



What Exactly is the Labour Force Survey?

Third Edition

December 2001

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1 Introduction

Newspaper articles about society and the economy regularly quote the Labour Force Survey. Politicians, analysts and academics talk approvingly about it. And other countries have their own Labour Force Surveys.

But what, exactly, *is* the Labour Force Survey?

That's the aim of this booklet - to provide, in an accessible form, a description of the main features of the Labour Force Survey.

In a nutshell, the Labour Force Survey (LFS) is a very large survey designed to give information about the number of people with jobs, the details of these jobs, the job-search activities of those without work, and so on. The results are used by government (central and local), researchers and academics, and international organisations.

The main estimates of employment and unemployment in the UK are taken from the LFS, and are published every month in the *Labour Market Statistics First Release*, and in *Labour Market Trends*. They are shown alongside information about other aspects of the labour market, from different sources, so that people can consider the latest information not only about employment and unemployment, but also about vacancies, earnings, and productivity, for example.

2 Brief History of the Labour Force Survey

We first carried out the Labour Force Survey (LFS) in the United Kingdom in 1973, as part of our obligations as a member of the European Economic Community. We repeated it every two years until 1983.

From 1984, we started to conduct the survey every year because the UK Government was making increasing use of the survey data. We conducted the last annual LFS in 1991.

From spring (March to May) 1992 we carried out the survey in Great Britain on a quarterly basis. For a number of years we published results for the spring (March to May), summer (June to August), autumn (September to November) and winter (December to February) quarters. In Northern Ireland the LFS was conducted in spring 1992 and spring 1993, and was then carried out quarterly from winter 1994-95. So for about the last six years, there has been a quarterly survey covering the whole of the UK. More details about the LFS in Northern Ireland are shown in annex A.

From April 1998, we started to publish quarterly UK LFS estimates every month, relating to the most recently available three-month (quarterly) period. More information about this is shown in section 7.

In March 2000 interviewing for the English Local Labour Force Survey started in order that more accurate local area information could be produced. It was introduced as a result of a need to monitor national learning targets at a local level and to provide better local area labour market information. In March 2001 interviewing for the Welsh Local Labour Force Survey also began to enhance the local area information available in Wales.

Until very recently, the European Union (EU) had only required that an LFS be conducted in one quarter a year. In 1998 the EU passed a new Regulation about the LFS. This says that countries should ideally provide LFS results to the Statistical Office of the European Union (Eurostat) every quarter. Fortunately we are well placed to do so without needing to redesign our survey. More details about the LFS in the European Union are shown in annex B.

The International Labour Organisation (ILO) agrees the concepts and definitions used in the LFS - see annex C for more details. Eurostat and the Organisation for Economic Co-operation and Development (OECD) use these "ILO definitions". They form the basis for the collection of data on labour force surveys in some 60 countries throughout the world.

More details of the way that the LFS is conducted are shown in section 3.

3 Details of the Survey

The sample

The survey is based on a random sample throughout the whole of the United Kingdom. Every three months we contact almost 65 thousand households. This is about the same as interviewing every household in Basildon, Blackpool or Bournemouth over a three-month period, for example. The LFS is the largest regular household survey in the country.

The survey collects information about the personal circumstances and work of everyone living in these households.

In Great Britain we take the sample from the Postcode Address File (except for the very North of Scotland – see below). This gives us a list of people's addresses from around the country. As well as these private households, the survey covers two groups of people living in a type of accommodation called *communal establishments*. These two groups are students in halls of residence (whose parents usually answer the survey questions on the students' behalf) and people living in NHS accommodation (which used to be called nurses' homes). In Northern Ireland we take the sample from the Rating and Valuation List.

The survey does not sample people living in other forms of accommodation - for example, army camps, local authority homes, or hospitals.

Collecting the information

Once we have taken the sample, we send each household a letter. This tells them that they have been chosen, and confirms that we will treat in confidence the information they give to interviewers. And we tell people roughly when the interviewer will call. Then the interviewers try to contact and interview people living at each address. About 80% of households visited by interviewers agree to take part in the survey.

We interview people who take part in the survey five times in all. An interviewer almost always visits their home to conduct their first interview. The other interviews take place at three-month intervals. On average over 95% of the people who agree to take part in the survey at first, continue to do so. In most cases we conduct these follow-up (the second, or third, and so on) interviews over the telephone.

In the North of Scotland, which is sparsely populated, we take the sample from telephone lists, and we conduct the interviews (including the first one) by telephone. This helps reduce costs, because otherwise interviewers would have to travel long distances.

Interviewers use computers to help them collect the information quickly and accurately. The computerised questionnaire ensures that respondents are asked the appropriate questions, which will differ whether they are in work or not, for example. Interviewers visiting people's homes carry small laptop computers.

Information collected for the English and Welsh Local Labour Force Surveys is carried out on an additional sample. These interviews are carried out once a year for four years - so each household is interviewed four times.

LFS interviewers try to collect information from each member of the household. Sometimes this is not possible - for example, if only one member of the household is at home when the interviewer calls. In such cases LFS interviewers collect information about absent members of the household from the (adult) person who they make contact with. This person is usually a relative of the absent member. In total, we collect about 30% of LFS data in this way - *by proxy*.

Occasionally, interviewers cannot get in touch with anyone in the household, to conduct a follow-up interview. In this case we use the information that they provided at their previous interview. This system of *imputation* is described further in section 5.

