

# **ECONOMY AND LABOUR MARKET**

# Employment, Unemployment and Inactivity for young people (16 to 24 year olds): Scotland and UK

Statistics from the Annual Population Survey, April 2019 to March 2020 dataset, 17 June 2020

#### **About this publication**

This publication contains the latest estimated level and rate of employment, unemployment and economic inactivity for young people (16 to 24 year olds) for Scotland and the UK for April 2019 to March 2020. Data are sourced from the Annual Population Survey (APS) dataset publically released today by the Office for National Statistics (ONS). While the focus of this publication is on estimates for Scotland, key UK estimates are also provided for comparison.

Estimates are presented for the period April 2009 – March 2010 to April 2019 – March 2020 and intervening years from the April to March dataset. Comparisons are made between the current year April 2019 – March 2020 and the comparable dataset in earlier years.

The APS combines the results from the Labour Force Survey (LFS) and the English, Welsh and Scottish Labour Force Survey boosts to provide a larger annual sample of households in Scotland and the UK. Compared with the main quarterly LFS, these annual data provide more statistically robust labour market estimates for local areas and smaller groups of the population (including those aged 16 to 24 years).

The Annual Population Survey is the National Statistics source for labour market indicators by region and age. The next release of Annual Population Survey estimates will be for July 2019 to June 2020 and will be published on 16 September 2020.

For information, Annex A contains the most recent employment, unemployment and inactivity levels and rates for 16 to 24 year olds from the latest Labour Force Survey (LFS) dataset, Feb 2020 – Apr 2020 (at the time of this publication). These are published as Official Statistics.

**Note**: Government policies introduced in relation to the COVID-19 pandemic were implemented in the last two weeks of the period the latest estimates cover and will therefore have little impact on the estimates. LFS estimates in Annex A include more of the period since policies were introduced; however, smaller sample sizes may result in less reliable estimates.



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# **Key Results**

# Youth Employment

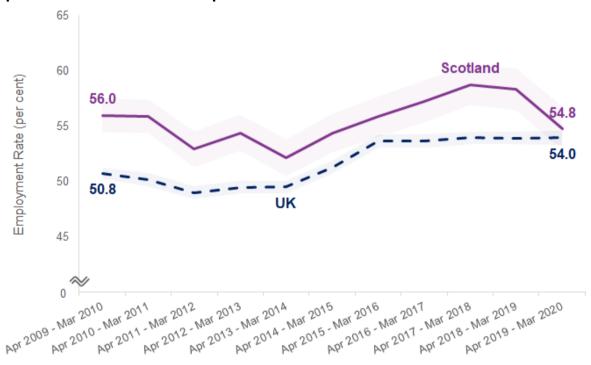
In April 2019 – March 2020, 309,000 young people aged 16 to 24 years were in employment in Scotland.

The employment rate for young people (16 to 24 year olds) in Scotland in April 2019 – March 2020 was 54.8 per cent, 3.6 percentage points\* lower than a year ago (58.3 per cent), which represents a statistically significant change. This has increased from a low of 52.1 per cent in April 2013 – March 2014 but also decreased from a high of 58.8 per cent in Apr 2017 - Mar 2018.

For the UK as a whole, the employment rate for young people (16 to 24 year olds) was 54.0 per cent, 0.1 percentage points higher than a year ago (53.9 per cent)

Chart 1 shows the long-term trend in the youth (16 to 24 year olds) employment rate for Scotland and the UK from the Annual Population Survey, ONS.

Chart 1: Youth Employment Rate (16 to 24 year olds), Scotland and the UK, April 2009 – March 2010 to April 2019 – March 2020



**Source**: Annual Population Survey, Apr-Mar datasets, ONS **Note**: Shaded area represent 95 per cent confidence interval

\* All calculations throughout the document are based on unrounded data.

## Youth Unemployment

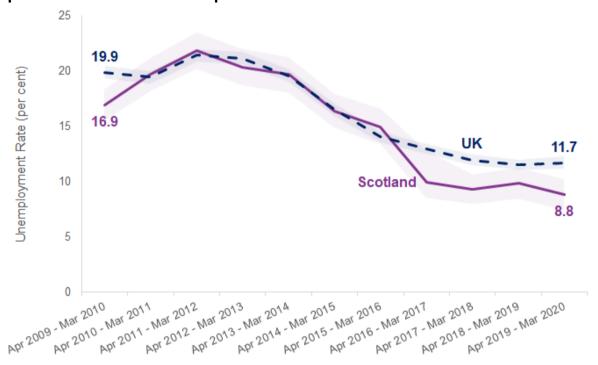
In April 2019 – March 2020, 30,000 young people aged 16 to 24 years were unemployed in Scotland, 7,000 less than in April 2018 – March 2019 when 37,000 young people were unemployed.

