

ECONOMY AND LABOUR MARKET

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

Statistics from the Annual Population Survey, January to December 2021 dataset, 16 March 2022

About this publication

This publication contains the latest estimates of the level and rate of employment, unemployment and economic inactivity for 16 to 24 year olds for Scotland and the United Kingdom for January to December 2021. Estimates are sourced from the Annual Population Survey (APS) dataset publicly released today by the Office for National Statistics (ONS).

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

The APS is the National Statistics source for labour market indicators by region and age. However, the results from the LFS show broadly similar long-term trends in labour market statistics for those aged 16 to 24 in Scotland to the APS results. LFS estimates for 16 to 24 year olds were published on 15 March 2022 by ONS as part of their monthly publication as Official Statistics.

In addition to estimates in this publication, tables are provided on the <u>Scottish Government</u> <u>website</u>. In an effort to move to more accessible statistical releases, the tables have been formatted differently to previous versions and are now provided in open document format.

Important Note: In August 2021, APS responses for periods April 2019 to March 2020 onwards were weighted to new populations derived using growth rates from HM Revenue and Customs Real Time Information (RTI), to allow for different trends during the coronavirus (COVID-19) pandemic. The new weightings gave improved estimates for both rates and levels. Therefore estimates for 2020 included in this publication may differ from those previously published. ONS plan to reweight the APS data again later this year using newly available RTI data.

Some Government policies introduced in relation to the COVID-19 pandemic were still in place during the period of the latest APS estimates and the impact of these policies are likely to be shown in the estimates.

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



ECONOMY AND LABOUR MARKET

Contents

About this publication	1
Contents	2
Key points	4
Employment	5
Overall	5
Employment by Sex	6
Employment by Local Authority areas	7
Unemployment	9
Overall	9
Unemployment by Sex	10
Economic Inactivity	11
Overall	11
Economic Inactivity by Sex	12
Further Information	13
Reliability of estimates	13
Confidence Intervals	13
Statistical Significance	14
Quality Assurance	14
Context	14
Consultation	15
Concepts and Definitions	16
An Official Statistics publication for Scotland	17

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.

Key points

The latest Annual Population Survey (APS) data are for January to December 2021. Some Government policies relating to COVID-19 were in place during this time. The impact of these policies are likely to 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 but the economic inactivity rate has increased slightly.

In Scotland in 2021:

- the employment rate estimate for 16 to 24 year olds was 53.9 per cent
- the unemployment rate estimate for 16 to 24 year olds was 10.2 per cent
- the economic inactivity rate estimate for 16 to 24 year olds was 40.0 per cent

Compared with the previous year:

- the employment rate for 16 to 24 year olds increased by 1.7 percentage points
- the unemployment rate for 16 to 24 year olds decreased by 3.0 percentage points
- the inactivity rate for 16 to 24 year olds increased by 0.1 percentage points

Compared with the United Kingdom as a whole:

- the employment rate for 16 to 24 year olds was higher (53.9 per cent compared to 51.3 per cent)
- the unemployment rate for 16 to 24 year olds was lower (10.2 per cent compared to 12.6 per cent)
- the inactivity rate for 16 to 24 year olds was lower (40.0 per cent compared to 41.4 per cent)

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

- the employment rate estimate for men was lower than women (52.7 per cent compared to 55.1 per cent)
- the unemployment rate estimate for men was higher than women (11.8 per cent compared to 8.6 per cent)
- the economic inactivity rate estimate for men was higher than women (40.3 per cent compared to 39.7 per cent)

Employment

Overall

In January to December 2021, an estimated 294,600 people aged 16 to 24 were in employment in Scotland. This is 4,200 more than the number of 16 to 24 year olds employed in 2020.

In 2021, the employment rate estimate for 16 to 24 year olds of 53.9 per cent was 1.7 percentage points (pp) higher than the year before (52.2 per cent) but 4.0 pp lower than 2019 (57.9 per cent). The change since 2019 represents a statistically significant change.

