

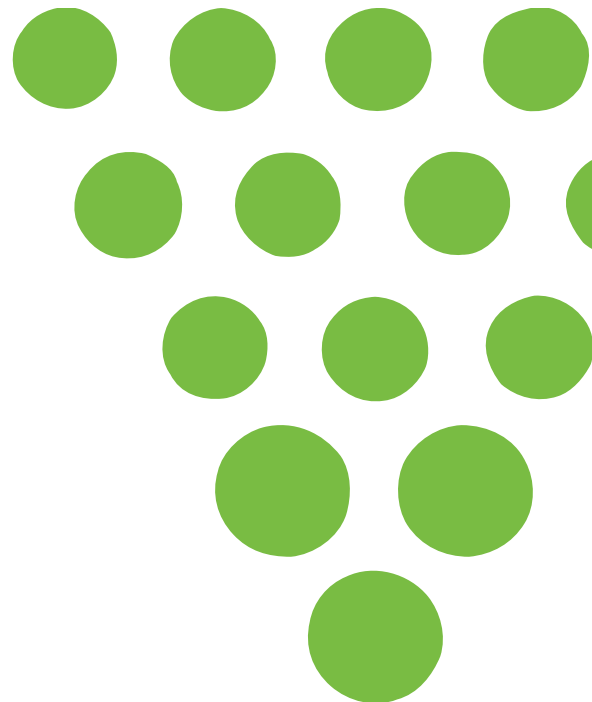


**CORNWALL**  
**COUNCIL**  
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# Labour Market Analysis

April 2019

Economic Growth and Development



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## A. Summary

### 1 Cornwall

#### Alternative Claimant Count

- The latest figure for February 2019 shows there were 9,240 claimants, up by 494 on the January total of 8,746 and up by 840 on the February 2018 total of 8,400.
- Over the year the rate<sup>1</sup> has increased from 2.6% to 2.8%.

#### Claimant Count

- The latest claimant count<sup>2</sup> figures show a total of 7,680 in Cornwall in March, the figure for Cornwall and the Isles of Scilly was 7,690.

#### Universal Credit

- In March<sup>3</sup> there were 15,294 UC claimants<sup>4</sup> in Cornwall. The main group was 'Searching for work', which accounted for 6,619 or 43.3% of the total.
- Of the 15,294, 9,915 (64.8%) were not in employment with 5,385 (35.2%) in employment.
- The breakdown by Parliamentary Constituency shows that St. Austell and Newquay had the largest number with 3,261, with a rate of 5.3%<sup>5</sup>. The lowest rate was in Truro and Falmouth at 3.8%.

#### Jobseekers Allowance

- The total JSA figure in March for Cornwall was 1,068 and the rate was 0.3%.
- The main group of Jobseekers in March 2019 consisted of those in 'Sales Occupations' at 730, followed by 'Occupation unknown' with 130.

#### Benefit claimants – Working age client group

- The latest release brings the working age data up to August 2018. This gives a total of 24,510 who were claiming a range of out-of-work benefits.

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<sup>1</sup> The rate is derived using the 16-64 economically active figures for residents from the Annual Population Survey.

<sup>2</sup> The Claimant Count measures the number of people claiming benefit principally for the reason of being unemployed: from April 2015, the Claimant Count includes all Universal Credit claimants who are required to seek work and be available for work, as well as all JSA claimants

<sup>3</sup> NB Each month's figures are provisional and revised a month later.

<sup>4</sup> This section presents details of Universal Credit data. The transfer of all claimants to UC is not complete and therefore these figures are for the record rather than presenting a complete picture.

<sup>5</sup> As a % of all those aged 16-64.

- The all working age benefits total fell on a quarterly basis and also on an annual basis.

### Labour market – Resident based

- Labour market figures for Cornwall and the Isles of Scilly from the Annual Population Survey are available up to December 2018<sup>6</sup>. This data set covers those of working age namely the 16-64 age groups who are resident in the area<sup>7</sup>.
- In total there were 327,600 aged 16-64, of whom 252,000 were economically active with 245,300 who were employed. Of those employed; 190,500 were employees with 52,900 self-employed<sup>8</sup>; while 167,600 worked full-time with 77,500 working part-time. There were 6,700 who were unemployed, and 75,600 who were economically inactive.
- The figures show that over the last year the total aged 16-64 has remained stable<sup>9</sup>, the numbers of economically active fell. The numbers of economically inactive have increased. Employment numbers were down, with a large fall in self-employed numbers but a smaller fall in employee numbers. The number of those working full-time fell back considerably while part-time numbers rose. The number of unemployed fell slightly over the year.
- Looking at percentage changes over the year, the 16-64 age group remained stable; economically active numbers fell by 2% while the number who were inactive increased by 9%. The number employed was down by 2%, mainly due to a fall in self-employed numbers which were down by 8% and employees down slightly. Full-time numbers were down by 5% while Part-time were up by 7%.
- Over the year, the employment rate fell from 76.5% to 74.9%, the self-employment share of employment moved back from 23.0% to 21.6%. The share taken by full-time decreased from 70.8% to 68.3% while part-time went up from 29.0% to 31.6%. Unemployment rates fell from 2.9% to 2.7%.<sup>10</sup>

### All employment, flexible and 65+

- The 16 plus age group grew slightly over the year, while numbers in employment fell back and economically inactive numbers rose. Those working on a non-permanent/flexible basis rose over the year by 600 from 10,500 to 11,100.

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<sup>6</sup> Figures cover a year and are produced quarterly; all figures for age group 16-64.

<sup>7</sup> Data has been reweighted in line with the latest ONS estimates.

<sup>8</sup> Numbers may not sum to all those employed.

<sup>9</sup> Due to the volatility of the data changes in figures from one period to another may not reflect underlying trends.

<sup>10</sup> NB totals for sub-categories may not sum to 100, due to rounding.

- The share of those in employment fell slightly over the year as did unemployment while the economically inactive share rose. The rate of those in non-permanent employment rose from 3.9% to 4.2%<sup>11</sup>.
- The latest figures show that there were 20,700 people aged 65 plus in the workforce. This represents 7.8% of the workforce, up from the figure of 7.3% a year earlier.

### Labour market - Workplace data

- Latest data shows all those in employment, including those aged 65 plus, whose workplace is in Cornwall<sup>12</sup>, up to the year ending December 2018. The data shows there were 259,600 working in Cornwall. Of these 63,900 were self-employed, with 185,800 employees, and with another 9,900 employees deemed to be working on a flexible basis. Compared to the previous quarter total employment has remained static. Over the year, numbers in employment, were stable – 259,600 to 259,900. Employee numbers rose slightly while self-employment numbers fell back. The number on flexible contracts increased from 8,900 to 9,900.
- Average employment figures are running at 259,860 over the last five quarters compared to 259,280 for the previous five quarters.
- Over the year as a share of the workforce, the self-employed share was down by 2.0% points, while the employee share rose by 1.6% points and those on flexible contracts moved up by 0.4 points.

### Sixty-five plus

- Overall since 2004 there has been a general upward trend in both the numbers and share of the workforce of those aged 65 plus. In 2004 there were 6,600 followed by an upward trend until the 2011 downturn. This was followed by a recovery in early 2014, with numbers falling back until late 2015, with a rise thereafter to a peak of 20,000 in late 2016 at 20,000. Numbers fell back after that but have now recovered to stand at 20,100.

### Vacancies

- In March 2019, there were 2,008 job postings in Cornwall and the Isles of Scilly. This was up by 200 (11%) from 1,808 in February but down by 31% from 2,912 in March 2018. [NB. The vacancy data used here is from a different source than that used by ONS at a UK level].

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<sup>11</sup> Those working on a non-permanent basis as a % of all employed 16+.

<sup>12</sup> Data has been reweighted in line with the latest ONS estimates.

- The rolling three month figures show an average of 1,924 vacancies per month in the January to March period compared to 2,544 for the same period in 2018.
- Vacancy data at Parliamentary Constituency level shows that the highest rates – the vacancy number as a percentage of all employed - occur in Truro & Falmouth at 1.5% with the lowest rates in South East Cornwall at 0.3%.

## 2 United Kingdom

### Main points for the three months February 2019

- The level of employment in the UK increased by 179,000 to a record high of 32.72 million people in the three months to February 2019.
- The growth in employment was driven mainly by the number of women getting into jobs.
- The unemployment rate reduced to 3.9% and the economic inactivity rate reduced to a joint record low of 20.7% in the three months to February 2019.
- Actual weekly hours worked increased by 12.8 million to a record high of 1,052.9 million hours in the three months to February 2019.
- The UK's youth unemployment rate is lower than the EU28 average, but it is higher than that of Germany.

## Introduction

This report sets out the latest data relating to the labour market, based on the data released by the Office for National Statistics (some of which is provided through NOMIS).

As Universal Credit has been rolled out it has impacted on the numbers claiming Jobseekers Allowance making them increasingly unreliable and unrepresentative of those seeking work and claiming benefits. Therefore the briefing has been revised so that the JSA section is now much reduced in scope – basically showing the monthly figures without any comparison over time – and at the end of the monthly reporting section rather than the beginning.

The Alternative Claimant Count, Claimant Count and Universal Credit figures are now at the front of the monthly labour market section. Until Universal Credit has been fully rolled out it will be difficult to determine whether changes in numbers or the rate reflect changes in the labour market or the transition to the new system. However, the Alternative Claimant Count is the best measure of trends over time.

NB JSA figures for Cornwall and other areas in Section 2 are not seasonally adjusted and include those aged 16-64s. Figures provided in Section 3 at a UK level are seasonally adjusted and cover those aged 18-64. These are the figures cited on the BBC and other media outlets. Hence, the difference in format will account for any discrepancy in the figures.



