



## Labour Market Overview, May 2021

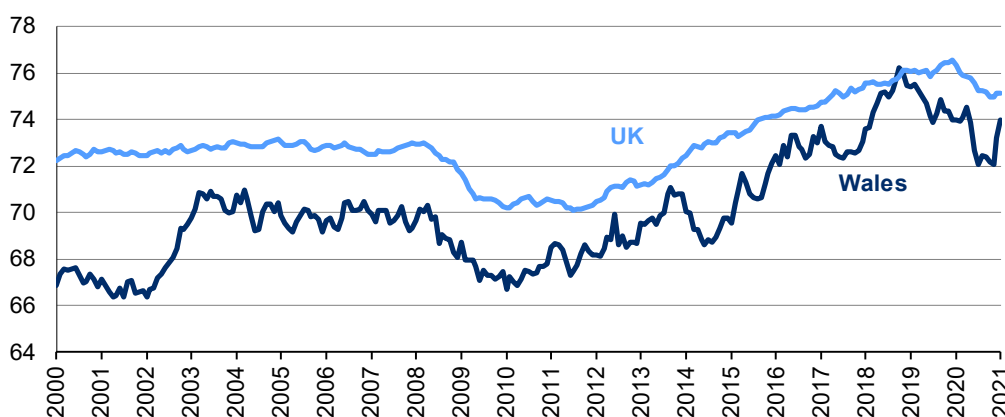
20 May 2021  
SB 17/2021

### Key points for January to March 2021

The latest Labour Force Survey data (January to March 2021) indicate some signs of recovery in the labour market in Wales, although changes over the short term can be volatile. Other sources, such as the PAYE Real Time Information data published by HMRC and ONS suggest the number of payrolled employees remains fairly stable over the last few months but well below the pre-pandemic level.

- The employment rate in Wales was 74.0%. This is 1.8 percentage points up on the quarter but unchanged on the year. September to November 2020 showed the largest annual decrease since June to August 2009, and the second largest annual decrease since comparable records began in 1992.
- The unemployment rate in Wales was 4.4%. This is unchanged on the quarter and 1.2 percentage points up on the year. September to November 2020 showed the largest annual increase since July to September 2011.

### 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 January to March 2021. Other data sources, such as the number of paid employees, are also used to provide a more complete picture.

- Early estimates for April 2021 indicate that the number of paid employees has remained broadly the same in Wales since December 2020 and remains well below the number pre-pandemic.
- 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. Rates published from the LFS remain robust and reliable, however levels and changes in levels should be used with caution.

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, and the APS from August 2021.

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

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

# 1. Employment

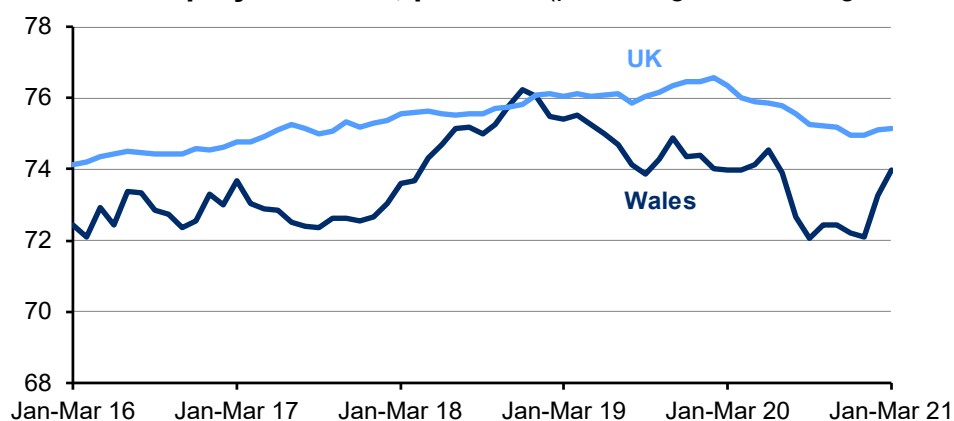
## Figures for employment include employees that have been furloughed.

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 eighth highest employment rate of the 12 UK countries and English regions in January to March 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.

Looking at the latest Labour Force Survey statistics in more detail, the employment rate was 74.0% in Wales in January to March 2021. This is up 1.8 percentage points on the previous quarter but unchanged from the same period a year earlier. This compares to a rate of 75.2% in the UK over the same period, which is 1.2 percentage points higher than the rate for Wales (Chart 1.1).

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

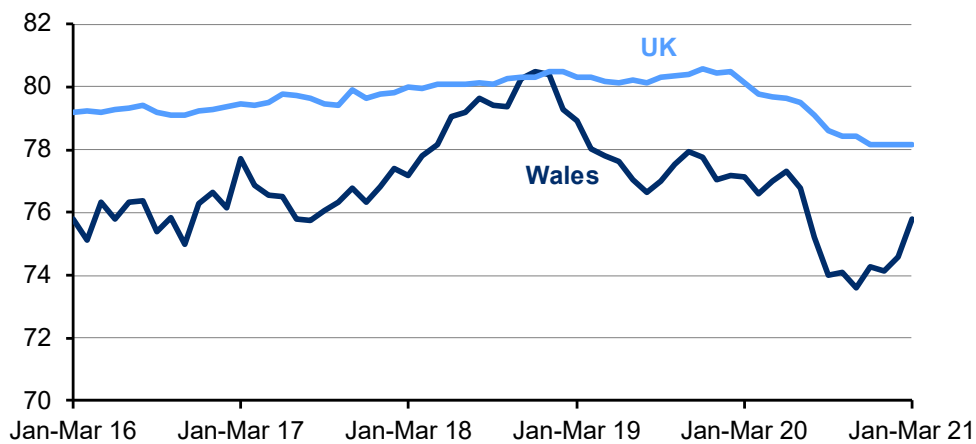


Source: Welsh Government analysis of Labour Force Survey

In January to March 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.

