

Trends in the Northern Ireland Labour Market –

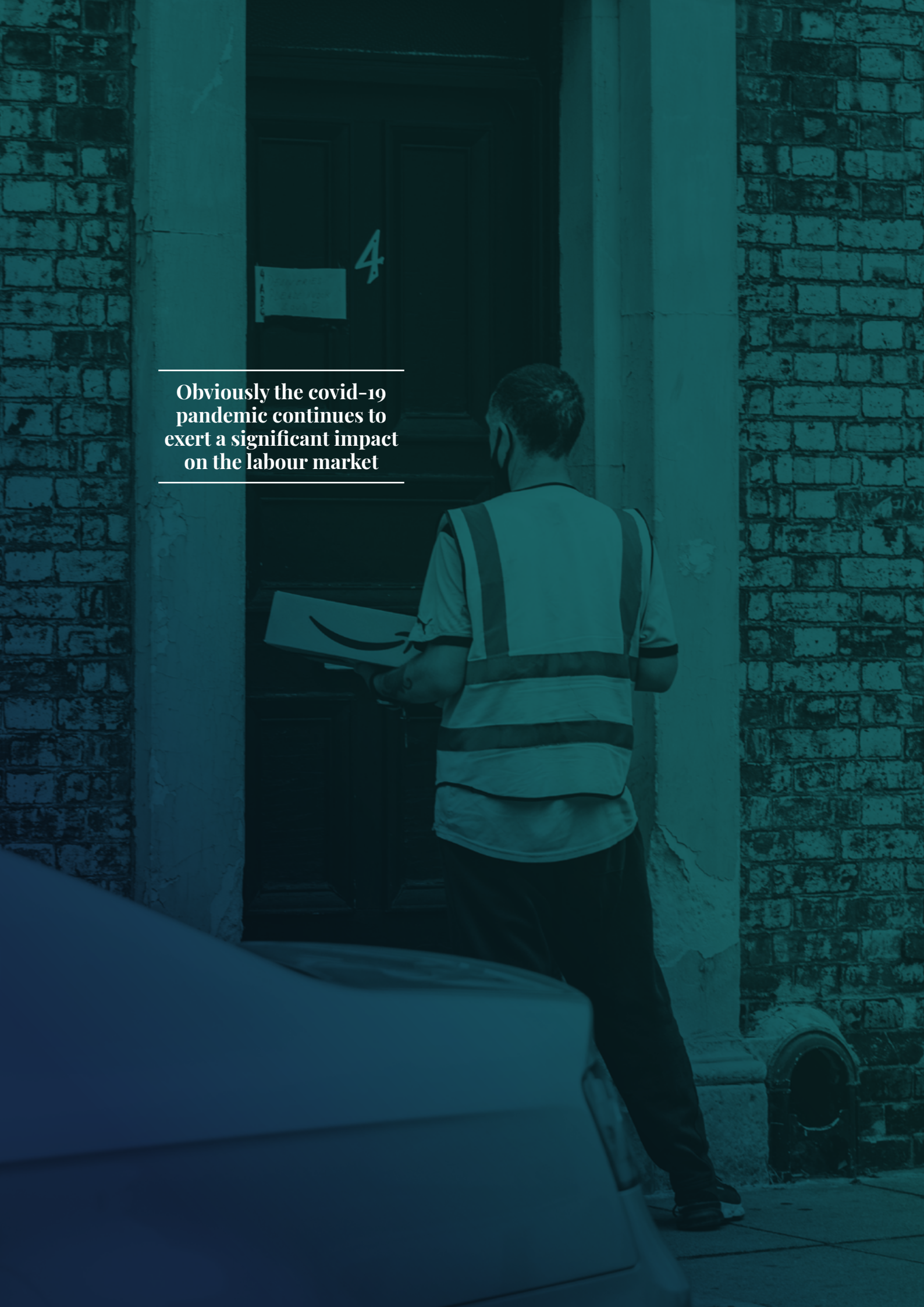
2021:
A Year in Review

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A person wearing a high-visibility vest and a face mask is standing in front of a dark door, holding a white package with a curved logo. The door has a white number '4' and a small sign. The scene is set against a stone wall, and the foreground shows the back of a car. The entire image has a teal overlay.

