

ECONOMY AND LABOUR MARKET

Labour Market Statistics for 16 to 24 year olds: Scotland and the United Kingdom

Statistics from the ONS Annual Population Survey,

October 2021 to September 2022, first published 14 December 2022 Correction published 14 February 2022

This publication contains the latest estimates of employment, unemployment and economic inactivity for 16 to 24 year olds. Estimates are for Scotland and the United Kingdom and cover the period October 2021 to September 2022. Data are sourced from the Annual Population Survey, first released on 14 December 2022 and corrected on 27 January 2023 by the Office for National Statistics.

The ONS Annual Population Survey is the National Statistics source for labour market indicators by region and age. National Statistics meet the highest standards of trustworthiness, quality and public value.

Correction Note

The ONS identified an error in the October 2021 to September 2022 Annual Population Survey (APS) estimates at a sub-regional geographical level. This affected estimates for October 2021 to September 2022 and estimates of changes over time in rates and levels. A correction to the estimates in this publication and associated tables was released on 14 February 2023.

Key points

The latest Annual Population Survey (APS) data are for October 2021 to September 2022. Some Government policies relating to COVID-19 were still in place during this time. The impact of these policies may be seen in the estimates.

The latest estimates for 16 to 24 year olds in Scotland show the unemployment rate has decreased over the year, the employment rate has increased and the economic inactivity rate has decreased.

In Scotland in October 2021 to September 2022:

- the estimated employment rate for 16 to 24 year olds was 58.3 per cent
- the estimated unemployment rate for 16 to 24 year olds was 9.0 per cent
- the estimated economic inactivity rate for 16 to 24 year olds was 35.9 per cent

Compared with the previous year:

- the employment rate for 16 to 24 year olds increased by 4.8 percentage points, a statistically significant change
- the unemployment rate for 16 to 24 year olds decreased by 1.4 percentage points
- the inactivity rate for 16 to 24 year olds decreased by 4.4 percentage points, a statistically significant change

Compared with the United Kingdom as a whole:

- the employment rate for 16 to 24 year olds was higher (58.3 per cent compared to 53.6 per cent)
- the unemployment rate for 16 to 24 year olds was lower (9.0 per cent compared to 10.4 per cent)
- the inactivity rate for 16 to 24 year olds was lower (35.9 per cent compared to 40.2 per cent)

Comparing men and women aged 16 to 24 years in Scotland:

- the estimated employment rate for men was lower than women (55.2 per cent compared to 61.4 per cent)
- the estimated unemployment rate for men was higher than women (10.5 per cent compared to 7.6 per cent)
- the estimated economic inactivity rate for men was higher than women (38.3 per cent compared to 33.6 per cent)

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About this publication

This publication contains the latest estimates of employment, unemployment and economic inactivity for 16 to 24 year olds. Estimates are for Scotland and the United Kingdom and cover the period October 2021 to September 2022. Data are sourced from the Annual Population Survey (APS); first released on 14 December 2022 and corrected on 27 January 2023 by the Office for National Statistics (ONS).

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

The APS is the National Statistics source for labour market indicators by region and age. Compared to the APS, the LFS shows similar long-term labour market trends for 16 to 24 year olds in Scotland. The ONS publish LFS estimates for 16 to 24 year olds as Official Statistics in their monthly publication.

In addition to the estimates in this publication, detailed tables on labour market statistics for 16 to 24 year olds are available on the <u>Scottish Government website</u>.

Important Note:

In July and September 2022, APS responses for periods April 2019 to March 2020 onwards were reweighted using updated HM Revenue and Customs (HMRC) Real Time Information (RTI) data. Estimates for October 2019 to September 2020 and October 2020 to September 2021 may differ from those published in the previous October to September editions of this publication. The ONS have written an article which provides further information on the reweighting exercise.

The UK Government and Scottish Government introduced policies in relation to the COVID-19 pandemic. Some of these policies were still in place during the period of the latest APS estimates. The impact of these policies may be seen in the estimates.

Employees who were furloughed between April 2020 and the end of September 2021 were classed as employed, but temporarily away from work. This is consistent with labour market definitions <u>outlined by ONS</u>.

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 <u>compliance check</u>, against the <u>Code of Practice</u> in May 2021. This review found a range of positive features that demonstrate the trustworthiness, quality and value of this bulletin.

