

Once again Northern Ireland's latest round of labour market statistics were littered with record highs and lows of the positive variety. The Labour Force Survey confirmed that the unemployment rate (*ILO measure*) fell to a **new record low of 3.1%** (*UK = 4.2%*) and was the lowest rate across all of the UK regions.



The fall in unemployment was accompanied by a fall in the number of economically inactive (-2,000) and a rise in employment (+13,000) during the latest quarter (Q1 2018). The number of people in Northern Ireland working in some capacity has never been higher and the rate of employment growth (+3% y/y) has been accelerating. Northern Ireland's employment rate (69.7%) remains a whisker away from the record high of 70% witnessed in the summer of 2016.

All of the above headlines are encouraging but they present a superficially positive picture of the labour market. Longstanding challenges related to economic inactivity, job quality and productivity remain. Whilst there has been some improvement with falling economic inactivity in recent years concerns linked to job quality and poor regional productivity are intensifying. As a result, Northern Ireland finds itself increasingly stuck in a low wage / low economic growth model. The latter will not produce higher levels of economic prosperity and cannot be compensated by a (flattering) low unemployment rate.

The labour market statistics also conceal contrasting performance based on age and gender, with the over 50s and females driving the improvement in the headlines.



Record highs & lows for females (positive). The number of females unemployed more

than halved over the last year with the unemployment rate plumbing a fresh record low of 1.8% in Q1 2018. This compares with 4.4% for males. Female participation has improved significantly with the percentage of females of working-age (16-64yrs) hitting a record high of 67.1%. Twenty years ago this figure was 56.9%. Contrast that with the male employment rate which is lower now (72.3%) than 20 years ago (74.5%).

Females outperforming male employment growth. Female employment growth (+4.3% y/y) over the year to Q1 2018 was more than twice that of males (1.8% y/y). Furthermore, females recorded growth across all forms of employment (employees, self, full-time, part-time etc) with full-time employment rising by a robust 6.4%. This contrasts with male employment growth which was dominated by part-time (+6.4% y/y) employment rather than full-time work (+1.6% y/y). Male self-employment fell by over 9% y/y in Q1 which contrasts with a gain of almost 6% amongst females.

Not enough jobs for the boys? Female employment growth has been strongest within the 18-24yr age-group with the 16% y/y rise in Q1 2018 contrasting with a 12.5% y/y fall for males. While the 18-24yr age-group was the fastest growing cohort amongst females. For males, the over 65yr age-group posted the strongest rate of growth (+24%) of all age categories.

Rising male inactivity. Unlike with females, male inactivity has been rising over the last year. Male inactivity increased by 6% with those aged 18-24 years of age surging by close to one-third! Conversely, the corresponding age-group for females has seen inactivity fall by almost one-fifth. Male inactivity for 18-24 year olds has never been higher hitting 43.9% in Q1 2018. This compares with 28.6% in the UK and 33% for NI females. Twenty years ago NI's economic inactivity rate for males aged 18-24 years of age was less than 14%!

The greying of the workforce? The last ten years has witnessed the fall and rise in

employment growth. But a key development has been the greying of the workforce with the older age-groups accounting for a greater share of employment. The number of people working (*of all age groups*) has increased by 7% (+55,000 people) over the 10 years (Q1 2008 - Q1 2018). But this conceals a 3% fall (-17,000) in employment amongst people aged under 50yrs. This comprised of a 8% fall amongst males whereas female employment amongst the over 50s rose by 5%.

Meanwhile, employment within the age-group of those over 50yrs posted an increase of 40% (+72,000). As a result, all of **the gain in employment growth over the last decade has been due to individuals aged over 50 years of age**. The number of those aged over 60 (females) / 65 (males) has doubled over the last decade. This contrasts with a 16% fall for those aged 18-24 yrs of age with males (-28%) faring significantly worse than their female counterparts (-4%).

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