



A National Statistics publication for Scotland



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ECONOMY AND LABOUR MARKET

Scotland's Labour Market Trends

August 2023

Key Points

Office for National Statistics Labour Force Survey estimates are presented for April to June 2023, compared with the quarter before (January to March 2023) and pre-pandemic (December 2019 to February 2020). Please note percentage point changes are based on unrounded data.

- the latest Labour Force Survey (LFS) estimates for April to June 2023 indicate that over the quarter the unemployment rate increased, while the employment rate decreased and the inactivity rate increased.
- the estimated unemployment rate (16 and over) in Scotland was 4.0 per cent, up 0.2 percentage points since December 2019 to February 2020 (pre-pandemic) and up 0.9 percentage points over the quarter. Scotland's unemployment rate was below the UK rate of 4.2 per cent.
- the estimated employment rate (the proportion of people aged 16 to 64 in work) in Scotland was 74.2 per cent, down 1.1 percentage points since December 2019 to February 2020 (pre-pandemic) and down 1.1 percentage points over the quarter. Scotland's employment rate was below the UK rate of 75.7 per cent.
- the estimated economic inactivity rate (the proportion of people aged 16 to 64 years who were not working and not seeking or available to work) in Scotland was 22.6 per cent, up 1.0 percentage point since December 2019 to February 2020 (pre-pandemic) and up 0.4 percentage points over the quarter. Scotland's economic inactivity rate was above the UK rate of 20.9 per cent.
- early seasonally adjusted estimates for July 2023 from HMRC Pay As You Earn Real Time Information indicate that there were 2.46 million payrolled employees in Scotland, an increase of 3.1 per cent (75,000) compared with February 2020 (pre-pandemic). This compares with the UK where the number of payrolled employees had increased by 4.2 per cent over the same period.
- early seasonally adjusted estimates for July 2023 from HMRC Pay As You Earn Real Time Information indicate that median monthly pay for payrolled employees in Scotland was £2,297, an increase of 22.8 per cent compared with February 2020 (pre-pandemic). This is higher than the growth in median monthly pay for the UK over the same period (22.3 per cent). Changes over time are based on median monthly pay estimates rounded to the nearest pound.

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1. Summary of labour market statistics

Employment, unemployment and economic inactivity estimates are presented for April to June 2023, compared with the quarter before (January to March 2023) and compared with the year before (April to June 2022).

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

Table 1: Labour Market Statistics, Scotland and UK, April to June 2023

	Rate (%)	Percentage point				Level (000's)						
		CI	Change on quarter	CI	Change on year	CI	Level ('000)	CI	Change on quarter	CI	Change on year	CI
Employment¹												
Scotland	74.2	(± 2.5)	-1.1	(± 3.1)	-1.2	(± 3.1)	2,652	(± 83)	-31	(± 104)	-62	(± 101)
UK	75.7	(± 0.6)	-0.1	(± 0.5)	0.2	(± 0.8)	32,929	(± 265)	-66	(± 220)	137	(± 327)
Unemployment²												
Scotland	4.0	(± 1.2)	0.9	(± 1.4)	0.8	(± 1.5)	109	(± 32)	24	(± 39)	20	(± 39)
UK	4.2	(± 0.3)	0.3	(± 0.3)	0.4	(± 0.4)	1,439	(± 115)	109	(± 119)	145	(± 140)
Economic Inactivity³												
Scotland	22.6	(± 2.4)	0.4	(± 3.0)	0.6	(± 3.0)	779	(± 103)	14	(± 128)	22	(± 125)
UK	20.9	(± 0.6)	-0.1	(± 0.5)	-0.6	(± 0.7)	8,693	(± 237)	-38	(± 199)	-198	(± 291)

Source: Labour Force Survey, seasonally adjusted, ONS

Note 1: Levels all persons aged 16 and over; rates all persons aged 16 to 64; denominator all persons aged 16 to 64.

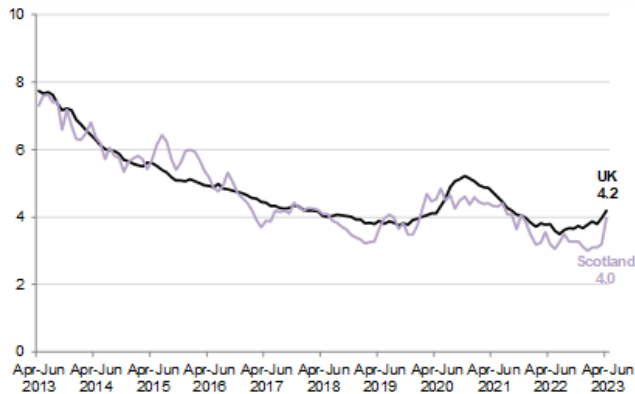
Note 2: Levels and rates all persons aged 16 and over; denominator all economically active persons aged 16 and over.

Note 3: Levels and rates all persons aged 16 to 64, denominator all persons aged 16 to 64.

