

# Scotland's Labour Market Overview

**December 2023**

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# Key Points

This release follows the headline [Labour Market Trends publication](#) to provide more detailed trends from a wider range of labour market data for Scotland. Trends are shown for Scotland with some comparisons provided with the UK.

## Employment

- employment in Scotland varies by age group. Since October 2006 to September 2007, the employment rate for 16 to 24 year olds has been consistently lower than the employment rate for any other age group
- the disability employment rate gap has gradually decreased from 38.2 percentage points (pp) in October 2013 to September 2014 to 28.7 pp in October 2022 to September 2023
- the minority ethnic employment rate gap has generally been decreasing from 17.2 percentage points (pp) in October 2017 to September 2018 to 10.0 pp in October 2022 to September 2023
- the latest early payrolled employee estimates for November 2023 from HMRC Pay As You Earn (PAYE) Real Time Information (RTI) indicate that there were 2.45 million payrolled employees in Scotland
- over the year to October 2023, payrolled employee growth varies by industry sector. The energy production and supply industry sector has shown the largest percentage growth in payrolled employees over the year
- the latest early estimates for November 2023 from HMRC RTI indicate that median monthly pay for payrolled employees in Scotland was £2,334
- adjusted for inflation (using the [Consumer Prices Index including owner occupiers' housing costs \(CPIH\)](#)), real earnings have grown by 2.4 per cent over the year to October 2023

## Unemployment

- unemployment rate for those aged 16 to 24 in Scotland has been consistently higher than the unemployment rate for any other age group
- the majority of people aged 16 and over who are unemployed have been unemployed for six months or less (62.4 per cent)
- online job adverts in Scotland are currently 14.1 per cent higher than in February 2020

## **Economic Inactivity**

- economic inactivity in Scotland varies by age group. Since October 2011 to September 2012, the inactivity rate for 16 to 24 year olds has been consistently higher than the inactivity rate for any other age group
- in Scotland, the main reason given for being inactive was “long-term sick”. In October 2022 to September 2023, 31.7 per cent of those people aged 16 to 64 who were inactive gave their reason for being inactive as “long-term sick”

# Introduction

Further to the [Labour Market Trends publication](#) that was released on 12 December 2023, this publication provides more detailed trends from a wider range of labour market data sources for Scotland. Trends are shown for Scotland with some comparisons provided with the UK.

It includes a summary of employment, unemployment and economic inactivity sourced from the Office for National Statistics (ONS) adjusted experimental labour market series as well as analysis of the labour market by protected characteristics from the ONS Annual Population Survey. This publication also includes estimates of payrolled employees and their median pay from HMRC Pay As You Earn (PAYE) Real Time Information (RTI), Adzuna Online job advert estimates and ONS Claimant Count statistics.

The statistics in this release are Accredited Official Statistics or Official Statistics in Development. Information on the data sources is given in the [Data and methodology](#) section.

## An Official Statistics Publication for Scotland

These statistics are official statistics. Official statistics are statistics that are produced by crown bodies, those acting on behalf of crown bodies, or those specified in statutory orders, as defined in the [Statistics and Registration Service Act 2007](#).

Scottish Government statistics are regulated by the Office for Statistics Regulation (OSR). OSR sets the standards of trustworthiness, quality and value in the [Code of Practice for Statistics](#) that all producers of official statistics should adhere to.

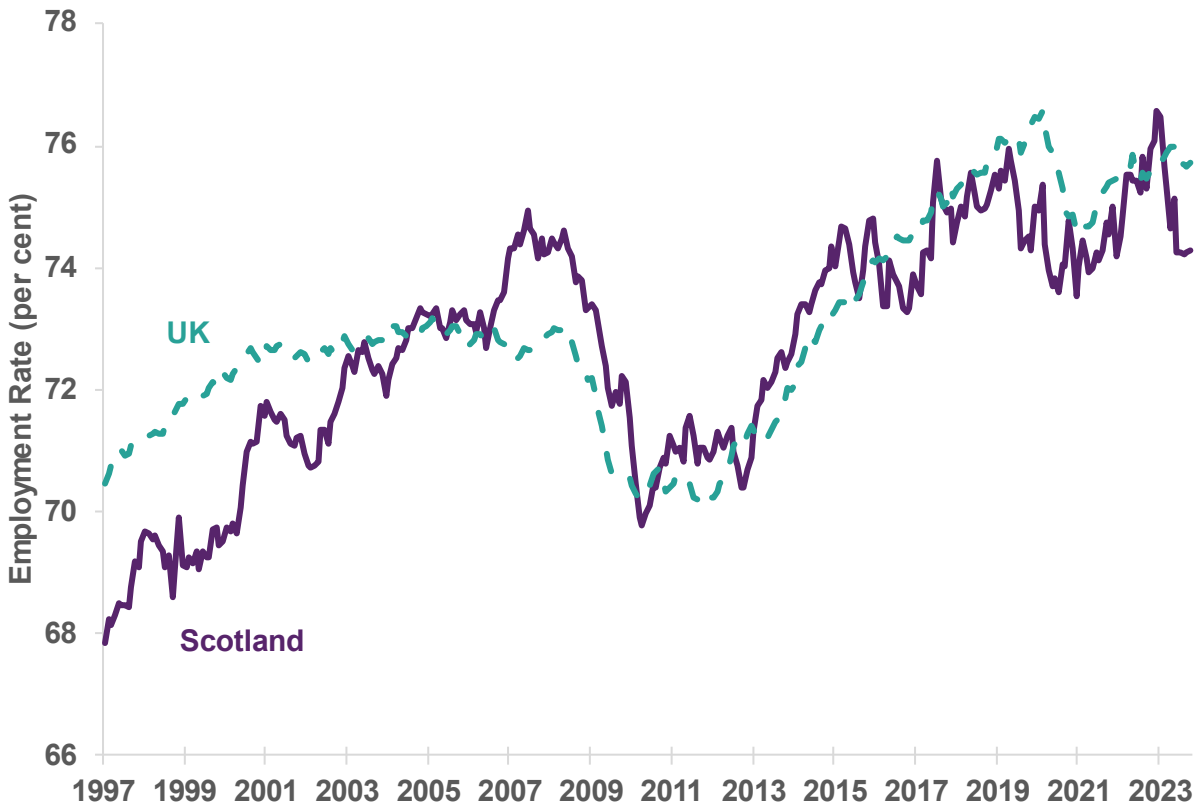
# Employment

Due to the increased uncertainty around the ONS Labour Force Survey (LFS) estimates, ONS published an alternative experimental series of estimates of employment, unemployment and economic inactivity. The experimental adjusted estimates 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. These experimental estimates have been produced by ONS to provide a more holistic view of the state of the labour market while the LFS estimates are uncertain.

The adjusted experimental employment rate for Scotland had been increasing over time before falling following the 2008 recession. The employment rate then increased until 2019 before falling in 2020 as a result of the coronavirus pandemic. The employment rate had returned to pre-pandemic rates during 2022 but has been decreasing during 2023.

**Figure 1: Adjusted experimental employment rate for Scotland (74.3 per cent) in August to October 2023 is lower than the UK (75.7 per cent) for the same period**

Adjusted experimental employment rates for persons aged 16 to 64, Scotland and the UK, November to January 1997 to August to October 2023



Source: Labour Force Survey from ONS, PAYE RTI from HMRC and Claimant Count from ONS, seasonally adjusted

## Sex

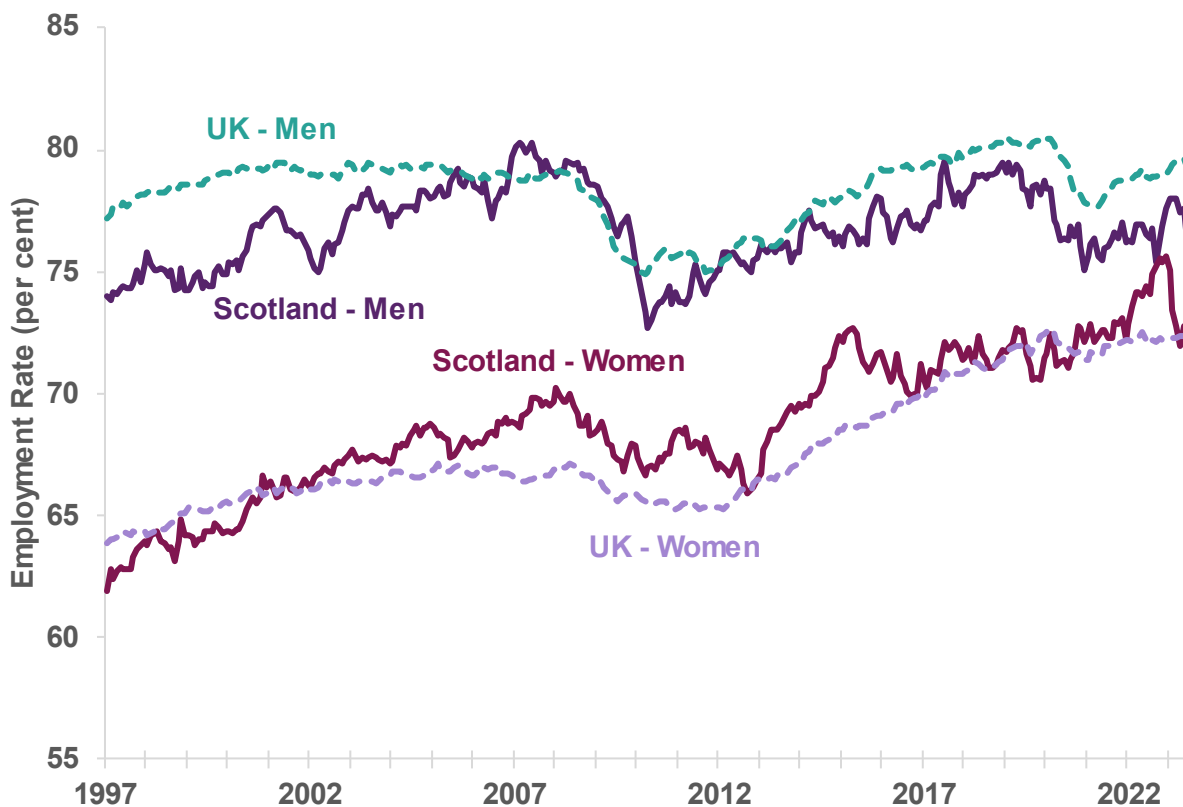
The ONS adjusted experimental employment rates are not published by sex. Therefore, the information in this section covers ONS Labour Force Survey data to April to June 2023.

The employment rate for men in Scotland has generally been below the employment rate for men in the UK since 2010. In April to June 2023, the estimated employment rate for men in Scotland (76.7 per cent) was lower than the rate for the UK (79.4 per cent).

The employment rate for women in Scotland has typically been above the employment rate for women in the UK since 2002, except for the period between May to July 2019 to June to August 2020 when the employment rate for women in the UK was higher. In April to June 2023, the estimated employment rate for women in Scotland (71.9 per cent) was lower than the rate for the UK (72.1 per cent).

**Figure 2: Employment rate for men in Scotland in April to June 2023 was 2.6 percentage points lower than the employment rate for men in the UK, while the employment rates for women in Scotland and the UK are similar**

Employment rates for persons aged 16 to 64 by sex, Scotland and the UK, November to January 1997 to April to June 2023



Source: Labour Force Survey, seasonally adjusted, ONS



## Age

Employment in Scotland varies by age group. As may be expected the younger and older age groups have lower employment rates.