Each quarter's sample is made up of roughly equal groups of people receiving their first interview, their second interview, and so on. The group of people receiving their last (fifth) interview in one quarter is replaced in the following quarter by people receiving their first interview. This means that 80% of the sample will be common to any two successive quarters. The advantage of this is that estimates of change – for example, the increase or decrease in employment – are more accurate than if the samples in the two quarters were completely independent.

We take great care to protect the confidentiality of the information provided by respondents. The results are not used in any way which identifies individuals or their addresses. And no identifiable information about people is passed to other government departments, local authorities, members of the public or the press, unless it has the respondent's consent.

Topics covered by the LFS

LFS interviews collect information about people's personal circumstances - such as age, marital status, ethnic group, and qualifications - and a range of topics about different aspects of *work*. These tend to be about work-related activities during the week before the interview is conducted. We call this the *reference week*.

For those with jobs, we want to know what they do, what type of organisation they work for, how long they work, whether they are managers, whether they are members of a trade union, whether they have a second job, whether they have done any job-related training, and so on. We also ask about earnings, at people's first and last interviews.

For those without a job, we ask whether they are looking for work - and if so, how - whether they are available to start work, and so on.

Some information is only collected at the time of people's first interviews - for example, someone's date of birth, or their ethnic group, will not change. And in order to reduce the burden on respondents and the amount of interviewing required, information about income is only collected at people's first and last interviews.

A full list of the topics covered by the survey is shown at annex D. Not all of these questions are asked in every quarter. For example, information about people's trade union membership is only asked in the autumn (September to November) quarter. This provides enough information for those interested in the topic, and reduces the burden on respondents. Other topics of interest are targeted at specific quarters too. The LFS includes about 450 separate questions, though no one individual will be asked anything like this number.

We can then combine this information - see section 5 - to show which of three economic activity groups (defined by the ILO) people belong to. The three groups are:

- employed - people who have done paid work for an hour or more during the reference week, or have been away from a job (for example, on holiday), or who have done unpaid work for their own or a relative's business
- ILO unemployed - people who are out of work, but have looked for work during the previous four weeks and are available to start work in the next two weeks
- economically inactive - people who are neither employed nor ILO unemployed - typically people who *don't want work* (such as those who have retired) or who *do want to work* but are unable to look for or start work (because of family responsibilities, for example).

4 What is the LFS used for?

The main purpose of the survey is to provide the information needed to help the Government decide its economic (especially labour market) policy. The “labour market” covers all aspects of people’s work, including the education and training needed to equip them to work, the jobs themselves, job-search for those out of work, and income from work and benefits.

The key users of LFS data are HM Treasury and the Department for Work and Pensions, because they are responsible for UK economic and labour market policy. They are interested in a variety of indicators of the state of the labour market, including the number of people in employment, the number of hours worked, and the number of ILO unemployed people - see section 2, for example. They often analyse these series by age groups, by regions, and by sex. Other Government users include the Department for Education and Skills, the Department of Trade and Industry, the Scottish Executive, the National Assembly for Wales, the Department for Transport, Local Government and the Regions, the Department of Social Security, and the Home Office.

Users of the survey data often combine it with related data from other sources to provide an overall view of the state of the labour market. (Section 6 provides more information about the reconciliation of LFS data with data from other sources). One of the most important users of this sort of assessment is the Bank of England’s Monetary Policy Committee, which sets interest rates in order to meet the Government’s inflation target.

Other significant users of LFS data include people interested in:

- *the unemployed* - the detailed information collected from unemployed people (personal characteristics, methods of looking for work, previous occupation, and so on) help the Employment Service find improved ways of getting people back to work.
- *international comparability* - because the survey uses definitions which are standard throughout the world, we can combine figures about the United Kingdom with those from other countries’ labour force surveys. This gives figures for groups such as the EU and the OECD - see section 2 - to improve their policy making, and for the allocation of resources.
- *equal opportunities* - we can use the survey to analyse people’s position in the labour market for different age, sex, ethnic, religious and disability groups. This can help identify groups experiencing discrimination.
- *labour market flexibility* - the survey collects data on shift work, full- and part-time work, hours worked, flexible working practices, holiday arrangements and so on. This helps the Department of Trade and Industry (DTI) examine some of the aspects of labour market flexibility.

- *earnings* - the survey collects data about people's earnings. This helps the Low Pay Commission to produce reports on the National Minimum Wage (NMW) and the government to assess the implications and decide on the rate and coverage of the NMW. It will also be helpful for monitoring the effect of the NMW on the labour market.
- *local labour markets* - the survey provides data to help a variety of users - including national and local government and regional organisations - such as the Regional Development Agencies - plan their work.
- *health and safety at work* - the survey collects data about accidents people have at work. This is of particular interest to the Health and Safety Executive.
- *training, qualifications and adult learning* - the survey collects figures about the amount and type of training people have done, and about the qualifications people have and that they are studying for. The Department for Education and Skills (DfES) use these data, for example to measure the incidence and volume of training, and assessing the involvement of employers in job-related training. The National Advisory Council for Education and Training Targets (NACETT), the Scottish Executive and the National Assembly for Wales use this information to monitor progress towards the Government's National Targets.
- *union membership* - the LFS provides an important source of data on union membership. The DTI uses this, together with information from the 'Certification Officer', to provide a picture of the changing patterns of union membership.

In addition, there are many academics in colleges and universities, or in research organisations, who often combine LFS data with other sources to study various topics of research.

