

ECONOMY AND LABOUR MARKET

Scotland's Labour Market Trends July 2020

About this publication

This publication is updated monthly and summarises employment, unemployment and economic inactivity sourced from the Labour Force Survey for Scotland and the UK. These are classed as National Statistics.

It also contains claimant count information and HMRC RTI median monthly earnings. These are classed as Experimental Statistics.

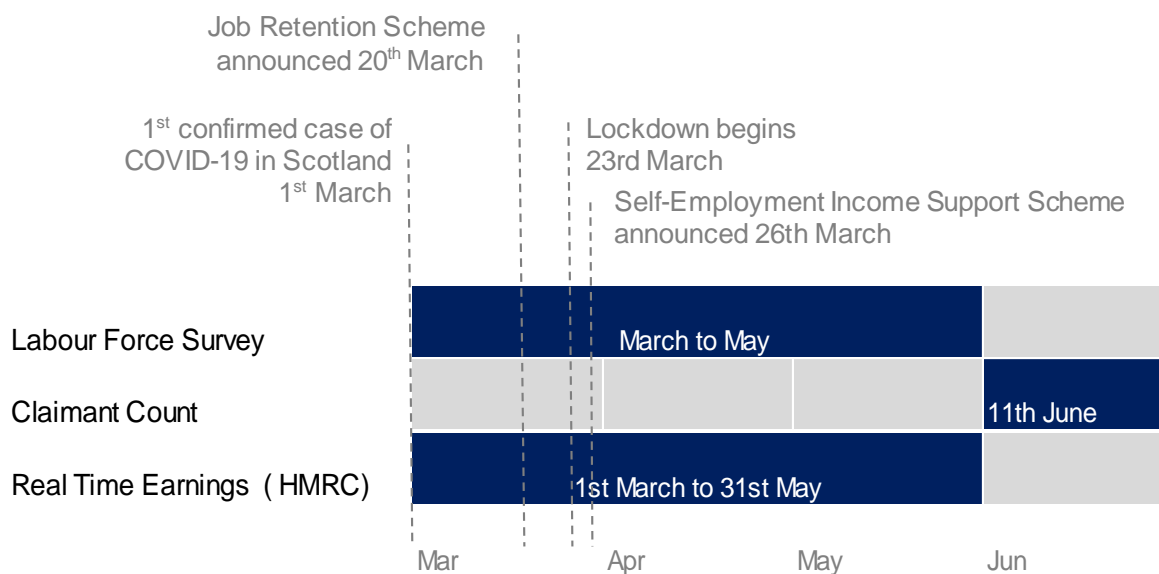
This release follows the ONS monthly releases of

[Regional Labour Market Statistics in the UK](#)

[Earnings and employment from Pay As You Earn Real Time Information, UK: July 2020](#)

Information included in this publication cover the time period shown in figure 1 below

Figure 1 Impact of a few coronavirus (COVID19) related dates on labour market data



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NATIONAL STATISTICS STATUS

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

These statistics were reviewed, as part of a [compliance check](#), against the [Code of Practice](#) in March 2020 and therefore continue to be designated National Statistics.

Key points

This months estimates are presented for the 3 months to May 2020, compared with the quarter before (December 2019 to February 2020) and compared with a year before (March to May 2019). Please note percentage point changes are based on unrounded data.

This release to May 2020, presents an average of the period March to May 2020. The month of April, May and the final week of March overlaps with COVID-19 related policies implemented from the end of March 2020.

The latest Labour Force Survey (LFS) estimates for March 2020 to May 2020 indicate that over the quarter, the unemployment rate increased, the employment rate decreased and the economic inactivity rate increased.

The LFS indicated that Scotland's unemployment rate (16+) increased over the quarter (0.6 percentage points) and increased over the year (1.1 percentage points) to 4.3 per cent. Scotland's unemployment rate was above the UK rate of 3.9 per cent.

The proportion of people aged 16-64 in work (the employment rate) decreased over the quarter (1.2 percentage points) and decreased over the year (1.6 percentage points) to 74.1 per cent. Scotland's employment rate was below the UK rate of 76.4 per cent.

