

National Assembly for Wales

Unemployment Briefing September 2012

This briefing paper provides a statistical overview of unemployment trends.

Information is included on Assembly constituencies, Wales and UK nations and regions.

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National Assembly for Wales

Unemployment Briefing
September 2012

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Unemployment Briefing: September 2012

Introduction

Unemployment statistics are published each month by the Office for National Statistics (ONS). This paper is released shortly after the ONS data and aims to provide a brief summary of the latest unemployment situation in Wales and the UK.

Section 1 contains headline figures and analysis. Additional information is provided in sections 2 to 6.

As well as information relating to the International Labour Organisation (ILO) and claimant count measures, this paper also includes unofficial residence-based claimant count rates for Assembly Constituencies. These are an alternative measure to those published by the ONS. Due to a slight change in methodology, the unofficial claimant count rates in this briefing are not comparable with those contained in issues previous to August 2010. Further information is available in the Technical Annex.

1: Headlines

LFS headline indicators and ILO unemployment ¹

- In May to July 2012, the number of people in employment in Wales was 1,357,000. This has increased by 25,000 since the previous quarter and increased by 33,000 since the previous year;
- In May to July 2012, the number of ILO unemployed in Wales was 132,000. This has increased by 1,000 since the previous quarter and increased by 9,000 since the previous year;
- In May to July 2012, the ILO unemployment rate in Wales was 8.9 per cent. This has risen from 8.5 per cent in May to July 2011. The male ILO rate was 9.2 per cent, which has decreased from 10.8 per cent since the previous year. The female ILO rate was 8.4 per cent, which has increased from 5.7 per cent since the previous year. *Figure 2.1*;
- In April 2011 to March 2012, 50,900 people aged 16-24 were ILO unemployed; the ILO rate for 16-24 year olds was 23.9 per cent. *Table 5.1 and Figure 5.1*; and
- In May to July 2012 the number of economically inactive² people in Wales aged between 16 and 64 was 464,000. This has decreased by 13,000 since the previous quarter and decreased by 29,000 since the previous year.

Claimant count ³

- In August 2012, the total claimant count rate in Wales was 5.5 per cent. This compares to 5.4 per cent in August 2011. *Figure 2.2*;
- The claimant count total in Wales has decreased by 200 since the previous month and increased by 2,200 since the previous August;
- The claimant count for the 18-24 age group has increased by 255 since the previous month and decreased by 1,020 since the previous August. *Table 5.2*; and
- The Assembly Constituencies with the highest claimant count rates in August 2012 (based on unofficial estimates) were Blaenau Gwent (12.2 per cent) and Merthyr Tydfil and Rhymney (11.8 per cent). The lowest claimant count rate estimates were in Ceredigion (2.8 per cent) and Montgomeryshire (2.9 per cent). *Table 6.2*.

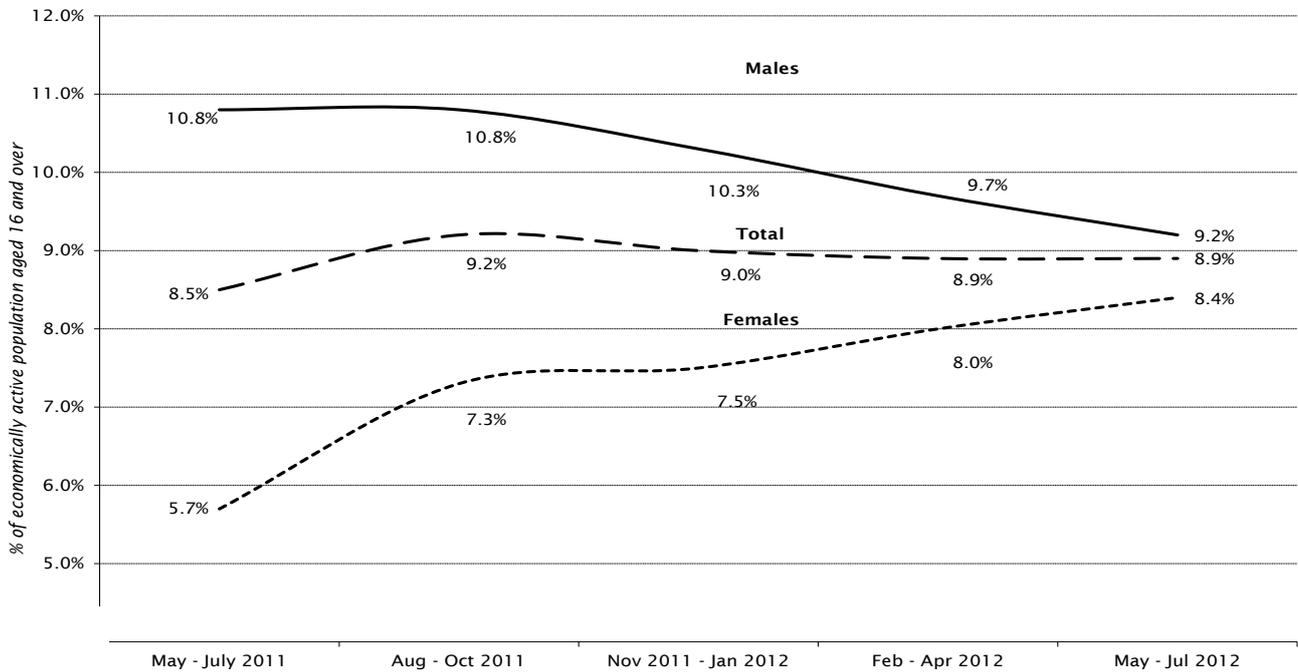
¹ The **International Labour Organisation (ILO)** unemployment rate is the number of ILO unemployed persons as a percentage of the economically active population aged 16 and over. It includes those who are out of work and want a job, have actively sought work in the last four weeks and are available 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 derived from a household survey carried out by the Office for National Statistics each quarter and is the primary measure of unemployment.

