Office for National Statistics

Article

Reconciliation of estimates of jobs: March 2020

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

Contact:
Bob Watson
labour.supply@ons.gov.uk
+44 (0)1633 455070

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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 produced annually in March.

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, since 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 dataset X03.

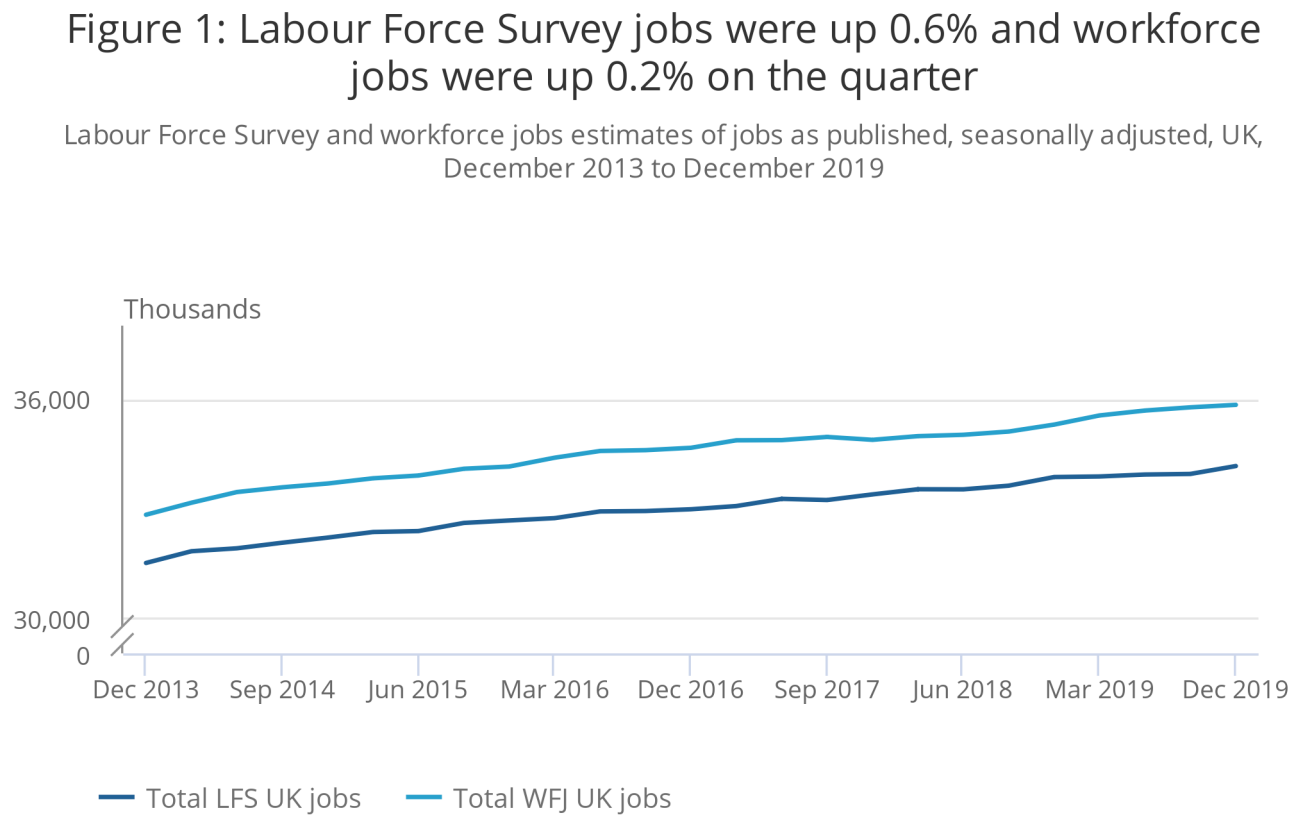
3 . Comparison: December 2019

The Labour Force Survey (LFS) estimate of total UK jobs for the three-month period from November 2019 to January 2020 is calculated by adding together the LFS figures for total employment (32.985 million) and workers with second jobs (1.171 million). On comparing this LFS UK jobs estimate (34.156 million) with the corresponding workforce jobs (WFJ) figure for December 2019 (35.832 million), the LFS total jobs estimate is lower than the WFJ figure by 1.676 million (4.9% 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 216,000 jobs (0.6%) and the WFJ series shows an increase of 67,000 jobs (0.2%). On an annual basis, the LFS series shows an increase of 301,000 jobs (0.9%) and the WFJ series shows an increase of 541,000 jobs (1.5%).