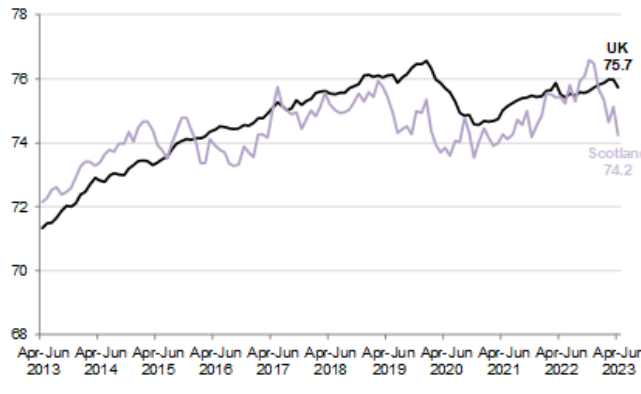
Infographic summary of Labour Force Survey Statistics

April to June 2023

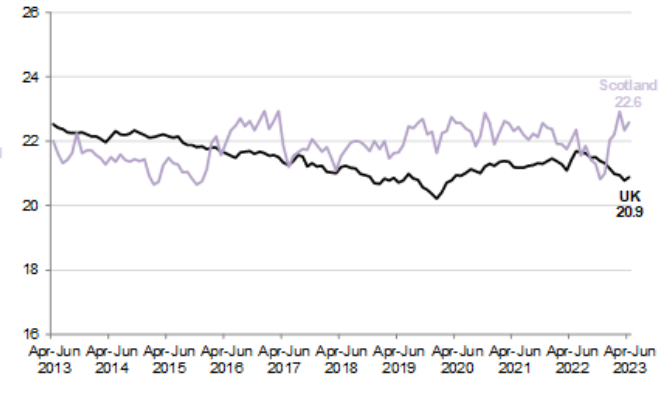
Unemployment rate 4.0%



Employment rate 74.2%



Economic Inactivity rate 22.6%



Quarterly Change

Scotland 0.9 pp ↑ UK 0.3 pp ↑

Scotland -1.1 pp ↓ UK -0.1 pp ↓

Scotland 0.4 pp ↑ UK -0.1 pp ↓

Annual Change

Scotland 0.8 pp ↑ UK 0.4 pp ↑

Scotland -1.2 pp ↓ UK 0.2 pp ↑

Scotland 0.6 pp ↑ UK -0.6 pp ↓

% pts= percentage points

Source: Labour Force Survey, seasonally adjusted, ONS
15 August 2023

About this publication

Source of data

The information included in this publication are from three separate sources covering the time periods shown in Figure 1.

Figure 1: Labour market data source reference periods



Comparison over time

Comparisons with the latest data over the year have been retained in some parts of the commentary in the publication. However, comparisons with the last data reference point prior to the pandemic have also been provided i.e. employment, unemployment and inactivity rates from the Labour Force Survey are compared with December 2019 to February 2020, HMRC payrolled employee estimates and median monthly earnings are compared with February 2020 to reflect changes in the labour market following the pandemic.

Labour Force Survey

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

The population totals used for the latest LFS estimates use projected growth rates from real-time information (RTI) data for UK, EU and non-EU populations based on 2021 patterns. The total population used for the LFS therefore does not take into account any changes in migration, birth rates, death rates, and so on since June 2021, so levels estimates may be under- or over-estimating the true values and should be used with caution. Estimates of rates will, however, be robust.

Other sources

This publication also contains HMRC PAYE Real Time Information (RTI) on median monthly earnings and payrolled employees. These are classed as Experimental Statistics.

This release follows the ONS monthly releases of:

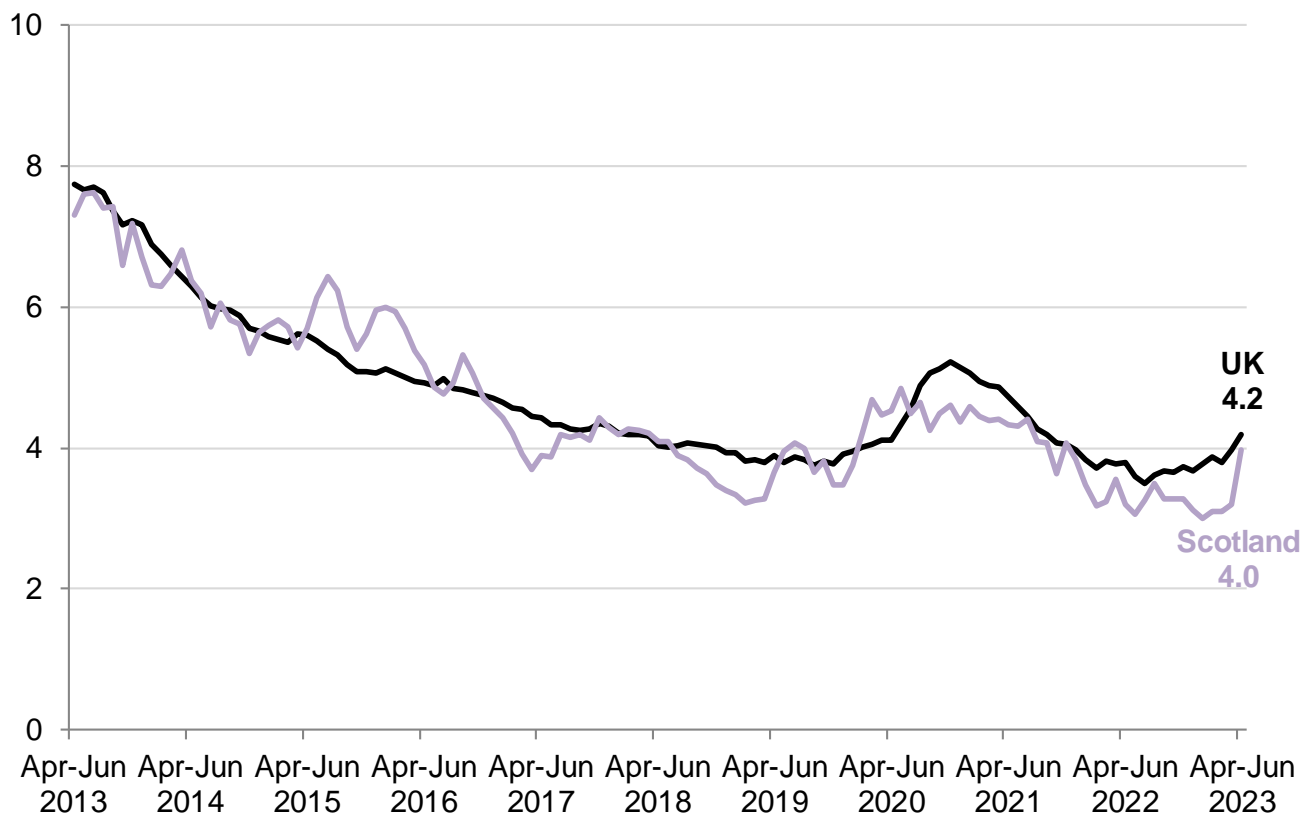
- [Regional Labour Market Statistics in the UK](#)
- [Earnings and employment from Pay As You Earn Real Time Information, UK](#)

