#### **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,
January to December 2023,
first published 13 March 2024

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 January to December 2023. Data are sourced from the Annual Population Survey (APS), first released on 13 March 2024 by the Office for National Statistics (ONS).

The APS statistics included in this release are labelled official statistics in development.

Official statistics in development may be new or existing statistics, and will be tested with users, in line with the standards of trustworthiness, quality, and value in the Code of Practice for Statistics.

The National Statistics badge has been removed from ONS APS publications, following its removal from the Labour Force Survey (LFS) in February 2024. This reflects the reduction in survey responses seen in the LFS which will have some impact on the APS and also that the APS does not reflect the most recent population weighting.



## **Key points**

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

In Scotland in January to December 2023:

- the estimated employment rate for 16 to 24 year olds was 55.9 per cent
- the estimated unemployment rate for 16 to 24 year olds was 9.9 per cent
- the estimated economic inactivity rate for 16 to 24 year olds was 37.9 per cent Compared with the previous year:
  - the employment rate for 16 to 24 year olds decreased by 2.0 percentage points
  - the unemployment rate for 16 to 24 year olds increased by 0.1 percentage points
- the inactivity rate for 16 to 24 year olds increased by 2.1 percentage points Compared with the United Kingdom as a whole:
  - the employment rate for 16 to 24 year olds in Scotland was higher (55.9 per cent compared to 54.0 per cent)
  - the unemployment rate for 16 to 24 year olds in Scotland was lower (9.9 per cent compared to 10.4 per cent)
  - the inactivity rate for 16 to 24 year olds in Scotland was lower (37.9 per cent compared to 39.8 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 56.7 per cent)
- the estimated unemployment rate for men was higher than women (11.4 per cent compared to 8.3 per cent)
- the estimated economic inactivity rate for men was lower than women (37.7 per cent compared to 38.2 per cent)

The estimated unemployment rate for women aged 16 to 24 years is from a small sample size. This estimate should be used with caution.

Estimates by local authority are not included in the commentary of this publication this quarter, although these estimates are provided in tables 8 and 9. This is due to increasing uncertainty around the survey estimates. While estimates remain robust for headline measures at Scotland 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 January to December 2023. Data are sourced from the Annual Population Survey (APS); first released on 13 March 2024 by the Office for National Statistics (ONS).

#### An Official Statistics in Development Publication for Scotland

These statistics are official statistics in development. Official statistics in development may be new or existing statistics, and will be tested with users, in line with the standards of trustworthiness, quality, and value in the <a href="Code of Practice for Statistics">Code of Practice for Statistics</a>.

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 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 Code of Practice 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 ONS published LFS estimates for 16 to 24 year olds in Scotland as part of an <u>ad-hoc data request</u> this month due to the data not being published as part of the usual ONS regional labour market release. These statistics are official statistics in development. Official statistics in development may be new or existing statistics, and will be tested with users, in line with the standards of trustworthiness, quality, and value in the Code of Practice for Statistics.

ONS have published an <u>article</u> which explains the recent reintroduction of the Labour Force Survey estimates and the impact of reweighting the key indicators for the UK.

Due to the ongoing challenges with response rates, ONS Labour Force Survey estimates will be badged as official statistics in development until further review. The ONS Annual Population Survey data will also be considered as official statistics in development. While the APS has not been as affected by the reduction in responses, there will be an impact and the APS is not using the updated weights that have been applied to the LFS.

Compared to the APS, the LFS shows similar long-term labour market trends for 16 to 24 year olds in Scotland.

The population totals used for the latest APS estimates differ from the population totals used in the reweighted LFS estimates and 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**

The Office for National Statistics (ONS) have the ambition of transforming the Labour Force Survey (LFS) to enable a more adaptive and responsive survey to meet user needs and maintain the quality of labour market statistics. They are publishing articles on the transformation. On 14 November 2023 ONS published an article on the latest progress of the Labour Force Survey transformation.

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

# **Employment**

#### **Overall**

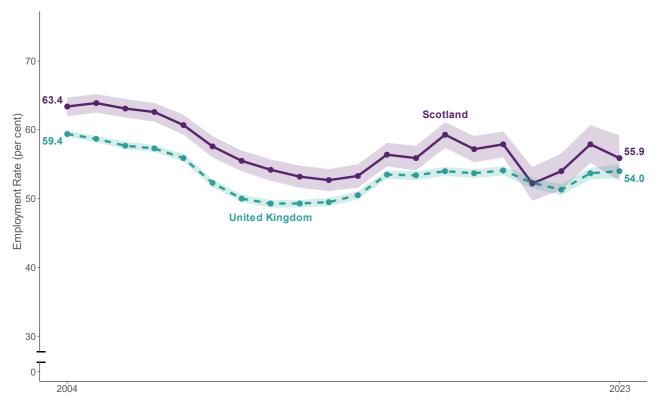
In January to December 2023, an estimated 309,400 people aged 16 to 24 were in employment in Scotland. This is 9,300 less than the number of 16 to 24 year olds employed in 2022.