## B. Cornwall

### 1 Alternative Claimant Count

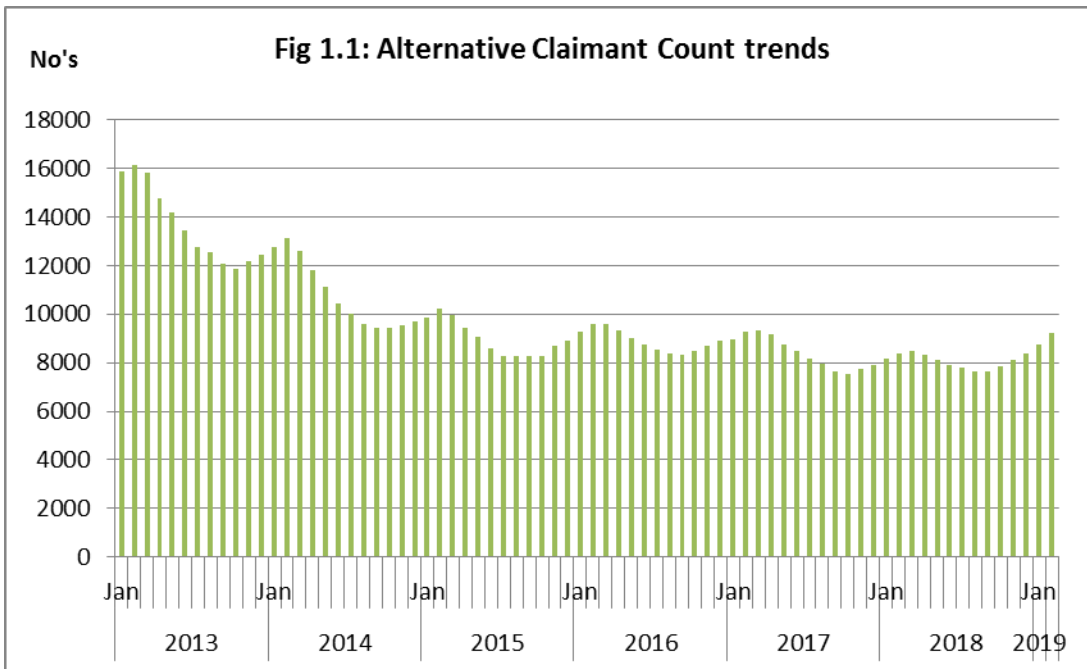
There is currently an issue with the three existing counts related to work related claimants – Claimant Count, Jobseekers Allowance and Universal Credit - in that they do not allow a comparison over time. To overcome this problem the DWP have created an alternative measure – the Alternative Claimant Count - which captures those available and searching for work. This allows for a comparison over time.

The latest figure for February 2019 shows there were 9,240 claimants, up by 494 on the January total of 8,746 and up by 840 on the February 2018 total of 8,400.

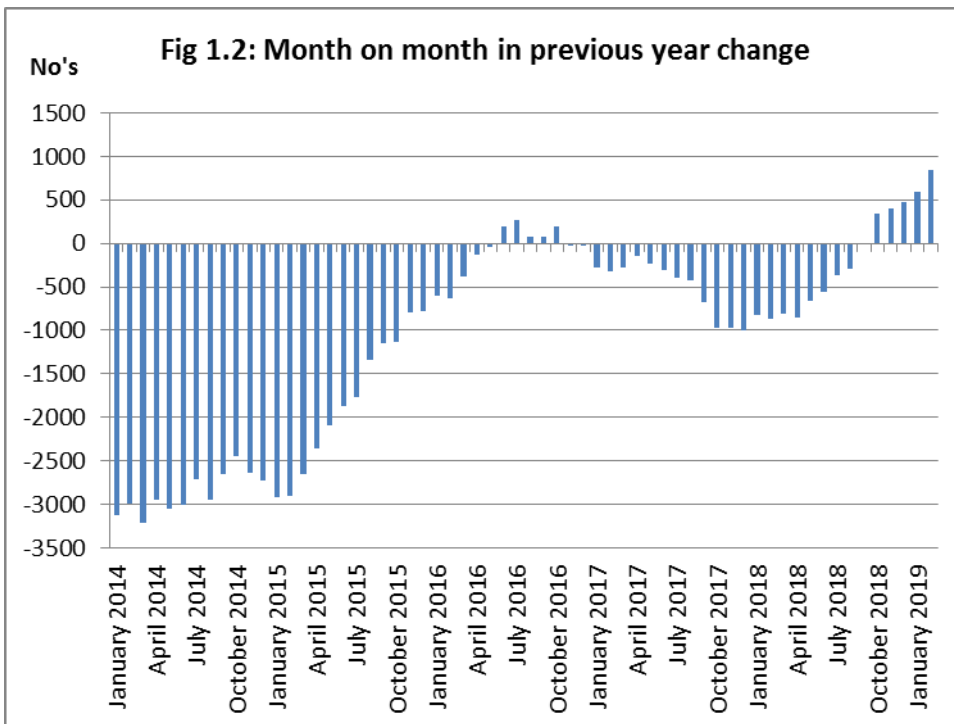
Over the year the rate<sup>13</sup> has increased from 2.6% to 2.8%.

<b>Table 1.1: Alternative Claimant count</b>			
Date		No's	Rate
2018	Feb	8400	2.6
	Mar	8494	2.6
	Apr	8324	2.5
	May	8095	2.5
	Jun	7902	2.4
	Jul	7771	2.4
	Aug	7641	2.3
	Sep	7648	2.3
	Oct	7850	2.4
	Nov	8115	2.5
	Dec	8365	2.6
	Jan	8746	2.7
	Feb	9240	2.8
Monthly change		494	0.2
Annual change		840	0.3
Monthly change		5.6	
Annual change		10.0	

<sup>13</sup> The rate is derived using the 16-64 economically active figures for residents from the Annual Population Survey.



For most of the period covered by the data, numbers decreased each month compared to the same month in the previous year. However, since October 2018, there has been an increase in the number of claimants compared to the same month in the previous year.



*The statistics form a modelled statistical series. The statistics are formed as a count of the number of people claiming a benefit that is – or would be under Universal Credit – related to being actively available and searching for work i.e. the number of people claiming Jobseeker’s Allowance (JSA), or Universal Credit Searching for Work conditionality (excluding those on the health journey pre-Work Capability Assessment),*

*or a legacy benefit or Child tax Credit that would under Universal Credit place the claimant with Searching for Work conditionality. [DWP]*

Source: DWP, 16 April 2019.

## 2 Claimant Count

The latest claimant count <sup>14</sup>figures show a total of 7,680 in Cornwall in March, the figure for Cornwall and the Isles of Scilly was 7,690.

Source: NOMIS/DWP, 16 April 2019.

## 3 Universal Credit

In March<sup>15</sup> there were 15,294 UC claimants<sup>16</sup> in Cornwall. The main group was 'Searching for work', which accounted for 6,619 or 43.3% of the total.

<b>Table 3.1: UC March 2019 - Cornwall</b>		
Conditionality group	No's	%
Searching for work	6619	43.3
No work requirements	2931	19.2
Working – with requirements	2381	15.6
Working – no requirements	2324	15.2
Preparing for work	602	3.9
Planning for work	446	2.9
<b>Total</b>	<b>15294</b>	<b>100.0</b>

Of the 15,294, 9,915 (64.8%) were not in employment with 5,385 (35.2%) in employment.

Table 3.2 shows the breakdown by Parliamentary Constituency. St. Austell and Newquay had the largest number with 3,261, with a rate of 5.3%<sup>17</sup>. The lowest rate was in Truro and Falmouth at 3.8%.

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<sup>14</sup> The Claimant Count measures the number of people claiming benefit principally for the reason of being unemployed: from April 2015, the Claimant Count includes all Universal Credit claimants who are required to seek work and be available for work, as well as all JSA claimants

<sup>15</sup> NB Each month's figures are provisional and revised a month later.

<sup>16</sup> This section presents details of Universal Credit data. The transfer of all claimants to UC is not complete and therefore these figures are for the record rather than presenting a complete picture.

<sup>17</sup> As a % of all those aged 16-64.

<b>Table 3.2: UC March 2019 - Cornwall</b>		
Parliamentary Constituency	No's	%
Camborne and Redruth	2698	5.0
North Cornwall	2677	5.0
South East Cornwall	2571	4.6
St Austell and Newquay	3261	5.3
St Ives	2072	4.1
Truro and Falmouth	2032	3.8
<b>Total</b>	<b>15311</b>	<b>4.7</b>

[Rate based on UC claimants as % of those aged 16-64 who are economically active in the area – APS data].

UC claimants can be grouped into various categories relating to conditionality. These are set out below.

[As the transition from providing a various range of benefits to Universal Credit continues, it will be possible to track the numbers of UC claimants. However, as people are still being transferred it is not possible to draw any conclusions from changes in numbers over time].

<b>Table 3.3: Universal Credit – conditionality</b>	
Conditionality	Description a) Aged 1 - 2, prior to April 2017. (b) Aged 3 - 4, prior to April 2017.
<b>Searching for work</b>	Not working, or with very low earnings. Claimant is required to take action to secure work - or more / better paid work. The Work Coach supports them to plan their work search and preparation activity.
<b>Working - with requirements</b>	In work but could earn more, or not working but has a partner with low earnings
<b>No work requirements</b>	Not expected to work at present. Health or caring responsibility prevents claimant from working or preparing for work.
<b>Working - no requirements</b>	Individual or household earnings over the level at which conditionality applies. Required to inform DWP of changes of circumstances, particularly if at risk of decreasing earnings or losing job.
<b>Planning for work</b>	Expected to work in the future. Lone parent / lead carer of child aged 1 <sup>(a)</sup> . Claimant required attending periodic interviews to plan for their return to work.
<b>Preparing for work</b>	Expected to start preparing for future even with limited capability for work at the present time or a child aged 2 <sup>(b)</sup> , the claimant is expected to take reasonable steps to prepare for work including Work Focused Interview.

Source: DWP.