Obviously the covid-19
pandemic continues to
exert a significant impact
on the labour market

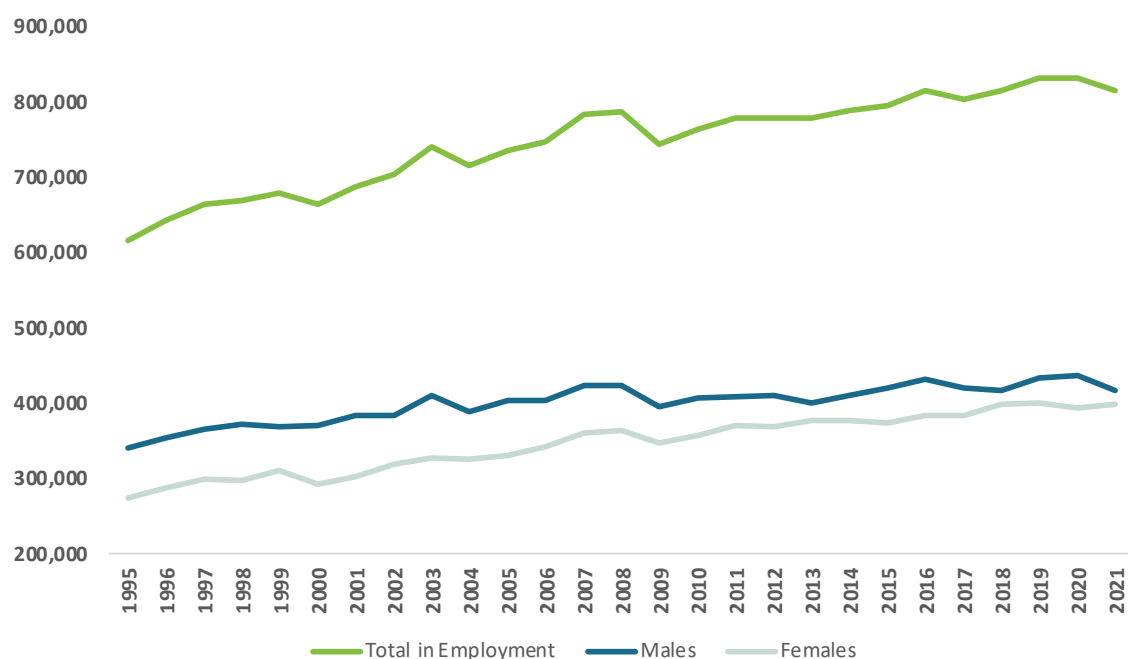
Introduction

This report examines the Northern Ireland labour market in 2021. In terms of both pay and employment we examine the most recent data available along with the most up to date historical trends. Obviously the covid-19 pandemic continues to exert a significant impact on the labour market and this is felt throughout the data presented here. We also present a separate section examining the labour market supports that were still active in 2021 and how they have impacted across Northern Ireland.

Employment

The data in this section is drawn from the Northern Ireland sample of the Labour Force Survey (LFS). The LFS has been running since 1973 and has been carried out quarterly by the Northern Ireland Statistics and Research Agency (NISRA) since 1994. The questionnaire asks questions about the respondent's work status, education, health, disability, travel to work and childcare arrangements. In addition, there is information about the respondent's age and gender. The surveys are normally in the form of face-to-face interviews however due to the pandemic telephone interviews are being utilised instead. The survey uses a systematic random sample of 780 households each quarter which are selected from the pointer list of domestic addresses and each respondent must be aged 16 or over to participate. Every address is interviewed on five successive occasions, resulting in an 80% overlap of respondents in each quarter.