5 Processing the data

We have to process the information provided by survey respondents to interviewers before we can pass it onto users. This involves a number of separate processes, which are described below.

Data validation

We carry out most data checking whilst the interviews are taking place - we have built checks into the computerised questionnaire that interviewers use. Once we have combined the data from each interviewer we carry out other checking, of a more general nature.

Coding

The interviewers ask about the industry that people work in, and their occupation, and record people's descriptions. But we need to convert such data to a form that computers can manage in order to be able to analyse it. This involves finding a numeric code, from a long list of such codes, that corresponds to the industry that the person has described.

For example, if someone says that they work on a dairy farm, we will give them a *Standard Industry Code* (SIC) of 01.21 (which corresponds to "farming of cattle, dairy farming").

A similar process is applied to people's occupations - for example, we will give a farmer a *Standard Occupation Code* of 1211 (Farm Managers) or 5111 (Farmers) or 9111 (Farm Workers) depending upon what they say they do in their job.

Imputation

As mentioned in section 3, occasionally interviewers cannot get in touch with anyone in the household, to conduct a follow-up interview. In this case we use the information that they provided at their previous interview to impute a response for the current interview

So, imagine a respondent says in their second survey interview that they work on a dairy farm. At the time of their third interview, the interviewer cannot make contact with them. In this case, we would assume that they still work on a dairy farm.

If the interviewer cannot contact them at the time of their fourth interview, we would not impute this data again - we only roll data forward in this way for a single quarter. In this case we would try to contact them at the next wave (for their final interview) in order to collect the data.

Of course it is possible that the person will have changed jobs. But we have found that on average, it is more reliable to use slightly out-of-date information than to use a method such as *grossing* - see below.

Grossing

Even after we have imputed data for respondents who we could not contact for their LFS interview, we still do not have information about people who have refused to take part in the survey, or who we have been unable to contact for earlier interviews. This would not matter particularly if these *non-respondents* had similar characteristics to those who did respond.

But they have different characteristics. They tend to be younger, and more likely to live in cities. And because such people tend to have different positions in the labour market than others, we have to take account of this, in order to produce results that are not distorted.

Grossing achieves this aim. It gives more weight to results for groups that are under-represented in the sample results than for groups that are over-represented. Then the different groups are represented in the sample in the same proportions as in the whole population.

Grossing also produces results - survey estimates - that are in terms of the whole population. This allows us to say that there are about 27 million people in employment, even though the sample itself has only identified about 70 thousand employed people.

The Office for National Statistics undertook a revisions exercise in April 2000, whereby LFS data back to Autumn 1993 were “re-grossed”, so that the survey reflects more up date information on the socio-demographic characteristics of the UK population. A further re-grossing is planned for April 2002, revising estimates back to Summer 1998.

Derived variables

The survey cannot provide all of the information that people want by asking a simple question. In many cases we need to piece together responses from a series of questions. We do this on the LFS (and other similar surveys) using computer programs to derive new variables from responses to survey questions.

For example, one of the most important items of data that the LFS produces is the number of people who are ILO unemployed - see section 4. But we could not sensibly ask people “*were you ILO unemployed last week?*” - it would not mean anything to them. Instead we ask a series of questions, each of which tells us about an individual aspect of the ILO definition of unemployment - see section 2. So we will count someone as ILO unemployed if they say, in response to a series of separate questions, that

- they did no work in the previous week
- they did not have a job that they were on holiday from
- they had looked for work during the previous four weeks
- they were available to start a new job in the next two weeks
- they were waiting to take up a job that they had already obtained

6 Quality issues

Like any other survey, the LFS has strengths and limitations. It is important that users are aware of both. Amongst other things this helps them decide whether the LFS is the best source for the work they are doing.

Strengths

The main strengths of the LFS are:

- its large sample size - indeed, it is the largest regular household survey conducted within the UK
- it meets international standards. The survey provides data which we use to measure employment and unemployment according to the internationally standard definitions of the ILO (International Labour Organisation). Also, European Union law says that our LFS must have certain characteristics.
- it produces estimates each month which relate to the most recent quarterly period (see section 7).
- it puts everyone in the 16+ population into just one of the following groups - in employment, unemployed, and economically inactive.
- it includes a wide range of data related to the details of people's jobs, the type of work they are looking for, whether they want work, how they look for work, and so on. This gives a well rounded picture of how people fit into the labour market
- it provides estimates of earnings, and so links labour market behaviour with related financial rewards - indeed, it is a particularly valuable source of data about the low paid.

Limitations of the LFS

Sampling variability

One limitation of the LFS arises from the fact that it is a sample survey, not a complete count of everyone.

We might have taken different samples from the one we actually took. If we had, we would have produced different estimates. We can estimate the likely range of different estimates of, say, the number of people who are ILO unemployed. So, whilst our best estimate of ILO unemployment in winter 1997-98 in the UK was 1,861,000, we can be 95 percent sure, the true value was in the range 1,804,000 to 1,918,000.

In other words, sampling variability affects the results, and we cannot use the LFS to make exact statements about the "true" number of people who are ILO unemployed, for example.

This principle is particularly important when assessing changes. Quarterly changes in employment and ILO unemployment are often relatively small, considering the effect of sampling variability. There are statistical methods which allow us to test whether a particular estimate of change is large enough that we can be fairly sure that it is "real", rather than just the result of sampling variability.