The economic inactivity rate (the proportion of people aged 16 to 64 years who were not working and not seeking or available to work) increased over the quarter (0.8 percentage points) and increased over the year (0.8 percentage points) to 22.4 per cent. Scotland's inactivity rate is above the UK rate of 20.4 per cent.

The experimental Claimant Count includes Jobseeker's Allowance Claimants and those claimants of Universal Credit who were claiming principally for the reason of being unemployed. In June 2020 there were 215,200 claimants, an increase of 600 (0.3 per cent) over the month and 107,100 (99.0 per cent) over the year. The claimant count unemployment rate (seasonally adjusted) in June 2020 was 7.7 per cent, compared with 7.3 per cent for the UK as a whole.

Earnings from Pay As You Earn Real Time Information show, in Scotland, monthly pay for employees, seasonally adjusted, in the three months to May 2020 was £1,835. Compared with the same three month the year before, median pay for employees in the three months to May 2020 has decreased by 0.2 per cent. This is the first annual decrease in the series (beginning September 2014).

1. Summary of labour market statistics

This month's data are presented for the 3 months to May 2020, compared with the quarter before (December to February 2020) and compared with a year before (March to May 2019).

Information are obtained from a sample survey and are therefore subject to sampling variability.

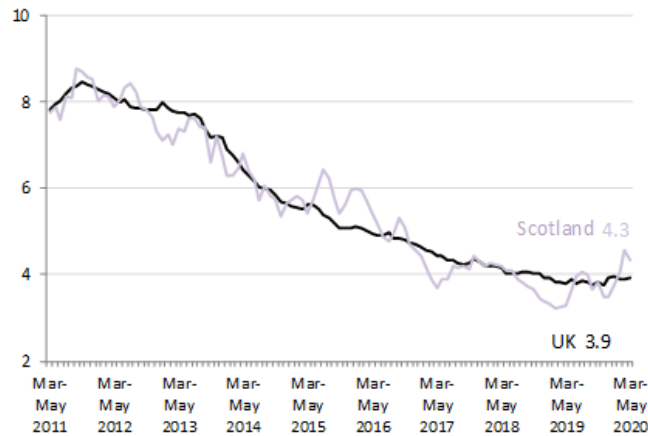
Table 1: Labour market statistics Scotland and UK, Mar to May 2020

	Rate (%)	CI	Percentage point				Level (000's)					
			Change on quarter	CI	Change on year	CI	Level ('000)	CI	Change on quarter	CI	Change on year	CI
Employment¹												
Scotland	74.1	(± 1.6)	-1.2	(± 1.9)	-1.6	(± 2)	2,642	(± 54)	-47	(± 67)	-53	(± 69)
UK	76.4	(± 0.4)	-0.2	(± 0.4)	0.3	(± 0.6)	32,948	(± 201)	-126	(± 163)	199	(± 256)
Unemployment²												
Scotland	4.3	(± 0.9)	0.6	(± 1)	1.1	(± 1)	120	(± 22)	15	(± 28)	28	(± 28)
UK	3.9	(± 0.2)	0.0	(± 0.2)	0.1	(± 0.3)	1,347	(± 78)	-17	(± 80)	55	(± 101)
Economic Inactivity³												
Scotland	22.4	(± 1.5)	0.8	(± 1.8)	0.8	(± 1.9)	773	(± 65)	28	(± 80)	28	(± 82)
UK	20.4	(± 0.4)	0.2	(± 0.4)	-0.4	(± 0.5)	8,462	(± 174)	92	(± 143)	-157	(± 223)

