

# **Unemployment Measures**

The latest Claimant Count unemployment rates (May 2024) and Annual Population Survey unemployment rates (Jan to Dec 2023) are published by the Office for National Statistics.

**NOTE**: The term Kent refers to the Kent County Council area which excludes Medway.

#### **Further Information**

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Kent facts and figures

There are a number of ways to measure unemployment. This bulletin looks at the two most commonly used local measures of unemployment and the differences between them. It also looks briefly at an additional dataset which measures unemployment at national and regional level and is widely reported on in the news.

#### The measures are:

- The Claimant Count from the Office for National Statistics. This provides the lowest measure of unemployment.
- The Annual Population Survey Unemployment Estimates from the Office for National Statistics
- An additional dataset published by the Office for National Statistics presents unemployment estimates at national and regional level. These estimates are published monthly and are the figures widely reported in the news.





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# Introduction

There are a number of ways to measure unemployment. This bulletin looks at the two most commonly used local measures of unemployment and the differences between them. It also looks at an additional dataset which measures unemployment at national and regional level and is widely reported on in the news.

### The Claimant Count

The Claimant Count, produced by The Office for National Statistics, is a measure of the number of people claiming benefits principally for the reason of being unemployed and is a bi-product of the administration of the benefits system.

The Claimant Count is not a true count of unemployment, rather it counts the number of people who are claiming a benefit (Universal Credit or Jobseekers Allowance) because they are unemployed. Due to eligibility rules, a number of people cannot or do not claim unemployment benefits. For example, a person aged 16 or 17 years old would only be eligible for unemployment benefits under extreme circumstances. Those in full-time education would not generally be eligible for unemployment benefits while searching for work, which particularly affects those aged 18 to 21.

A key advantage of using Universal Credit and Jobseekers Allowance claimant counts as the basis for local unemployment data is that geographically it is available down to small geographic levels, allowing local area analysis. It can also be broken down by gender and age band.

Another benefit of this dataset is that it also provides a seasonally adjusted breakdown.

The Claimant Count has undergone a number of changes since the introduction of Universal Credit in 2013. This has led to some inconsistency in coverage and ongoing development work which has caused the series to be reclassified from National Statistic status to Experimental Official Statistics.

Additionally, under Universal Credit, a broader span of claimants are required to look for work than under Jobseeker's Allowance. This has the effect of increasing the Claimant Count irrespective of how the economy performs.

This data is published monthly (one month in arrears). It provides a count of people claiming benefits and therefore is not subject to sampling errors. It is the basis for the monthly unemployment bulletin which Kent Analytics publishes for Kent, which can be found on the <u>Kent County Council Facts and Figures</u> webpages.





Claimant Count unemployment rates are calculated as a proportion of the population who are eligible to claim (i.e. all those aged 16-64).

This data provides the lowest count of "unemployment".

## Annual Population Survey

Estimates of unemployment are produced by the Office for National Statistics in the Annual Population Survey. These estimates are based on the International Labour Organisation or ILO definition of unemployment.

The ILO definition of unemployment was created as a standard definition of unemployment that could be used for comparisons of the level of unemployment in different countries. The ILO definition of unemployment is "people without a job who were able to start work in the 2 weeks following their Annual Population Survey (APS) interview and who had either looked for work in the 4 weeks prior to interview or were waiting to start a job they had already obtained".

This is a wider definition of unemployment, as it is not restricted to an individual's eligibility to claim unemployment benefit, so the unemployment numbers and rates tend to be higher than for the monthly unemployment benefits claimant count.

These data are published quarterly, six months in arrears. They provide an estimate of those people aged 16 and over who are unemployed (according to the ILO definition of unemployment). The unemployment rates are calculated as a proportion of the population aged 16+.

This data generally provides the highest count of unemployment as the definition is much broader.

Additionally, model-based unemployment estimates are produced for local authority districts and unitary authorities. They are presented as part of the ONS Annual Population Survey suite of publications. As those who are unemployed form a small percentage of the population, the APS unemployed estimates within local authority districts are based on very small samples so for many areas are unreliable. To overcome this, model-based estimates have been developed that provide better estimates of total unemployed for local authorities.