For example, ILO unemployment fell by 73 thousand (seasonally adjusted – see section 7) between autumn 1997 and winter 1997-98 according to the survey. The “real” fall might have been larger, or smaller, for the reasons described above. But might it have been much smaller - or might there actually have been an increase in the “real” level of unemployment that the LFS just did not pick up? Nine times out of 10 the real change is within 48 thousand of the LFS estimate. And 19 times out of 20 the real change in ILO unemployment is within 57 thousand of the estimate. So although we cannot be at all sure that the “real” fall was exactly 73 thousand, the chances are very high that there *was* a fall.

It is usually difficult to decide whether a particular estimate of change is a fair reflection of the true situation just with a single set of LFS figures. Instead it is important to consider the evidence from the survey of changes in variables over a long time period - and, indeed, of changes in other related data.

Survey estimates are relatively more accurate for larger samples or groups than for smaller samples. This means that estimates about the whole country are more reliable than those for regional or sub-regional areas. For example, we know that 9 times out of 10, the real level of employment in Great Britain is within approximately 128 thousand (0.5%) of the LFS estimate. And we know that 19 times out of 20 the real level of employment is within 153 thousand (0.6%) of the LFS estimate. But the corresponding figures for the South West are 38 thousand (1.6%) and 45 thousand (1.9%), respectively. Generally, the sampling variability around regional estimates is, proportionately, around three times that for national estimates.

Non-sampling limitations

The LFS is affected by a series of issues relating to the way in which it is designed and conducted. Factors like these affect all surveys, and we commonly refer to them as non-sampling limitations. The following section describes the nature and implications of the more important of these.

LFS grossing

Grossing was described in section 5. LFS data back to Autumn 1993 has recently been updated using more up-to-date socio-demographic information. A further update will take place in April 2002.

First interviews, and subsequent interviews

The way in which we conduct interviews was described in section 3. We ask people identical questions in their successive interviews. However there tend to be small differences between the information that face-to-face interviewers collect, and that collected by telephone interviewers.

There is also a tendency for people to get used to taking part in the LFS, and to change their responses accordingly. This is most likely to lead to a difference between the responses provided in the first interview, when the respondent is more likely to be slightly unsure about the whole process, and those provided in subsequent interviews.

These two issues are common to all surveys that have this sort of panel element. In the LFS it is particularly difficult to separate out the effects, because they are

interlinked. But estimates of employment are about 1% lower, on average, in first interviews (conducted by face-to-face interviewing) than subsequent interviews.

There is no clear evidence that either face-to-face or telephone interviewing provides better results. As the survey design has not changed in recent years the estimates are consistent over time, so estimates of change are unaffected.

Coverage of the LFS

The LFS sample coverage was described in section 3. Because the LFS does not cover some communal establishments, such as local authority homes, or residential homes, it excludes just over 1% of the total population.

Based on 1991 Census data, we think that about 150 thousand employed people, and about 30 thousand unemployed people, live in such accommodation and hence are not included in the LFS results. Hence the LFS estimates of employment and unemployment are lower than the “real” national levels (in all types of accommodation).

We assume that the number of employed and unemployed people living in these establishments does not change particularly over a short period of time - so estimates of change will be largely unaffected.

Proxy response

This was described in section 3. Studies have shown that proxy data about employment and ILO unemployment tend to be very similar to data collected from the individual themselves. However proxy respondents are less likely to know some other types of information about the people for whom they are responding. This includes items of data such as training received in the previous week, highest qualifications, and detailed estimates of hours worked and earnings.

This is likely to be a fairly random source of error in the key employment and unemployment estimates, and its effect will be to cause small fluctuations in the data. We would not expect it to have a significant effect on estimates of levels or changes.

Self-classification

Much of the data collected on the LFS is on the basis of self-classification. For the majority of questions asked, this presents no problems - the individual is best-placed to know whether they are working, or how they are looking for work. But for some detailed questions, self-classification can lead to differences between the LFS and other data sources:

- we ask people in work for details that enable the industry of their workplace to be classified, according to a pre-set standard list of industries (see section 5, on *coding*)
- we ask people in work to decide whether they are employees, or are self-employed

- we ask people questions that require a familiarity with administrative systems (such as the benefits system, Government employment and training schemes, and qualifications).

Continuity of data

Some people who use LFS data just want to look at the results for a particular quarter in isolation. For example, they may wish to know the average time people living in different regions took to travel to work in autumn 1997.

But others may want to know about trends over time. For example, they may want to know whether the number of people with jobs has gone up or gone down over the last ten years. To answer this sort of question reliably we need the data to be free from discontinuities.

Discontinuities can arise in a number of different ways:

- definitions can change – for example, estimates of ILO unemployment only became available from the LFS from 1984. Prior to this, the definition was slightly different. This makes it difficult to produce a consistent time series of ILO unemployment back to the 1970s. (However estimates have been produced back to 1979.)
- improvements in survey methodology – for example, in spring 1992 when the quarterly LFS was introduced, the coverage of the survey was enhanced to include people living in NHS/Hospital Trust accommodation (formerly called nurses' homes), and students living in halls of residence or boarding schools. It is likely that these changes led to an apparent increase in employment of 40 to 50 thousand.
- changes to the LFS questionnaire – for example, in spring 1996 the LFS questions about people's qualifications were changed, in order to improve the flow of the interviews, and to provide more coherent and accurate data. Inevitably this led to a discontinuity between the data produced using the 'old' and the 'new' questions.

