



Northern Ireland  
Assembly

## Research and Information Service Briefing Note

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# Labour Force Survey Methodology

## 1 Introduction

The following paper briefly discusses the methodology used in the United Kingdom and the European Union to gather data for the Labour Force Survey (LFS) and working age definitions.

## 2 The UK

One of the major statistical tools for gathering labour market data is the Labour Force Survey. In the UK this is generally a quarterly publication.

In Northern Ireland, the information is disseminated via the Northern Ireland Labour Force Survey is published by the Department for Enterprise, Trade and Investment.

The LFS uses a sample survey to gather information on an individual's personal circumstances and work.<sup>1</sup>

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<sup>1</sup> DETI, LFS Quarterly Supplement July to September 2012

The Department of Enterprise, Trade and Investment commissions the LFS in Northern Ireland, with NISRA (Northern Ireland Statistics and Research Agency) carrying out the survey.

The survey sample for July to September 2012 consists of 2,395 addresses, of which 650 are chosen at random from the Valuation and Lands Agency list of domestic properties and the remaining 1,745 carried over from the previous quarter.<sup>2</sup>

An important aspect of the survey (and directly related to queries raised by the Committee for Employment and Learning) is how “working age” is defined. Currently, working age includes those aged from **16 – 64** for both men and women.

It should be noted that this will be subject to change as:<sup>3</sup>

*between 2010 and 2020, the state pension age for women is increasing (by one month every two months) from 60 to 65, thereby making a change to the definition necessary.*

Importantly, the LFS defines those in employment as:<sup>4</sup>

*aged 16 and over who did at least one hour's paid work in the reference week (either as an employee or self-employed); those who had a job which they were temporarily away from (on holiday for example); those participating in government training and employment programmes; and those doing unpaid family work.*

The following definitions should also be noted:

- **Employment Rate:** The percentage of people aged 16 and over who are in employment;
- **Unemployment:** The International Labour Organisation (ILO) measure of unemployment refers to people without a job who were available to start work in the two weeks following their LFS interview and had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained;
- **Unemployment Rate:** The percentage of economically active people who are unemployed.

### 3 Eurostat

Eurostat is the statistical agency for the European Union. It produces a wide variety of statistics and analyses on the EU, including a Labour Force Survey study.

As stated by Eurostat:<sup>5</sup>

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<sup>2</sup> Ibid

<sup>3</sup> Ibid

<sup>4</sup> Ibid

*The main statistical objective of the EU Labour Force Survey (EU LFS) is to divide the population of working age (15 years and above) into three mutually exclusive and exhaustive groups - persons in employment, unemployed persons and inactive persons - and to provide descriptive and explanatory data on each of these categories.*

The size of the European Union adds an additional dimension of complication to the EU LFS, with the various Member States having different working ages, retirement ages and education systems which affect when someone is able to be in full time work.

The EU LFS follows the same concepts and definitions provided in ILO guidelines.<sup>6</sup> Data gathering follows the same method as the UK, with interviews carried out with domestic householders. In terms of sample size, in 2006, the LFS sample size across the EU was about 1.8 million individuals.<sup>7</sup>

However there are some variations. As stated by Eurostat:<sup>8</sup>

*Employment (LFS concept) covers persons aged 15 years and over (16 and over in Spain, Italy and the United Kingdom, 15-74 years in Estonia, Latvia, Hungary, Finland, Sweden, Norway, Denmark, and 16-74 years in Iceland), living in private households, who during the reference week performed work, even for just one hour, for pay, profit or family gain, or were not at work but had a job or business from which they were temporarily absent, or were not at work but had a job or business from which they were temporarily absent, for example because of illness, holidays, industrial dispute or education and training.*

In order to offset these variations in the employment rates, Eurostat:

*[Calculates] for different age groups as a percentage of the population in the same age group.<sup>9</sup>*

The following definitions should also be noted:<sup>10</sup>

- **Employment Rate:** represents employed persons as a percentage of same age total population.
- **Unemployment:** Unemployment covers persons aged 15-74 (16-74 in Italy, Spain, the United Kingdom and Iceland) who were without work during the reference week,

<sup>5</sup> Eurostat, LFS Definitions,

[http://epp.eurostat.ec.europa.eu/portal/page/portal/employment\\_unemployment\\_lfs/methodology/definitions](http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_lfs/methodology/definitions)

<sup>6</sup> Eurostat, European Union Labour Force Survey - Annual results 2011

[http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-SF-12-040/EN/KS-SF-12-040-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-12-040/EN/KS-SF-12-040-EN.PDF)

<sup>7</sup> Eurostat, Development of the EU Labour Force Survey

[http://epp.eurostat.ec.europa.eu/portal/page/portal/employment\\_unemployment\\_lfs/methodology/organisation](http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_lfs/methodology/organisation)

<sup>8</sup> Eurostat, European Union Labour Force Survey - Annual results 2011

[http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-SF-12-040/EN/KS-SF-12-040-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-12-040/EN/KS-SF-12-040-EN.PDF)

<sup>9</sup> Ibid

<sup>10</sup> Eurostat, LFS series – detailed quarterly and annual survey results; LFS special topics

[http://circa.europa.eu/irc/dsis/employment/info/data/eu\\_lfs/LFS\\_MAIN/Related\\_documents/lfs\\_series\\_sm.doc](http://circa.europa.eu/irc/dsis/employment/info/data/eu_lfs/LFS_MAIN/Related_documents/lfs_series_sm.doc)

were currently available for work and had either been actively seeking work in the past four weeks or had already found a job to start within the next three months;

- **Unemployment Rate:** unemployed persons as a percentage of the active population.

#### 4 Comparability of UK and EU Labour Force Surveys

Based on the information above, the UK LFS and the EU LFS use a similar methodology all based on the International Labour Organisation (ILO) guidelines. As such, data from both surveys are directly comparable, with the EU LFS including consideration of the various working age definitions in use in Member States.