

Which unemployment figures...data note

February 2023

‘Unemployment’ is a frequently used term and can be measured in different ways. Two main definitions are used:

Claimant Count - people are out of work and claiming unemployment-related benefits. The rate is calculated using all people aged 16-64 as a denominator.

International Labour Organisation (ILO) - all people aged 16 and over who are out of work, and who are available for, and actively seeking, work - including those who are not claiming any benefits. The rate is calculated using all economically active people aged 16+ as a denominator.

Claimant Count

The **Claimant Count** measures how many unemployed people are out of work and claiming unemployment-related benefits. These include Universal Credit (UC - searching for work conditionality) or Job Seekers Allowance (JSA) because the claimant is out of work.

The **Claimant Rate** is the number of claimants of UC and JSA as a proportion of all working age people (aged 16 to 64) taken from the most recent mid-year population estimates. Some of the people who are in the “Searching for work” conditionality group on UC may in fact have done some work in the month in question, but because they have worked few hours (less than an average of 16 hours per week in the month), they have to participate in the full range of work search activities, which are also required of people who have not worked at all, and so are counted in the “Searching for work” category.

$$\text{Claimant rate} = \frac{\text{Number of claimants}}{\text{People aged 16 to 64}} \times 100$$

The data is currently a 100% count of claimants of JSA and job seekers on UC from the administrative records of Jobcentre Plus and is unaffected by sampling issues. It is available within a month of the relevant time period and so is very up to date and is available down to ward level geography on East Sussex in Figures (ESiF).

There are two main differences with other measures of unemployment. As mentioned above, some people who are counted as “unemployed” in the Claimant Count may in fact have done at least 2 hours work per week in the month in question, and so would not be treated as unemployed in the International Labour Organisation (ILO) definition below which requires people to have done no work at all. The second reason is that not all people who are out of work and actively seeking work sign on to claim benefits such as JSA/UC.

International Labour Organisation (ILO) definition

The **International Labour Organisation (ILO) definition** of unemployment includes all those people aged 16 and over who are out of work (i.e. have done no work at all in the previous two weeks), and who are available for, and actively seeking, work - including those who are not claiming any benefits.

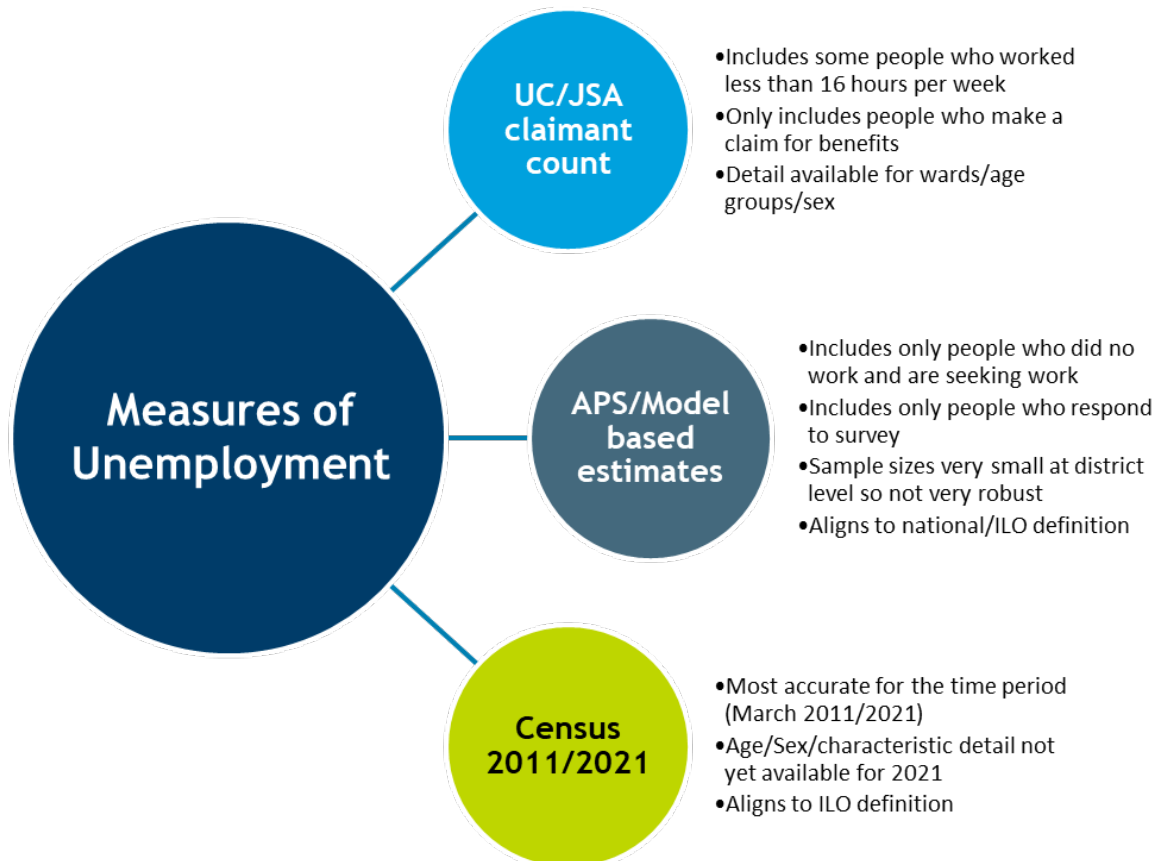
The **Unemployment rate** is given as all unemployed people as a percentage of all economically active people over 16:

$$ILO \text{ unemployment rate} = \frac{\text{unemployed}}{\text{Economically active 16+}} \times 100$$

Note that this definition will include in the denominator those economically active people of pension age and over who are still working, or unemployed but still actively seeking employment. National and regional data are published quarterly, and often when the Government and media refer to the 'unemployment rate' they are talking about this number, rather than the claimant rate.

In choosing which unemployment figures to use you have to consider which definition will be best to meet your needs, and the trade-off between data detail, geographic detail, the timeliness of data, and the reliability of the data.

Diagram showing the different measures of unemployment



Which data should I use?

For very up-to-date estimates of unemployment use Claimant Count

This data is published monthly at ward (both pre-2018 and post-2019 wards) and district geographies. Data relates to the previous month. Currently JSA/UC claimant data is available for sex and broad age of claimant. 37 months of data for post-2019 wards is published on East Sussex in Figures, and 25 months for pre-2018 wards and age groups. The data is usually uploaded to ESiF within a few days of being released. The main Claimant Count data includes claimants of Universal Credit (UC), which now supports most people who are on a low income or out of work.

UC has gradually replaced JSA and a number of other benefits such as Employment and Support Allowance, Income Support, Housing Benefit and Working and Child Tax Credits. A few unemployed claimants still claim Job Seekers Allowance where they have paid sufficient National Insurance contributions but have savings over £16,000. The full service of Universal Credit has now been rolled out across the country and plans to transfer existing claimants of 'legacy benefits' are now underway. Many claimants have migrated to UC already as their circumstances change (natural migration) and others have chosen to migrate to UC (voluntary migration) especially if they would be better off on UC. A third group will gradually be moved to UC under the "managed migration" process, which is currently being planned by DWP and is expected to start in 2024.

Under Universal Credit (UC) a broader span of claimants are required to look for work than under the previous regime when most unemployed claimants claimed Jobseeker's Allowance. This is for a number of reasons, including the fact that claimant's partners were not required to also make a claim and seek work under the previous regime, and some people who worked fewer than 16 hours per week made claims for Housing Benefits or tax credits only to supplement their income. As Universal Credit Full Service was rolled out, there was an increase in the number of people recorded as being on the Claimant Count, which may not always have reflected actual changes in the labour market.

For up-to-date district estimates of ILO defined unemployment use APS/LFS Unemployment estimates

ONS produce these model-based estimates (based on the ILO definition) using the Annual Population Survey/Labour Force Survey (APS/LFS) combined with the Claimant Count to generate a number and rate for unemployment. Because the sample sizes in the APS/LFS are so small at district level, and the unemployed form a relatively small percentage of the population, the ONS have created this model to produce a more realistic figure.