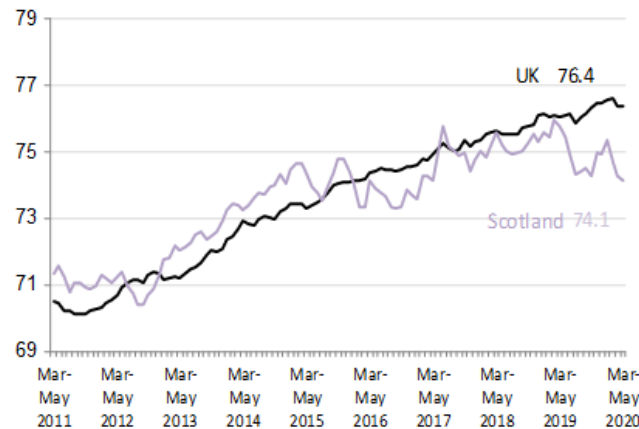
Source: Labour Force Survey, Seasonally adjusted Note: Levels: 1,2: All persons aged 16+; 3: All persons aged 16-64. Rates: denominator: 1,3: all persons 16-64 years; 2: economically active 16+.

March to May 2020

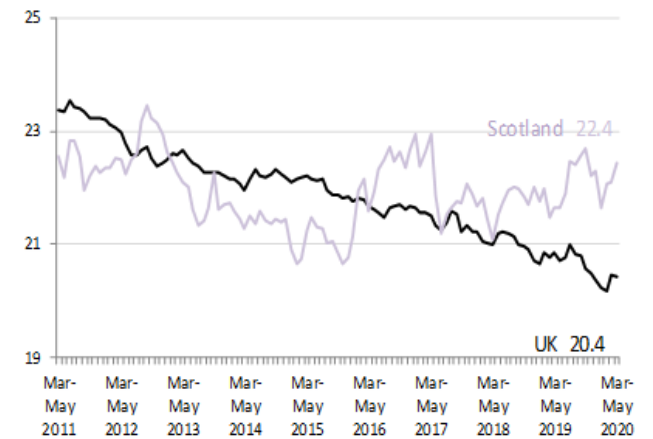
Unemployment 4.3%



Employment 74.1%



Economic Inactivity 22.4%



Quarterly Change

Scotland 0.6 %pts ↑ UK 0.0 %pts ↔

Scotland -1.2 %pts ↓ UK -0.2 %pts ↓

Scotland 0.8 %pts ↑ UK 0.2 %pts ↑

Annual Change

Scotland 1.1 %pts ↑ UK 0.1 %pts ↑

Scotland -1.6 %pts ↓ UK 0.3 %pts ↑

Scotland 0.8 %pts ↑ UK -0.4 %pts ↓

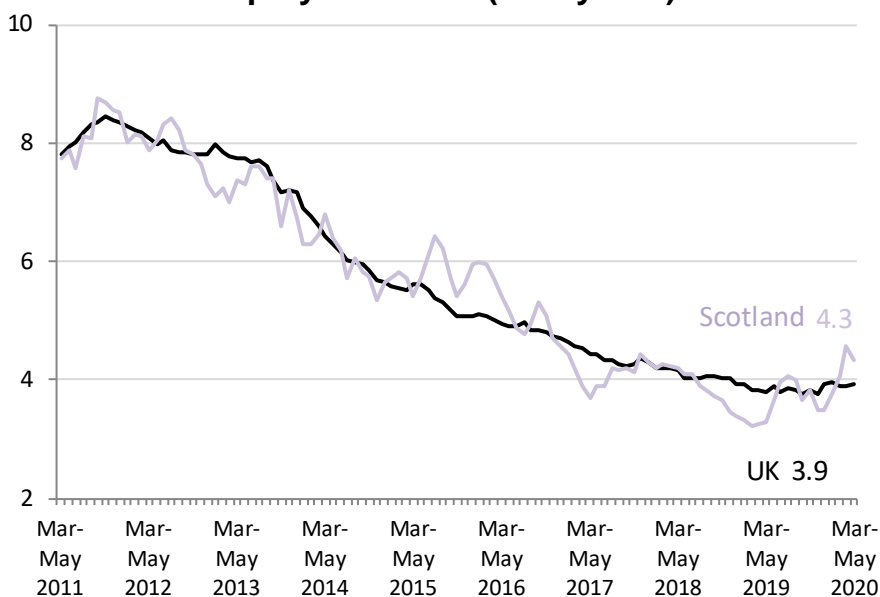
% pts=percentage points
Labour Force Survey Seasonally adjusted
16th July 2020

2. Unemployment estimates

The unemployment rate in Scotland was 4.3 per cent. This is 0.6 percentage points up on the quarter and 1.1 percentage points up on the year.