² **Economic inactivity** is defined as those who do not want a job, those who want a job but have not been seeking work in the four last weeks, and those who want a job and are seeking work but are not available to start work.

³ The **claimant count** measures only those people who are claiming Jobseeker's Allowance. It is lower than the ILO definition, because some unemployed people are either not entitled to claim benefits, or choose not to do so. Rates for Assembly Constituencies are unofficial estimates produced by the Research Service (see the Technical Annex).

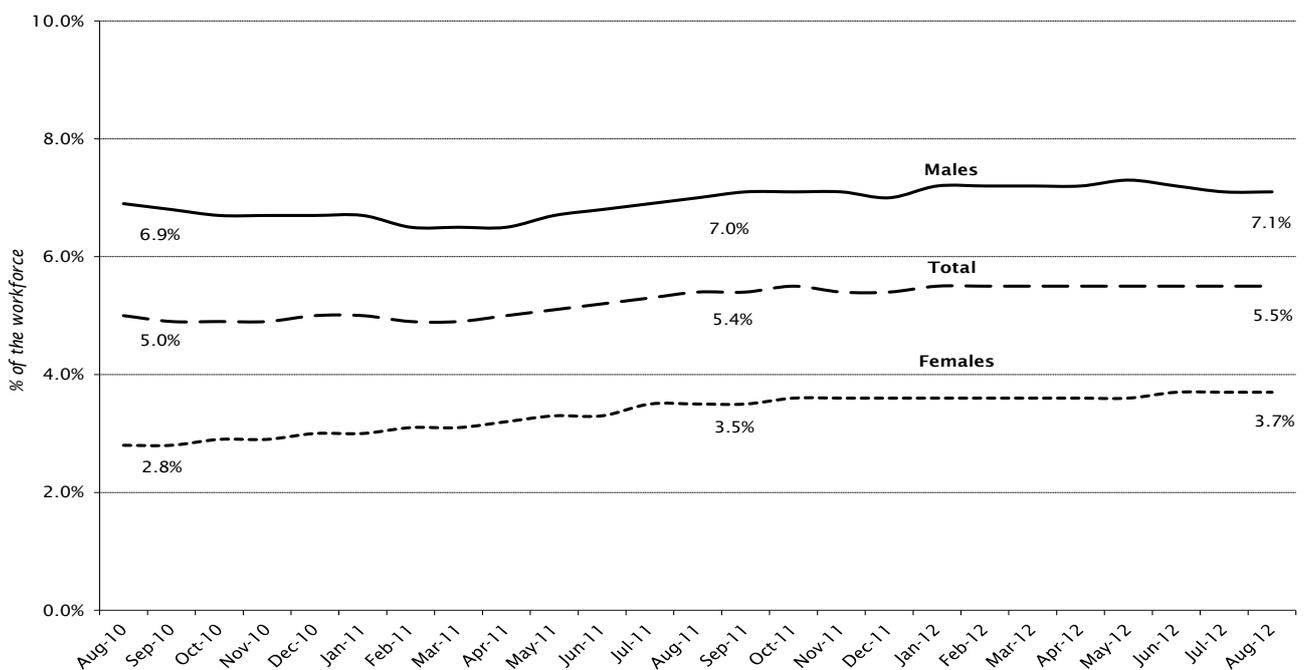
2: Unemployment statistics for Wales ⁴

Figure 2.1: ILO unemployment rates



Source: Office for National Statistics, [Regional Labour Market Statistics – September 2012 Headline indicators for Wales: Table 1 – Summary of LFS headline indicators](#)

Figure 2.2: Claimant count rates



Source: Office for National Statistics, [Claimant Count and Vacancies series](#)

⁴ See Technical Annex for definitions of unemployment data used in this paper.