The employment rate for men in Wales in January to March 2021 was 75.8%, up 1.5 percentage points on the previous quarter, and down 1.4 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) and the employment rate for men was at its lowest point for 5 years. Comparatively, the employment rate for men in the UK was 78.2% over the same period, down 2.0 percentage points over the year. (Chart 1.2)

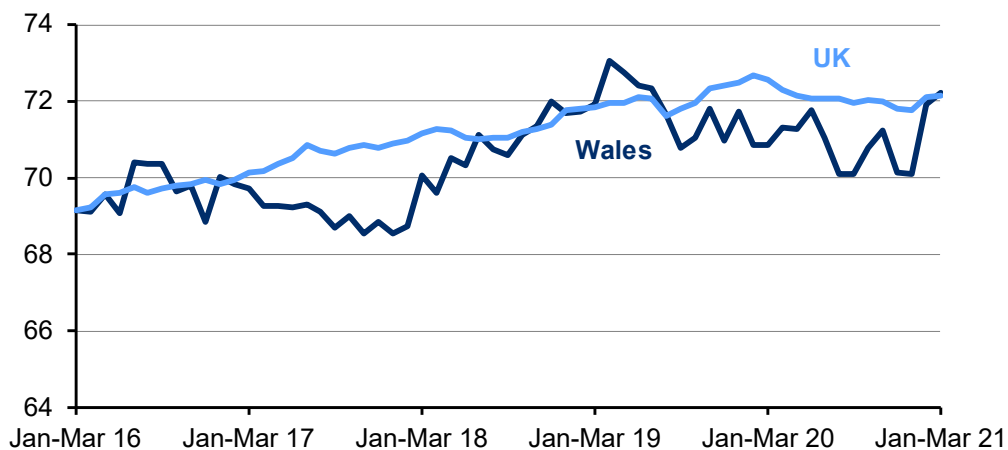
**Chart 1.2: Employment rate, men** (percentage of those aged 16-64)



Source: Welsh Government analysis of Labour Force Survey

The employment rate for women has remained more stable. The employment rate for women in Wales in January to March 2021 was 72.2%, up 2.1 percentage points compared to the previous quarter and up 1.4 percentage points from a year earlier. The employment rate for women in the UK was also 72.2% over the same period, down from 72.6% a year earlier. (Chart 1.3)

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



Source: Welsh Government analysis of Labour Force Survey

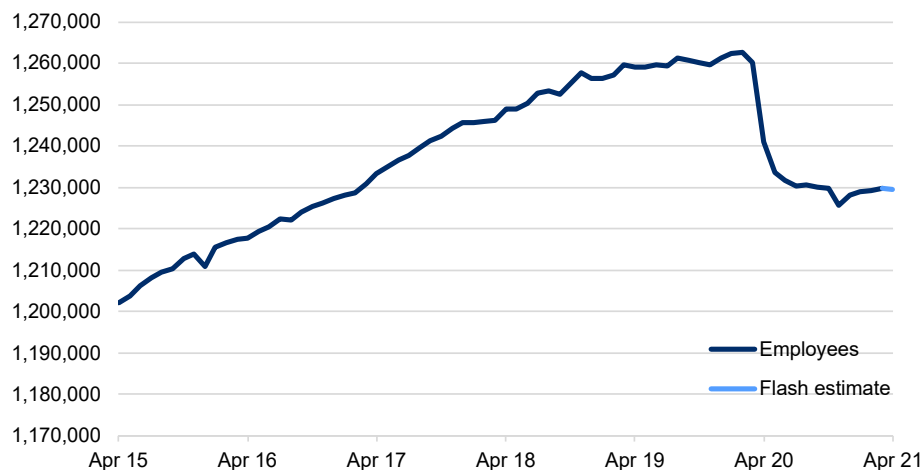
### Experimental Real Time Pay Information

The Office for National Statistics and HM Revenue & Customs (HMRC) publish [data for Wales on payrolled 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.

The number of paid employees has generally increased in recent years, but has fallen steeply during the pandemic. Early estimates for April 2021 indicate that the number of paid employees has remained broadly the same in Wales since December 2020. This follows a drop in the number of paid employees in November 2020. The number of paid employees in Wales remains well below the number pre-pandemic.

**Chart 1.4: Paid employees, Wales**



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

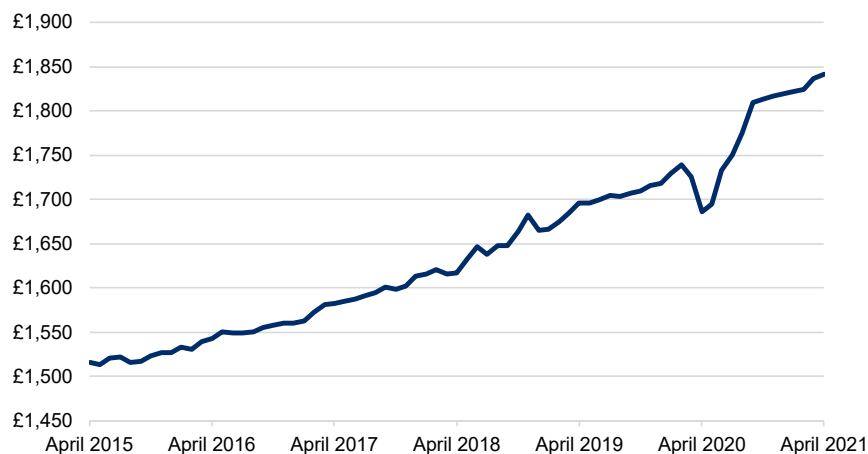
Early estimates for April 2021 indicate that the number of paid employees in Wales was 1.23 million. This was a decrease of 32,900 (2.6%) on February 2020, but a slight increase of 4,100 (0.3%) compared with the lowest point in November 2020. Similarly to Wales, the number of paid employees in the UK reached a low during the pandemic in November 2020. Early estimates for April 2021 indicate the number of paid employees in the UK has increased at a slightly faster rate than Wales (0.7% increase in the UK compared to 0.3% in Wales). However, when comparing latest estimates to those before the pandemic (February 2020) the UK and Wales have experienced a similar decrease (2.7% in the UK and 2.6% in Wales).

Between April 2020 and April 2021, the UK saw a 257,000 (0.9%) decrease in the number of employees. All age groups below 50 saw a decrease in the number of paid employees, while over 50s saw increases (118,000 aged 50 to 64 years and 46,000 aged 65 years and over). The age groups with the largest decreases were those younger than 25, with a combined fall of 289,000 payrolled employees between April 2020 and April 2021.

Median pay represents the half way pay point for those in payrolled employment – with half paid below the median pay value and half above. The median pay is considered a more accurate picture of the average wage as it removes extremes at both ends of the scale.

Median pay has grown in recent years but fell slightly during March and April 2020. In Wales, median pay has been above pre-pandemic levels since July 2020 with the latest month (April 2021) having the highest median pay since the series began in 2014, at £1,842. 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.

