



## Labour Market Overview, June 2021

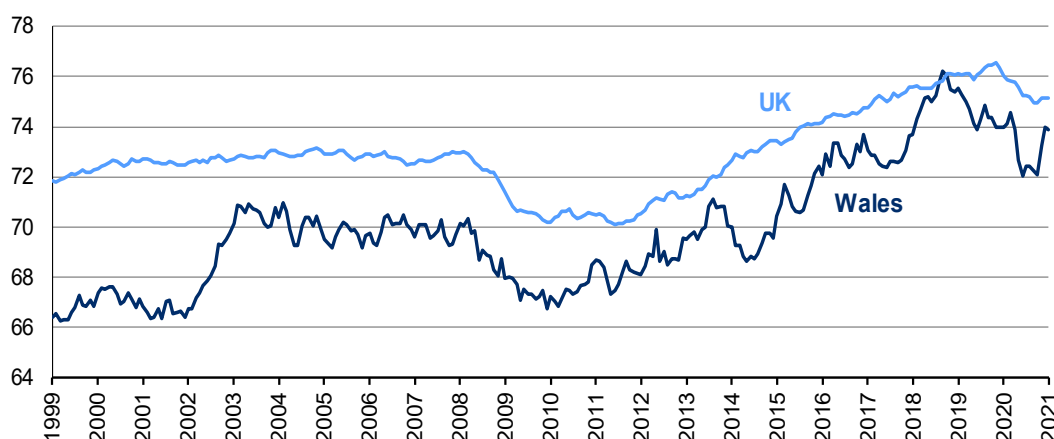
17 June 2021  
SB 19/2021

### Key points for February to April 2021

The latest Labour Force Survey data (February to April 2021) continues to show the impacts of the coronavirus (COVID-19) pandemic on the labour market.

- The employment rate in Wales experienced an increase over the quarter to 73.9% but decreased slightly over the year.
- The Welsh unemployment rate decreased over the quarter to 4.3% but increased over the year.
- The economic inactivity rate had one of the largest decreases since records began in 1992 to 22.7%.

### Employment rate (percentage of population age 16-64)



Source: Labour Force Survey, Office for National Statistics

### Other data sources

The latest official labour market estimates cover the period February to May 2021.

Other data sources, such as the number of paid employees, are also used to provide a more complete picture.

- Early estimates for May 2021 indicate that the number of paid employees increased by 0.9% over the month, the largest monthly increase since the series began in 2014. But it remains below the pre-pandemic (February 2020) estimate.
- While the sample size is small, the estimated redundancy rate in Wales has continued to decrease following a peak in September to November 2020.

### About this bulletin

This monthly bulletin used to be a compendium publication that brought together the latest key statistics relating to the Welsh economy and labour market.

Since June 2020, this has been changed to focus mainly on the Labour Market and more specifically focus on the impacts of COVID19 on the labour market

Key supporting material:

[Welsh Economy in Numbers](#)

### In this bulletin

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We have suspended a large part of the bulletin in order to focus on the labour market impacts of the COVID-19 crisis. All data that is no longer in the bulletin is available elsewhere on our website. Links can be found within table 5.3 in the [Key Quality Information section](#).

## Note

In January 2021, the Office for National Statistics (ONS) released a [statement](#) about the Labour Force Survey (LFS) and the impact of the COVID-19 pandemic. The LFS responses are weighted to official population estimates and projections that do not currently reflect the impact of the COVID-19 pandemic. The LFS is not designed to measure changes in the levels of population or long-term international migration. ONS are analysing the population totals used in the weighting process and may make adjustments if appropriate. Rates published from the LFS remain robust and reliable, however levels and changes in levels should be used with caution. For more detail, ONS have also released a [blog](#).

For this reason, we have removed the majority of references to levels throughout this release and maintained the focus on rates.

The Office for National Statistics have published a [methodology paper](#) outlining that they intend to re-weight the Labour Force Survey using population estimates from PAYE real-time information. This will be applied to LFS results from July 2021.

The Labour Market series can be volatile, and in particular, short term changes should be treated with caution.

# 1. Employment

## Labour Force Survey Employment (ONS)

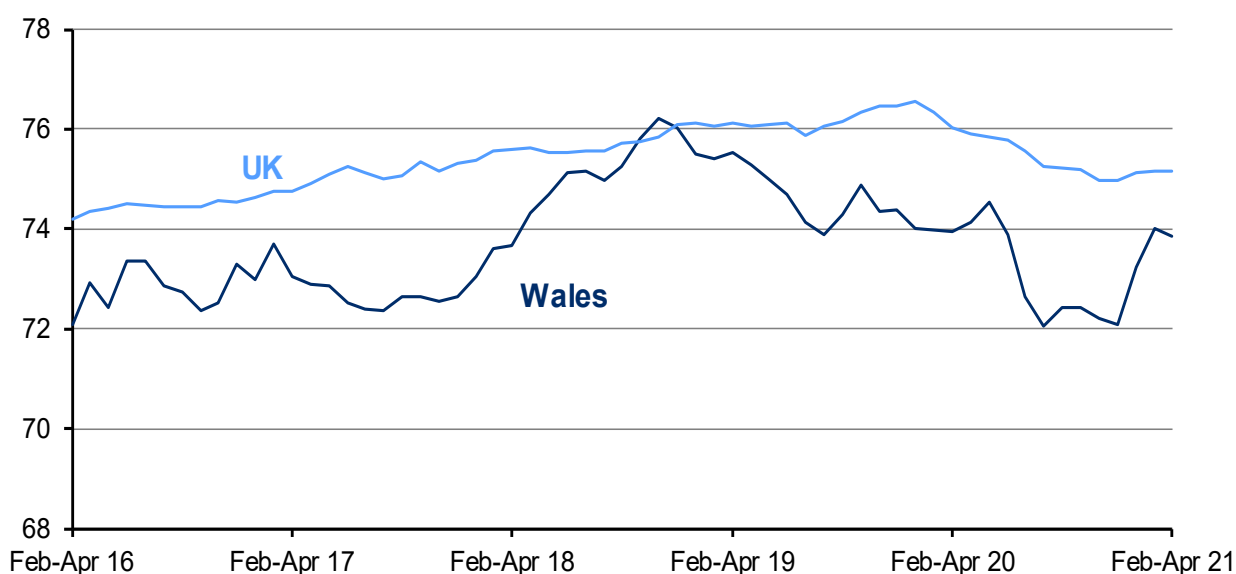
**LFS employment:** people aged 16 to 64 who did at least one hour of paid work in the reference week (whether as an employee or self-employed); those who had a paid job that they were temporarily away from; those on government-supported training and employee programmes and those doing unpaid family work.

**Note:** Figures for employment include employees that have been furloughed.

Data from the LFS shows that the employment rate remained broadly stable towards the end of 2019 and the beginning of 2020 following a steady decrease since late 2018. The employment rate began to fall in early 2020 as a result of the coronavirus pandemic, and the July to September 2020 period saw the largest quarterly decrease in the Welsh employment rate since records began in 1992. Wales had the ninth highest employment rate of the 12 UK countries and English regions in February to April 2021.

Other sources explored in this section such as the number of people furloughed under the Coronavirus Job Retention Scheme, the number of paid employees in Wales and the average number of hours worked give further indication of the impact on the labour market.

**Chart 1.1: Employment rate, persons** (percentage of those aged 16-64)



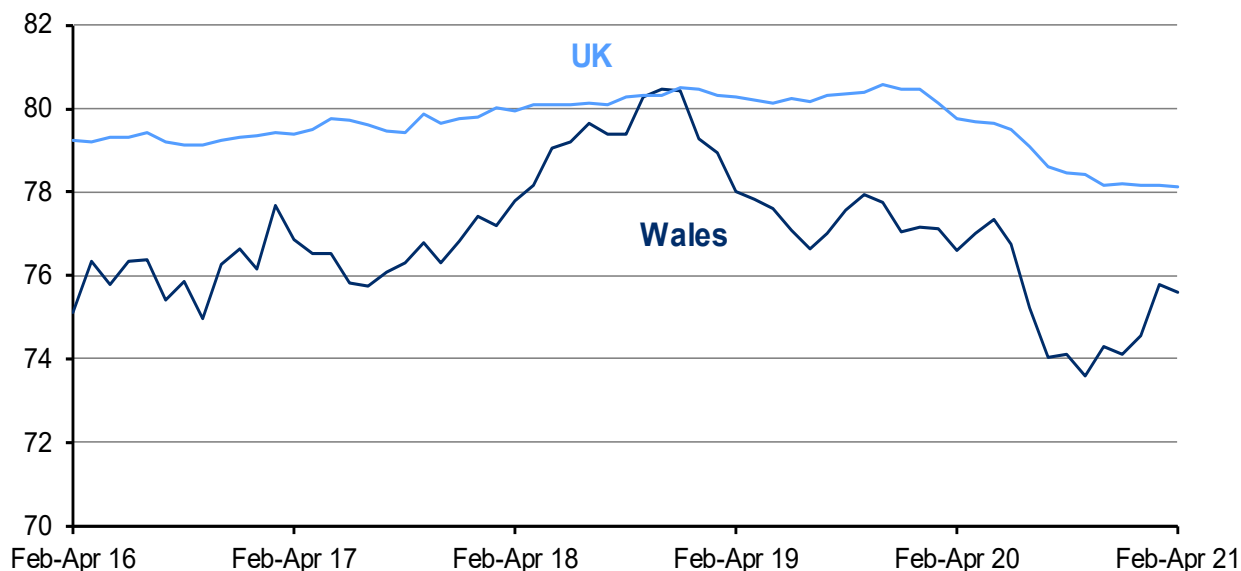
Source: Welsh Government analysis of Labour Force Survey

Looking at the latest Labour Force Survey statistics in more detail, the employment rate was 73.9% in Wales in February to April 2021. This is up 1.8 percentage points on the previous quarter but down slightly from the same period a year earlier. This compares to a rate of 75.2% in the UK over the same period, which is 1.3 percentage points higher than the rate for Wales (Chart 1.1).

## Employment and Sex

In February to April 2021, the employment rate in Wales increased for both men and women compared to the previous quarter. Compared to the same time last year, the employment rate decreased for men but increased for women. In September to November 2020 the employment rate for men fell to the lowest it has been in over five years.

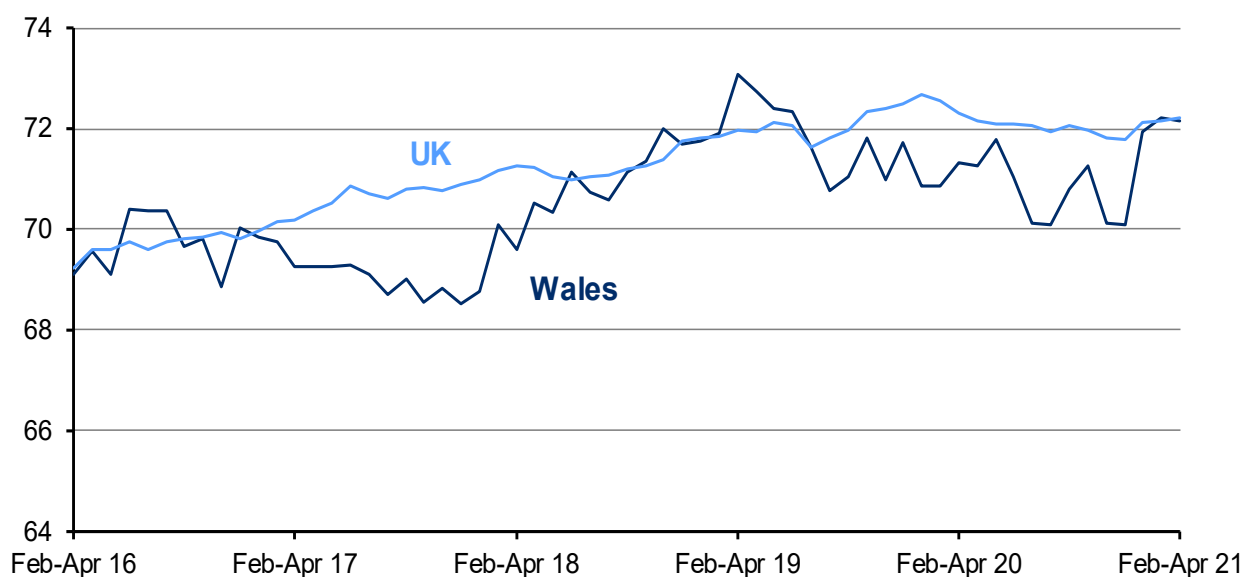
**Chart 1.2: Employment rate, men** (percentage of those aged 16-64)



Source: Welsh Government analysis of Labour Force Survey

The employment rate for men in Wales in February to April 2021 was 75.6%, up 1.5 percentage points on the previous quarter, and down 1.0 percentage points from the same period a year earlier. September to November 2020 showed the largest annual decrease on record for the male employment rate (4.3 percentage points). Comparatively, the employment rate for men in the UK was 78.1% over the same period, down 1.7 percentage points over the year. (Chart 1.2)

