### **ECONOMY AND LABOUR MARKET**

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

Statistics from the Office for National Statistics Annual Population Survey, October 2022 to September 2023, first published 13 December 2023

This publication contains the latest estimates of employment, unemployment and economic inactivity for 16 to 24 year olds. Estimates are for Scotland and the United Kingdom and cover the period October 2022 to September 2023. Data are sourced from the Annual Population Survey, first released on 13 December 2023 by the Office for National Statistics (ONS).

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



## Key points

The latest ONS Annual Population Survey (APS) data are for October 2022 to September 2023. The latest estimates for 16 to 24 year olds in Scotland show the unemployment rate had increased over the year, the employment rate had decreased, and the economic inactivity rate had increased.

In Scotland in October 2022 to September 2023:

- the estimated employment rate for 16 to 24 year olds was 56.9 per cent
- the estimated unemployment rate for 16 to 24 year olds was 9.7 per cent
- the estimated economic inactivity rate for 16 to 24 year olds was 37.0 per cent

Compared with the previous year:

- the employment rate for 16 to 24 year olds decreased by 1.4 percentage points
- the unemployment rate for 16 to 24 year olds increased by 0.7 percentage points
- the inactivity rate for 16 to 24 year olds increased by 1.1 percentage points

Compared with the United Kingdom as a whole:

- the employment rate for 16 to 24 year olds in Scotland was higher (56.9 per cent compared to 53.8 per cent)
- the unemployment rate for 16 to 24 year olds in Scotland was lower (9.7 per cent compared to 10.8 per cent)
- the inactivity rate for 16 to 24 year olds in Scotland was lower (37.0 per cent compared to 39.7 per cent)

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

- the estimated employment rate for men was lower than women (55.2 per cent compared to 58.7 per cent)
- the estimated unemployment rate for men was higher than women (11.1 per cent compared to 8.4 per cent)
- the estimated economic inactivity rate for men was higher than women (38.0 per cent compared to 36.0 per cent)

Estimates by local authority are not included in the commentary of this publication this quarter, although the etimates are updated in tables 8 and 9. This is due to increasing uncertainty around the survey estimates. While estimates remain robust at country and region level, an increasing number of estimates at local authority level are based on a small sample size which should be used with caution.

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### Introduction

This publication contains the latest estimates of employment, unemployment and economic inactivity for 16 to 24 year olds. Estimates are for Scotland and the United Kingdom and cover the period October 2022 to September 2023. Data are sourced from the Annual Population Survey (APS); first released on 13 December 2023 by the Office for National Statistics (ONS).

#### An Official Statistics Publication for Scotland

These statistics are official statistics. Official statistics are statistics that are produced by crown bodies, those acting on behalf of crown bodies, or those specified in statutory orders, as defined in the <u>Statistics and Registration Service</u> <u>Act 2007</u>.

Scottish Government statistics are regulated by the Office for Statistics Regulation (OSR). OSR sets the standards of trustworthiness, quality and value in the <u>Code of</u> <u>Practice for Statistics</u> that all producers of official statistics should adhere to.

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

Since then a number of improvements have been made including:

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

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

#### **About the Annual Population Survey**

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

The APS is the Accredited Official Statistics source for labour market indicators by region and age. Compared to the APS, the LFS shows similar long-term labour market trends for 16 to 24 year olds in Scotland. The ONS normally publish LFS estimates for 16 to 24 year olds as Official Statistics in their <u>monthly publication</u>. However, because of increased uncertainty around LFS estimates, <u>ONS have published an alternative series of estimates of UK employment, unemployment, and economic inactivity</u>. These figures were derived using growth rates from Pay As

You Earn Real Time Information (excluding the early flash estimate) and the Claimant Count for the periods from May to July 2023 onwards. This is to provide a more holistic view of the state of the labour market while the LFS estimates are uncertain.

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

#### Labour Market Transformation

On 2 November 2023, ONS published an article on the <u>Labour Force Survey</u>: <u>planned improvements and its reintroduction</u>. The Office for National Statistics (ONS) has been facing the challenge of falling response rates for household surveys, as have other comparable countries. ONS have therefore developed a comprehensive plan to address these concerns and to re-introduce the Labour Force Survey. The Annual Population Survey is partly composed of Labour Force Survey estimates.

ONS are transforming the LFS. They are publishing <u>Labour market transformation</u> <u>articles</u> providing updates on the transformation of labour market statistics.