There were changes to the APS/LFS due to the Coronavirus pandemic and this affects the reliability of the data published. The following information about the APS/LFS was published by the ONS:

"Generally, all first interviews in the Labour Force Survey (LFS) are conducted face-to-face. At the start of the coronavirus (COVID-19) pandemic, all face-to-face interviewing was suspended, therefore [ONS] switched to telephone-only interviewing so the survey could continue. This, however, led to several impacts that [ONS] have managed. The immediate impact was a significant fall in the response rate for the survey. [ONS] therefore increased the number of people selected to help maintain a large enough pool of responses.

Over time it became clear that the move to telephone-only interviewing had introduced an increased non-response bias to the survey. [ONS] therefore took further action in October 2020, when [they] introduced housing tenure-based weights into the survey. This is detailed in [their] [Coronavirus and its impact on the Labour Force Survey](#) article.

While the introduction of these weights constituted a significant improvement, further improvement work was needed."

ONS are now using data from the HM Revenue and Customs (HMRC) Real Time Information (RTI) data to improve the population weights used in the estimation of the labour market. In addition, ONS have been able to quality assure the estimates from the latest reweighting exercise against preliminary data, from the 2021 Census to provide reassurance in the results.

The comparator data in this table for the county, region and Great Britain is taken from the APS/LFS data for the corresponding periods, using the data for all economically active people over 16 as recommended by ONS and ILO. In the chart below, the model-based unemployment data has been created by adding all the district figures together. Data is published quarterly and six months in arrears, and is not split by sex, age groups or duration of claim.

For up-to-date district estimates of economic activity and inactivity use APS/LFS Economically active and inactive population

This table summarises data from the Annual Population Survey/Labour Force Survey (APS/LFS) about working age people (see above for definition) who are economically active, that is those who are in employment and those who are unemployed but available for and actively seeking work, giving details about employed, self-employed and unemployed people. It also provides data about the economically inactive - those who are neither in employment nor unemployed. This group includes those who are looking after a home and family, long- or short-term sick, injured or disabled people or those who are retired, even if they may still like to work if it was available to them.

Care should be taken when looking at smaller area data from the APS/LFS for districts and even counties, especially the unemployment rate, as the sample sizes are quite small and the results may not be very robust, which is why ONS now produce, and recommend the use of, model-based estimates of unemployment (above). See also the message about the effects of the Coronavirus crisis on the APS/LFS above.

For very detailed data and/or detailed geography use 2021 Census Economic activity and inactivity

Unemployment data for all people aged 16+ has been released with the 2021 Census data and is currently available for East Sussex and 2021 MSOAs and LSOAs (but not yet for wards or parishes).

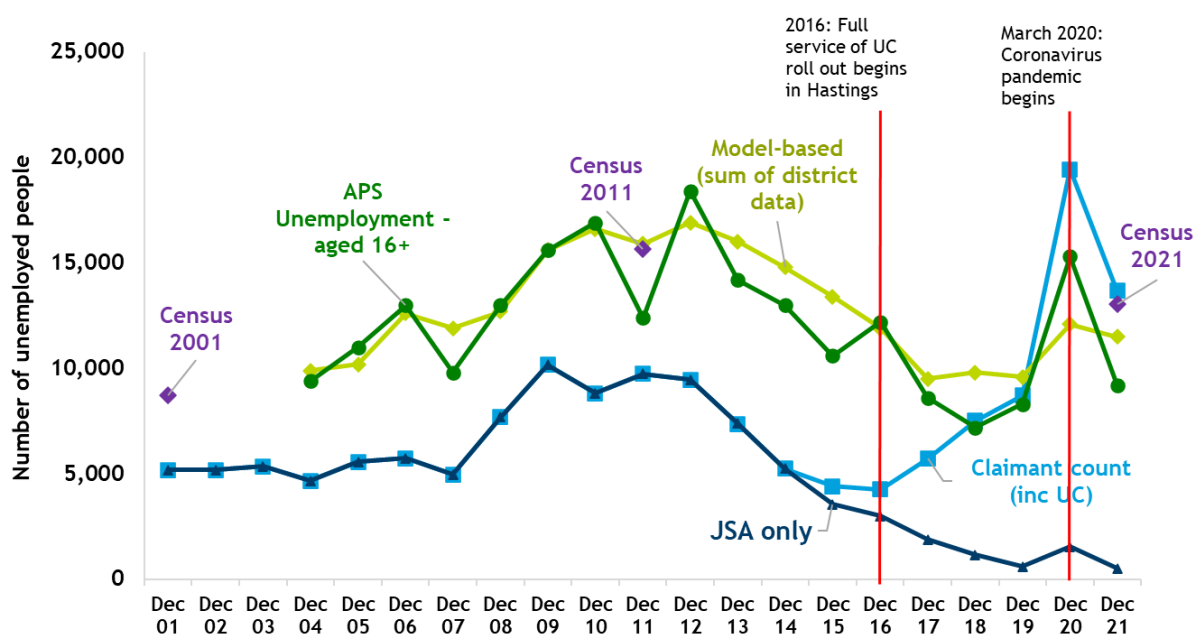
Census data provides a wealth of detail about characteristics of the population at all geographical levels from the smallest Output Area (around 125 households or 300 people). It is a good source of detailed information at small area level, though only a limited amount of data has been released so far for the 2021 Census, and data by age group (including for working age people aged 16-64 or 15-74) has yet to be made available. A table showing Unemployment data will be published in ESiF soon.