**Chart 1.3: Employment rate, women** (percentage of those aged 16-64)



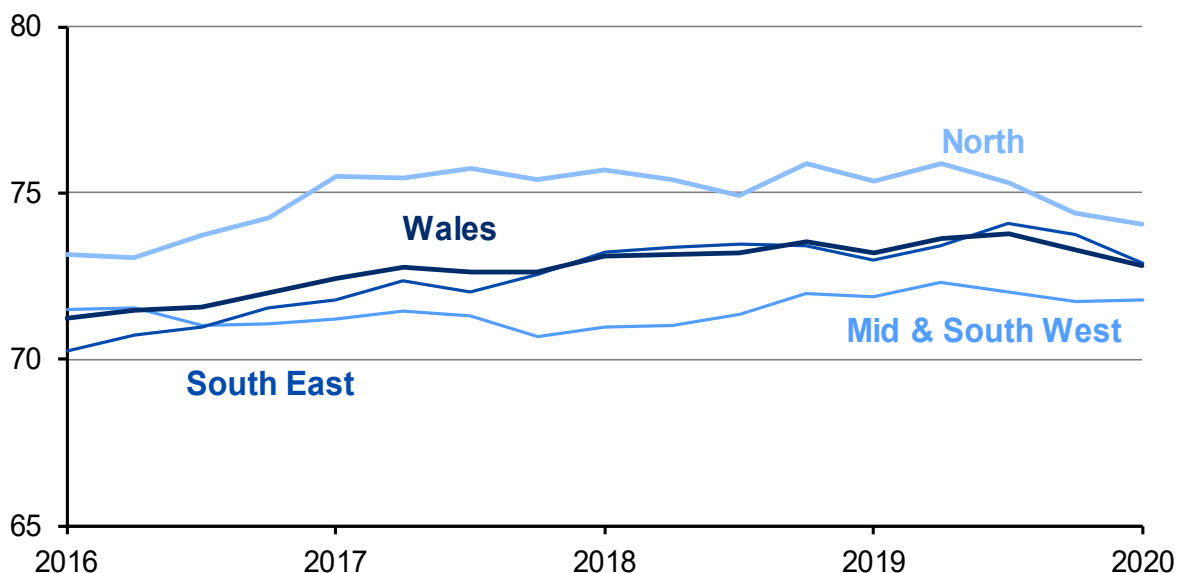
Source: Welsh Government analysis of Labour Force Survey

Conversely, the employment rate for women has remained more stable. The employment rate for women in Wales in February to April 2021 was 72.1%, up 2.1 percentage points compared to the previous quarter and up 0.8 percentage points from a year earlier. The employment rate for women in the UK was 72.2% over the same period, down slightly from 72.3% a year earlier. (Chart 1.3)

## Annual Population Survey - Economic Regions (ONS)

**APS:** The Annual Population Survey (APS), which began in 2004, is compiled from interviews for the Labour Force Survey (LFS), along with additional regional samples. The APS comprises the main variables from the LFS, with a much larger sample size. Consequently, the APS supports more detailed breakdowns than can be reliably produced from the LFS. Estimates are produced every quarter for a rolling annual period; for example, January to December data will be followed by data for April to March when they are next updated.

**Chart 1.4: Employment rate, economic regions** (four quarter rolling average, percentage of those aged 16-64, not seasonally adjusted)



Source: Welsh Government analysis of Annual Population Survey

The data for the Welsh economic regions is for the year ending December 2020. The data for this period covers nine months of the coronavirus (COVID-19) pandemic as well as three months prior to the start of the pandemic, and therefore should be treated with caution.

The overall trend for Wales and the three Welsh economic regions over the last four years is a steady increase in employment, with North Wales remaining consistently higher than Wales and the other economic regions. (Chart 1.8)

In the year ending December 2020, the employment rate decreased by 1.3 percentage points in North Wales but remained broadly the same in both South East Wales and Mid and South West Wales. (Differences calculated using unrounded figures)

## Experimental Real Time Pay Information (HMRC)

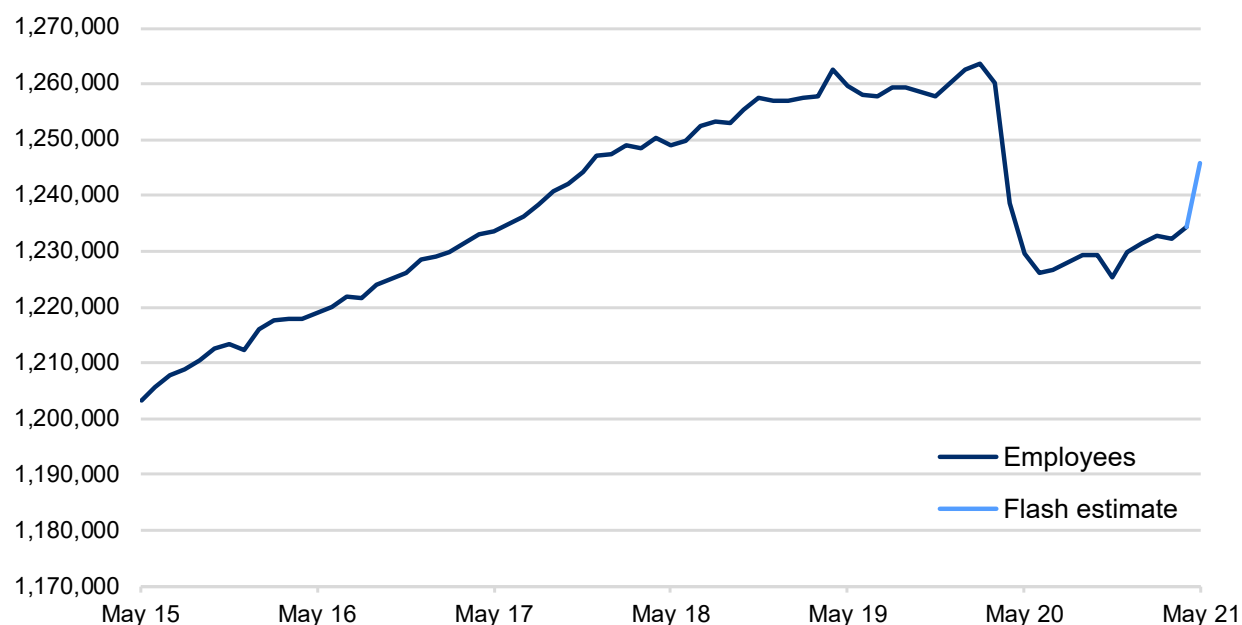
**HMRC's Pay As You Earn (PAYE) Real Time Information (RTI):** These data come from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) system. They cover the whole population rather than a sample of people or companies, and they will allow for more detailed estimates of the population. The release is classed as Experimental Statistics as the methodologies used to produce the statistics are still in their development phase. As a result, the series are subject to revisions.

**Median pay:** Median monthly pay shows what a person in the middle of all employees would earn each month. The median pay is generally considered to be a more accurate reflection of the "average wage" because it discounts the extremes at either end of the scale.

The Office for National Statistics and HM Revenue & Customs (HMRC) publish [data for Wales on pay rolled employees, mean pay, aggregate pay and single month estimates for median pay](#).

The data on the number of paid employees is a clear indication of how the coronavirus (COVID-19) pandemic has affected the number of employees in Wales.

**Chart 1.5: Paid employees, Wales**



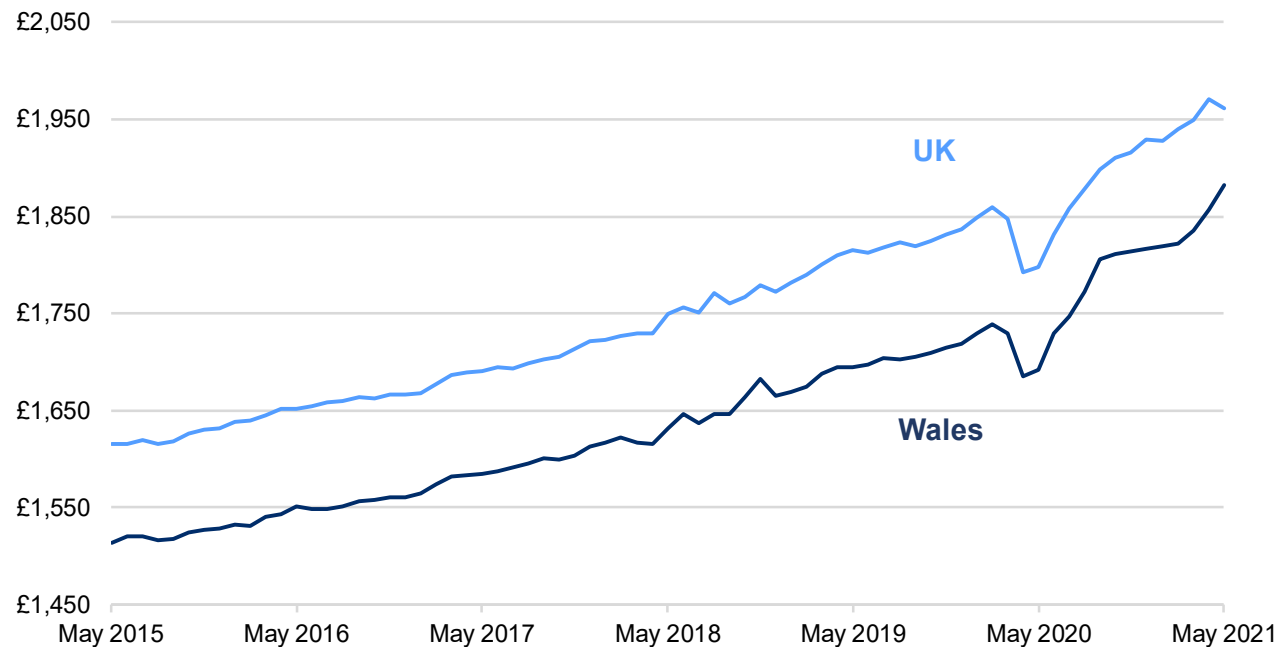
Source: Pay As You Earn Real Time Information, HM Revenue and Customs

The number of paid employees has generally increased in recent years, but has fallen steeply during the pandemic.

Early estimates for May 2021 indicate that the number of paid employees in Wales has increased by 11,300 (0.9%) over the month to 1.25 million (the highest level since March 2020). This is the largest monthly increase since the series began in 2014. This is an increase of 20,400 since the lowest point during the pandemic in November 2020 although remains below the February 2020 figure of 1.26 million. Early estimates for May 2021 at a UK level also showed the largest monthly increase since the series began in 2014.

Between February 2020 and May 2021, the UK saw a 553,000 (1.9%) decrease in the number of employees. All age groups below 50 years old saw a decrease in the number of paid employees with under 25s seeing a decrease of 289,000. Over 50s saw increases (79,000 aged 50 to 64 years and 4,000 aged 65 years and over). Under 25s accounted for a relatively high proportion of the increase in paid employees across the UK in May..

**Chart 1.6: Median pay**



Source: Pay As You Earn Real Time Information, HM Revenue and Customs

Median pay represents the half way pay point for those in payrolled employment – with half paid below the median pay value and half above.

Median pay has grown in recent years but fell slightly during March and April 2020. Both the UK and Wales have shared a similar trend since the series began with Wales always below the UK. In Wales and the UK, median pay has been above pre-pandemic levels since July 2020 with the latest month (May 2021) having the highest median pay in Wales since the series began in 2014, at £1,883. Wales has also increased at a faster rate than the UK since February 2020, increasing 8.3% compared to 5.5% in the UK.