ONS also welcome any feedback on this latest update and their plans. Please email them at <u>labour.market.transformation@ons.gov.uk</u> to tell them what you think.

### Employment

#### Overall

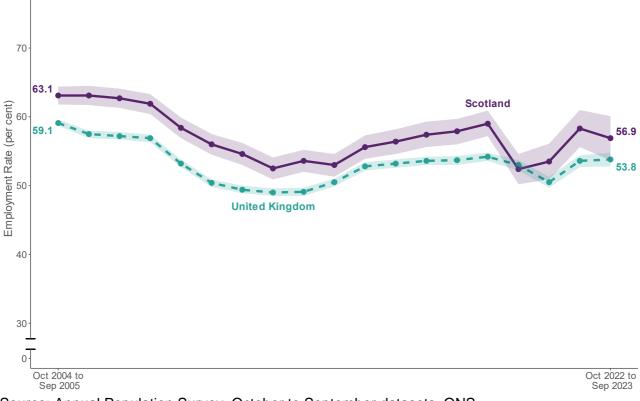
In October 2022 to September 2023, an estimated 314,600 people aged 16 to 24 were in employment in Scotland. This is 5,500 less than the number of 16 to 24 year olds employed in October 2021 to September 2022.

The estimated employment rate for 16 to 24 year olds was 56.9 per cent in October 2022 to September 2023. This was 1.4 percentage points (pp) lower than the year before (58.3 per cent) and 2.1 pp lower than in October 2018 to September 2019 (59.0 per cent). October 2018 to September 2019 is the last data point in the October to September series before the COVID-19 pandemic.

For the United Kingdom as a whole, the estimated employment rate for 16 to 24 year olds was 53.8 per cent. This was 0.2 pp higher than a year ago (53.6 per cent) but 0.4 pp lower than in October 2018 to September 2019 (54.2 per cent).

# Chart 1: The employment rate for people aged 16 to 24 in Scotland continues to exceed the United Kingdom rate

Employment rate estimates for persons aged 16 to 24, Scotland and the United Kingdom, October 2004 to September 2005 through to October 2022 to September 2023



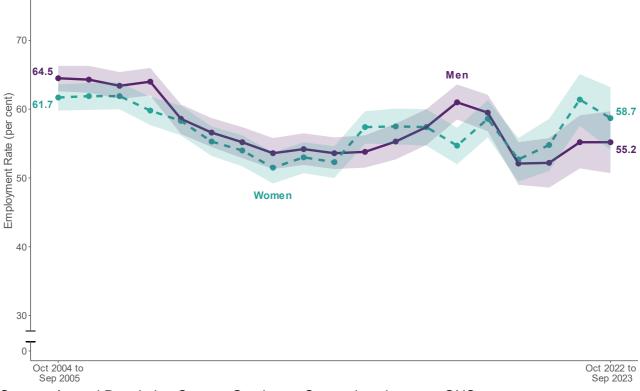
#### **Employment by Sex**

In October 2022 to September 2023, an estimated 153,100 men and 161,500 women aged 16 to 24 were in employment in Scotland.

The estimated employment rate for 16 to 24 year old men was 55.2 per cent, 0.1 percentage points (pp) lower than a year ago (also 55.2 per cent) and 4.3 pp lower than in October 2018 to September 2019 (59.5 per cent). While the estimated employment rate for 16 to 24 year old women was 58.7 per cent, 2.7 pp lower than a year ago (61.4 per cent) but 0.1 pp higher than in October 2018 to September 2019 (58.6 per cent).

# Chart 2: The employment rate for women aged 16 to 24 has exceeded the rate for men since October 2019 to September 2020

Employment rate estimates for men and women aged 16 to 24 in Scotland, October 2004 to September 2005 through to October 2022 to September 2023.



Source: Annual Population Survey, October to September datasets, ONS Shaded areas represent 95 per cent confidence intervals.

#### **Employment by Local Authority areas**

Estimates by local authority are not included in this publication this quarter. See Introduction for further details.