## 4 Jobseekers Allowance

### JSA numbers and rate

The total JSA figure in March for Cornwall was 1,068 and the rate was 0.3%.

### JSA by occupation

Table 4.1 shows that the main group of Jobseekers in March 2019 consisted of those in 'Sales Occupations' at 730, followed by 'Occupation unknown' with 130.

[The figures show claimants usual occupation; it does not mean that when they get a job it is in that occupation]

<b>Table 4.1: Jobseeker numbers by occupation March 2019</b>	
<b>Usual Occupation</b>	<b>No's</b>
71 : Sales Occupations	730
00 : Occupation unknown	130
11 : Corporate Managers	55
92 : Elementary Administration and Service Occupations	40
91 : Elementary Trades, Plant and Storage Related Occupations	35
41 : Administrative Occupations	25
51 : Skilled Agricultural Trades	10
81 : Process, Plant and Machine Operatives	10
52 : Skilled Metal and Electronic Trades	5
53 : Skilled Construction and Building Trades	5
54 : Textiles, Printing and Other Skilled Trades	5
61 : Caring Personal Service Occupations	5
72 : Customer Service Occupations	5
82 : Transport and Mobile Machine Drivers and Operatives	5
12 : Managers and Proprietors in Agriculture and Services	0
21 : Science and Technology Professionals	0
22 : Health Professionals	0
23 : Teaching and Research Professionals	0
24 : Business and Public Service Professionals	0
31 : Science and Technology Associate Professionals	0
32 : Health and Social Welfare Associate Professionals	0
33 : Protective Service Occupations	0
34 : Culture, Media and Sports Occupations	0
35 : Business and Public Service Associate Professionals	0
42 : Secretarial and Related Occupations	0
62 : Leisure and Other Personal Service Occupations	0
<b>All</b>	<b>1,070</b>

Source: NOMIS/DWP.

## 5 Benefit claimants – Working age client group

The latest release brings the working age data up to August 2018. This gives a total of 24,510 who were claiming a range of out-of-work benefits.

The all working age benefits total fell on a quarterly basis and also on an annual basis.

<b>Table 5.1: Cornwall - No's</b>							
Group\Period	Aug	Nov	Feb	May	Aug	Change	
	2017	2017	2018	2018	2018	Qtr.	Annual
ESA	21,400	21,710	21,720	21,600	20,650	-950	-750
Others on income related benefit	4,500	4,450	4,360	4,180	3,860	-320	-640
<b>Total</b>	<b>25,900</b>	<b>26,160</b>	<b>26,080</b>	<b>25,780</b>	<b>24,510</b>	<b>-1,270</b>	<b>-1,390</b>

[NB. This dataset varies slightly from the previous dataset which has not been updated by DWP. JSA claimants are also excluded].

Source: NOMIS/DWP, Benefit claimants, 10 February 2019.

## 6 Labour market – Resident data

Labour market figures for Cornwall and the Isles of Scilly from the Annual Population Survey are available up to December 2018<sup>18</sup>. This data set covers those of working age namely the 16-64 age groups who are resident in the area<sup>19</sup>.

In total there were 327,600 aged 16-64, of whom 252,000 were economically active with 245,300 who were employed. Of those employed; 190,500 were employees with 52,900 self-employed<sup>20</sup>; while 167,600 worked full-time with 77,500 working part-time. There were 6,700 who were unemployed, and 75,600 who were economically inactive.

The figures show that over the last year the total aged 16-64 has remained stable<sup>21</sup>, the numbers of economically active fell. The numbers of economically inactive have increased. Employment numbers were down, with a large fall in self-employed numbers but a smaller fall in employee numbers. The number of those working full-time fell back considerably while part-time numbers rose. The number of unemployed fell slightly over the year.

All data in Table 6.1.

Table 6.1: Labour market indicators – Cornwall & IoS							
Date	Period					Change	
	Jan-17	Apr-17	Jul-17	Oct-17	Jan-18	Prev Qtr	Year
Group	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18		
	No's	No's	No's	No's	No's	No's	No's
16-64	327,000	327,600	327,700	329,400	327,600	-1,800	600
Econ active	257,800	255,000	251,300	253,300	252,000	-1,300	-5,800
Econ inactive	69,200	72,600	76,400	76,100	75,600	-500	6,400
Employed	250,200	246,600	242,900	246,200	245,300	-900	-4,900
Unemployed	7,500	8,400	8,400	7,100	6,700	-400	-800
Employees	191,200	187,500	188,800	192,400	190,500	-1,900	-700
Self employed	57,600	57,300	52,500	52,700	52,900	200	-4,700
Full-time	177,200	171,600	167,000	166,700	167,600	900	-9,600
Part-time	72,500	74,800	75,400	79,300	77,500	-1,800	5,000

Looking at percentage changes over the year, the 16-64 age group remained stable; economically active numbers fell by 2% while the number who were inactive increased by 9%. The number employed was down by 2%, mainly due to a fall in self-employed

<sup>18</sup> Figures cover a year and are produced quarterly; all figures for age group 16-64.

<sup>19</sup> Data has been reweighted in line with the latest ONS estimates.

<sup>20</sup> Numbers may not sum to all those employed.

<sup>21</sup> Due to the volatility of the data changes in figures from one period to another may not reflect underlying trends.



numbers which were down by 8% and employees down slightly. Full-time numbers were down by 5% while Part-time were up by 7%.

<b>Table 6.2: Labour market indicators – Cornwall &amp; IoS</b>				
Date	Jan-17	Jan-18	Change year-on-year	
	Dec-17	Dec-18		
Group	No's	No's	No's	%
16-64	327,000	327,600	600	0
Econ active	257,800	252,000	-5,800	-2
Econ inactive	69,200	75,600	6,400	9
Employed	250,200	245,300	-4,900	-2
Unemployed	7,500	6,700	-800	-11
Employees	191,200	190,500	-700	0
Self employed	57,600	52,900	-4,700	-8
Full-time	177,200	167,600	-9,600	-5
Part-time	72,500	77,500	5,000	7

Over the year, the employment rate fell from 76.5% to 74.9%, the self-employment share of employment moved back from 23.0% to 21.6%. The share taken by full-time decreased from 70.8% to 68.3% while part-time went up from 29.0% to 31.6%. Unemployment rates fell from 2.9% to 2.7%.<sup>22</sup>

<b>Table 6.3: Labour market indicators – Cornwall &amp; IoS</b>							
Date	Period					Change	
	Jan-17	Apr-17	Jul-17	Oct-17	Jan-18	Qtr	Qtr-on-qtr in previous year
Dec-17	Mar-18	Jun-18	Sep-18	Dec-18			
Group	%	%	%	%	%	%	%
Econ active	78.8	77.8	76.7	76.9	76.9	0.0	-1.9
Econ inactive	21.2	22.2	23.3	23.1	23.1	0.0	1.9
Employed	76.5	75.3	74.1	74.7	74.9	0.2	-1.6
Unemployed	2.9	3.3	3.3	2.8	2.7	-0.1	-0.2
Employees	76.4	76.0	77.7	78.1	77.6	-0.5	1.2
Self employed	23.0	23.2	21.6	21.4	21.6	0.2	-1.4
Full-time	70.8	69.6	68.7	67.7	68.3	0.6	-2.5
Part-time	29.0	30.3	31.0	32.2	31.6	-0.6	2.6

Fig 6.1 shows trends over time. Overall, since 2004:

- The number aged 16-64 rose by 13,900 or 4.4%.
- Economically active rose by 15,900 from 236,100 to 252,000 or 6.7%.

<sup>22</sup> NB totals for sub-categories may not sum to 100, due to rounding.

- Economically inactive fell by 2,000 from 77,600 to 75,600 or 2.6%.
- Employment increased by 20,100 from 225,200 to 245,300 or 8.9%.
- Much of the increase in employment can be related to the overall increase in population with a small transfer from the economically inactive. The increase in employment was largely a result of bigger rises in self-employment.
- Employee numbers went up by 10,100 from 180,400 to 190,500, (an increase of 5.6%);
- The number of self-employed rose from 41,800 to 52,900, an increase of 11,100 or 26.6%.
- The trend towards part-time also continued, with part-time numbers up from 67,800 to 77,500 (+9,700 or 14.3%);
- Full-time numbers rose by 10,400 from 157,200 to 167,600 or 6.6%.
- Unemployment fell by a nearly two-fifths (38.0%), down 4,100 from 10,800 to 6,700.