Figure 1: Labour Force Survey jobs were up 0.6% and workforce jobs were up 0.2% on the quarter

Labour Force Survey and workforce jobs estimates of jobs as published, seasonally adjusted, UK, December 2013 to December 2019



Source: Office for National Statistics – Labour Force Survey

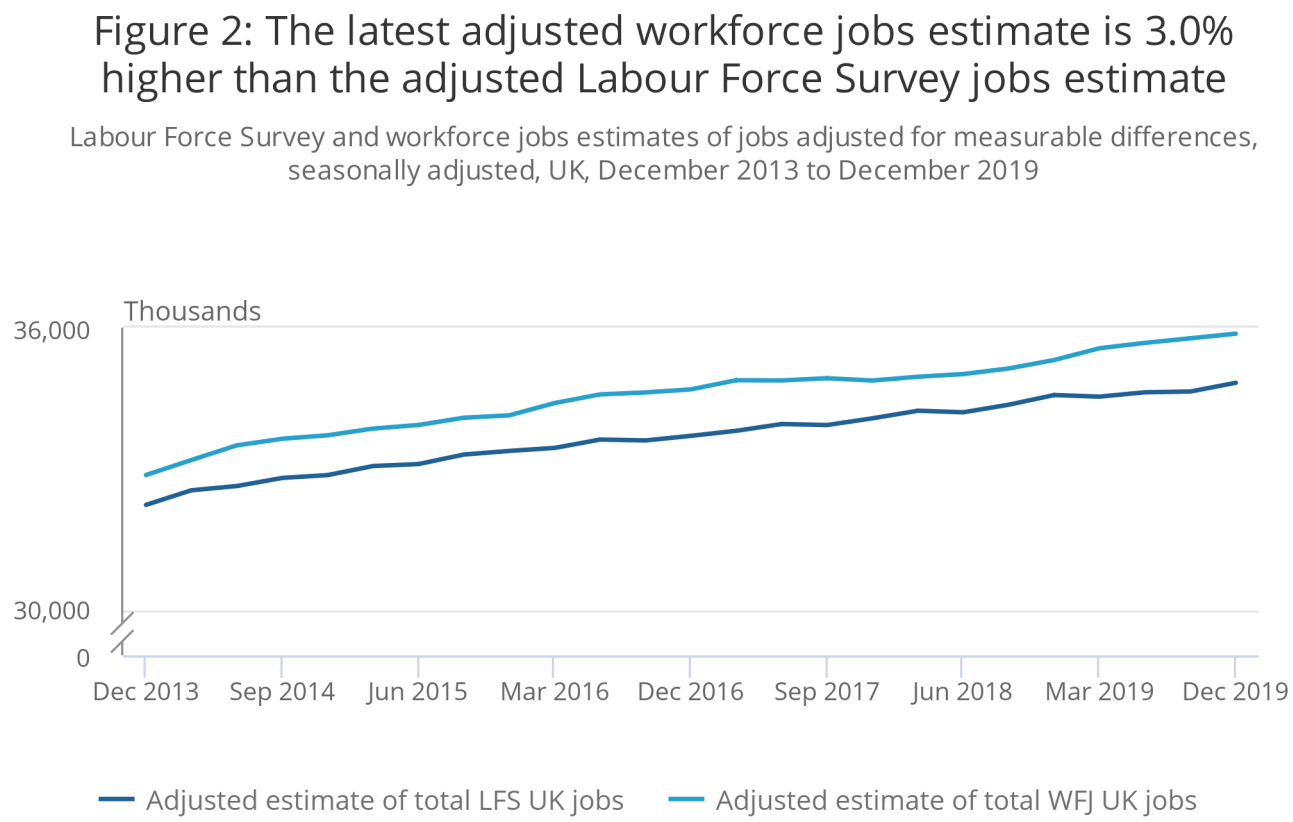
The 2006 National Statistics Quality Review of Employment and Jobs Statistics (PDF, 4.35MB) identified about 30 reasons why the LFS and WFJ estimates of jobs can differ from each other. Some of these factors can be quantified approximately using information from the LFS and other sources, while others are much more difficult to measure. The measurable factors causing differences between the LFS jobs and WFJ estimates 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 Labour Force Survey (LFS) jobs and workforce jobs (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 1.046 million (3.0% of the LFS total).

Figure 2: The latest adjusted workforce jobs estimate is 3.0% 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 2013 to December 2019



Source: Office for National Statistics – Labour Force Survey

The difference between the adjusted LFS jobs and WFJ estimates (1.046 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 305,000. It should be noted that the adjustments are 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.