Because people increasingly want to use long time series of LFS data, we are taking more and more care to ensure that we minimise the introduction of discontinuities. Sometimes of course the advantages of making a change to the questionnaire in order to improve data quality outweigh the disadvantages of introducing a discontinuity. In such cases we try to estimate the size of the discontinuity, and we publish our assessment.

Comparison with other sources

As has been made clear above, the LFS is one of a number of sources of data about the labour market. Some of these other sources provide data which is not available from the LFS – for example, the LFS gives no information about job vacancies. But other sources produce information which overlaps, in some way, with LFS data.

For example, ONS undertakes surveys of employers to collect information about jobs and about earnings. And the Benefits Agency provide the claimant count – the number of people

out of work and claiming unemployment-related benefit – which the ONS publishes each month.

So there is more than one source of data on employment, unemployment and earnings. ONS has published guidance about the strengths and limitations of each source in relation to these topics, and has indicated which source is the most appropriate for different purposes. A summary is shown at annex E.

7 How are the results published?

We publish LFS results in a variety of different places. This section describes the main outlets, for both printed results and electronic data.

Because users are so interested in estimates of change - for example, whether ILO unemployment is going up or down - it is worth looking first at a few issues that relate to these estimates. The first is the process of seasonal adjustment. The second is the period that the estimate of change relates to.

Seasonal adjustment

Regular, seasonal factors, such as students leaving college in the summer and looking for work, affect many of the topics covered by the LFS. This can cause difficulties in working out exactly what is happening in the labour market, because underlying trends are distorted.

Seasonal adjustment is the process of identifying and removing the seasonal component from data. It decreases our sample estimate of the number of people in employment during the summer - to take account of seasonal jobs that are the product of summer weather conditions. And it increases our sample estimate of the number of people who are employed during the winter, to take account of the influence of poor weather (on building, for example).

We only seasonally adjust those data series which are particularly important – those which are published every month in the *Labour Market Statistics First Release*.

Quarterly data, and estimates of change

The sample is designed in such a way that it produces reliable estimates for all consecutive three-month (quarterly) periods, but not for individual months.

Every month, the ONS publishes LFS estimates relating to the latest three months. For example, in July we publish figures for March to May. Then in August we publish figures for April to June.

Users could compare these estimates with previous estimates in a number of ways. For example, it is possible to compare results for April to June 1998 with:

- January to March 1998 - in which case there is no overlap in the time periods covered. For seasonally adjusted data, ONS recommend that this is the most reliable comparison.
- March to May 1998 - where there is an overlap of two months. But the estimated changes between such overlapping periods turn out to be quite volatile, and difficult to interpret, and ONS recommend that they should not normally be used.
- April to June 1997 - for data that are not seasonally adjusted ONS recommend that this is the most reliable comparison.

Annual data

Before the quarterly LFS was introduced, LFS results were published in alternate years (from 1973 to 1983) or annually (1984 to 1991). But during 1984 to 1991 the published results relate to the spring quarter of each year.

Data covering whole years are available from 1994-95 onwards. The data are based on databases that have been specially constructed to ensure that people's information is not duplicated, even though people are re-interviewed during the year. These databases are larger than the quarterly databases, containing information for just under 100 thousand households (compared with about 60 thousand households for the quarterly data).

Annual Local Area data

Data at a lower geographic area was available on annual datasets but from this period onwards the Annual Local Area Labour Force Survey includes information from the English Local LFS. This means that the sample is enhanced further in such a way that it allows a similar level of results to be published for Local Education Authorities across England. From 2000-01 onwards the Welsh Local LFS will also be incorporated, thereby giving more robust data for and within Wales.

Because the databases are larger we can have more confidence in the results produced from them. In practical terms this means that we can look at smaller sub-groups of the population that we can using the quarterly LFS databases. The databases are referred to as *Local Area Databases*, reflecting the fact that the databases hold a local area indicator variable and that the main use of the databases is for looking at data for individual local areas.

For further information on local area data please see the *Guide to Regional and Local Labour Market Statistics available* at the Local Labour Force Survey web page below. Additionally, data and a technical user guide are also available on this web page.
http://www.statistics.gov.uk/themes/labour_market/lfs/default.asp.

Printed data

We publish LFS estimates for the UK in the monthly national *Labour Market Statistics First Release*. These estimates include levels - that is to say, the number of people - and changes (such as between April to June and January to March).

The *First Release* includes data from a variety of sources of labour market statistics, as well as the LFS. The LFS data shown include:

- employment - classified by full-time/part-time, temporary workers, age, sex and hours worked
- ILO unemployment - classified by age, duration, and whether looking for full time or part time work
- economic activity and inactivity - classified by age and reason for inactivity
- educational status and economic activity of young people

We include corresponding data for each Government Office Region, and Wales and Scotland, in a series of *Regional First Releases*.

ONS also publish *Labour Market Trends* every month. Again this covers a variety of sources of data. From the LFS it includes:

- regular articles describing certain features of the LFS, or analysing data from the LFS
- summary descriptions of labour market topics of general interest, drawing upon LFS data
- historical data for the series shown in the *First Releases*

In order to show recent LFS data in more detail than can be included in the *First Releases*, ONS publish an *LFS Quarterly Supplement to Labour Market Trends*. This contains data that are both seasonally adjusted and not seasonally adjusted; further analyses of employment and ILO unemployment; and LFS estimates of earnings from employment.

See annex A for details of printed LFS data for Northern Ireland.