**Chart 1.5: Median pay, Wales**

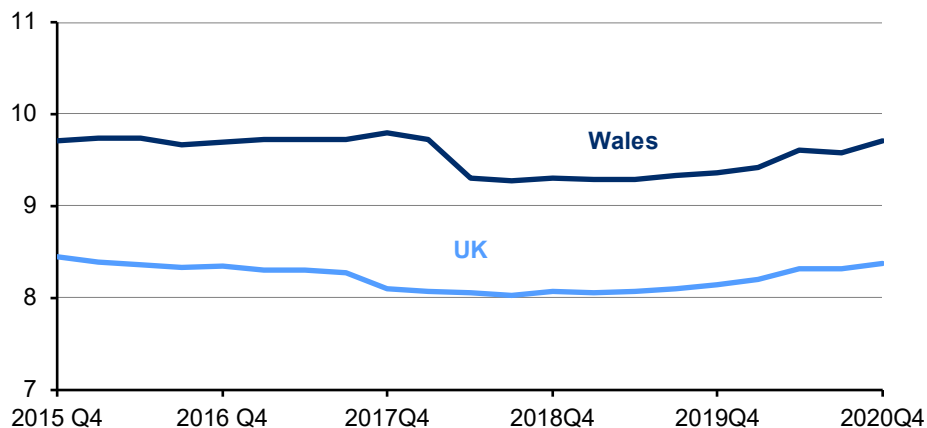


Source: Pay As You Earn Real Time Information, HM Revenue and Customs

According to Public Sector Employment data, there were 306,000 people employed in the public sector in Wales in 2020 Q4, up 3.5% from a year earlier. This is 9.7% of the population, up 0.3 percentage points on the same quarter a year earlier.

Public sector employment in the UK over the same period increased by 2.9% to 5.6 million. This is 8.4% of the population, up 0.2 percentage points on the previous year. (Chart 1.4)

**Chart 1.6: Public sector employment (percentage of population, not seasonally adjusted)**



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

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

As at 31 March 2021, 159,600 employments in Wales were furloughed under the CJRS. This is a take up rate of 13% – slightly lower than the take up rate across the UK of 14%. There was a 10% decrease in the number of furloughed employments in Wales between 28 February and 31 March 2021, although the number of furloughed employments remains at a similar level to late August 2020.

83,500 females and 76,200 males in Wales were furloughed under the CJRS as at 31 March 2021, accounting for 52% and 48% of all furloughed employments, respectively.

Of the 159,600 employments furloughed in Wales at 31 March 2021, 33% of staff were flexibly furloughed (52,400), the highest across the 12 UK countries and regions.

HMRC publish data to local authority level. The take up rate of furloughed employments across Wales ranged from 10% (Blaenau Gwent, Caerphilly and Neath Port Talbot) to 18% (Conwy).

Cardiff, unsurprisingly, accounted for the largest share of all furloughed employees in Wales at 12%.

### Self-Employment Income Support Scheme

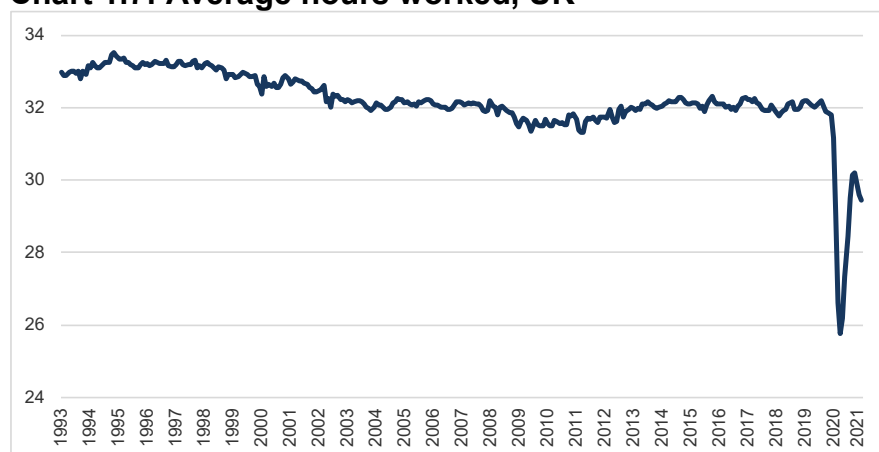
The third grant of the Self Employment Income Support Scheme (SEISS) launched on 30th November 2020. Up to 31st January 2021, there have been 88,000 successful claims for the third SEISS in Wales, which is 63% of those who are eligible for the scheme.

The take up rate for males (65%) was higher than females (59%). Self-employed people working in construction in Wales accounted for by far the largest share of all claims for the third SEISS (33%).

### Hours worked

The pandemic has had a large impact on actual hours worked. The average number of hours worked in the UK decreased to a low of 25.8 hours in the three months to June 2020, and has been steadily recovering since, but remained below pre-pandemic levels. However, in the three months to March 2021, the average number of hours worked showed a decrease compared to the previous quarter, but at 29.4 hours per week was still above the average in the three months to June 2020. In the three months to March 2021, there was a decrease of 0.8 hours (2.6%) on the previous quarter and a decrease of 1.7 hours (5.6%) on the previous year. Men had a larger decrease over the year than women (-6.3% compared to -4.4%, respectively).

Chart 1.7: Average hours worked, UK



Source: Labour Force Survey, ONS

Due sample size, an estimate of the number of hours worked in the three months to March 2021 is not available for Wales. 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.

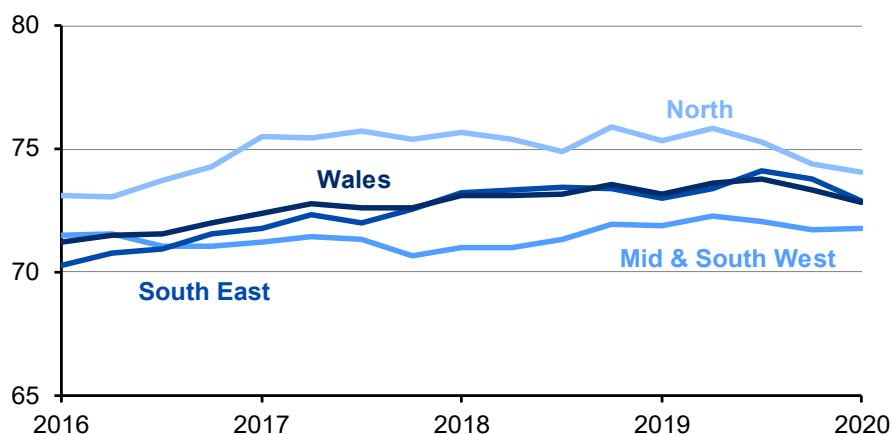
### Economic regions

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)