2. Unemployment estimates

The estimated unemployment rate for people aged 16 years and over in Scotland was 4.0 per cent in April to June 2023. This is 0.2 percentage points up on December 2019 to February 2020 (pre-pandemic) and up 0.9 percentage points over the quarter.

The estimated UK unemployment rate was 4.2 per cent in April to June 2023. This is 0.2 percentage points up on December 2019 to February 2020 (pre-pandemic) and 0.3 percentage points up on the quarter.

Chart 1: Unemployment rates for persons aged 16 and over, Scotland and the UK

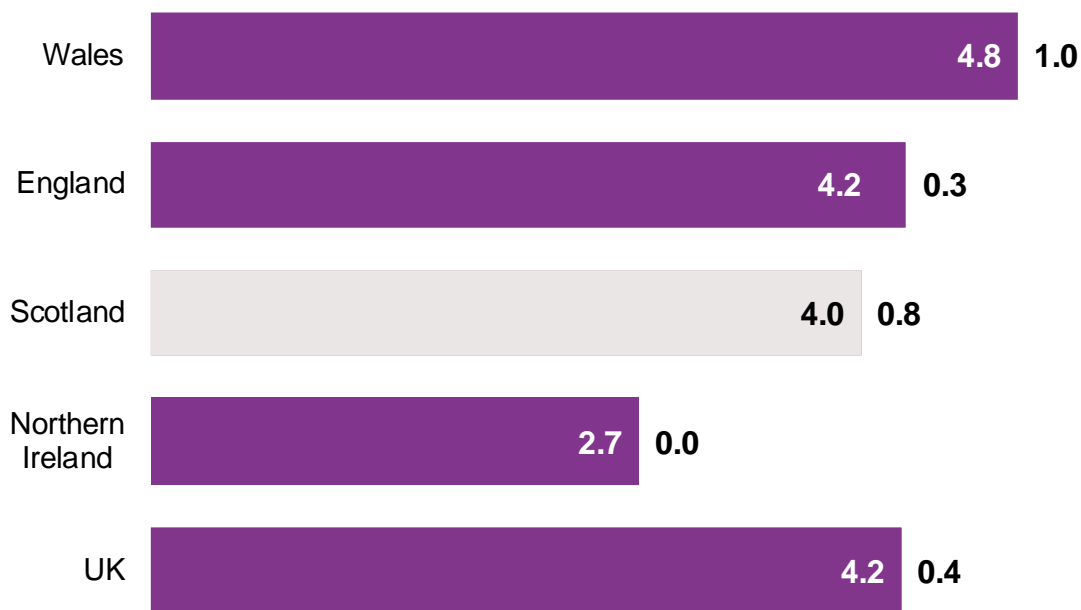


Source: Labour Force Survey, seasonally adjusted, ONS

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

The estimated unemployment rate for people aged 16 years and over in Scotland was 0.8 percentage points higher than the year before (April to June 2022) while the estimated UK unemployment rate was 0.4 percentage points higher than the year before.

Chart 2: Unemployment Rate and annual change for persons aged 16 and over, UK countries



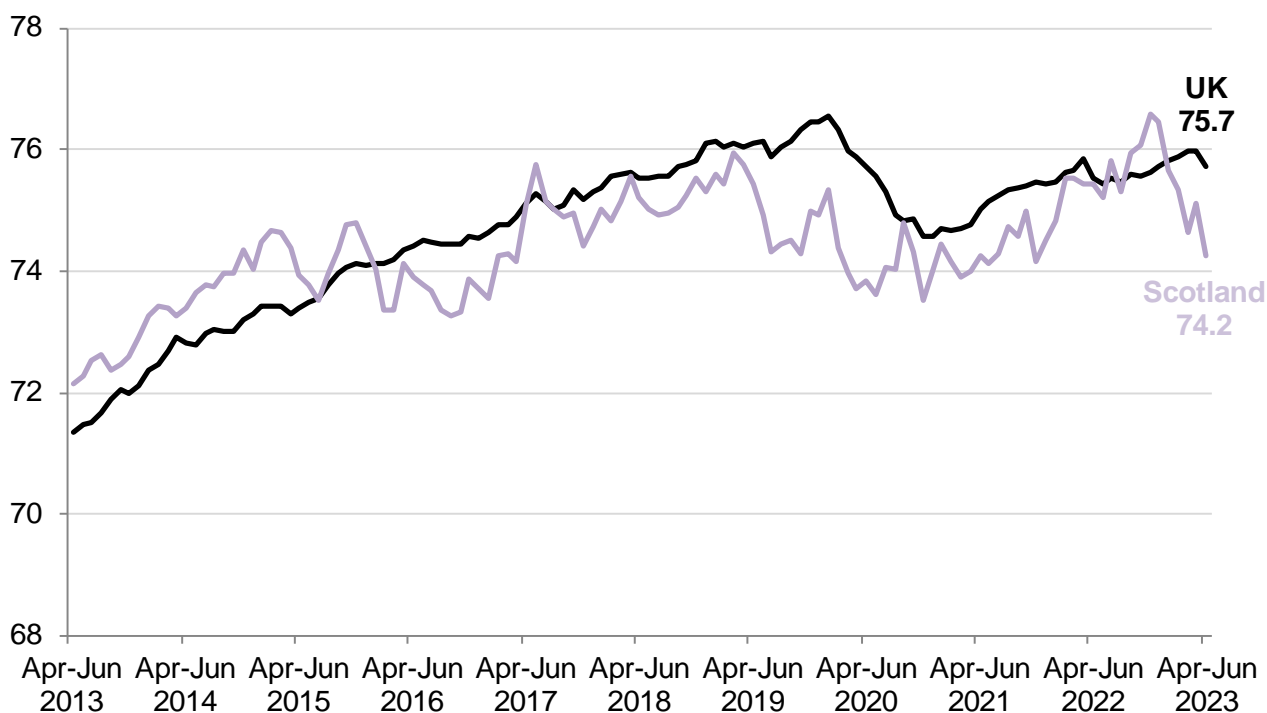
Source: Labour Force Survey, ONS
Annual change shown in percentage points