3: Unemployment statistics for UK nations

Table 3.1: ILO unemployment rates

May to July	Wales	England	Scotland	Northern Ireland	UK
2012	8.9	8.0	8.2	8.2	8.1
2011	8.5	8.0	7.7	7.4	8.0
2010	8.5	7.7	8.9	6.7	7.8

Source: Office for National Statistics, [Regional Labour Market Statistics – September 2012 Summary of headline indicators – Table 1](#) and Stats Wales [\[000430\]](#)

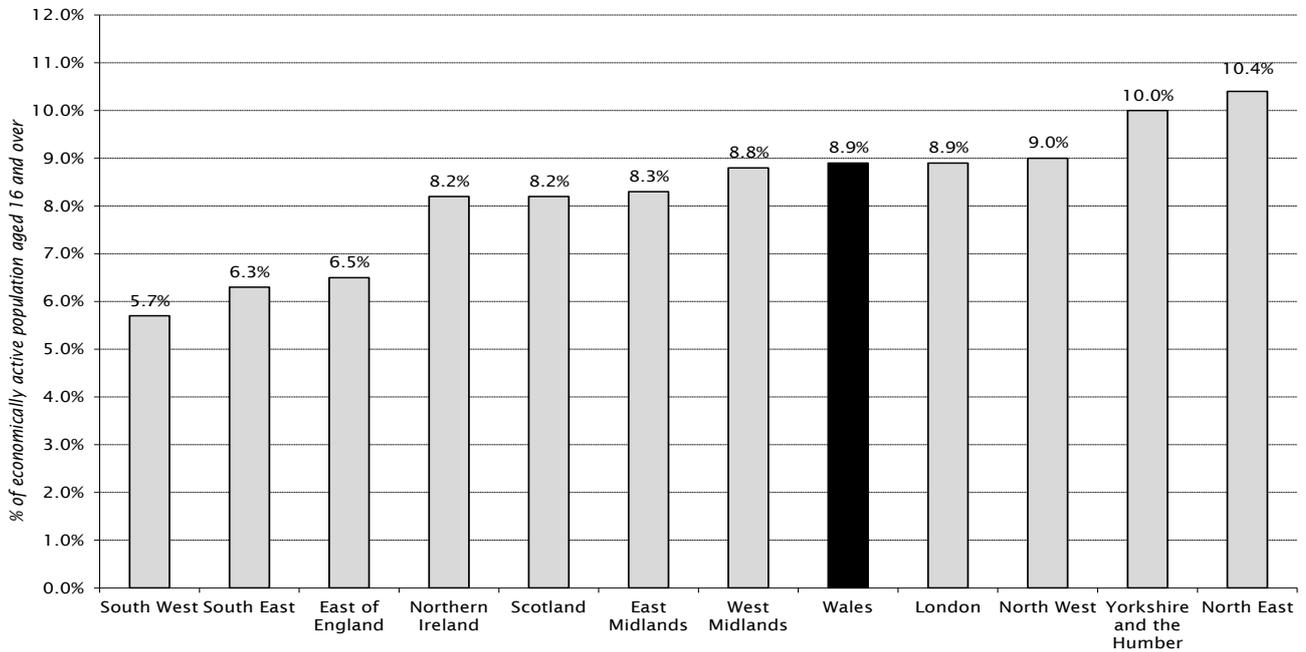
Table 3.2: Claimant count rates

August	Wales	England	Scotland	Northern Ireland	UK
2012	5.5	4.7	5.2	6.9	4.8
2011	5.4	4.7	5.3	6.6	4.8
2010	5.0	4.3	4.9	6.3	4.4

Source: Office for National Statistics, [Regional Labour Market Statistics – September 2012 Summary of headline indicators – Table 2](#) and Stats Wales [\[007317\]](#)

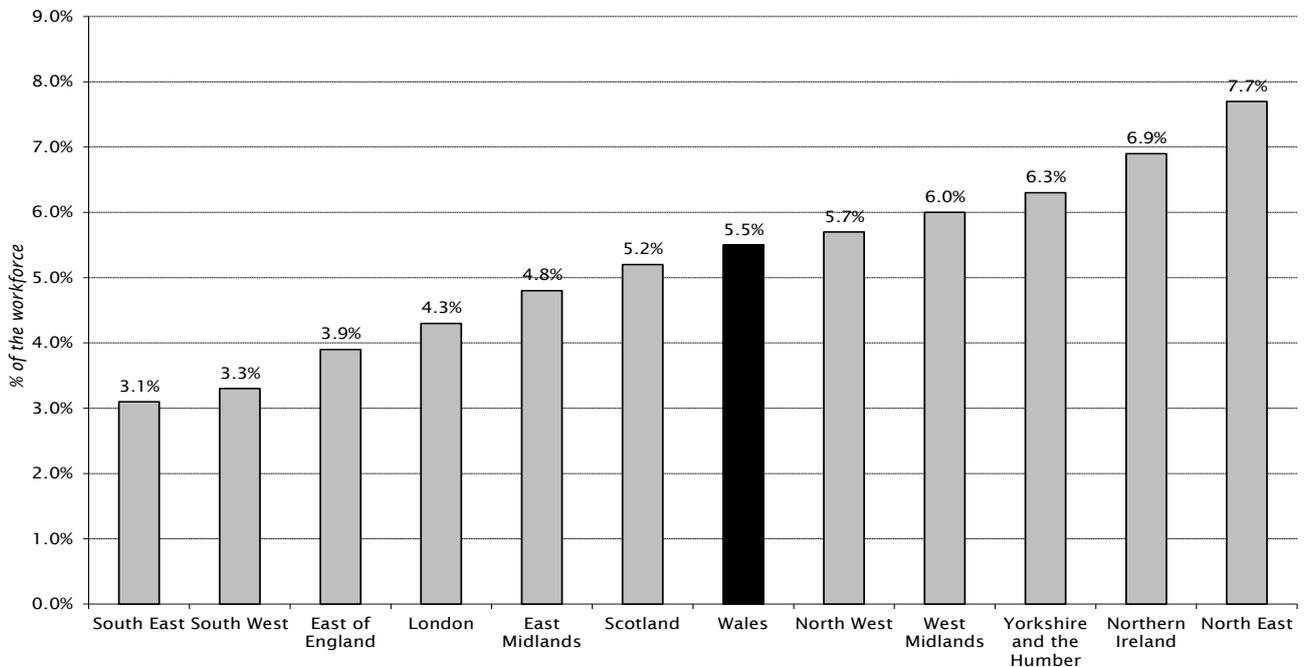
4: Unemployment statistics for UK nations and regions