**Chart 1.8: 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

## 2. Unemployment

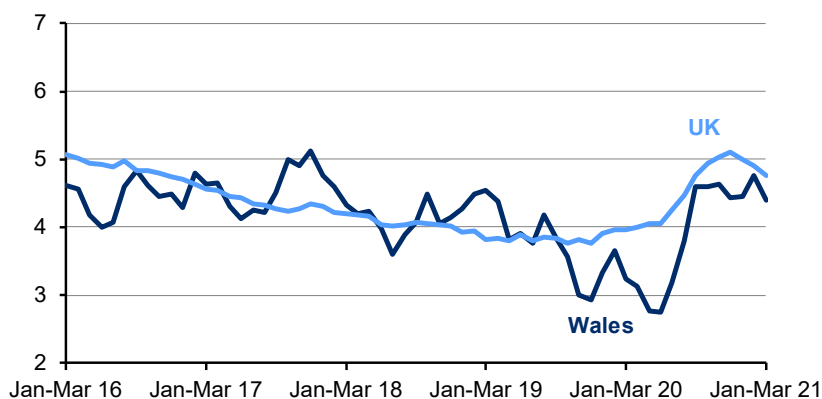
The Welsh unemployment rate<sup>1</sup> has generally tracked the UK rate and had been gradually falling since the early 2010s, before rising sharply in recent periods as a result of the coronavirus pandemic. In August to November 2019, the Welsh unemployment rate fell below the UK rate and has remained 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. In April 2021 the experimental claimant count in Wales was 110,000, a rate of 7.2% of the workforce. Whilst not everyone claiming these benefits will be unemployed<sup>2</sup>, there was an 84.3% increase in the claimant count in April 2021 compared to February 2020.

Looking at the latest labour market statistics in more detail, during January to March 2021 the unemployment rate in Wales was 4.4% of the economically active population. This is unchanged from the previous quarter and up 1.2 percentage points compared to a year earlier.

The rate of unemployed people in the UK increased by 0.8 percentage points over the year to a rate of 4.8% of the economically active population. (Chart 2.1)

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



Source: Welsh Government analysis of Labour Force Survey

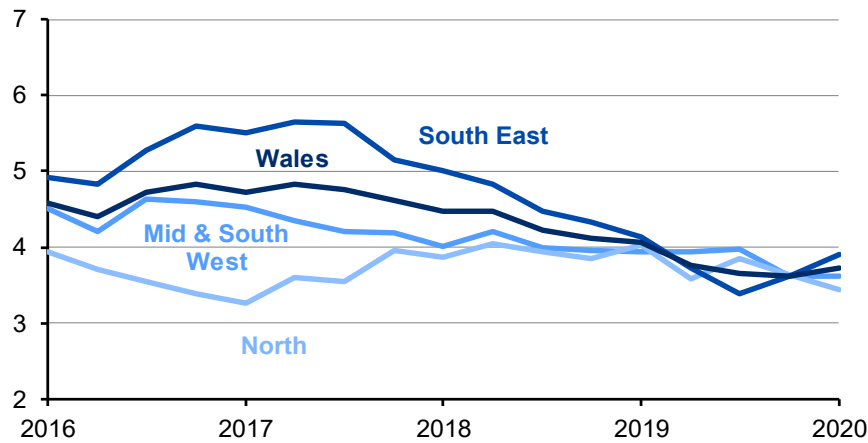
In the year ending December 2020, the unemployment rate decreased by 0.6 percentage points in North Wales, followed by Mid and South West Wales (down 0.3 percentage points) and South East Wales (down 0.2 percentage points). (Differences calculated using unrounded figures)

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 2.2)

<sup>1</sup> The International Labour Organisation (ILO) defines unemployment as people without a job who 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. This is measured through the LFS.

<sup>2</sup> Many more people in work can be eligible for Universal Credit and included in the claimant count. This is explained in ONS' blog on [Understanding the impact on jobs and pay](#)

**Chart 2.2: Unemployment rate, economic regions** (four quarter rolling average, percentage of economically active, not seasonally adjusted)

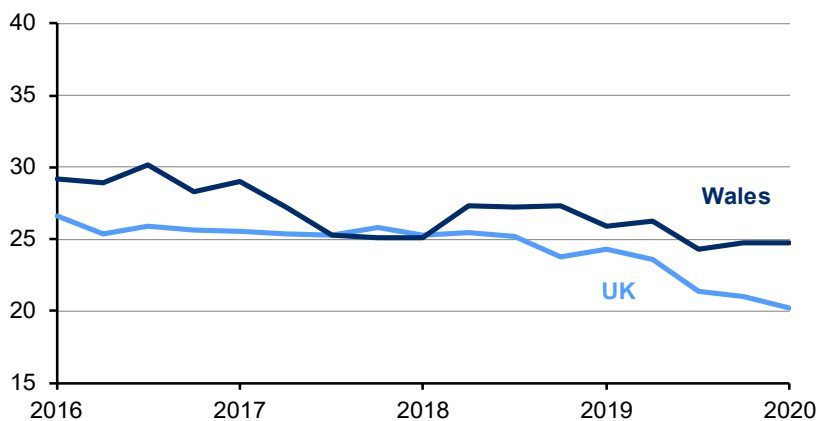


Source: Welsh Government analysis of Annual Population Survey

The Welsh 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.