The UK unemployment rate was 3.9 per cent. This is no change on the quarter and 0.1 percentage points up on the year.

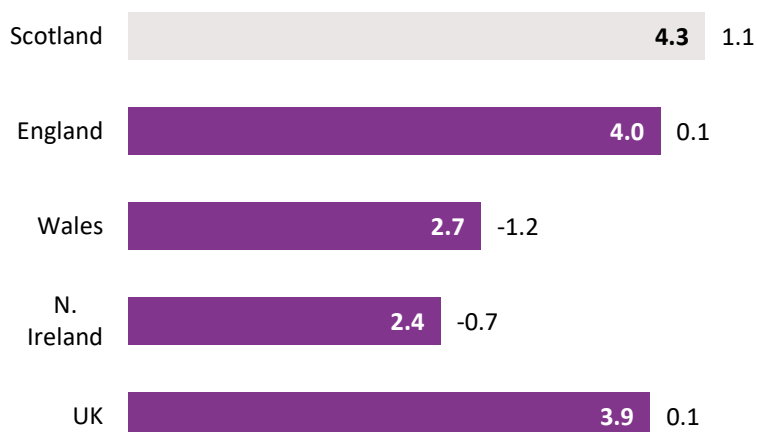
Chart 1 : Unemployment rate (16+ years) Scotland and UK



Source: Labour Force Survey, ONS

Compared with the UK countries, Scotland's unemployment rate was the highest.

Chart 2: Unemployment Rate (16+ years), annual change: UK countries



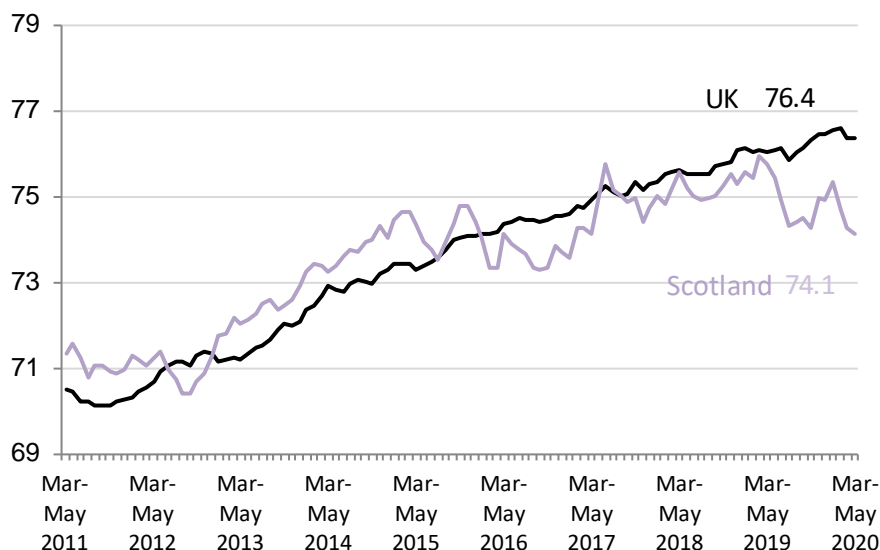
Source: Labour Force Survey, ONS
Annual change shown in percentage points

3. Employment estimates

The employment rate in Scotland was 74.1 per cent. This is 1.2 percentage points down on the quarter and 1.6 percentage points down on the year.

The UK employment rate was 76.4 per cent. This is 0.2 percentage points down on the quarter and 0.3 percentage points up on the year.

Chart 3: Employment rate (16-64 years) Scotland and UK



Source: Labour Force Survey, ONS

Compared with the UK countries, Scotland's employment rate was the 2nd lowest .