Figure 4.1: ILO unemployment rates (May to July 2012)



Source: Office for National Statistics, [Regional Labour Market Statistics – September 2012 Summary of headline indicators – Table 1](#)

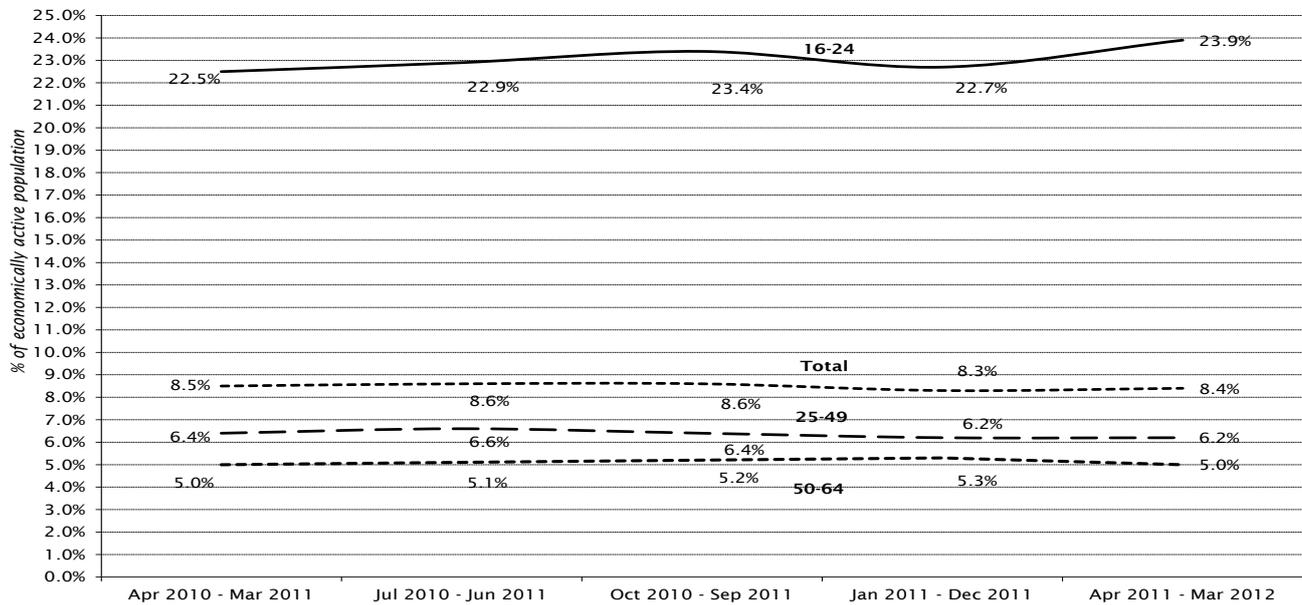
Figure 4.2: Claimant count rates (August 2012)



Source: Office for National Statistics, [Regional Labour Market Statistics – September 2012 Summary of headline indicators – Table 2](#)