The unemployment rate for young people (16 to 24 years) in Scotland was 8.8 per cent (in April 2019 – March 2020), 1.0 percentage point lower than the year before (9.9 per cent) is not a statistically significant change. Unemployment reached 21.8 per cent in April 2011 – March 2012 but has fallen to a low of 8.8 per cent in April 2019 – March 2020.

For the UK, the unemployment rate for young people (16 to 24 years) was 11.7 per cent, 0.2 percentage points higher than the year before (11.5 per cent).

Chart 2 shows the long-term trend in the youth (16 to 24) unemployment rate for Scotland and the UK from the Annual Population Survey. ONS.

Chart 2: Youth Unemployment Rate (16 to 24 year olds), Scotland and the UK, April 2009 – March 2010 to April 2019 – March 2020



**Source**: Annual Population Survey, Apr-Mar datasets, ONS **Note**: Shaded area represent 95 per cent confidence interval

## **Youth Inactivity**

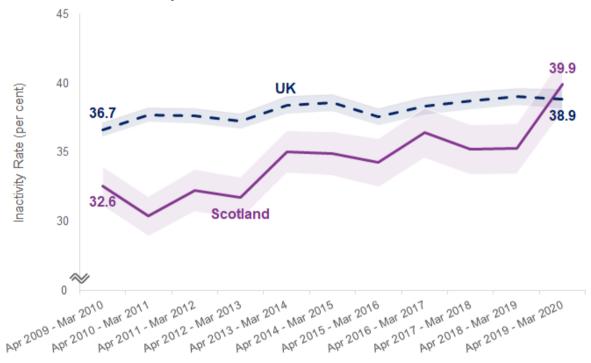
In April 2019 – March 2020, 225,000 young people aged 16 to 24 were economically inactive in Scotland, 22,000 more than a year ago when 203,000 were economically inactive.

In April 2019 – March 2020, the inactivity rate for young people (16 to 24 year olds) in Scotland was 39.9 per cent, 4.6 percentage points higher than the year before (35.3 per cent), which represents a statistically significant change. Inactivity has risen since April 2010 – March 2011 to a high of 39.9 per cent in April 2019 – March 2020. Nearly three quarters of young people (16 to 24 year olds) who are economically inactive are in full-time education.

For the UK, the inactivity rate for young people (16 to 24 year olds) was 38.9 per cent, 0.2 percentage points lower than the year before (39.0 per cent).

Chart 3 shows the long-term trend in the youth (16 to 24 year olds) inactivity rate for Scotland and the UK from the Annual Population Survey, ONS.

Chart 3: Youth Inactivity Rate (16 to 24 year olds), Scotland and the UK, April 2009 – March 2010 to April 2019 – March 2020



**Source**: Annual Population Survey, Oct-Sep datasets, ONS **Note**: Shaded area represent 95 per cent confidence interval

Table 1: Employment, Unemployment and Economic Inactivity Levels and Rates for 16-24 year olds, Scotland