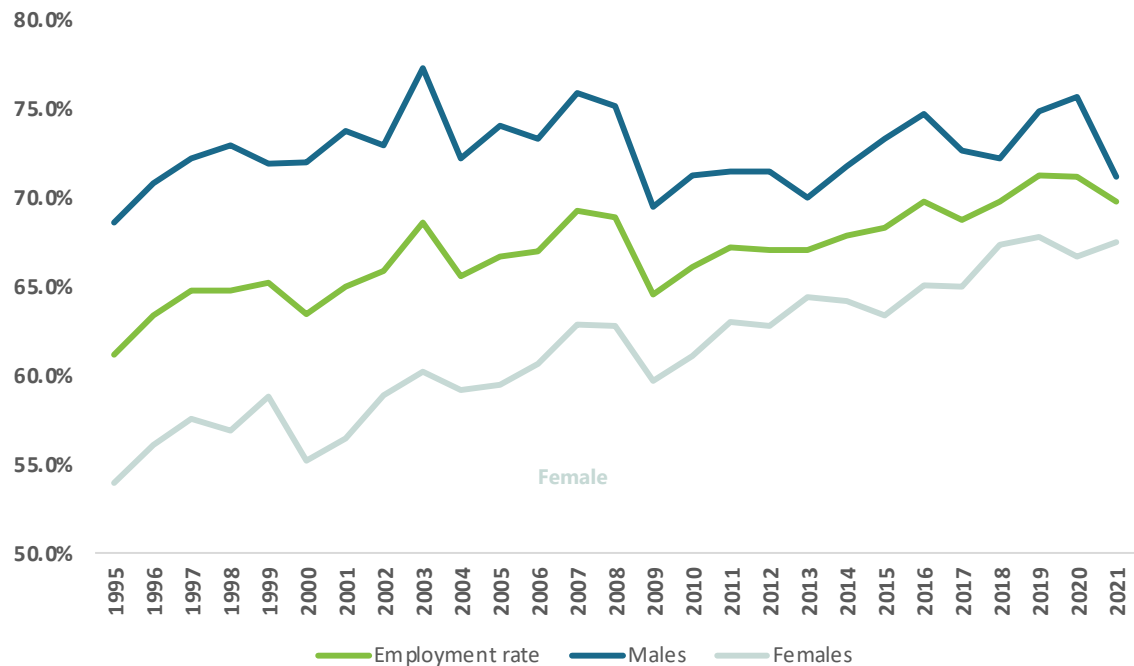
The response rate for January – March 2021 was 21.1%, which is a huge decrease from the same time period last year which was 65.8% (a fall of 44.7%), very likely influenced by the pandemic. Despite this, the number of respondents only fell by 598, which while still a large amount, may not have too much of a negative effect on the reliability of the results (the eligible sample also contained 5,587 more respondents than the year prior). The achieved sample size was also lower than the same period in 2020 (a decrease of 23%) and the accuracy of the results may be impacted on as a result. The data was weighted to official population projections however these projections are based on 2018 and as such are based on demographic trends pre-pandemic. Due to this, ONS are planning to reweight the Labour Force Survey data from January – March 2020 onwards beginning July 2021. Consequently, ONS suggests that the results from the Labour Force Survey are relevant but should be used with caution.

Chart 1 Total Employment in Northern Ireland 1995-2021 by gender*

Source [Labour Force Survey](#) 2021 (NISRA)