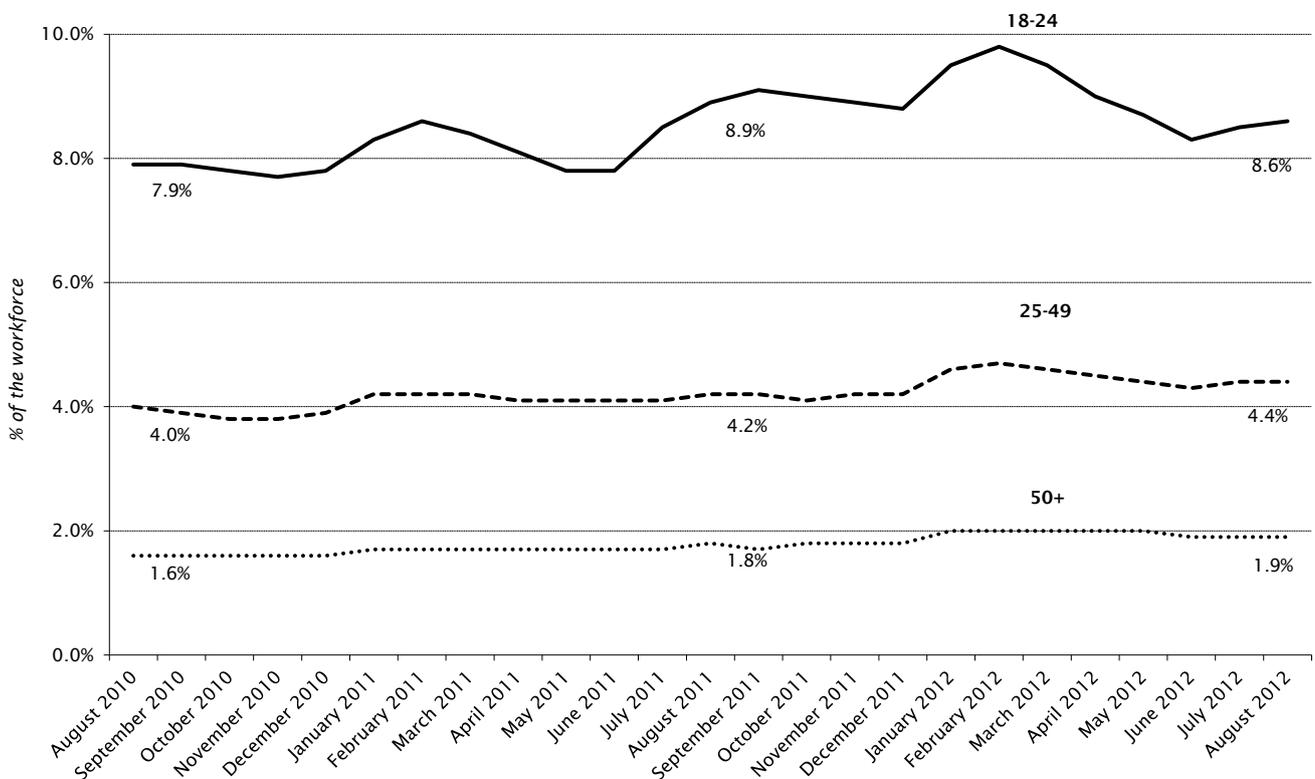
5. Unemployment by age group

Figure 5.1: ILO unemployment rates by age group (not seasonally adjusted)



Source: Office for National Statistics, [NOMIS Official Labour Market Statistics](#)

Figure 5.2: Claimant count rate by age group (not seasonally adjusted)⁵



Source: Office for National Statistics, [NOMIS Official Labour Market Statistics: Labour Market Profile Wales](#)

⁵ Claimant count rates by age group are calculated by the Office for National Statistics as a rate of the population, and do not take into account the proportion of people who are economically inactive.

Table 5.1: Number of ILO unemployed people by age group (not seasonally adjusted)

	16-24	25-49	50-64	16 and over
Apr 2010 - Mar 2011	49,800	50,600	18,300	119,500
Jul 2010 - Jun 2011	49,500	52,500	18,600	121,300
Oct 2010 - Sep 2011	50,300	50,700	19,200	121,100
Jan 2011 - Dec 2011	49,100	49,100	19,500	118,800
Apr 2011 - Mar 2012	50,900	49,800	18,700	120,500

Source: Office for National Statistics, [NOMIS Official Labour Market Statistics](#)

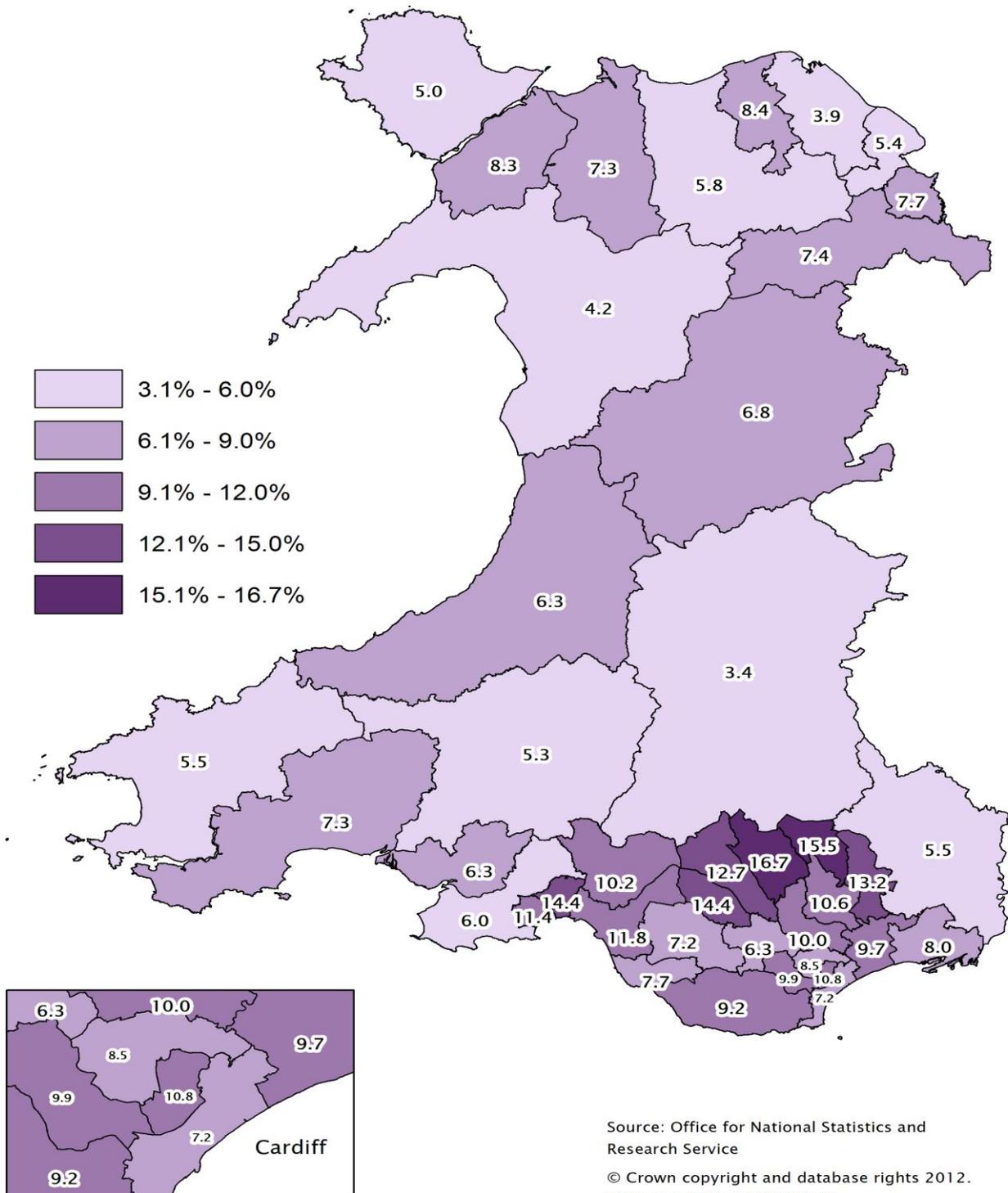
Table 5.2: Number of people claiming Jobseekers Allowance, by age group (not seasonally adjusted)

