Labour Market Observer: A year in review - 2024

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Economic activity or participation is one of the most important, but often misunderstood indicators of the condition of the labour market

Introduction

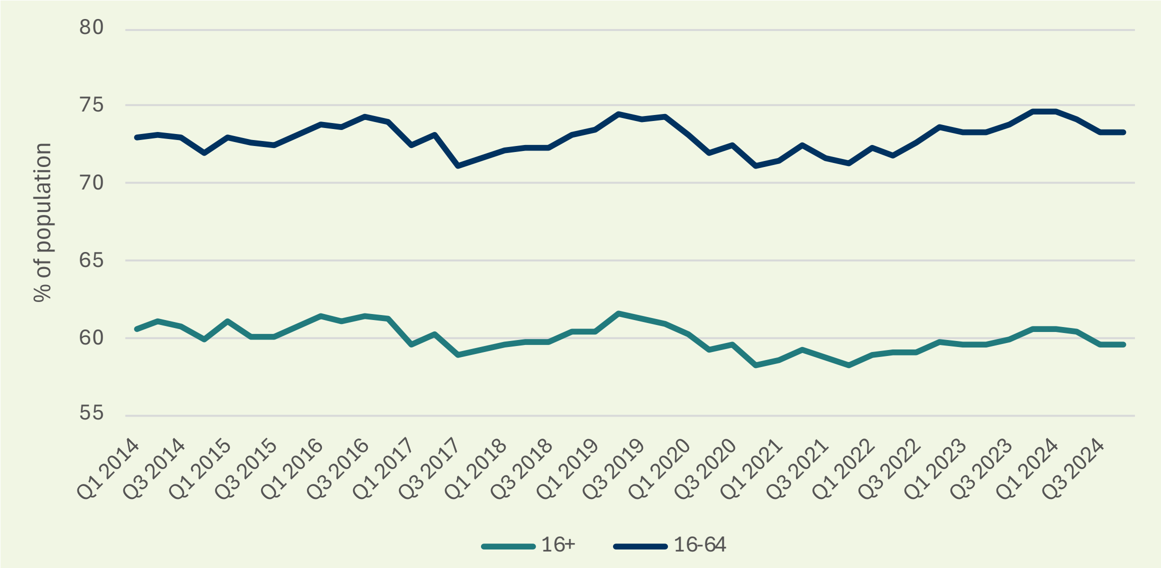
2024 was a year of little change for Northern Ireland's labour market. There was continued, modest improvement in the main indicators of participation and employment in the labour market. It is also clear that we are still processing very significant impacts from the Covid-19 pandemic, although many have faded away. The pandemic had the effect of closing many of the gendered gaps in our labour market, many of these reverted to pre-pandemic levels shortly after, while in other cases the pandemic merely interrupted changes that were already underway. Added to this, many impacts that appeared to be enduring were found to be less so following a technical issue with the reporting of labour market statistics for NI. This report summarises and analyses the main results from labour market statistics in 2024 and puts them in the context of the 10 years leading up to them.

Participation, Employment and Unemployment

Economic activity or participation is one of the most important, but often misunderstood indicators of the condition of the labour market. It determines what proportion of the available adult population is directly engaged with the labour market. NI has historically had low rates of economic activity and this has been identified as a key weakness in economic performance. Economic inactivity limits the possible labour supply in the economy and can therefore, prevent the economy from reaching its full potential. Studies have shown that areas with lower labour force participation are associated with weaker economic performance and weaker wage growth. The reasons for not entering the labour market are many and diverse and it is only possible to capture a fraction of these reasons in any statistical exercise. Furthermore, there are many structural, societal and cultural reasons why different economies have differing rates of economic inactivity. Notwithstanding these differences, when compared to both Great Britain and the Republic of Ireland, NI's rate of economic activity has been consistently lower than the former and are now below that of the latter.

That being said, there has been an improvement in recent years for activity in those of working age and the adult population as a whole. Over 2024 the working age rate of economic activity in NI decreased steadily by an average of 1 percentage point (pp) over the year. While this may first appear to be a significant deterioration, the rate has returned to the average rates that were seen in the 5 years from 2014 to 2019. While activity rates for the adult population as a whole followed a similar path, the rate of economic activity in those aged 16 and above is now 1 percentage point lower than the average of the 5 years pre-2020.

Chart 1 Economic Activity, Adult and Working-age, Northern Ireland 2014-24

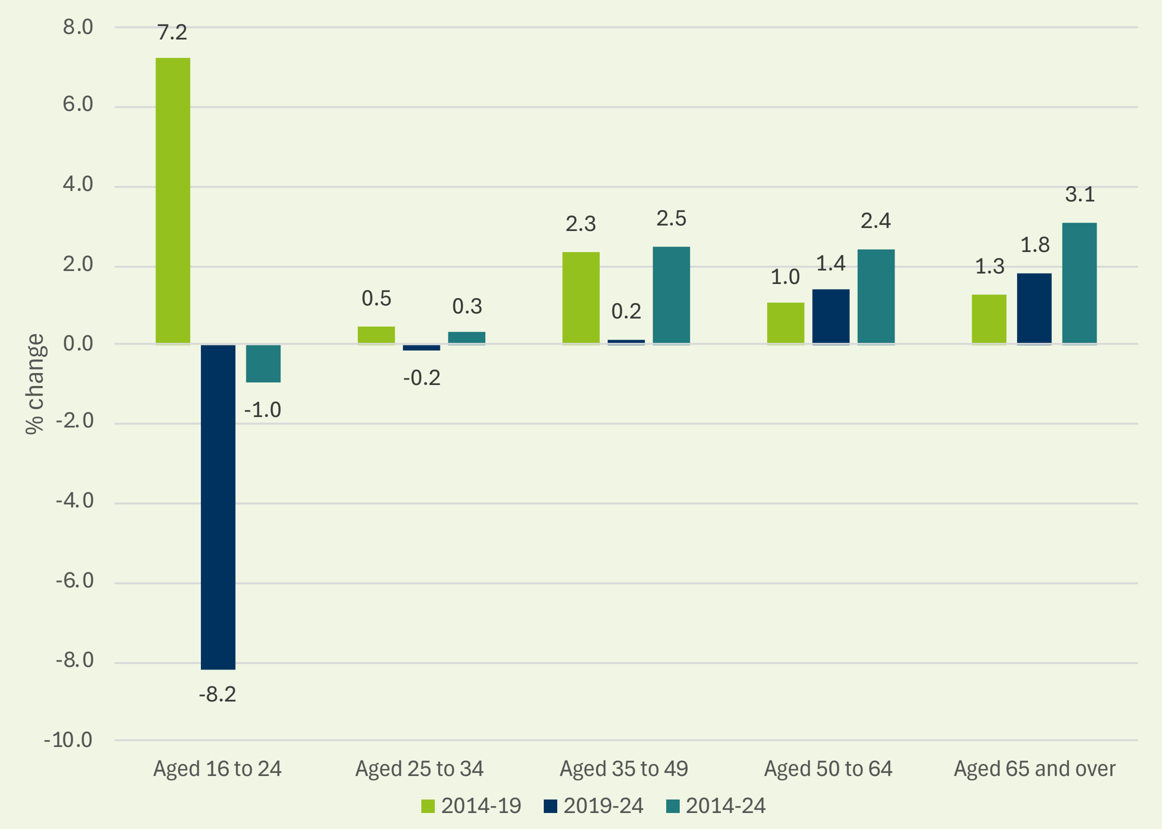


Source: Northern Ireland Labour Force Survey (2025)

Working-age economic activity has increased by 0.4pps since 2014, while activity for the adult population has fallen by 1pps. When we breakdown that period pre and post Covid we can see that the working-age activity rate increased by 2.3pps between 2014 and 2019, and then fell back by 0.9pps in the 5 years to 2024. When we look at the adult population as a whole, activity increased 0.9pps between 2014 and 2019, but then fell by 1.4% between 2019 and 2024. This would indicate that the pandemic did indeed have an impact on economic activity in the NI labour market, and that while working-age rates have recovered to their pre-pandemic average, ground has been lost compared to the 2019 peak. For the adult population as a whole, the pandemic had a much greater impact leading to a much greater slowdown in participation compared to the working-age population in the 5 years to 2024.

While the trends in Chart 1 might lead to the conclusion that there has been a decrease in economic activity for those aged over 65, the reality is more subtle. Chart 2 shows rates of economic activity broken down by age groups with the percentage point change for 2014-24, 2014-19 and 2019-24. What these figures show is that the age cohort with the largest increase in economic activity is the 65 and over category. Chart 2 shows that it also had the largest percentage increase in economic activity in the 2019-24 period which seems at odds with the widening gap between working-age and adult population trends over the same period.