Since then we have made a number of improvements including:

- incorporating key findings; presenting the figures as "estimates" and including confidence intervals in the tables and providing more detailed information on quality assurance carried out while preparing the publication
- additional estimates have also been included for employment levels and rates for people aged 16 to 24 in local authorities

Employment

Overall

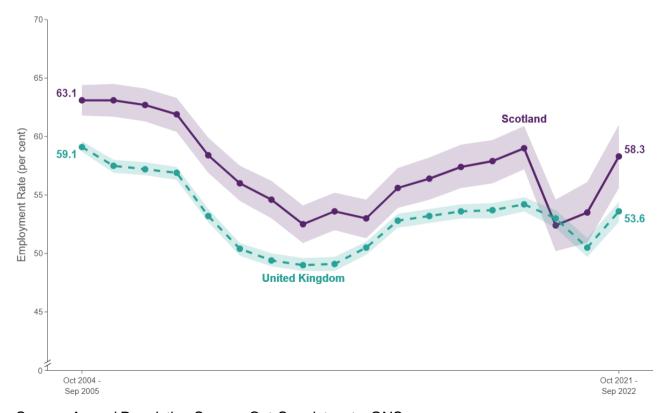
In October 2021 to September 2022, an estimated 320,000 people aged 16 to 24 were in employment in Scotland. This is 25,800 more than the number of 16 to 24 year olds employed in October 2020 to September 2021.

The estimated employment rate for 16 to 24 year olds was 58.3 per cent. This was 4.8 percentage points (pp) higher than the year before (53.5 per cent) but 0.8 pp lower than October 2018 to September 2019 (59.0 per cent). October 2018 to September 2019 is the last data point in this series before the COVID-19 pandemic.

For the United Kingdom as a whole, the estimated employment rate for 16 to 24 year olds was 53.6 per cent. This was 3.0 pp higher than a year ago (50.5 per cent) but 0.6 pp lower than October 2018 to September 2019 (54.2 per cent).

The change on year for both Scotland and the United Kingdom represent statistically significant changes.

Chart 1: Employment rate of people aged 16 to 24; Scotland and the United Kingdom; October 2004 to September 2005 through to October 2021 to September 2022



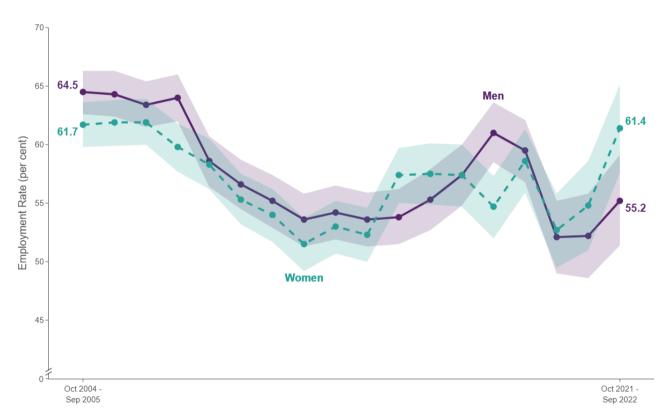
Employment by Sex

In October 2021 to September 2022, an estimated 152,800 men and 167,300 women aged 16 to 24 were in employment in Scotland.

The estimated employment rate for 16 to 24 year old men was 55.2 per cent, 3.0 percentage points (pp) higher than a year ago but 4.2 pp lower than October 2018 to September 2019. While the estimated employment rate for 16 to 24 year old women was 61.4 per cent, 6.6 pp higher than a year ago and 2.8 pp higher than October 2018 to September 2019.

The change on year for women represents a statistically significant change.

Chart 2: Employment rate of people aged 16 to 24 by Sex; Scotland; October 2004 to September 2005 through to October 2021 to September 2022



Employment by Local Authority areas

Some estimates in this section may come from a small sample size. When this occurs they may be less precise and users should be cautious when quoting them.

Estimates for local authority areas considered unreliable are not included. The three areas affected are:

- Na h-Eileanan Siar
- Orkney Islands
- Shetland Islands

The employment rate for 16 to 24 year olds in Scotland varies between Local Authorities.

The three local authority areas with the highest 16 to 24 year old employment rates in October 2021 to September 2022 were:

- Falkirk (69.8 per cent)
- South Lanarkshire (67.8 per cent)
- Clackmannanshire (66.5 per cent)

The three local authority areas with the lowest 16 to 24 year old employment rates were:

- Aberdeen City (36.6 per cent)
- Scottish Borders (45.8 per cent)
- Dumfries and Galloway (46.6 per cent)

All estimates listed above except those for Falkirk and South Lanarkshire are from a small sample size. These estimates should be used with caution.