	18-24	25-49	50+
August 2010	23,560	37,240	9,420
September 2010	23,640	36,440	9,190
October 2010	23,130	35,515	9,200
November 2010	22,975	36,185	9,330
December 2010	23,150	37,165	9,530
January 2011	24,645	40,000	10,190
February 2011	25,685	40,050	10,185
March 2011	25,185	39,275	10,045
April 2011	24,090	38,760	9,970
May 2011	23,335	38,505	9,850
June 2011	23,185	38,215	9,925
July 2011	25,335	39,055	10,080
August 2011	26,645	39,640	10,220
September 2011	27,170	39,340	10,115
October 2011	26,880	39,105	10,220
November 2011	26,415	39,180	10,400
December 2011	26,160	39,635	10,650
January 2012	28,200	43,140	11,550
February 2012	29,110	43,835	11,760
March 2012	28,455	43,290	11,680
April 2012	26,770	41,985	11,520
May 2012	25,920	41,090	11,360
June 2012	24,665	40,830	11,180
July 2012	25,370	41,275	11,150
August 2012	25,625	41,915	11,230

Source: Office for National Statistics, [NOMIS Official Labour Market Statistics: Labour Market Profile Wales](#)

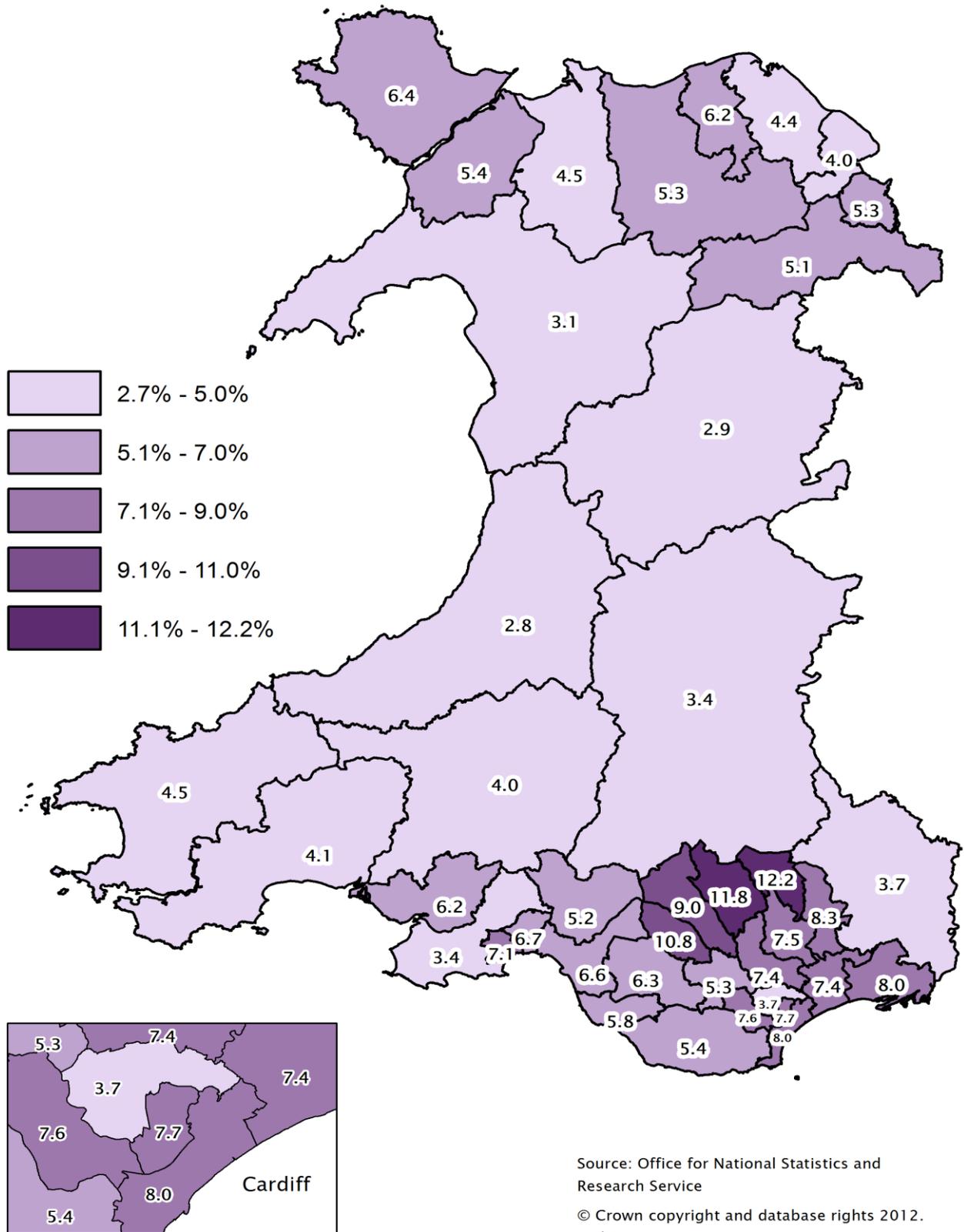
6: Unemployment statistics for Assembly constituencies