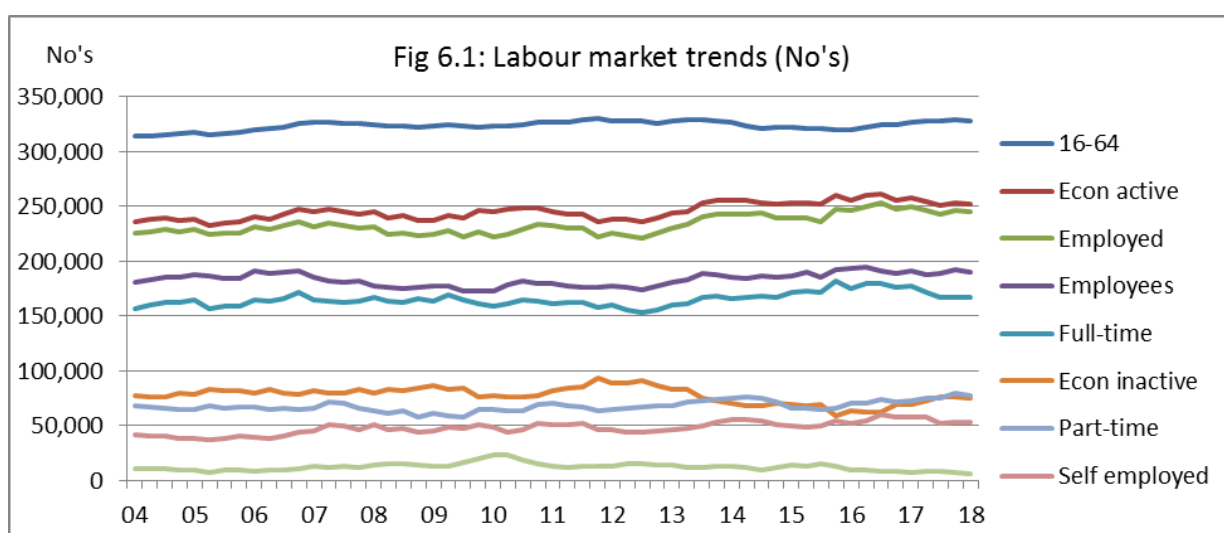
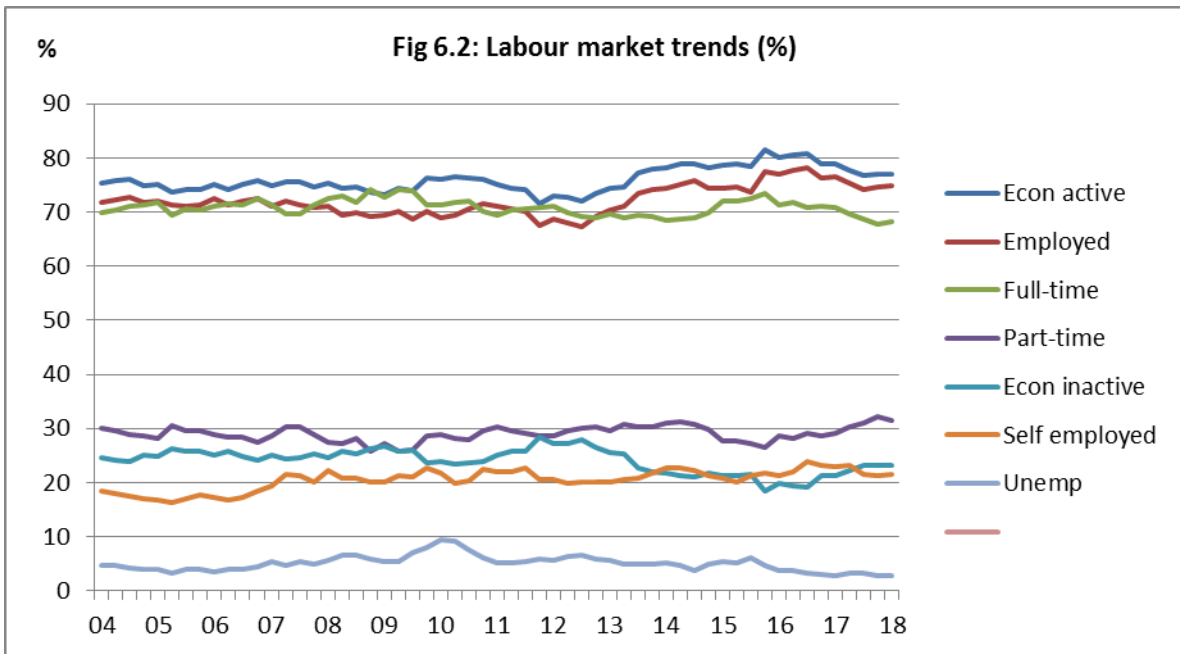


Fig 6.2 shows rates and shares over time. Since 2004:

- Economically active rate went up from 75.3% to 76.9%, up 1.6% points
- Economically inactive rate fell back from 24.7% to 23.1%, down 1.6% points
- Employment rate rose from 71.8% to 74.9%, up 3.1% points.
- Of those in employment, employees fell back from 80.1% to 77.6%, down 2.5% points
- Conversely, the self-employed share rose from 18.5% to 21.6%, up 3.1% points

The steady move towards more part-time and less full-time employment continued:

- Part-time up 1.5 points from 30.1% to 31.6%
- Full-time down 1.5 points from 69.8% to 68.3%
- The unemployment rate fell back 1.9 points from 4.6% to 2.7%.



Comparing Cornwall to the UK using the average for four sets of yearly data<sup>23</sup>, removes some of the volatility in the data. Comparing the averages in Table 2.11 below shows that: employment rates are the same as the UK rates. Economically active rates slightly below the UK average while inactive rates are just above. As expected both self-employment and part-time employment are higher in Cornwall and conversely employee levels and full-time employment are lower. Average unemployment runs at 3.0%, below the UK average of 4.3%.

Table 6.4: Labour market indicators - Cornwall and UK			
	Cornwall	UK	Ratio
Status	%	%	%
Econ active	77.1	78.3	0.98
Economically inactive	22.9	21.8	1.05
Employed	74.8	74.9	1.00
Unemployed	3.0	4.3	0.70
Employees	77.4	85.5	0.90
Self employed	22.0	14.1	1.55
Full-time	68.6	74.8	0.92
Part-time	31.3	25.0	1.25

The ratio shows with the figure for Cornwall divided by the UK figure. E.g. 78.3 divided by 77.1 gives a ratio of 0.98. Numbers greater than 1 show Cornwall has a higher percentage than the UK, less than 1 shows that Cornwall has a lower percentage share than the UK.

<sup>23</sup> Each period covers one year, and each year includes 3 of the quarters covered in the previous year.

### All employment, flexible and 65+

The 16 plus age group grew slightly over the year, while numbers in employment fell back and economically inactive numbers rose. Those working on a non-permanent/flexible basis rose over the year by 600 from 10,500 to 11,100.

**Table 6.5: Labour market indicators 16+**

	Jan-17	Apr-17	Jul-17	Oct-17	Jan-18	Change	
	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Qtr	Qtr on qtr a year ago
	No's	No's	No's	No's	No's		
16+	463,900	462,600	460,700	462,100	467,700	5,600	3,800
Employment	269,900	265,200	261,700	265,700	266,000	300	-3,900
Unemployment	7,500	8,400	8,400	7,300	7,000	-300	-500
Economically inactive	186,500	189,000	190,600	189,000	194,800	5,800	8,300
Non-permanent employment <sup>24</sup>	10,500	10,700	9,300	11,500	11,100	-400	600

The share of those in employment fell slightly over the year as did unemployment while the economically inactive share rose. The rate of those in non-permanent employment rose from 3.9% to 4.2%<sup>25</sup>.

**Table 6.6: Labour market indicators 16+**

	Jan-17	Apr-17	Jul-17	Oct-17	Jan-18	Change	
	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Qtr	Qtr on qtr a Year ago
	%	%	%	%	%		
Employment	58.2	57.3	56.8	57.5	56.9	-0.6	-1.3
Unemployment	2.7	3.1	3.1	2.7	2.6	-0.1	-0.1
Economically inactive	40.2	40.9	41.4	40.9	41.6	0.7	1.4
Non-permanent employment	3.9	4.0	3.6	4.3	4.2	-0.1	0.3

The latest figures show that there were 20,700 people aged 65 plus in the workforce. This represents 7.8% of the workforce, up from the figure of 7.3% a year earlier.

All details in Table 6.7.

<sup>24</sup> [The category flexible includes: Flexible working hours, Annualised hours contract, Term time working, Job Share, Nine day fortnight, Four and a half day week, Zero-hours contract, On call working].

<sup>25</sup> Those working on a non-permanent basis as a % of all employed 16+.

**Table 6.7: Labour market indicators 16+**

	Jan-17	Apr-17	Jul-17	Oct-17	Jan-18	Change	
	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Qtr	Qtr on qtr a Year ago
Group	No's	No's	No's	No's	No's	No's	No's
65+	19,700	18,600	18,800	19,500	20,700	1,200	1,000
16-64	250,200	246,600	242,900	246,200	245,300	-900	-4,900
All	269,900	265,200	261,700	265,700	266,000	300	-3,900
Group	%	%	%	%	%	%	%
65+	7.3	7.0	7.2	7.3	7.8	0.4	0.5
16-64	92.7	93.0	92.8	92.7	92.2	-0.4	-0.5
All	100.0	100.0	100.0	100.0	100.0		

Source: NOMIS, Annual Population Survey, 16 April 2019.

## 7 Labour market - Workplace data

Table 7.1 shows all those in employment, including those aged 65 plus, whose workplace is in Cornwall<sup>26</sup>, up to the year ending December 2018. The data shows there were 259,600 working in Cornwall. Of these 63,900 were self-employed, with 185,800 employees, and with another 9,900 employees deemed to be working on a flexible basis. Compared to the previous quarter total employment has remained static. Over the year, numbers in employment, were stable – 259,600 to 259,900. Employee numbers rose slightly while self-employment numbers fell back. The number on flexible contracts increased from 8,900 to 9,900.

Average employment figures are running at 259,860 over the last five quarters compared to 259,280 for the previous five quarters.

Table 7.1: Workplace Employment (No's)							
Group	Period					Change	
	Jan-17	Apr-17	Jul-17	Oct-17	Jan-18	Prev Qtr	Year ago
	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18		
No's	No's	No's	No's	No's	No's	No's	No's
Employees	181900	184100	186800	184800	185800	1000	3900
Self-employed	69100	69000	64500	64800	63900	-900	-5200
Other flexibility	8900	8500	7900	9400	9900	500	1000
<b>All</b>	<b>259900</b>	<b>261600</b>	<b>259200</b>	<b>259000</b>	<b>259600</b>	<b>600</b>	<b>-300</b>

Over the year as a share of the workforce, the self-employed share was down by 2.0% points, while the employee share rose by 1.6% points and those on flexible contracts moved up by 0.4 points. All in Table 7.2.