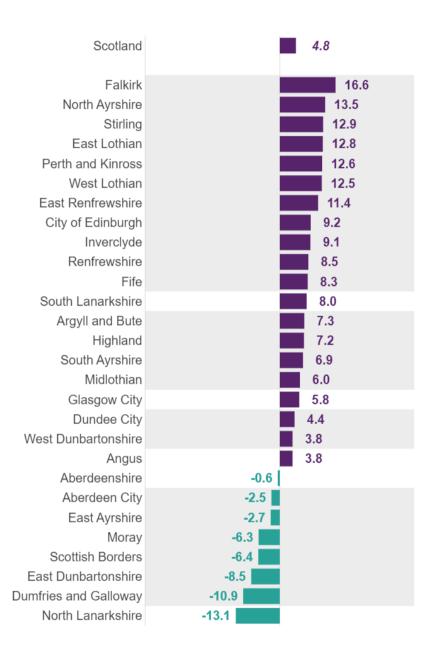
Over the year (since October 2020 to September 2021)

The employment rate for 16 to 24 year olds had increased in 20 local authority areas. The employment rate decreased in eight local authority areas. The area with the largest increase was Falkirk (16.6 percentage points (pp)). The area with the largest decrease was North Lanarkshire (-13.1 pp). The estimate for Falkirk in October 2020 to September 2021 is from a small sample size. Therefore, the change over the year estimate should be used with caution.

Change since October 2018 to September 2019 (pre-pandemic)

The employment rate for 16 to 24 year olds had increased in 14 local authority areas. The employment rate decreased in 15 local authority areas. The area with the largest increase was East Renfrewshire (16.8 pp). The area with the largest decrease was Aberdeen City (-38.5 pp). The change for Aberdeen City represents a statistically significant change. The estimates for both areas are from small sample sizes and should be used with caution.

Chart 3: Change in employment rates of those aged 16 to 24 between October 2020 to September 2021 and October 2021 to September 2022 by Local Authority area (percentage points)



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

Note: Estimates for the following areas are not available as they are considered unreliable:

- Clackmannanshire
- Na h-Eileanan Siar
- Orkney Islands
- Shetland Islands

Italic text indicates a statistically significant change over the period.

A shaded background indicates estimates are from small sample sizes and should be used with caution.

Unemployment

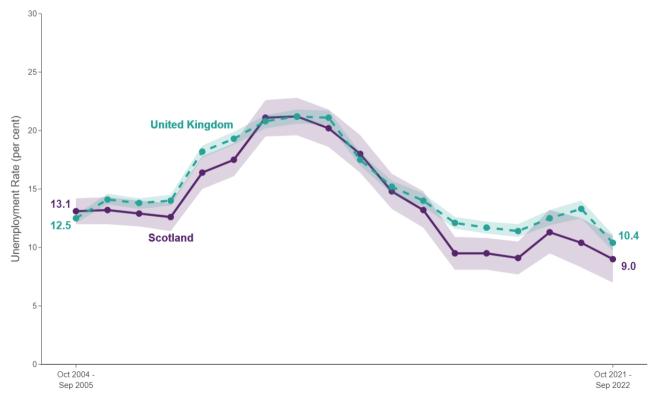
Overall

In October 2021 to September 2022, an estimated 31,800 people aged 16 to 24 were unemployed in Scotland. This is 2,300 less than the number of unemployed 16 to 24 year olds in October 2020 to September 2021.

The estimated unemployment rate for 16 to 24 year olds was 9.0 per cent in October 2021 to September 2022. This was 1.4 percentage points (pp) lower than a year ago (10.4 per cent) and 0.1 pp lower than in October 2018 to September 2019 (9.1 per cent). October 2018 to September 2019 is the last data point in this series before the COVID-19 pandemic.

For the United Kingdom as a whole, the estimated unemployment rate for 16 to 24 year olds was 10.4 per cent. This was 2.9 pp lower than the year before (13.3 per cent) and 1.0 pp lower than in October 2018 to September 2019 (11.4 per cent). Both the change on year and change since October 2018 to September 2019 represent statistically significant changes.