|                                  | Total (16 to 24 years) | Employment |                 |       | Unemployment |                 |       | Inactivity |          |            |
|----------------------------------|------------------------|------------|-----------------|-------|--------------|-----------------|-------|------------|----------|------------|
|                                  | Level                  | Level      | Rate Confidence |       | Level        | Rate Confidence |       | Level      | Rate     | Confidence |
|                                  | Thousands              | Thousands  | per cent        | Limit | Thousands    | per cent        | Limit | Thousands  | per cent | Limit      |
| Apr 2009 - Mar 2010              | 614                    | 344        | 56.0            | ± 1.5 | 70           | 16.9            | ± 1.4 | 200        | 32.6     | ± 1.4      |
| Apr 2010 - Mar 2011              | 620                    | 346        | 55.9            | ± 1.5 | 85           | 19.7            | ± 1.5 | 188        | 30.4     | ± 1.4      |
| Apr 2011 - Mar 2012              | 625                    | 331        | 52.9            | ± 1.6 | 92           | 21.8            | ± 1.6 | 202        | 32.3     | ± 1.5      |
| Apr 2012 - Mar 2013              | 622                    | 338        | 54.4            | ± 1.6 | 86           | 20.3            | ± 1.6 | 197        | 31.7     | ± 1.5      |
| Apr 2013 - Mar 2014              | 617                    | 322        | 52.1            | ± 1.6 | 79           | 19.7            | ± 1.6 | 216        | 35.1     | ± 1.5      |
| Apr 2014 - Mar 2015              | 612                    | 333        | 54.4            | ± 1.7 | 65           | 16.4            | ± 1.5 | 214        | 34.9     | ± 1.6      |
| Apr 2015 - Mar 2016              | 607                    | 339        | 55.9            | ± 1.8 | 60           | 15              | ± 1.6 | 208        | 34.3     | ± 1.7      |
| Apr 2016 - Mar 2017              | 598                    | 342        | 57.2            | ± 1.9 | 38           | 10              | ± 1.4 | 218        | 36.4     | ± 1.8      |
| Apr 2017 - Mar 2018              | 585                    | 344        | 58.8            | ± 1.8 | 35           | 9.3             | ± 1.3 | 206        | 35.2     | ± 1.8      |
| Apr 2018 - Mar 2019              | 574                    | 335        | 58.3            | ± 1.9 | 37           | 9.9             | ± 1.4 | 203        | 35.3     | ± 1.8      |
| Apr 2019 - Mar 2020              | 564                    | 309        | 54.8            | ± 1.9 | 30           | 8.8             | ± 1.4 | 225        | 39.9     | ± 1.9      |
| Change since Apr 2018 - Mar 2019 | -11                    | -26        | -3.6            |       | -7           | -1.0            |       | 22         | 4.6      | •          |
| Change since Apr 2009 - Mar 2010 | -50                    | -35        | -1.2            |       | -40          | -8.1            |       | 25         | 7.3      |            |

Source: Annual Population Survey, Apr-Mar datasets, ONS.

#### Notes:

- 1. Levels and rates are based on those aged 16 to 24.
- 2. Levels rounded to the nearest thousand.
- 3. Rates are based on unrounded figures.
- 4. Employment and Inactivity rates are based on those aged 16 to 24. Denominator is all persons aged 16 to 24.
- 5. Unemployment rates are based on those aged 16 to 24. Denominator is all those aged 16 to 24 who are economically active (employed and unemployed).
- 6. Changes over time are based on unrounded figures.
- 7. Confidence limits are calculated for the 95th percentile.

Table 2: Employment, Unemployment and Economic Inactivity Levels and Rates for 16-24 year olds, UK

|                                  | Total (16 to 24 years) | Employment     |          |                 | Un        | employment      |       | Inactivity |                 |       |
|----------------------------------|------------------------|----------------|----------|-----------------|-----------|-----------------|-------|------------|-----------------|-------|
|                                  | Level                  | Level Rate Con |          | onfidence Level |           | Rate Confidence |       | Level      | Rate Confidence |       |
|                                  | Thousands              | Thousands      | per cent | Limit           | Thousands | per cent        | Limit | Thousands  | per cent        | Limit |
| Apr 2009 - Mar 2010              | 7,268                  | 3,689          | 50.8     | ± 0.5           | 914       | 19.9            | ± 0.6 | 2,664      | 36.7            | ± 0.5 |
| Apr 2010 - Mar 2011              | 7,327                  | 3,676          | 50.2     | ± 0.6           | 886       | 19.4            | ± 0.6 | 2,764      | 37.7            | ± 0.5 |
| Apr 2011 - Mar 2012              | 7,368                  | 3,611          | 49.0     | ± 0.6           | 984       | 21.4            | ± 0.6 | 2,773      | 37.6            | ± 0.5 |
| Apr 2012 - Mar 2013              | 7,344                  | 3,635          | 49.5     | ± 0.6           | 974       | 21.1            | ± 0.6 | 2,735      | 37.2            | ± 0.5 |
| Apr 2013 - Mar 2014              | 7,306                  | 3,619          | 49.5     | ± 0.6           | 879       | 19.5            | ± 0.6 | 2,808      | 38.4            | ± 0.6 |
| Apr 2014 - Mar 2015              | 7,280                  | 3,734          | 51.3     | ± 0.6           | 737       | 16.5            | ± 0.6 | 2,809      | 38.6            | ± 0.6 |
| Apr 2015 - Mar 2016              | 7,242                  | 3,887          | 53.7     | ± 0.6           | 634       | 14.0            | ± 0.5 | 2,722      | 37.6            | ± 0.6 |
| Apr 2016 - Mar 2017              | 7,163                  | 3,844          | 53.7     | ± 0.6           | 572       | 12.9            | ± 0.5 | 2,748      | 38.4            | ± 0.6 |
| Apr 2017 - Mar 2018              | 7,063                  | 3,810          | 54.0     | ± 0.6           | 517       | 11.9            | ± 0.5 | 2,735      | 38.7            | ± 0.6 |
| Apr 2018 - Mar 2019              | 6,971                  | 3,760          | 53.9     | ± 0.6           | 489       | 11.5            | ± 0.5 | 2,722      | 39.0            | ± 0.6 |
| Apr 2019 - Mar 2020              | 6,896                  | 3,723          | 54.0     | ± 0.7           | 493       | 11.7            | ± 0.6 | 2,680      | 38.9            | ± 0.7 |
| Change since Apr 2018 - Mar 2019 | -75                    | -37            | 0.1      |                 | 4         | 0.2             |       | -42        | -0.2            |       |
| Change since Apr 2009 - Mar 2010 | -371                   | 34             | 3.2      |                 | -421      | -8.2            |       | 16         | 2.2             |       |