### Unemployment

#### Overall

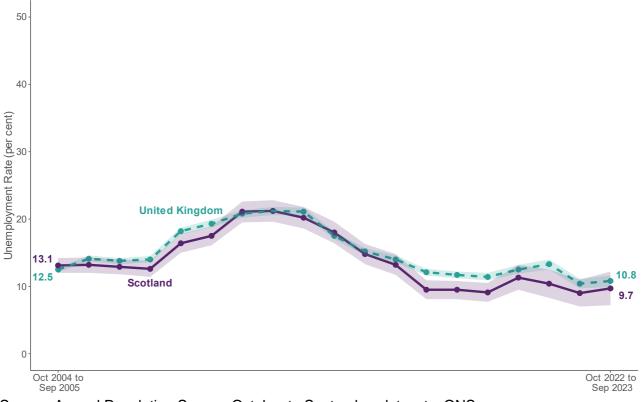
In October 2022 to September 2023, an estimated 33,800 people aged 16 to 24 were unemployed in Scotland. This is 2,000 more than the number of unemployed 16 to 24 year olds in October 2021 to September 2022.

The estimated unemployment rate for 16 to 24 year olds was 9.7 per cent in October 2022 to September 2023. This was 0.7 percentage points (pp) higher than a year ago (9.0 per cent) and 0.6 pp higher than in October 2018 to September 2019 (9.1 per cent). October 2018 to September 2019 is the last data point in the October to September series before the start of the COVID-19 pandemic.

For the United Kingdom as a whole, the estimated unemployment rate for 16 to 24 year olds was 10.8 per cent. This was 0.4 pp higher than the year before (10.4 per cent) but 0.7 pp lower than in October 2018 to September 2019 (11.4 per cent).

# Chart 3: The unemployment rate for people aged 16 to 24 in Scotland has been lower than the United Kingdom since October 2014 to September 2015

Unemployment rate estimates for persons aged 16 to 24, Scotland and the United Kingdom, October 2004 to September 2005 through to October 2022 to September 2023.



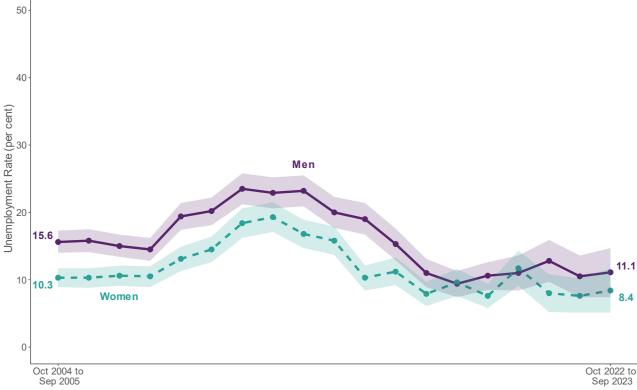
#### **Unemployment by Sex**

In October 2022 to September 2023, there were an estimated 19,100 unemployed men aged 16 to 24 and 14,800 unemployed women aged 16 to 24 in Scotland.

The estimated unemployment rate for 16 to 24 year old men was 11.1 per cent, 0.5 percentage points (pp) higher than a year ago (10.5 per cent) and 0.5 pp higher than in October 2018 to September 2019 (10.6 per cent). While the estimated unemployment rate for 16 to 24 year old women was 8.4 per cent, 0.7 pp higher than a year ago (7.6 per cent) and 0.8 pp higher than in October 2018 to September 2019 (7.6 per cent).

# Chart 4: The unemployment rate for men aged 16 to 24 typically exceeds the rate for women

Unemployment rate estimates for men and women aged 16 to 24 in Scotland, October 2004 to September 2005 through to October 2022 to September 2023



### **Economic Inactivity**

#### Overall

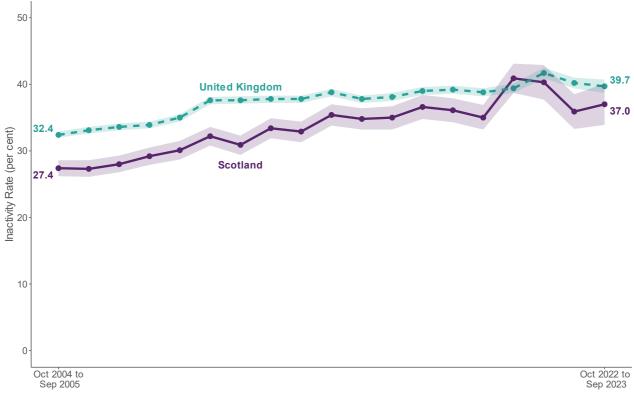
In October 2022 to September 2023, there were an estimated 204,400 economically inactive 16 to 24 year olds in Scotland. This is 7,100 higher than the number of inactive 16 to 24 year olds in October 2021 to September 2022. Over three quarters (76.6 per cent) of inactive 16 to 24 year olds were estimated to be in full-time education in October 2022 to September 2023.