Chart 2 Change in Working-age Economic Activity Rates by Age cohort, NI 2014-19, 2019-24 and 2014-24

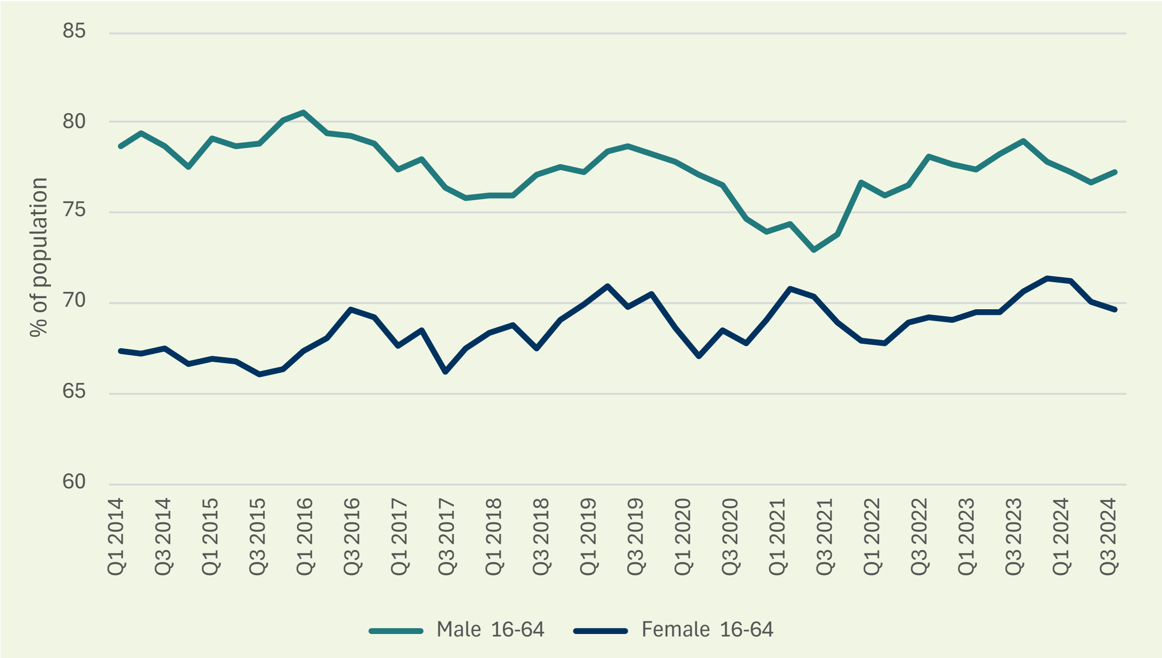


Source: Northern Ireland Labour Force Survey (2025)

The reality is that while there has indeed been an increase in the labour market participation of the 65 and over population, the overall rate of participation in this cohort is still significantly lower than all other age cohorts. Added to this the percentage of the population that is made up by people aged 65 and over has increased from 19.3% in 2014 to 22.2% in 2024. What this means is that while participation rates might have increased, they have not increased sufficiently to counteract the impact that demographic shifts have had on the labour market. So, in 2024, there were more people aged 65 and over engaging with the labour market, but they were outnumbered by the increase in the total number of people who came into that age group since 2019. Both of the trends identified are therefore valid, that the participation of those 65 and over has increased, but overall participation has been brought down by the increase in the proportion of people aged 65 and over.

Looking at activity trends by gender, Chart 3 shows that there has been a marked improvement in female participation which is now over 2pp higher than it was 10 years ago and a small but significant deterioration in the male rate of participation. The trends over the last 10 years have seen significant change with the pandemic period having an obvious impact. In 2014 and 2015, there was little movement for either gender which was followed by an upsurge in female participation which then dipped in 2017 and finished at the end of 2019 over 3pps higher than Q1 of 2014. Male participation rate began to fall at the end of 2015 and the decline continued and plateaued into 2018 before recovering almost all of that ground to the end of 2019. The impact of the pandemic was initially the same for both genders leading to a drop-off in activity. While the decline in male activity persisted until the third quarter of 2023, female participation almost immediately recovered over the same period. At that point then the reverse occurred with female rates dropping while male rates climbed. The male rates topped out at the end of 2023, while female rates recovered eventually in 2024.

Chart 3 Working-age Economic Activity Rates by Gender NI 2014-24



Source: Northern Ireland Labour Force Survey (2025)

What is remarkable is that the pandemic had the effect of bringing the male and female participation rates to within 3pps of each other. The gap between the two rates in 2014 was 12pps, and even by the end of the decade it was still 7.7pps. Some changes that occurred through the pandemic have endured, but many have been slowly unwound since the end of the pandemic. What Chart 3 shows is that during the pandemic period when these measures were implemented, there was a dramatic acceleration in the long-term trend of participation rates and that after the unwinding of those labour market measures this acceleration reversed. Whether this correlation was causal, is still to be determined.

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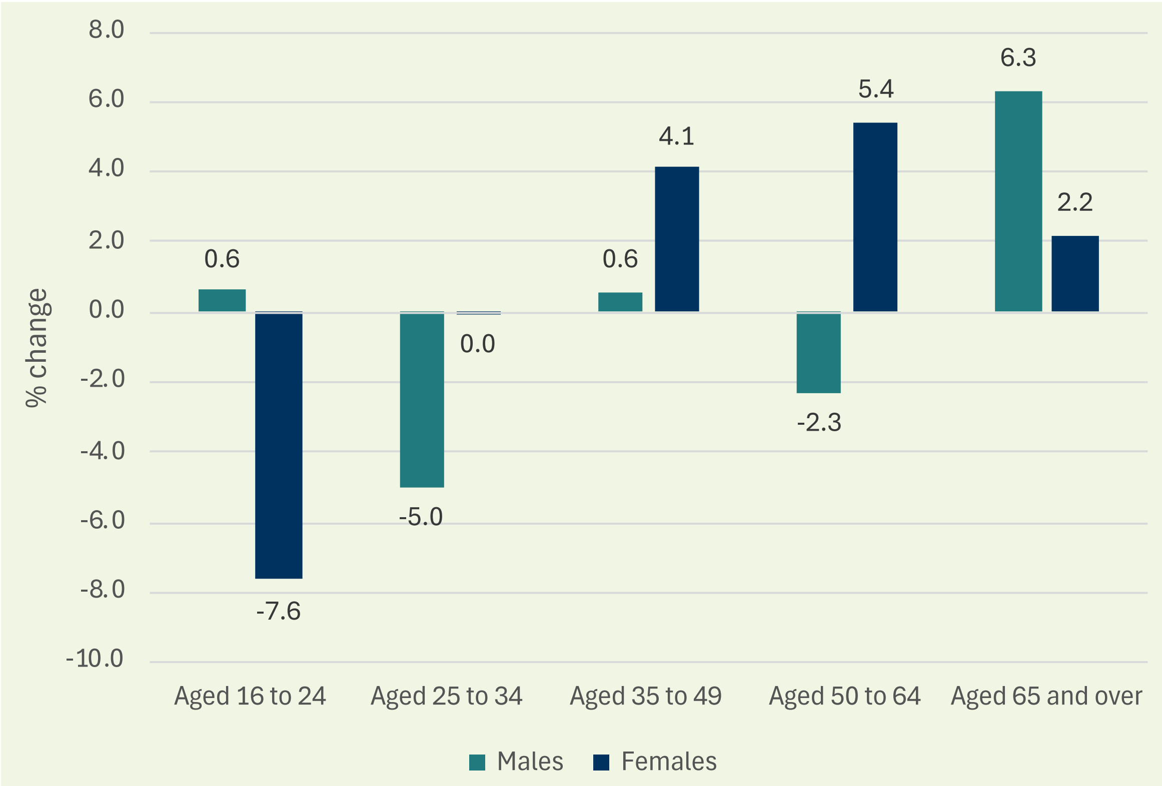
Chart 4 Change in Working-age Economic Activity Rates by Gendered Age cohorts 2014-24



Source: Northern Ireland Labour Force Survey (2025)

Looking at the change activity again by age cohort, Chart 4 shows there has been a large divergence in gender here also. Female participation has fallen significantly in the lowest age group and gathered much of its increase in the 35-49 and 50-64 cohorts. Males in contrast have had minimal or negative growth in all age cohorts apart from the 65 and over, along with sharp decreases in the 25-34 cohort and a smaller decrease in the 50-64. While the changes appear quite different at first, in both genders it a case of reduced participation in younger cohorts and increased participation in older cohorts, with male trend one age cohort ahead of the female. In trying to understand these trends, it is necessary to look at the broad reasons people give for being economically inactive. The first part of Table 1 shows that over the last 10 years there has been a significant shift in the reasons given for people being inactive. There has been an 10pps increase in those inactive due to long-term health issues and just a 1pps increase in both student and 'other reasons'. Family and home care have seen a 10pps fall while Retirement has seen a 1pps decline as a reason for inactivity. This looks as though there has been an almost proportionate shift between family and home care to long-term sickness, but as the breakdown within genders shows, the story is more nuanced than that.

