

Northern Ireland's claimant count recorded its 27th consecutive monthly fall in March. Last month saw the total claimant count fall by 1,000 to 42,500 with the majority of the decrease due to declining male unemployment (-700). Since December 2012, Northern Ireland's claimant count has fallen by almost 20,000 cumulatively and is now at its lowest level in 6-years. However, more than half of the total rise (41,300) in unemployment that followed the downturn remains.

There were also some encouraging signs within the latest Labour Force Survey with a string of record highs. The number of people in employment in the 3-months to February hit a record high of 833,000. This represented a 2.7% increase on the corresponding period a year ago.

Significantly, the rise in employment is due to a 4.2% rise (+28,000) in employees in employment rather than self-employment. Employees in employment breached the 700,000 mark for the first-time ever with 702,000 individuals working for employers in the 3-months to February. Meanwhile the number of self-employed fell by 5.7% y/y in the latest survey.

The Labour Force Survey also confirms a notable pick-up in full-time employment as opposed to part-time work which is a further indication of a recovery in the jobs market. The number of people working full-time in Northern Ireland hit a record high of 637,000 in the latest 3-month period and is up over 6% year-on-year. Conversely, part-time employment has decreased by over 7% from the record high it posted a year ago.

The strong employment figures within the latest Labour Force Survey conceal diverging performance within different age-groups. The surge in employment growth has been most prevalent within the over 50 years of age cohort. The number of over 50s in work has never been higher and has increased by almost 8% over the last year and by 37% over the last 7

years. Conversely, the number of individuals aged between 18-24 years who are in employment has fallen by close to 4% over the last year and by 26% during the last 7 years. Meanwhile employment growth for those aged between 25-49 years of age is broadly unchanged relative to 7 years ago with 2% growth recorded over the last year.

The plight of the younger generation is put in perspective by looking at the unemployment rate. Northern Ireland's headline unemployment rate stood at 6.0% in the 3-months to February 2015. However, the equivalent rate for those aged 18-24 years of age is back above 20% (20.5%) and compares unfavourably with the UK (14.3%). Northern Ireland's youth unemployment rate is around twice the rate that prevailed when the Good Friday Agreement was signed in April 1998. Conversely, older age-groups continue to enjoy much lower unemployment rates than they did 17 years ago. The current unemployment rates for those aged 25-49 years of age and over 50 years of age are 4.1% and 3.4% respectively.

Overall, the latest set of labour market statistics is encouraging at a headline level. Falling unemployment (*claimant count*) and robust rates of employment growth are to be welcomed. However, maintaining these trends will prove more difficult in the months ahead. Northern Ireland's headline unemployment rate hit 5.7% in Q4 2014 and this may well represent the cyclical low. The rate is now at 6% and is expected to remain at or above this level in the year ahead. Meanwhile the pace of employment growth is expected to slow with the public sector due to shed a significant number of jobs over the next few years. Clearly the biggest labour market challenge facing local policymakers remains the dearth of opportunities available for our younger generation.

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