The estimated inactivity rate was 37.0 per cent in October 2022 to September 2023. This was 1.1 percentage points (pp) higher than a year ago (35.9 per cent) and 1.9 pp higher than in October 2018 to September 2019 (35.0 per cent). October 2018 to September 2019 is the last data point in the October to September series before the start of the COVID-19 pandemic.

For the United Kingdom as a whole, the estimated inactivity rate for 16 to 24 year olds was 39.7 per cent. This was 0.5 pp lower than a year ago (40.2 per cent) but 0.9 pp higher than October 2018 to September 2019 (38.8 per cent).

# Chart 5: The economic inactivity rate for people aged 16 to 24 in Scotland is generally lower than for the United Kingdom. However, the gap has been narrowing over time

Economic inactivity rate estimates for persons aged 16 to 24, Scotland and the United Kingdom, October 2004 to September 2005 through to October 2022 to September 2023



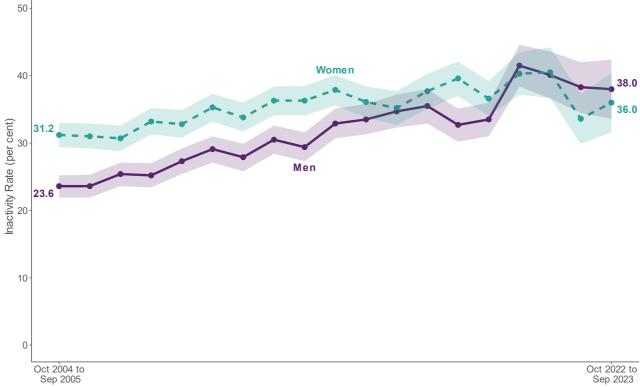
#### **Economic Inactivity by Sex**

In October 2022 to September 2023, there were an estimated 105,400 inactive men aged 16 to 24 and 99,100 inactive women aged 16 to 24 in Scotland.

The estimated inactivity rate for 16 to 24 year old men was 38.0 per cent, 0.3 percentage points (pp) lower than a year ago (38.3 per cent) but 4.5 pp higher than in October 2018 to September 2019 (33.5 per cent). While the estimated inactivity rate for 16 to 24 year old women was 36.0 per cent, 2.4 pp higher than a year ago (33.6 per cent) but 0.6 pp lower than in October 2018 to September 2019 (36.6 per cent).

# Chart 6: The gap between the economic inactivity rates for men and women aged 16 to 24 has generally been narrowing over time

Economic inactivity rate estimates for men and women aged 16 to 24 in Scotland, October 2004 to September 2005 through to October 2022 to September 2023



### Glossary

**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.

**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.

**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

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

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

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

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

### Data and Methodology

#### **Reliability of estimates**

Estimates from the ONS Annual Population Survey for October 2004 to September 2005 through to October 2022 to September 2023 are presented. For the latest time period, the sample size is around 9,000 households in Scotland.

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

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

#### **Confidence Intervals**

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

What does the 95 per cent confidence limit mean?

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

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

#### **Statistical Significance**

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

#### Quality Assurance

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

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

These checks include:

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

Further checks relate to:

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

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

#### How to access background or source data

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

ONS Annual Population Survey data for employment, unemployment, and economic inactivity by age for Scotland, alongside a range of other labour market indicators, are also made available on the <u>Scottish Government Open Data</u> <u>Platform</u>.

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

#### Context

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

The APS is used to measure a number of indicators in the Scottish Government <u>National Performance Framework</u> (NPF). The estimates help to measure progress

towards high level outcomes, Education and Fair Work and Business. Where possible, information on the NPF split by age is published on the Equality Evidence Finder.

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

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

A range of labour market statistics for Scotland, including disability, are available on the <u>Scottish Government website</u>.

## Tell us what you think

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

#### Feedback survey

We'd appreciate it if you would complete our short <u>feedback survey</u> on this publication.

#### Enquiries

For enquiries about this publication please contact:

Labour Market Statistics Office of the Chief Economic Adviser Telephone: 0131 244 6773 E-mail: LMStats@gov.scot

For general enquiries about Scottish Government statistics please contact:

Office of the Chief Statistician E-mail: <u>statistics.enquiries@gov.scot</u>

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