Table 1 Male and Female reason for inactivity NI 2014 and 2024

	Long-term sick	Family and home care	Retired	Student	Other	Total
All 2014	28	25	12	26	10	100
Females 2014	21	37	13	20	9	100
Females 2024	33	23	10	24	10	100
All 2024	38	15	11	27	9	100
Males 2014	39	5	10	36	10	100
Males 2024	44	6	12	31	8	100

Source: Northern Ireland Labour Force Survey (2025)

Looking at the breakdown of reasons within the genders then shows that the long-term sickness jumped by 12pps among females, but only 5pps among males. Similarly, while family and home care fell by 14pps in females, it actually increased 1pps among males. There was a 4ppps increase in the share of females who are students and a 5pps reduction in the share of males. Conversely there was a 3pps drop in the share of females as retirees and a 2pps jump in the share of males.

Table 2 Reason for Economic Inactivity by Gender NI 2014 and 2024

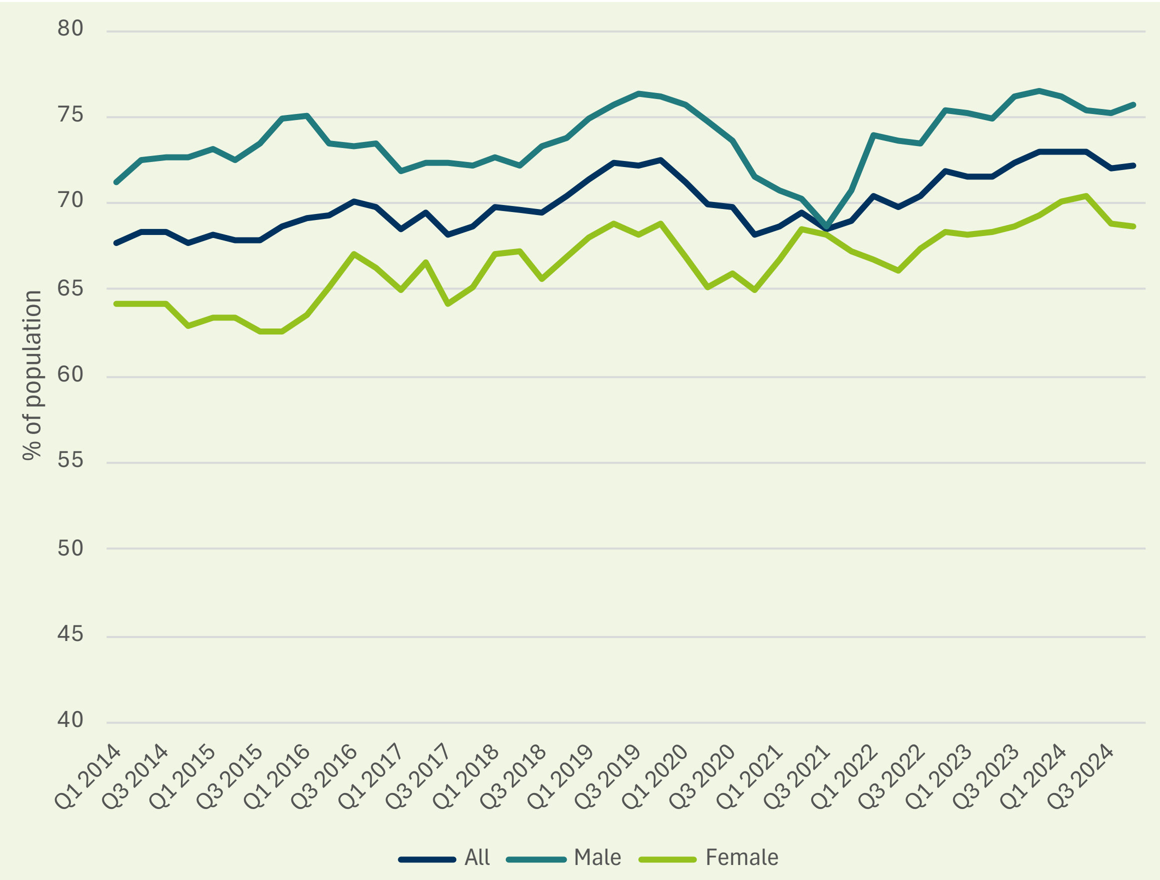
	Long-term sick	Family and home care	Retired	Student	Other
Females 2014	45	93	67	48	58
Males 2014	55	7	33	52	42
Total	100	100	100	100	100
Females 2024	50	85	55	51	62
Males 2024	50	15	45	49	38
Total	100	100	100	100	100

Source: Northern Ireland Labour Force Survey (2025)

The recent trends now mean that females make up 50% of all people inactive due to long term illness, up from 45% in 2014. Similarly, males now make up 45% of all retirees, up from 37% in 2014. The male share of those inactive due to caring has more than doubled, while females now dominate the 'other reasons' group. Overall, what can be seen is that there has been a reduction in family and caring and an increase in long term illness. Even though rates of inactivity among females are falling, the shift with the reasons for inactivity is stronger here than it is for males. What this implies is that as females inactivity falls and male inactivity increases, the two genders are starting to look more similar in their make up. This has significant implications for how policy aims to tackle inactivity and that while gender will always be an important lens through which to view these trends, it may be becoming less of a distinguishing factor.

Looking next to employment, Chart 5 shows rates of employment over the last 10 years for all working age adults and the corresponding male and female rates. The employment rate risen by just under 4.5pps in the last 10 years which is significantly larger than the 0.4pps increase in the working-age activity rate over the same period. Much like economic activity rates, the pandemic period had the effect of drawing male and female employment rates together, in this case, up to the point where they were equal in the third quarter of 2021. While there had been a slow process of convergence, the gap between the male and female rate had been very stable from 2014 until 2020. While the rates did move up and down, with the exception of 2 quarters in late 2016, they tended to move in tandem. Then, in the first and second quarters of 2021, the male rate dropped sharply and there was an almost equivalent jump in the female employment rate. This did not hold, and both rates returned to their previous levels almost within 2 quarters. What this means now is that while the employment rate is 4.5pps above where it was in 2014, the gap between male and female rates is exactly the same in 2024 as it was in 2014.

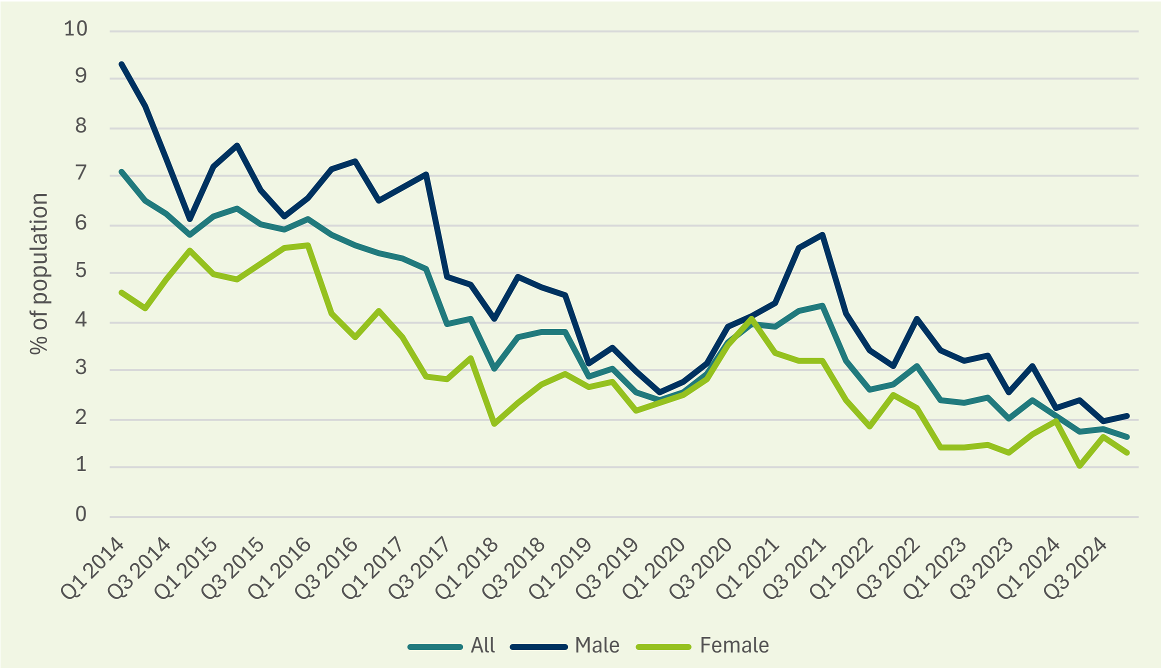
Chart 5 Employment Rate by Gender NI 2014-24



Source: Northern Ireland Labour Force Survey (2025)

Looking at the unemployment rate we can see a similar pattern, albeit one following a much more pronounced trend. The unemployment rate (16+) has fallen from just over 7% in 2014 to an historic low of just under 1.3%. This is reflected in both the male and female rate, both having reached historic lows in Q2 an Q3 of 2024 respectively. Similar to the employment rate and, to a lesser extent, the participation rate, the impact of the pandemic was to narrow the rates between both genders. In the case of the unemployment rate, the impact was more enduring with both rates at the end of 2024 being as close as they have been outside of the pandemic period. In 2014, there was a 4.7pp gap between the male and female rate of unemployment, by 2024, that gap had fallen to 0.8pps.

