



A National Statistics publication for Scotland



The Scottish
Government
Riaghaltas na h-Alba

ECONOMY AND LABOUR MARKET

Scotland's Labour Market Trends May 2020

About this publication

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

It also contains HMRC RTI median monthly earnings. These are classed as Experimental Statistics.

This release follows the ONS monthly releases of [Regional Labour market Statistics in the UK](#), [Earnings and employment from Pay As You Earn Real Time Information, UK: May 2020](#)

Contents

About this publication	1
Contents	2
Key points	4
1. Summary of labour market statistics	5
Infographic summary of latest labour market statistics, January -March 2020 ..	6
2. Unemployment estimates	7
3. Employment estimates	8
4. Economic Inactivity estimates	9
5. Labour market estimates for women and men	10
6. Earnings	11
7. About the Labour Force Survey	12
8. Other labour market statistics for Scotland	14
A National Statistics publication for Scotland	15



NATIONAL STATISTICS STATUS

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

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

Key points

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

This release to March 2020, presents an average of the period January to March 2020, and therefore has some overlap with COVID-19 related policies implemented from the end of March 2020.

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

The LFS indicated that Scotland's unemployment rate (16+) increased over the quarter (0.6 percentage points) and increased over the year (0.8 percentage points) to 4.1 per cent. Scotland's unemployment rate was above the UK rate of 3.9 per cent.

The proportion of people aged 16-64 in work (the employment rate) decreased over the quarter (0.3 percentage points) and decreased over the year (0.8 percentage points) to 74.7 per cent. Scotland's employment rate was below the UK rate of 76.6 per cent.

The economic inactivity rate (the proportion of people aged 16 to 64 years who were not working and not seeking or available to work) decreased over the quarter (0.1 percentage points) and increased over the year (0.1 percentage points) to 22.1 per cent. Scotland's inactivity rate is above the UK rate of 20.2 per cent.

Earnings from Pay As You Earn Real Time Information show, in Scotland, monthly pay for employees, seasonally adjusted, in the three months to March 2020 was £1,871. Compared with the year before, growth in median pay for employees in the three months to March 2020 was 3.1 per cent.

1. Summary of labour market statistics

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

Information are obtained from a sample survey and are therefore subject to some error.

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

	Rate (%)	Percentage point		Level ('000's)		
		Change on quarter Oct-Dec 2019	Change on year Jan-Mar 2019	Level ('000)	Change on quarter Oct-Dec 2019	Change on year Jan-Mar 2019
Employment¹						
Scotland	74.7	-0.3	-0.8	2,666	-14	-16
UK	76.6	0.2	0.6	33,144	211	448
Unemployment²						
Scotland	4.1	0.6	0.8	113	16	23
UK	3.9	0.1	0.1	1,348	58	50
Inactivity³						
Scotland	22.1	-0.1	0.1	760	-5	2
UK	20.2	-0.3	-0.7	8,353	-125	-256

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

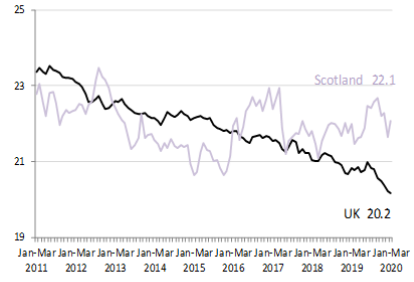
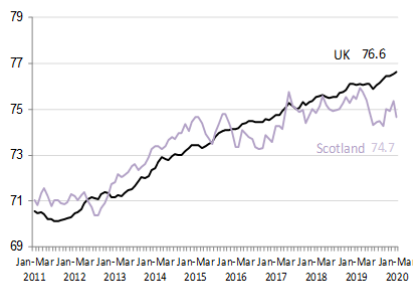
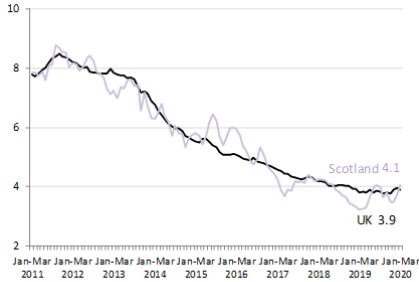
Infographic summary of latest labour market statistics, January-March 2020