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 2.3)

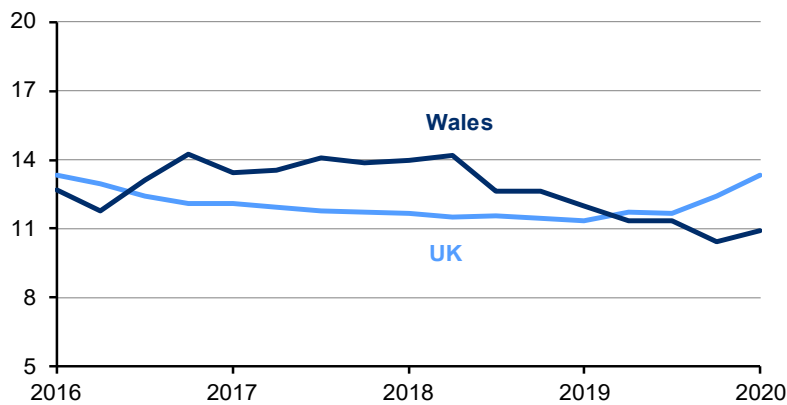
**Chart 2.3: Long-term unemployment rates** (percentage of all unemployed: four quarter rolling average)



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 2.4)

**Chart 2.4: Youth unemployment rates** (percentage of economically active: four quarter rolling average, not seasonally adjusted)

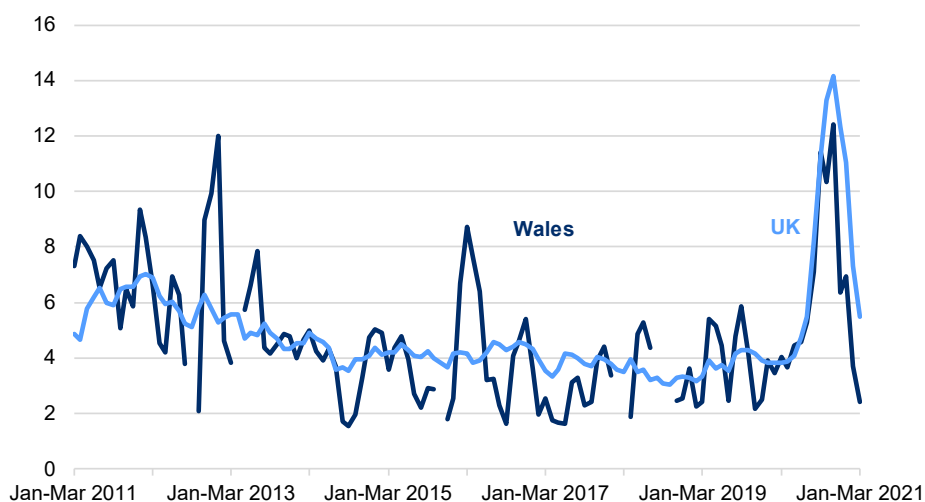


Source: Welsh Government analysis of Annual Population Survey

## Redundancies

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 2.5: Redundancy rates, Wales and UK**



Source: Welsh Government analysis of Labour Force Survey

In January to March 2021, the redundancy rate in Wales decreased by 3.9 redundancies per thousand compared with the previous quarter. The redundancy rate in Wales is 1.0 redundancies per thousand lower than that of the three months to February 2020.

In the UK the redundancy rate decreased by 6.9 redundancies per thousand compared to the previous quarter. This is the largest quarterly decrease since July to September 2009.

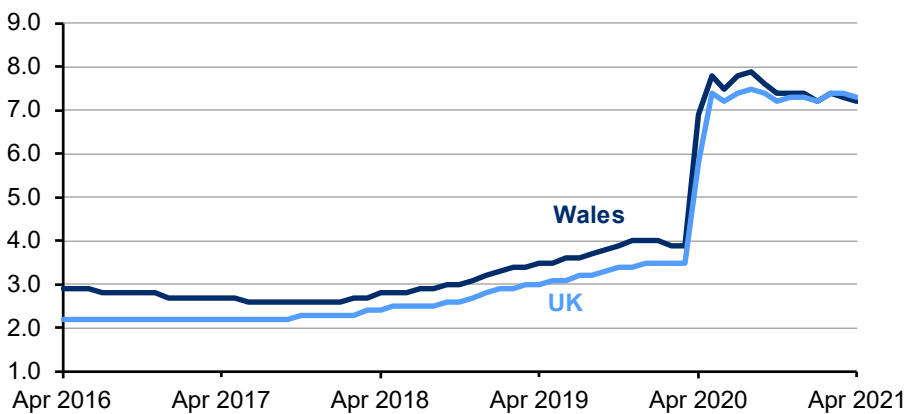
Note: The redundancy figures for Wales are based on a small sample size. This may result in less precise estimates, which should be used with caution.

## Claimant count

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.

Experimental claimant count data for Wales shows that in April 2021, the claimant count was 110,000 (7.2% of the workforce). This was a slight decrease on March 2021, but an increase of 50,300 (84.3%) compared with February 2020, prior to the start of the pandemic. The UK experimental claimant count was 2.6 million in April 2021, a rate of 7.3% of the population. Since February 2020, it increased by 1.39 million (111.4%). (Chart 2.6)

**Chart 2.6: Experimental claimant count rates (percentage of civilian workforce)**



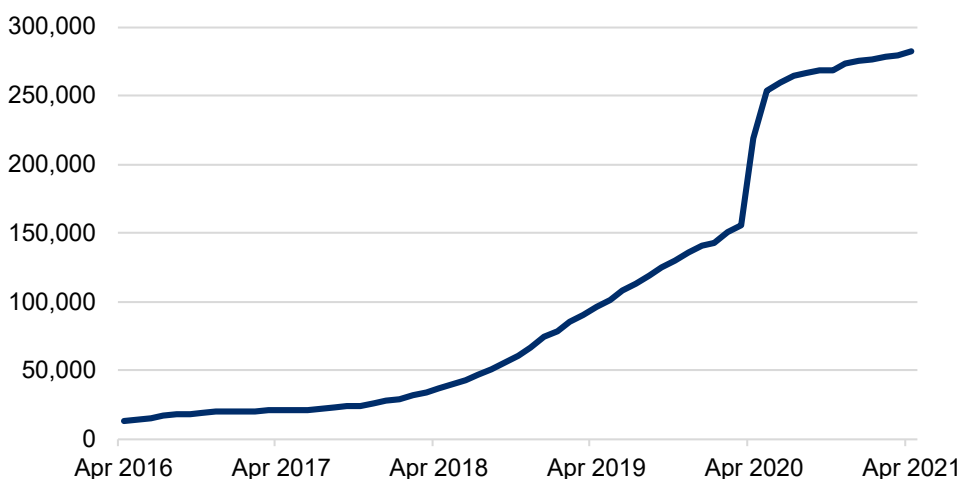
Source: Jobcentre Plus Administration System, Department for Work and Pensions

## Universal Credit

On 11th April 2021, there were 282,900 people on Universal Credit in Wales, an increase of 3,300 people (1.2%) from last 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 100,800 people; a slight decrease on the previous month. Since 12 March 2020, the number of people in this group has nearly doubled (91.9%) from around 52,500.