Chart 4: Employment rate (16-64 years), annual change: UK countries



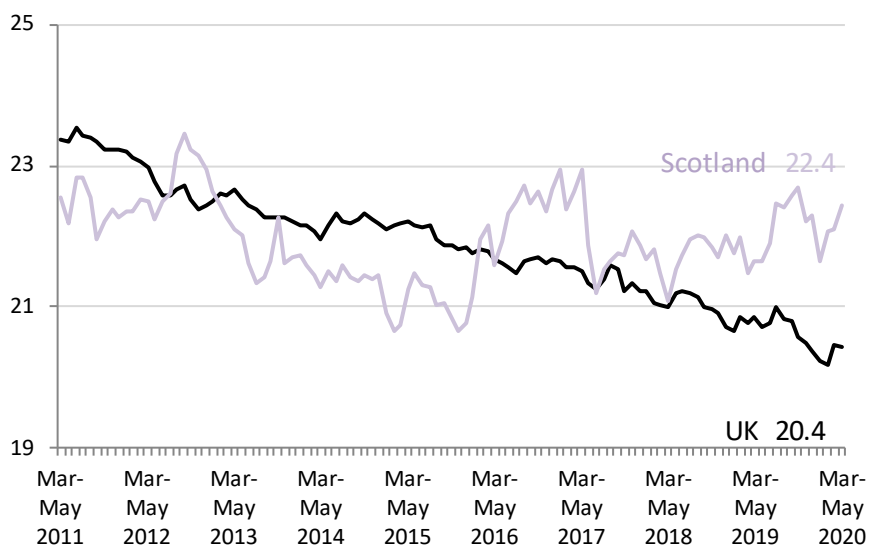
Source: Labour Force Survey, ONS
Annual change shown in percentage points

4. Economic Inactivity estimates

The inactivity rate in Scotland was 22.4 per cent. This is 0.8 percentage points up on the quarter and 0.8 percentage points up on the year.

The UK inactivity rate was 20.4 per cent. This is 0.2 percentage points up on the quarter and 0.4 percentage points down on the year.

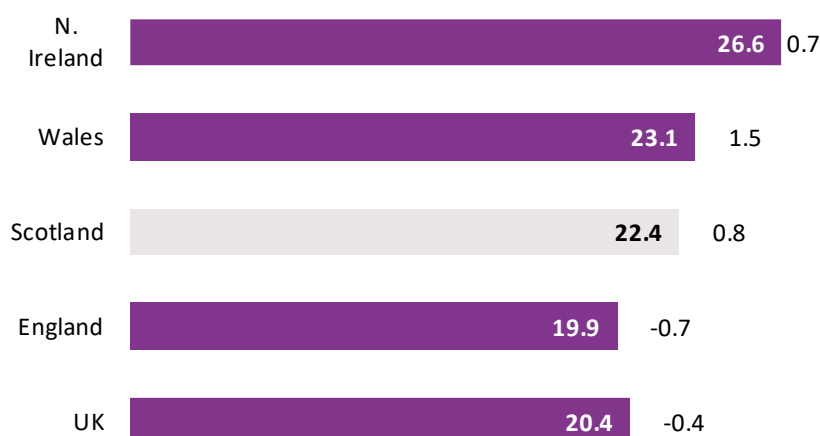
Chart 5: Inactivity rate (16-64 years) Scotland and UK



Source: Labour Force Survey, ONS

Compared with the UK countries, Scotland's economic inactivity rate was the 2nd lowest.

Chart 6: Inactivity rate (16-64 years), annual change: UK countries



Source: Labour Force Survey, ONS
Annual change shown in percentage points

5. Labour market estimates for women and men

Table 2 Labour market statistics for women, Scotland and UK, Mar 2020 to May 2020

	Rate (%)	Percentage point Change on quarter Change on year		Level ('000)	Level (000's) Change on Change on quarter year	
Employment¹						
Scotland	71.7	-0.8	-0.9	1,301	-16	-8
UK	72.7	0.0	0.7	15,702	-26	233
Unemployment²						
Scotland	4.4	0.7	1.5	59	10	20
UK	3.8	0.1	0.2	623	22	43
Inactivity³						
Scotland	25.0	0.3	-0.2	441	5	-3
UK	24.3	-0.1	-0.9	5,067	-22	-184

Source: Labour Force Survey, Seasonally adjusted Note: Levels: 1,2: All women aged 16+; 3.: All women aged 16-64. Rates: denominator: 1,3: All women 16-64 years; 2. economically active 16+.