3. Employment estimates

The estimated employment rate for people aged 16 to 64 years in Scotland was 74.2 per cent in April to June 2023. This is 1.1 percentage points down on December 2019 to February 2020 (pre-pandemic) and down 1.1 percentage points over the quarter.

The estimated UK employment rate was 75.7 per cent in April to June 2023. This is 0.8 percentage points down on December 2019 to February 2020 (pre-pandemic) and 0.1 percentage points down on the quarter.

Chart 3: Employment rate for persons aged 16 to 64, Scotland and the UK



Source: Labour Force Survey, seasonally adjusted, ONS

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

The estimated employment rate for people aged 16 to 64 years in Scotland was 1.2 percentage points lower than the year before (April to June 2022) while the estimated UK employment rate was 0.2 percentage points higher than the year before.

Chart 4: Employment rate and annual change for persons aged 16 to 64, UK countries



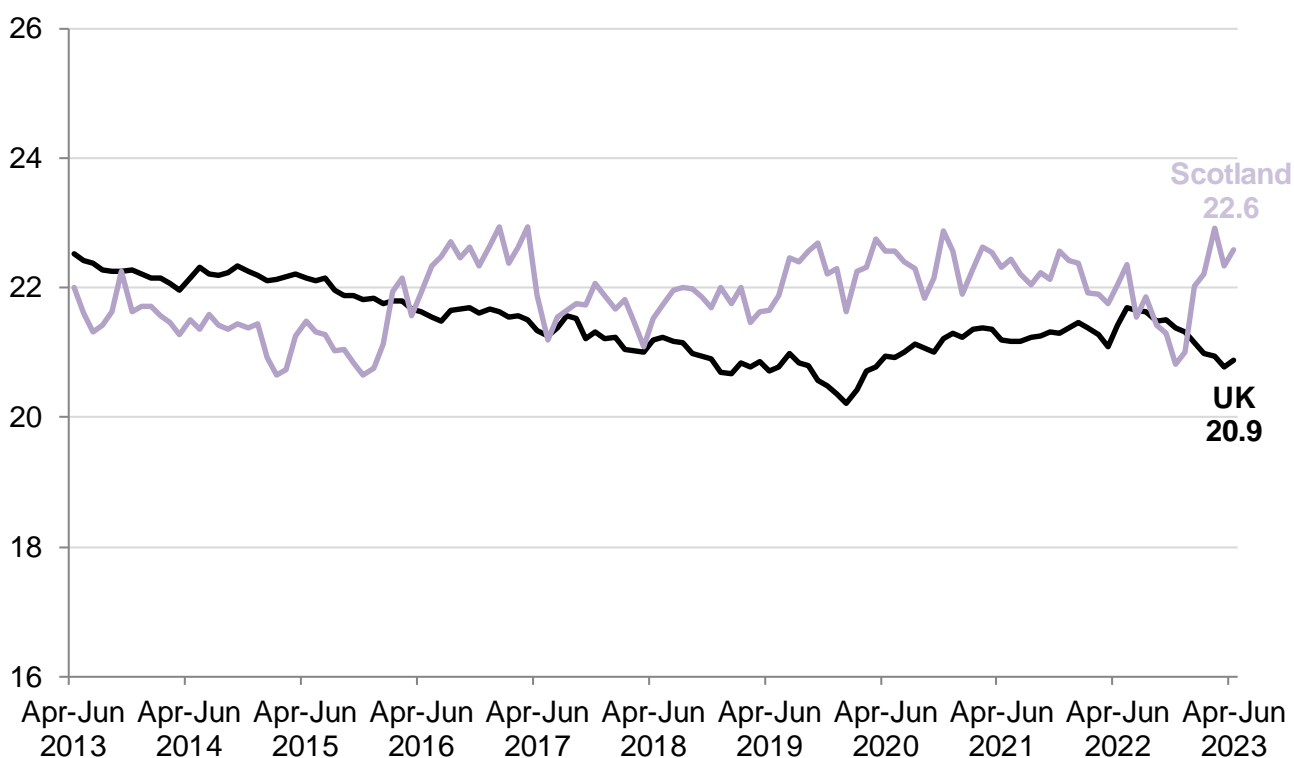
Source: Labour Force Survey, ONS
Annual change shown in percentage points

4. Economic Inactivity estimates

The estimated economic inactivity rate for people aged 16 to 64 years in Scotland was 22.6 per cent in April to June 2023. This is 1.0 percentage point up on December 2019 to February 2020 (pre-pandemic) and up 0.4 percentage points over the quarter.