**Chart 2.7: People on Universal Credit, Wales**



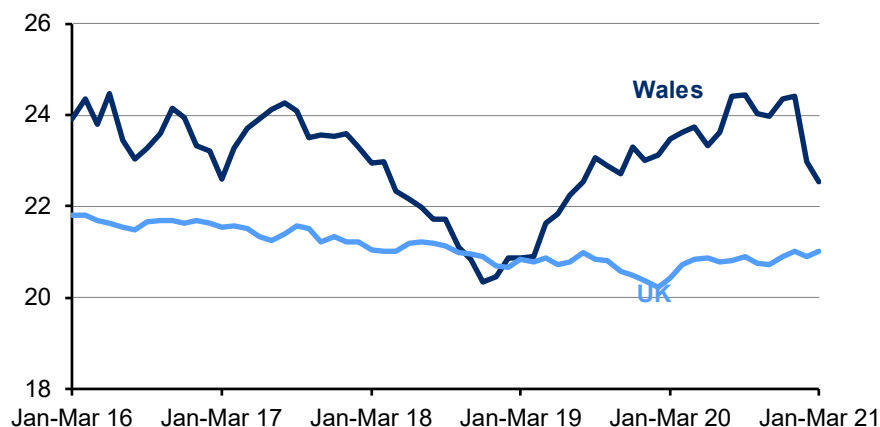
Source: Universal Credit, Department for Work and Pensions

### 3. Economic inactivity

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).

The latest labour market statistics show that the economic inactivity rate was 22.5% in Wales in January to March 2021. This was down 1.8 percentage points over the quarter (the 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%, up slightly compared to the previous quarter, and up 0.6 percentage points on the previous year. (Chart 3.1).

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



Source: Welsh Government analysis of Labour Force Survey

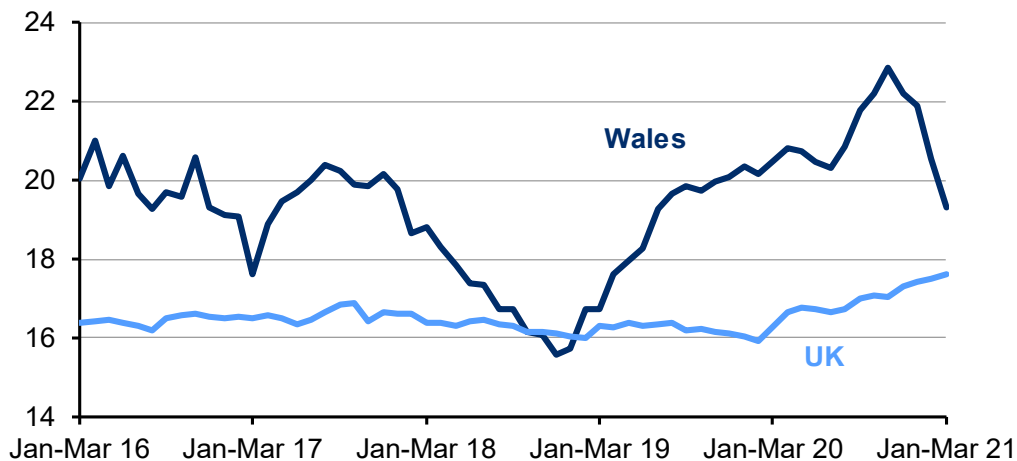
The most common reason given for economic inactivity in the UK was being a student (28.4%), up by 1.2 percentage points over the quarter and up by 2.9 percentage points over the year. Long-term sick was the second most common reason (24.8%), down by 0.6 percentage points compared to a year earlier. Looking after family/home fell over the quarter (down 1.0 percentage points) and over the year (down 3.7 percentage points). The percentage of economically inactive people who want a job (21.6%) was down 0.8 percentage points from the last quarter, and down 0.9 percentage points from the year before.

Figures for the UK regions and countries aren't published as part of the monthly release, however, APS analysis for the year ending December 2020 for Wales shows that long term sick or disabled is the most common reason for being economically inactive (28.3%) followed by being a student (26.5%).

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.

The economic inactivity rate for men in Wales was 19.3% for January to March 2021, down by 2.9 percentage points on the previous quarter (the largest quarterly decrease since records began), and down 1.1 percentage points from a year earlier. The rate of economically inactive men in the UK increased to 17.6% over the same period, up from 17.3% in the previous quarter and up by 1.3 percentage points over the year. (Chart 3.2)

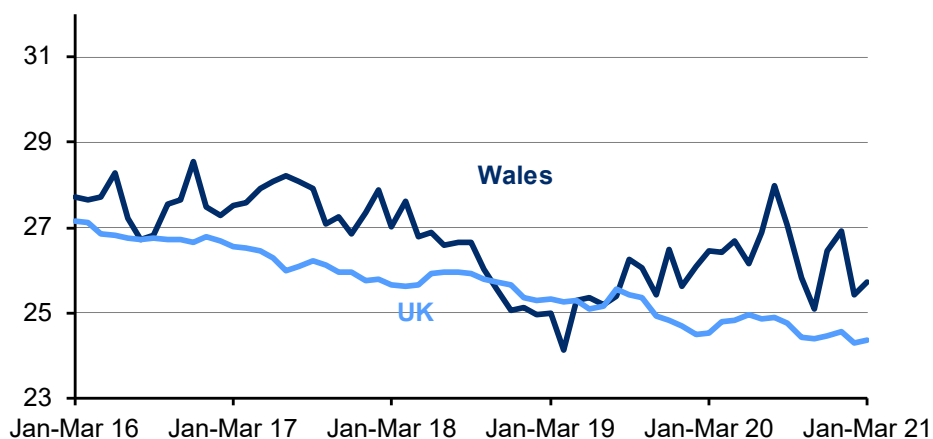
**Chart 3.2: Economic inactivity rate, men** (percentage of those aged 16-64)



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 25.7% during January to March 2021, down 0.7 percentage points over the quarter, and also down 0.7 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 24.4% from January to March 2021, down slightly from 24.5% a year earlier (Chart 3.3).