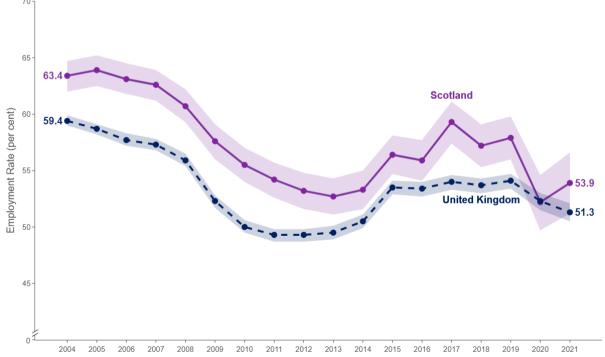
For the United Kingdom as a whole, the employment rate estimate for 16 to 24 year olds was 51.3 per cent. This was 1.0 pp lower than a year ago (52.3 per cent) and 2.8 pp lower than 2019 (54.1 per cent). The change since 2019 represents a statistically significant change.

The employment rate for 16 to 24 year olds in Scotland decreased significantly in 2020 but has increased over the past year. Whereas across the United Kingdom the employment rate for 16 to 24 year olds has been decreasing since 2019.

Chart 1 shows the long-term trend in the employment rate for 16 to 24 year olds in Scotland and the United Kingdom.

Kingdom, 2004 to 2021 70 -

Chart 1: Employment rate for 16 to 24 year olds, Scotland and the United



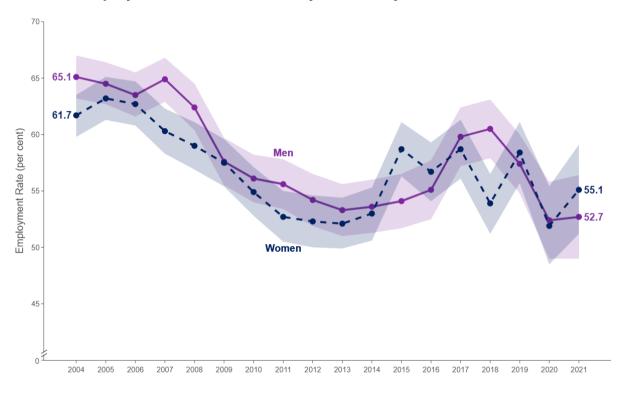
Employment by Sex

In January to December 2021, an estimated 145,000 men and 149,600 women aged 16 to 24 were in employment in Scotland.

The estimated employment rate for 16 to 24 year old men was 52.7 per cent, 0.3 percentage points (pp) higher than a year ago. While the estimated employment rate for 16 to 24 year old women was 55.1 per cent, 3.2 pp higher than a year ago.

Chart 2 shows the long-term trend in the employment rate for 16 to 24 year old men and women in Scotland.

Chart 2: Employment Rate for 16 to 24 year olds by sex, Scotland, 2004 to 2021



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 four areas affected are:

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

In January to December 2021, the three local authorities in Scotland with the highest 16 to 24 year old employment rate estimates were:

- North Lanarkshire (69.9 per cent)
- Renfrewshire (67.4 per cent)
- Highland (66.1 per cent)

The areas with the lowest employment rate estimates for 16 to 24 year olds were:

- Perth and Kinross (36.2 per cent)
- East Renfrewshire (39.3 per cent)
- Scottish Borders and Fife (39.7 per cent)

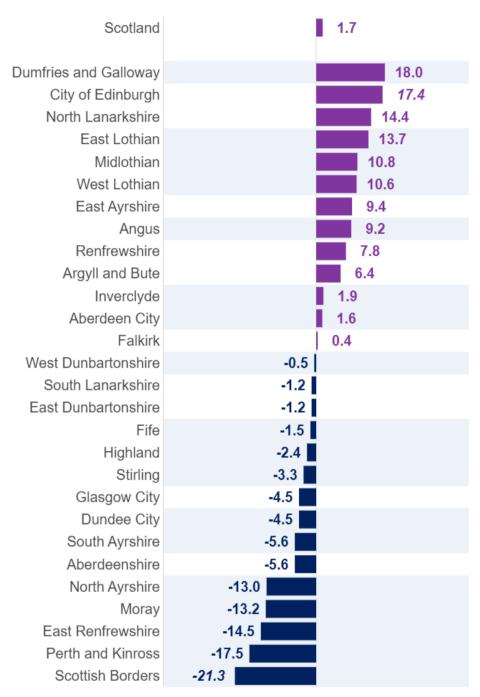
The lowest employment rate estimates are based on small sample sizes and should therefore be used with caution.