Table 3 Labour market statistics for men, Scotland and UK, Mar 2020 to May 2020

	Rate (%)	Percentage point Change on quarter Change on year		Level ('000)	Level (000's) Change on Change on quarter year	
Employment¹						
Scotland	76.7	-1.7	-2.4	1,341	-31	-45
UK	80.1	-0.4	-0.1	17,245	-100	-35
Unemployment²						
Scotland	4.3	0.4	0.7	61	5	8
UK	4.0	-0.2	0.1	724	-39	12
Inactivity³						
Scotland	19.7	1.4	1.9	331	23	31
UK	16.5	0.5	0.1	3,396	115	27

Source: Labour Force Survey, Seasonally adjusted

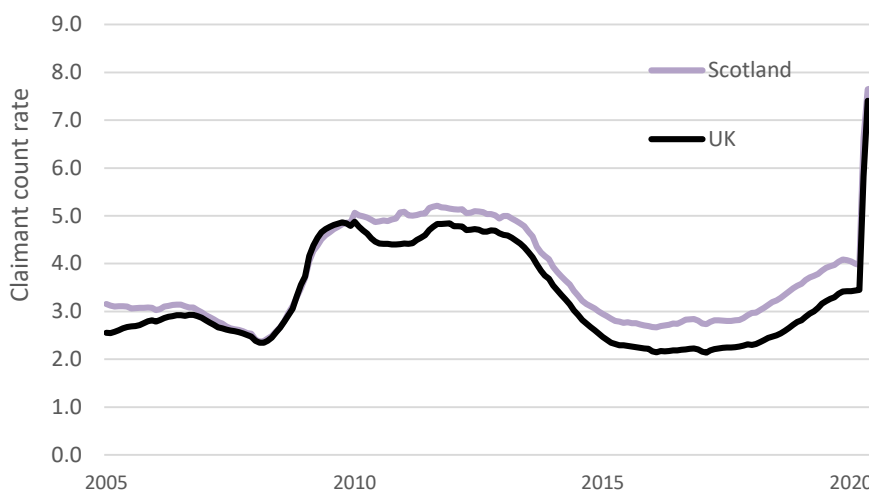
Note: Levels: 1,2: All men aged 16+; 3.:All men aged 16-64. Rates: Denominator: 1,3: All men 16-64 years; 2. economically active 16+.

6. Claimant Count

The experimental Claimant Count includes Jobseeker's Allowance Claimants and those claimants of Universal Credit who were claiming principally for the reason of being unemployed (those in the "searching for work" conditionality regime). Those claiming such benefits may be wholly unemployed and seeking work, or may be employed but with low income and/or low hours, that make them eligible for unemployment-related benefit support. As part of the response to the pandemic, the rules about who can claim Universal Credit have changed, meaning an increased proportion of those claiming may actually still be in some kind of work.

In June 2020 there were 215,200 claimants, an increase of 600 (0.3 per cent) over the month and 107,100 (99.0 per cent) over the year. The Claimant Count unemployment rate (Seasonally adjusted) in June 2020 was 7.7 per cent, compared with 7.3 per cent for the UK as a whole.

Chart 7: Claimant Count rate: Scotland and UK



Source: Claimant Count experimental (seasonally adjusted) (ONS, DWP)

7. HMRC Earnings

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.

Earnings from Pay As You Earn Real Time Information show, in Scotland, monthly pay for employees, seasonally adjusted, in the three months to May 2020 was £1,835.

Compared with the same three months the year before, median pay for employees in the three months to May 2020 has decreased by 0.2 per cent. This is the first annual decrease in the series (beginning September 2014).