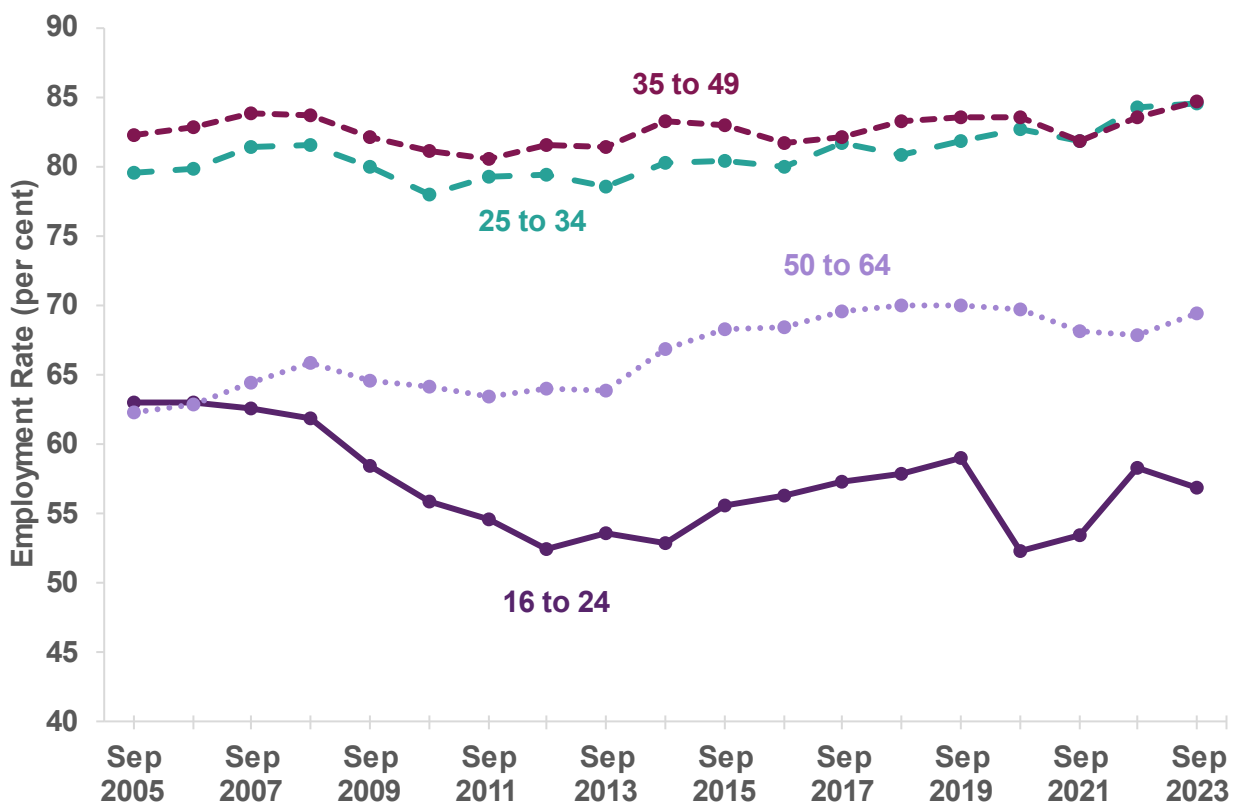
Since October 2006 to September 2007, the employment rate for 16 to 24 year olds has been consistently lower than the employment rate for any other age group. This is due to higher numbers of people aged 16 to 24 being in education.

The employment rates for 25 to 34 year olds and 35 to 49 year olds have been fairly stable across the series. However, the rates were slightly lower in the years following the 2008 recession. The estimated employment rate for 25 to 34 year olds was 84.6 per cent in October 2022 to September 2023. The estimated employment rate for 35 to 49 year olds was 84.8 per cent in October 2022 to September 2023.

The estimated employment rate for those aged 50 to 64 had increased throughout the economic recovery from the 2008 recession and has been relatively constant since October 2016 to September 2017, except for the decrease following the start of the coronavirus pandemic.

### Figure 3: Employment rate for those aged 16 to 24 in Scotland has been lower than any other age group since October 2006 to September 2007

Employment rates for persons aged 16 to 64 by age group, Scotland, year ending September 2005 to year ending September 2023



Source: Annual Population Survey, Oct-Sep datasets, ONS

## Disability

We define disability based on the Equality Act 2010. Level and rate estimates for employment by disability are all based on those aged 16 to 64 years. There is more information in the [Glossary](#) section.

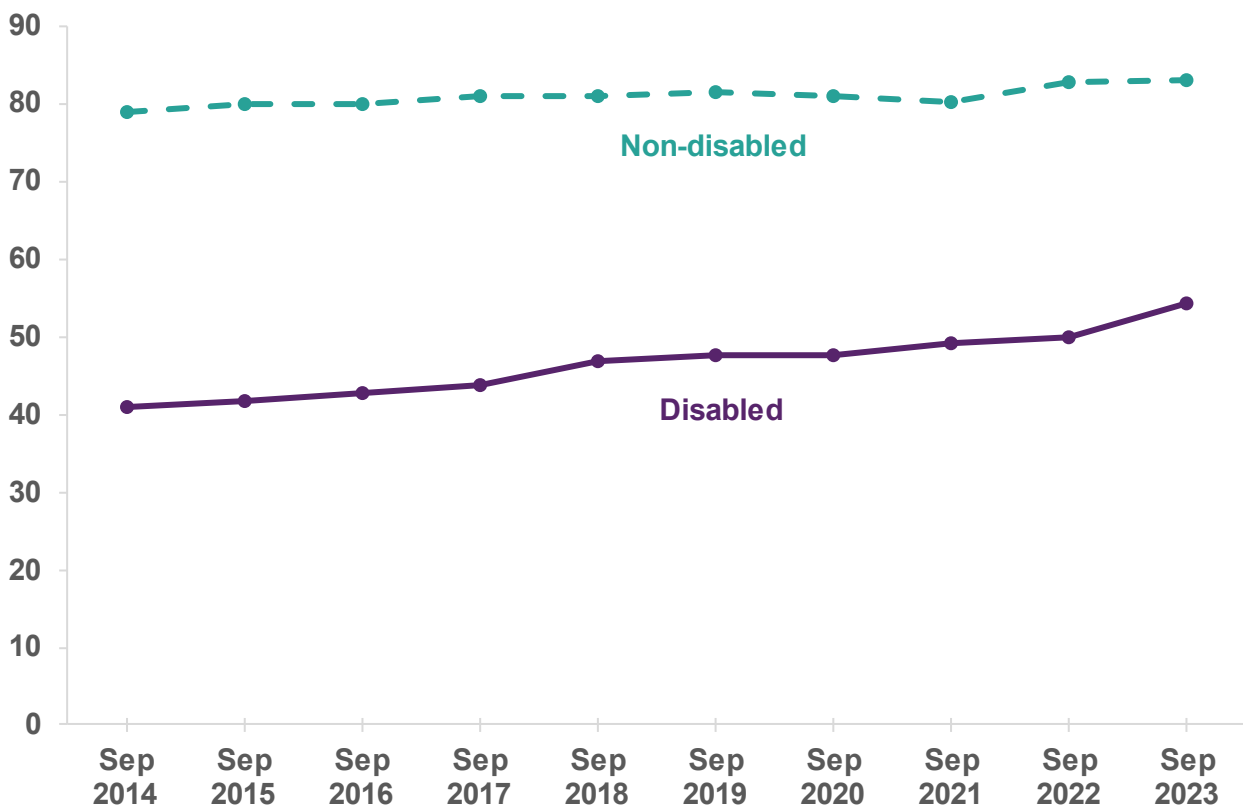
The employment rate for disabled people has been consistently lower than the employment rate for non-disabled people. The employment rate for disabled people aged 16 to 64 was estimated at 54.4 per cent in October 2022 to September 2023. This was significantly lower than the employment rate for non-disabled people (83.1 per cent).

The disability employment rate gap is the difference between the employment rates for disabled and non-disabled people aged 16 to 64. It is calculated as the non-disabled employment rate minus disabled employment rate.

The disability employment rate gap has gradually decreased from 38.2 percentage points (pp) in October 2013 to September 2014 to 28.7 pp in October 2022 to September 2023.

### Figure 4: Employment rate for disabled people aged 16 to 64 has continually been lower than the employment rate for non-disabled people

Employment rates for persons aged 16 to 64 by disability, Scotland, year ending September 2014 to year ending September 2023



Source: Annual Population Survey, Oct-Sep datasets, ONS

## Ethnicity

Respondents are asked questions about their ethnicity in the labour force survey interview. "Minority Ethnic" describes all ethnic groups excluding those who answered "White" to the first question. There is more information in the [Glossary](#) section.

There will also be variation between the individual ethnic groups included within the combined 'Minority ethnic' group which should be considered.

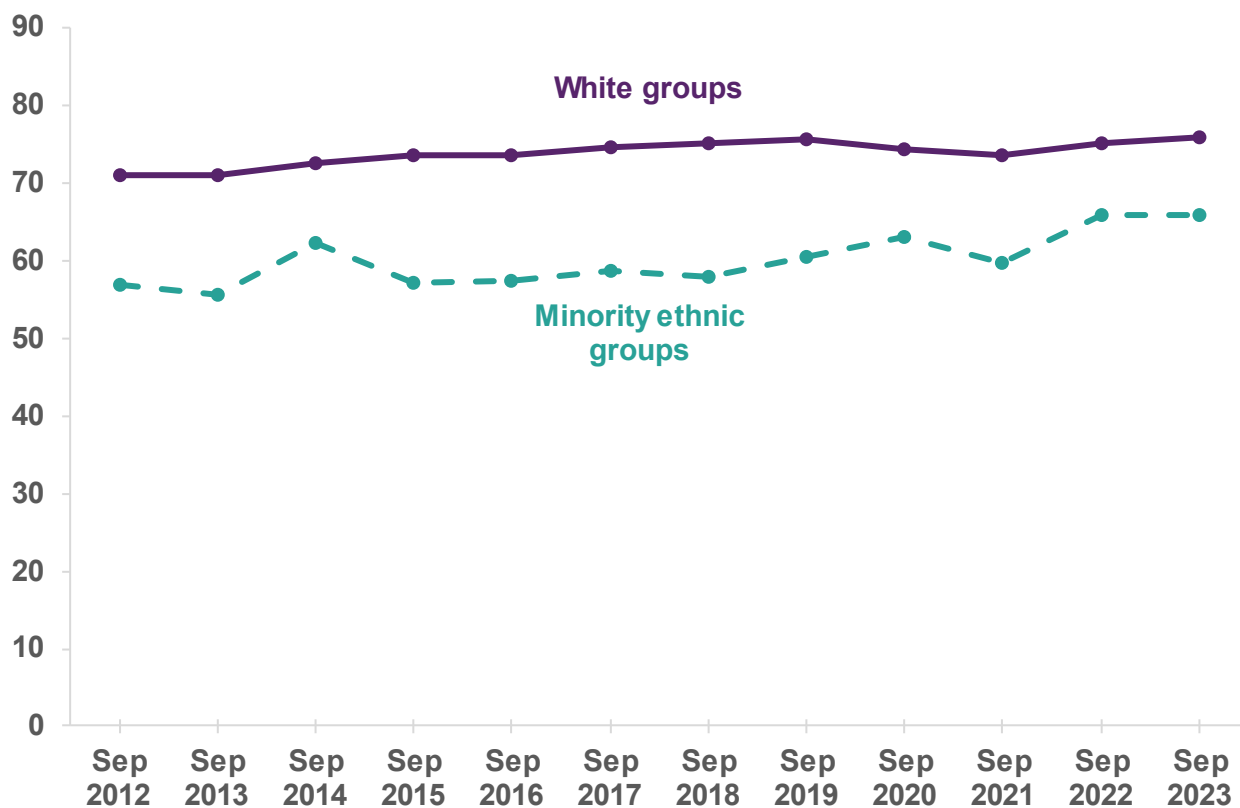
The employment rate for minority ethnic groups has been consistently lower than the employment rate for white groups. The employment rate for minority ethnic groups aged 16 to 64 was estimated at 66.0 per cent in October 2022 to September 2023. This was lower than the employment rate for white groups (76.0 per cent).