Electronic LFS data

Many users find it more convenient to have access to databases holding LFS data.

The ONS releases LFS data electronically in a number of ways:

- ONS offers the LFS Data Service which allows users to purchase either full quarterly micro-databases containing regional identifiers or to specify their analysis requirements which we will produce on their behalf in tabular form.
- The Data Archive, at The University of Essex, holds the quarterly databases for use by academics and researchers.
- LFS data for a range of local areas including local (unitary) authorities, parliamentary constituencies, local education authorities etc. - complementing a wide variety of data from other sources, including the Population Census - are also available free from NOMIS[®].
- All of the data shown in the *First Releases* are available on the ONS's Central Shared Database (CSDB) – the National Statistics DataBank service. As well as LFS and other labour market statistics, this holds a large volume of economic and financial data. The CSDB allows customers to purchase entire datasets such as all the First Release series in electronic form. Individual series can be selected from StatBase (Timezone) (see below).
- The national and regional *First Releases* are available on the National Statistics website.
- Datasets containing a variety of non-seasonally adjusted LFS data from 1984, and others containing data back to 1992 from the national First Release, are available on StatBase. As well as holding other socio-economic statistics, StatBase also contains a large amount of economic and financial data.

- See annex A for details of electronic LFS data for Northern Ireland

Contact details are given in section 8.

8 **Contacts for further information**

User Guide

The multi-volume LFS User Guide contains detailed information about the LFS. This covers the following topics:

- Volume 1: Background and Methodology
- Volume 2: The LFS Questionnaire
- Volume 3: Details of LFS Variables
- Volume 4: LFS Standard Derived Variables
- Volume 5: Classifications used on the LFS
- Volume 6: Local Area Data
- Volume 7: LFS variables 1979 to 1991
- Volume 8: Household and Family Data
- Volume 9: Eurostat and Eurostat Derived Variables
- Volume 10: Regrossing of LFS data

Apart from Volume 1, the User Guide is intended primarily for users of the electronic databases. Volumes 1, 2 and 6 are available free electronically from the National Statistics website.

For further information, including purchasing details, contact Barbara Louca (020 7533 6179) (e-mail: barbara.louca@ons.gov.uk).

Other advice or information about the LFS

- Sampling and fieldwork -
 contact Cathy Gibbins (020 7533 5407) (e-mail: cathy.gibbins@ons.gov.uk)
- UK LFS data -
 contact Allan Smith (020 7533 6140) (e-mail allan.smith@ons.gov.uk)
- Northern Ireland LFS data -
 contact Patrick McVeigh (028 9052 9606)
 (e-mail: patrick.mcveigh@detini.gov.uk)
- National LFS Data -
 contact LFS Data Service (020 7533 5614)
 (email: -lfs.dataservice@ons.gov.uk)
- Sub-national LFS data -
 contact Sub-National Data Service (020 7533 6135)
 (e-mail: snds@ons.gov.uk)
- LFS earnings data -
 contact Nigel Stuttard (020 7533 6167) (email: nigel.stuttard@ons.gov.uk)
- Comparison of LFS data with other sources –
 contact Helen Ganson (020 7533 6178) (e-mail helen.ganson@ons.gov.uk)

Printed data

- *Labour Force Survey Quarterly Supplement* - contact The Stationery Office's Subscriptions and Sales Department, on 0870 600 5522.
- *Labour Market Trends* - contact The Stationery Office's Subscriptions and Sales Department, on 0870 600 5522.
- *Labour Market Statistics First Release*
national and regional - contact the Labour Market Helpline (020 7533 6094) (e-mail: labour.market@ons.gov.uk)

Electronic LFS data

- The Data Archive website – <http://data-archive.ac.uk>
- NOMIS[®] - register on-line at <http://www.nomisweb.co.uk>
- DataBank: <http://statistics.gov.uk/databank/databankintro.asp>
- National Statistics website: <http://www.statistics.gov.uk>
- StatBase: <http://www.statistics.gov.uk/statbase/mainmenu.asp>
- Northern Ireland Department of Enterprise, Trade and Investment (DETI) website: <http://www.detini.gov.uk/statres/index.htm>
- Eurostat: <http://europa.eu.int/comm/eurostat>

Telephone helplines

- for LFS data on labour market topics, contact the Labour Market Helpline (020 7533 6094) (e-mail: labour.market@ons.gov.uk)
- for LFS data on qualifications, phone DfES's qualifications helpline on 0114 259 3787
- for LFS data on workforce training data, phone DfES's workforce training helpline on 0114 259 3489

Annex A

The LFS in Northern Ireland

The Department of Enterprise, Trade and Investment is responsible for the Northern Ireland Labour Force Survey. The Central Survey Branch of the Northern Ireland Statistics and Research Agency (located in the Department of Finance and Personnel) carry out the fieldwork.

From 1973 - 1983, as in Great Britain, the Central Survey Branch conducted the survey in Northern Ireland in alternate spring quarters. From 1984 - 1994 they carried it out annually. This annual survey consisted of 5,200 addresses drawn at random from the Rating and Valuation List – approximately 1% of private addresses in Northern Ireland.

In the winter of 1994/95 a quarterly Labour Force Survey was introduced to Northern Ireland. Each quarter's sample consists of approximately 3,250 households, drawn at random from the Valuation and Lands Agency list of domestic properties in Northern Ireland. This gives results for about 4,500 people aged 16 and over. The sample structure and the processing of the survey follow the same pattern as in Great Britain.

