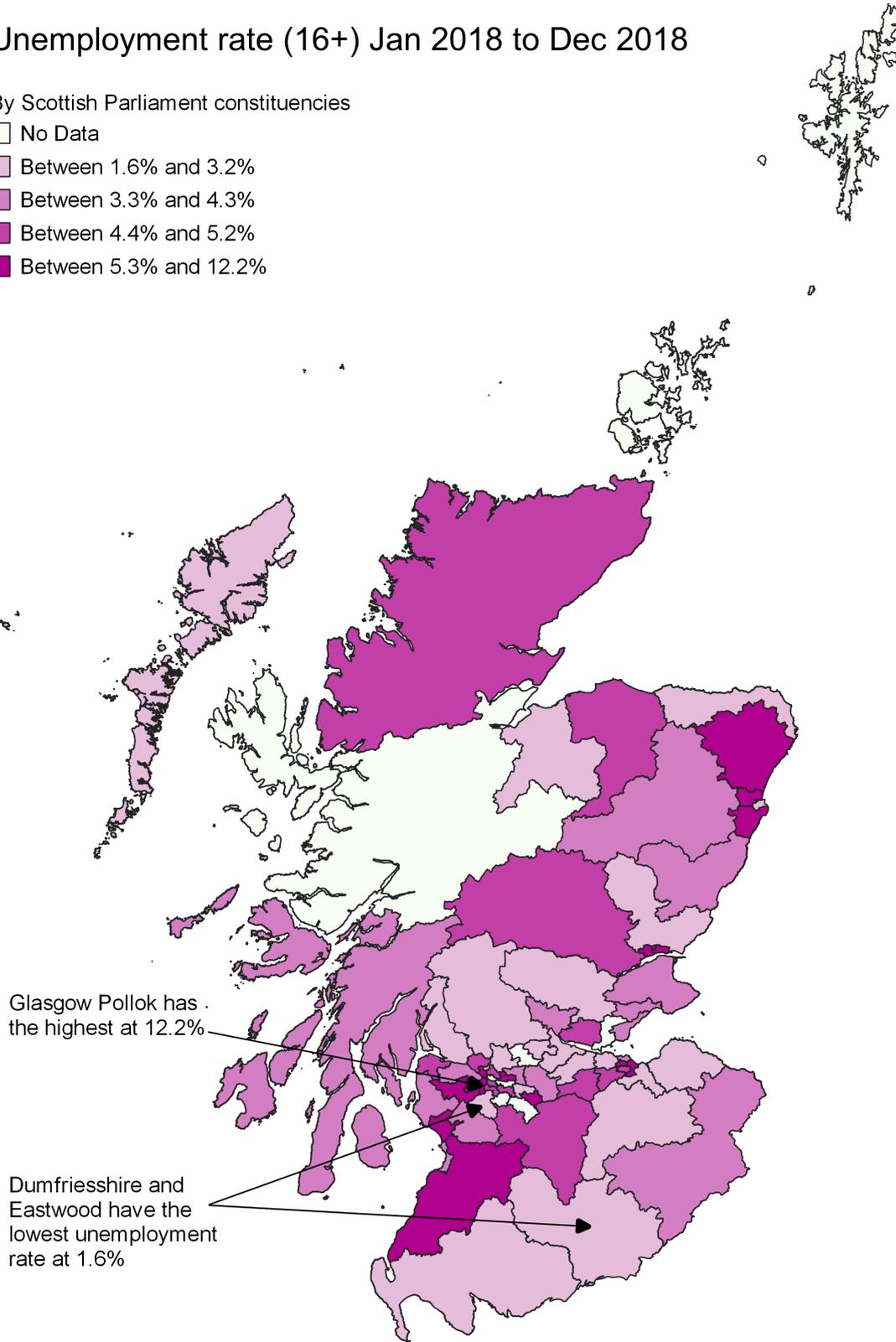
This data is from the resident analysis of the APS, meaning the rate is for those who live in the constituency.

Figure 8: Unemployment rate by constituency (16+) - 2018

Unemployment rate (16+) Jan 2018 to Dec 2018

By Scottish Parliament constituencies

- No Data
- Between 1.6% and 3.2%
- Between 3.3% and 4.3%
- Between 4.4% and 5.2%
- Between 5.3% and 12.2%



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

Bibliography

- 1 Office for National Statistics. (2019, April 16). Regional labour market statistics in the UK: April 2019. Retrieved from <https://www.ons.gov.uk/releases/regionallabourmarketstatisticsintheukapril2019> [accessed 16 April 2019]
- 2 Office for National Statistics. (2019, April 16). UK labour market: April 2019. Retrieved from <https://www.ons.gov.uk/releases/uklabourmarketstatisticsapril2019> [accessed 16 April 2019]

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