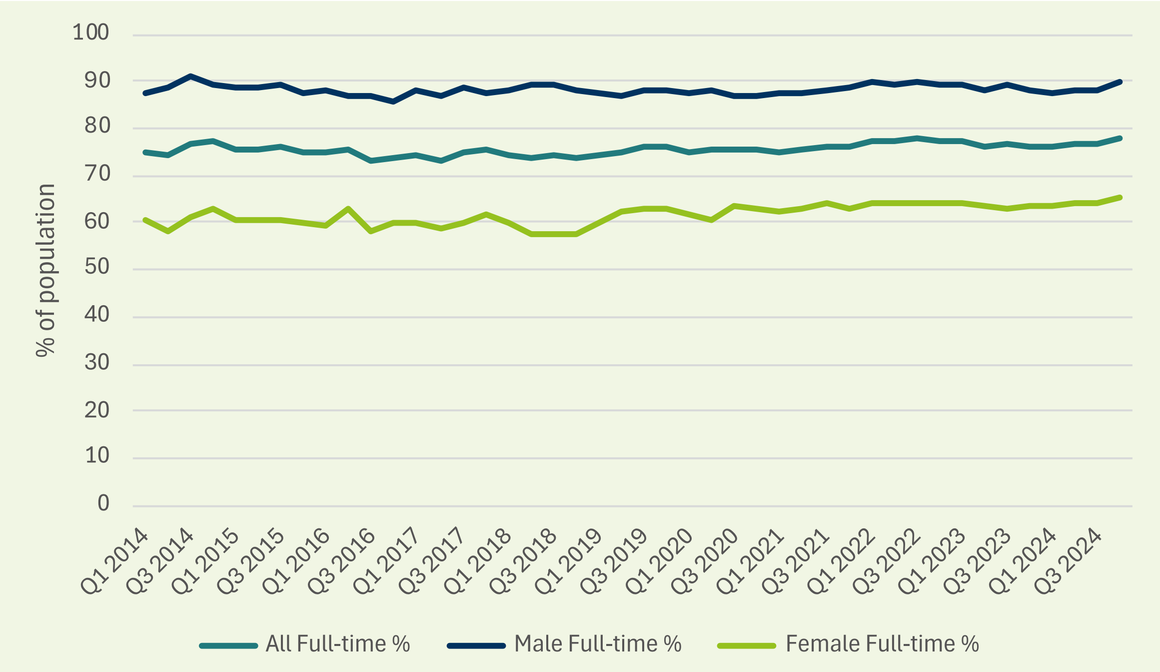
Chart 6 Unemployment Rate by Gender NI 2014-24 (16+)



Source: Northern Ireland Labour Force Survey (2025)

Looking at those in employment in more detail, we can see that the shift towards full-time employment continued in the 10 years up to 2024. The percentage of all workers working full-time is now 78%, up 4pps points from 2014. This is split evenly between the male and female rate, with the female rate increasing from 61% to 65% and the male rate climbing from 85% to 89%. While the pandemic did see the proportion of full-time employment drop significantly, this trend did not hold. Interestingly, unlike the overall employment rate and the unemployment rate, the pandemic did not have the effect of bringing male and female rates of full-time employment closer together. As of 2024 they remain exactly as far apart as they were 10 years ago.

Chart 7 Rate Full-time employment among employed and by Gender NI 2014-24

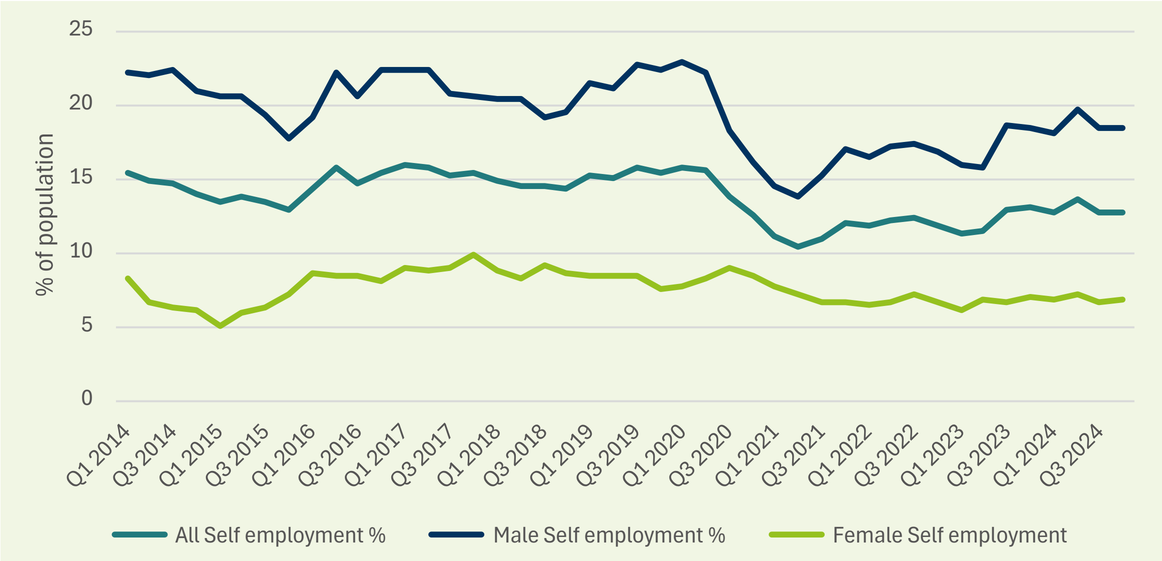


Source: Source: Northern Ireland Labour Force Survey (2025)

Looking now at self-employment, we can see a trend where the pandemic impact has resulted in a more longer-term shift. The rate of self-employment has fallen from 15% in 2014 to 13% in 2024. As Chart 8 shows, this has been driven predominantly by the fall in male self-employment over that period. In 2014, 22% of males were classified as self-employed and this had fallen to 18% by the end of 2024. For females, the decline from just over 8% to just under 7% was less dramatic. The fall in the proportion of self-employed is not unique to NI, although it did experience the largest drop of any UK region. The impact of the pandemic is likely to have been disproportionately disruptive for the self-employed on many fronts. For instance, while the UK government did provide income support for self-employed during the pandemic, the support scheme came much later than that for employees. It is possible that one of the more enduring impacts of the pandemic is that fewer people engaging in non-standard forms of employment that offer flexibility, but also instability.

while the UK government did provide income support for self-employed

Chart 8 Rate self-employment among employed and by Gender NI 2014-24



Source: Source: Northern Ireland Labour Force Survey (2025)

Overall, we can see that the main indicators of NI's labour market gradually improved over the course of 2024. Economic inactivity increased slightly and held for much of the year. However, varying experiences by age and gender do point to possible change in the future. Employment rates have stabilised, with the gaps in gendered rates unchanged over the last decade. Unemployment rates continue to fall and here the gap between genders continues to close. Overall, 2024 did not affect any significant change to any of the changes that took effect during and in the aftermath of the Covid-19 pandemic.

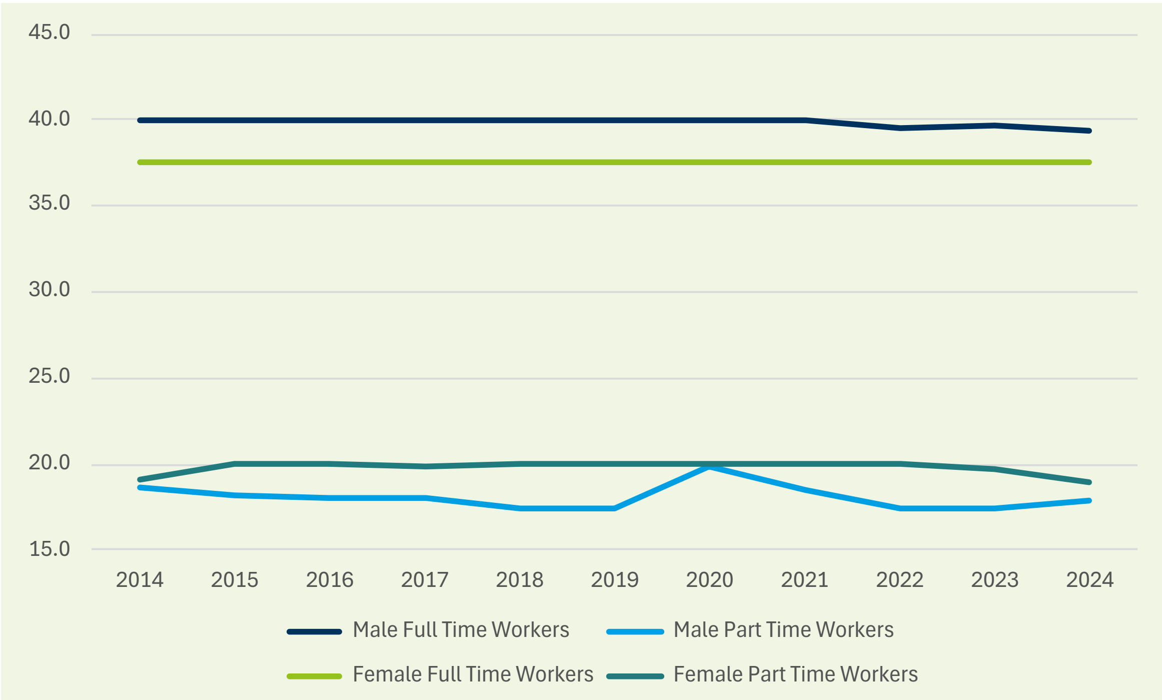
Hours and Earnings

The preceding section of this report discussed trends in labour market participation as defined by economic activity status and the employment rate. Among those in employment, the intensity of participation can also be measured by the hours of work that are carried out by those in employment. This is an area of particular interest in the aftermath of the Covid-19 pandemic which saw a large and sustained fall in the total hours worked in the economy and the average hours worked by individual workers.