Use “Unemployment, 2001-2011 - super output areas” (for pre-2018 wards and 2011 SOAs), “Unemployment in 2011 - parishes” or one of the “Economic activity by ...” tables from the 2011 Census

Census data for 2011 has been a good source of detailed information at small area level, although the data is fixed at 2011 and so now quite out of date. 2021 data will be published as soon as it is available, but will not be available for superseded geographies such as 2011 LSOAs and pre-2018 wards. Some of this data reflects the ILO definition although the unemployment table is restricted to the 16-74 age range rather than the group of all people over 16 (in order to reflect how data was published in 2001), but there are only small numbers of economically active people aged over 75.

A number of different tables have been published at ward level on East Sussex in Figures from 2011 Census data, including Economic activity by: age and sex; country of birth; and ethnic group. These tables give data for all people aged 16 and over.

Comparison of different measures of unemployment in East Sussex, December 2001-December 2021



The APS and model-based unemployment data in the chart is for January-December of each year. The Census data counts the numbers of people aged 16+ who were unemployed on Census day in 2001, 2011 and 2021, and the Censuses were all carried out in March of the relevant year. The Claimant Count includes those Universal Credit claimants in the 'Searching for work' conditionality group, together with people claiming Job Seekers Allowance (JSA - also shown separately).

Alternative Claimant Count - discontinued in October 2022

The Alternative claimant count was developed by DWP to provide detailed information about the number of people claiming unemployment-related benefits. It was used during the transitional period, where the Claimant Count alone did not accurately represent the total number of unemployed claimants. It was discontinued in October 2022, because four years after it was first published, the majority of unemployed claimants have migrated to Universal Credit, so the series now has marginal value as trends have converged to the main ONS Claimant Count, which we now use in ESiF as a measure of claimant unemployment.

Under Universal Credit, a broader span of claimants are required to look for work than under Jobseeker's Allowance. To address this, the Alternative Claimant Count statistics were developed to measure the number of people claiming unemployment benefits by modelling what the count would have been if Universal Credit had been in place since 2013 with the broader span of people this covers. This data combined the number of people who were claiming Jobseeker's Allowance, Universal Credit because they are searching for work, and estimates of those additional claimants who would have been Searching for Work under Universal Credit had it existed over the entire time period from 2013.

This "additional" group included:

- people who are not in work but previously claimed Housing Benefit only i.e. did not claim Jobseeker's Allowance;
- people whose household previously claimed Working or Child Tax Credit from HMRC, but are not themselves earning more than the Universal Credit administrative earnings threshold; and nor do they have responsibility as the main carer for their child;
- people who are the partner of a claimant of Employment and Support Allowance or Income Support, but who do not themselves have caring responsibilities, a disability or a limitation on their ability to work

Trade-off between International Labour Organisation and Claimant Count definitions

The Claimant Count will always give the most up-to-date picture of unemployment trends. It had historically generally been lower than the ONS estimates because the Claimant Count data does not include unemployed people who are looking for work but not claiming benefits, such as those who are looking for work alongside full-time study.