Map 6.1: ILO unemployment rates by Assembly constituency (April 2011 to March 2012)⁶



⁶ Latest available data (not seasonally adjusted). The rate is the number of ILO unemployed persons as a percentage of the economically active population aged 16 and over.

Map 6.2: Unofficial claimant count rates by Assembly Constituency, August 2012 ⁷



Source: Office for National Statistics and Research Service

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⁷ Source: Research Service. Claimants of Job Seekers Allowance as a **percentage** of the economically active population aged between 16 and 64. See technical annex for details.

**Table 6.1 Claimant count by Assembly Constituency, August 2012
(not seasonally adjusted)**

Constituency	Men	Women	People
Aberavon	1,081	603	1,684
Aberconwy	753	333	1,086
Alyn and Deeside	1,013	582	1,595
Arfon	974	406	1,380
Blaenau Gwent	2,209	1,186	3,395
Brecon and Radnorshire	673	374	1,047
Bridgend	1,257	713	1,970
Caerphilly	1,752	939	2,691
Cardiff Central	2,043	843	2,886
Cardiff North	1,075	495	1,570
Cardiff South and Penarth	2,480	1,188	3,668
Cardiff West	2,082	966	3,048
Carmarthen East and Dinefwr	774	383	1,157
Carmarthen West and South Pembrokeshire	919	402	1,321
Ceredigion	601	290	891
Clwyd South	1,085	583	1,668
Clwyd West	1,105	523	1,628
Cynon Valley	1,606	864	2,470
Delyn	905	561	1,466
Dwyfor Meirionnydd	518	246	764
Gower	760	381	1,141
Islwyn	1,520	836	2,356
Llanelli	1,300	677	1,977
Merthyr Tydfil and Rhymney	2,173	1,097	3,270
Monmouth	856	467	1,323
Montgomeryshire	547	308	855
Neath	1,022	545	1,567
Newport East	1,801	919	2,720
Newport West	1,917	892	2,809
Ogmore	1,366	657	2,023
Pontypridd	1,302	639	1,941
Preseli Pembrokeshire	975	431	1,406
Rhondda	1,924	935	2,859
Swansea East	1,522	752	2,274
Swansea West	1,536	616	2,152
Torfaen	1,991	964	2,955
Vale of Clwyd	1,340	620	1,960
Vale of Glamorgan	1,665	771	2,436
Wrexham	1,171	564	1,735
Ynys Mon	1,235	599	1,834

Source: Office for National Statistics, [Regional Labour Market Statistics – September 2012: Table JSA02 Claimant count for Parliamentary Constituencies](#)

Table 6.2: Unofficial residence-based claimant count rates by Assembly Constituency, August 2012 (not seasonally adjusted) (a)