Linking participation in the labour market, employment and hours worked is the earnings that people can expect from the labour market. Earnings have come under significant pressure following both the aftermath of the Covid-19 pandemic and the Russian invasion of Ukraine in 2022, as both events led to a significant increase in the price level. This led to pressure for significant increases in nominal earnings in order to protect against persistent price increases.

To begin with hours worked, we can see from Chart 9 that average hours worked were actually marginally higher in 2024 than they were in 2014. Within this total there are different trends by gender and job type. Male full-time hours have seen the largest fall over the last 10 years, with the decline beginning in 2020 continuing into 2024. Male full-time hours are now 0.6 hours lower than they were in 2014, and that despite some recovery in 2023, the trend does appear to be downward. The same trend can be seen in male part-time hours, however, the average hours worked actually grew in 2020 before falling back over the subsequent two years meaning that male part-time hours are now 0.7 hours below where they were in 2014. In contrast female full-time and part-time hours are almost exactly as they were in 2014. Female full-time hours remained unchanged throughout the entire period, while part-time hours did increase in 2015 and remained elevated until 2024 when they fell back to their 2014 level. Overall, the total average hours worked is up from 32.7 in 2014 to 33.6 hours in 2024.

Chart 9 Median Hours Worked by Gender and Working Arrangement NI 2014-24



Source: ASHE

The data presented in Chart 9 is drawn from the Annual Survey of Hours and Earnings which uses data drawn from a survey of a sample of employers. The LFS also collects data of hours worked, but this is based on self-reported data from workers. ASHE is considered to be the most accurate measure of hours worked in the economy as it is thought to be less prone to reporting bias. However, ASHE only covers employees and only covers the reference period when the data was collected (usually March to April). Therefore, presenting the LFS data on hours worked alongside the ASHE data does show some interesting divergences between the two surveys.

Table 3 Mean Hours worked by Working Arrangements ASHE and LFS NI 2014-24

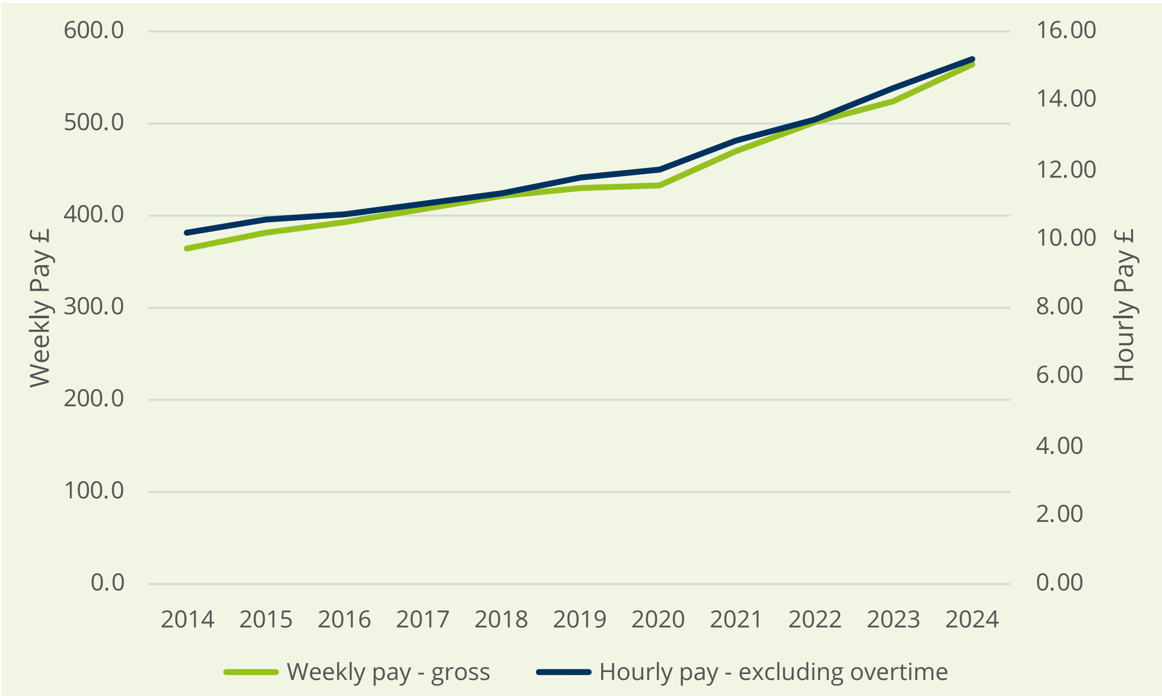
	Total		Full Time Workers		Part Time Workers	
Date	ASHE	LFS	ASHE	LFS	ASHE	LFS
2014	32.7	33.6	39.4	38.3	18.0	17.3
2015	33.1	32.8	39.4	37.3	18.6	17.0
2016	33.2	32.7	39.4	37.7	18.7	16.4
2017	33.5	33.3	39.8	38.3	18.5	17.3
2018	33.5	33.5	39.6	38.6	18.7	17.6
2019	33.4	33.7	39.8	38.5	18.6	16.9
2020	33.2	29.7	39.1	34.2	19.2	14.5
2021	33.2	31.7	39.1	36.1	18.8	16.4
2022	33.4	32.4	39.2	36.5	18.5	17.1
2023	32.9	32.6	39.1	37.0	18.3	16.8
2024	33.0	32.7	39.1	36.9	18.0	17.3

Source: LFS and ASHE

As the LFS reports mean hours worked, Table 3 compares the estimate for mean hours worked in both the LFS and the ASHE. In terms of average hours for all workers, ASHE shows a 0.3 hours increase in hours worked between 2014 and 2024, while the LFS data shows a 0.9 hours decrease. Looking at job type we can see that there was a gap of 1.1hours between the ASHE estimate and the LFS estimate in 2014 and that this had increased to 2.3 hours by 2024. The drop in full-time hours in 2020 was much sharper in the LFS, falling by 4.3 hours, compared with the ASHE estimate of a 0.7 hours decrease. The ASHE reference period is likely to have an impact on this estimate, as the LFS takes into account a full year of data. As we can see from Table 3, the LFS estimate is below its 2014 level but in line with its pre-pandemic average. For part-time workers, the gap between LFS and ASHE estimates is much more consistent over the time period. While the LFS shows a much larger drop during the pandemic, the hours worked in part-time recovers to its pre-crisis average much more quickly and by 2024, the estimated hours for both surveys is exactly as it was in 2014.

Looking next to earnings, Chart 10 shows the earnings data from the ASHE from 2014 to 2024 for both weekly and hourly earnings. Gross weekly pay has grown by 55% in 10 years, 5pps ahead of hourly pay which has grown by just under 50% in that time period.