January to March 2020

Unemployment 4.1%

Employment 74.7%

Economic Inactivity 22.1%



Quarterly Change

Scotland 0.6 %pts ↑ UK 0.1 %pts ↑

Scotland -0.3 %pts ↓ UK 0.2 %pts ↑

Scotland -0.1 %pts ↓ UK -0.3 %pts ↓

Annual Change

Scotland 0.8 %pts ↑ UK 0.1 %pts ↑

Scotland -0.8 %pts ↓ UK 0.6 %pts ↑

Scotland 0.1 %pts ↑ UK -0.7 %pts ↓

% pts= percentage points
Labour Force Survey Seasonally adjusted
19th May 2020

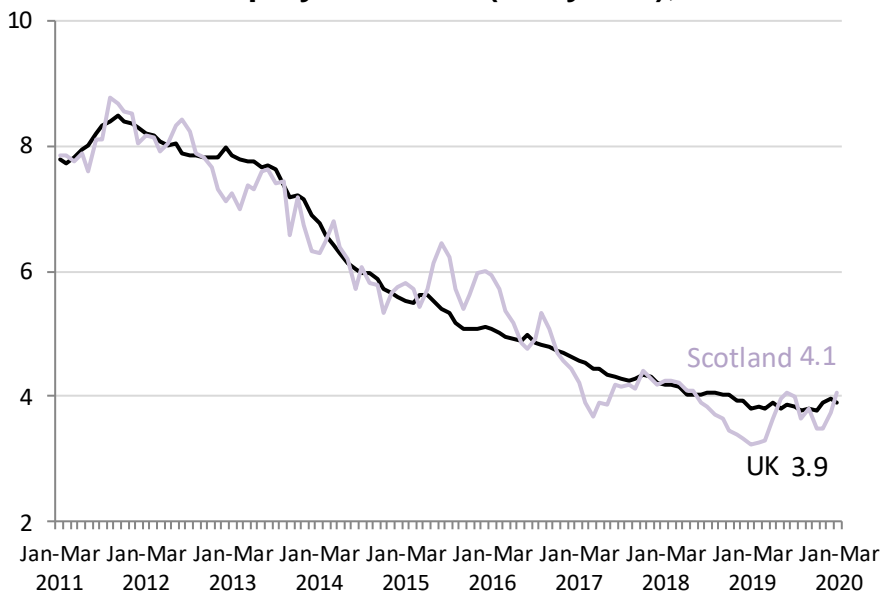


2. Unemployment estimates

The unemployment rate in Scotland was 4.1 per cent. This is 0.6 percentage points up on the quarter and 0.8 percentage points up on the year.

The UK unemployment rate was 3.9 per cent. This is 0.1 percentage points up on the quarter and 0.1 percentage points up on the year.

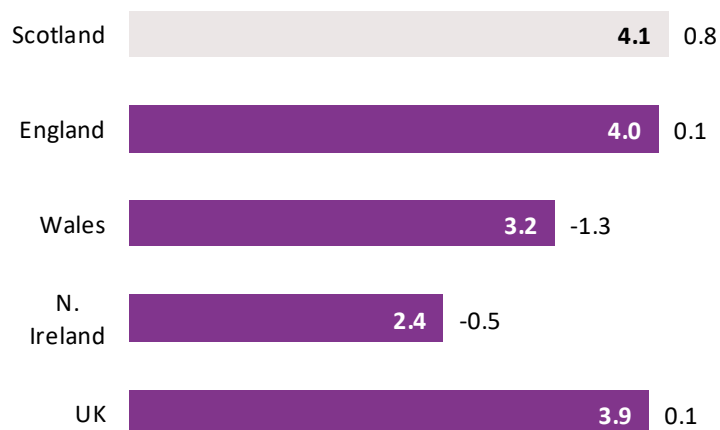
Chart 1 : Unemployment rate (16+ years), Scotland and UK



