

Statistical bulletin

Labour market overview, UK: October 2023

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



Release date: 24 October 2023

Next release: 14 November 2023

Table of contents

- 1. Other pages in this release
- 2. Main points
- 3. Latest indicators at a glance
- 4. Labour market data
- 5. Glossary
- 6. Measuring the data
- 7. Strengths and limitations
- 8. Related links
- 9. Cite this statistical bulletin

1. Other pages in this release

- Average weekly earnings in Great Britain
- Earnings and employment from Pay As You Earn Real Time Information, UK
- Vacancies and jobs in the UK

2. Main points

The estimate of payrolled employees in the UK for September 2023 is largely unchanged on the month, down 11,000 on the revised August 2023 figure, to 30.1 million. The September 2023 estimate should be treated as a provisional estimate and is likely to be revised when more data are received next month.

UK payrolled employee growth for August 2023 compared with July 2023 has been revised from a decrease of 1,000 reported in the last bulletin to a decrease of 8,000.

Because of the increased uncertainty around the Labour Force Survey (LFS) estimates, today we are publishing an alternative series of estimates of UK employment, unemployment, and economic inactivity as experimental statistics. The experimental figures were derived using growth rates from Pay as You Earn Real-Time Information and the Claimant Count for the periods from May to July 2023 onwards. This is to provide a more holistic view of the state of the labour market while the LFS estimates are uncertain. Unadjusted June to August LFS data are not published.

Experimental estimates for June to August 2023 show a 0.3 percentage point decrease in the UK employment rate to 75.7% compared with the previous quarter (March to May 2023).

Experimental estimates for June to August 2023 show a 0.2 percentage point increase in the UK unemployment rate to 4.2% compared with the previous quarter (March to May 2023).

Experimental estimates for June to August 2023 show a 0.1 percentage point increase in the UK economic inactivity rate to 20.9% compared with the previous quarter (March to May 2023).

In July to September 2023, the estimated number of vacancies in the UK fell by 43,000 on the quarter to 988,000. Vacancies fell on the quarter for the 15th consecutive period, with vacancies falling in 14 of the 18 industry sectors.

Annual growth in regular pay (excluding bonuses) in Great Britain was 7.8% in June to August 2023, similar to recent periods and one of the highest regular annual growth rates since comparable records began in 2001. Annual growth in employees' average total pay (including bonuses) was 8.1%. This total annual growth rate is affected by the NHS and Civil Service one-off payments made in June, July, and August 2023. In real terms (adjusted for inflation using Consumer Prices Index including owner occupier's housing costs (CPIH)), annual growth for total pay rose on the year by 1.3%, and regular pay rose on the year by 1.1%.

There were 119,000 working days lost because of labour disputes across the UK in August 2023. The majority of the strikes were in the health and social work sector.

3. Latest indicators at a glance

4. Labour market data

Summary of labour market statistics

Dataset A01 | Released 24 October 2023

Labour market statistics summary data table, including earnings, employment, unemployment, redundancies and vacancies, Great Britain and UK, published monthly.

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

Dataset | Released 17 October 2023

Earnings and employment statistics from Pay As You Earn (PAYE) Real Time Information (RTI) (experimental statistics), seasonally adjusted.

Adjusted Employment, Unemployment and Economic Inactivity

Dataset X10 | Released 24 October 2023

Experimental adjusted estimates of employment, unemployment and economic inactivity.

A guide to labour market data

Methodology | Updated 21 April 2023

Summary of labour market datasets, providing estimates of employment, unemployment, average weekly earnings, and the number of vacancies. Tables are listed alphabetically and by topic.

View all related data on our related data page.

Alternatively, Nomis provides free access to the most detailed and up-to-date UK labour market statistics.

5. Glossary

Average weekly earnings

Average weekly earnings, detailed in our <u>Guide to labour market statistics methodology</u>, measure money paid by employers to employees in Great Britain before tax and other deductions from pay. The estimates are not just a measure of pay rises, because they also reflect, for example, changes in the overall structure of the workforce.

More high-paid jobs in the economy would have an upward effect on the earnings growth rate.

Economic inactivity

People not in the labour force (also known as economically inactive in our <u>Guide to labour market statistics</u> <u>methodology</u> are not in employment but do not meet the internationally accepted definition of unemployment. This is because they have not been seeking work within the last four weeks or they are unable to start work in the next two weeks. The economic inactivity rate is the proportion of people aged between 16 and 64 years who are not in the labour force.

Employment

Employment measures 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. See our <u>Guide to labour market statistics methodology</u> for a more detailed explanation.

Unemployment

Unemployment measures people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks. The unemployment rate is not the proportion of the total population who are unemployed. It is the proportion of the economically active population (people in work and those seeking and available to work) who are unemployed. See our <u>Guide to labour market statistics methodology</u> for more information.

Vacancies

Vacancies are defined as positions for which employers are actively seeking recruits from outside their business or organisation. The estimates are based on the Vacancy Survey. This is a survey of businesses designed to provide estimates of the stock of vacancies across the economy, excluding agriculture, forestry, and fishing (a small sector for which the collection of estimates would not be practical). For more information, see our <u>Guide to labour market statistics methodology</u>.