Chart 8: Annual growth Median monthly pay, 3 months average, Scotland and UK

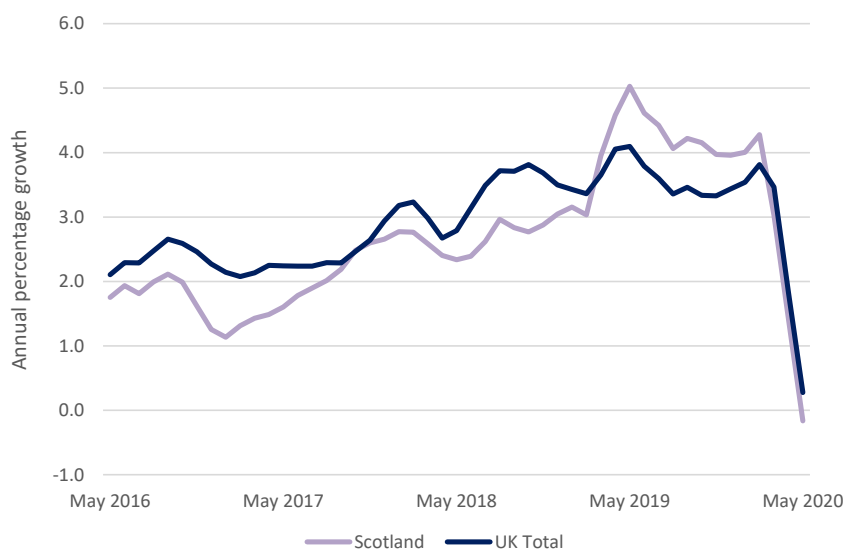
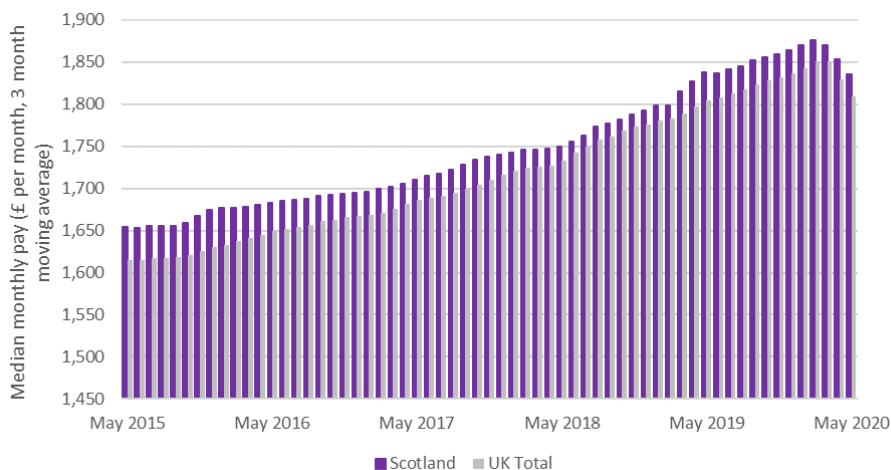


Chart 9: Median monthly pay, 3 months average, Scotland and UK



Source: HMRC RTI, all industries, seasonally adjusted

8. Labour Market Sources

Labour Force Survey

All estimates are sourced from the labour force survey with exception of those in section 6 and 7.

Sources of information

Information presented are sourced from the Labour Force Survey, a survey of households collected and published by the Office for National Statistics. Information are obtained from a sample survey and are therefore subject to some error.

Unemployment:

The ILO definition of unemployment covers people who are: not in employment, want a job, have actively sought work in the previous 4 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.

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 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) convention.

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 4 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. It can be useful for some purposes to consider only those who are both economically inactive and not of state pension age.

Economic inactivity rate:

The number of economically inactive people expressed as a percentage of the relevant population.

Reliability of these estimates

When estimates are based on a sample of the population, confidence limits can be used to assess the range of values that the true value lies between. 95% confidence intervals are included in Table 1. ONS publish these in the following tables for [Scotland](#) and [UK](#).

What does the 95% confidence limit mean?