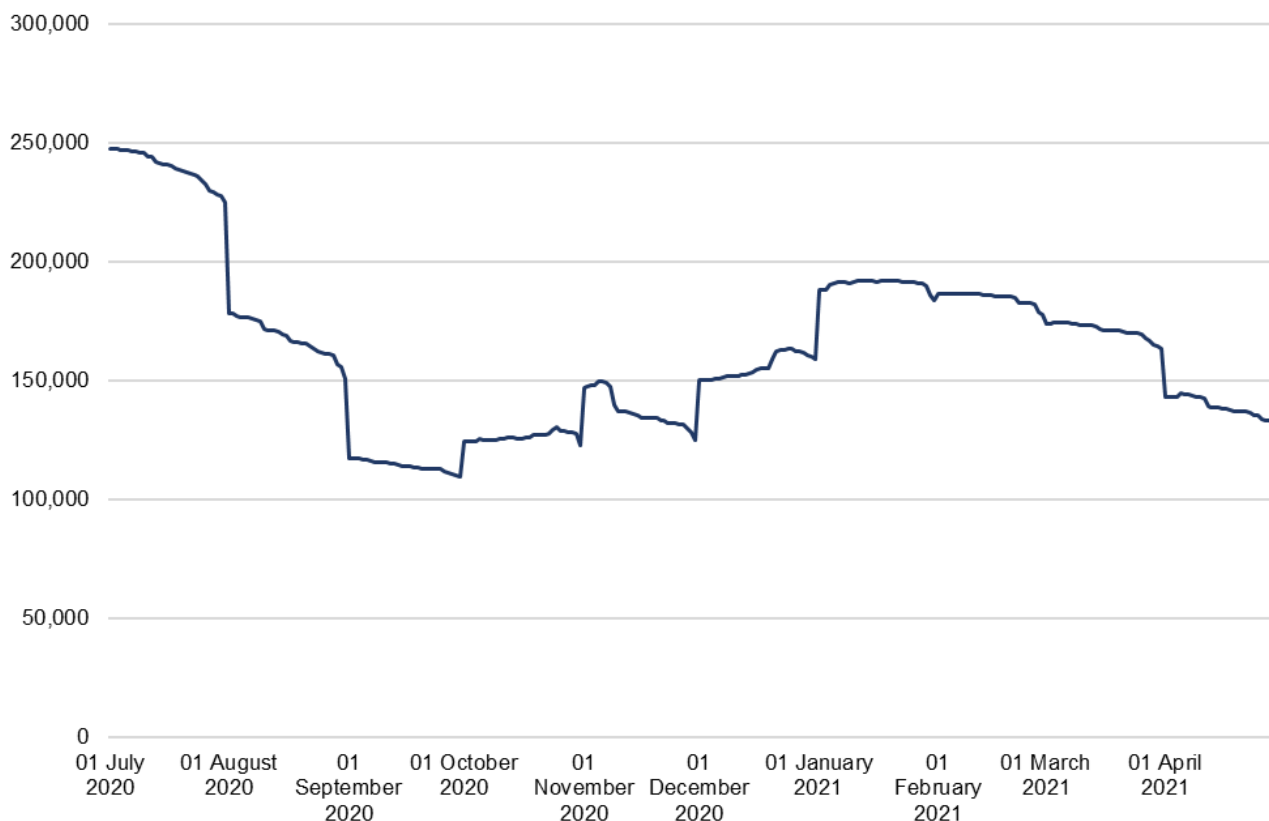
This data should be treated with caution. ONS have stated that the level of median pay growth in recent months is partially explained by the decrease in people entering payrolled employment. According to ONS, people entering into payrolled employment tend to be paid around 40% lower than the mean pay for those continually employed. Whilst the general trend of pay growth is dominated by those continually employed, as the number of people entering employment has reduced in recent months, this has resulted in fewer people in payrolled employment entering on lower pay, and therefore increasing average median pay across the labour market.



## Coronavirus Job Retention Scheme (furlough) (HMRC)

**CJRS:** The Coronavirus Job Retention Scheme (CJRS) was announced by the UK government on 20 March 2020 and has supported employers in paying their employees during the Coronavirus (COVID-19) pandemic. Figures include those who are furloughed and partly furloughed.

**Chart 1.7: Number of employments furloughed by day in Wales, 1 July 2020 to 30 April 2021**



As at 30 April 2021, 131,900 employments in Wales were furloughed under the CJRS. This is a take up rate of 10% – slightly lower than the take up rate across the UK of 12%. There was a 19% decrease in the number of furloughed employments in Wales between 31 March and 30 April 2021. The number of furloughed employments remains at a similar level to late November 2020.

66,500 females and 65,400 males in Wales were furloughed under the CJRS as at 30 April 2021, both accounting for around 50% of all furloughed employments.

Of the 131,900 employments furloughed in Wales at 30 April 2021, 44% of staff were flexibly furloughed (58,400), an increase of 11 percentage points from the previous month.

HMRC publish data to local authority level. The take up rate of furloughed employments across Wales ranged from 8% (Blaenau Gwent, Caerphilly and Neath Port Talbot) to 15% (Conwy). Cardiff, unsurprisingly, accounted for the largest share of all furloughed employees in Wales at 12%.

## Self-Employment Income Support Scheme (HMRC)

**SEISS:** The Self-Employment Income Support Scheme (SEISS) is a UK Government scheme that provides support for self-employed individuals whose business has been affected by Coronavirus (COVID-19) and is administered by HMRC.

The fourth Self-Employment Income Support Scheme opened for claims on the 22nd April and closed on the 1st June. Up to the 9th May, there have been 66,000 successful claims for the second Self-Employment Income Support Scheme (SEISS) in Wales. This is a take-up rate of 47% of those eligible (139,000) for the scheme in Wales.

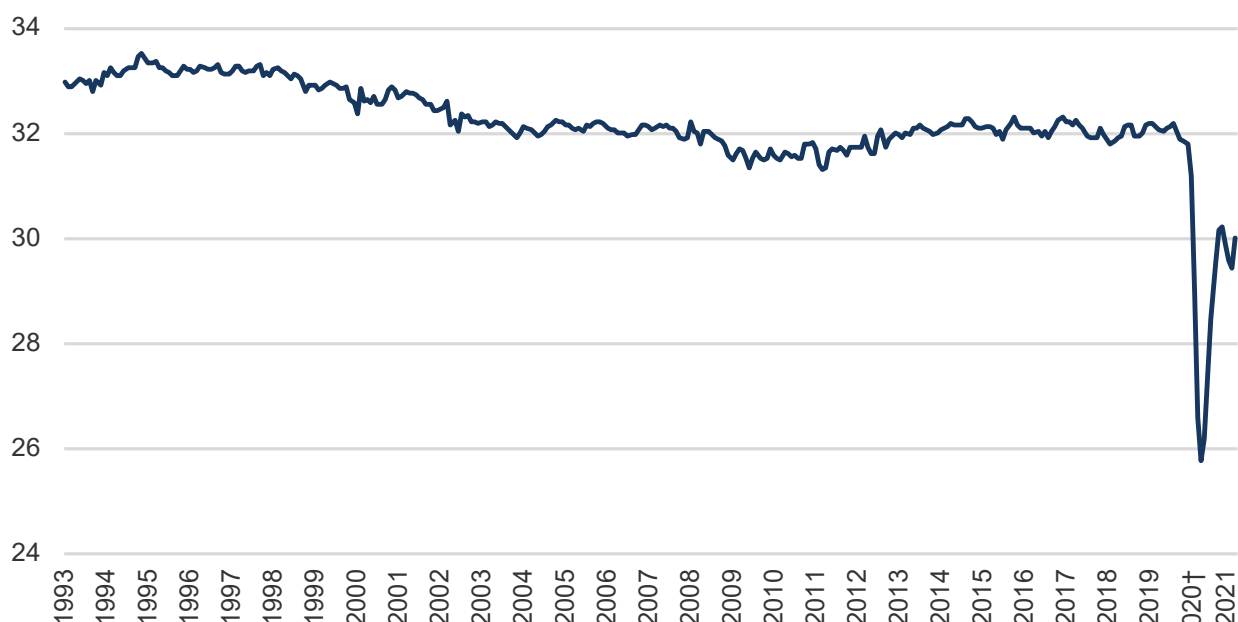
The take up rate in Wales of the SEISS for males was higher than that of females (48% compared with 45%). The take up rate in Wales was also highest amongst self-employed people aged 35-44 (53%) and 25-34 (52%) and lowest for those aged 65+ (31%).

## Hours worked (ONS)

**Hours worked:** Labour Force Survey statistics for usual hours worked measure how many hours people usually work per week. They are not affected by absences and so can provide a good measure of normal working patterns.

Latest data for the UK are sourced from the LFS. Due to the sample size, data for Wales are derived from the APS and are therefore not as timely.

**Chart 1.8: Average hours worked, UK**



Source: Labour Force Survey, ONS

The pandemic has had a large impact on actual hours worked. In the three months to April 2021, the average number of hours worked in the UK was 30.0 hours. Despite an increase of 4.2 hours from the lowest point in April to June 2020, the average number of hours worked still hasn't reached the pre-pandemic levels. In the three months to April 2021, there was a slight increase on

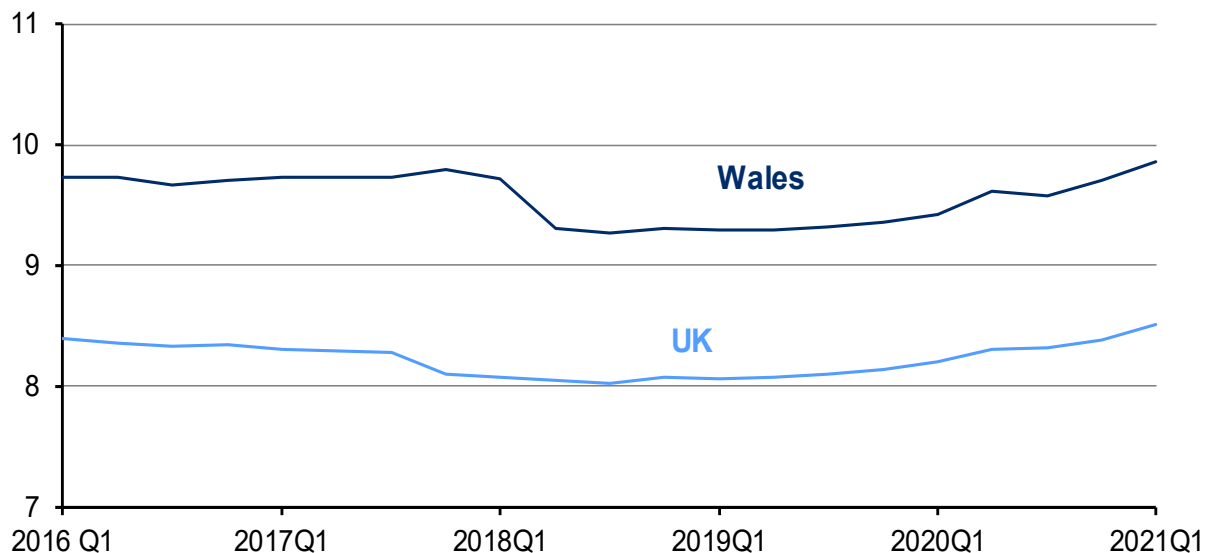
the previous quarter and an increase of 1.0 hour (3.4%) on the previous year. Women had a larger increase over the year than men (4.8% compared to 2.5%, respectively).

The latest hours worked data for Wales from the Annual Population Survey (APS) relates to a 12-month period ending December 2020, which covers nine months of the coronavirus pandemic. During the year to December 2020, the average number of hours worked in Wales was 28.3 hours per week. This was a decrease of 3.3 hours from last year. Men in Wales worked an average of 32.0 hours per week and women worked an average of 24.4 hours per week.

## Public Sector Employment (ONS)

**Public Sector:** The public sector comprises central government, local government and public corporations as defined for the UK National Accounts. The national accounts are compiled based on an internationally comparable accounting framework and describe the activities in a national economy. Data sourced from an ONS data collection on Public Sector Employment

**Chart 1.9: Public sector employment** (percentage of population, not seasonally adjusted)



Source: Welsh Government analysis of Regional Public Sector Employment, ONS

According to Public Sector Employment data, there were 311,000 people employed in the public sector in Wales in 2021 Q1, up 4.6% from a year earlier. This is 9.9% of the population, up 0.4 percentage points on the same quarter a year earlier.

Public sector employment in the UK over the same period increased by 3.8% to 5.7 million. This is 8.5% of the population, up 0.3 percentage points on the previous year. (Chart 1.4)

## 2. Unemployment

### Labour Force Survey Unemployment (ONS)

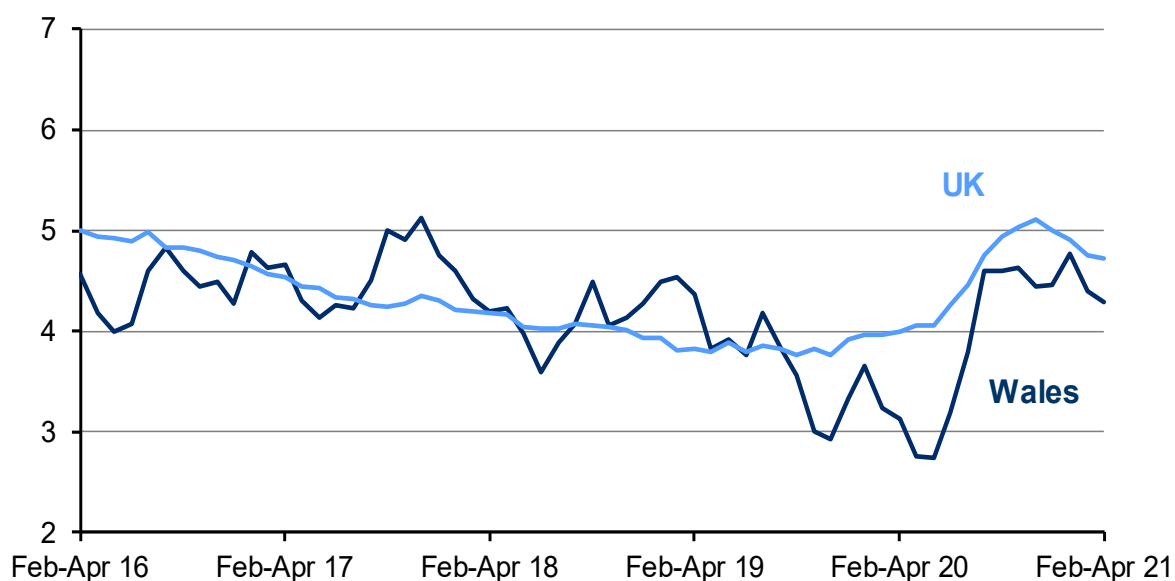
**LFS Unemployment:** The number of unemployed people in the UK is measured through the Labour Force Survey (LFS) following the internationally agreed definition recommended by the International Labour Organisation (ILO) – an agency of the United Nations. Unemployed people are without a job, have actively sought work in the last four weeks and are available to start work in the next two weeks; or are out of work, have found a job and are waiting to start it in the next two weeks.