The minority ethnic employment rate gap is the difference between the employment rates for minority ethnic groups and white groups aged 16 to 64. It is calculated as the employment rate for white groups minus employment rate for minority ethnic groups.

The minority ethnic employment rate gap has generally been decreasing from 17.2 percentage points (pp) in October 2017 to September 2018 to 10.0 pp in October 2022 to September 2023.

**Figure 5: The employment rate for people from minority ethnic groups aged 16 to 64 has continually been lower than the employment rate for people from white groups**

Employment rates for persons aged 16 to 64 by ethnicity, Scotland, year ending September 2012 to year ending September 2023



Source: Annual Population Survey, Oct-Sep datasets, ONS

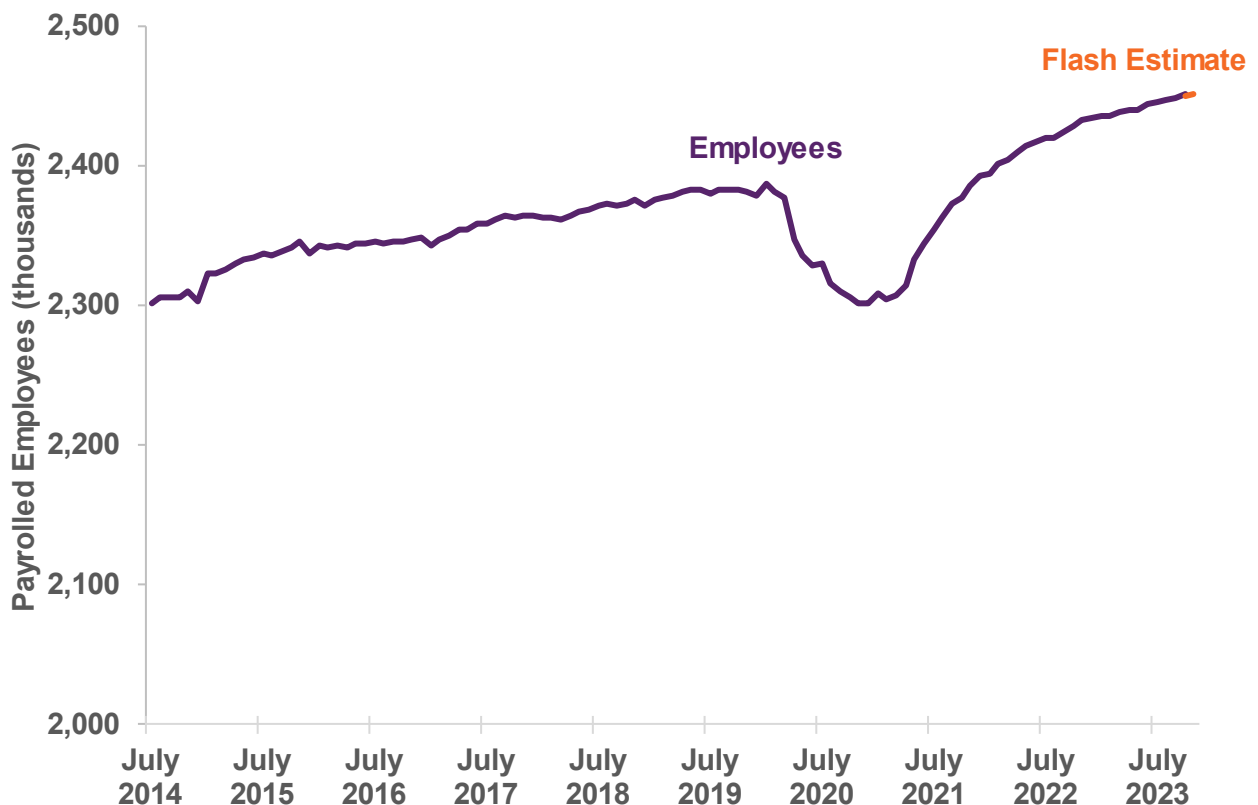
## Payrolled employees

This information is based on experimental monthly estimates of paid employees and their pay from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) data.

The number of payrolled employees in Scotland had been gradually increasing until the start of the coronavirus pandemic. In November 2020, the lowest point following the start of the pandemic, there were 80,000 fewer payrolled employees in Scotland than prior to the pandemic (February 2020). However the estimated number of payrolled employees has generally been increasing since November 2020 and has continued to be above the pre-coronavirus level (February 2020) since November 2021. The latest early payrolled employee estimate for November 2023 indicates that there were 2.45 million payrolled employees in Scotland.

**Figure 6: Number of payrolled employees in Scotland declined between February and November 2020. However, it has continued to be above the pre-coronavirus level since November 2021**

Payrolled Employees, seasonally adjusted, Scotland, July 2014 to November 2023



Source: PAYE RTI, all industries, seasonally adjusted, HMRC

Note: Early estimates for November 2023 are provided to give an indication of the likely level of employees. The figures are based on around 85% of information being available. They are considered of lower quality and may be subject to revision in next month's release when between 98% to 99% of data will be available.

## Payrolled employees by age

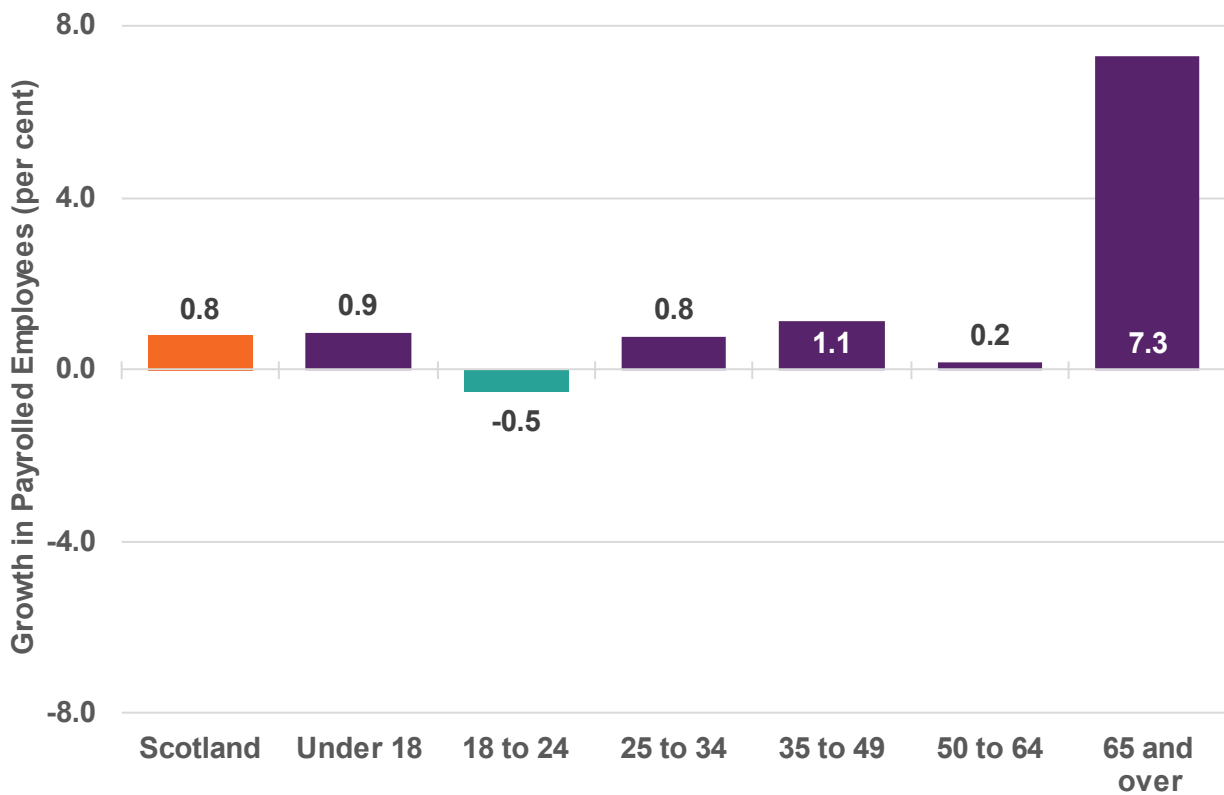
In October 2023, HMRC published monthly estimates for payrolled employees by age group up to September 2023. These estimates are based on the payrolled employees' age at the time of receiving their payment.

Of the total payrolled employees in Scotland in September 2023, 94.5 per cent were aged 18 to 64 years.

Over the year to September 2023, the number of payrolled employees increased across all age groups, except the 18 to 24 year old age group.

### Figure 7: The 65 and over age group seen the largest percentage increase in payrolled employees since September 2022

Annual Percentage Change in Payrolled employees by age group, Scotland, September 2022 to September 2023



Source: PAYE RTI, all industries, seasonally adjusted, HMRC

## Payrolled employees by industry

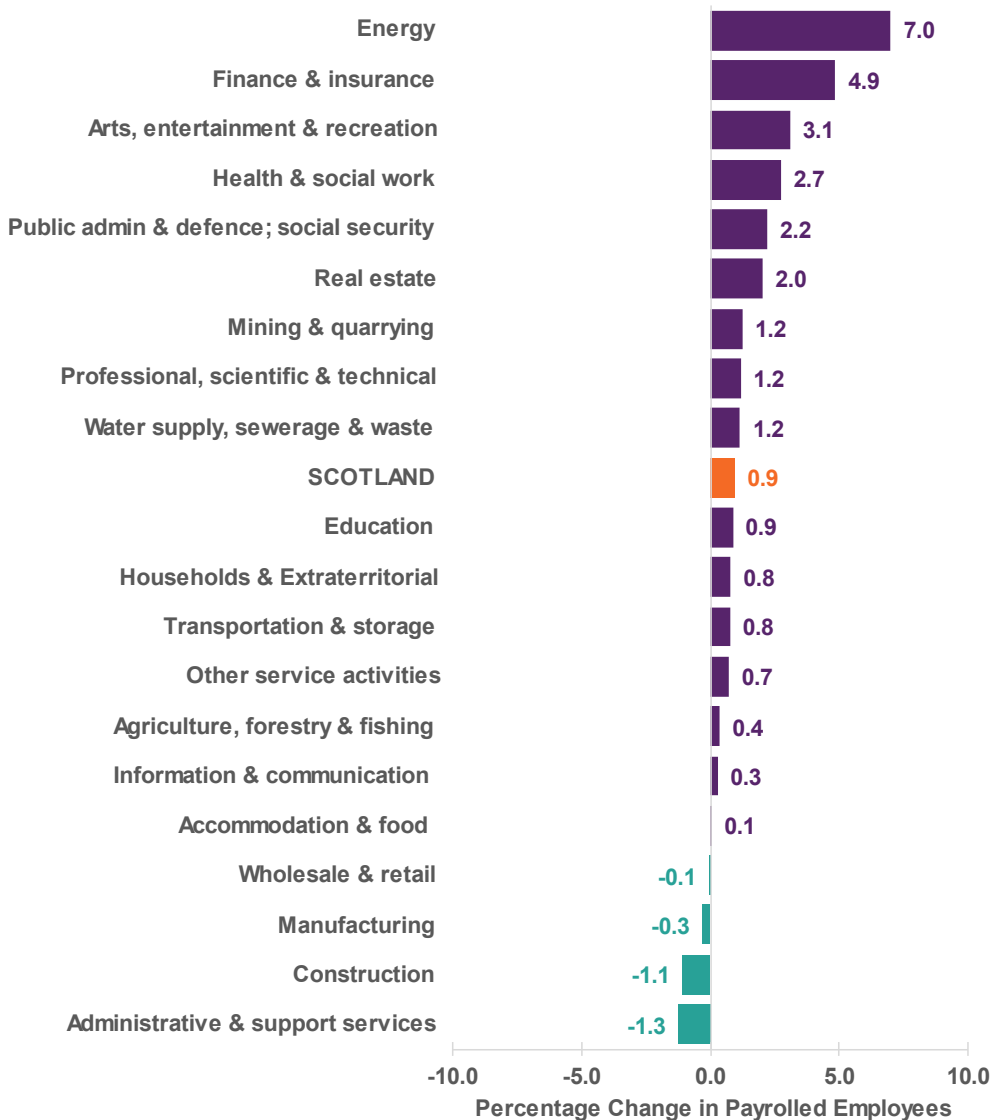
In November 2023, HMRC published monthly estimates for payrolled employees by industry sector up to October 2023. Industry sectors are based on the ONS [UK Standard Industrial Classification \(SIC\) codes](#).