Source: Labour Force Survey, ONS

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

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



Source: Labour Force Survey, ONS

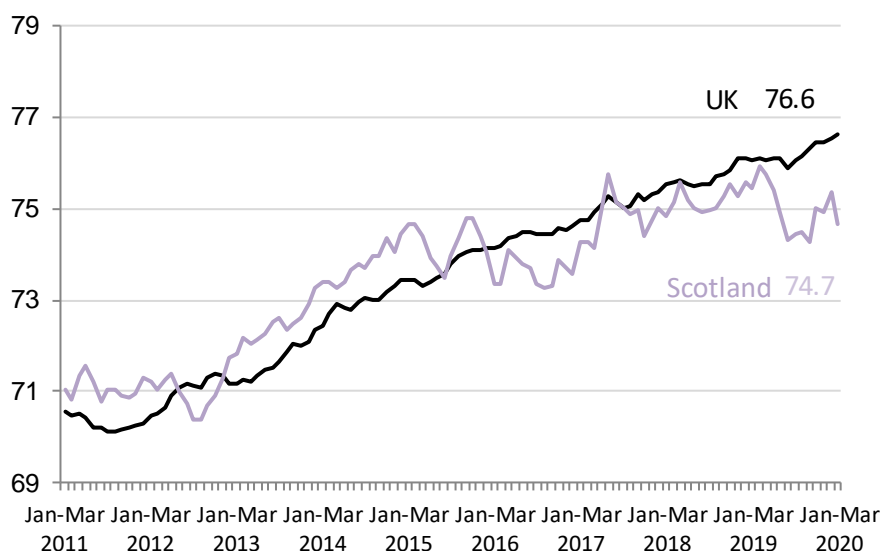
Annual change shown in percentage points

3. Employment estimates

The employment rate in Scotland was 74.7 per cent. This is 0.3 percentage points down on the quarter and 0.8 percentage points down on the year.

The UK employment rate was 76.6 per cent. This is 0.2 percentage points up on the quarter and 0.6 percentage points up on the year.

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



Source: Labour Force Survey, ONS

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

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



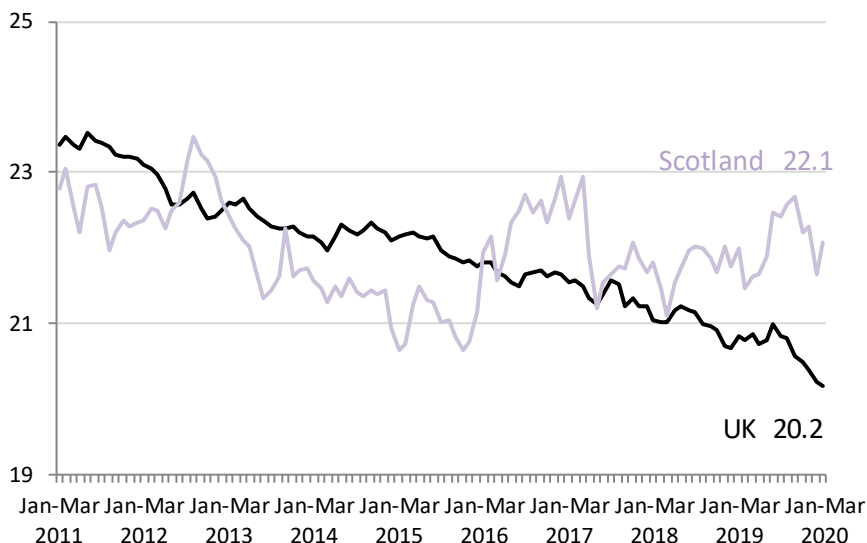
Source: Labour Force Survey, ONS
Annual change shown in percentage points

4. Economic Inactivity estimates

The inactivity rate in Scotland was 22.1 per cent. This is 0.1 percentage points down on the quarter and 0.1 percentage points up on the year.

The UK inactivity rate was 20.2 per cent. This is 0.3 percentage points down on the quarter and 0.7 percentage points down on the year.