**Source**: Annual Population Survey, Apr-Mar datasets, ONS.

#### Notes:

- 1. Levels and rates are based on those aged 16 to 24.
- 2. Levels rounded to the nearest thousand.
- 3. Rates are based on unrounded figures.
- 4. Employment and Inactivity rates are based on those aged 16 to 24. Denominator is all persons aged 16 to 24.
- 5. Unemployment rates are based on those aged 16 to 24. Denominator is all those aged 16 to 24 who are economically active (employed and unemployed).
- 6. Changes over time are based on unrounded figures.
- 7. Confidence limits are calculated for the 95th percentile.

# **Further Information**

# Reliability of estimates

Information from the Annual Population Survey for April 2008 – March 2008 to April 2019 – March 2020 is presented. The sample size in this dataset is around 17,000 households in Scotland.

As the Labour Force Survey (LFS) and the Annual Population Survey (APS) are sample surveys, 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 the group whose size is being estimated, the (proportionately) less precise the estimate is. ONS have published a detailed guidance note on <a href="mailto:this.">this.</a>. Shading is one method used by ONS to indicate where estimates should be used with caution. Following this guidance, none of the estimates in this publication have required shading. However, the National Statistics marking for the Annual Population Survey reflects the larger sample size for headline estimates of Labour Market indicators by age for Scotland.

#### Access the data in this publication

Results are provided for April 2009 – March 2010 to April 2019 – March 2019, based on the data released by the Office for National Statistics (ONS) on 17 June 2020.

The tables and the charts contained in this publication are also available in excel format web tables.

Annual Population Survey data for employment and economic inactivity by age for Scotland, alongside a range of other labour market indicators, are also made available on the Scottish Government Open Data Platform: http://statistics.gov.scot/home

ONS also release rolling quarterly Annual Population Survey datasets covering the periods January – December, July – June, and October – September. The data for these time periods have not been used or presented within this publication. The data for these are available at: https://www.nomisweb.co.uk/

#### Confidence Intervals

Confidence limits can be used to assess the range of values that the true value lies between. 95 per cent confidence intervals are included in Table 1 and 2 and shown in charts 1, 2, and 3.

#### What does the 95 per cent confidence limit mean?

If, for example, we have an APS estimate and confidence limit of 63 per cent ±0.27 per cent, 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.

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 samples.

# **Concepts and Definitions**

**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. People aged 16 or over are classed as in employment (as an employee or self-employed) by the Labour Force Survey (LFS), if they have done at least one hour of paid work in the week prior to their LFS interview or if they have a job that they are temporarily away from. People who do unpaid work in a family business and people on Government-supported training and employment programs are also included according to the International Labour Organisation (ILO) definition.

**Employment rate:** The number of people in employment expressed as a percentage of the relevant population.

**Economically inactive:** Economically inactive people are not in employment, but do not satisfy all the criteria for unemployment. This group is comprised of those who want a job but who have not been seeking work in the last four weeks, those who want a job and are seeking work but not available to start and those who do not want a job. For example, students not working or seeking work and those in retirement are classed as economically inactive.