Over the year to October 2023, payrolled employee growth varies by industry sector.

The energy production and supply industry sector has shown the largest percentage growth in payrolled employees over the year. Only four industry sectors showed a decrease over the year.

### Figure 8: The energy sector has seen the largest percentage increase in payrolled employees since October 2022

Annual Percentage Change in Payrolled employees by industry sector, Scotland, October 2022 to October 2023



Source: PAYE RTI, all industries, seasonally adjusted, HMRC

## Median earnings for payrolled employees

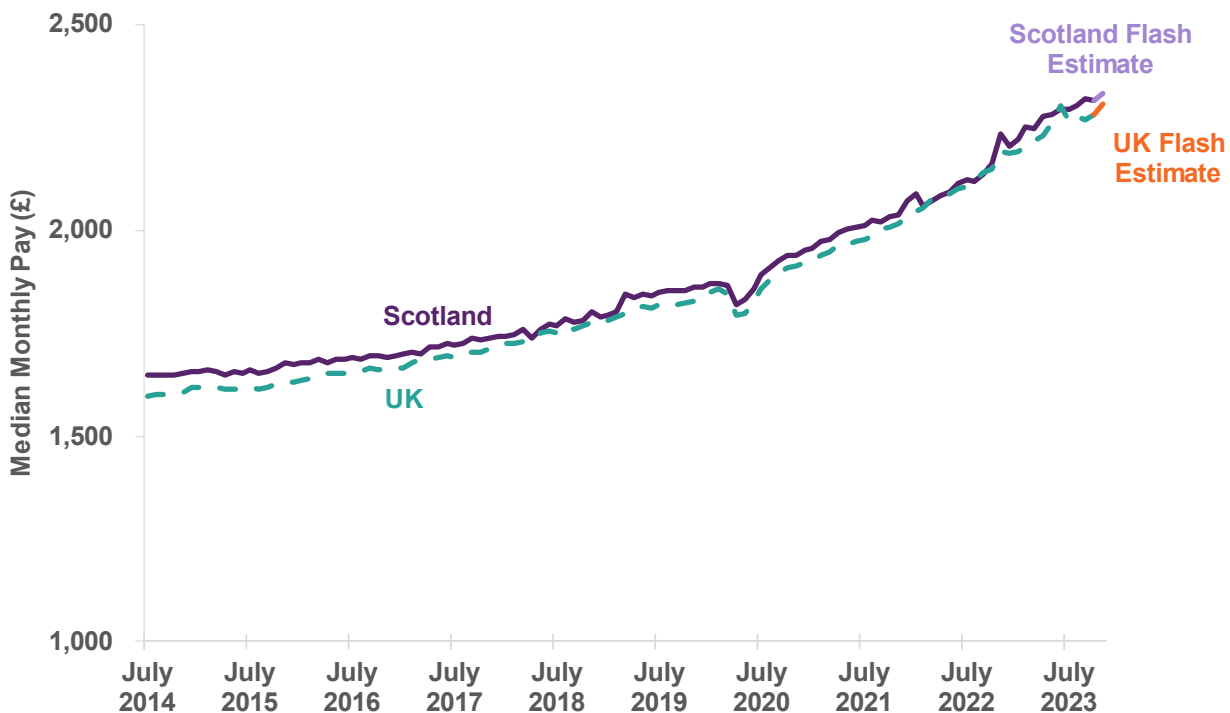
This information is based on experimental monthly estimates of paid employees and their pay from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) data.

The median pay for payrolled employees in Scotland has been gradually increasing over time, except for at the start of the coronavirus pandemic when the median pay for payrolled employees decreased sharply. The trends in median pay for payrolled employees is similar for both Scotland and the UK.

The latest early estimate for November 2023 indicates that median monthly pay for payrolled employees in Scotland was £2,334, an increase of 4.4 per cent compared to the same period the previous year. This is lower than the annual growth in median monthly pay for the UK over the same period (5.3 per cent).

### Figure 9: Median pay for payrolled employees decreased sharply in April 2020 but has generally been increasing since then

Median Monthly Pay for payrolled employees, seasonally adjusted, Scotland and UK, July 2014 to November 2023



Source: PAYE RTI, all industries, seasonally adjusted, HMRC

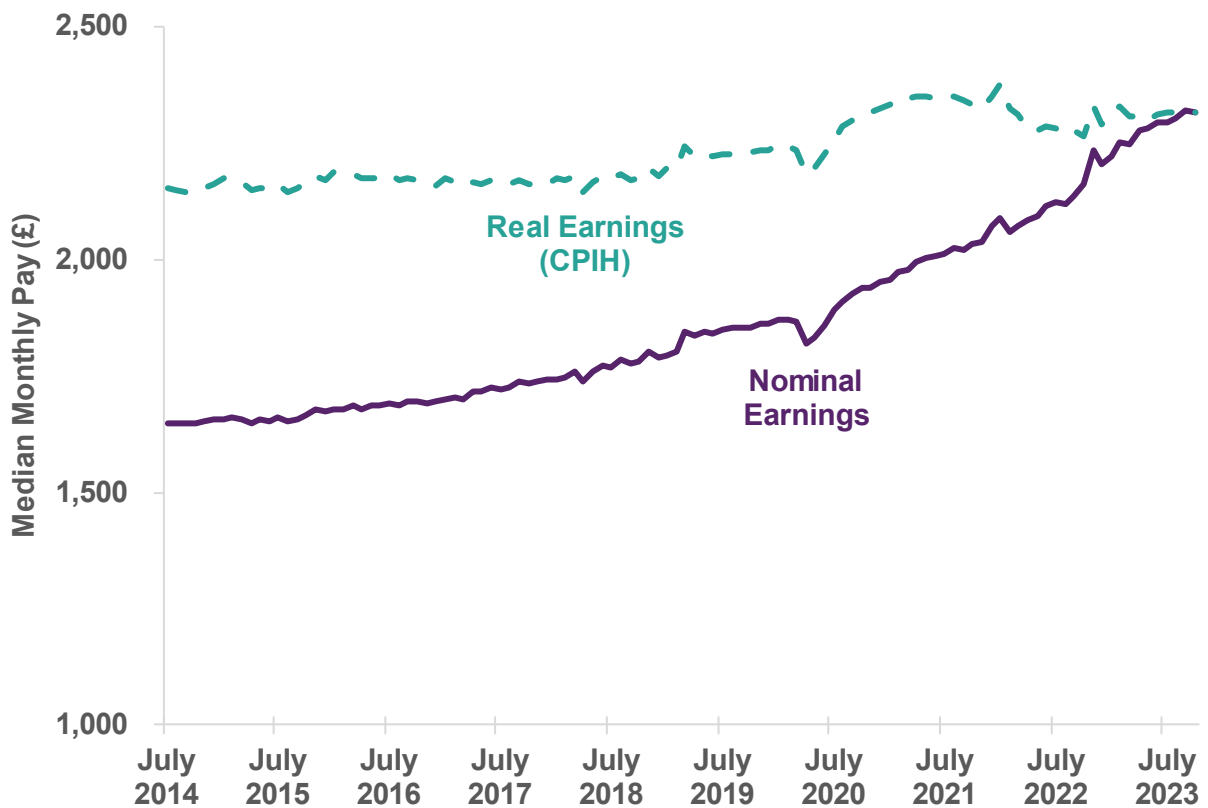
Notes: Early estimates for November 2023 are provided to give an indication of the likely level of employees as well as median pay in the latest period. The figures for November 2023 are based on around 85% of information being available. They are considered of lower quality and may be subject to revision in next month's release when between 98% to 99% of data will be available.



Adjusted for inflation (using the [Consumer Prices Index including owner occupiers' housing costs \(CPIH\)](#)), real earnings have grown by 2.4 per cent over the year to October 2023 compared with nominal earnings which had grown by 7.2 per cent over the same period.

**Figure 10: Real pay for payrolled employees has remained relatively constant over time. However, real pay in October 2023 is higher than at the start of the coronavirus pandemic**

Median Real and Nominal Monthly Pay for payrolled employees, seasonally adjusted, Scotland, July 2014 to October 2023



Source: PAYE RTI, all industries, seasonally adjusted, HMRC and CPIH, ONS

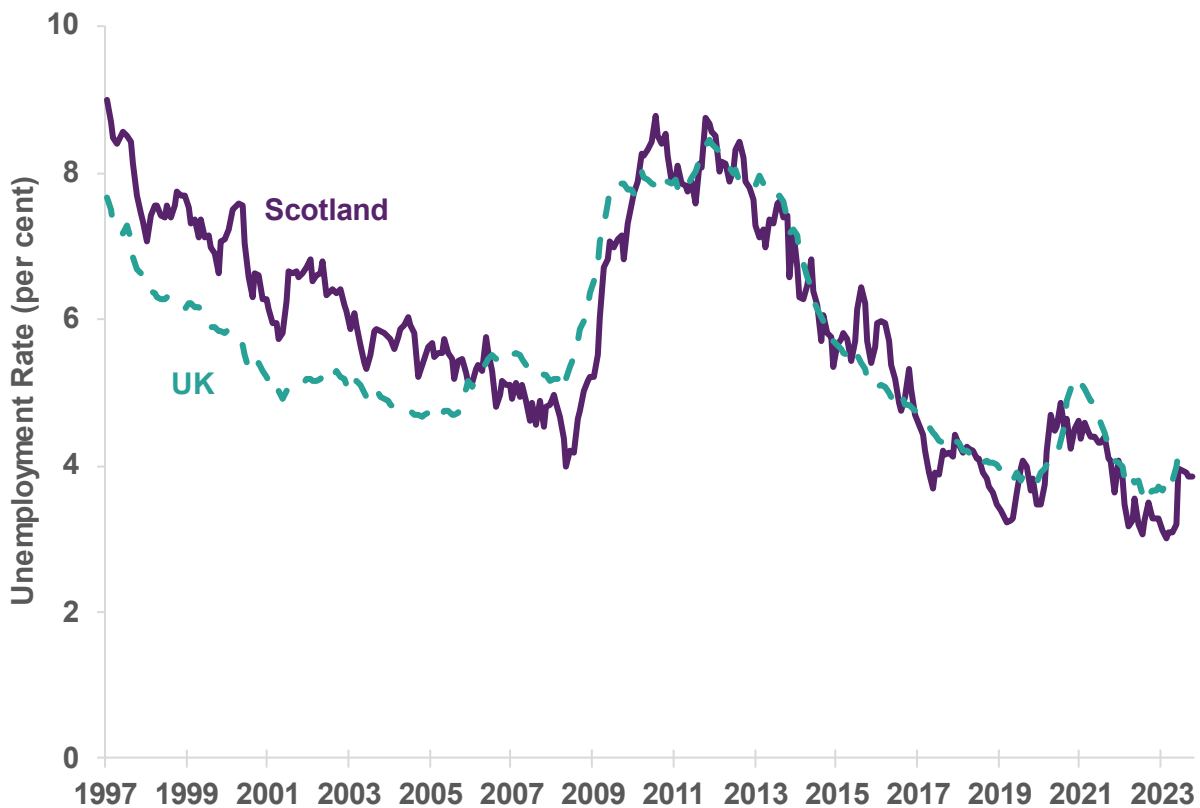
# Unemployment

Unemployment measures those who are available for and actively seeking employment. The adjusted experimental unemployment rate for Scotland had been historically decreasing over time, before rising sharply following the 2008 recession. The unemployment rate has been broadly decreasing since 2011, with a small increase in 2020 and 2021 due to the coronavirus pandemic.

