

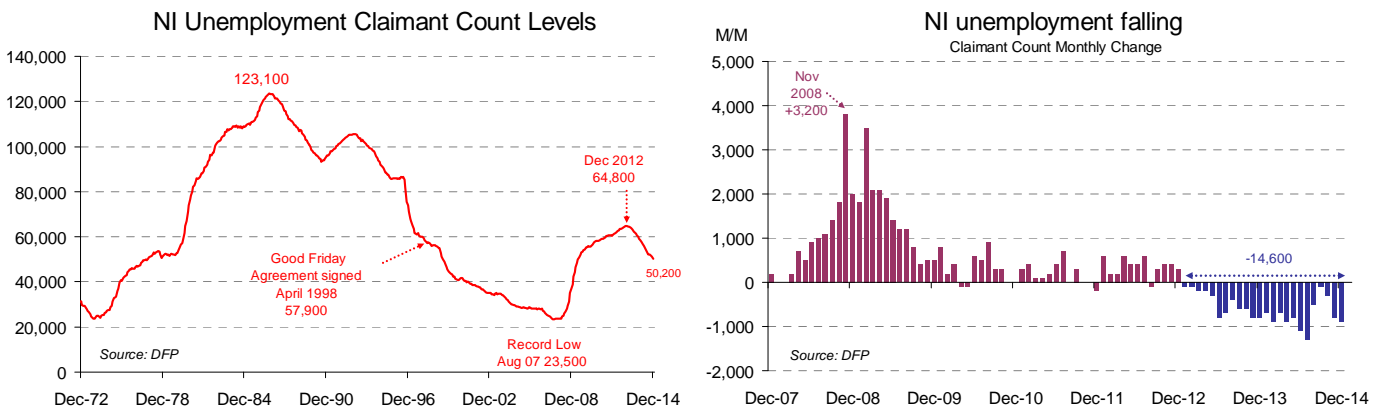
NI Labour Market Statistics – January 2015

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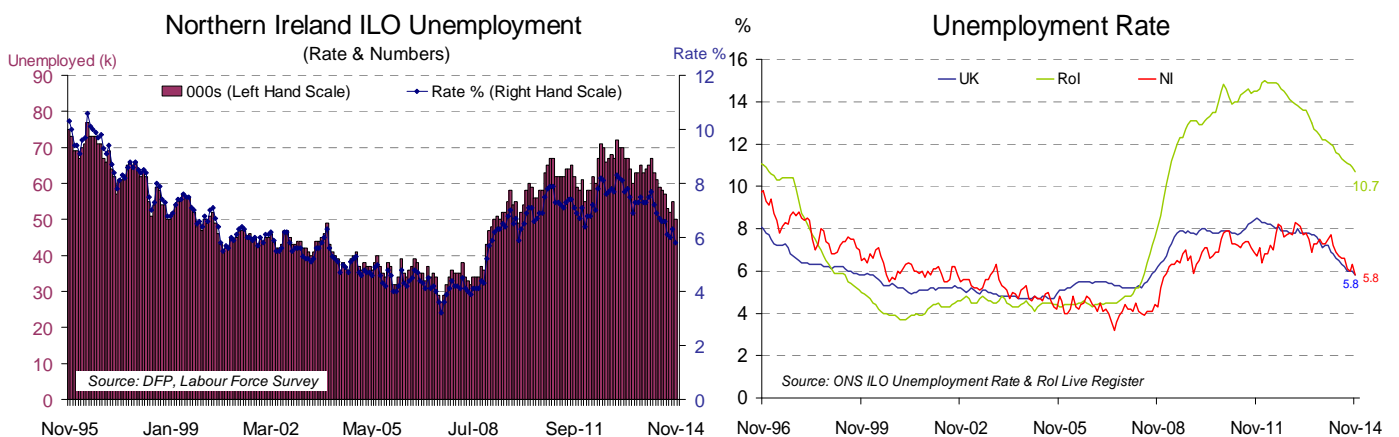
NI's claimant count falls for the 24th month in a row

Another encouraging set of headlines as far as the latest unemployment figures are concerned. Northern Ireland's claimant count fell for the 24th consecutive month in December with the number of individuals claiming unemployment benefit decreasing by 900 last month. This takes Northern Ireland's total claimant count to 50,200 which represents the lowest level since June 2009 and some 14,600 below the recent peak in December 2012. Despite this steady decline in unemployment over the last two years, almost two-thirds of the rise in claimant count unemployment that occurred during the downturn remains. A return to the pre-recession record low of 23,500 in the summer of 2007 is not expected under any scenario in the future. Whilst the trend of falling rates and levels of unemployment is encouraging, Northern Ireland still compares unfavourably with other UK regions. Northern Ireland's claimant count unemployment rate of 5.7% is more than double the UK rate and the highest of all the UK regions.



NI's ILO unemployment rate falls below 6% for the first time in 5-years

Meanwhile Northern Ireland's headline ILO unemployment rate fell below 6% in the 3-months to November 2014 for the first time since December 2009. Northern Ireland's headline rate of 5.8% was also in line with the UK average and half the rate prevailing in the Republic of Ireland (10.9% for Oct-14). However, the ILO unemployment measure paints an overly positive picture of local labour market conditions as Northern Ireland's comparatively high levels of economically inactive (*those people neither in work or looking for work*) are not included as 'unemployed'.