Pay As You Earn (PAYE) Real Time Information (RTI)

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 release is classed as experimental statistics (see our <u>Guide to experimental statistics methodology</u>), as the methodologies used to produce the statistics are still in their development phase. As a result, the series are subject to revisions.

A more detailed glossary is available in our **Guide to labour market statistics methodology**.

6. Measuring the data

In response to the coronavirus (COVID-19) pandemic, the Office for National Statistics (ONS) increased the wave 1 Labour Force Survey (LFS) issued sample size to mitigate the drop-in response rates. In July 2023, it reverted to pre-pandemic wave 1 LFS sample sizes.

Because of ongoing challenges in maintaining response rates, the LFS is experiencing higher sampling variability than in the past, especially for estimates for smaller subgroups of the population. As a result, estimates, especially for smaller groups, should be used with caution.

Further information can be found in our quarterly <u>Labour Force Survey performance and quality monitoring reports</u> and in our <u>blog on the ongoing data collection challenges with the Labour Force Survey</u>, published in August 2023.

Our <u>Comparison of labour market data sources methodology</u> compares data sources and discusses some of the main differences.

Coronavirus

For more information on how labour market data sources were affected by the coronavirus (COVID-19) pandemic, see our <u>Coronavirus and the effects on UK labour market statistics article</u>.

Labour Force Survey reweighting

The reweighting of the LFS, originally planned for October 2023, will now not happen. Instead, we will be updating the weighting when the Transformed Labour Force Survey (TLFS) is introduced in March 2024, to ensure that the most consistent and up-to-date population estimates are used. We intend to use the next population estimates (for mid-year 2022), which will be released on 23 November 2023, in weighting the TLFS.

Pre-release data

The Bank of England was granted exceptional pre-release access to our LFS datasets at 1pm on Thursday 19 October 2023 so that the data were available to produce forecasts and prepare the Monetary Policy Committee (MPC) report.

The Office for Budget Responsibility was granted exceptional pre-release access to our LFS datasets at 1pm on Thursday 19 October 2023 for the purposes of preparing the draft economic and fiscal forecasts.

The exchange of letters requesting pre-release are available on the ONS website.

Making our published spreadsheets accessible

Following the <u>Government Statistical Service (GSS)</u> guidance on <u>Releasing statistics in spreadsheets</u>, we will be amending our published tables over the coming months to improve usability, accessibility and machine readability of our published statistics. To help users change to the new formats, we will be publishing sample versions of a selection of our tables and, where practical, initially publish the tables in both the new and current formats. If you have any questions or comments, please email us at <u>labour.market@ons.gov.uk</u>.

Labour market transformation

We have published a <u>Labour market transformation article</u> and a <u>Transforming the LFS blog post</u> providing an update on the transformation of labour market statistics.

We welcome your feedback on this latest update and our plans. Please email us at labour.market.transformation@ons.gov.uk to tell us what you think.

7. Strengths and limitations

The estimates presented in this bulletin contain uncertainty. For more information, see our <u>Uncertainty and how</u> <u>we measure it methodology</u>.

Information on revisions is available in our Labour market statistics revisions policy.

Information on the strengths and limitations of this bulletin is available in our previous bulletin, <u>Labour market overview</u>, <u>UK: April 2021</u>.

Further information is available in our <u>Guide to labour market statistics methodology</u>.

8. Related links

Cost of living latest insights

Web page | Updated as and when data become available

The latest data and trends about the cost of living. Explore changes in the cost of everyday items and how this is affecting people.

Economic activity and social change in the UK, real-time indicators: 19 October 2023

Bulletin | Released 19 October 2023

Early experimental data and analysis on economic activity and social change in the UK. These real-time indicators are created using rapid response surveys, novel data sources and experimental methods.

Business insights and impact on the UK economy: 19 October 2023

Bulletin | Released 19 October 2023

The impact of challenges facing the economy and other events on UK businesses. Based on responses from the voluntary fortnightly business survey (BICS) to deliver real-time information to help assess issues affecting UK businesses and economy, including financial performance, workforce, trade and business resilience.

Rising ill-health and economic inactivity due to long-term sickness, UK: 2019 to 2023

Article | Released 26 July 2023

Experimental statistics estimating the different health conditions of the working-age population and those economically inactive due to long-term sickness.

Sickness absence in the UK labour market: 2022

Article | Released 26 April 2023

3 Sickness absence rates of workers in the UK labour market, including number of days lost and reasons for absence.

The impact of strikes in the UK: June 2022 to February 2023

Article | Released 8 March 2023

A range of sources exploring the impact of strikes in the context of the wider economic and social landscape.

Returning to the workplace – the motivations and barriers for people aged 50 years and over, Great Britain: August 2022

Article | Released 19 December 2022

The characteristics and motivations associated with adults aged 50 years and over considering returning to the labour market after leaving their previous job since the start of the coronavirus (COVID-19) pandemic. Experimental statistics.

9. Cite this statistical bulletin

Office for National Statistics (ONS), released 24 October 2023, ONS website, statistical bulletin, <u>Labour market overview</u>, <u>UK: October 2023</u>