Scotland's unemployment rate is similar to the UK rate over time, although was historically slightly higher before 2006.

**Figure 11: Adjusted experimental unemployment rate for Scotland (3.8 per cent) in August to October 2023 is lower than the UK (4.2 per cent) for the same period**

Adjusted experimental unemployment rates for persons aged 16 and over, Scotland and the UK, November to January 1997 to August to October 2023



Source: Labour Force Survey from ONS, PAYE RTI from HMRC and Claimant Count from ONS, seasonally adjusted

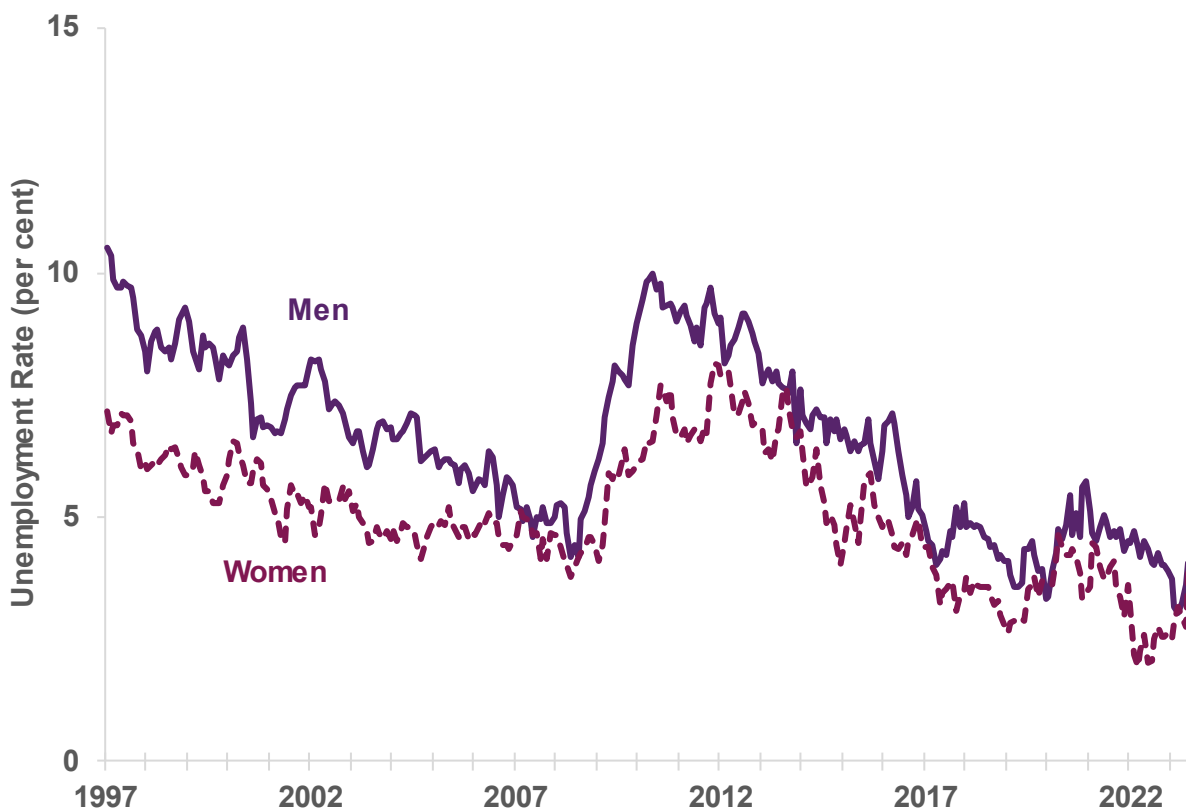
## Sex

The ONS adjusted experimental unemployment rates are not published by sex. Therefore, the information in this section covers ONS Labour Force Survey data for the period to April to June 2023.

The unemployment rate for men in Scotland has generally been above the unemployment rate for women. In April to June 2023, the estimated unemployment rate for men in Scotland was 4.1 per cent and for women it was 3.9 per cent.

### Figure 12: Unemployment rates for men are historically higher than the unemployment rates for women

Unemployment rates for persons aged 16 and over by sex, Scotland, November to January 1997 to April to June 2023



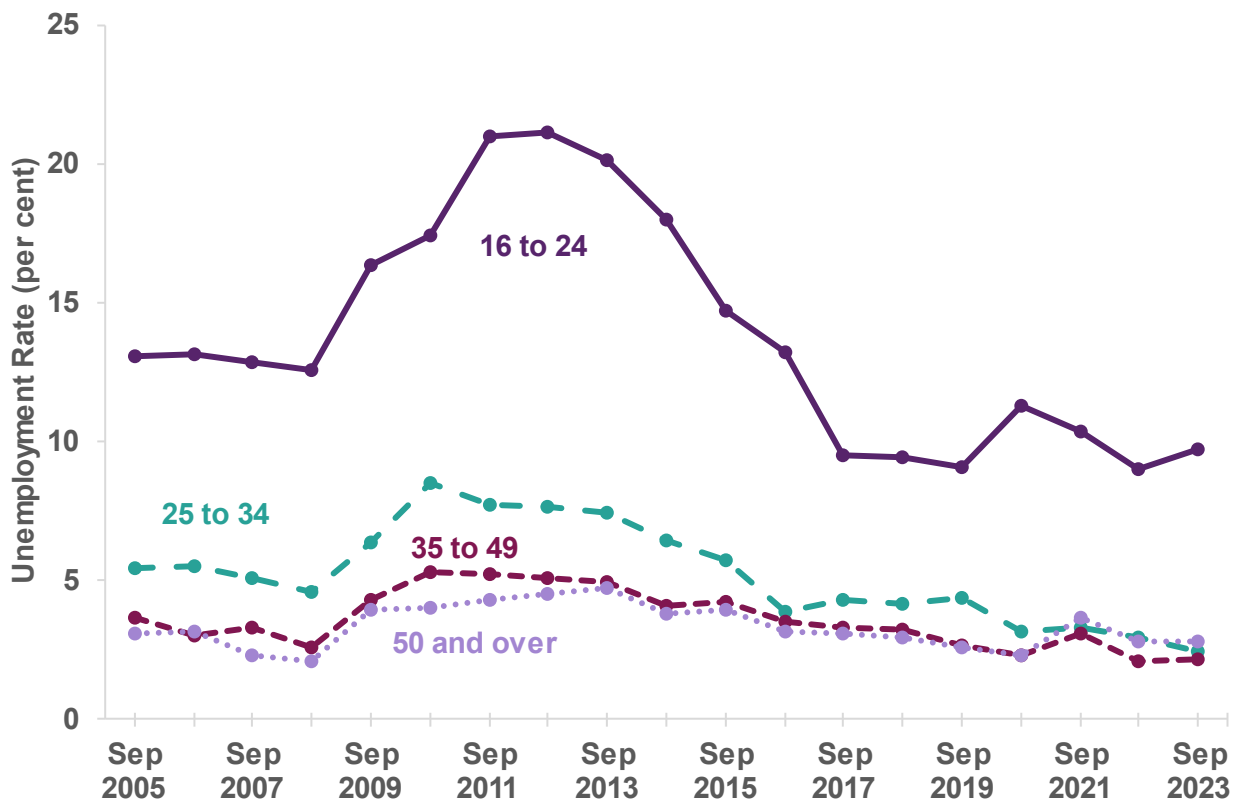
Source: Labour Force Survey, seasonally adjusted, ONS

## Age

Across the series, the unemployment rate for those aged 16 to 24 has been consistently higher than the unemployment rate for any other age group.

**Figure 13: Unemployment rate for those aged 16 to 24 in Scotland has been continually higher than any other age group**

Unemployment rates for persons aged 16 and over by age group, Scotland, year ending September 2005 to year ending September 2023



Source: Annual Population Survey, Oct-Sep datasets, ONS

## Length of time unemployed

In October 2022 to September 2023, an estimated 94,900 people aged 16 and over were unemployed.

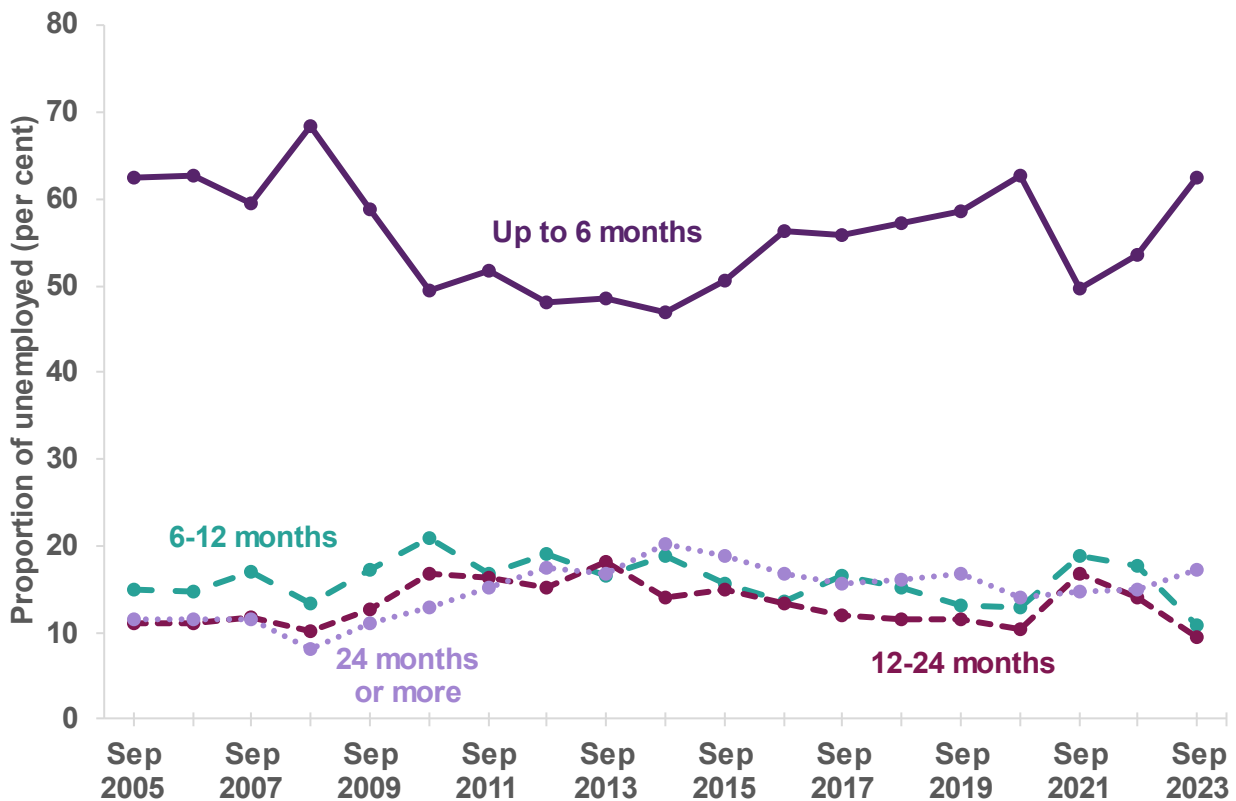
- For Scotland, the majority of those who are unemployed were unemployed for a duration of 6 months or less (62.4 per cent). This proportion decreased during the coronavirus pandemic to 49.7 per cent in October 2020 to September 2021, indicating at that time there were more people unemployed for longer durations. However, this has since returned to pre-covid levels.