The estimated UK economic inactivity rate was 20.9 per cent in April to June 2023. This is 0.7 percentage points up on December 2019 to February 2020 (pre-pandemic) but 0.1 percentage points down on the quarter.

Chart 5: Economic Inactivity rate for persons aged 16 to 64, Scotland and the UK

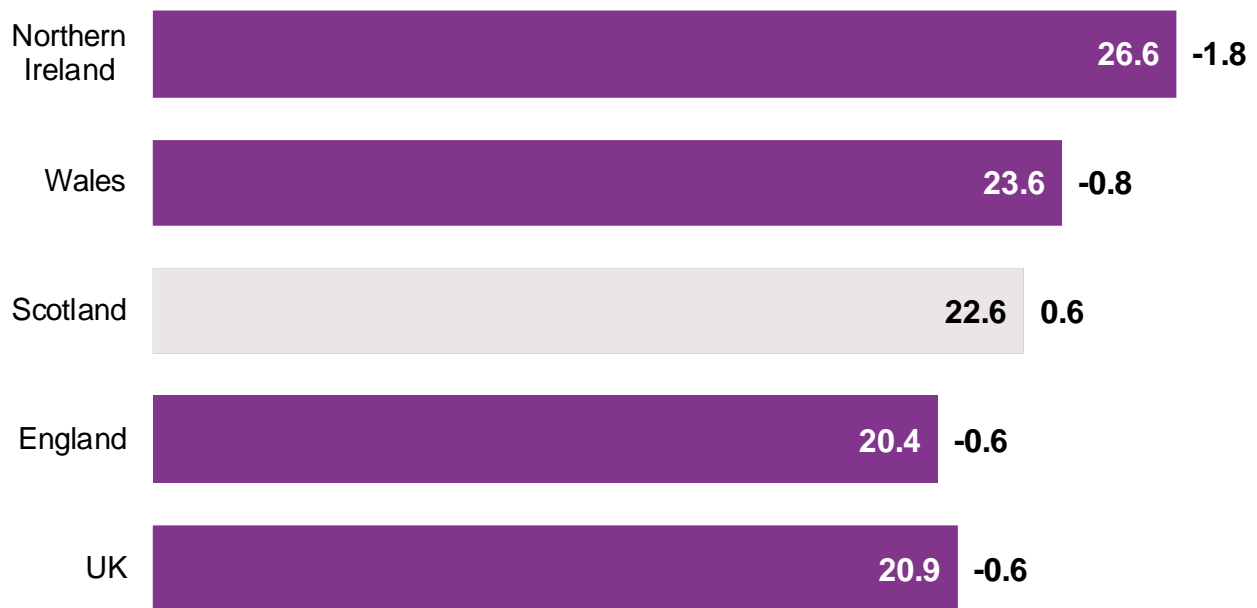


Source: Labour Force Survey, seasonally adjusted, ONS

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

The estimated economic inactivity rate for people aged 16 to 64 years in Scotland was 0.6 percentage points higher than the year before (April to June 2022) while the estimated UK economic inactivity rate was 0.6 percentage points lower than the year before.

Chart 6: Economic Inactivity rate and annual change for persons aged 16 to 64, 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, April to June 2023

	Rate (%)	Percentage point Change on quarter Change on year		Level (‘000)	Level (000's) Change on quarter Change on year	
Employment¹						
Scotland	71.9	-0.9	-2.5	1,301	-23	-63
UK	72.1	-0.1	-0.1	15,642	-20	17
Unemployment²						
Scotland	3.9	0.7	1.8	52	9	24
UK	3.9	0.3	0.3	639	52	50
Inactivity³						
Scotland	25.2	0.4	1.1	444	8	20
UK	24.8	-0.1	-0.2	5,194	-18	-26

Source: Labour Force Survey, seasonally adjusted, ONS

Note 1: Levels all women aged 16 and over; rates all women aged 16 to 64; denominator all women aged 16 to 64.

Note 2: Levels and rates all women aged 16 and over; denominator all economically active women aged 16 and over.

Note 3: Levels and rates all women aged 16 to 64, denominator all women aged 16 to 64.

Table 3: Labour Market Statistics for men, Scotland and UK, April to June 2023

	Rate (%)	Percentage point Change on quarter Change on year		Level (‘000)	Level (000's) Change on quarter Change on year	
Employment¹						
Scotland	76.7	-1.3	0.2	1,351	-9	1
UK	79.4	-0.1	0.5	17,287	-46	120
Unemployment²						
Scotland	4.1	1.0	-0.3	57	15	-4
UK	4.4	0.3	0.5	800	58	95
Inactivity³						
Scotland	19.9	0.3	0.0	335	6	1
UK	16.9	-0.1	-0.9	3,499	-20	-172

Source: Labour Force Survey, seasonally adjusted, ONS

Note 1: Levels all men aged 16 and over; rates all men aged 16 to 64; denominator all men aged 16 to 64.

Note 2: Levels and rates all men aged 16 and over; denominator all economically active men aged 16 and over.

Note 3: Levels and rates all men aged 16 to 64, denominator all men aged 16 to 64.

6. HMRC payrolled employees (experimental)

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.