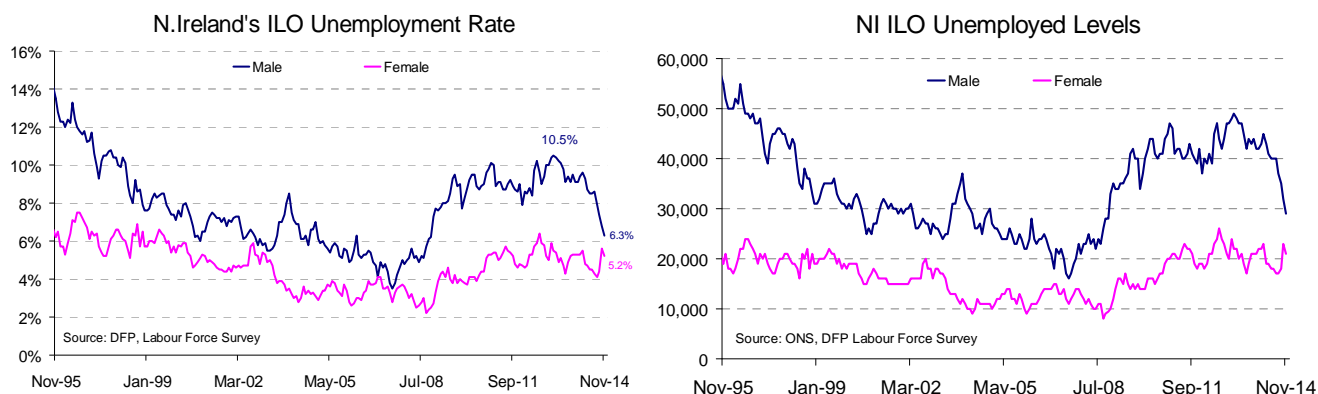
In the latest three month period it is noted that the number of ILO unemployed fell by 3,000 to 50,000 – close to a 5-year low. However, the number of economically inactive increased by 6,000. This represented the 3rd consecutive quarterly rise in the number of economically inactive. As a result, Northern Ireland’s economic inactivity rate (*the proportion of people of working age neither in work or looking for work*) has risen to 27.9%. This remains the highest of all the UK regions (UK=22.4%).

Male unemployment rate plummets to a 6-year low

The biggest story within the latest labour market statistics concerns the steep fall in male unemployment. Just 18-months ago, Northern Ireland’s male unemployment rate was in double-digits and peaked at 10.5% in early 2013. A year ago (3-months to Nov-13) the local male unemployment rate was 9.1%. Since then it has plummeted to 6.3% - a six-year low (UK=6.1%). The number of male unemployed has plunged by 13,000 - or almost one third - in just 12 months.

Male self-employment rises by almost 10% y/y

So where have these men gone? Encouragingly the fall in unemployment is largely due to a surge in employment. The number of men working (*either as employees or self-employed*) increased by 14,000 (+3.3%) over the last year and at 434,000 is close to a record high. There has also been an increasing incidence of full-time employment (+5.4% y/y) whilst part-time employment amongst males has fallen by 17% y/y. Another trend evident amongst males rather than females is the rise in self-employment. Over the last 12 months male self-employment has increased by almost 10%.



Female unemployment on the rise but NI’s female unemployment rate remains below the UK equivalent

The labour market trends amongst females have been vastly different than those experienced by their male counterparts. Indeed, female unemployment has been moving higher in recent months and has increased by 4,000 (or 24%) since last summer. Having fallen to a rate of 4.1% in the 3-months to August, the rate increased to 5.2% in the latest 3-month period (Nov-14). This remains at the same level relative to where it was two years ago and is higher than the 4.6% rate that prevailed in the same period in 2011. Nevertheless, NI’s female unemployment rate remains below the equivalent UK rate (5.5%). According to the Labour Force Survey, female employment has been easing back since early 2014 with the number of females in employment down slightly relative to the corresponding periods in 2012 and 2013.

The older the age-group the faster the rate of employment growth

Another key labour market trend concerns age-profile. Different age-brackets have experienced differing fortunes in recent years. Northern Ireland’s younger generations continue to fare less well relative to their older counterparts. Northern Ireland’s youth unemployment rate, those aged between 18-24 years of age, peaked in Q3 2013 at 25%. In the 3-months to Nov-14 the youth unemployment rate still remained close to 1 in 5 at 19.2% (UK = 15.1%). Clearly the under 25’s are failing to participate in Northern Ireland’s labour market recovery. Meanwhile the unemployment rate for those aged 25-49 years of age continues to decline and is currently at a 6-year low of 4.3%. The unemployment rate for those aged 50 and over is even lower at 3.5%. A notable trend over the last year has been the older the age-group the faster the rate of employment growth. Meanwhile the number of people in employment aged 18-24 years of age has fallen by almost 5% over the last year. Conversely, those aged over 50 years of age have increased by 5%. Employment within those aged 60+ for females and 65+ for males has increased by 30% over the last 12 months.

Richard Ramsey
21st January 2015

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