Note * Data taken from months Feb-Apr of each year

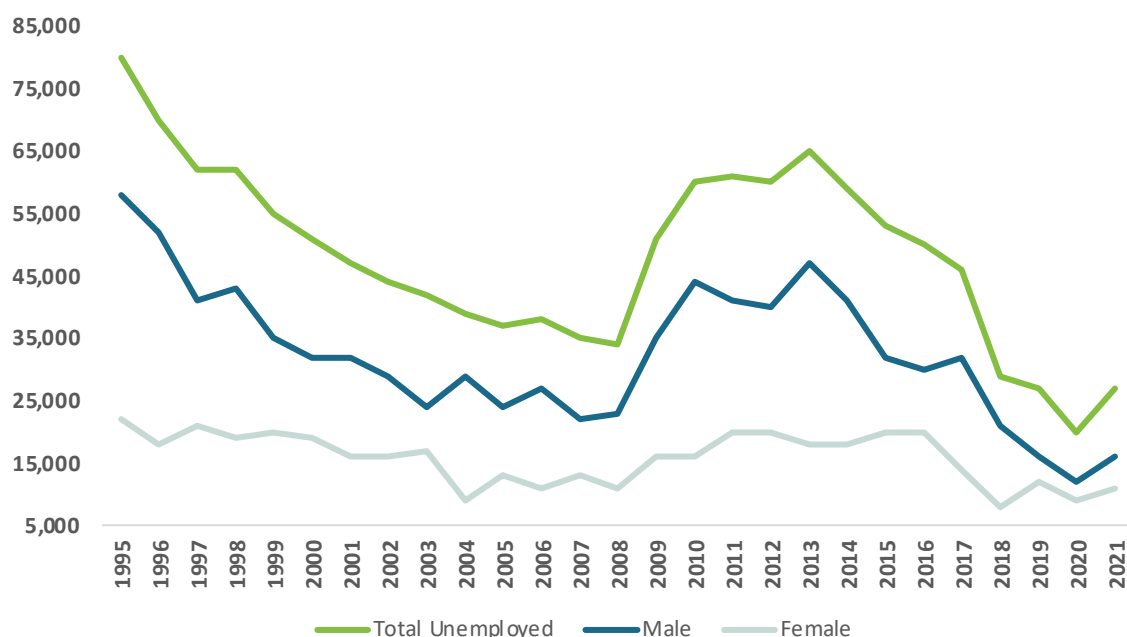
As the chart above shows, total employment has increased by 172,000 from 1995-2021. It steadily increased from 1995-2008, only dropping marginally on a few occasions, before falling quite substantially in 2009 (-44,000), rising again in the following years. The number of people in employment peaked in 2019 before falling to 815,000 in 2021. In terms of gender, both have seen an increase in the amount of people in employment between 1995-2021. There are, however, some interesting disparities. One of which is during the years 1999-2000, where male employment increased by 3,000 whereas female employment decreased by 17,000. Moreover, the number of males in employment decreased from 2020-2021 and female employment increased. In addition, female employment has peaked in 2021, whereas male employment peaked in 2020. Despite this, the number employed in both genders decreased from 2008-2009. Overall, employment has increased substantially over the 26 years and the number of people in male and female employment are closer together than ever before, with a difference of 19,000 in 2021 compared to a difference of 65,000 in 1995.

Chart 2 Employment rate Northern Ireland 1995–2021 by gender*

Source Labour Force Survey 2021 (NISRA)

Note * Data taken from months Feb-Apr of each year (people aged 16-64)

From the chart above it is clear that the rate of employment has increased greatly from 1995–2021, rising by 6.4 percentage points (pp). It is worth noting that the employment rate fell quite substantially in 2009, dropping by 4.3pp. The total employment rate peaked in 2019 at 71.3% and has since fallen to 69.8% in 2021. There are also some interesting details when looking at gender. Firstly, employment rates of both genders have increased over the 26-year time period. The male employment rate has also remained higher than the female employment rate throughout, however the gap is narrowing. In fact, the male employment rate actually peaked in 2003 at 77.3% and has since fallen to 71.2% in 2021. Conversely, the female employment rate is currently at its peak at 67.5%. Despite this, it appears that the cause of total employment falling in 2000 is due to the female employment rate falling, as it decreased by 3.6pp while the male one marginally increased. The employment rates of both genders also fell in 2009, with the male employment rate falling the most (-5.7pp). Overall, the employment rate has increased over the years and the gap between the genders is continuing to narrow.