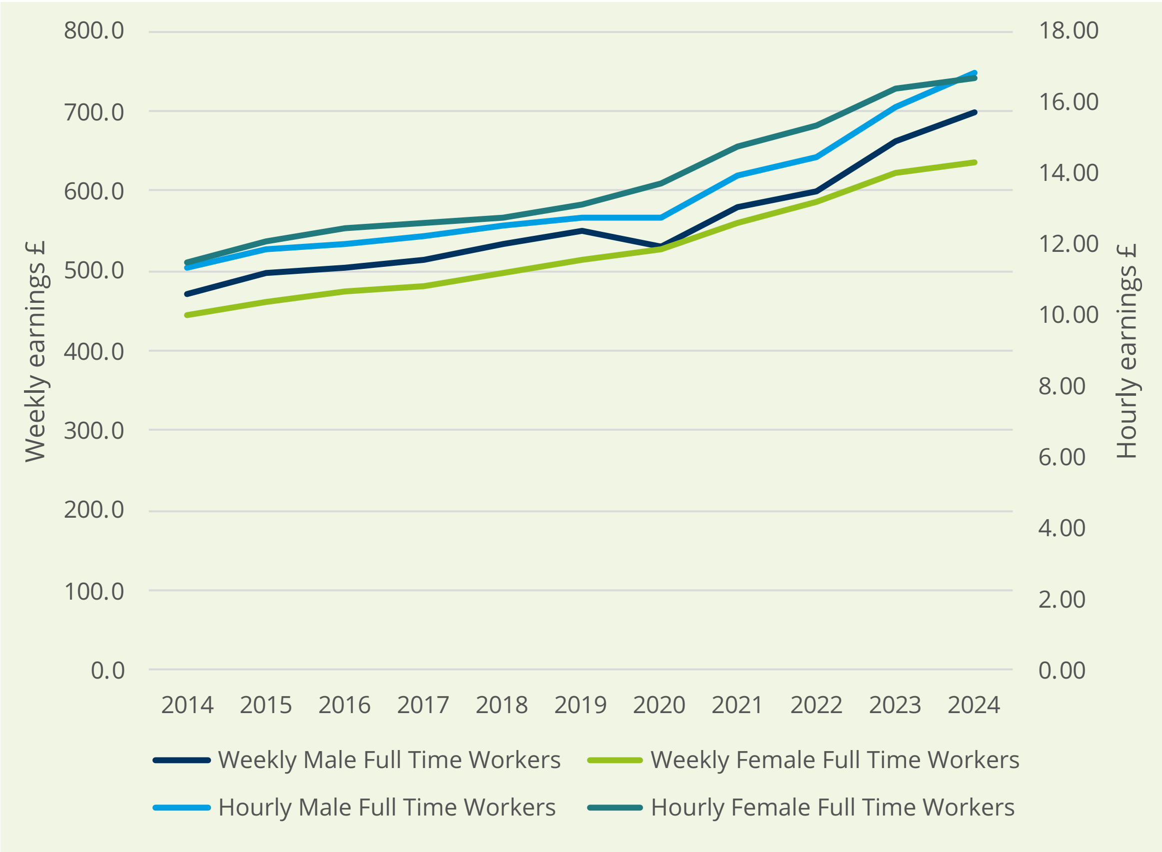
Chart 10 Median Weekly and Hourly Earnings NI 2014-24



Source: ASHE

Chart 11 shows the results from ASHE for male and female full-time workers in terms of weekly and hourly wages. For a full-time employee, wages grew by 49% for males and by 46% for females. Full-time female workers were earning an hourly wage rate 1.1% higher than males in 2014, which by 2024 had turned into a premium in favour of males. The gap between male and female full-time earnings widened every year in favour of female workers from 2014 to 2020. From 2021 onwards, the gap narrowed and in one year, between 2023 and 2024, the gap went from a 3% premium in favour of females to a 0.9% premium in favour of males. The 2024 ASHE data, however, was collected before public sector wage agreements had been paid and this is likely to have had a large impact on full-time wages. Females make up a far larger proportion of full-time workers in the public sector compared to the private sector, therefore, slower wage growth in public sector pay is likely to bring down the overall female full-time wage to a greater extent than the male full-time wage.

Chart 11 Median Weekly and Hourly Full-time Earnings by Gender NI 2014-24

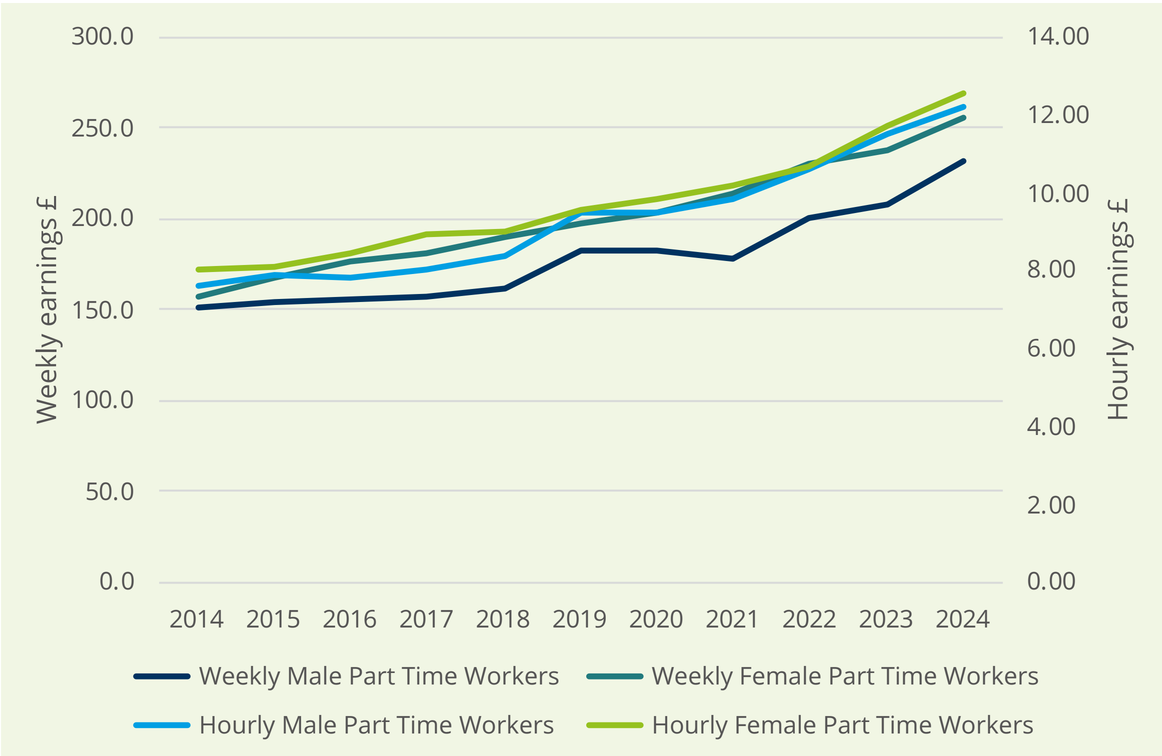


Source: ASHE

A similar dynamic can be seen in the weekly earnings figures which show that for full-time workers, for most of the last 10 years, there was a persistent gap of between 6% and 8% in favour of males. This gap was almost completely closed in 2020 before slowly widening again to the extent that by 2024 it was larger than it was in 2014. By 2024 males were earning 10.1% more than females, up from 6.2% in 2014. Once again, the majority of the deterioration is experienced in the last two years with the gap between males and females grows by 4pps in both 2023 and 2024.

For part-time workers the trend is still in favour of female workers, even if on some measures the gap is narrowing. On an hourly basis, female part-time workers went from earning 5.1% more than males in 2014 to 2.5% more than males by 2024. However, the trend is much more stark on a weekly basis. Between 2014 and 2024, females went from earning 4.1% more than males in 2014 to 9.3% more than males by 2024 on a weekly basis. Here, statutory minimum wages play an important role. The fact that hourly wages follow a much tighter path between both genders in the latter half of the last 10 years shows that the NLW exerts a much stronger influence and has removed much of the room for difference between female and male hourly wages. However, the data would also imply that, in contrast to full-time work, females work a greater number of part time hours and, therefore, along with a slightly higher average hourly wage, female weekly part-time wages remain significantly above those of males.

Chart 12 Median Weekly and Hourly Part-time Earnings by Gender NI 2014-24

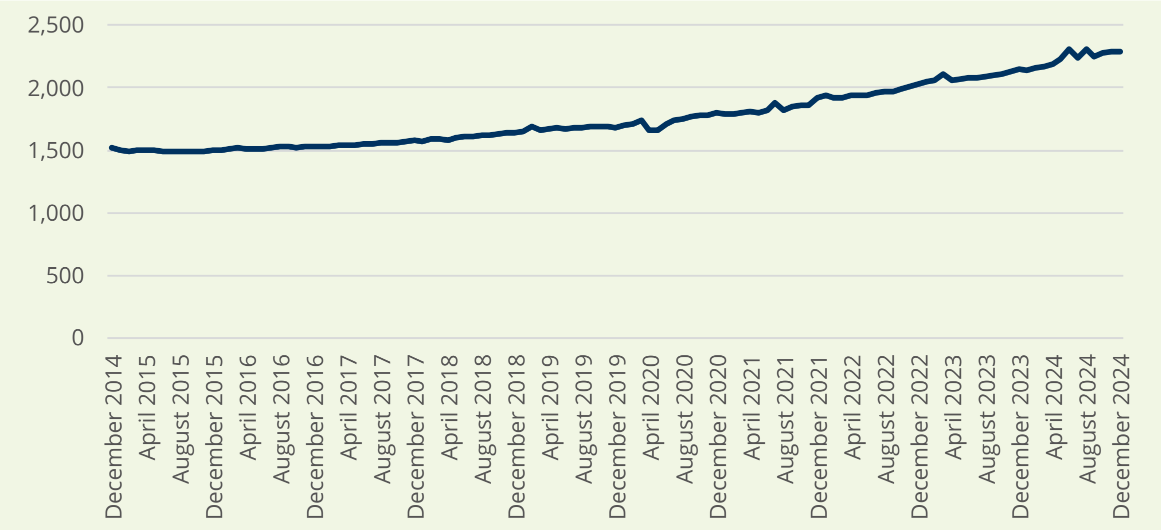


Source: ASHE

female part-time workers went from earning 5.1% more than males in 2014 to 2.5% more than males by 2024

While ASHE provides the most comprehensive indicator of pay in the NI economy, it is only an annual survey and, therefore, it can miss subtle shifts that occur between waves. While ASHE allows for detailed breakdowns by certain types of workers and workplaces, it does offer only a snapshot in any one particular year. The HMRC Pay As You Earn (PAYE) Real Time Information (RTI) series is based on administrative data which collects monthly wages of employees. This data is released monthly and while it does not provide breakdowns by gender or part-time/full-time, it does provide more frequent and timely data. Looking closer at the most recent period for wages, Chart 13 shows HMRC PAYE RTI wage data from employees between 2014 and 2024. It shows that monthly pay has grown by 52.4% over the last 10 years, which is in line with the ASHE data for weekly wages reported in Chart 10.