The latest early payrolled employee estimates for July 2023 indicate that there were 2.46 million payrolled employees in Scotland. Compared with the same month the year before, the number of payrolled employees had risen by 1.5 per cent (35,000). This compares with a rise of 1.9 per cent for the UK over the same period.

In November 2020, the lowest point following the start of the pandemic, there were 80,000 fewer payrolled employees in Scotland than prior to the pandemic (February 2020). However the estimated number of payrolled employees has generally been increasing since November 2020 and has continued to be above the pre-coronavirus level (February 2020) since November 2021.

The estimated number of payrolled employees in Scotland in July 2023 rose by 3.1 per cent (75,000) compared with February 2020, the last month prior to the pandemic. This compares with a rise of 4.2 per cent for the UK over the same period.

Estimates for July 2023 are provisional as they are based on around 85% of information being available. When comparing the number of payrolled employees in June 2023 with the same period the previous year, the number of payrolled employees in Scotland increased by 1.2 per cent (28,000).

Chart 7: Payrolled Employees, Scotland, June 2018 to July 2023, seasonally adjusted

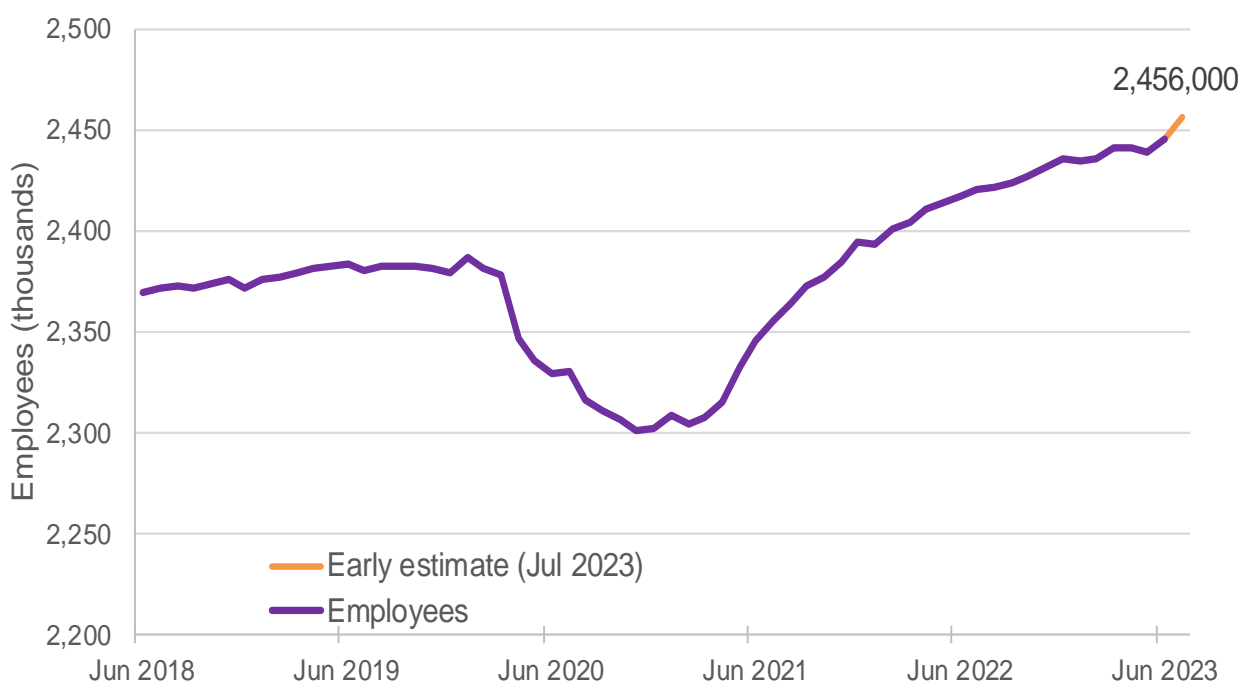
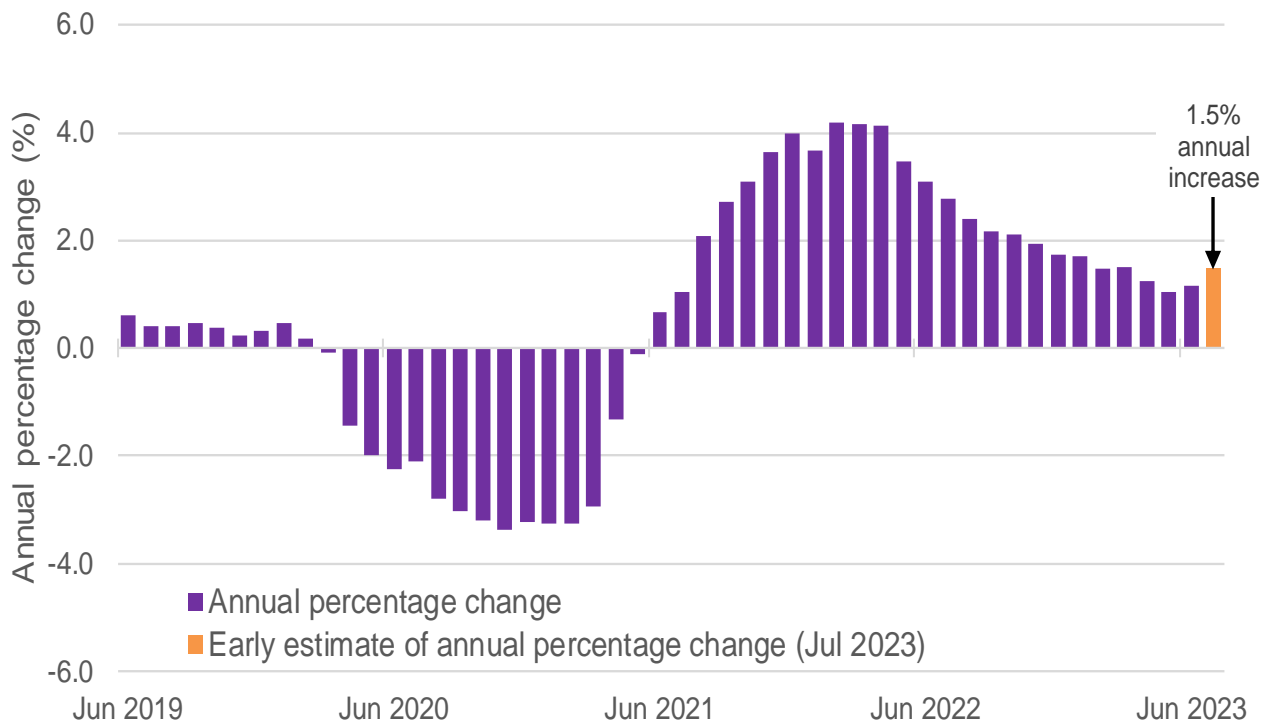