The estimated employment rate for 16 to 24 year olds was 55.9 per cent in 2023. This was 2.0 percentage points (pp) lower than the year before (57.9 per cent) and 1.9 pp lower than in 2019 (57.9 per cent). January to December 2019 is the last data point in the January to December series before the COVID-19 pandemic.

For the United Kingdom as a whole, the estimated employment rate for 16 to 24 year olds was 54.0 per cent. This was 0.3 pp higher than a year ago (53.7 per cent) but 0.1 pp lower than in 2019 (54.1 per cent).

# Chart 1: The employment rate for people aged 16 to 24 in Scotland has exceeded the United Kingdom rate in all years except for 2020

Employment rate estimates for persons aged 16 to 24, Scotland and the United Kingdom, January to December 2004 through to January to December 2023



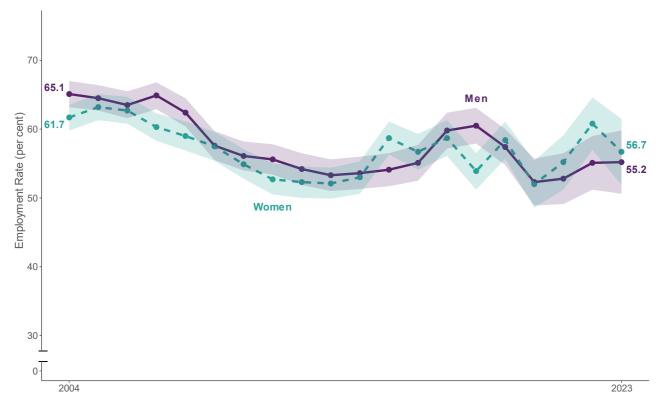
#### **Employment by Sex**

In January to December 2023, an estimated 153,300 men and 156,100 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) higher than a year ago (55.1 per cent) and 2.2 pp lower than in 2019 (57.4 per cent). While the estimated employment rate for 16 to 24 year old women was 56.7 per cent, 4.1 pp lower than a year ago (60.8 per cent) and 1.7 pp lower than in 2019 (58.4 per cent).

Chart 2: The employment rate for women aged 16 to 24 was consistently lower than for men until 2014 when it began to fluctuate but since 2021 the employment rate of women has been consistently higher than for men

Employment rate estimates for men and women aged 16 to 24 in Scotland, January to December 2004 through to January to December 2023



Source: Annual Population Survey, January to December 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**

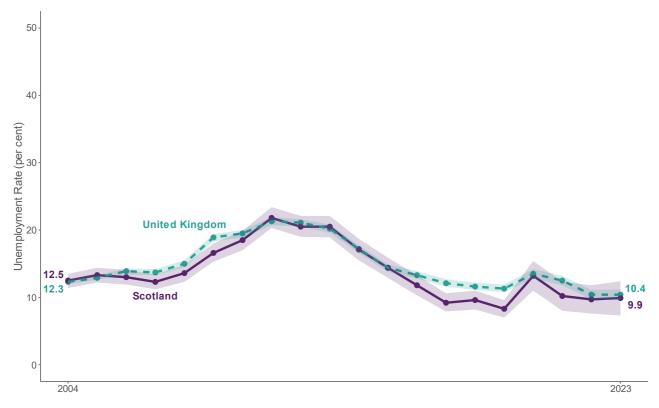
In January to December 2023, an estimated 33,900 people aged 16 to 24 were unemployed in Scotland. This is 400 less than the number of unemployed 16 to 24 year olds in 2022.

The estimated unemployment rate for 16 to 24 year olds was 9.9 per cent in 2023. This was 0.1 percentage points (pp) higher than a year ago (9.7 per cent) and 1.5 pp higher than in 2019 (8.3 per cent). January to December 2019 is the last data point in the January to December 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 10.4 per cent. This was the same as the year before and 0.9 pp lower than in 2019 (11.3 per cent).

# Chart 3: The unemployment rate for people aged 16 to 24 in Scotland had been broadly similar to the United Kingdom rate until 2015 and since 2016 Scotland has a lower unemployment rate

Unemployment rate estimates for persons aged 16 to 24, Scotland and the United Kingdom, January to December 2004 through to January to December 2023



#### **Unemployment by Sex**

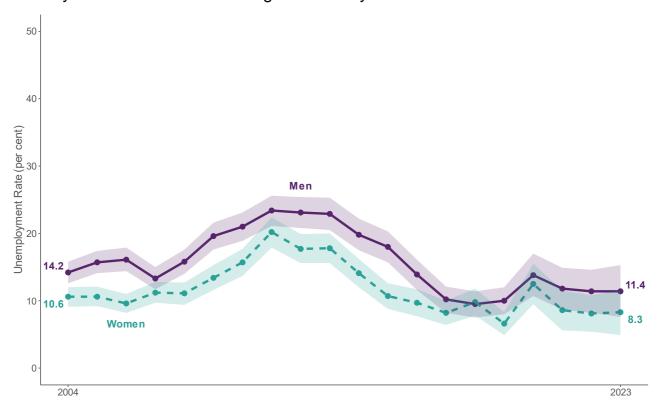
In January to December 2023, there were an estimated 19,800 unemployed men aged 16 to 24 and 14,000 unemployed women aged 16 to 24 in Scotland.