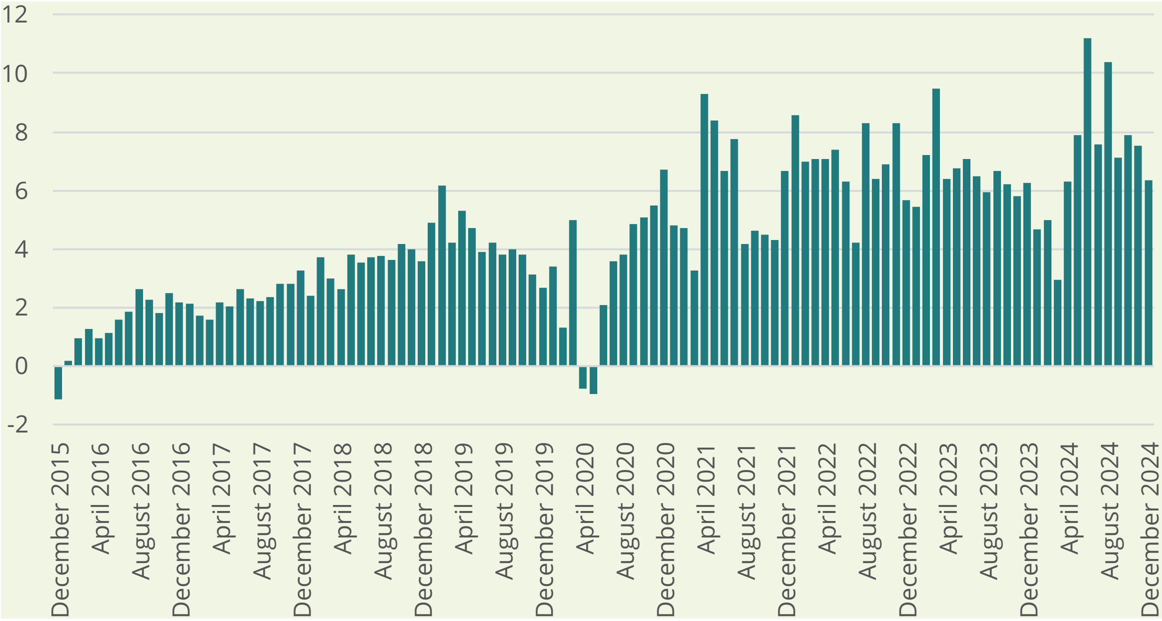
Chart 13 Median Monthly Employee Earnings NI 2014-24



Source: HMRC PAYE RTI

Chart 14 shows the corresponding annual growth rate of monthly wages over the same period of time. It shows that there are two distinct periods of pay growth, split by the pandemic in 2020. The first period, 2014-20 shows negative pay growth in the beginning after which average growth climbed to just over 2% up until 2017. Growth increases to an average of 4% up to 2019, before falling significantly through the latter half of 2019, well in advance the pandemic and the imposition of lockdowns. This shows the benefits of more frequent pay data such as this is that this shift in late 2019 is not discernible from the ASHE data. As we can see after 2020, there is a significant uptick in growth although this begins to dissipate in late 2023 and accelerate again in 2024. This dynamic is likely being driven by public sector pay deals which were delayed due to the absence of a Northern Ireland Executive between February 2022 and January 2024. The subsequent settlements were, therefore, only reflected in 2024 data.

Chart 14 Change in Median Monthly Employee Earnings NI 2014-24



Source: HMRC PAYE RTI

Looking at some of the breakdowns that PAYE RTI data does provide, Table 4 shows how earnings have performed both over 2024 and in the 10 years leading up to 2024 by sector. There are some interesting contrasts between performance over the last year and performance since 2014. *Administrative and support service activities* have seen the biggest growth since 2014, followed by *Real Estate* and *Agriculture*. In the most recent year, *Water and Waste* along with *Other Service Activities* showed the strongest growth, but these were followed by the two largest sectors of employment, *Wholesale and Retail* and *Human Health and Social Work*. Large increases in the nominal value of the National Living Wage in 2024 are likely to have impacted growth in both Wholesale and Retail and Accommodation and Food which saw the fifth strongest growth in 2024. *Public Administration* and *Education*, despite receiving pay settlements in 2014, saw the lowest 10-year growth in earnings of any sector, beyond *Electricity and Gas*. The *Electricity and Gas* sector saw a substantial fall off in earnings in 2015 which then stagnated and only recovered in 2024.

Table 4 Change in Median Monthly Employee Earnings by Sector NI 2023-24 and 2014-24

	2023-24	2014-24
Agriculture, forestry and fishing	7.1	67.4
Mining and quarrying	1.1	41.4
Manufacturing	6.1	43.5
Electricity, gas	5.0	4.0
Water supply; sewerage, waste	10.3	55.6
Construction	5.9	42.1
Wholesale and retail trade	9.2	58.2
Transportation and storage	7.5	44.4
Accommodation and food service activities	8.0	53.1
Information and communication	5.3	45.3
Financial and insurance activities	1.9	52.0
Real estate activities	7.7	60.0
Professional, scientific and technical activities	5.0	58.2
Administrative and support service activities	5.6	69.9
Public administration and defence	5.2	33.1
Education	7.6	35.5
Human health and social work activities	8.9	43.3
Arts, entertainment and recreation	7.6	42.5
Other service activities	10.2	64.8

Source: HMRC PAYE RTI

In order to give some perspective to the figures in Table 4 and the previous charts tracking wage growth, it is worth noting that prices have increased by just under 34% over these 10 years. Remarkably, two thirds of this price growth has occurred since 2022. When nominal pay growth is adjusted for this inflation monthly pay, as reported by the HMRC PAYE RTI data shows that has grown by 18.4% over 10 years while gross weekly pay and hourly pay, as reported by ASHE, have grown by 21% and 16% respectively.

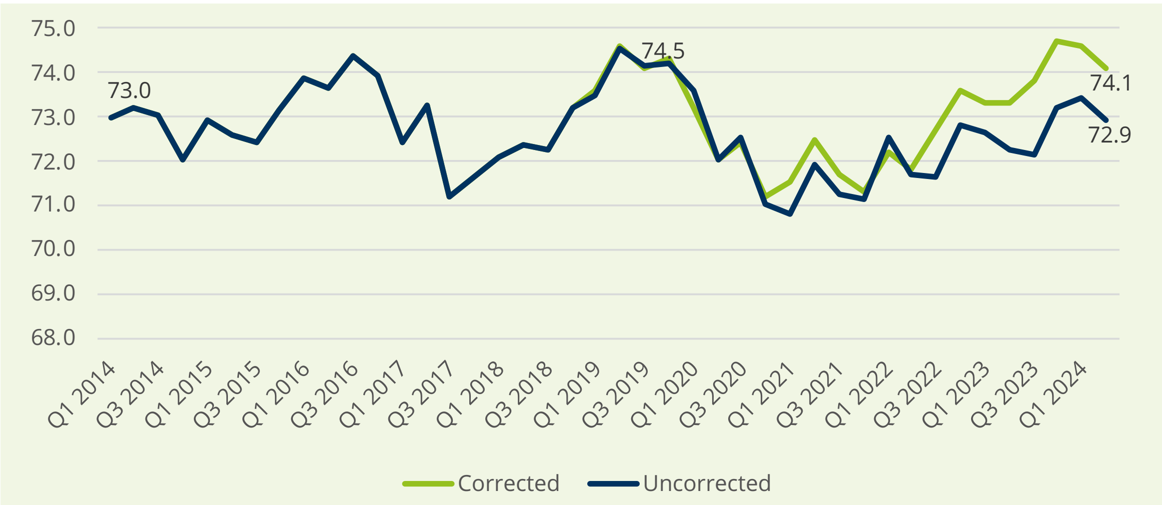
LFS revisions

As mentioned at the outset of this report and as evidenced throughout, 2024 was an unremarkable year for Northern Ireland's labour market. It was not that the year saw anything in the way of significant change in Northern Ireland's labour market, many of the main indicators remained quite stable. The surprise came in the form of a change to Northern Ireland's labour market statistics. Towards the end of 2024, the Northern Ireland Statistics and Research Agency announced that its regular reweighting exercise had uncovered a processing error in reporting of key indicators in the Labour Force Survey (LFS). Such an announcement would be unnerving in the normal course of events, but it comes at the same time that the LFS in Great Britain is experiencing a crisis due to a collapse in response rates. The NI incident brings into focus the value of understanding both the importance of such statistics as well as their limitations.