Chart 8: Annual Percentage Change in Payrolled Employees, Scotland, June 2019 to July 2023



Source: PAYE RTI, all industries, seasonally adjusted, HMRC

Note: Early estimates for July 2023 are provided to give an indication of the likely level of employees as well as median pay in the latest period. The figures are based on around 85% of information being available. They are considered of lower quality and may be subject to revision in next month's release when between 98% to 99% of data will be available.

7. HMRC earnings (experimental)

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.

Changes over time are based on median monthly pay estimates which are rounded to the nearest pound.

The latest early estimates for July 2023 indicate that median monthly pay for payrolled employees in Scotland was £2,297, an increase of 8.1 per cent compared to the same period the previous year. This is higher than the annual growth in median monthly pay for the UK over the same period (7.8 per cent).

The estimated median monthly pay for payrolled employees in Scotland in July 2023 increased by 22.8 per cent compared with February 2020, the last month prior to the pandemic. This is above the UK increase of 22.3 per cent over the same period.

Chart 9: Median Monthly Pay, Scotland and UK, June 2018 to July 2023, seasonally adjusted

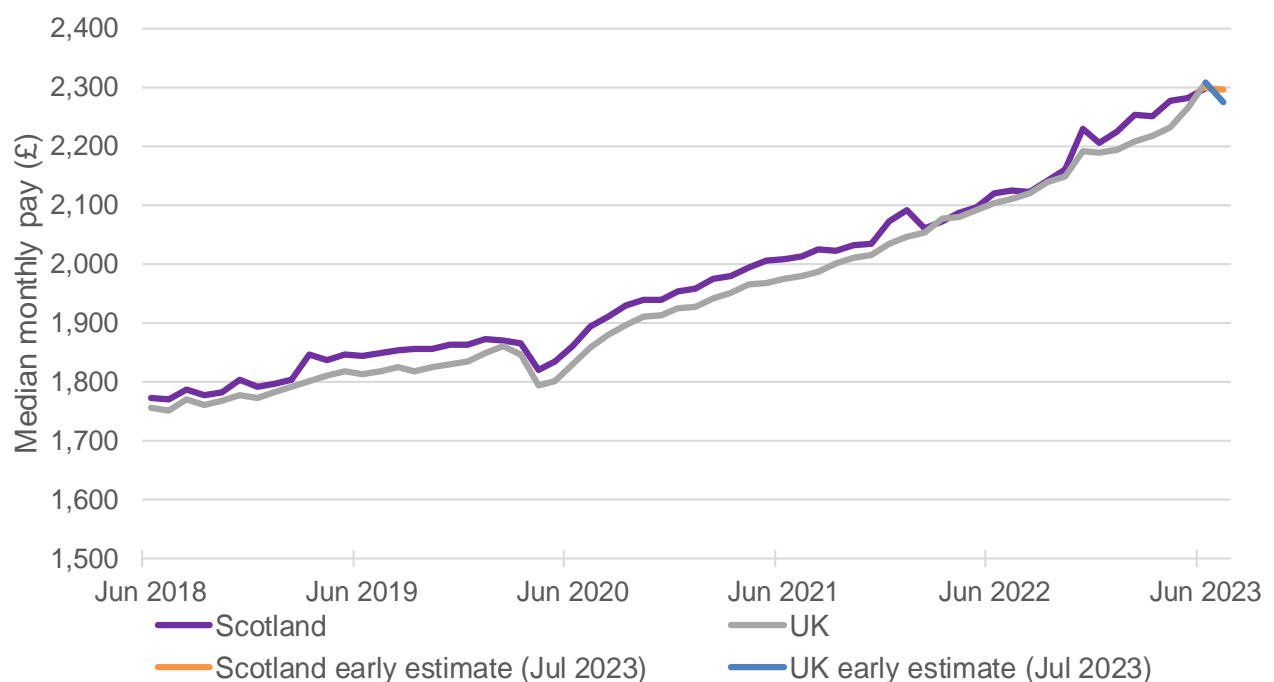
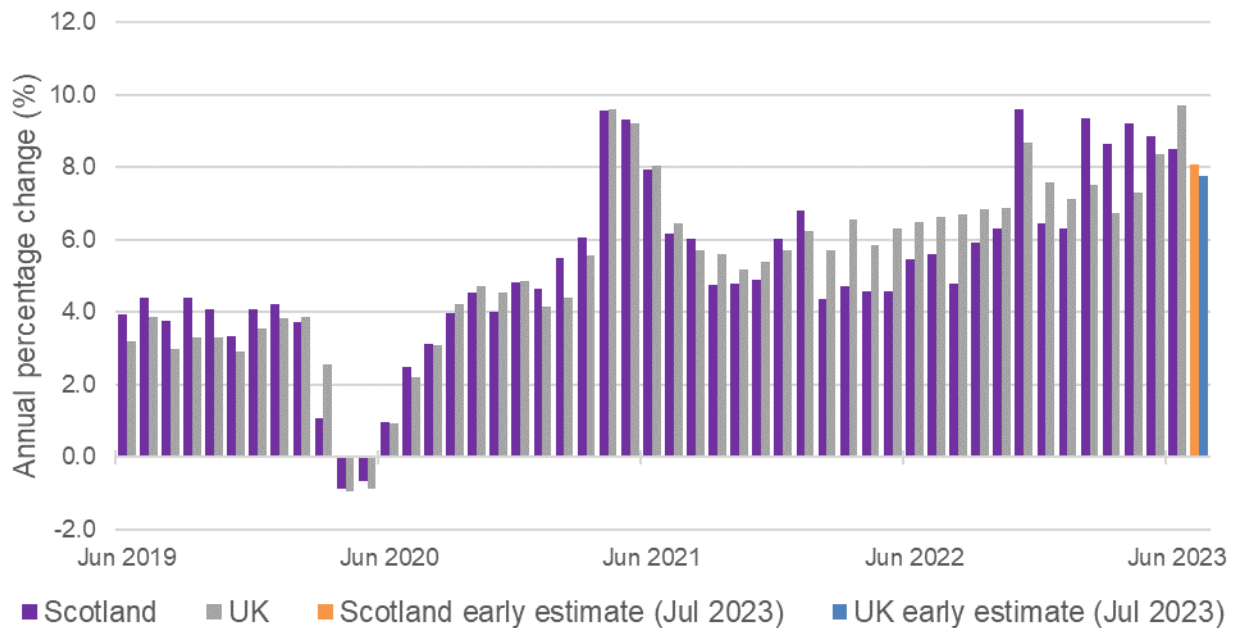