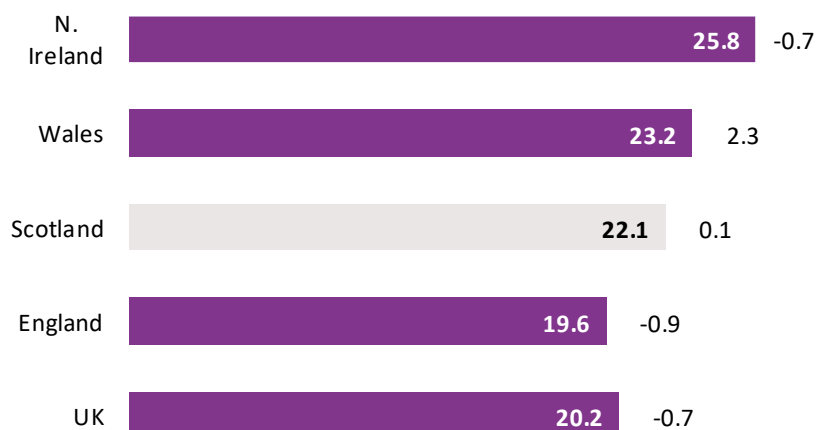
Chart 5: Inactivity rate (16-64 years), Scotland and UK



Source: Labour Force Survey, ONS

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

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



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

5. Labour market estimates for women and men

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

	Rate (%)	Percentage point Change		Level ('000)	Level (000's) Change on	
		on quarter	Change on year		quarter	Change on year
Employment¹						
Scotland	72.0	0.6	0.0	1,310	9	7
UK	72.9	0.5	1.1	15,790	185	369
Unemployment²						
Scotland	4.1	0.5	1.2	56	7	18
UK	3.7	0.1	0.0	603	21	6
Inactivity³						
Scotland	24.8	-1.0	-1.0	437	-17	-17
UK	24.2	-0.6	-1.1	5,043	-119	-213

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

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

	Rate (%)	Percentage point Change		Level ('000)	Level (000's) Change on	
		on quarter	Change on year		quarter	Change on year
Employment¹						
Scotland	77.5	-1.3	-1.5	1,356	-23	-23
UK	80.4	-0.2	0.1	17,354	25	79
Unemployment²						
Scotland	4.0	0.7	0.4	56	9	5
UK	4.1	0.2	0.2	745	37	44
Inactivity³						
Scotland	19.2	0.7	1.2	323	12	20
UK	16.1	0.0	-0.3	3,310	-5	-44

Source: Labour Force Survey, Seasonally adjusted

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

6. Earnings

Earnings from Pay As You Earn Real Time Information show, in Scotland, monthly pay for employees, seasonally adjusted, in the three months to March 2020 was £1,871. Compared with the year before, growth in median pay for employees in the three months to March 2020 was 3.1 per cent.

This information is based on experimental monthly estimates of paid employees and their pay from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) data.

7. About the Labour Force Survey

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

Source of information

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

Unemployment:

The ILO definition of unemployment covers people who are: not in employment, want a job, have actively sought work in the previous 4 weeks and are available to start work within the next fortnight, or, out of work and have accepted a job which they are waiting to start in the next fortnight.

Unemployment rate:

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

Employment:

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

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

Economically inactive:

Economically inactive people are not in employment, but do not satisfy all the criteria for unemployment. This group is comprised of those who want a job but who have not been seeking work in the last 4 weeks, those who want a job and are seeking work but not available to start and those who do not want a job. For example, students not working or seeking work and those in retirement are classed as economically inactive. It can be useful for some purposes to consider only those who are both economically inactive and not of state pension age.

Economic inactivity rate:

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

Reliability of these estimates

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

What does the 95% confidence limit mean?

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

What is statistical significance?

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

Further links to information on reliability

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

8. Other labour market statistics for Scotland

Where can labour market data for Scotland be accessed

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

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

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

Scottish Government Labour Market Statistics

Labour Market [monthly brief](#)

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

Labour market outcomes for equality groups

Labour market indicators excluding full-time education

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

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

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

Other SG labour market publications from the Annual Population Survey

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

[Regional Employment Patterns: statistics from the Annual Population Survey 2018](#)

Other SG labour market publications

[Quarterly Public Sector Employment Q4 2019](#)

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

Other topical publications can be found at

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

A National Statistics publication for Scotland

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

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

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Complaints and suggestions

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Next update: 16th June 2020