The headline unemployment rate is calculated by dividing the unemployment level for those aged 16 and over by the total number of economically active people aged 16 and over.

The Welsh unemployment rate has generally tracked the UK rate and had been gradually falling since the early 2010s, before rising sharply in recent periods as a result of the coronavirus pandemic. In August to November 2019, the Welsh unemployment rate fell below the UK rate and has remained below ever since.

As with the employment rate, this series can be volatile and short-term changes should be treated with caution. But the unemployment data can be considered alongside other data sources to consider the impact of the COVID-19 pandemic on unemployment. Experimental estimates indicate a large increase in the claimant count rate in Wales since February 2020. More detail can be found on [page 17](#).

**Chart 2.1: ILO Unemployment rate** (percentage of economically active population)



Source: Welsh Government analysis of Labour Force Survey

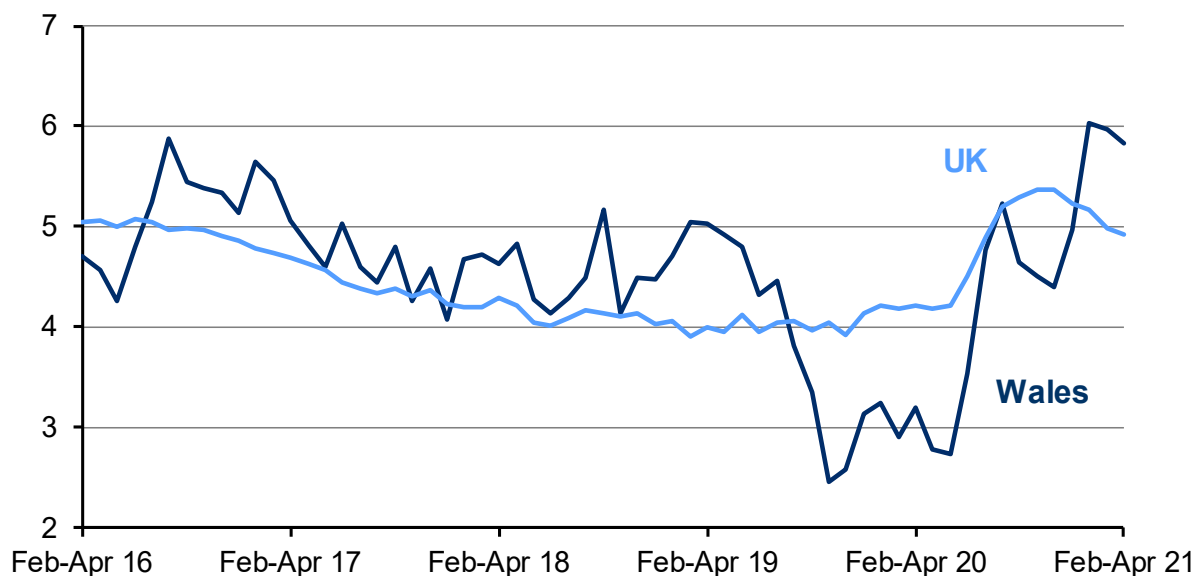
Looking at the latest labour market statistics in more detail, during February to April 2021 the unemployment rate in Wales was 4.3% of the economically active population. This is down 0.2 percentage points from the previous quarter but up 1.2 percentage points compared to a year earlier.

The rate of unemployed people in the UK increased by 0.7 percentage points over the year to a rate of 4.7% of the economically active population. (Chart 2.1)

## Unemployment and sex

In February to April 2021, the unemployment rate in Wales increased for men compared to the previous quarter and to the same time last year. For women, the unemployment rate decreased over the quarter and the year. In December to February and January to March 2021, the unemployment rate for men rose to the highest it has been in over five years. Data for Wales can be volatile due to the small sample sizes.

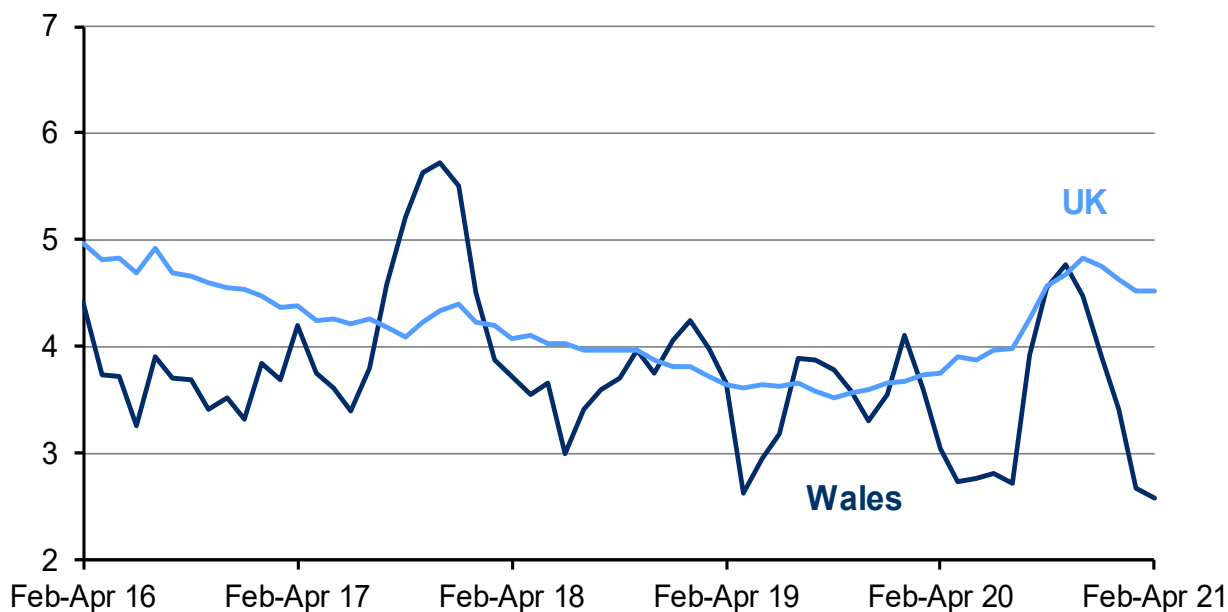
**Chart 2.2: Unemployment rate, Men** (percentage of those aged 16 and over)



Source: Welsh Government analysis of Labour Force Survey

The unemployment rate for men in Wales in February to April 2021 was 5.8%, up 0.9 percentage points on the previous quarter and up 2.6 percentage points from the same period a year earlier. Since the start of the pandemic male unemployment has increased by 3.1 percentage points from 2.7% in April to June 2020. The unemployment rate for men in the UK was 4.9%, up from 4.2% a year earlier. (Chart 2.2)

**Chart 2.3: Unemployment rate, Women** (percentage of those aged 16 and over)



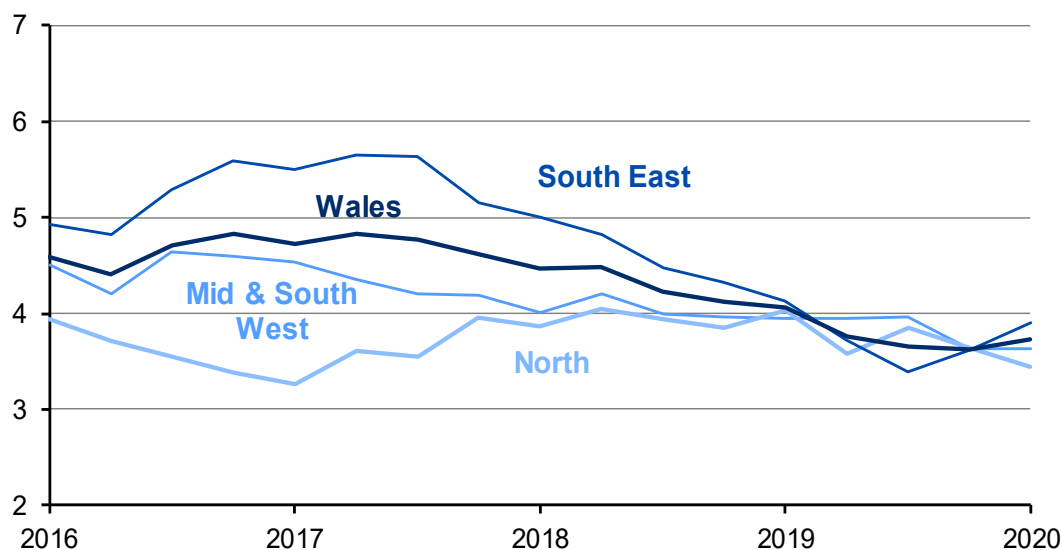
Source: Welsh Government analysis of Labour Force Survey

The unemployment rate for women in Wales is more volatile than for men. The unemployment rate for women in Wales in February to April 2021 was 2.6%, down 1.3 percentage points compared to the previous quarter and down 0.5 percentage points from a year earlier. The unemployment rate for women in the UK was 4.5% over the same period, up from 3.8% a year earlier. (Chart 1.3)

## Annual Population Survey Unemployment

### Economic Regions

**Chart 2.4: ILO unemployment rate, economic regions** (four quarter rolling average, percentage of economically active, not seasonally adjusted)



Source: Welsh Government analysis of Annual Population Survey

In the year ending December 2020, the unemployment rate decreased by 0.6 percentage points in North Wales, followed by Mid and South West Wales (down 0.3 percentage points) and South East Wales (down 0.2 percentage points). (Differences calculated using unrounded figures)

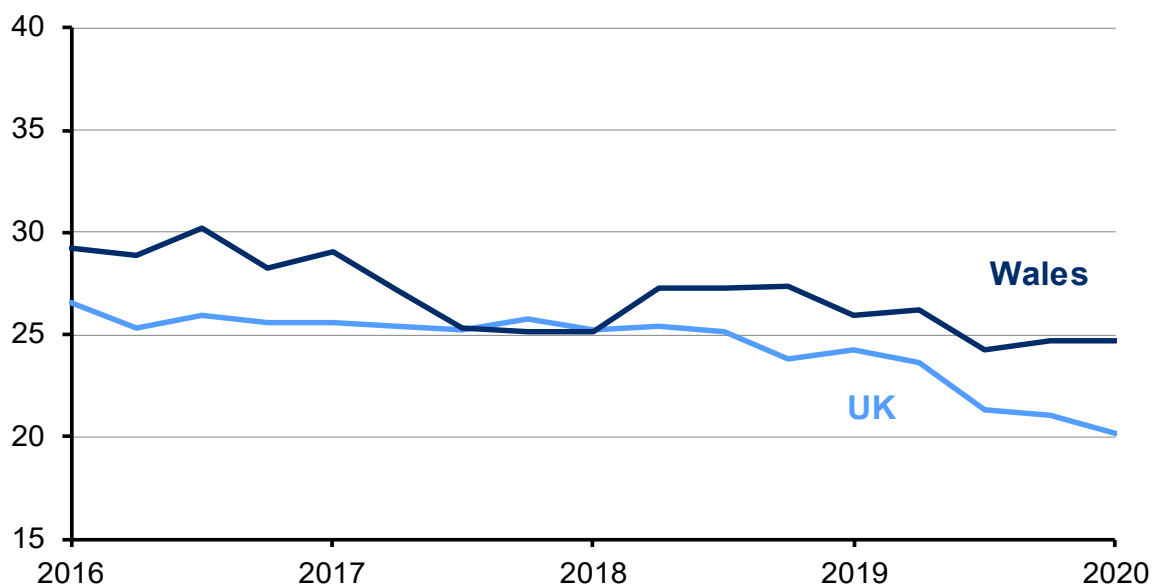
The overall trend for Wales and the three economic regions is a decrease in unemployment over the past four years. Before the end of 2019, the unemployment rate remained consistently higher in South East Wales than the other regions, and North Wales consistently had the lowest unemployment rate. (Chart 2.4)

## Long-term Unemployment, APS (ONS)

**Long-term unemployment:** Long-term unemployment is defined as those aged 16 and over who have been unemployed for more than 12 months. For Wales, this is sourced from the APS.

The Welsh long-term unemployment rate has generally been higher than the UK rate in recent years, apart from during a period in 2018 when the two rates were very similar.