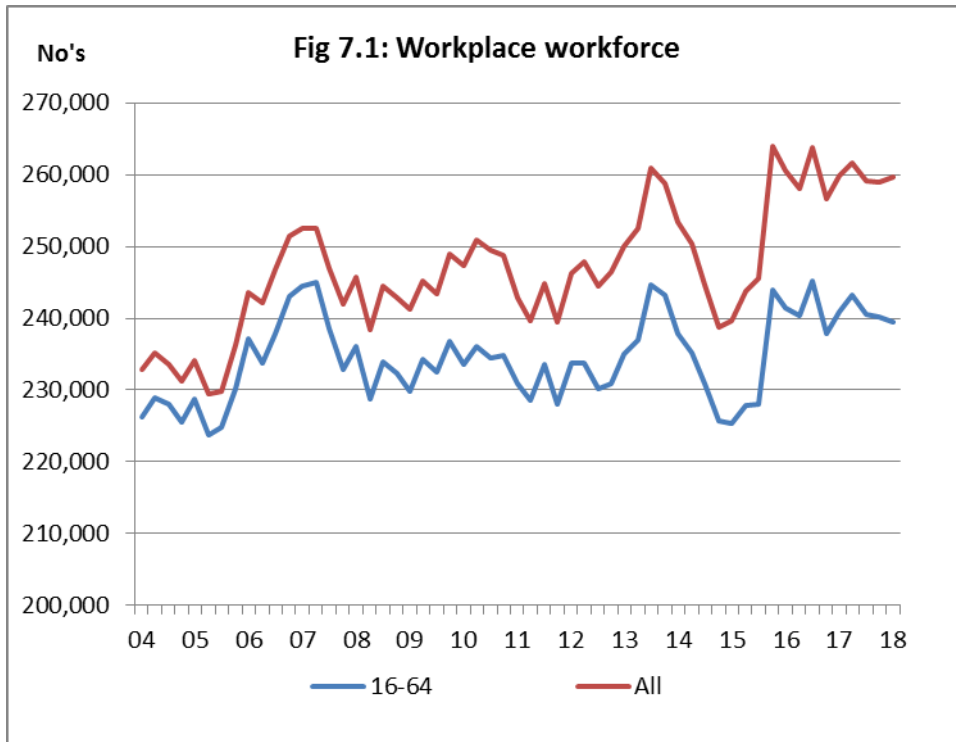
Table 7.2: Workplace Employment (%)							
Group	Period					Change	
	Jan-17	Apr-17	Jul-17	Oct-17	Jan-18	Prev Qtr	Year ago
	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18		
%	%	%	%	%	%	%	%
Employees	70.0	70.4	72.1	71.4	71.6	0.2	1.6
Self-employed	26.6	26.4	24.9	25.0	24.6	-0.4	-2.0
Other flexibility	3.4	3.2	3.0	3.6	3.8	0.2	0.4
<b>All</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>

Fig 7.1 shows workplace employment since 2004. Numbers peaked in early 2008 pre-recession, with a decline and lower figures before peaking in mid 2014 and falling back

<sup>26</sup> Data has been reweighted in line with the latest ONS estimates.

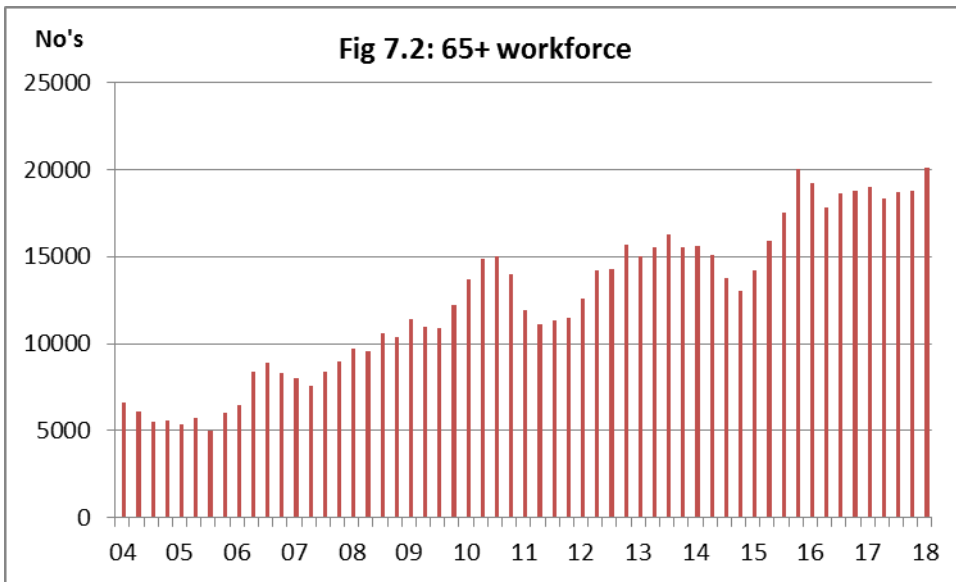
to late 2015. There was then a recovery in numbers up to late 2016, since when numbers have trended down slightly to stabilise at 260,000.

[Some of the movement in the data reflects the sample size; however the dip from mid 2013 to 2015 seems real enough].

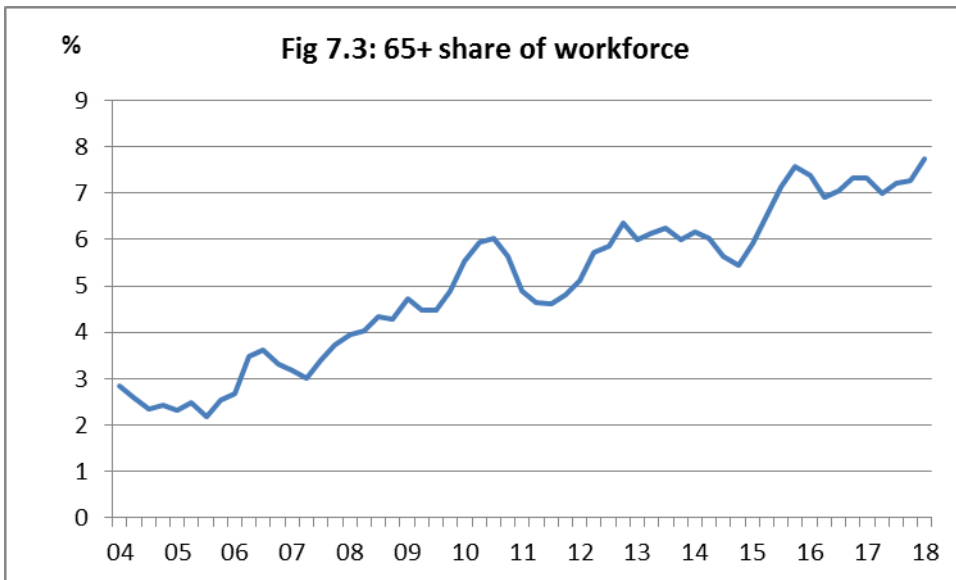


### Sixty-five plus

Figs 7.2 and 7.3 set out what has happened to those aged 65 plus in the workplace workforce. Overall since 2004 there has been a general upward trend in both the numbers and share of the workforce of those aged 65 plus. In 2004 there were 6,600 followed by an upward trend until the 2011 downturn. This was followed by a recovery in early 2014, with numbers falling back until late 2015, with a rise thereafter to a peak of 20,000 in late 2016 at 20,000. Numbers fell back after that but have now recovered to stand at 20,100.



In 2004, the 65 plus age group constituted 2.8% of the workforce, by late 2013 it had reached 6.4% and now stands at 7.7%. Over the last 8 quarters, the average share has been 7.2%.



[NB Workplace data is now provided at both a Cornwall and Cornwall and Isles of Scilly level. However, there are issues about the accuracy of the latter set of data as the discrepancy between the two data sets is substantial. Therefore data for Cornwall is used instead].

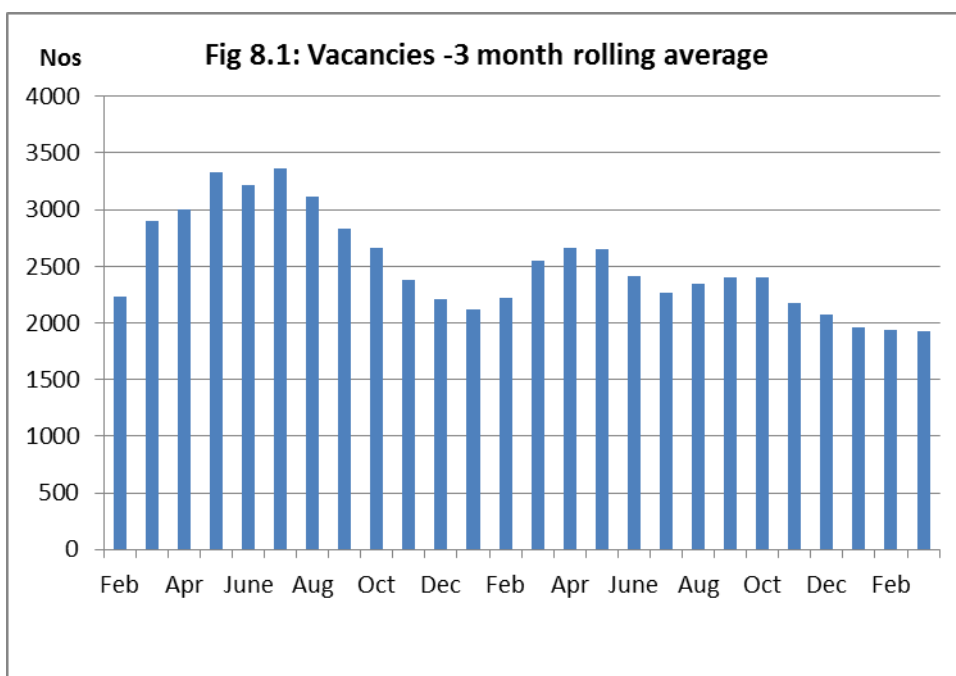
Source: ONS, APS, Workplace analysis, 16 April 2019.



## 8 Vacancies

In March 2019, there were 2,008 job postings in Cornwall and the Isles of Scilly. This was up by 200 (11%) from 1,808 in February but down by 31% from 2,912 in March 2018. [NB. The vacancy data used here is from a different source than that used by ONS at a UK level].