Chart 4: Unemployment rate of people aged 16 to 24; Scotland and the United Kingdom; October 2004 to September 2005 through to October 2021 to September 2022

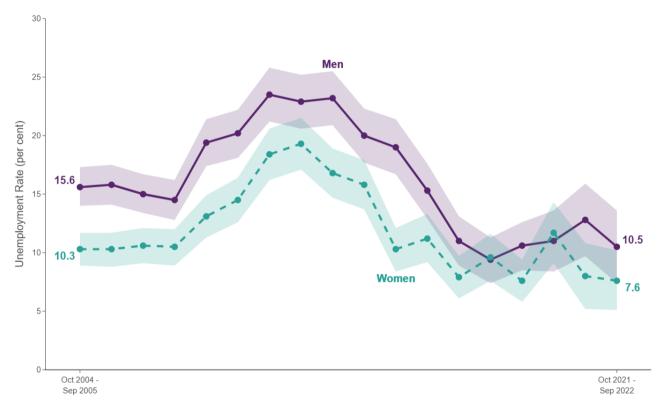


Unemployment by Sex

In October 2021 to September 2022, there were an estimated 18,000 unemployed men and 13,800 unemployed women aged 16 to 24 in Scotland.

The estimated unemployment rate for 16 to 24 year old men was 10.5 per cent, 2.3 percentage points (pp) lower than a year ago and slightly lower than October 2018 to September 2019. While the estimated unemployment rate for 16 to 24 year old women was 7.6 per cent, 0.3 pp lower than a year ago and 0.1 pp higher than October 2018 to September 2019.

Chart 5: Unemployment rate of people aged 16 to 24 by Sex; Scotland; October 2004 to September 2005 through to October 2021 to September 2022



Economic Inactivity

Overall

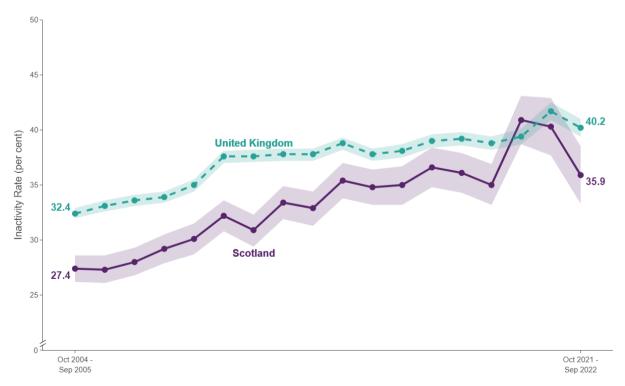
In October 2021 to September 2022, there were an estimated 197,300 economically inactive 16 to 24 year olds in Scotland. This is 24,300 lower than the number of inactive 16 to 24 year olds in October 2020 to September 2021. A little under three quarters (73.6 per cent) of inactive 16 to 24 year olds were estimated to be in full-time education in October 2021 to September 2022.

The estimated inactivity rate was 35.9 per cent in October 2021 to September 2022. This was 4.4 percentage points (pp) lower than a year ago (40.3 per cent) but 0.9 pp higher than in October 2018 to september 2019 (35.0 per cent). October 2018 to September 2019 is the last data point in this series before the COVID-19 pandemic.

For the United Kingdom as a whole, the estimated inactivity rate for 16 to 24 year olds was 40.2 per cent. This was 1.5 pp lower than a year ago (41.7 per cent) but 1.4 pp higher than October 2018 to September 2019 (38.8 per cent).

The change over the year for Scotland and the United Kingdom and the change since October 2018 to September 2019 for the United Kingdom represent statistically significant changes.

Chart 6: Economic inactivity rate of people aged 16 to 24; Scotland and the United Kingdom; October 2004 to September 2005 through to October 2021 to September 2022



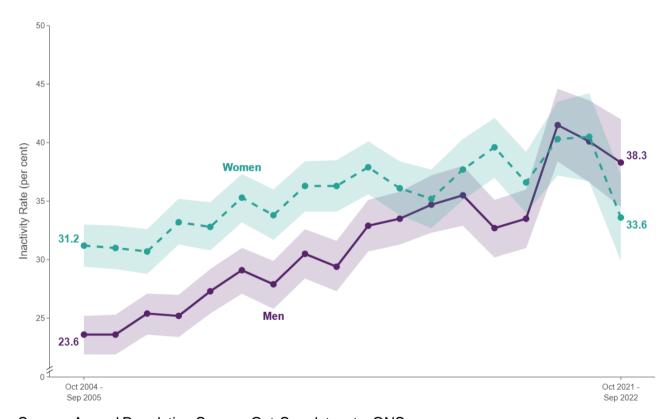
Economic Inactivity by Sex

In October 2021 to September 2022, there were an estimated 105,800 inactive men and 91,500 inactive women aged 16 to 24 in Scotland.