**Chart 2.5: Long-term ILO unemployment rates** (percentage of all unemployed: four quarter rolling average)



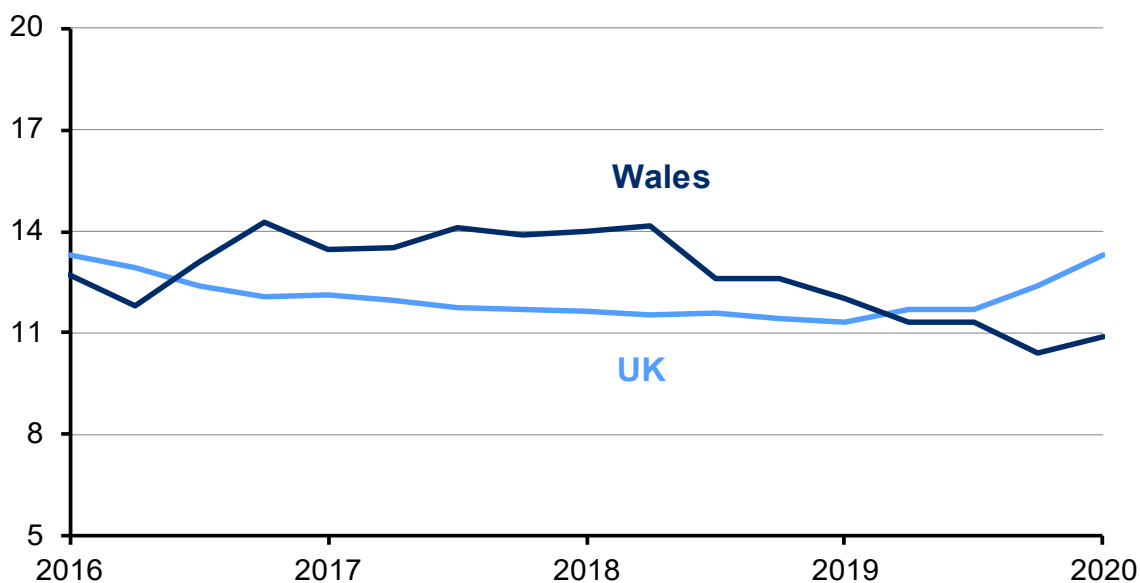
Source: Welsh Government analysis of Annual Population Survey

In the year ending December 2020, the Annual Population Survey (APS) estimates that 24.7% of all those unemployed in the year were long-term unemployed (12 months or more), down 1.2 percentage points over the year. The equivalent UK rate was 20.2%, down 4.1 percentage points over the year. (Chart 2.5)

## Youth Unemployment, APS (ONS)

**Youth unemployment:** Youth unemployment is defined as those aged 16 to 24 who are unemployed. For Wales, this is sourced from the APS.

**Chart 2.6: Youth ILO unemployment rates** (percentage of economically active: four quarter rolling average, not seasonally adjusted)



Source: Welsh Government analysis of Annual Population Survey

The youth unemployment (people aged 16-24) rate in Wales was generally higher in Wales than the UK from the middle of 2017 until the beginning of 2020 where it has dropped below the UK rate. In the year ending December 2020, the APS estimates that 10.9% of economically active adults aged 16-24 were unemployed, down 1.1 percentage points over the year. The equivalent UK rate was 13.3%, up 2.0 percentage points over the year. (Chart 2.6)



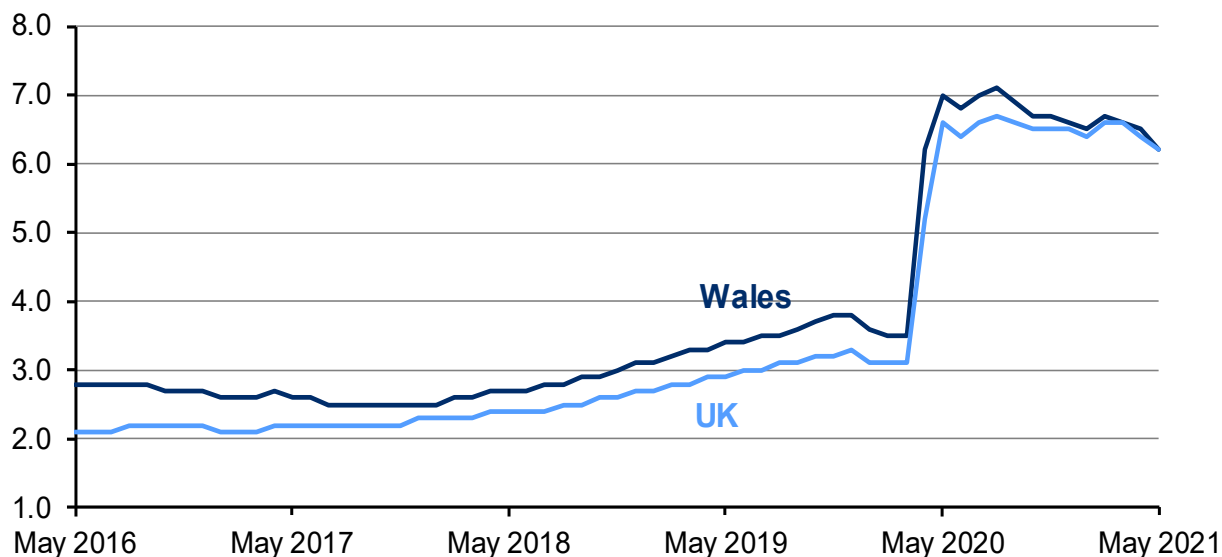
## Claimant count (DWP)

**Claimant Count:** The number of people claiming unemployment-related benefits. Between 1996 and 2013, the Claimant Count was measured using claimants of Jobseeker's Allowance. In 2013 a new benefit, Universal Credit, which will replace a number of means-tested benefits, including the means-tested element of Jobseeker's Allowance, began to be rolled out. From the introduction of Universal Credit, those claimants who were receiving the benefit for unemployment reasons have been included in the Claimant Count.

The claimant count rate is the number of claimants resident in an area as a percentage of the sum of claimants and workforce jobs in the country or region.

The experimental claimant count rates were initially removed from the bulletin due to their unreliability but have been added back in due to the timeliness of the data to give an early indication of the impact of the COVID-19 pandemic in Wales. More information can be found in Key Quality Information

**Chart 2.7: *Experimental claimant count rates (percentage of civilian workforce)***



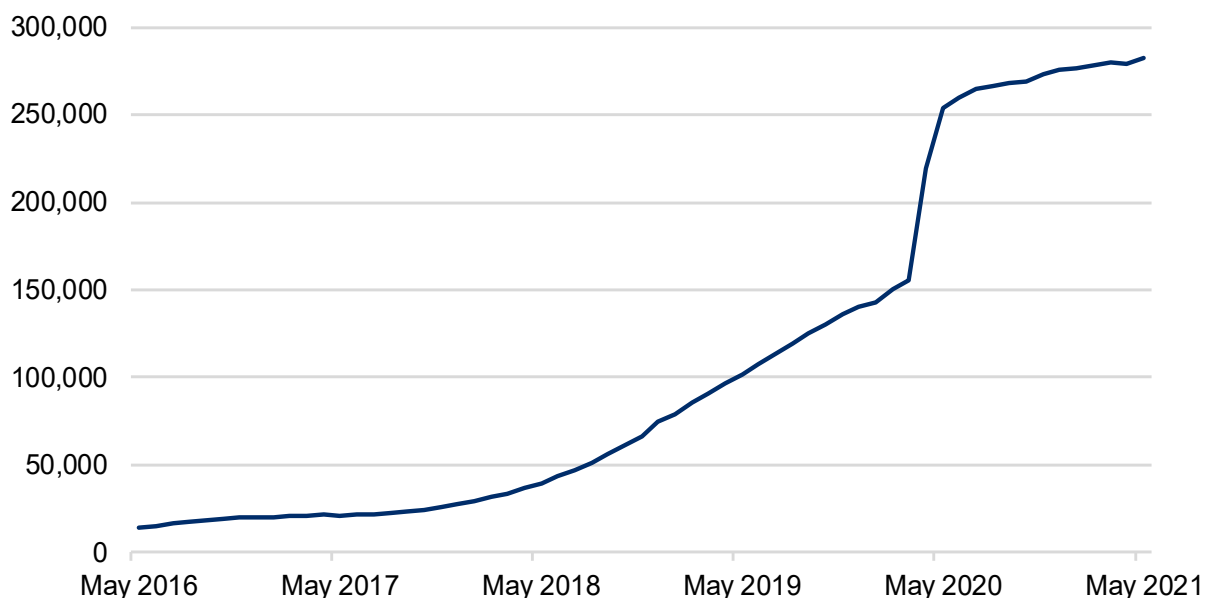
Source: Jobcentre Plus Administration System, Department for Work and Pensions

Experimental claimant count data has shown a large increase since the start of the pandemic, although has recently started to decline from the peak in August 2020. The claimant count now stands at 104,500 (May 2021), an increase of 44,700 from February 2020. This is a rate of 6.2%, the lowest rate since April 2020. (Chart 2.7)

## Universal Credit (DWP)

**Universal Credit:** Universal Credit is a new benefit, which began to be rolled out in 2013, which will replace a number of means-tested benefits, including the means-tested element of Jobseeker's Allowance (JSA). Those Universal Credit claimants who are required to be seeking work are included in the Claimant Count estimates along with all claimants of JSA.

**Chart 2.8: People on Universal Credit, Wales**



Source: Universal Credit, Department for Work and Pensions

On 13th May 2021, there were 282,400 people on Universal Credit in Wales, an increase of 3,200 people (1.2%) in one month. The increase this month was significantly smaller than the increases in April and May 2020 (41.4% and 15.5%, respectively).

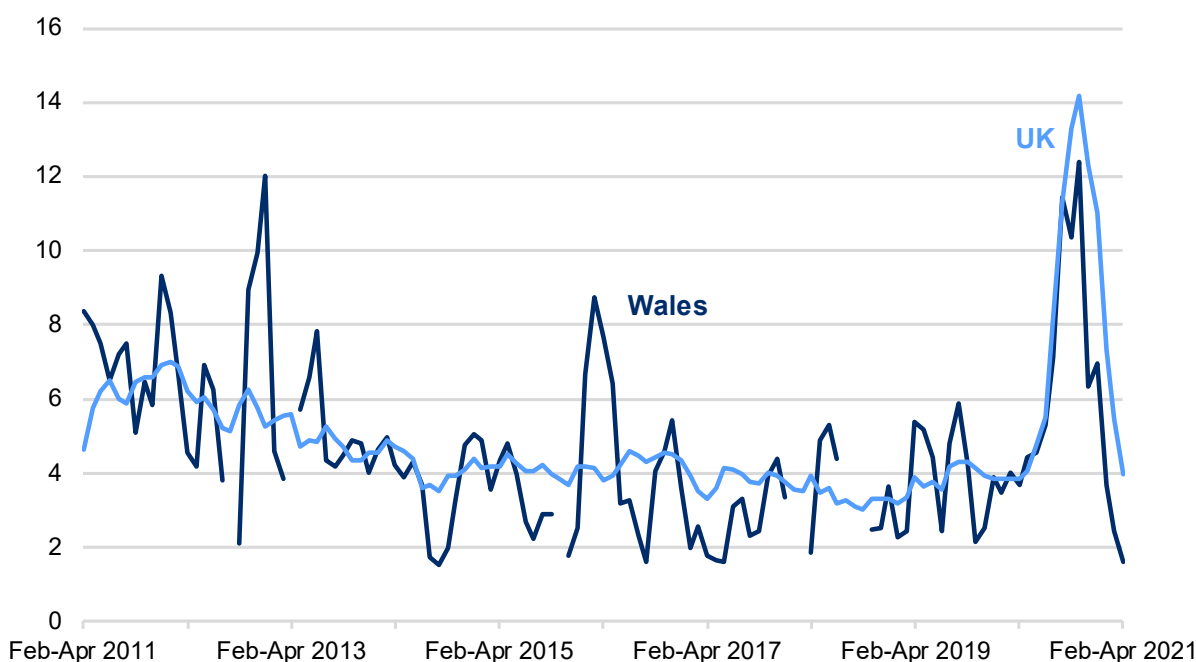
“Searching for work” remains the largest conditionality with 96,300 people; a 3.8% decrease on the previous month. Since 12 March 2020, the number of people in this group has increased at a similar rate (83.3%) to ‘all conditionality’s’ (81.7%) from around 52,500.

## Redundancies, LFS (ONS)

**Redundancies:** The number of people, whether working or not working, who were made redundant or had taken voluntary redundancy in the month of the Labour Force Survey (LFS) reference week or in the two previous calendar months.

The redundancy rate from the LFS is the ratio of the redundancy level for the given quarter to the number of employees in the previous quarter, multiplied by 1,000. The redundancy rate in Wales is volatile compared to the UK. The redundancy rates for both Wales and the UK reached their highest point during September to November 2020, with Wales having a slightly lower rate than the UK.

**Chart 2.9: Redundancy rates, Wales and UK**



Source: Welsh Government analysis of Labour Force Survey

The redundancy rate in Wales increased during the pandemic to the highest rate since the 2009 recession in September to November 2020 (12.4 redundancies per thousand). It has since fallen to 1.6 redundancies per thousand, the smallest redundancy rate since April to June 2017 (to 1 decimal place).