The rolling three month figures show an average of 1,924 vacancies per month in the January to March period compared to 2,544 for the same period in 2018.



Vacancy data at Parliamentary Constituency level shows that the highest rates – the vacancy number as a percentage of all employed - occur in Truro & Falmouth at 1.5% with the lowest rates in South East Cornwall at 0.3%.

Table 8.1: Vacancies by Parliamentary Constituency			
PC	Vacancies	% rate	Employed
Camborne & Redruth	211	0.5	39,200
North Cornwall	338	0.8	41,900
SE Cornwall	115	0.3	40,000
St. Austell & Newquay	226	0.4	50,300
St. Ives	184	0.5	35,600
Truro & Falmouth	586	1.5	38,400

[Parliamentary Constituency data based on best-fit towns. Employed derived from APS resident based]

Truro was the top town accounting for 474 or 28.6% of all vacancies. Altogether the top ten towns accounted for 76.8% of all vacancies.

<b>Table 8.2: Top ten towns</b>					
Town	No's	%	Town	No's	%
Truro	474	28.6	Falmouth	87	5.2
Bodmin	150	9.0	Penzance	70	4.2
Redruth	126	7.6	Bude	68	4.1
St. Austell	112	6.7	Camborne	58	3.5
Newquay	89	5.4	St Ives	41	2.5
			<b>Sub-total</b>	<b>1275</b>	<b>76.8</b>

[As % of total vacancies]

Table 8.3 shows the top 10 vacancies by job title. Chef was the top job title followed by Registered Nurse.

<b>Table 8.3: Top ten vacancies by job title</b>		
Title	No's	%
Chef	101	5.0
Registered Nurse	50	2.5
Staff Nurse	45	2.2
Cleaner	23	1.1
General Labourer	23	1.1
Teaching Assistant	23	1.1
Personal Care Assistant	22	1.1
Accountant	19	0.9
Auxiliary Nurse	18	0.9
Merchandiser	16	0.8
<b>Sub-total</b>	<b>340</b>	<b>16.9</b>

[% based on vacancies where the title was given]

Table 8.4 shows vacancies by sector. Not all vacancies can be allocated to a sector so the table below presents only a partial picture. The highest share was in 'Health and social work' at 32.3%, then 'Education' at 14.1% and 'Accommodation and food services' at 10.9%.

**Table 8.4: Vacancies by sector**

Code	Sector	No's	%	Code	Sector	No's	%
A	Agriculture, forestry and fishing	0	0.0	K	Financial and insurance	5	0.4
B	Mining and quarrying	4	0.3	L	Real estate	14	1.0
C	Manufacturing	72	5.2	M	Professional, scientific and technical	82	5.9
D	Energy	0	0.0	N	Administrative and support services	36	2.6
E	Water, sewerage & waste	14	1.0	O	Public admin etc.	133	9.6
F	Construction	24	1.7	P	Education	195	14.1
G	Wholesale, retail & motors	108	7.8	Q	Health and social work	446	32.3
H	Transportation and storage	32	2.3	R	Arts, entertainment and recreation	7	0.5
I	Accommodation and food services	151	10.9	S	Other services	30	2.2
J	Information and communication	24	1.7	T	Households	4	0.3
				<b>All</b>		<b>1381</b>	<b>100</b>

[% based on vacancies where the industry sector was named]

Table 8.5 shows the top ten employers including recruitment agencies, with vacancies. The top employer was the NHS with 261, with Cornwall Council in second place with 173.

**Table 8.5: Vacancies by employer - top ten**

Sector	No's	%	Sector	No's	%
National Health Service	261	25.8	Truro and Penwith College	15	1.5
Cornwall Council	173	17.1	GII Limited	13	1.3
St. Austell Brewery Company Limited	33	3.3	Co-operative Group Limited	11	1.1
Superprof	32	3.2	Barchester Healthcare	10	1.0
Rick Stein Group	19	1.9	Cornwall College	10	1.0
			<b>Sub-total</b>	<b>577</b>	<b>57</b>

[% share based on those vacancies with named employers].

Of the 2,008 jobs advertised, 1,363 (67.9%) were permanent with 257 (12.8%) temporary. 1,509 (75.1%) were full-time, 124 (6.2%) were part-time. 19 or 0.9% were for jobs where people could work from home.

<b>Table 8.6: Job type</b>					
Type	No's	%	Type	No's	%
Permanent	1363	67.9	Full-time	1509	75.1
Temporary	257	12.8	Part-time	124	6.2
Internship	1	0.0	Unknown	375	18.7
Apprenticeships	90	4.5	Work from home	19	0.9
Unknown	297	14.8	<b>All</b>	<b>2008</b>	<b>100.0</b>

[% based on total vacancies]

1.8% of vacancies were jobs with salaries below £15,000, with 62.1% between £15,000 and £29,999.

<b>Table 8.7: Salaries</b>					
Range	No's	%	Range	No's	%
£10,000 to £14,999	21	1.8	£50,000 to £59,999	31	2.6
£15,000 to £19,999	370	31.2	£60,000 to £69,999	18	1.5
£20,000 to £29,999	367	30.9	£70,000 to £79,999	9	0.8
£30,000 to £39,999	252	21.2	£80,000 to £89,999	5	0.4
£40,000 to £49,999	83	7.0	More than £90,000	30	2.5
			<b>Total</b>	<b>1186</b>	<b>100</b>

[% share based on those vacancies where a salary was included].

Mean real-time salary = £29,500. Median real-time salary = £26,100

[Labour Insight uses data from real-time job postings. Salary figures are pro rata to reflect full-time, annual wage status].

Table 8.8 shows the top ten vacancies by occupational groups (using the two digit code) in March. These accounted for 67.7% of all vacancies. 'Health professionals' at 14.3%, 'Caring personal service occupations' at 7.1%, 'Teaching and educational professionals' at 6.7% and 'Elementary administration and service occupations' at 6.2% were the top four groups.

<b>Table 8.8: Top ten occupations (2 digit)</b>		
Occupation	No's	%
Health professionals (22)	287	14.3
Caring personal service occupations (61)	142	7.1
Teaching and educational professionals (23)	135	6.7
Elementary administration and service occupations (92)	124	6.2
Business, media and public service professionals (24)	122	6.1
Textiles, printing and other skilled trades (54)	122	6.1
Administrative occupations (41)	118	5.9
Business and public service associate professionals (35)	107	5.3
Sales occupations (71)	106	5.3
Science, research, engineering and technology professionals (21)	96	4.8
<b>Sub-total</b>	<b>1,359</b>	<b>67.7</b>

[% based on total vacancies]

Table 8.9 shows the top ten vacancies by occupation (4 digit level) in March. These accounted for 33.8% of all vacancies. 'Nurses' topped the list followed by 'Chefs'. It should be noted that vacancy numbers also reflect the amount of 'churn', which for some occupations such as 'Care workers and home carers', 'Chefs' and 'Kitchen and catering assistants' is higher than the average.

<b>Table 8.9: Top ten occupations (4 digit)</b>		
Occupation	No's	%
Nurses (2231)	195	9.7
Chefs (5434)	102	5.1
Other administrative occupations n.e.c. (4159)	67	3.3
Care workers and home carers (6145)	55	2.7
Customer service occupations n.e.c. (7219)	55	2.7
Teaching and other educational professionals n.e.c. (2319)	53	2.6
Kitchen and catering assistants (9272)	45	2.2
Sales related occupations n.e.c. (7129)	38	1.9
Nursing auxiliaries and assistants (6141)	35	1.7
Medical practitioners (2211)	33	1.6
<b>Sub-total</b>	<b>678</b>	<b>33.8</b>

[% based on total vacancies]

Table 8.10 shows that the most required education level is ‘GCSEs, Standard Grades, Level 2 S/NVQs’ with 55.9% of the total. However, the figures are only for those vacancies where the education level is specified. Not all vacancies can be allocated to an education level so the table below presents only a partial picture.

<b>Table 8.10: Vacancies by education level</b>		
Level	No's	%
Postgraduate Degrees, Level 5 Certificates/Diplomas, Level 5 S/NVQs	3	0.9
Bachelor's Degrees, Graduate Certificates/Diplomas	71	22.2
Foundation Degrees, HNDs	1	0.3
HNCs, Level 4 Certificates/Diplomas, Level 4 S/NVQs	25	7.8
A-Levels, Highers, Level 3 S/NVQs	40	12.5
GCSEs, Standard Grades, Level 2 S/NVQs	179	55.9
Level 1 S/NVQs	1	0.3
<b>Total</b>	<b>320</b>	<b>100.0</b>

[% share based on those vacancies with a specified education requirement]

Table 8.11 shows the most in demand skills are ‘Teaching’ at 43.4%, ‘Basic Customer Service’ at 31.4%, and ‘People Management’ at 25.1%. Not all vacancies have required skills so the table below presents only a partial picture. Of those vacancies where skills were included, many may have several required skills listed.

<b>Table 8.11: Top ten skill clusters</b>		
Skill cluster	No's	%
EDUCATION AND TRAINING: Teaching	296	43.4
CUSTOMER AND CLIENT SUPPORT: Basic Customer Service	214	31.4
BUSINESS: People Management	171	25.1
PERSONAL CARE AND SERVICES: Food And Beverage Service	145	21.3
HUMAN RESOURCES: Employee Training	126	18.5
ADMINISTRATION: General Administrative And Clerical Tasks	116	17.0
INFORMATION TECHNOLOGY: Microsoft Office And Productivity Tools	109	16.0
SALES: General Sales	105	15.4
FINANCE: Budget Management	102	15.0
HEALTH CARE: Basic Patient Care	93	13.6
<b>Sub-Total</b>	<b>1,477</b>	

[% based on those vacancies where the information was available]

Table 8.12 below shows vacancies by automation risk level. Although the low risk level is the largest category at 56.5% of vacancies, there were 14.2% of vacancies at a high risk of being automated.