If, for example, we have an LFS estimate and confidence limit of 63% +/- 0.27%, this means that 19 times out of 20 we would expect the true rate to lie between 62.73% and 63.27%. Only in exceptional circumstances (1 in 20 times) would we expect the true rate to be outside the confidence interval around the LFS estimate. The smaller the confidence limits, the more reliable the estimate.

What is statistical significance?

To determine whether a change is statistically significant, we first calculate the difference between 2 quarters or over the year. The difference between 2 quarters for a rate is measured in 'percentage point terms'. The confidence interval around this difference is published by [ONS](#). If the calculated change is greater than the sampling variability of the change, the change was determined to be statistically significant.

Further links to information on reliability

Further information on reliability can be accessed in the ONS publication at [link](#). ONS note that regional estimates for the unemployment rate are quite volatile, which needs to be allowed for when considering the pattern of change over time. Sampling variability information is published at [link](#):

Impact of the Coronavirus on the measurement of the labour market

ONS have published a summary at this [link](#) where full definitions are provided. In summary:

In response to the coronavirus pandemic, both the UK government and devolved administrations have implemented a wide range of policies. The interventions that are likely to be most significant in terms of the direct impact on the labour market are the Coronavirus Job Retention Scheme (CJRS) from 20th April 2020 and the Self-Employment Income Support Scheme (SEISS) 15th May 2020.

Applying the guidance on measuring labour market statistics, employees who are furloughed will be classified as employed, but temporarily away from work. This will mean that, all things being equal, furloughed workers will not reduce the number of people in employment (or the employment rate). However, the scheme will lead to an increase in the number of employees working no hours and an overall reduction in the number of hours worked. There may be a compensating effect if employees on furlough take other employment, which can be detected from the number of people with second jobs.

The expected impact of the SEISS in labour market statistics is that people will remain as self-employed, but may class themselves as temporarily away from work and record no hours of employment. However, as under the terms of the scheme, they can continue to work or take on other employment, their labour market status and number of hours worked may change during the scheme's lifespan.

Further information on sources is also published by ONS at [Understanding the impact on jobs and pay- how the ONS is now measuring the labour market](#)

HMRC RTI

This release covers people paid through the Pay As You Earn (PAYE) system where their pay is reported through the Real Time Information (RTI) system published by HMRC. Information presented in this release are median earnings for a three month average.

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.

9. Other labour market statistics for Scotland

Where can labour market data for Scotland be accessed

Labour Force information for Scotland is also published on **nomisweb**

This release follows the ONS monthly release of [Regional Labour market Statistics in the UK](#)

A range of Labour Market Statistics for Scotland as also published by the [Office for National Statistics](#)

Scottish Government Labour Market Statistics

Labour Market [monthly brief](#)

This additional monthly brief, published soon after Scotland's Labour Market Trends contains latest key statistics for Scotland from the Labour Force Survey, Annual Population Survey, alternative claimant count and the claimant count these cover topics including:

Labour market outcomes for equality groups

Latest alternative claimant count and claimant count by age and local authority, for Scotland and the UK

Youth labour market data (16-24 years) for Scotland

Latest Labour market information for young people 16-24 years for Scotland, sourced from the Annual Population Survey (April 2019 to March 2020), is published in a [quarterly release](#). (17th June 2020)

Other SG labour market publications from the Annual Population Survey

[Scotland's Labour Market: People, Places and Regions 2019](#)

[Annual Population Survey: Results for the year to 31st December 2019](#)

Information on characteristics of the workforce by sectors were published in a tool

<https://www.gov.scot/publications/scotlands-labour-market-people-places-and-regions-background-tables/>

Scotland's Labour Market – People Places and Regions- Industry Tables- 2019

Other SG labour market publications

[Quarterly Public Sector Employment Q4 2019](#)

[Annual Survey of Hours and Earnings 2019](#)

Other topical publications can be found at

<https://www.gov.scot/collections/labour-market-statistics/>

A National Statistics publication for Scotland

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 Official Statistics.

Designation can be interpreted to mean that the statistics: meet identified user needs; are produced, managed and disseminated to high standards; and are explained well.

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