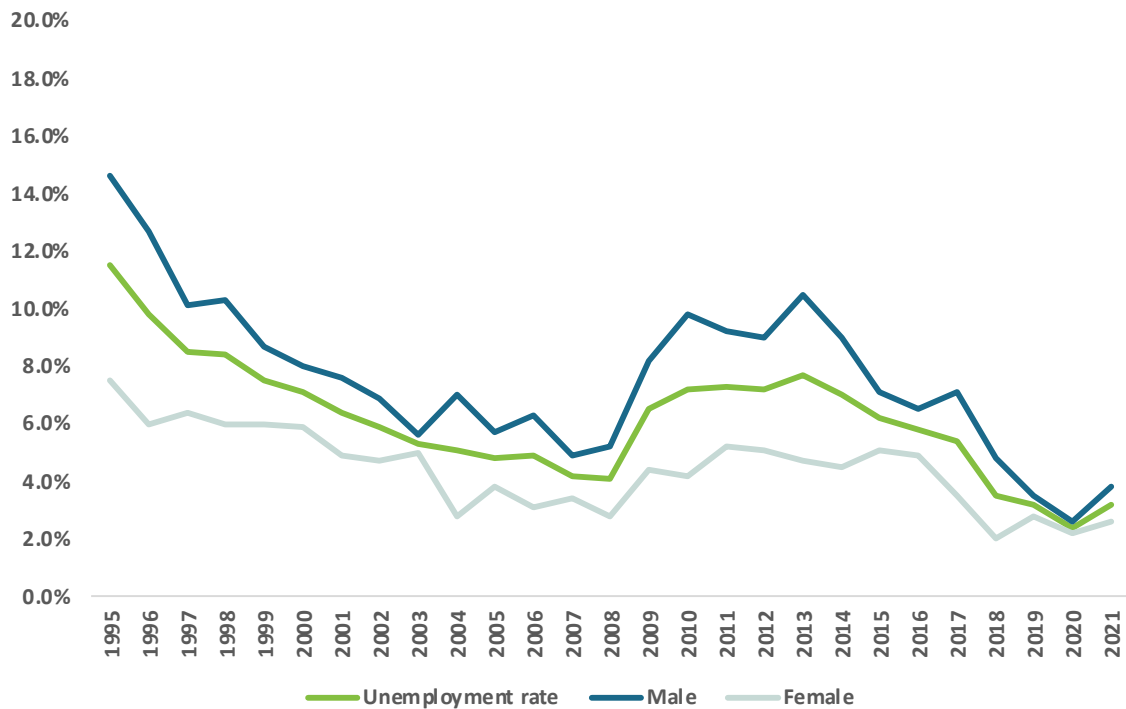
Chart 3 Total number unemployed Northern Ireland 1995-2021 by gender*

Source Labour Force Survey 2021 (NISRA)

Note * Data taken from months Feb-Apr of each year

As shown above, total unemployment has decreased massively from 1995-2021, falling by 53,000. It fell substantially from 1995-2008, when it started to increase from 2009-2013, when it reached levels higher than in 1997 at 65,000, before falling in the years following. Recently, however, unemployment has started to increase again, growing by 7,000 from 2020-2021. In terms of gender, both have seen a decrease in unemployment. However, male unemployment has fallen much more than female (-42,000 compared to -7,000). It is important to note that male employment was also much higher than female in previous years (58,000 compared to 22,000 in 1995). Male unemployment increased drastically between 2008-2010 (increasing by 21,000). During this same period female unemployment also increased, however by much less (+5,000). Unemployment in both genders has also increased recently, growing by 4,000 for males and 2,000 for females. Overall, the number of people unemployed has fallen by a huge amount over the years, however it is starting to rise slightly again.