All three of the top-line labour market indicators were found to have been mis-stated throughout the year, and the corrections portray a labour market that is in better shape than originally thought. In many cases, the corrected indicators show that much of the deterioration in NI's labour market during the Covid-19 pandemic has been recovered and that certain trends which were thought to be enduring legacies of the pandemic are no more.

Looking first at the activity or participation rate, we can see that for most of last year it appeared that the period as if the pandemic had affected a decrease in participation rate from the pre-pandemic period, but just slightly below the 2014 level. Following the reweighting, the activity rate had already recovered its pre-pandemic peak in mid-2024 and although it had slipped back by the end of 2024, it was only 0.4pps below its pre-pandemic peak and 1.1pps higher than its 2014 starting point.

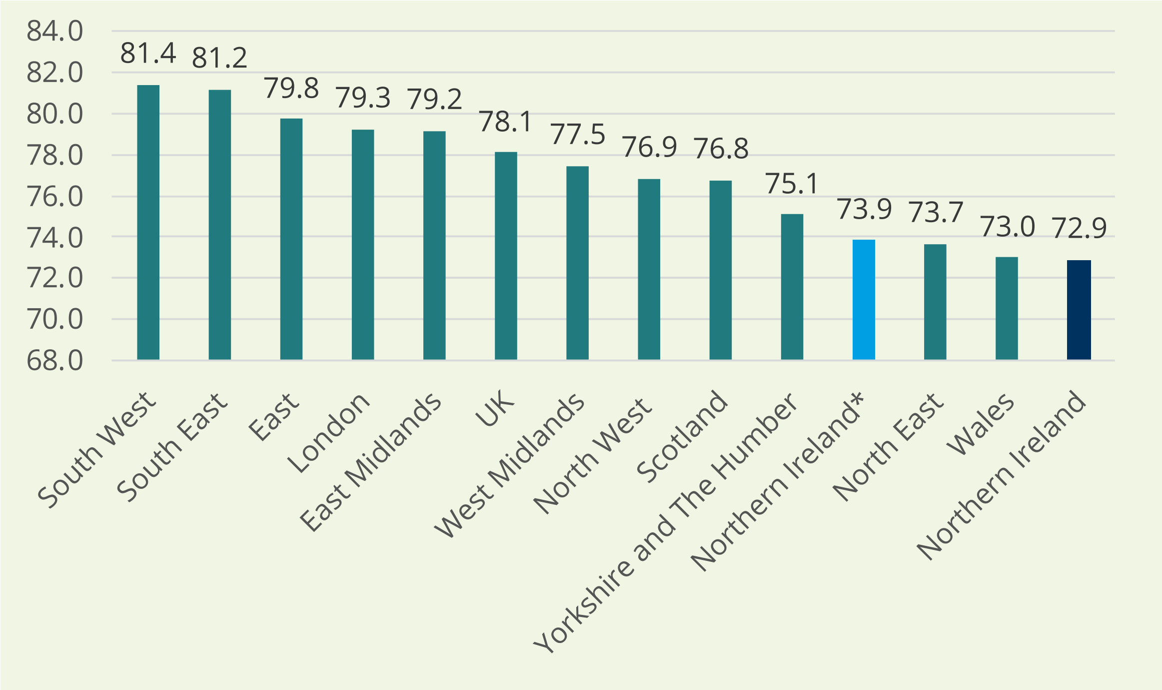
Chart 15 Economic Activity Rate Corrected and Uncorrected NI 2014-24



Source: LFS

The effect of this re-weighting also impacts NI's place among the regions of the UK as no such errors were found in the reporting of the Great Britain LFS. The correction of this data sees NI move from having the lowest activity rate of all UK regions to having the third lowest, ahead of both Wales and North East of England.

Chart 16 Economic Activity Rates by UK Region with Uncorrected NI Rate 2024



Source: LFS

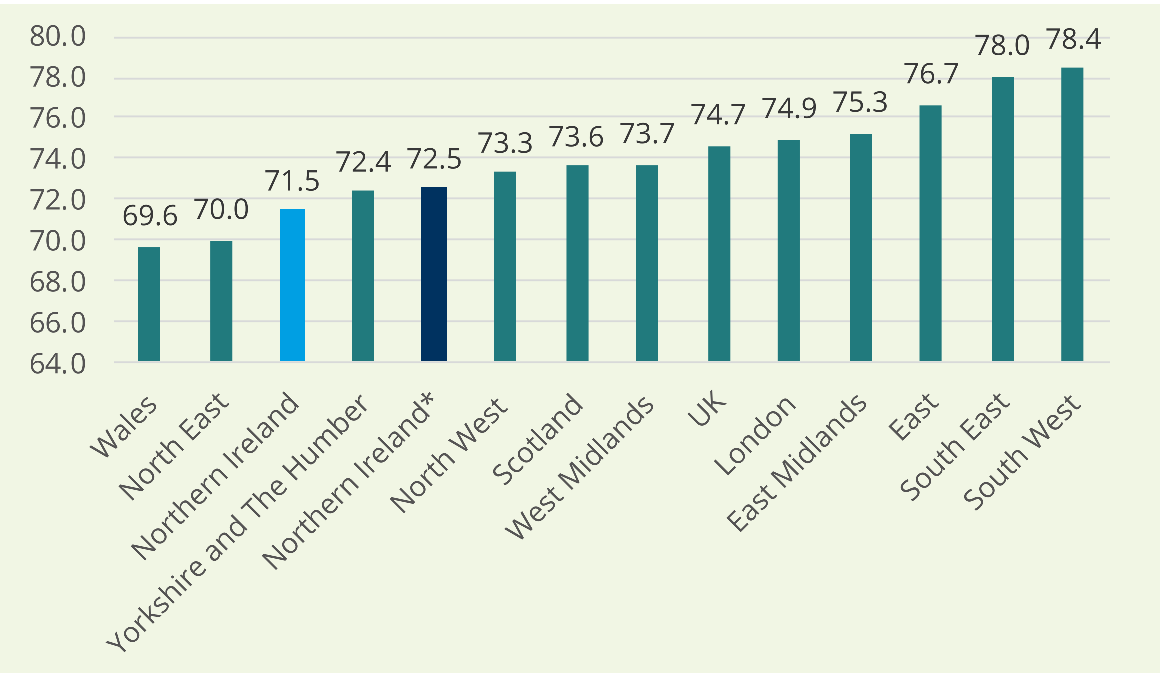
There was a revision of equivalent scale to the employment rate. In this case, the data up until late 2024 showed the employment rate in NI recovering from the pandemic and significantly above its 2014 starting point. However, it also showed that the employment rate remained below its pre-pandemic peak. Specifically, by the final quarter of 2024 the employment rate was thought to be 0.8pps below its peak in the final quarter of 2019. In fact, not only had the employment rate reached its pre-pandemic peak, it has exceeded it by 0.5pps.

Chart 17 Employment Rate Corrected and Uncorrected NI 2014-24

Source: LFS

This reweighting exercise also impacted NI's position among the UK regions. In this case, the change was not as large as the activity rate, but NI's employment rate moved from being the third lowest of all regions to the fourth lowest of all regions.

Chart 18 Employment Rates by UK Region with Uncorrected NI Rate 2024



Source: LFS

There were also minor changes to the unemployment rate which saw the rate slightly lower than previously thought. While the improvement in NI's labour market is to be welcomed, it is important not to overstate it. Many of the most persistent weaknesses in NI's labour market remain. The point is to highlight the fact that labour market statistics are an important, but not infallible tool in economic analysis. This point is further strengthened by the experience of the LFS in Great Britain where data showed a growing problem with economic inactivity also. The LFS in Great Britain was stripped of its status as an 'official statistics' in November 2023. While efforts are underway to improve response rates through new methods of data collection, it is not expected that the LFS will be reaccredited until 2026 at the earliest. While data for the rest of the United Kingdom remains provisional or experimental, it is difficult to situate NI's improvement in the broader national context.

Conclusion

Given the experience of the impact of a global pandemic on the labour market, it could be easy to view more recent data as unremarkable. However, in many cases, these data are telling us more about the resilience and entrenchment of labour market trends than we think. All three of the main labour market indicators reacted differently to the pandemic, but all reverted to pre-pandemic trends in much the same way.

Gender remains a key feature of our labour market and while there has been progress toward equality in some areas, there has been little change in others. The cost of living crisis is still evident in the data on wages, which continued strong nominal growth throughout 2024. While wages have reacted to recent increases in the price level, over the longer term, the data also show a very varied experience for wages depending on sector.

Reliable data on the labour market is key to understanding the functioning and health of any economy. The process of compiling labour market statistics is complex and has only become more challenging in recent years. The experience of technical difficulties in both NI and the wider issues at UK level should acted upon to ensure that this vital data remains robust and reliable.

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