## Being unemployed for 12 months or more is often considered long-term unemployed

- 26.7 per cent of unemployed people were unemployed for 12 months or more

### Figure 14: The majority of people aged 16 and over who are unemployed have been unemployed for six months or less

Proportion of people aged 16 and over who are unemployed by duration, Scotland, year ending September 2005 to year ending September 2023



Source: Annual Population Survey, Oct-Sep datasets, ONS

Note: The estimates for 6-12 months and 12-24 months for October 2022 to September 2023 are based on a small sample size. Estimates may be less precise and should be used with caution.

## Claimant Count

The experimental Claimant Count consists of claimants of Jobseekers Allowance (JSA) and some Universal Credit (UC) Claimants. The UC claimants that are included are 1) those that were recorded as not in employment (May 2013-April 2015), and 2) those claimants of Universal Credit who are required to search for work, i.e. within the Searching for Work conditionality regime as defined by the Department for Work & Pensions (from April 2015 onwards). The denominator for the claimant count rate is the claimant count plus workforce jobs. Estimates included in this publication are seasonally adjusted.

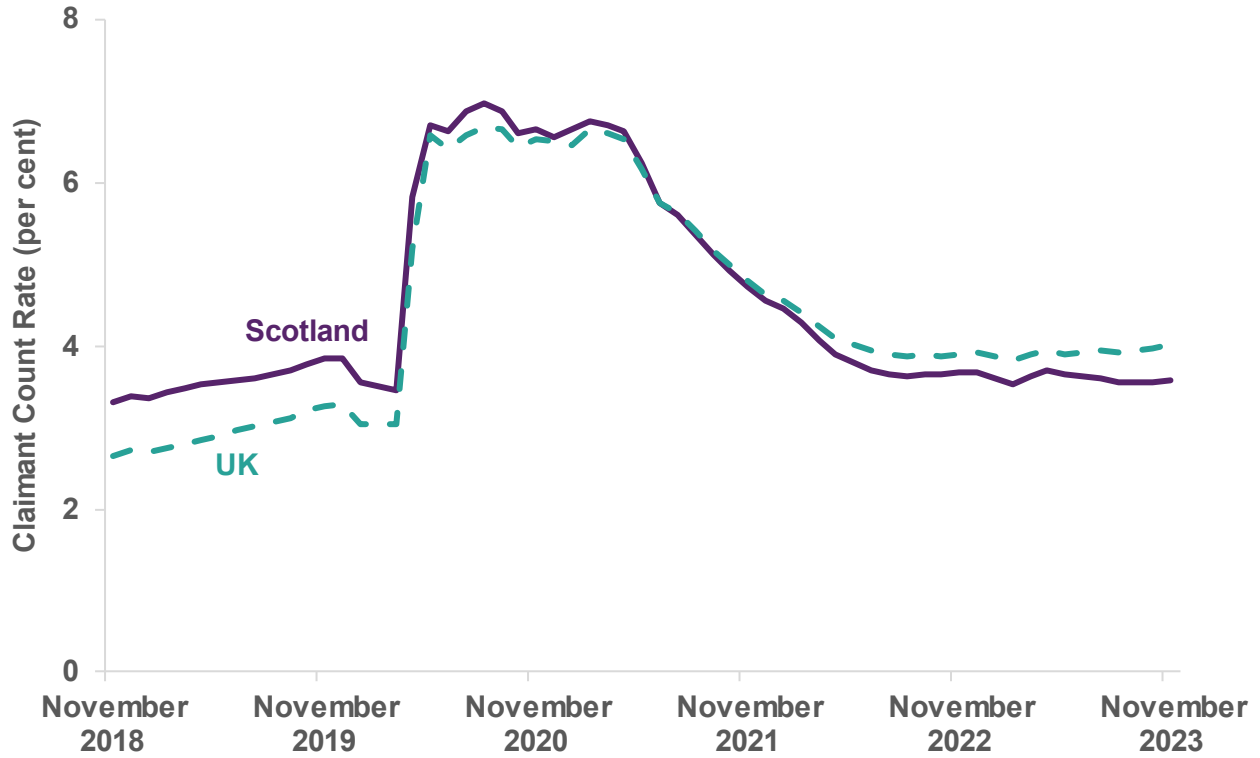
Claimant count is related to unemployment, although not an exact measure of it. Its definition has changed over time, please see [Data and Methodology](#) section for more details.

In November 2023, the claimant count was 109,200, an increase of 500 (0.4 per cent) over the month and a decrease of 3,200 (-2.9 per cent) over the year. In November 2023, the claimant count rate was 3.6 per cent in Scotland, compared with 4.0 per cent for the UK as a whole.

The Claimant count level and rate peaked during the pandemic before falling to similar pre-pandemic rates in 2022. The rates for Scotland and the UK followed a similar trend during the pandemic, although since late 2021 the rate has been slightly lower in Scotland compared with the UK. The rates for both Scotland and the UK have been fairly constant since mid-2022.

**Figure 15: Experimental claimant count rate for Scotland and the UK showed a large increase at the start of the pandemic, reaching a peak in August 2020 before starting to gradually decrease.**

Claimant Count rate, seasonally adjusted, Scotland and UK, November 2018 to November 2023



Source: Claimant count, ONS

## Online Job Adverts

Adzuna online job adverts for Scotland peaked at 56.3 per cent above the February 2020 average just over a year ago in October 2022. February 2020 is the reference period used in this index. Recent estimates show a sharp fall in Scotland's online job adverts compared with February 2020. Online job adverts are currently 14.1 per cent higher in Scotland compared with the February 2020 comparison.

Since mid-2022, the gap between the UK and Scotland has widened. UK wide Adzuna job adverts are currently just below February 2020.

### Figure 16: Online job adverts rose to a higher rate post-covid

Online Job Adverts (Index February 2020 weekly average = 100), Scotland and UK, week ending 7 February 2018 to week ending 8 December 2023



Source: Adzuna weekly online job adverts, ONS

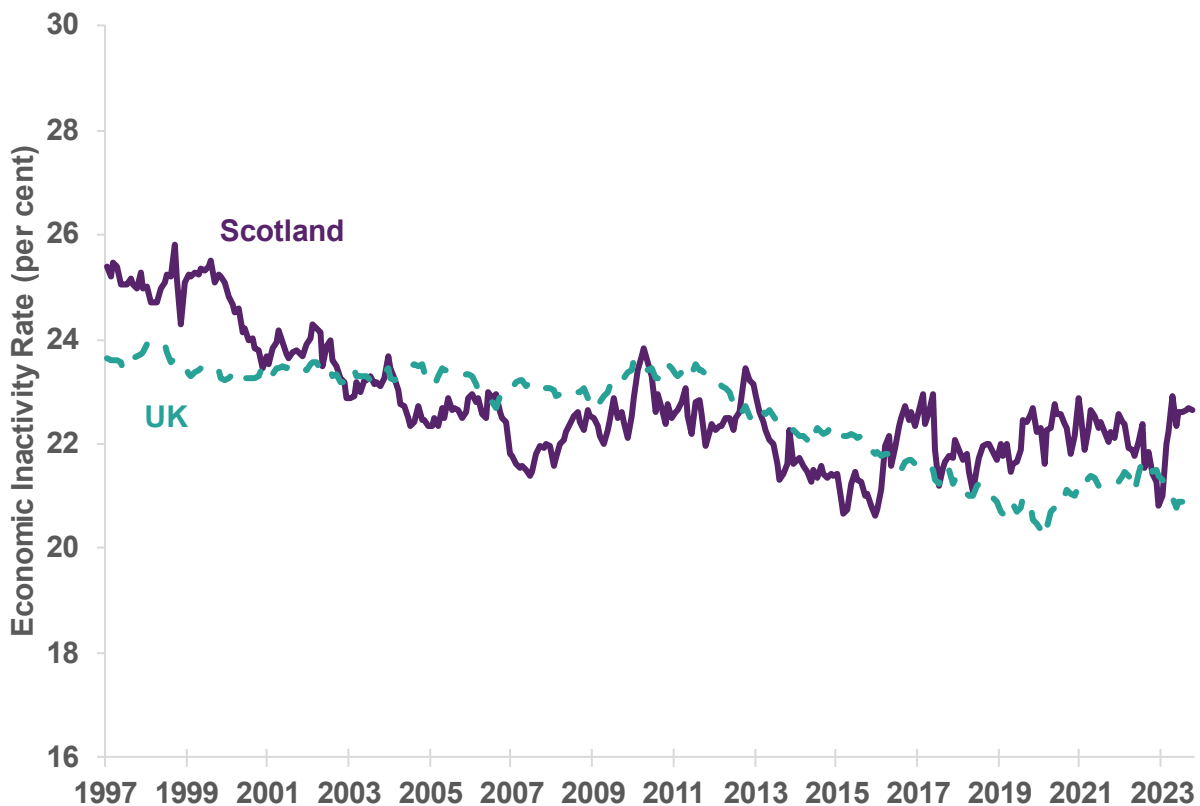


# Economic Inactivity

Economic inactivity measures those who are neither in work, available for work or actively seeking work. The adjusted experimental economic inactivity rate for Scotland had been decreasing over time before increasing following the 2008 recession. The inactivity rate increased following the start of the coronavirus pandemic and remained fairly constant until 2021 before decreasing through 2022. The inactivity rate had returned to pre-pandemic rates during 2022 but has been increasing during 2023.

**Figure 17: Adjusted experimental economic inactivity rate for Scotland (22.6 per cent) in August to October 2023 is higher than the UK (20.9 per cent) for the same period**

Adjusted experimental economic inactivity rates for persons aged 16 to 64, Scotland and the UK, November to January 1997 to August to October 2023



Source: Labour Force Survey from ONS, PAYE RTI from HMRC and Claimant Count from ONS, seasonally adjusted

## Sex

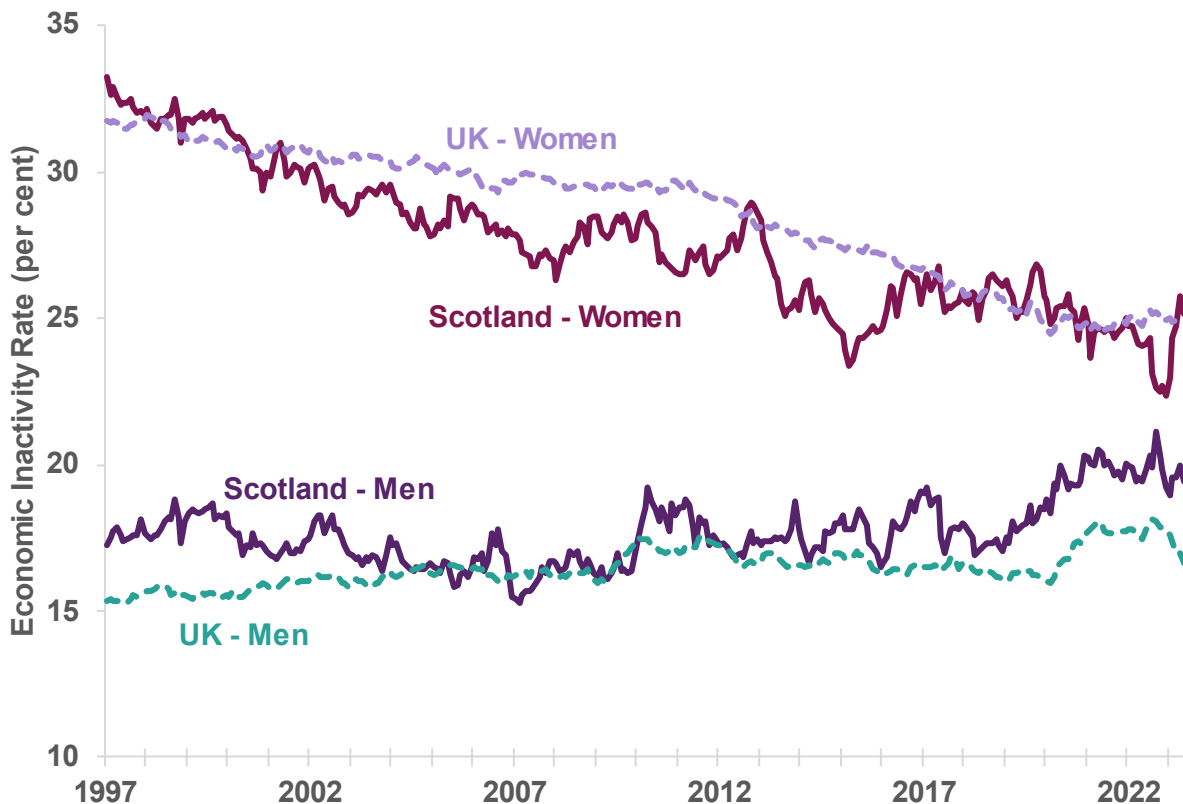
The ONS adjusted experimental economic inactivity rates are not published by sex. Therefore, the information in this section covers ONS Labour Force Survey data to April to June 2023.