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



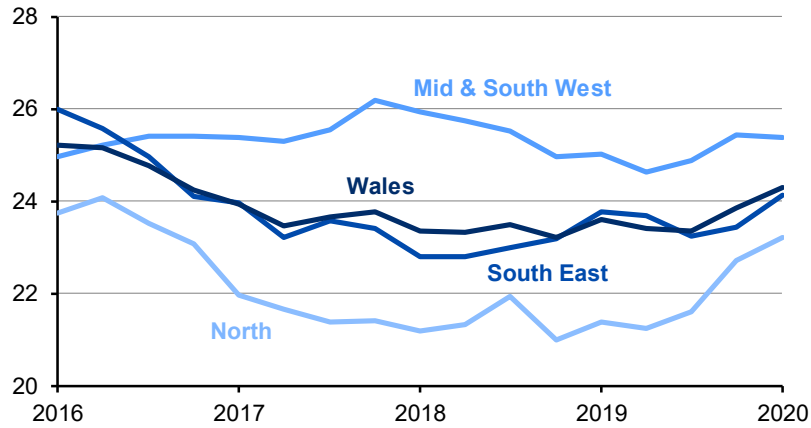
Source: Welsh Government analysis of Labour Force Survey

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)

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



## Economic inactivity reasons

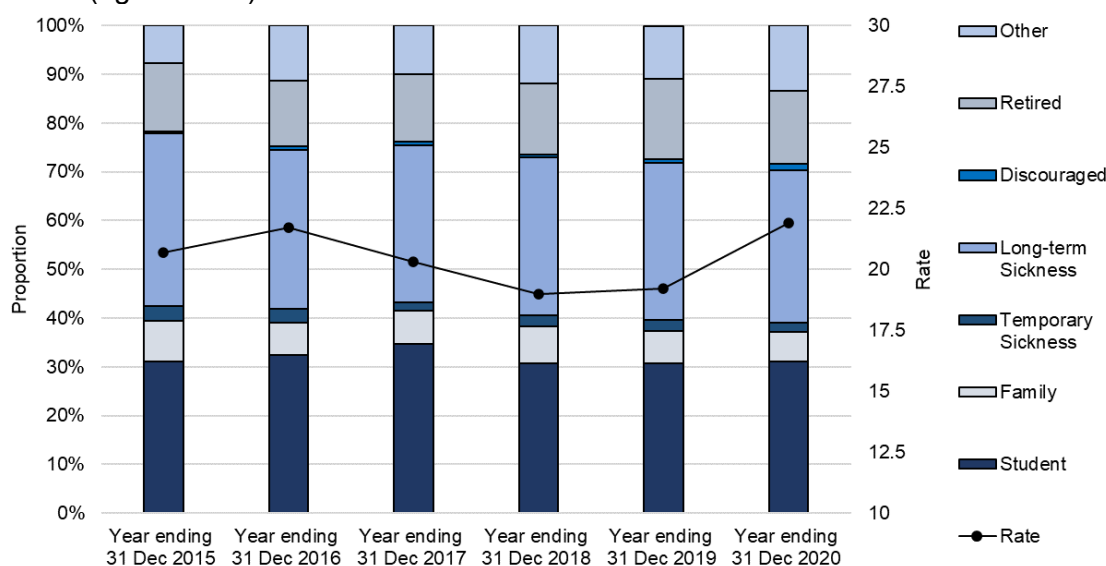
The economic inactivity rate in Wales, according to the LFS, has slightly decreased since the three months to February 2020. However, the economic inactivity rate for men has increased, and September to November 2020 saw the highest rate in Wales since May to July 2001. Initial analysis of the LFS and 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 for male economic inactivity in the UK during January to March 2021 was being a student, which increased by 2.1 percentage points over the year to 34.5% of all economically inactive men.

The Annual Population Survey is a boosted version of the Labour Force Survey, and has a much larger sample size. This allows us to look in more detail at estimates for Wales, although over a rolling 12-month period (compared to three months in the LFS). Latest APS figures relate to the year ending December 2020.

**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

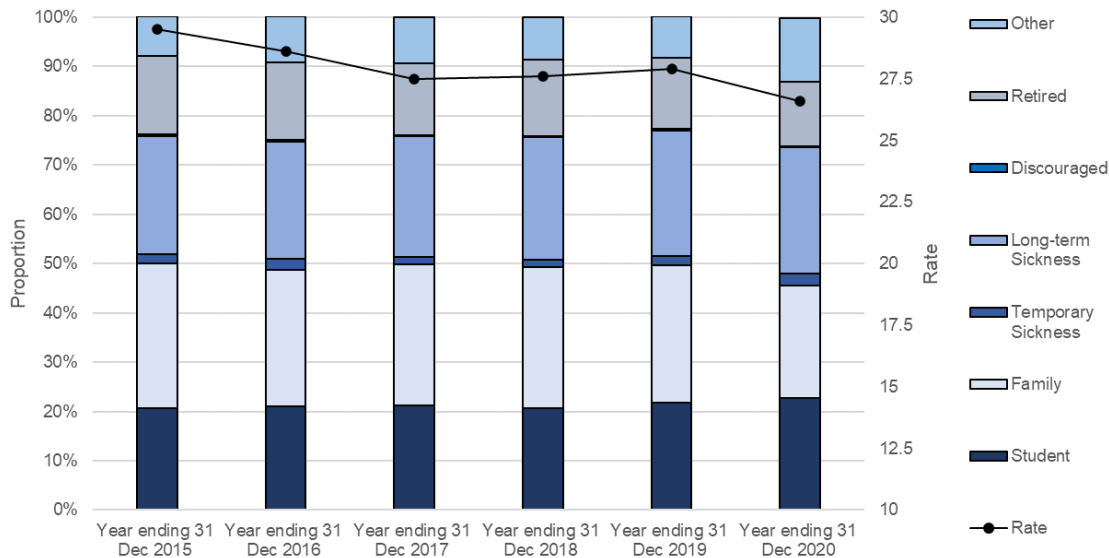
The economic inactivity rate for men in Wales increased by 2.7 percentage points to 21.9% in the year ending December 2020. In the UK, the economic inactivity rate for men increased 0.5 percentage points to 17.3%.

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 January to March 2021 was looking after family/home, although this decreased by 4.6 percentage points over the year to 26.4% of all economically inactive women. The proportion of economically inactive females giving the reason as being a student increased by 3.1 percentage points compared to the previous year.