Note: The redundancy figures for Wales are based on a small sample size. This may result in less precise estimates, which should be used with caution.

### 3. Economic Inactivity

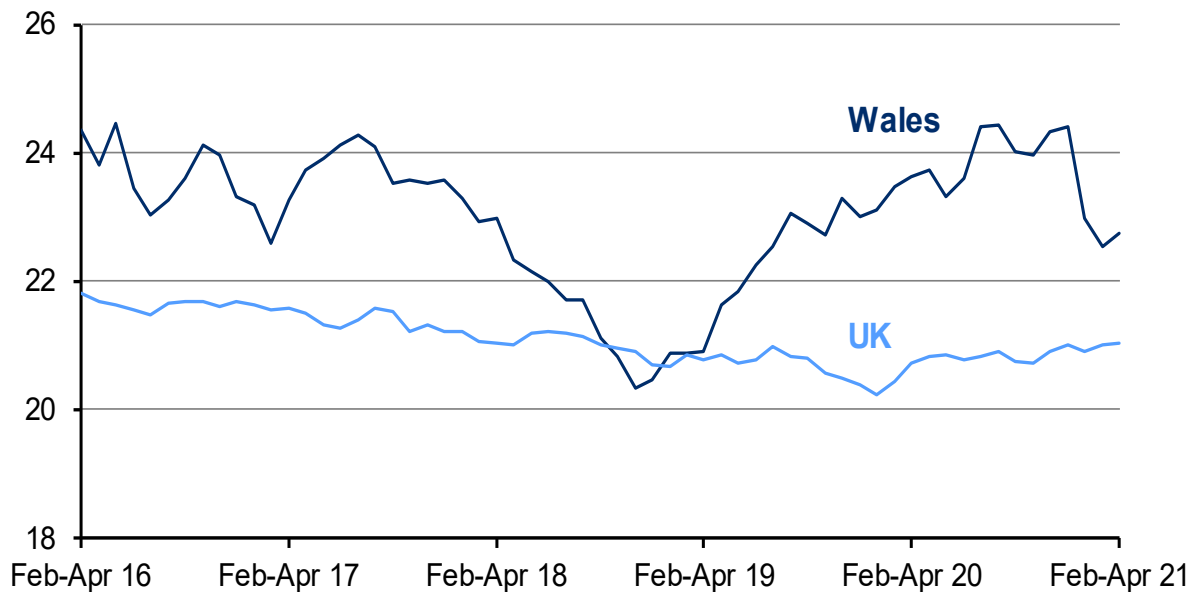
#### Labour Force Survey Economic Inactivity (ONS)

**Economic Inactivity:** Economically inactive people are those without a job who have not actively sought work in the last four weeks, and/or are not available to start work in the next two weeks.

The headline inactivity rate is calculated by dividing the inactivity level for those aged from 16 to 64 divided by the population for that age group.

Inactivity rates in Wales have been persistently higher than the UK for decades but fell steeply to below the UK rate at the end of 2018. From 2018, the rate in Wales generally increased, corresponding with the fall in the employment rate (Charts 1.1 and 1.2).

**Chart 3.1: Economic inactivity rate, persons** (percentage of those aged 16-64)



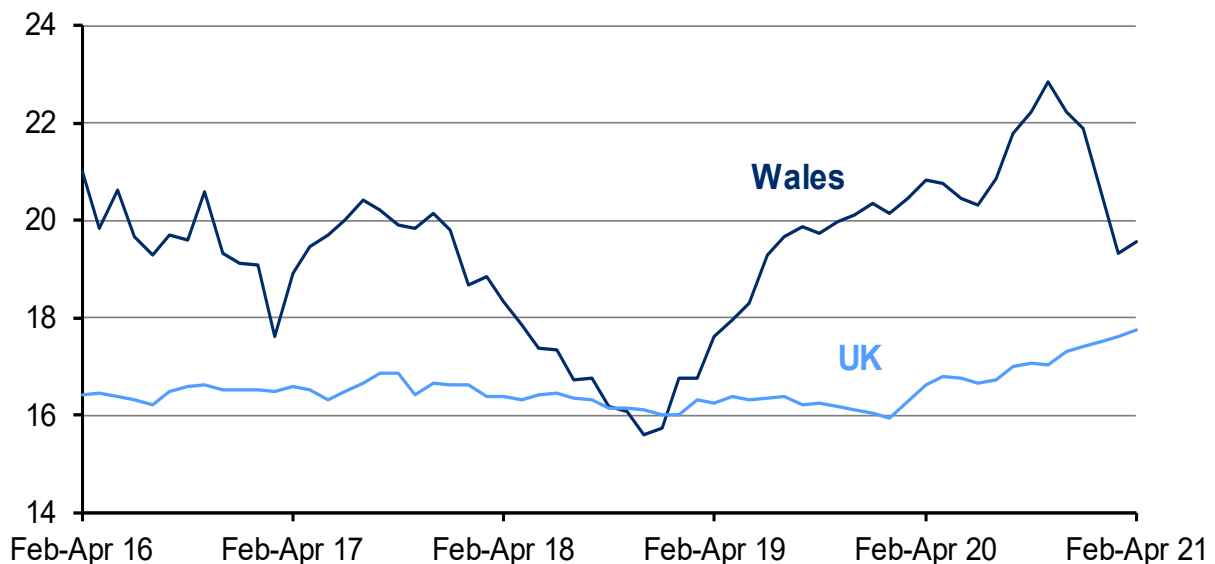
Source: Welsh Government analysis of Labour Force Survey

The latest labour market statistics show that the economic inactivity rate was 22.7% in Wales in February to April 2021. This was down 1.7 percentage points over the quarter (the second largest quarterly decrease since records began in 1992), and down 0.9 percentage points compared to the same period a year earlier. The rate of economically inactive people in the UK was 21.0%, unchanged from the previous quarter, and up 0.3 percentage points on the previous year. (Chart 3.1).

## Economic Inactivity and sex

The latest quarterly figures show that the economic inactivity rate decreased for both men and for women compared to the previous quarter and to the previous year. The trend of increasing economic inactivity in men can be seen in both Wales and across the UK as a whole since late 2018, however rates in Wales have begun to decrease in recent months. September to November 2020 inactivity rates for men were the highest they have been since 1998 in Wales.

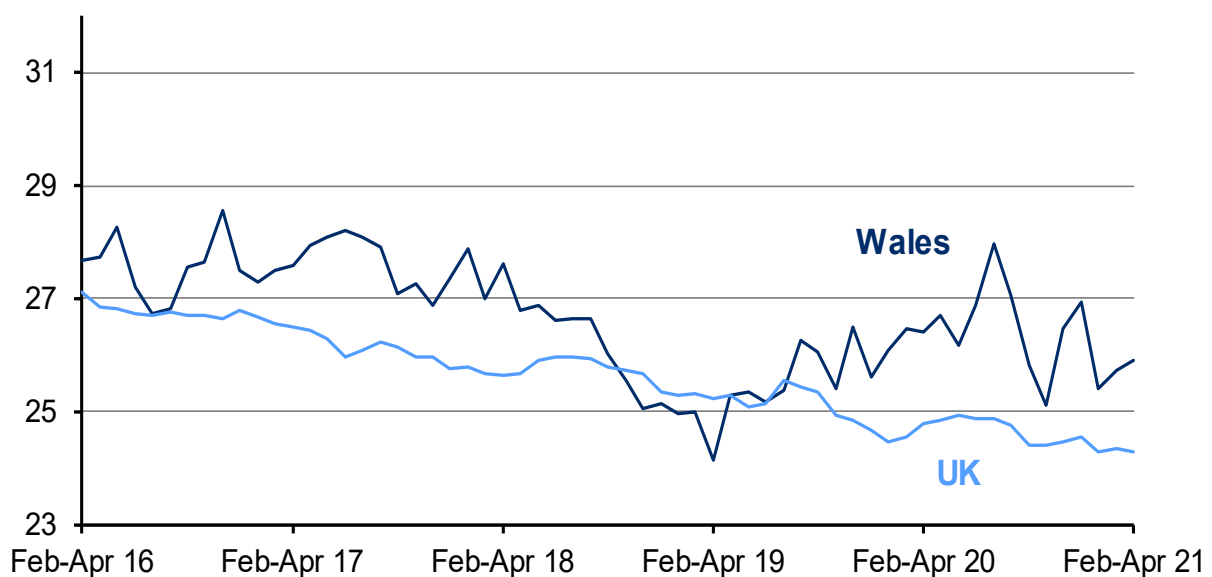
**Chart 3.2: Economic inactivity rate, men (percentage of those aged 16-64)**



Source: Welsh Government analysis of Labour Force Survey

The economic inactivity rate for men in Wales was 19.6% for February to April 2021, down by 2.3 percentage points on the previous quarter (the second largest quarterly decrease since records began), and down 1.2 percentage points on the year. The rate of economically inactive men in the UK increased to 17.8% over the same period, up from 16.6% in the previous year. (Chart 3.2)

**Chart 3.3: Economic inactivity rate, women (percentage of those aged 16-64)**



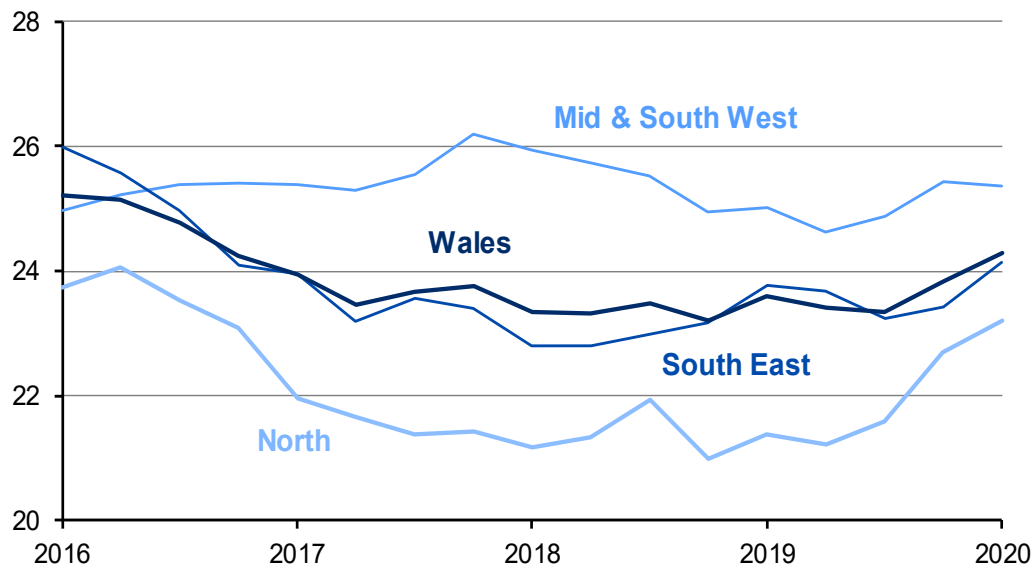
Source: Welsh Government analysis of Labour Force Survey

Women have higher inactivity rates than men, primarily because they are more likely to have full-time caring responsibilities. The rate of female economic inactivity in Wales was 25.9% during February to April 2021, down 1.0 percentage points over the quarter, and down 0.5 percentage points from a year earlier. Over the longer term, the inactivity rate for women in Wales has experienced a large fall, from a high of 37.2% in 2002. It increased from late 2018 to mid 2020 and has since been quite volatile. The economic inactivity rate for women in the UK was 24.3% from February to April 2021, down from 24.8% a year earlier (Chart 3.3).

## Annual Population Survey - Economic Regions (ONS)

Over the past four years the inactivity rate has fluctuated for the three economic regions. North Wales has consistently had the lowest inactivity rate of all three regions across that time period. All three economic regions have seen increases in economic inactivity in the latest period. (Chart 3.4)

**Chart 3.4: Economic inactivity rate, economic regions** (four quarter rolling average, percentage of those aged 16-64, not seasonally adjusted)



Source: Welsh Government analysis of Annual Population Survey

In the year ending December 2020, the economic inactivity rate increased in all three economic regions compared with the previous year. The rate increased by 1.8 percentage points in North Wales, by 0.4 percentage points in South East Wales, and by 0.3 percentage points in Mid and South West Wales. (Differences calculated using unrounded figures)

## Reasons for Economic Inactivity, LFS and APS (ONS)

**Reasons for economic inactivity:** This section analyses the reasons given for people being economically inactive. The categories for this measure are; Student, Looking after family, Long-term sickness, Temporary sickness, Discouraged, Retired, and Other.