Constituency	Men	Women	People
Aberavon	7.6	5.3	6.6
Aberconwy	5.8	3.0	4.5
Alyn and Deeside	4.6	3.2	4.0
Arfon	7.0	3.5	5.4
Blaenau Gwent	14.5	9.5	12.2
Brecon and Radnorshire	4.0	2.7	3.4
Bridgend	6.8	4.7	5.8
Caerphilly	8.8	5.7	7.4
Cardiff Central	10.0	4.9	7.7
Cardiff North	4.8	2.5	3.7
Cardiff South and Penarth	10.0	5.6	8.0
Cardiff West	9.7	5.2	7.6
Carmarthen East and Dinefwr	4.9	2.9	4.0
Carmarthen West and South Pembrokeshire	5.4	2.7	4.1
Ceredigion	3.4	2.0	2.8
Clwyd South	6.0	4.0	5.1
Clwyd West	6.7	3.7	5.3
Cynon Valley	10.8	6.9	9.0
Delyn	5.0	3.8	4.4
Dwyfor Meirionnydd	3.7	2.2	3.1
Gower	4.2	2.4	3.4
Islwyn	8.8	5.9	7.5
Llanelli	7.6	4.7	6.2
Merthyr Tydfil and Rhymney	14.2	8.8	11.8
Monmouth	4.4	2.8	3.7
Montgomeryshire	3.3	2.3	2.9
Neath	6.1	4.0	5.2
Newport East	9.6	6.0	8.0
Newport West	9.4	5.1	7.4
Ogmore	7.6	4.6	6.3
Pontypridd	6.6	3.8	5.3
Preseli Pembrokeshire	5.7	3.1	4.5
Rhondda	13.0	8.0	10.8
Swansea East	8.2	4.9	6.7
Swansea West	9.1	4.5	7.1
Torfaen	10.2	6.0	8.3
Vale of Clwyd	7.9	4.2	6.2
Vale of Glamorgan	6.9	3.7	5.4
Wrexham	6.5	3.8	5.3
Ynys Mon	7.8	4.6	6.4

Source: Research Service

(a) Claimants of Job Seekers Allowance as a percentage of the economically active population aged 16 to 64. See technical annex for details.

Technical Annex: Definitions of unemployment data

ILO unemployment

Definition: ILO (International Labour Organisation) unemployment is the number of those who are out of work and want a job, have actively sought work in the last four weeks and are available to start 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.

Methodology used for calculating rates: ILO rates are calculated as a percentage of the population aged 16 and over who are economically active. Economically active people are those who are either in work or are unemployed under the ILO definition.

Source: The number of ILO unemployed is derived from the Labour Force Survey (LFS). The LFS is a sample survey of around 60,000 UK households carried out by the Office for National Statistics (ONS). The ONS states that quarter on quarter changes at regional level are particularly subject to sampling variability and **should be interpreted in the context of changes over several quarters rather than in isolation**. The figures have also been adjusted by ONS to take account of seasonal factors.

Availability by age group and geographical area: The sample based nature of the LFS means that data for different age groups and areas within Wales (such as Assembly Constituencies and local authorities) is not available on a rolling three-monthly basis. Data for age groups, Assembly Constituencies and local authorities is only available on a rolling twelve-monthly basis, updated once a quarter.

Usage: ILO unemployment is now the headline unemployment indicator for the UK. It is a more encompassing measure of unemployment than the claimant count and enables international comparison of rates. The definition is used by most other countries, as well as Eurostat (the Statistical Office of the European Union), and the OECD (Organisation for Economic Co-operation and Development).

Claimant Count

Definition: The claimant count measures the number of people who are claiming Jobseekers Allowance.

Methodology used for calculating rates: Two methods have been used in this paper;

1. Workplace based rates. These rates have been calculated as the number of claimants resident in each area as a percentage of workforce jobs plus the claimant count. This approach is used for all figures and tables apart from those containing figures for Assembly Constituencies; and
2. Unofficial claimant count rates. The UK Parliamentary Constituencies introduced for the 2010 general election are the **same** as Assembly Constituencies. Claimant count **proportions for constituencies** are available from the Office for National Statistics (ONS). The ONS claimant count proportions use the population aged 16 to 64 as a denominator and so take no account of differences between areas in the proportion that are economically active.

Claimant count **rates for Assembly Constituencies** have been calculated by the Research Service, expressing the number of claimants as a percentage of the economically active population aged 16 to 64 who are resident in the constituency. This produces an alternative measure of unemployment to those published by the ONS. The proportion of economically active residents in each constituency is derived from the 2001 Census of Population and then applied to the 2008 resident population estimates of the number aged 16-64, as produced by the ONS.

This is a change from the methodology used from May to July 2010, when the number of claimants was expressed as a percentage of the economically active residents **of working age** derived from the 2001 Census of Population and the 2008 population estimates. Prior to May 2010, the number of claimants was expressed as a percentage of economically active residents aged 16 and over, derived exclusively from the 2001 Census of Population. These changes are in line with new methodologies adopted by the House of Commons Library.

Source: The claimant count comes from the administrative records of Jobcentre Plus. It is always lower than the ILO measure of unemployment because some unemployed people are either not entitled to claim Jobseekers allowance, or choose not to do so. The figures have also been adjusted by ONS to take account of seasonal factors (apart from those shown in Maps 5.1 and 5.2, and Tables 5.1 and 5.2).

Availability by age group and geographical area: Claimant count statistics are available on a monthly basis by age group, and also across a broad range of smaller administrative areas, including Assembly Constituencies, local authorities and wards.

Usage: Although it only provides a partial picture, the greater coverage and timeliness of the claimant count is useful to maintain a picture of the labour market at a local level.