The Department of Enterprise, Trade and Investment (DETI) publish summary results for Northern Ireland in the monthly Labour Market Statistics Press Release at the same time as ONS' monthly Labour Market Statistics First Release. It is also available on DETI's website. DETI also produce a bulletin containing more detailed LFS results, each quarter.

Occasional articles containing LFS data are published in the Department of Higher and Further Education, Training & Employment (DHFETE) Labour Market Bulletin.

UK databases are available for each spring quarter up until 1994, and for every quarter from winter 1994/95. Data for Northern Ireland are readily accessible. Northern Ireland figures are also held on the specialised databases referred to in section 7.

Annex B

The LFS in the European Union

The LFS is carried out under European Union Regulations, which are discussed and agreed by all Member States of the European Union. The most recent such Regulation was enacted in 1998, and a further Regulation will be enacted later in 2000.

Under the terms of the 1998 Regulation, each Member State must conduct a Labour Force Survey, and must supply data from it to the Statistical Office of the European Communities (commonly referred to as Eurostat).

This Regulation specifies exactly which data should be provided to Eurostat for every quarter. About two thirds of the questions in the UK LFS are needed to provide these data - though of course much of this information is needed for our own national purposes too. Information is required on the following broad topics:

- demographic background
- labour status
- characteristics of the main job
- hours worked
- second job
- visible underemployment (in relation to hours worked)
- the search for employment
- education and training
- previous work experience (of people not in employment)
- situation one year ago

In addition, the Regulation requires the provision of information on the optional topics ‘main labour status’ and ‘income’. Finally, each year there is the possibility of collecting extra information on a one-off basis in the form of an ad hoc module. The topics for such modules are discussed and agreed by Member States and are typically focussed on areas where there is particular policy interest. The current programme of modules for the next few years includes:

- length and patterns of working time
- disabled people’s employment
- lifelong learning

The Regulations specify the way in which the survey should be conducted, the quality of the results that Member States supply to Eurostat, and the timetable for supplying results.

Eurostat publishes the results of the “community” LFS, showing EU totals as well as figures for each Member State, in a substantial volume, the latest version of which is *European*

Social Statistics - Labour Force Survey results 2000. LFS data are also published by Eurostat in monthly News Releases on unemployment, and in various compendia publications such as the *Social Portrait of Europe*.

More information about Eurostat is available from the contact shown in section 8.

Concepts and Definitions

Discouraged worker - a sub-group of the economically inactive population, defined as those neither in employment nor unemployed (on the ILO measure) who said they would like a job and whose main reason for not seeking work was because they believed there were no jobs available.

Earnings - LFS earnings data are available for employees but not for the self-employed. The data relate to actual gross earnings in the most recent period from the main job, converted to a weekly basis. Hourly earnings are based on the usual hours worked per week. Questions on earnings in the LFS from spring 1997 are only asked of respondents receiving their first and fifth (final) interviews, prior to this they were only asked of people in their fifth interview; accordingly, the sample size on which these estimates are based are considerably smaller than those for corresponding analyses of employment characteristics

Economically active - people aged 16 and over who are either in employment or ILO unemployed.

Economic activity rate - the percentage of people aged 16 and over who are economically active.

Economically inactive - people who are neither in employment nor unemployed on the ILO measure. This group includes, for example, all those who were looking after a home or retired (as well as those aged under 16).

Employees - the division between employees and self-employed is based on survey respondents' own assessment of their employment status.

Employment rate - the percentage of total in employment against all people in the relevant age-group.

Employment - people aged 16 or over who did some paid work in the reference week (whether as an employee or self-employed); those who had a job that they were temporarily away from (on holiday, for example); those on government-supported training and employment programmes; and those doing unpaid family work.

Full-time - the classification of employees, self-employed, those on government work-related training programmes and unpaid family workers in their main job as full-time or part-time is on the basis of self-assessment. People on Government-supported training and employment programmes who are at college in the survey reference week are classified, by convention, as part-time.

Full-Time Education - in the LFS this is defined to include those people over the age of 16 who state that they are still at school or in some other form of full-time education, including sandwich courses. People on part-time courses, day or block-release courses, or Government employment and training schemes are not included.

Government-supported training and employment programmes comprise all people aged 16 and over participating in one of the Government's employment and training programmes (Youth Training, Training for Work), together with those on similar programmes administered by Training and Enterprise Councils in England and Wales, or local enterprise companies in Scotland.

Home workers - in the LFS are employed respondents who say that they work mainly in their own home.

Hours worked (actual and usual) - respondents to the LFS are asked a series of questions enabling the identification of both their usual hours and their actual hours. The calculation of hourly earnings is on the basis of usual hours.

ILO unemployment - the International Labour Organisation's (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 who had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained. This definition of unemployment is in accordance with that adopted by the 13th International Conference of Labour Statisticians, further clarified at the 14th ICLS, and promulgated by the ILO in its publications.

ILO unemployment (rate) - the percentage of economically active people who are unemployed on the ILO measure.

ILO unemployment (duration) - defined as the shorter of the following two periods: (a) duration of active search for work: and (b) length of time since employment

ILO unemployment (rates by previous occupation and industry sectors) - these are derived from adding all persons in employment by current occupation/industry sector to all persons ILO unemployed by their previous occupation/industry sector to estimate the numbers economically active in each occupation/industry sector. This is then divided into all persons ILO unemployed in each previous occupation/industry sector. However, the ILO unemployed are only asked about their previous occupation/ industry sector if they had left their last job within 8 years; both the numerator and denominator in these two rates take this into account.