Over the year, the employment rate for 16 to 24 year olds in 13 local authorities increased and decreased in 15. The two areas with the largest decreases were Scottish Borders (-21.3 percentage points (pp)), and Perth and Kinross (-17.5 pp). The change for Scottish Borders represents a statistically significant decrease. Both estimates are from small sample sizes.

Since 2011, the employment rate for 16 to 24 year olds has increased in 15 local authorities and decreased in 13. The two areas with the largest decreases were Aberdeen City (-24.4 pp), and Perth and Kinross (-19.1 pp). The change for both areas represents a statistically significant decrease. Both estimates are from small sample sizes.

Chart 3 shows the change in 16 to 24 year old employment rates since 2020 for Scotland and Local Authority areas.

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



Source: Annual Population Survey, Jan-Dec 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 based on a small sample size. This may result in less precise estimates, which should be used with caution.

Unemployment

Overall

In January to December 2021, an estimated 33,300 people aged 16 to 24 were unemployed in Scotland. This is 10,800 less than the number of unemployed 16 to 24 year olds in 2020.

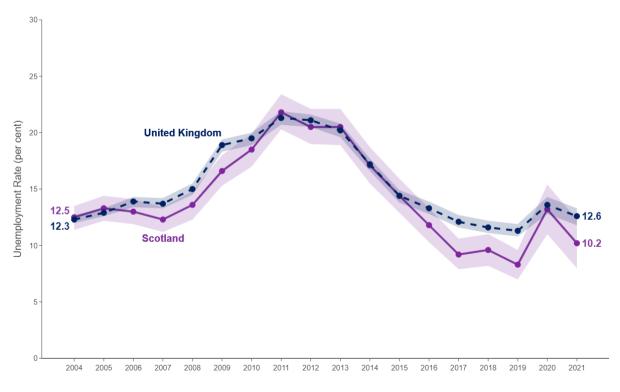
The estimated unemployment rate for 16 to 24 year olds was 10.2 per cent in 2021. This was 3.0 percentage points (pp) lower than a year ago (13.2 per cent) but 1.9 pp higher than in 2019 (8.3 per cent).

The unemployment rate for 16 to 24 year olds had been gradually decreasing from a peak of 21.8 per cent in 2011 to 8.3 per cent in 2019. There was a significant increase in 2020 but a decrease over the last year. In the decade since 2011, the unemployment rate for 16 to 24 year olds had decreased by 11.7 pp. This represents a statistically significant change.

For the United Kingdom as a whole, the estimated unemployment rate of 16 to 24 year olds was 12.6 per cent. This was 1.0 pp lower than the year before (13.6 per cent) but 1.2 pp higher than in 2019 (11.3 per cent). The change since 2019 represents a statistically significant change.

Chart 4 shows the long-term trend in the unemployment rate for 16 to 24 year olds in Scotland and the United Kingdom.

Chart 4: Unemployment rate for 16 to 24 year olds, Scotland and the United Kingdom, 2004 to 2021



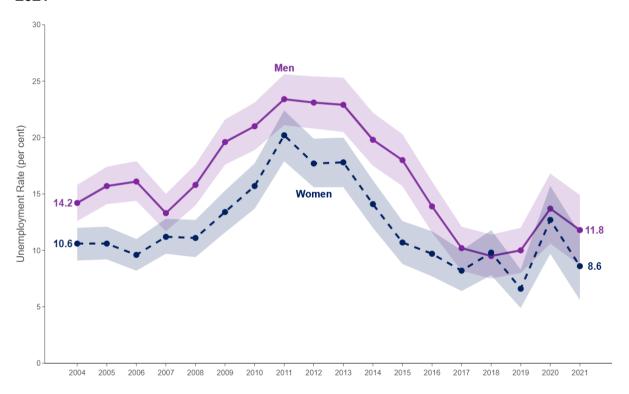
Unemployment by Sex

In January to December 2021, there were an estimated 19,300 unemployed men and 14,000 unemployed women aged 16 to 24 in Scotland.