The model-based estimates of unemployment dataset give the official unemployment figures for local authority district or unitary councils only. Estimates of unemployment for other geographies (county, region, local enterprise partnerships and countries) are taken



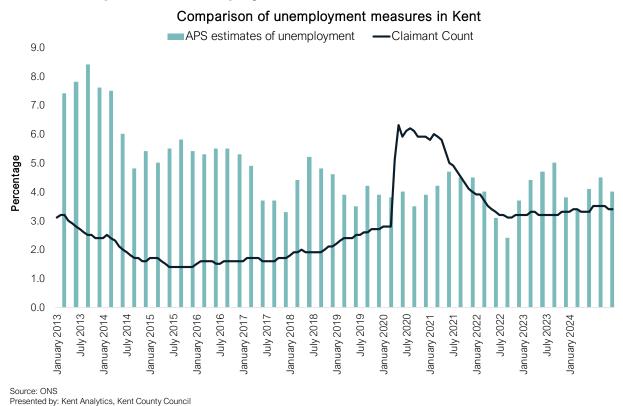


from the Annual Population Survey and can be used in conjunction with the model-based estimates to provide comparisons.

Model-based estimates are only available for total unemployed; they are not produced for male or female unemployed.

The model-based estimates are created using information from the Labour Force Survey supported by information from the Claimant Count to produce an estimate that is more precise. The claimant count is not itself a measure of unemployment but is strongly correlated with unemployment, and, as it is an administrative count, is known to be without sampling error. This helps to produce better estimates for areas of smaller sample size.

Chart 1 compares the two unemployment measures available for Kent (Annual Population Survey estimates of unemployment and Claimant Count) from January 2020 to December 2024.



#### Chart 1: Comparison of unemployment measures in Kent

Claimant Count unemployment is generally the lower of the two measures. However, during the early months of the coronavirus pandemic, measures put in place to control the spread of the virus resulted in many people being unable to work. Alongside this, temporary changes to the rules for who could qualify to claim Universal Credit resulted in a sharp





increase in claimants. As restrictions were lifted and workplaces reopened, the number of claimants fell and from early 2023 onwards Claimant Count unemployment returned to being the lower of the two unemployment measures.

Table 1 shows the number and proportion of people who were unemployed from January 2020 to December 2024 in Kent using the two different unemployment measures (Annual Population Survey estimates of unemployment and Claimant Count).

Table 1: Comparison of unemployment measures									
		Claimant							
		Count			APS				
	Claimant	unemployment		APS Estimated	Unemployment				
Claimant Count	Count	rate (% 16-64		unemployment	rate (% 16-64				
Date	number	population)	APS Reference Date	number	population)				
January 2020	26,275	2.8	-	-	-				
February 2020	27,030	2.8	-	-	-				
March 2020	27,110	2.8	Apr 2019-Mar 2020	29,600	3.8				
April 2020	48,245	5.1	-	-	-				
May 2020	60,045	6.3	-	-	-				
June 2020	56,595	5.9	Jul 2019-Jun 2020	30,900	4				
July 2020	57,930	6.1	-	-	-				
August 2020	59,165	6.2	-	-	-				
September 2020	58,450	6.1	Oct 2019-Sep 2020	26,600	3.5				
October 2020	55,865	5.9	-	-	-				
November 2020	56,360	5.9	-	-	-				
December 2020	56,460	5.9	Jan 2020-Dec 2020	30,000	3.9				
January 2021	55,185	5.8	-	-	-				
February 2021	57,650	6	-	-	-				
March 2021	56,950	5.9	Apr 2020-Mar 2021	32,400	4.2				
April 2021	55,845	5.8	-	-	-				
May 2021	51,960	5.4	-	-	-				
June 2021	47,850	5	Jul 2020-Jun 2021	36,000	4.7				
July 2021	46,810	4.9	-	-	-				
August 2021	44,735	4.7	-	-	-				
September 2021	42,710	4.5	Oct 2020-Sep 2021	34,400	4.5				
October 2021	41,010	4.3	-	-	-				
November 2021	39,740	4.1	-	-	-				
December 2021	38,365	4	Jan 2021-Dec 2021	33,600	4.5				
January 2022	37,655	3.9	-	-	-				
February 2022	37,570	3.9	-	-	-				
March 2022	35,965	3.7	Apr 2021-Mar 2022	29,600	4				
April 2022	33,870	3.5	-		-				
May 2022	32,510	3.4	-	-	-				
June 2022	31,340	3.3	Jul 2021-Jun 2022	22,600	3.1				
July 2022	30,535	3.2	-	,000	-				
	20,000	0.2	I						