<b>Table 8.12: Vacancies by automation risk level</b>		
Automation risk level	No's	%
High	285	14.2
Medium	589	29.3
Low	1133	56.5
NA	0	0.0
<b>All</b>	<b>2007</b>	<b>100.0</b>

[% share based on those vacancies where an automation risk level is available]

The table below shows the top five vacancies with the highest risk of automation.

<b>Table 8.13: Vacancies with highest risk of automation</b>	
Occupation	No's
Other administrative occupations n.e.c.	67
Kitchen and catering assistants	45
Chartered and certified accountants	28
Elementary construction occupations	26
Receptionists	18

Source: Labour Insight/Jobs, Burning Glass.

## C. United Kingdom

### 1 Main points for the three months February 2019

- The level of employment in the UK increased by 179,000 to a record high of 32.72 million people in the three months to February 2019.
- The growth in employment was driven mainly by the number of women getting into jobs.
- The unemployment rate reduced to 3.9% and the economic inactivity rate reduced to a joint record low of 20.7% in the three months to February 2019.
- Actual weekly hours worked increased by 12.8 million to a record high of 1,052.9 million hours in the three months to February 2019.
- The UK's youth unemployment rate is lower than the EU28 average, but it is higher than that of Germany.

### 2 Employment

In the three months to February 2019, the level of employment in the UK increased by 179,000 to a record high of 32.72 million people. The increase was driven by the number of women entering employment, with female employment increasing by 142,000 in the three months to February 2019 to a record high of 15.41 million. Over the same period, the number of employed men increased by 37,000 to 17.31 million.

The overall employment rate increased by 0.4 percentage points to 76.1%. The employment rates for men and women increased by 0.2 and 0.6 percentage points to 80.5% and 71.8% respectively.

In the three months to February 2019, the number of employees reached a record high of 27.71 million. The number of employees increased by 179,000 on the quarter and by 369,000 on the year. More women (173,000) than men (6,000) became employees.

The number of workers who were self-employed reduced by 23,000 on the quarter to 4.83 million over the same period. In the year to February 2019, the number of self-employed workers increased by 76,000.

The total number of people working on a full-time basis increased by 138,000 to reach a record high of 24.15 million. Part-time employment increased by 41,000 to 8.58 million. Men and women working full-time increased by 62,000 and 76,000 to reach record highs of 15.05 million and 9.09 million, respectively.

The latest data show that more women (6.32 million) than men (2.26 million) worked on a part-time basis. The distribution of women who joined employment shows that 76,000 joined full-time employment and 66,000 joined part-time employment.



The increase in the number of part-time workers was driven by people who were unable to find full-time jobs, which increased by 67,000 on the quarter to 950,000 in the three months to February 2019. This has implications for individuals, as being unable to obtain full-time employment reduces their earnings and could impact on longer-term opportunities. The number of part-time workers who did not want a full-time job increased by 5,000 to 6.09 million.

The number of ill or disabled people who were inactive decreased by 7,000 to 262,000. The number of students working part-time decreased by 40,000 to 1.07 million.

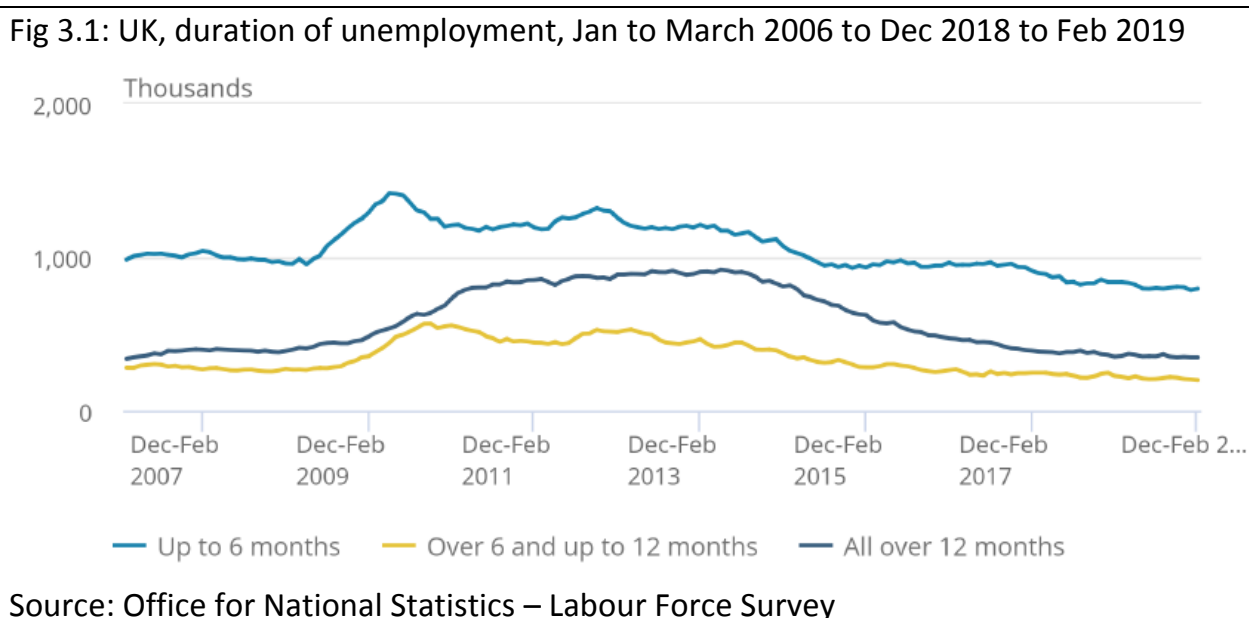
### 3 Unemployment

In the three months to February 2019, the number of unemployed people in the UK decreased by 27,000 to 1.34 million. The unemployment rate decreased by 0.1 percentage points on the quarter to 3.9%.

Disaggregating unemployment by sex shows that the number of unemployed women reduced by 20,000 on the quarter to 611,000. The number of unemployed men reduced by 7,000 to 731,000 over the same period. Thus, the decrease in the number of unemployed people was driven by women.

The number of unemployed people can be classified by the duration of unemployment into three categories: short-term unemployment (up to 6 months), medium-term unemployment (over 6 and up to 12 months) and long-term unemployment (over 12 months). The latest estimates show that short-term unemployment fell by 12,000 to 796,000, medium-term unemployment fell by 16,000 to 200,000, and long-term unemployment remained unchanged at 347,000.

Fig 3.1 shows the trends of duration of unemployment. Short-term unemployment peaked at 1.4 million in the period April to June 2009 and declined gradually thereafter. Long-term unemployment decreased at a faster rate than medium-term unemployment, from the period April to June 2013 onwards.



#### 4 Economic inactivity

The number of people who were economically inactive decreased by 114,000 on the quarter to reach 8.54 million in the three months to February 2019. This was the largest fall since the November 2017 to January 2018 period. The number of economically inactive women decreased by 90,000 to reach a record low of 5.25 million. The number of inactive men decreased by 24,000 to 3.29 million.

The economic inactivity rate fell by 0.3 percentage points to reach a joint record low of 20.7% in the three months to February 2019, equal to the low point reached in three months to January 2019. The inactivity rate for women decreased by 0.4 percentage points to a joint record low of 25.3% and that for men decreased by 0.1 percentage points to 16.0% over the same period.

The analysis of economic inactivity by reason for inactivity shows that only one category (temporarily sick) increased by 11,000 to 189,000, while all the other categories (students, looking after family or home, long-term sick, the discouraged, retired and “other”) reduced.

#### 5 Average weekly earnings

The sustained good performance of the labour market (that is, growing employment and decreasing unemployment and economic inactivity) means the economy is increasingly utilising the excess capacity it had. Economic theory predicts that a tightening labour market causes wages to increase. This relationship is illustrated by plotting year-on-year employment growth against nominal pay growth over time, as shown in Fig 5.1.

Fig 5.1: UK, year-on-year employment growth and nominal pay growth, January to March 2006 to December 2018 to February 2019



Source: Office for National Statistics – Labour Force Survey

Fig 5.1 shows that between 2011 and 2014, the rate of total pay growth was variable but with a slight downward trend. Both total and regular pay growth had positive trends from 2014 onwards. Fig 5.1 also shows sustained employment growth from 2012 onwards. Employment growth averaged 1.5% between January 2012 and February 2019. Over the same period, labour force growth averaged 0.8% and population growth averaged 0.7%. Faster employment growth over population or labour force growth means that, over time, the economy tends towards a state of full employment where extra demand for labour will not be met by existing supply, which will stimulate higher wage growth.

The latest earnings data show that total nominal average weekly earnings (which include bonuses) increased by 3.5% on the year to reach £529 per week in the three months to February 2019. Nominal regular average weekly earnings (which exclude bonuses) increased by 3.4% on the year to reach £497 per week over the same period.

Real total average weekly earnings (that is, nominal total average weekly earnings that have been deflated with the Consumer Prices Index including owner occupiers' housing costs (CPIH) in 2015 prices), increased by 1.6% on the year to reach £494 per week in the three months to February 2019. Real regular pay increased by 1.5% on the year to reach £465 per week over the same period. Real pay growth was mainly driven by a fall in the Consumer Prices Index including owner occupiers' housing costs inflation rate. Growing real pay boosts household purchasing power and this tends to increase aggregate demand in the economy.

## 6 Total weekly hours worked

Total weekly hours worked increased by 12.8 million hours to a record high of 1,052.9 million hours in the three months to February 2019. This was the largest quarterly increase since October to December 2015. Total weekly hours worked increased by 21.2 million hours on the year to February 2019.

The increase in the total weekly hours worked was driven by women whose worked hours increased by 7.2 million hours in the three months to February 2019 to a record high of 420.6 million hours. The total weekly hours worked by men increased by 5.7 million hours to 632.3 million hours over the same period.

Fig 6.1 shows the trends of hours worked since 2006. It shows an increase in the number of total weekly hours worked from the period June to August 2009 onwards.