The estimated unemployment rate 16 to 24 year old men was 11.8 per cent, 1.9 percentage points (pp) lower than a year ago. While the estimated unemployment rate for 16 to 24 year olds women was 8.6 per cent, 4.1 pp lower than a year ago.

Chart 5 shows the long-term trend in the unemployment rate for 16 to 24 year old men and women in Scotland.

Chart 5: Unemployment Rate for 16 to 24 year olds by sex, Scotland, 2004 to 2021



Economic Inactivity

Overall

In January to December 2021, there were an estimated 218,600 economically inactive 16 to 24 year olds in Scotland. This is 3,600 lower than the number of inactive 16 to 24 year olds in 2020.

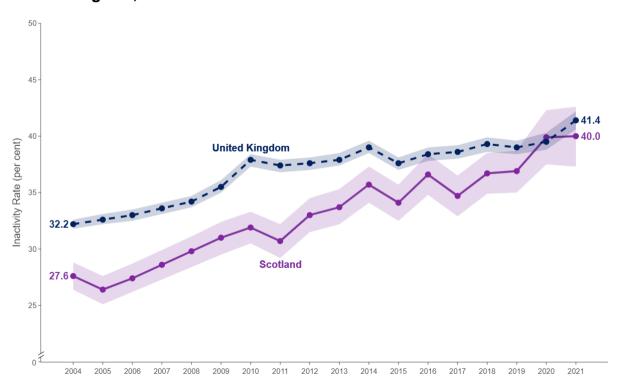
The estimated inactivity rate was 40.0 per cent in 2021. This was 0.1 percentage points (pp) higher than a year ago (39.9 per cent) and 3.1 pp higher than in 2019 (36.9 per cent). Over three quarters (77.2 per cent) of inactive 16 to 24 year olds were estimated to be in full-time education in 2021.

The inactivity rate of 16 to 24 year olds had been steadily increasing from 26.4 per cent in 2005 to 36.9 per cent in 2019. The inactivity rate then significantly increased to 39.9 per cent in 2020 and increased slightly to 40.0 per cent in 2021.

For the United Kingdom as a whole, the estimated inactivity rate of 16 to 24 year olds was 41.4 per cent. This was 1.8 pp higher than the year before (39.5 per cent) and 2.4 pp higher than 2019 (39.0 per cent). The change over the year and since 2019 represent statistically significant changes.

Chart 6 shows the long-term trend in the inactivity rate for 16 to 24 year olds in Scotland and the United Kingdom.

Chart 6: Economic Inactivity Rate for 16 to 24 year olds, Scotland and the United Kingdom, 2004 to 2021



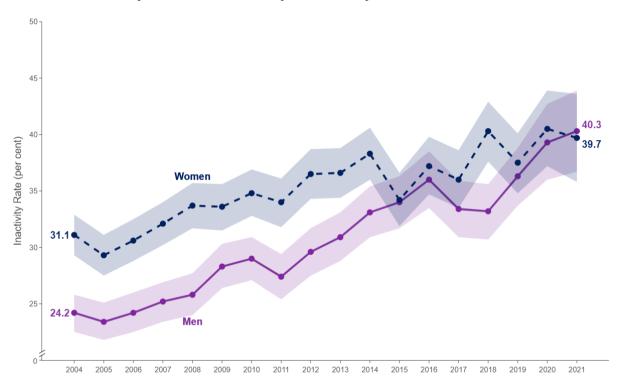
Economic Inactivity by Sex

In January to December 2021, there were an estimated 110,900 inactive men and 107,700 inactive women aged 16 to 24 in Scotland.

The estimated inactivity rate for 16 to 24 year old men was 40.3 per cent in 2021, 1.0 percentage point (pp) higher than a year ago. While the estimated inactivity rate for 16 to 24 year olds women was 39.7 per cent, 0.8 pp lower than a year ago.