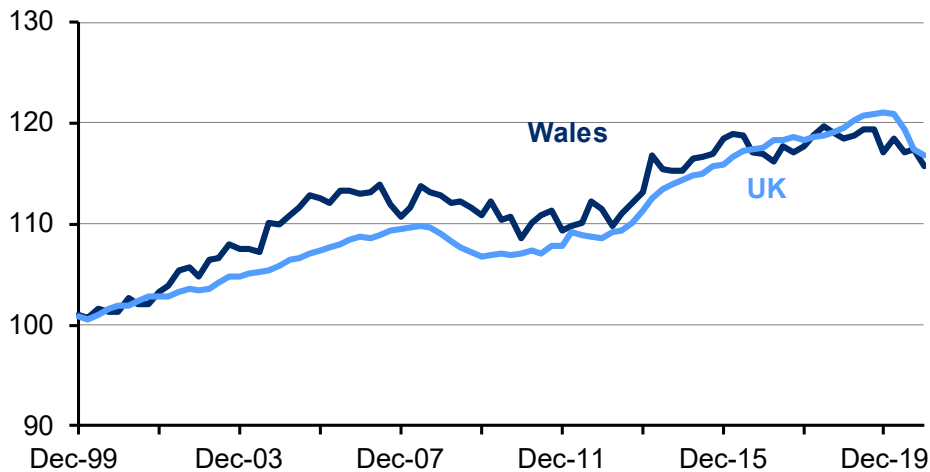
Looking at the APS for the year ending December 2020, the most common reason for economic inactivity for women in Wales was long-term sickness, which increased 0.3 percentage points to 25.7% of all economically inactive women in Wales. Over the same period, the proportion of economically inactive women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

The most common reason for female economic inactivity in the UK, year ending December 2020 was looking after family at 29.1%, down 4.5 percentage points over the year.

## 4. Workforce jobs

The number of workforce jobs in Wales fell by 18,000 (1.2%) between December 2019 and December 2020 to 1.44 million. Between December 1999 and December 2020, the number of workforce jobs in Wales rose by 182,000 (14.5%). The number of workforce jobs in the UK decreased over the year by 1.2 million (3.5%) to 34.4 million but has increased by 4.7 million (15.8%) since December 1999. (Chart 4.1)

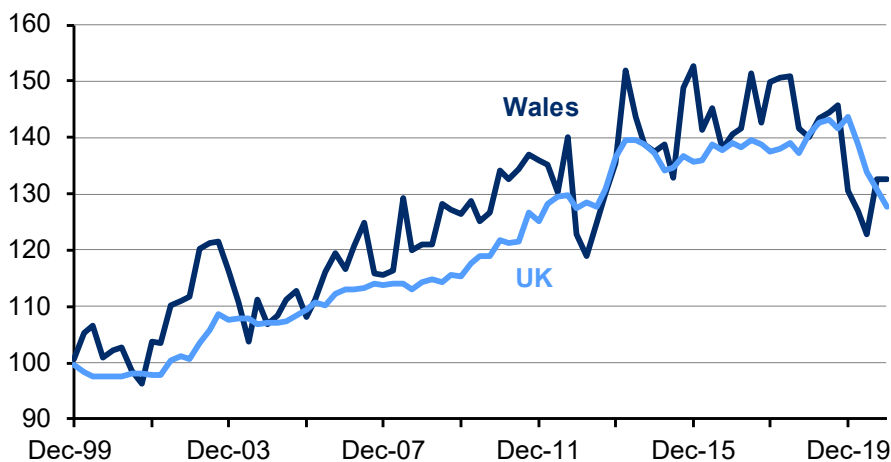
**Chart 4.1: Workforce jobs** (Index 1999=100)



Source: Welsh Government analysis of Workforce Jobs, ONS

The number of self-employment jobs in Wales decreased by 3,000 (1.6%) between December 2019 and December 2020 to 190,000 (13.2% of workforce jobs compared to 11.5% in December 1999). June 2020 saw the lowest level of self-employment jobs since June 2013, although the figure for December 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 523,000 (11.2%) over the year (12.1% of workforce jobs compared to 10.9% in December 1999). (Chart 4.2)

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



Source: Welsh Government analysis of Workforce Jobs, ONS

## 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, January to March 2021**

*Numbers in thousands*

	Estimates			Quarterly changes			Annual changes		
	Lower limit	Estimate	Upper limit	Lower limit	Quarterly change	Upper limit	Lower limit	Annual change	Upper limit
Employment level	1,441	1,484	1,527	-31	26	83	-54	6	67
Employment rate	71.8%	74.0%	76.2%	-1.2%	1.8%	4.7%	-3.0%	0.0%	3.1%
Unemployment level	53	68	84	-21	1	22	-2	19	40
Unemployment rate	3.4%	4.4%	5.4%	-1.4%	0.0%	1.3%	-0.2%	1.2%	2.5%
Economically active level	1,509	1,553	1,596	-31	27	84	-36	25	86
Economic activity rate	75.3%	77.5%	79.7%	-1.2%	1.8%	4.8%	-2.1%	0.9%	3.9%
Economically inactive level	376	430	484	-107	-34	39	-91	-18	56

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.






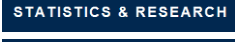



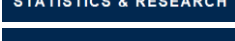

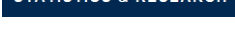


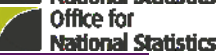


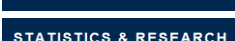











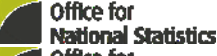
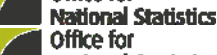

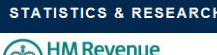







**Table 5.2: Summary of data sources**

Data	Source	Last Updated	Next Updated
Coronavirus job retention scheme	Coronavirus Job Retention Scheme Statistics, HMRC	7-May-2021	03-Jun-2021
Economic inactivity rate	Labour Force Survey, ONS	18-May-2021	15-Jun-2021
Economic inactivity rate (economic regions)	Annual Population Survey, ONS	14 Apr-2021	30-Jun-2021
Employment rate	Labour Force Survey, ONS	18-May-2021	15-Jun-2021
Employment rate (economic regions)	Annual Population Survey, ONS	14 Apr-2021	30-Jun-2021
Hours Worked	Labour Force Survey, ONS	18-May-2021	15-Jun-2021
Experimental Real Time Pay Information	Real Time Pay As You Earn Information, HMRC	18-May-2021	15-Jun-2021
ILO unemployment rate	Labour Force Survey, ONS	18-May-2021	15-Jun-2021
ILO unemployment rate (economic regions)	Annual Population Survey, ONS	14 Apr-2021	30-Jun-2021
Public sector employment	Regional Public Sector Employment, ONS	23-Mar-2021	15-Jun-2021
Self-employment income support scheme	Self-Employment Income Support Scheme Statistics, HMRC	25-Feb-2021	03-Jun-2021
Self-employment jobs	Workforce jobs, ONS	23-Mar-2021	15-Jun-2021
Universal Credit	Universal Credit, DWP	18-May-2021	15-Jun-2021
Workforce jobs	Workforce jobs, ONS	23-Mar-2021	15-Jun-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 2/3 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 June 2021 (Headline)

17 June 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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