Fig 6.1: UK, total weekly hours worked, January to March 2006 to December 2018 to February 2019



Source: Office for National Statistics – Labour Force Survey

From 2009 onwards, the number of weekly hours worked by men increased consistently and, on average, faster than women's weekly hours worked. The increase in men's weekly hours worked was driven by the contribution of men who worked on a full-time basis. The growth in the number of weekly hours worked by women was slowed by the number of women working on a part-time basis who constituted 41% of all women in employment. Men working on a part-time basis constituted 13% of all men in employment.

## 7 Youth unemployment

In this section, we focus on youth unemployment in the UK. We discuss its causes and consequences and compare with youth unemployment rates in selected EU countries.

The International Labour Organisation (ILO) defines youth unemployment as the number of all people aged 15 to 24 years who are unemployed. In the UK, where the school leaving age is 16 years, youth unemployment covers the age group from 16 to 24 years.

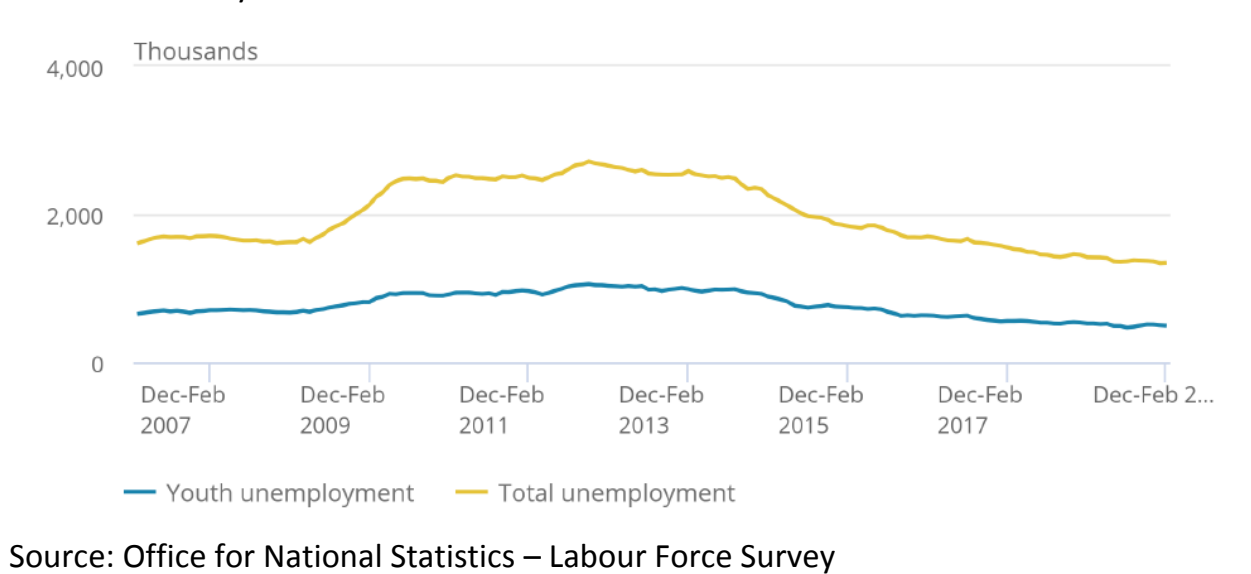
There are several reasons why youth unemployment is worth examining in detail. Young people entering the labour market face a higher risk of unemployment than older workers partly because they lack work experience. They will likely be churned between the different labour market statuses at a faster rate too.

Young workers tend to be more flexible than older workers. That flexibility may mean they change jobs a lot more often to gain work experience than older workers. A higher job turnover rate may be associated with more frequent periods of unemployment. It may also result in firms being less willing to employ and train young workers.

High and persistent levels of youth unemployment can have long-lasting consequences. The immediate monetary costs to government include payment of unemployment benefits and social assistance, and indirect costs of foregone tax payments and social security contributions. People who experience long periods of unemployment tend to have lower career average earnings than those that remain in employment throughout their working lives. Thus, unemployment creates and perpetuates inequality among people of the same birth and education cohorts.

In the three months to February 2019, the number of unemployed youth in the UK decreased by 19,000 to 493,000. This equates to a youth unemployment rate of 11.3%. Fig 7.1 shows the trend of youth and total number of unemployed people since 2006. It shows that prior to the 2008 downturn the number of unemployed youth followed a similar trend to total unemployment. Following the downturn, adult unemployment levels increased at a faster rate than youth unemployment levels.

Fig 7.1: UK, youth and total unemployment levels, January to March 2006 to December 2018 to February 2019



Source: Office for National Statistics – Labour Force Survey

The number of unemployed youths peaked in the three months to November 2011 at 1.05 million and reached its pre-downturn level of 654,000 in the July to September 2015 period.

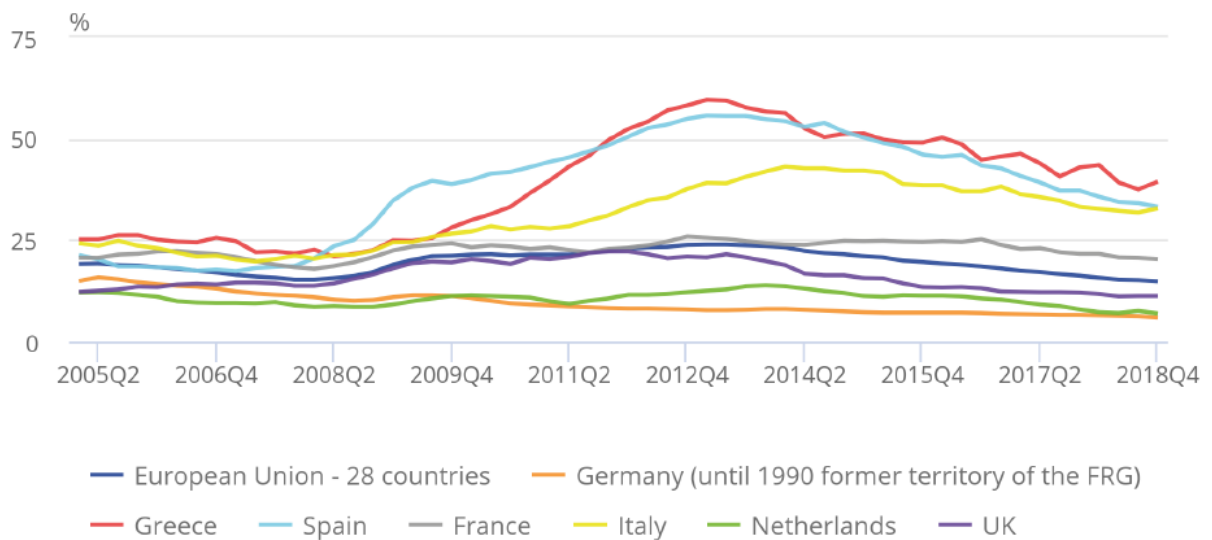
Analysis of the duration of youth unemployment helps us to understand how difficult it is for the unemployed youths to find jobs. In the three months to February 2019, the number of short-term unemployed youths fell by 8,000 to 345,000 and that of medium-term unemployed youths fell by 4,000 to 77,000. The number of youths in long-term unemployment also reduced by 10,000 to 70,000.

One way of examining how the UK is addressing youth unemployment is to compare UK outcomes with those of some European countries. This is important because

differences in institutions, education and training policies influence the transition path to work. For this analysis, we use data from Eurostat.

Fig 7.2 shows the trends of youth unemployment in selected EU28 countries. The figure shows that the lowest pre-downturn EU28 average youth unemployment rate (15.1%) was recorded in the first quarter (Jan to Mar) of 2008. The youth unemployment rate in some EU28 countries increased significantly during the economic downturn. The EU28 average youth unemployment rate reached a peak of 23.9% in the first quarter of 2013 and declined to reach 14.8% at the end of 2018.

Fig 7.2: Comparison of youth unemployment with selected EU countries, Quarter 1 (Jan to Mar) 2006 to Quarter 4 (Oct to Dec) 2018



Source: Eurostat

The UK youth unemployment rate closely tracked the EU28 average rate between 2007 and 2012. From 2012 onwards, the UK rate diverged further below the EU28 average rate.

The UK youth unemployment rate was lower than in France, Italy, Spain and Greece. The youth unemployment rate of Greece, Spain and Italy increased significantly from 2009 onwards. The increases were driven by the 2008 to 2009 economic downturn.

Germany's youth unemployment rate has been lower than that of the UK from 2006 onwards. The Netherlands' rate has been lower than that of the UK from 2005. In 2018, Germany's youth unemployment rate was 5.9% and the Netherlands' was 6.9%. The UK's rate was 11.2%. The UK may be able to learn some lessons from Germany and the Netherlands on how to reduce the level of youth unemployment in the economy".

Source: Labour market economic commentary: April 2019, Article, 16 April 2019.

## **Glossary**

### **Employment**

Employment measures the number of people in paid work and differs from the number of jobs because some people have more than one job. The employment rate is the proportion of people aged from 16 to 64 years who are in paid work.

### **Unemployment**

Unemployment measures people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks. The unemployment rate is not the proportion of the total population who are unemployed. It is the proportion of the economically active population (those in work plus those seeking and available to work) who are unemployed.

### **Economic inactivity**

People not in the labour force (also known as economically inactive) are not in employment but do not meet the internationally accepted definition of unemployment because they have not been seeking work within the last four weeks and/or they are unable to start work in the next two weeks. The economic inactivity rate is the proportion of people aged from 16 to 64 years who are not in the labour force.

### **Average weekly earnings**

Average weekly earnings measures money paid by employers to employees in Great Britain before tax and other deductions from pay. The estimates are not just a measure of pay rises as they also reflect, for example, changes in the overall structure of the workforce. More high-paid jobs in the economy would have an upward effect on the earnings growth rate.

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