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

**Unemployment:** The ILO definition of unemployment covers people who are: not in employment, want a job, have actively sought work in the previous four weeks and are available to start work within the next fortnight, or, out of work and have accepted a job which they are waiting to start in the next fortnight.

**Unemployment rate:** The number of unemployed people expressed as a percentage of the relevant economically active population.

Rates: Rates represent the proportion of the population or subgroup of the population with a certain characteristic. They allow changes in the labour market to be interpreted in a wider context, allowing for changes in the overall population or the number of people who are economically active. Rates can be calculated for different age groups. For employment, economic activity and economic inactivity, the most widely quoted rates are those for the 16 to 64 population. For unemployment, headline rates are expressed as a percentage of the economically active population aged 16 and over. Those over retirement age who continue to be economically active will therefore be included in the base while those who are economically inactive will not.

# Annex A

# **Labour Force Survey (LFS)**

Table A1 provides the employment, unemployment and inactivity levels and rates for all 16 to 24 year olds based on results from the most recently available Labour Force Survey, ONS for Feb-Apr 2010 to Feb-Apr 2020.

The Annual Population Survey (APS) has a larger sample size than the LFS and therefore provides more robust information for smaller groups. However, the results from both the APS and LFS show broadly similar long-term trends in labour market statistics for those aged 16 to 24 in Scotland.

Table A1: Employment, Unemployment and Economic Inactivity Levels and Rates for 16-24 year olds, Scotland

|                           | Total (16-24 years) | Employ      | ment       | Unemplo     | oyment     | Inactivity  |            |  |
|---------------------------|---------------------|-------------|------------|-------------|------------|-------------|------------|--|
|                           | Level               | Level       | Rate       | Level       | Rate       | Level       | Rate       |  |
|                           | (thousands)         | (thousands) | (per cent) | (thousands) | (per cent) | (thousands) | (per cent) |  |
| Feb-Apr 2010              | 617                 | 329         | 53.3       | 69          | 17.3       | 219         | 35.6       |  |
| Feb-Apr 2011              | 624                 | 328         | 52.6       | 75          | 18.7       | 220         | 35.4       |  |
| Feb-Apr 2012              | 623                 | 331         | 53.2       | 89          | 21.2       | 203         | 32.6       |  |
| Feb-Apr 2013              | 619                 | 355         | 57.3       | 63          | 15.1       | 201         | 32.5       |  |
| Feb-Apr 2014              | 614                 | 318         | 51.8       | 71          | 18.3       | 225         | 36.6       |  |
| Feb-Apr 2015              | 610                 | 364         | 59.7       | 59          | 13.9       | 188         | 30.7       |  |
| Feb-Apr 2016              | 603                 | 336         | 55.6       | 52          | 13.4       | 216         | 35.8       |  |
| Feb-Apr 2017              | 591                 | 337         | 57.0       | 33          | 8.8        | 222         | 37.5       |  |
| Feb-Apr 2018              | 580                 | 326         | 56.3       | 32          | 8.9        | 222         | 38.2       |  |
| Feb-Apr 2019              | 569                 | 338         | 59.4       | 22          | 6.1        | 209         | 36.8       |  |
| Feb-Apr 2020              | 559                 | 300         | 53.6       | 45          | 13.1       | 214         | 38.3       |  |
| Change since Feb-Apr 2019 | -9                  | -38         | -5.8       | 24          | 7.1        | 5           | 1.5        |  |
| Change since Feb-Apr 2010 | -57                 | -29         | 0.3        | -23         | -4.2       | -5          | 2.7        |  |

**Source**: Labour Force Survey, Feb-Apr datasets, not seasonally adjusted, ONS **Notes**:

- 1. Levels and rates are based on those aged 16 to 24.
- 2. Levels rounded to the nearest thousand.
- 3. Rates are based on unrounded figures.
- 4. Employment and Inactivity rates are based on those aged 16 to 24. Denominator is all persons aged 16 to 24.
- 5. Unemployment rates are based on those aged 16 to 24. Denominator is all those aged 16 to 24 who are economically active (employed and unemployed).
- 6. Changes over time are based on unrounded figures.

These estimates were published on 16 June 2020 by ONS as part of the <u>Labour</u> <u>Market Statistics in the Regions of the UK</u> monthly publication as Official Statistics.

# An Official Statistics publication for Scotland

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