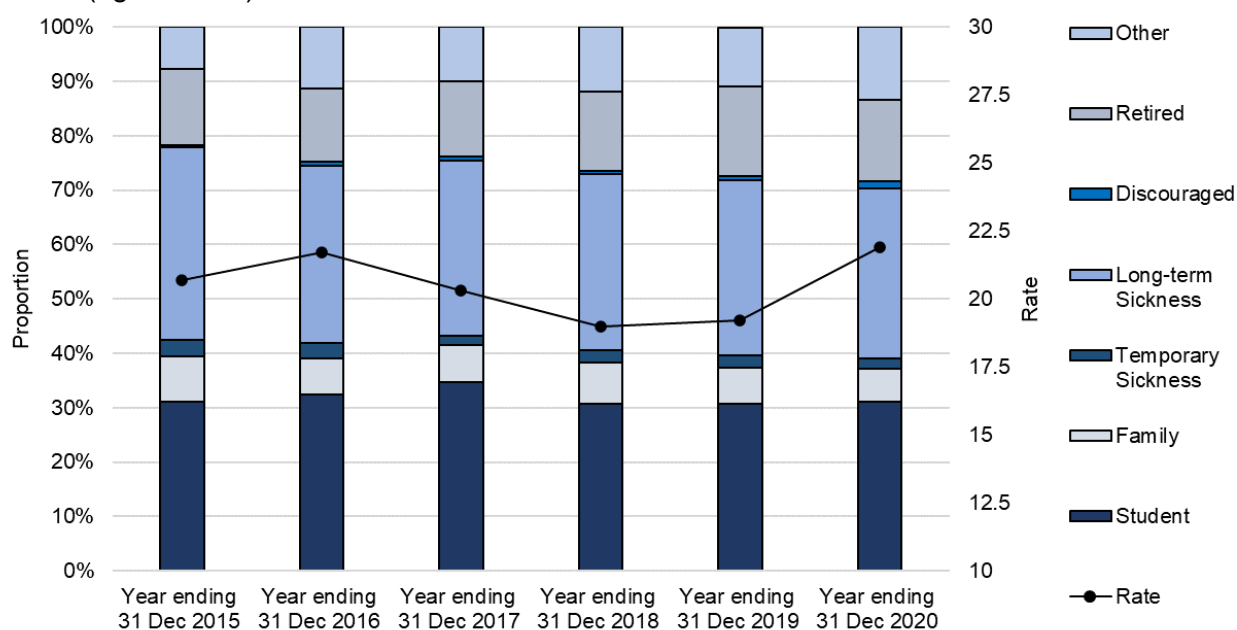
The economic inactivity rate in Wales, according to the LFS, has decreased compared to the three months to February 2020. However, the economic inactivity rate for men increased dramatically until September to November 2020, which saw the highest rate in Wales since May to July 2001. Initial analysis of the LFS and APS has been carried out to find out the reasons for economic inactivity in Wales and the UK. While it is too early to draw firm conclusions, this analysis is important in understanding the impact of the coronavirus pandemic on the labour market and we will continue to monitor the data over the coming months.

Although the LFS provides headline economic inactivity rates for men and for women in Wales (aged 16 to 64), the sample sizes don't allow us to look at the reasons for the economic inactivity in Wales for men and women separately, although it is possible across the UK.

The most common reason given for economic inactivity in the UK was being a student (28.7%), up by 1.0 percentage points over the quarter and up by 3.7 percentage points over the year. Long-term sick was the second most common reason (24.4%), down by 0.7 percentage points compared to a year earlier. Looking after family/home fell over the quarter (down 0.5 percentage points) and over the year (down 3.2 percentage points). The percentage of economically inactive people who want a job (21.1%) was down 0.8 percentage points from the last quarter, and down 2.8 percentage points from the year before.

The most common reason for male economic inactivity in the UK during February to April 2021 was being a student, which increased by 3.7 percentage points over the year to 35.1% of all economically inactive men.

**Chart 3.5: Male Economic Inactivity by Reason and Male Economic Inactivity Rate in Wales (aged 16-64)**



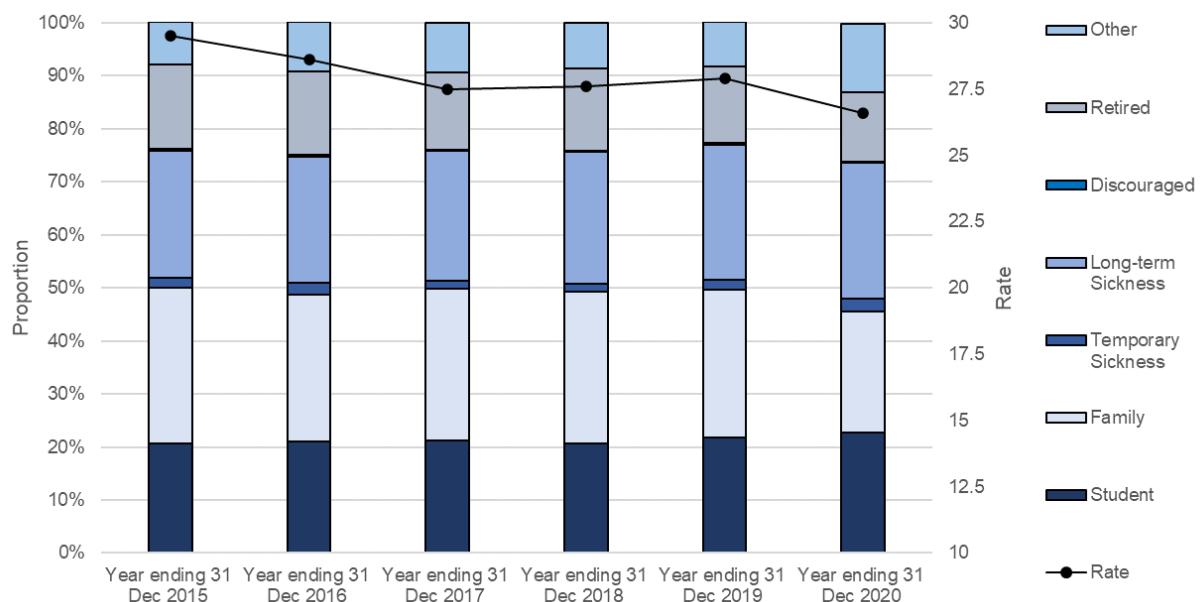
Source: Welsh Government analysis of Annual Population Survey

The economic inactivity rate for men in Wales increased by 2.7 percentage points to 21.9% in the year ending December 2020. In the UK, the economic inactivity rate for men increased 0.5 percentage points to 17.3%.

The most common reason for economic inactivity for men in Wales was long-term sickness, although this decreased by 1.0 percentage points to 31.3% of all economically inactive men in the year ending December 2020 (the UK also saw a decrease). Over the same period, the proportion of men discouraged from work (not looking for work because they believe no jobs are available) more than doubled (increased by 0.7 percentage points) to 1.3% of all economically inactive men in Wales.

In the year ending December 2020, the most common reason for economic inactivity for men in the UK was being a student followed by long-term sickness, which decreased by 1.2 percentage points to 28.3% of all economically inactive men.

**Chart 3.6: Female Economic Inactivity by Reason and Female Economic Inactivity Rate in Wales (aged 16-64)**



Source: Welsh Government analysis of Annual Population Survey

Whilst the economic inactivity rate for men appears to have increased as a result of the coronavirus pandemic in both Wales and the UK, economic inactivity rates for women have remained relatively stable.

The most common reason for female economic inactivity in the UK during February to April 2021 was looking after family/home, although this decreased by 3.6 percentage points over the year to 26.9% of all economically inactive women. The proportion of economically inactive females giving the reason as being a student increased by 3.4 percentage points compared to the previous year.

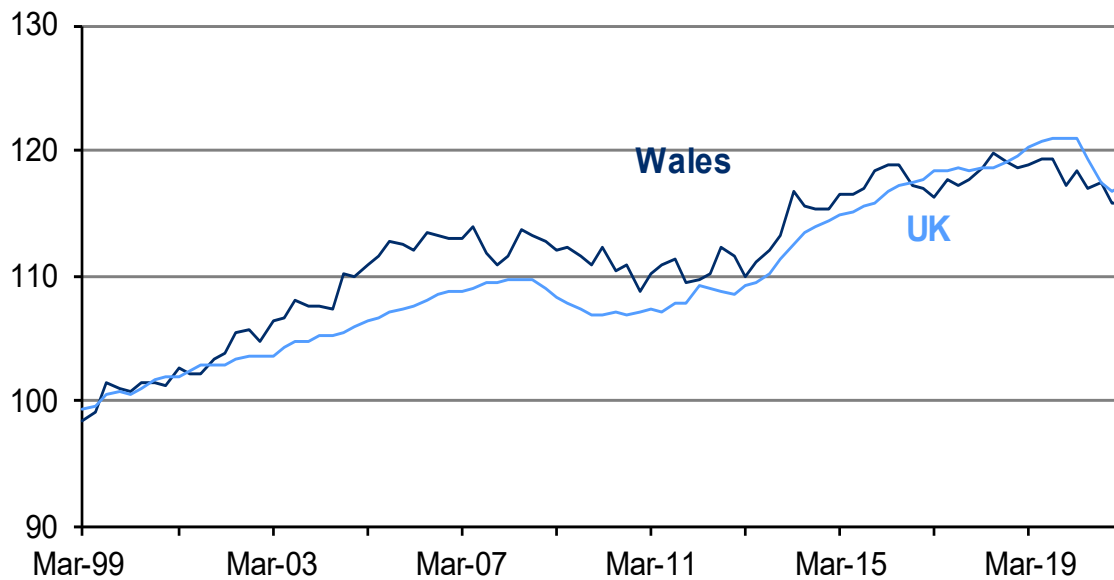
Looking at the APS for the year ending December 2020, the most common reason for economic inactivity for women in Wales was long-term sickness, which increased 0.3 percentage points to 25.7% of all economically inactive women in Wales. Over the same period, the proportion of economically inactive women looking after family decreased 5.2 percentage points to 22.8% of all economically inactive women.



## 4. Workforce Jobs (ONS)

**Workforce Jobs:** The number of people with jobs is not the same as the number of jobs. This is because a person can have more than one job. The number of people with jobs is measured by the Labour Force Survey (LFS). The number of jobs is measured by Workforce Jobs (WFJ) and is the sum of employee jobs from employer surveys, self-employment jobs from the LFS, those in HM Forces and government- supported trainees. The LFS and WFJ measures are reconciled each quarter in an [article published](#) on ONS' website. Jobs vacancies are measured separately by the Vacancy Survey.

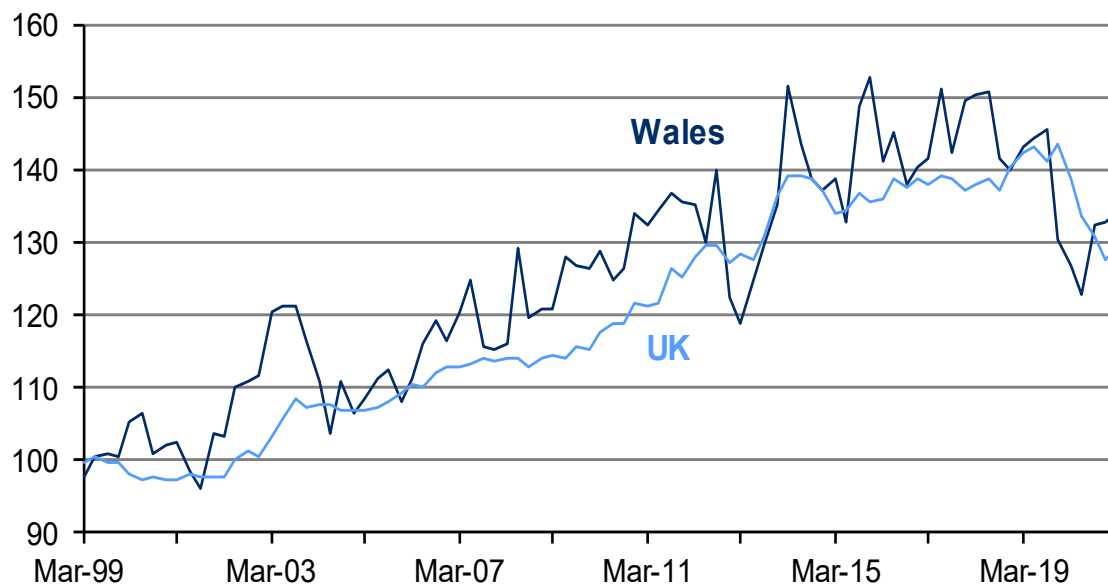
**Chart 4.1: Workforce jobs** (Index 1999=100)



Source: Welsh Government analysis of Workforce Jobs, ONS

The number of workforce jobs in Wales fell by 33,000 (2.2%) between March 2020 and March 2021 to 1.44 million. Between March 1999 and March 2021, the number of workforce jobs in Wales rose by 216,000 (17.7%). The number of workforce jobs in the UK decreased over the year by 1.1 million (3.0%) to 34.6 million but has increased by 5.3 million (18.2%) since March 1999. (Chart 4.1)

**Chart 4.2: Self-employment jobs** (Index 1999=100)



Source: Welsh Government analysis of Workforce Jobs, ONS

The number of self-employment jobs in Wales increased by 10,000 (5.6%) between March 2020 and March 2021 to 192,000 (13.3% of workforce jobs compared to 11.5% in March 1999). June 2020 saw the lowest level of self-employment jobs since March 2013, although the figure for March was slightly higher. However, it is important to note the volatility of this series. The estimate of the number of self-employment jobs in the UK was 4.2 million, down 310,000 (6.8%) over the year (12.2% of workforce jobs compared to 11.1% in March 1999). (Chart 4.2)

## 5. Key quality information

### 5.1 Relevance

This monthly bulletin is a compendium publication that brings together the latest key statistics relating to the Welsh economy and labour market, mainly in the context of the UK economy and labour market. The headline Labour Force Survey (LFS) estimates in the bulletin are published by ONS in their Labour Market Statistical Bulletin which includes headline figures for Wales as a whole.