The estimated unemployment rate for 16 to 24 year old men was 11.4 per cent, the same as a year ago and 1.5 percentage points (pp) higher than in 2019 (10.0 per cent). While the estimated unemployment rate for 16 to 24 year old women was 8.3 per cent, 0.2 pp higher than a year ago (8.1 per cent) and 1.6 pp higher than in 2019 (6.6 per cent).

The estimates of unemployment for women aged 16 to 24 years in 2023 are from a small sample size. These estimates and the estimates of change in unemployment rates for 16 to 24 year olds women should be used with caution.

# Chart 4: The unemployment rate for men aged 16 to 24 has exceeded the employment rate for women in all years except for 2018

Unemployment rate estimates for men and women aged 16 to 24 in Scotland, January to December 2004 through to January to December 2023



Source: Annual Population Survey, January to December datasets, ONS Shaded areas represent 95 percent confidence intervals.

The estimate of unemployment for 16 to 24 year old women in 2023 is from a small sample size. This estimate should be used with caution.

# **Economic Inactivity**

#### **Overall**

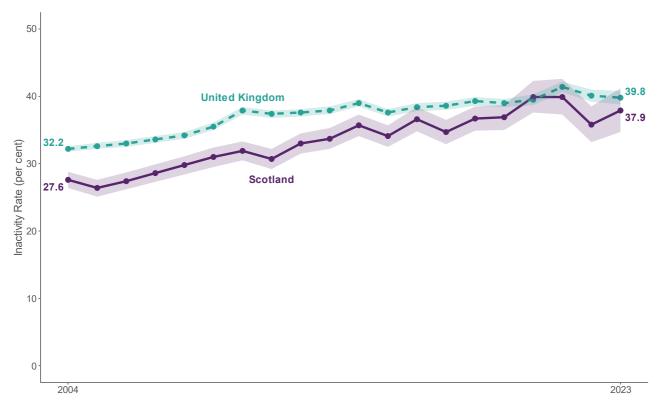
In January to December 2023, there were an estimated 209,900 economically inactive 16 to 24 year olds in Scotland. This is 12,700 higher than the number of inactive 16 to 24 year olds in 2022. Over three quarters (75.6 per cent) of inactive 16 to 24 year olds were estimated to be in full-time education in 2023.

The estimated inactivity rate was 37.9 per cent in 2023. This was 2.1 percentage points (pp) higher than a year ago (35.8 per cent) and 1.1 pp higher than in 2019 (36.9 per cent). January to December 2019 is the last data point in the January to December 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 39.8 per cent. This was 0.3 pp lower than a year ago (40.1 per cent) but 0.8 pp higher than 2019 (39.0 per cent).

# Chart 5: The economic inactivity rate for people aged 16 to 24 in Scotland has typically been 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, January to December 2005 through to January to December 2023



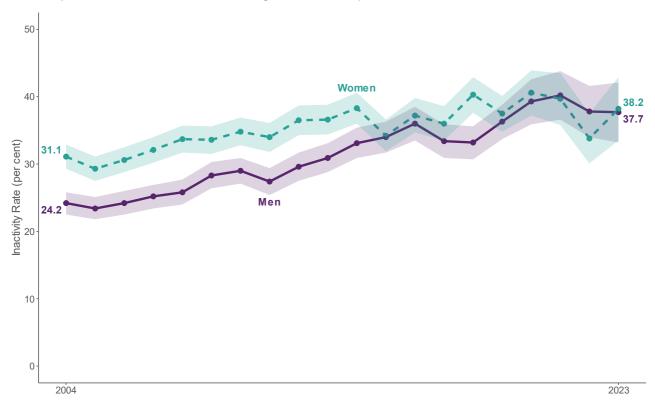
#### **Economic Inactivity by Sex**

In January to December 2023, there were an estimated 104,700 inactive men aged 16 to 24 and 105,200 inactive women aged 16 to 24 in Scotland.

The estimated inactivity rate for 16 to 24 year old men was 37.7 per cent, 0.1 percentage points (pp) lower than a year ago (37.8 per cent) but 1.4 pp higher than in 2019 (36.3 per cent). While the estimated inactivity rate for 16 to 24 year old women was 38.2 per cent, 4.4 pp higher than a year ago (33.8 per cent) and 0.8 pp higher than in 2019 (37.5 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, January to December 2004 through to January to December 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 ONS 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 January to December 2004 through to January to December 2023 are presented. For the latest time period, the sample size is around 8,500 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.

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 ± 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 <a href="Scottish Government Open Data">Scottish Government Open Data</a> Platform.

ONS also release rolling quarterly Annual Population Survey datasets covering the periods April to March, July to June, and October to September. The data for these time periods have not been used or presented within this publication. The data for these time periods are available 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 National Performance Framework (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 <u>Equality Evidence</u> Finder.

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

A range of labour market statistics for Scotland, including disability and ethnicity, 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:

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