The inactivity rate for men in Scotland has typically been above the inactivity rate for men in the UK. In April to June 2023, the estimated inactivity rate for men in Scotland (19.9 per cent) was higher than the rate for the UK (16.9 per cent).

The inactivity rate for women in Scotland has typically been below the inactivity rate for women in the UK. From 2017, the inactivity rates for women in Scotland and the UK have been similar, except for the period between January to March 2022 until February to April 2023. In April to June 2023, the estimated inactivity rate for women in Scotland (25.2 per cent) was higher than the rate for the UK (24.8 per cent).

**Figure 18: Economic Inactivity rate for men in Scotland in April to June 2023 was 3.0 percentage points higher than the inactivity rate for men in the UK, while the inactivity rates for women in Scotland and the UK are similar**

Economic Inactivity rates for persons aged 16 to 64 by sex, Scotland and the UK, November to January 1997 to April to June 2023



Source: Labour Force Survey, seasonally adjusted, ONS

## Age

Economic inactivity in Scotland varies by age group. As may be expected the younger and older age groups have higher inactivity rates.

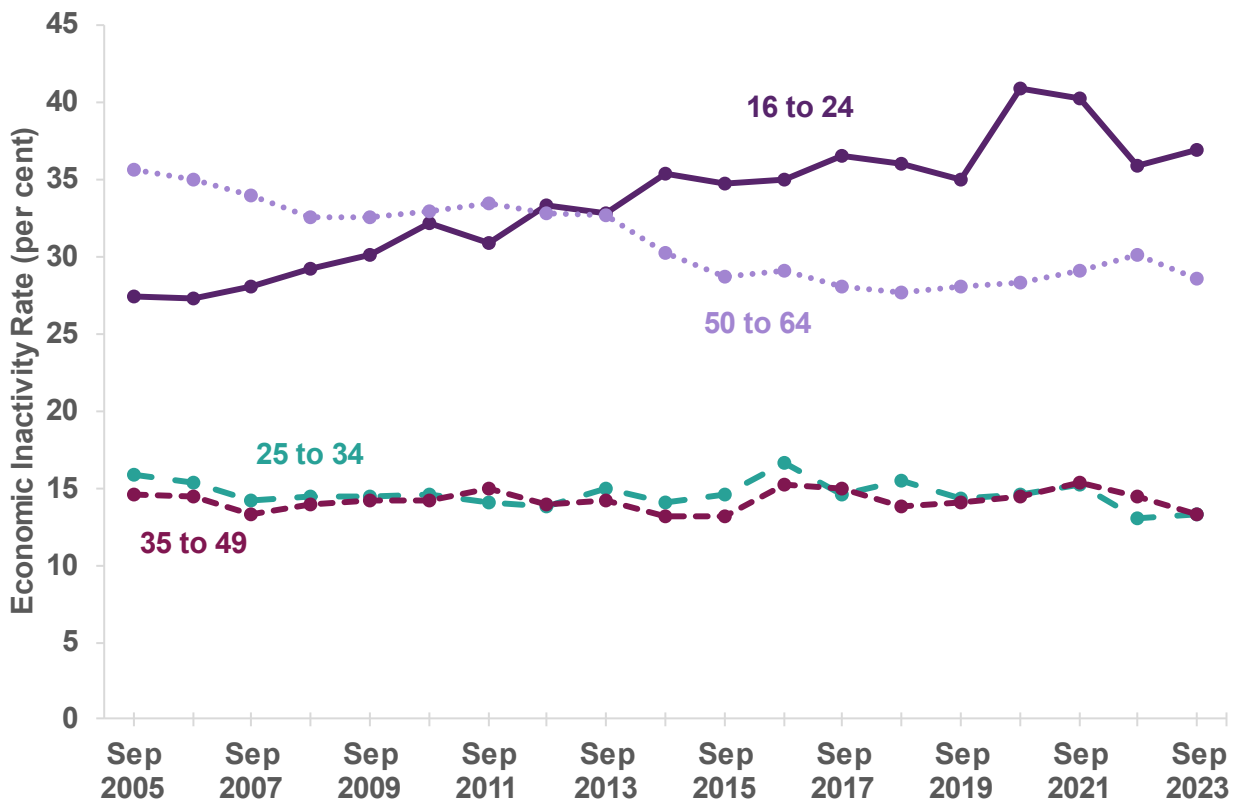
Since October 2011 to September 2012, the inactivity rate for 16 to 24 year olds has been consistently higher than the inactivity rate for any other age group. This is due to higher numbers of people aged 16 to 24 being in education.

The inactivity rates for 25 to 34 year olds and 35 to 49 year olds have been fairly constant across the series. The estimated inactivity rate for 25 to 34 year olds was 13.3 per cent in October 2022 to September 2023. The estimated inactivity rate for 35 to 49 year olds was also 13.3 per cent in October 2022 to September 2023.

The estimated inactivity rate for those aged 50 to 64 had gradually decreased until October 2014 to September 2015 but has remained relatively constant since then.

### Figure 19: Economic inactivity rate for those aged 16 to 24 in Scotland has been higher than any other age group since October 2011 to September 2012

Economic Inactivity rates for persons aged 16 to 64 by age group, Scotland, year ending September 2005 to year ending September 2023



Source: Annual Population Survey, Oct-Sep datasets, ONS

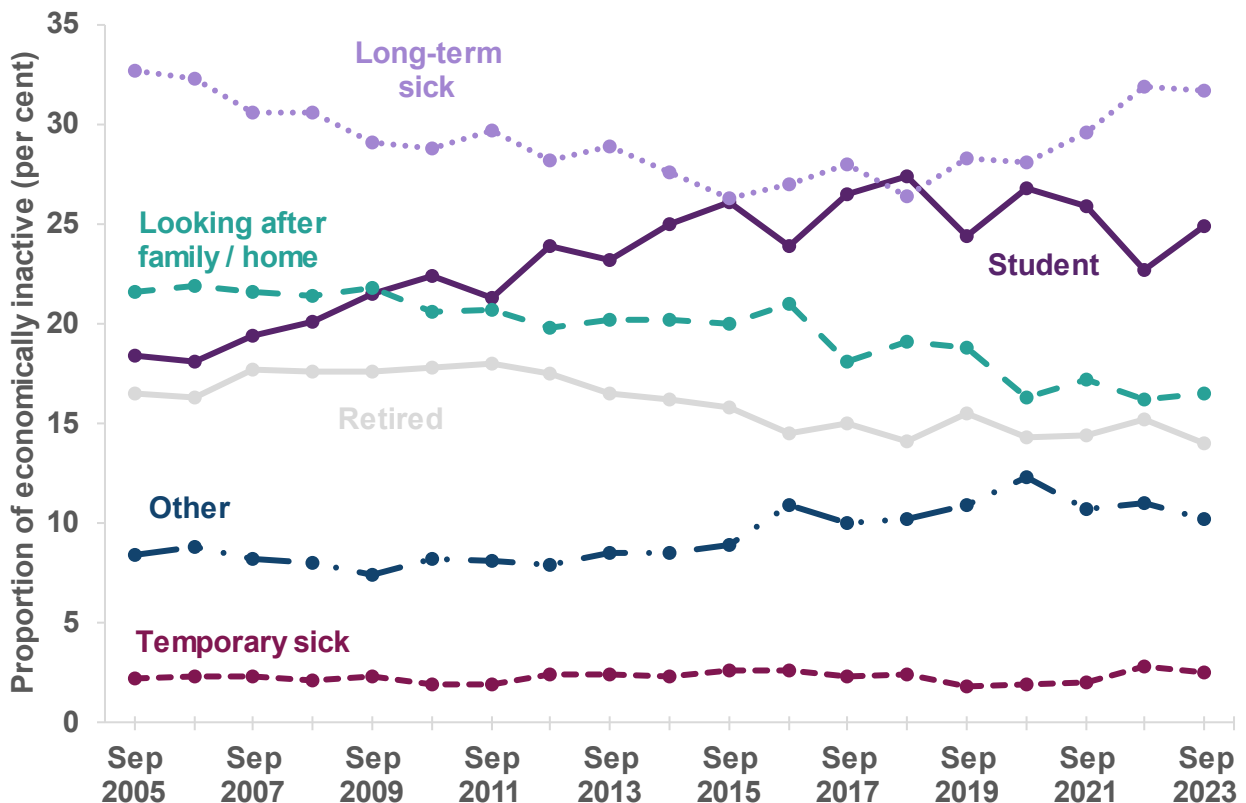
## Reasons for inactivity

In Scotland, the main reason given for being inactive was “long-term sick”. In October 2022 to September 2023, 31.7 per cent of those people aged 16 to 64 who were inactive gave their reason for being inactive as “long-term sick”.

The proportion of the inactive population who were “long-term sick” had been gradually decreasing over time. However, this proportion has been increasing in recent years. The second most common reason for being inactive was due to being a student (24.9 per cent in October 2022 to September 2023) which had gradually been increasing over time but has remained relatively constant in recent years. The proportion of inactive people who were “looking after family / home” has been gradually decreasing over time.

**Figure 20: Proportion of people aged 16 to 64 who are inactive and gave their reason for being inactive as long-term sick had generally been decreasing over time while the proportion of students had been gradually increasing. However, since October 2017 to September 2018, the proportion of students was relatively constant while long-term sick had been gradually increasing**

Economic Inactivity for persons aged 16 to 64 by reason for inactivity, Scotland, year ending September 2005 to year ending September 2023



Source: Annual Population Survey, Oct-Sep datasets, ONS

Note: ‘Other’ reason for being inactive includes those who are discouraged.

## **Further Labour Market Information**

We are looking to expand what is currently included within this publication in future releases.

# Glossary

**Rates:** Rates represent the proportion of the population or subgroup with a certain characteristic. They allow changes in the labour market to be interpreted in a wider context by accounting for changes in the population or the number of people who are economically active. Rates can be calculated for different age groups.

For headline employment, economic activity and economic inactivity, the reference population is those aged 16 to 64. For unemployment, the reference population is the active population aged 16 and over. Thus, people aged 65 and over who continue to be economically active are included in the base while those who are economically inactive will not.

**Economically active:** The population who are either in employment or unemployed.

**Economically inactive:** People not in employment and who do not meet the criteria for unemployment. This group includes:

- those who want a job but who have not been seeking work in the last 4 weeks
- those who want a job and are seeking work but not available to start
- those who do not want a job

For example, students not working or seeking work and those in retirement.

**Employment:** There are two main ways of looking at employment: the number of people with jobs or the number of jobs. These two concepts represent different things as one person can have more than one job. The number of people in employment is measured via the Labour Force Survey and consist of those aged 16 and over. Employment measures the number of people who did at least one hour of paid work or had a job they were temporarily away from. People who do unpaid work in a family business and people on Government-supported training and employment programs are also included. This is in accordance with the International Labour Organisation (ILO) definition.