The estimated inactivity rate for 16 to 24 year old men was 38.3 per cent, 1.9 percentage points (pp) lower than a year ago but 4.7 pp higher than October 2018 to September 2019. While the estimated inactivity rate for 16 to 24 year old women was 33.6 per cent, 6.9 pp lower than a year ago and 3.0 pp lower than October 2018 to September 2019.

The change on year for women and change since October 2018 to September 2019 for men represent statistically significant changes.

Chart 7: Economic inactivity rate of people aged 16 to 24 by Sex; Scotland; October 2004 to September 2005 through to October 2021 to September 2022



Further Information

Reliability of estimates

Estimates from the ONS Annual Population Survey for October 2004 to September 2005 through to October 2021 to September 2022 are presented. The sample size in this dataset is around 11,500 households in Scotland for the latest time period.

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

Confidence Intervals

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

What does the 95 per cent confidence limit mean?

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

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

Statistical Significance

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

Quality Assurance

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

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

These checks include:

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

Further checks relate to:

- coherence across all data tables
- crosschecking historical time series data with previously published results
- benchmarking the results against other relevant data sources for this age group

The estimates in Table 1 of the associated spreadsheet are verified by colleagues in the ONS.

Context

These statistics are produced by Scottish Government Labour Market Statisticians. Labour Market Statistics is located within the Labour Market and Employability Statistics Unit, part of the Office of the Chief Economic Advisor. Labour Market Statistics are used for policy monitoring, research, services planning and delivery.

The APS is used to measure a number of indicators in the Scottish Government National Performance Framework (NPF). The estimates help to measure progress towards high level outcomes, Education and Fair Work and Business. Where possible, information on the NPF split by age is published on the Equality Evidence Finder.

The APS is also used to measure the overarching indicator and four other key performance indicators in the <u>Young Persons Guarantee</u>.

The <u>young person's local authority labour market dashboard</u> includes APS estimates for 16 to 24 year olds at local authority level. Other data measuring labour market outcomes for 16 to 24 year olds are available. This includes claimant count, earnings and participation measure data.

A range of labour market statistics for Scotland, including disability, are available on the Scotlish Government website.

Concepts and Definitions

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

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

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

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

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

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

Economic inactivity rate: The number of economically inactive people expressed as a percentage of the relevant 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. The number of people in employment is measured via the Labour Force Survey and consist of those aged 16 and over. Employment measures the number of people who did at least one hour of paid work or had a job they were temporarily away from. People who do unpaid work in a family business and people on Government-supported training and employment programs are also included. This is in accordance with the International Labour Organisation (ILO) definition.

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

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

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

or

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

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

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

Tell us what you think

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

Please consider answering our short <u>feedback survey</u> on how you found this publication.

An Official Statistics Publication for Scotland

Official and National Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics. Both undergo regular quality assurance reviews to ensure that they meet customer needs and are produced free from any political interference.

In May 2021 these statistics were reviewed against the <u>Code of Practice</u>. The review found many positive features that show trustworthiness, quality, and value in this bulletin.

Since then a number of improvements have been made including:

- incorporating a key findings section
- presenting the figures as "estimates"
- including confidence intervals in the tables
- providing more detailed information on quality assurance carried out while preparing the publication

Additional estimates have also been included for employment levels and rates for people aged 16 to 24 in local authorities.

Correspondence and enquiries

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How to access background or source data

Results are provided for October 2004 to September 2005 through to October 2021 to September 2022 based on the data released by the Office for National Statistics (ONS) on 14 December 2022 and corrected on 27 January 2023.

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 <u>Scottish Government Open Data Platform</u>.

ONS also release rolling quarterly Annual Population Survey datasets covering the periods January to December, April to March, and October to September. The data for these time periods have not been used or presented within this publication. The data for these time periods are available on nomis.

Complaints and suggestions

If you are not satisfied with our service or have any comments or suggestions, please write to:

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e-mail: statistics.enquiries@gov.scot

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