In the past, when unemployment increased, the gap between ONS estimates and the Claimant Count tended to widen, as some jobless people who were not previously looking for work started to do so. By actively looking for work they would become classified as unemployed under the ILO definition. However they would not feature in the claimant count unless they also began to claim benefits.

Since Universal Credit has been introduced, there are now some people who are ‘in work’ for the purposes of the APS/LFS - they may have worked at least one hour in the relevant period, or they may have been ‘temporarily away from work’ due to being furloughed or shielding/isolating due to the Coronavirus pandemic, but are claiming benefits and required to undertake work-seeking activities as part of the Universal Credit (UC) claim, so treated as ‘searching for work’ in the UC data and included in the Claimant Count as ‘unemployed’. This means that currently (December 2022 is the latest available data at the time of this note), the numbers in the Claimant Count are considerably higher than those in both the Model-based unemployment estimates, the overall APS/LFS series and Census 2021 unemployment at all geographies, even at a national level, but the difference appears more extreme within the district level data.

The model-based unemployment estimates represent valid estimates for the period to which they refer but because estimates from consecutive quarters are based on common observations, they are not independent, and should not be used for comparisons over time. For example, comparisons of the latest annual estimate should only be made using estimates for the same period a year earlier.

Neither the claimant count nor the unemployment series are seasonally adjusted below regional level. This also means that comparisons over time for sub-regional data should be made with the same year period, for example, quarter 1 of the current year should be compared to quarter 1 of the previous year. This removes any seasonal distortions that may affect the figures, e.g. students entering and leaving full-time education or holiday employment in hospitality.

Table showing which unemployment datasets are available with the detail and lowest level of geography

Dataset	Source	Data detail	Lowest geographical area	Up to date?
Claimant Count including JSA and Universal Credit	ONS/NOMIS	Number of claimants, claimant rate by sex, age groups,	Ward (both pre-2018 and post-2019 wards)	Yes - updated monthly to previous month
Job Seekers Allowance claimant count	ONS/NOMIS	Number of claimants, and claimant rate by sex	Ward	No - updated periodically
Unemployment estimates, 2004-2022 - districts	ONS/NOMIS	ILO defined unemployment	District	Yes - updated twice yearly
Economically active and inactive population, 2004-2022 - districts	ONS/NOMIS	Detail about economically active and inactive people, including unemployed	District	Yes - updated twice yearly
Economic activity and inactivity in 2021 - super output areas	ONS/Nomis	Detail about economically active and inactive people aged 16+, including unemployed, in March 2021	2021 Census super output areas (lower layer and middle layer)	No - March 2021
Unemployment, 2001-2011 - super output areas Unemployment in 2011 - parishes	ONS	Various detailed tables	2011 Census super output area (lower layer), Census ward	No - March 2011

Further information

The Claimant Count is compiled by the Office for National Statistics from the administrative records of Jobcentre Plus local offices. Claimant Count data including Universal Credit and Job Seekers Allowance (JSA) are published monthly in the labour market statistics First Release, Labour Market Trends and on [Nomis](#), where you can also find data for JSA claimants only. Data for all Universal Credit claimants (including those in other conditionality groups) are published on the DWP's [StatXplore](#) website.

ILO defined model-based unemployment estimates are available for districts from the Office for National Statistics, based on the Annual Population Survey (APS). APS/LFS and model-based unemployment data for the districts, county, South East and for England and Great Britain are found on [Nomis](#). The ONS produced a [paper](#) giving a more detailed explanation of the difference between Unemployment and the Claimant Count, although it was written before the introduction of Universal Credit. There was also a useful [House of Commons paper](#) published which explains how the introduction of Universal Credit has affected the Claimant Count.

The ONS produced a paper '[Coronavirus and its impact on the Labour Force Survey](#)' giving details of the effects of the pandemic on the Labour Force Survey in October 2020.

Contact details

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The Research and Intelligence Team, Governance Services, provides demographic and socio-economic data, intelligence and insight to support East Sussex County Council and other East Sussex Partners. The Team also manages East Sussex in Figures (ESiF), the Local Information System for East Sussex.

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