**Unemployment:** The ILO definition of unemployment covers people who are 16 years and over:

- without a job, have been actively seeking work in the past four weeks and are available to start work in the next fortnight

or

- out of work, have accepted a job and are waiting to start it in the next two weeks

**Employment rate:** The proportion of people aged between 16 and 64 years who are in employment.

**Unemployment rate:** The proportion of economically active people aged 16 and over who are employed.

**Economic inactivity rate:** The number of economically inactive people expressed as a percentage of the relevant population.

**Sex:** Sex is self-reported by respondents participating in the Annual Population Survey (APS). No documentation is asked for by the interviewer or provided by the respondent. Hence, analysis is based on 'sex' rather than 'gender'.

**Disability:** From 2014, the definition of disability is based on the 2010 Equality Act definition. This harmonised definition is based on self-reported health conditions. A condition will have lasted 12 months or more and have a substantial impact on a person's ability to carry out normal day-to-day activities. The 2010 Equality Act superseded the Disability Discrimination Act (DDA) 1995, for Great Britain but not Northern Ireland. The DDA was the basis of the published APS estimates prior to 2013.

**Ethnicity:** Estimates for white and minority ethnic groups are presented using the variables available on the Annual Population Survey data and are consistent with the ONS labour market output for [labour market status by ethnic group](#).

Questions on ethnic group have been asked in the APS since it started in 2004. Changes made in January and April 2011 brought the questions in line with 2011 Census data. As such, a break in the series exists before 2011 and only data from 2011 onwards is included.

Currently in the APS respondents are asked "what is your ethnic group?" and are given the following options to choose from:

- "White"
- "Mixed/Multiple ethnic groups"
- "Asian/Asian Scottish/Asian British"
- "African"
- "Caribbean or Black"
- "Arab"
- "Other ethnic group"

Other questions ask for more detail about respondent's ethnic group. It is important that results should be presented in as much detail as possible but this is often not possible due to the robustness of the sample. The problem of small estimates and samples can be overcome by combining categories. This is not ideal as it may hide inequalities that occur between separate ethnic groups.

For the purpose of the analysis presented here:

- "Minority Ethnic" includes "Mixed or Multiple"; "Asian"; "African"; "Caribbean or Black"; "Arab", and "Other ethnic groups". It describes all ethnic groups excluding those who answered "White" to the first question.
- "White" includes ethnic groups such as "White – Polish" and "White – Gypsy or Irish Traveller". These ethnic groups may also suffer labour market disadvantages.

The term "Minority Ethnic" aids narrative and provides a concise terminology. The terminology used aligns with [Scottish Government guidance](#).

Following work for the 2021 Censuses in [England and Wales](#) and [Northern Ireland, Scotland's Census 2022](#), and work being undertaken by ONS to [transform the Labour Force Survey](#), the question on ethnic group will likely evolve to better represent the people living in Scotland, the United Kingdom, and other stakeholder requirements

Further information on [Classifications and harmonisation](#) is available on the ONS website.



# Data and Methodology

## Where can labour market data for Scotland be accessed

The data contained in this release can be obtained from the following sources:

Figure 21: Table of data sources and where the data can be accessed

Data Source	Where data can be accessed
Monthly ONS adjusted experimental labour market series	<a href="#">Table X10: Adjusted experimental estimates of employment, unemployment, and economic inactivity - Office for National Statistics (ons.gov.uk)</a>
Quarterly ONS Annual Population Survey	<a href="#">Regional labour market: headline indicators for Scotland - Office for National Statistics (ons.gov.uk)</a>
Monthly HMRC Pay As You Earn (PAYE) Real Time Information (RTI) – Payrolled employees and median pay	<a href="#">Earnings and employment from Pay As You Earn Real Time Information, UK Statistical bulletins - Office for National Statistics (ons.gov.uk)</a>
Monthly ONS Claimant Count	<a href="#">Regional labour market: Claimant Count for Scotland – Office for National Statistics (ons.gov.uk)</a>
Weekly Adzuna Online Job Adverts	<a href="#">Online job advert estimates - Office for National Statistics (ons.gov.uk)</a>

Further labour market information for Scotland from the ONS Annual Population Survey is also published on [Nomis](#)

## ONS Labour Force Survey

Due to the increased uncertainty around the ONS Labour Force Survey (LFS) estimates, ONS published an alternative experimental series of estimates of employment, unemployment and economic inactivity on 24 October 2023 for the UK only. The experimental adjusted estimates 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. These experimental estimates have been produced by ONS to provide a more holistic view of the state of the labour market while the LFS estimates are uncertain.

On 2 November 2023, ONS published a [Labour Force Survey: planned improvements and its reintroduction](#) note which highlighted that experimental adjusted employment, unemployment and inactivity estimates by region would be published on 14 November 2023. The experimental adjusted estimates covered the period from May to July 2023 onwards.

On 5 December 2023, ONS published an [updated statement](#) on their development plan in which they stated that they would continue to publish the adjusted experimental labour market series in place of the Labour Force Survey estimates as part of their December release but plan to reintroduce the LFS estimates in January 2024.

ONS have published [“Using administrative data to create headline labour market figures” article](#) explaining how the experimental adjusted series has been produced. This adjusted series is classed as Official Statistics in Development.

## **ONS Annual Population Survey**

The APS combines results from the ONS Labour Force Survey (LFS) with the English, Welsh and Scottish LFS boosts. This provides a larger annual sample of households. Compared with the quarterly LFS, the annual data is statistically more robust. Estimates for local areas and smaller populations (including those aged 16 to 24 years) are more accurate as a result.

The APS is the Accredited Official Statistics source for labour market indicators by region and smaller groups of the population.

The population totals used for the latest APS estimates use projected growth rates from Real Time Information data for UK, EU and non-EU populations based on 2021 patterns. The total population used for the APS therefore does not take into account any changes in migration, birth rates, death rates, and so on, since June 2021, so level estimates may be under- or over-estimating the true values and should be used with caution. Estimates of rates will, however, be robust.

## **Labour Market Transformation**

On 2 November 2023, ONS published an article on the [Labour Force Survey: planned improvements and its reintroduction](#). The Office for National Statistics (ONS) has been facing the challenge of falling response rates for household surveys, as have other comparable countries. ONS have therefore developed a comprehensive plan to address these concerns and to re-introduce the Labour Force Survey. The Annual Population Survey is partly composed of Labour Force Survey estimates.

ONS are transforming the LFS. They are publishing [Labour market transformation articles](#) providing updates on the transformation of labour market statistics.

ONS also welcome any feedback on this latest update and their plans. Please email them at [labour.market.transformation@ons.gov.uk](mailto:labour.market.transformation@ons.gov.uk) to tell them what you think.

## **Other sources**

This publication also contains HMRC PAYE Real Time Information (RTI) on median monthly earnings and payrolled employees. These are classed as Official Statistics in Development.

The ONS have also published experimental Claimant Count estimates which have also been included within this publication. These are also classed as Official Statistics in Development.

## **HMRC RTI**

This release covers people paid through the HMRC's Pay As You Earn (PAYE) system where their pay is reported through the Real Time Information (RTI) system.

Information presented in this release are experimental monthly estimates of the number of payrolled employees and their median earnings. It includes UK and geographical regions (NUTS1) early estimates of payrolled employment and median pay for the most recent month.

Statistics in this release are based on people who are employed in at least one job paid through HMRC's PAYE system and the monthly estimates reflect the average for each day of the calendar month.

The publication and background information can be accessed on the [ONS website](#).

## **Claimant Count**

The Claimant Count is not a measure of unemployment and changes in the Claimant Count will not be wholly because of changes in the number of people who are unemployed. It is a measure of the number of people claiming benefit principally for the reason of being unemployed:

- Between January 1971 (when comparable estimates start) and September 1996, it is an estimate of the number of people who would have claimed unemployment-related benefits if Jobseeker's Allowance had existed at that time.
- Between October 1996 and April 2013, the Claimant Count is a count of the number of people claiming Jobseeker's Allowance (JSA).
- Between May 2013 and October 2013, the Claimant Count includes all claimants of Universal Credit (including those who were in work) as well as all JSA claimants
- From November 2013, the Claimant Count includes all out of work Universal Credit claimants as well as all JSA claimants .
- From April 2015 onwards the claimant count includes those claimants of Universal Credit who are required to search for work, i.e. within the

Searching for Work conditionality regime as defined by the Department for Work & Pensions as well as all JSA claimants

Information for November 2023 is for the number of claimants as at 9 November 2023.

In addition to the Claimant Count, the Department for Work and Pensions (DWP) publishes quarterly Alternative Claimant Count statistics. These measure the number of people claiming unemployment-related benefits by modelling what the Claimant Count would have looked like if Universal Credit had been in place since 2013. Further information on the Alternative Claimant Count can be found at:

[DWP Alternative Claimant Count statistics publication](#)

### **Adzuna online Job adverts**

Adzuna is an online job search engine who collate information from thousands of different sources in the UK. These range from direct employers' websites to recruitment software providers to traditional job boards thus providing a comprehensive view of current online job adverts. Adzuna is working in partnership with ONS and have made data available for analysis including online advert job descriptions, job titles, job locations, job categories and salary information. The data provided are a point-in-time estimate of all job adverts indexed in Adzuna's job search engine during the point of data extraction. For more information see:

[Online job advert estimates publication, ONS](#)

### **Reliability of estimates**

Estimates from the ONS Annual Population Survey for October 2004 to September 2005 through to October 2022 to September 2023 are presented. For the latest time period, the sample size is around 9,000 households in Scotland.

The ONS Labour Force Survey (LFS) and Annual Population Survey (APS) are sample surveys. As such, these estimates are subject to an associated sampling error that decreases as the sample size increases. It is the nature of sampling variability that the smaller a group is the (proportionately) less precise an estimate is. The Office for National Statistics (ONS) have published a detailed guidance note on this. Shading is one method used by ONS to indicate where estimates should be used with caution. The Accredited Official Statistics marking for the APS reflects the larger sample size for headline estimates of Labour Market indicators for smaller groups of the population for Scotland.

Employees who were furloughed between April 2020 and the end of September 2021 were classed as employed, but temporarily away from work. This is consistent with labour market definitions [outlined by ONS](#).

## Confidence Intervals

Confidence limits can be used to assess the range of values that the true value lies between. 95 per cent confidence intervals for rates are included in all tables and charts.

What does the 95 per cent confidence limit mean?

If, for example, we have an APS estimate and confidence limit of 63 per cent  $\pm$  0.27, this means that 19 times out of 20 we would expect the true rate to lie between 62.73 per cent and 63.27 per cent. Only in exceptional circumstances (1 in 20 times) would we expect the true rate to be outside the confidence interval around the APS estimate. Thus the smaller the confidence limits, the more reliable the estimate is.

The confidence limits use a design factor of 1, which may not be likely in some cases but given the lack of further information an average design factor of 1 is assumed to be reasonable. Further information on estimating confidence intervals can be found in the [LFS user guidance](#).

## Statistical Significance

Statistical significance is based on 95 per cent Confidence Intervals. Statistical significance means that the change was large enough that it is unlikely to have resulted only from the variable nature of the sample.

## Quality Assurance

Annual Population Survey microdata is collected and produced by the ONS. Scottish Government statisticians receive early access to perform quality assurance checks.

When producing estimates for this publication, Scottish Government statisticians conduct in-depth quality assurance.

These checks include:

- analysis of the sample size obtained in the collection process
- production of estimates from the microdata using statistical software and relevant coding
- cross checking of coding between team members

Further checks relate to:

- crosschecking historical time series data with previously published results
- benchmarking the results against other relevant data sources

# Tell us what you think

We are always interested to hear from our users about how our statistics are used, and how they can be improved.

## Feedback survey

We'd appreciate it if you would complete our short [feedback survey](#) on this publication.

## Enquiries

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