Industry - the classification of respondents' industry of employment is based on the Standard Industrial Classification 1992: SIC(92).

Occupation - the classification of respondents' occupations have since spring 2001 been based on the Standard Occupational Classification (SOC) 2000.

Part-time - The classification of most workers as full-time or part-time is on the basis of self-assessment. As noted above (see *full-time*) people on Government-supported training and

employment programmes who are at college in the survey reference week are classified, by convention, as part-time.

Percentiles - these are defined in terms of LFS earnings estimates, as follows:

Median - level of earnings at which 50% of employees get less and 50% get more.

Lowest decile - level of earnings at which 10% get less and 90% get more.

Highest decile - level of earnings at which 90% get less and 10% get more.

Lower quartile - level of earnings at which 25% get less and 75% get more.

Higher quartile - level of earnings at which 75% get less and 25% get more.

Private and public sector employment - in the LFS are defined using a separate question from that used to define the industry sector in which a person works.

Second jobs - jobs that LFS respondents hold in addition to a main full-time or part-time job.

Self-employment - the division between employees and self-employed is based on survey respondents' own assessment of their employment status.

Temporary employees - in the LFS these are defined as those employees who say that their main job is non-permanent in one of the following ways: fixed period contract; agency temping; casual work; seasonal work; other temporary work.

Unpaid Family Workers - the separate identification of this group in the LFS is in accordance with international recommendations. The group comprises persons doing unpaid work for a business they own or for a business that a relative owns.

Annex D

Topics covered by the LFS

HOUSEHOLD AND RESPONDENTS CHARACTERISTICS

Age, sex, marital status

Housing / accommodation

Nationality, citizenship, ethnicity, religion (in Northern Ireland only)

Length of time at current address, previous whereabouts

EMPLOYMENT DETAILS

Type of work (industry, public / private sector, occupation)

Employment characteristics and conditions (employed / self-employed, government training scheme, manager, number of staff, full / part time, permanent / temporary, holiday entitlement, union representation, working from home, travel to work, sickness absence, working times and patterns, when started current job and how it was found)

Redundancy (in previous three months)

Under-employed (looking for more work)

Second job (type of work, characteristics and conditions)

LOOKING FOR WORK

Whether looking for paid work

Reasons for not seeking work

Type of work sought (employed / self-employed, full- / part-time)

Characteristics of job search (methods used, availability, duration of search, activity preceding search)

BENEFIT ENTITLEMENT

Whether receiving or claiming state benefits (Jobseeker's Allowance, Income Support, sickness or disability benefits, state pension, family related benefits, Housing Benefit, Council Tax Benefit, rent/rate rebates)

Characteristics of receipt of unemployment-related benefit

PREVIOUS EMPLOYMENT (12 MONTHS BEFORE)

Type of Work (industry, occupation)

Characteristics (employed / self-employed, full / part time, whether manager, number of staff)

EDUCATION AND TRAINING

Current Qualifications (type, level, number)

Where highest qualification acquired

Current study (qualifications studied for, type of course, institution attended)

Apprenticeships (and Modern Apprenticeships)

Job-related training (in last 13 weeks, last 4 weeks, and last week)

Characteristics of job-related training (on / off job, site, fees, reason for training, pay whilst training, time spent training, qualifications from training)

Adult learning (taught or non-taught learning carried out in the last 3 years)

HEALTH

Long term health problems / disabilities (effects, characteristics and intensity)

Past health problems / disabilities (characteristics and intensity)

ACCIDENTS AT WORK

Characteristics (job in which injured, length of time off work)

INCOME

Gross income (main and second job)

Net income (main and second job)

Annex E

Guidance for users of labour market data about different sources

The summary below is taken from an article in the May 1998 issue of *Labour Market Trends* (pp249-258)

The following sources of data are recommended for different types of analysis of four key aspects of the labour market - employment, unemployment, activity/inactivity, and earnings.

Employment

- The LFS provides a more complete measure of employment than the Workforce Jobs series (based on surveys of employers)
- The LFS is the only source of detailed information about the characteristics (occupations, home-working, work patterns and so on) of people's work
- The Workforce Jobs series probably provides a more accurate industrial breakdown than the LFS.

Unemployment

- The LFS provides a more complete measure of unemployment (under the ILO definition) than the claimant count, especially for women
- The LFS measure is better-suited to international comparisons
- The claimant count is more accurate at small areas (below the level of regions)
- The claimant count is useful as a timely indicator of up-to-date changes in unemployment.

Economic activity and inactivity

- The LFS is a unique source of comprehensive, coherent information about economic activity (in employment and ILO unemployed) and economic inactivity
- In the case of inactivity, the LFS provides information separately about people who want a job and those who do not

Earnings

- For estimates of changes, the Average Earnings Index (AEI) is most suitable. It provides industry and whole-economy information. The New Earnings Survey (NES) should be used when the information required is not available from the AEI (such as for occupational groups, or regional analyses), whilst the LFS should be used when the information is not available from the AEI or the NES. (The NES is an employer-based survey, and the AEI is derived from an employer survey).
- The NES is preferred as a source of the earnings of full-time employees, and of the average hourly earnings of all employees
- The LFS is preferred as a source about the earnings of part-time and low-paid employees.