Chart 7 shows the long-term trend in the inactivity rate for 16 to 24 year old men and women in Scotland.

Chart 7: Inactivity Rate for 16 to 24 year olds by sex, Scotland, 2004 to 2021



Further Information

Reliability of estimates

Information from the Annual Population Survey for January to December 2004 through to January to December 2021 is presented. The sample size in this dataset is around 11,500 households in Scotland for the latest time period.

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

Access the data in this publication

Results are provided for January to December 2004 through to January to December 2021 based on the data released by the Office for National Statistics (ONS) on 16 March 2022.

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

ONS also release rolling quarterly Annual Population Survey datasets covering the periods April to March, July to June, 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 at: https://www.nomisweb.co.uk/

Confidence Intervals

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

What does the 95 per cent confidence limit mean?

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

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

Scottish Government statisticians receive early access to Annual Population Survey microdata collected and produced by the Office for National Statistics to perform quality assurance checks of the data.

When producing estimates for people aged 16 to 24 in the labour market for inclusion in this publication, Scottish Government statisticians conduct in-depth quality assurance checks. Checks include analysis of the sample size obtained in the collection process; production of estimates from the microdata using statistical software and relevant coding; and 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 and benchmarking the results against other relevant data sources for this age group.

In addition to this, the estimates in Table 1 of the associated spreadsheet to this publication are verified by colleagues in the Office for National Statistics.

Context

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

The Annual Population Survey is used to help measure 3 of the indicators included in the Scottish Government National Performance Framework, helping to measure progress towards high level outcomes, Education and Fair Work and Business. Information on the National Performance Indicators split by age is published on the Equality Evidence Finder, where possible.

The APS is also used to measure the overarching indicator and four other key performance indicators in the <u>Young Persons Guarantee Key Performance indicators</u>
October 2021

Annual Population Survey estimates for people aged 16 to 24 by local authorities are also published in the <u>Young person's local authority labour market dashboard</u>, alongside various other sources of information measuring labour market outcomes for 16 to 24 year olds, including claimant count, earnings and participation measure data.

A range of labour market statistics from this source and other relevant sources on labour market topics including disability for Scotland can be accessed on <u>Labour market statistics - gov.scot (www.gov.scot)</u>

Consultation

Notifications of publications or changes to planned publications are notified via the scotstat mailing list.

We welcome feedback on the content of our outputs. Please contact: lmstats@gov.scot

Follow us on twitter @ScotGovOCEA

We also attend and present our outputs to external users at Scotland's Sub-Scotland Economic Statistics group as well as other relevant forums.

Sub-Scotland Economic Statistics Group - gov.scot (www.gov.scot)

Concepts and Definitions

Employment: There are two main ways of looking at employment: the number of people with jobs or the number of jobs. These two concepts represent different things as one person can have more than one job. People aged 16 or over are classed as in employment (as an employee or self-employed) by the Labour Force Survey (LFS), if they have done at least one hour of paid work in the week prior to their LFS interview or if they have a job that they are temporarily away from. People who do unpaid work in a family business and people on Government-supported training and employment programs are also included according to the International Labour Organisation (ILO) definition.

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

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

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

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

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

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

An Official Statistics publication for Scotland

Correspondence and enquiries

For enquiries about this publication please contact:

Labour Market Statistics, Office of the Chief Economic Advisor

Telephone: 0131 244 6773, E-mail: LMStats@gov.scot

For general enquiries about Scottish Government statistics please contact:

Office of the Chief Statistician, Telephone: 0131 244 0442,

E-mail: statistics.enquiries@gov.scot

Complaints and suggestions

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

The Chief Statistician, 3WR, St Andrews House, Edinburgh, EH1 3DG

Telephone: (0131) 244 0302,

E-mail statistics.enquiries@gov.scot

If you would like to be consulted about statistical collections or receive notification of publications, please register your interest at www.gov.scot/scotstat

Details of forthcoming publications can be found at www.gov.scot/statistics

Next Update: 15 June 2022

Contact: LMStats@gov.scot; Telephone: 0131 244 6773

Crown Copyright

You may use or re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence.

See: www.nationalarchives.gov.uk/doc/open-government-licence/