Chart 10: Annual Percentage Change in Median Monthly Pay, Scotland and UK, June 2019 to July 2023



Source: PAYE RTI, all industries, seasonally adjusted, HMRC

Notes: Early estimates for July 2023 are provided to give an indication of the likely level of employees as well as median pay in the latest period. The figures for July 2023 are based on around 85% of information being available. They are considered of lower quality and may be subject to revision in next month's release when between 98% to 99% of data will be available.

HMRC have [reported](#) for the UK that the high level of pay growth in April 2021 is attributed to the record high in median pay in April 2021, combined with the suppressed level of median pay in April 2020 at the onset of the coronavirus (COVID-19) pandemic.

8. About the Labour Force Survey

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

Sources of information

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

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

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

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

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

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

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

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

Employment: There are two main ways of looking at employment: the number of people with jobs or the number of jobs. These two concepts represent different things as one person can have more than one job. The number of people in employment is measured via the Labour Force Survey and consist of those aged 16 and over. Employment measures the number of people who did at least one hour of paid work or had a job they were temporarily away from. People who do unpaid work in a family business and people on Government-supported training and employment programs are also included. This is in accordance with the International Labour Organisation (ILO) definition.

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

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

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

or

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

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

Reliability of estimates

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

What does the 95 per cent confidence limit mean?

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

Statistical Significance

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

Further links to information on reliability

Further information on reliability can be accessed in the ONS publication at [Labour Market Overview, UK publication](#)

ONS note that regional estimates for the unemployment rate are quite volatile, which needs to be allowed for when considering the pattern of change over time. Sampling variability information is published at [Sampling variability and revisions summary](#).

Impact of the Coronavirus on the measurement of the labour market

ONS have published a [summary of the impact of Coronavirus on the measurement of labour market statistics](#).

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

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

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

Further information on sources is also [published by ONS](#).

HMRC RTI

This release covers people paid through the HMRC's Pay As You Earn (PAYE) system where their pay is reported through the Real Time Information (RTI) system.

Information presented in this release are experimental monthly estimates of the number of payrolled employees and their median earnings. It includes UK and geographical regions (NUTS1) early estimates of payrolled employment and median pay for the most recent month.

Statistics in this release are based on people who are employed in at least one job paid through HMRC's PAYE system and the monthly estimates reflect the average for each day of the calendar month.

The publication and background information can be accessed on the [ONS website](#).

9. Other labour market statistics for Scotland

Where can labour market data for Scotland be accessed

Labour Force information for Scotland is also published on [Nomis](#)

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

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

Scottish Government Labour Market Statistics

The [Labour market data for 16 to 24 year olds in Scotland](#) is sourced from the ONS Annual Population Survey (April to March 2023) and is published quarterly (last published on 11 July 2023).

Other SG labour market publications from the ONS Annual Population Survey:

- [Disabled people in the labour market in Scotland: January to December 2022](#)
- [Job-related training in Scotland: January to December 2022](#)
- [Labour Market Statistics for Scotland by Ethnicity: January to December 2021](#)
- [Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021](#)
- [Supporting documents - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021](#)

Information on characteristics of the workforce by industrial sectors were published in a tool named [Scotland's Labour Market - People Places and Regions 2020 - Industry Tables](#).

Other SG labour market publications

- [Quarterly Public Sector Employment Q1 2023](#)
- [Annual Survey of Hours and Earnings 2022](#)
- [Topical publications](#)

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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
- are explained well

Correspondence and enquiries

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Next update

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