#### Table 1: Comparison of unemployment measures





		Claimant Count			APS
	Claimant	unemployment		APS Estimated	Unemployment
Claimant Count	Count	rate (% 16-64		unemployment	rate (% 16-64
Date	number	population)	APS Reference Date	number	population)
August 2022	30,445	3.2	-	-	-
September 2022	30,270	3.1	Oct 2021-Sep 2022	17,800	2.4
October 2022	30,245	3.1	-	-	-
November 2022	30,520	3.2	-	-	-
December 2022	30,960	3.2	Jan 2022-Dec 2022	28,200	3.7
January 2023	30,960	3.2	-	-	-
February 2023	31,230	3.2	-	-	-
March 2023	31,755	3.3	Apr 2022-Mar 2023	32,900	4.4
April 2023	32,260	3.3	-	-	-
May 2023	31,275	3.2	-	-	-
June 2023	31,285	3.2	Jul 2022-Jun 2023	35,400	4.7
July 2023	31,420	3.2	-	-	-
August 2023	31,045	3.2	-	-	-
September 2023	31,105	3.2	Oct 2022-Sep 2023	37,500	5.0
October 2023	31,420	3.2	-	-	-
November 2023	31,685	3.3	-	-	-
December 2023	32,150	3.3	Jan 2023-Dec 2023	28,400	3.8
January 2024	32,375	3.3	-	-	-
February 2024	33,355	3.4	-	-	-
March 2024	33,185	3.4	Apr 2023-Mar 2024	26,100	3.4
April 2024	32,475	3.3	-	-	-
May 2024	32,245	3.3	-	-	-
June 2024	32,050	3.3	Jul 2023-Jun 2024	31,400	4.1
July 2024	34,410	3.5	-	-	-
August 2024	33,965	3.5	-	-	-
September 2024	34,110	3.5	Oct 2023-Sep 2024	34,400	4.5
October 2024	34,040	3.5	-	-	-
November 2024	33,295	3.4	-	-	-
December 2024	33,170	3.4	Jan 2024-Dec 2024	30,200	4

Source: ONS Claimant Count; Annual Population Survey





#### **ONS Unemployment – National and regional estimates**

Estimates of unemployment at national and regional level are published on a monthly basis by the Office for National Statistics. These estimates of unemployment are those generally used in national news reports.

The estimates measure the number of 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 calculated as the proportion of the economically active population (those in work plus those seeking and available to work) who are unemployed.

The figures are taken from employment, unemployment and economic inactivity estimates data collected from the ONS Labour Force Survey (a survey run by field interviewers with people across the UK every month).

Unemployment is different from the Claimant Count, which measures only those people who are claiming unemployment related benefits. The Claimant Count is normally the lower measure because some unemployed people are not entitled to claim unemployment related benefits or choose not to do so.

Estimates are produced every month for a rolling three-month period; for example, figures published in September for the period May to July will be followed in October by data for June to August.

Further information about Labour Market Statistics and the different measures of unemployment is available from the <u>ONS Guide to Labour Market Statistics</u>.







# **Related documents**

The Unemployment in Kent bulletin is published monthly on our <u>Unemployment & Benefits</u> webpage, and presents the latest Claimant Count unemployment in Kent and Medway local authorities and wards.

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