This bulletin provides a more detailed breakdown of the Wales data than the ONS bulletin and presents those estimates alongside other headline estimates for the economy and labour market for Wales. These statistics are used by the Welsh Government to monitor the headline statistics for the Welsh economy as well as providing comparisons to the UK economy. The bulletin complements the recently published [Welsh Economy in Numbers dashboard](#), which provides a broad picture of the Welsh economy.

This bulletin is used by other public sector organisations, businesses, academia and private individuals as a means of identifying the key trends in the headline economic and labour market statistics for Wales. Our [2012 user consultation](#) provides more information on how our outputs are used.

The Welsh Government is considering how best to meet user need for analysis of the labour market by protected characteristics. Data is currently available on [StatsWales](#) and [Nomis](#).

### 5.2 Accuracy

Some of the data in this bulletin is based on sample surveys meaning it is subject to sampling variability. Table 5.1 shows 95% confidence intervals for the headline labour market measures from the Labour Force Survey. This means that there is a 95% chance that the true value is contained in the range shown.

**Table 5.1: 95% confidence intervals for LFS figures: Wales, February to April 2021**

	<i>Numbers in thousands</i>								
	<b>Estimates</b>			<b>Quarterly changes</b>			<b>Annual changes</b>		
	Lower limit	Estimate	Upper limit	Lower limit	Quarterly change	Upper limit	Lower limit	Annual change	Upper limit
Employment level	1,441	1,483	1,525	-28	28	84	-57	3	63
Employment rate	71.7%	73.9%	76.0%	-1.2%	1.8%	4.7%	-3.2%	-0.1%	3.0%
Unemployment level	51	66	82	-23	-1	20	-2	19	40
Unemployment rate	3.3%	4.3%	5.3%	-1.6%	-0.2%	1.2%	-0.2%	1.2%	2.5%
Economically active level	1,507	1,550	1,592	-30	27	83	-39	22	83
Economic activity rate	75.1%	77.3%	79.5%	-1.3%	1.7%	4.6%	-2.2%	0.9%	3.9%
Economically inactive level	380	434	488	-105	-32	40	-91	-17	57

Source: Labour Force Survey, Office for National Statistics

The [Welsh Government revisions policy](#) is available from the Statistics and Research website.

Where the data is not from the Welsh Government, the revisions policy of the individual Government department is followed. The majority of the data in this release is from the ONS and their [revisions policy](#) applies.

Claimant Count was removed from the ONS labour market release because it may be providing a misleading representation of the UK labour market. From June 2015 the Claimant Count statistics were designated as experimental due to the impact of Universal Credit, which is designed so a broader span of claimants is required to look for work than under Jobseeker's Allowance.

This means that once Universal Credit was fully rolled out, the Claimant Count was higher than it would otherwise be under Jobseeker's Allowance. The impact has increased as roll-out of Universal Credit has progressed and the seasonally-adjusted claimant count series has become more volatile. The Welsh Government will continue to publish Claimant Count data on StatsWales. The full [ONS statement](#) is available via their website.

This bulletin previously included statistics on working age benefits claimants by client group, based on Department for Work and Pensions (DWP) data. DWP no longer produces this series and the full statement is available via the [Nomis website](#).

DWP now publishes a Benefit Combinations dataset on their StatsXplore website which provides both Working Age and Pension Age statistics on the number of individuals claiming a DWP benefit in total and to show the key combinations of benefits claimed. We are in the process of assessing whether this new data source is appropriate for our uses and/or publication.

### 5.3 Timeliness and punctuality

This bulletin follows the ONS publication schedule of labour market data, available on the [National Statistics Release Calendar](#). Table 5.2 lists the date of last update and next update for each data source.
















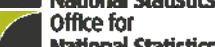















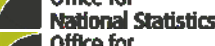







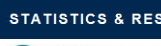

**Table 5.2: Summary of data sources**

Data	Source	Last Updated	Next Updated
Coronavirus job retention scheme	Coronavirus Job Retention Scheme Statistics, HMRC	03-Jun-2021	01-Jul-2021
Economic inactivity rate	Labour Force Survey, ONS	15-Jun-2021	15-Jul-2021
Economic inactivity rate (economic regions)	Annual Population Survey, ONS	14 Apr-2021	Aug-2021
Employment rate	Labour Force Survey, ONS	15-Jun-2021	15-Jul-2021
Employment rate (economic regions)	Annual Population Survey, ONS	14 Apr-2021	Aug-2021
Hours Worked	Labour Force Survey, ONS	15-Jun-2021	15-Jul-2021
Experimental Real Time Pay Information	Real Time Pay As You Earn Information, HMRC	15-Jun-2021	15-Jul-2021
ILO unemployment rate	Labour Force Survey, ONS	15-Jun-2021	15-Jul-2021
ILO unemployment rate (economic regions)	Annual Population Survey, ONS	14 Apr-2021	Aug-2021
Public sector employment	Regional Public Sector Employment, ONS	15-Jun-2021	14-Sep-2021
Self-employment income support scheme	Self-Employment Income Support Scheme Statistics, HMRC	03-Jun-2021	01-Jul-2021
Self-employment jobs	Workforce jobs, ONS	15-Jun-2021	14-Sep-2021
Universal Credit	Universal Credit, DWP	15-Jun-2021	15-Jul-2021
Workforce jobs	Workforce jobs, ONS	15-Jun-2021	14-Sep-2021

## 5.4 Accessibility and clarity

Much of the data behind the charts shown in this bulletin can be found on StatsWales. This bulletin covers key statistics for Wales as a whole, but additional breakdowns for age, gender and disability are also available on StatsWales. Analyses of employment and earnings by disability and ethnicity have also recently been published by the ONS, including some estimates for Wales. We are exploring the extent to which available data sources will enable more analysis by these and other protected characteristics for Wales, and we intend to report on this work in 2020. Links to StatsWales, Welsh Government statistical headlines (where applicable) and ONS analysis are provided below in Table 5.3.

**Table 5.3: Links to StatsWales, WG headlines and ONS analysis**

Measure	Data Link	WG Headline Link
Claimant count		
Economic inactivity rate		
Employment rate		
Exports		
Gross Disposable Household Income		
Gross Value Added		
Gross weekly pay		
Out of work benefit claimants		
Public sector employment		
Self-employment jobs		
Short Term Output Indicators		
Unemployment rate		
VAT/PAYE registered enterprise births		
VAT/PAYE registered enterprises		
Workforce jobs		
Businesses Innovation Active (FG indicator)		
Employment above ⅔ UK median wage (FG indicator)		
Gender Pay Gap (FG indicator)		
Employment (FG indicator)		
Disability employment, unemployment and inactivity		
Disability and employment		
Disability pay gap		
Ethnicity pay gap		
PAYE real time information		
Hours worked		
Universal credit		
Coronavirus job retention scheme		
People on furlough (National Survey for Wales)		
Self-employment income support scheme		

## 5.5 Comparability and coherence

Comparable measures for other UK countries for the data published in this bulletin are published on StatsWales and on the ONS website, which can be accessed using the data links in Table 5.3.

### Labour Force Survey and Annual Population Survey

Estimates of employment, unemployment and economic inactivity are available from both the LFS and the Annual Population Survey (APS). Estimates from the LFS are based on a rolling quarter and are updated monthly. The sample sizes are too low in the LFS to produce reliable estimates for geographies below Wales level. Estimates from the APS are based on a rolling twelve months, updated each quarter. The APS uses a bigger sample than the LFS so is used to produce estimates for geographies in Wales. At Wales level, the APS is a slightly more robust measure than the LFS but it is less timely and slower to adapt to changes in the labour market.

### Employment and Workforce Jobs

Employment figures differ between the LFS estimates and Workforce Jobs. Primarily this is because people with more than one job are counted once in the LFS but more than once in Workforce Jobs. The LFS does not cover people living in most types of communal establishments and Workforce Jobs excludes unpaid family workers.

### ILO Unemployment and Claimant Count

There are two different measures of unemployment used in official UK statistics, the headline International Labour Organisation (ILO) measure recorded by the LFS and the claimant count measure. Each is subject to advantages and disadvantages.

The headline ILO measure is a count of those who are out of work and want a job, or have actively sought work in the last four weeks and are available to start work in the next two weeks; plus those who are out of work, have found a job and are waiting to start in the next two weeks. It is the broader measure of unemployment. However, it is sourced from a survey so the results are subject to sampling error. Wales data is subject to higher variability than UK level data because of the smaller sample size.

The claimant count is a count of all those claiming unemployment related benefits (currently Jobseekers Allowance plus some claimants of Universal Credit). As such it excludes those who are unemployed who are not eligible to claim, and those who do not wish to claim. However, it is a count of all claimants and is not subject to any sampling variability. It can therefore be disaggregated to very high levels of detail, and in particular, changes measured over the short term are more robust than for the headline unemployment measure.

## 11.6 Technical notes

Some of the data in this bulletin are presented as index numbers. Index numbers take the data for each time period and divide them by the figure for the reference period, and multiply the result by 100. A figure of above 100 for a given time period then indicates that the figure is higher than that for the reference period, whilst a figure of below 100 indicates that it is lower than that for the reference period. Data on workforce jobs and self-employment jobs are presented as indices

referenced to 1999 = 100. Data on exports is referenced to 2013=100 due to methodological differences before 2013. The indices of production, manufacturing and construction and the index of market services are each referenced to 2016 = 100.

Data series shown are seasonally adjusted unless stated otherwise. Seasonal adjustment is the process of removing variations associated with the time of year from a time-series and enables comparisons of labour market statistics to be made since the previous quarter or previous month. Labour market data for Wales is seasonally adjusted but for geographies within Wales only non seasonally adjusted data is available.

## 11.7 National Statistics status

The [United Kingdom Statistics Authority](#) has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the [Code of Practice for Statistics](#).

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.

All official statistics should comply with all aspects of the Code of Practice for Statistics. They are awarded National Statistics status following an assessment by the UK Statistics Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate. The designation of these statistics as National Statistics was confirmed in March 2010 following a [full assessment against the Code of Practice](#).

Since the latest review by the Office for Statistics Regulation, we have continued to comply with the Code of Practice for Statistics, and have made the following improvements:

- Added to and refined information about dimensions of quality and described links to policy and Welsh Government targets
- Expanded the coverage of topics to include workforce jobs and Welsh future generations indicators
- Improved visuals by de-cluttering and standardising charts and tables
- Used additional sources of data to illustrate the impact of the coronavirus pandemic in a timely way.

It is Welsh Government's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Office for Statistics Regulation promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

## 11.8 Well-being of Future Generations Act (WFG)

The Well-being of Future Generations Act 2015 is about improving the social, economic, environmental and cultural well-being of Wales. The Act puts in place seven well-being goals for

Wales. These are for a more equal, prosperous, resilient, healthier and globally responsible Wales, with cohesive communities and a vibrant culture and thriving Welsh language. Under section (10)(1) of the Act, the Welsh Ministers must (a) publish indicators (“national indicators”) that must be applied for the purpose of measuring progress towards the achievement of the Well-being goals, and (b) lay a copy of the national indicators before Senedd Cymru. The 46 national indicators were laid in March 2016 and this release includes the following national indicator:

- (21) percentage of people in employment

Information on the indicators, along with narratives for each of the well-being goals and associated technical information is available in the [Well-being of Wales report](#).

This release includes contextual indicators, namely the basket of indicators presented in the Well-being report in the previous link.

As national indicators under the Act they must be referred to in the analyses of local well-being produced by public services boards when they are analysing the state of economic, social, environmental and cultural well-being in their areas.

Further information on the [Well-being of Future Generations \(Wales\) Act 2015](#).

The statistics included in this release could also provide supporting narrative to the national indicators and be used by public services boards in relation to their local well-being assessments and local well-being plans.

## 11.9 Further details

### Links

This document is available on our website: <https://gov.wales/key-economic-statistics>

The National Survey for Wales [methodology and quality reports](#) can be found on the Welsh Government website.

More information on the data sources can also be found in the Quality and Methodology Information reports published by ONS on [Labour Market](#), [Claimant Count](#), [Public Sector Employment](#) and [Workforce Jobs](#) data.

### Next update

15 July 2021 (Headline)

20 July 2021 (Labour Market Overview bulletin)

### We want your feedback

We welcome any feedback on any aspect of these statistics which can be provided by email to [economic.stats@gov.wales](mailto:economic.stats@gov.wales).

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