Male unemployment increased drastically between 2008-2010. During this same period female unemployment also increased, however by much less

Chart 4 Unemployment rate Northern Ireland 1995–2021 by gender*

Source Labour Force Survey 2021 (NISRA)

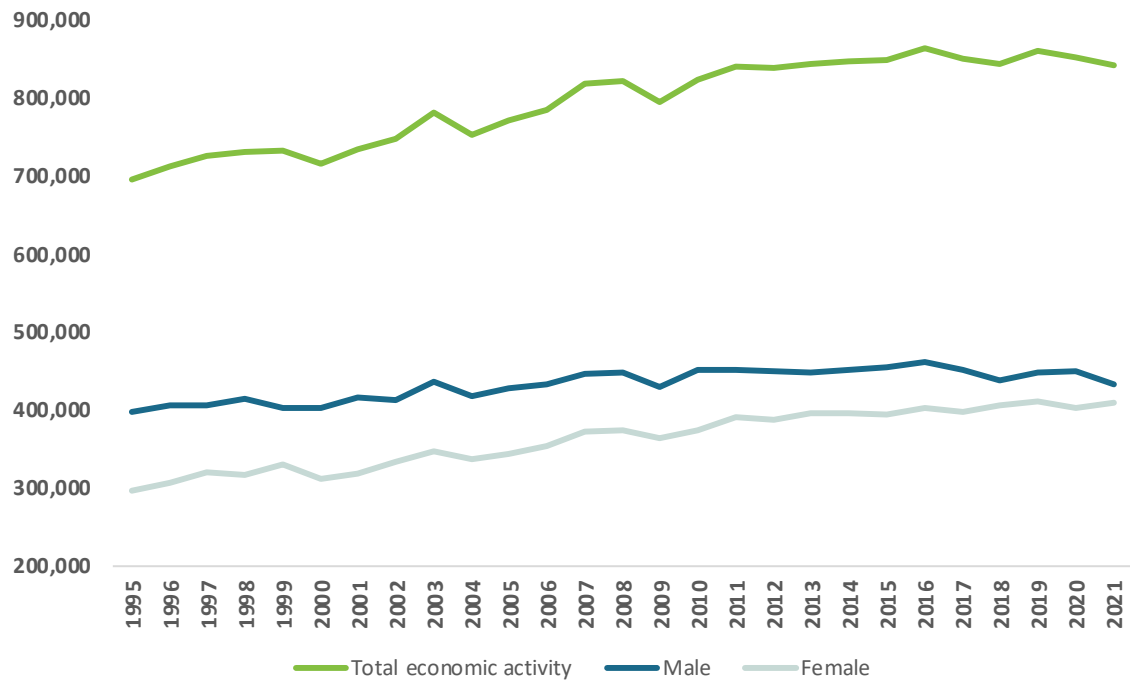
Note * Data taken from months Feb-Apr of each year (people aged 16+)

The chart above details that the unemployment rate has dropped considerably from 1995–2021, falling by 10.8pp over the years. There were some points at which it increased, primarily in the 2008–2013 period. It then fell to its lowest point in 2020 at 2.4%, before increasing again in 2021 by 0.8% (standing at 3.2%). There are some similarities and differences when it comes to unemployment rates between the genders. Firstly, both unemployment rates saw a decrease from 1995–2021. The male unemployment rate was higher than the female one throughout the years however it also decreased the most (–10.8pp compared to –4.9pp). Nevertheless, there were points in which the unemployment rate of each gender increased. The most striking of which was the period between 2008–2013 for the male unemployment rate. In fact, in 2013 the unemployment rate reached levels higher than those of 1997. Conversely, the female unemployment rate increased the most from 2008–2009 and only grew by 1.6pp. Recently the unemployment rates of both genders have slightly increased from 2020–2021, of which the male rate increased more sharply (+1.2pp compared to +0.4pp). Overall, the unemployment rate has fallen a lot over the years but has been increasing again in recent times.

A teal-tinted photograph of a woman with long hair, wearing a light-colored top, sitting at a desk and writing in a spiral-bound notebook with a pen. Another notebook is open in front of her, showing a page with a grid of circles. The background is blurred, showing another person and some office equipment.

There are still more economically active men than there are women, though the gap between the genders is narrowing.

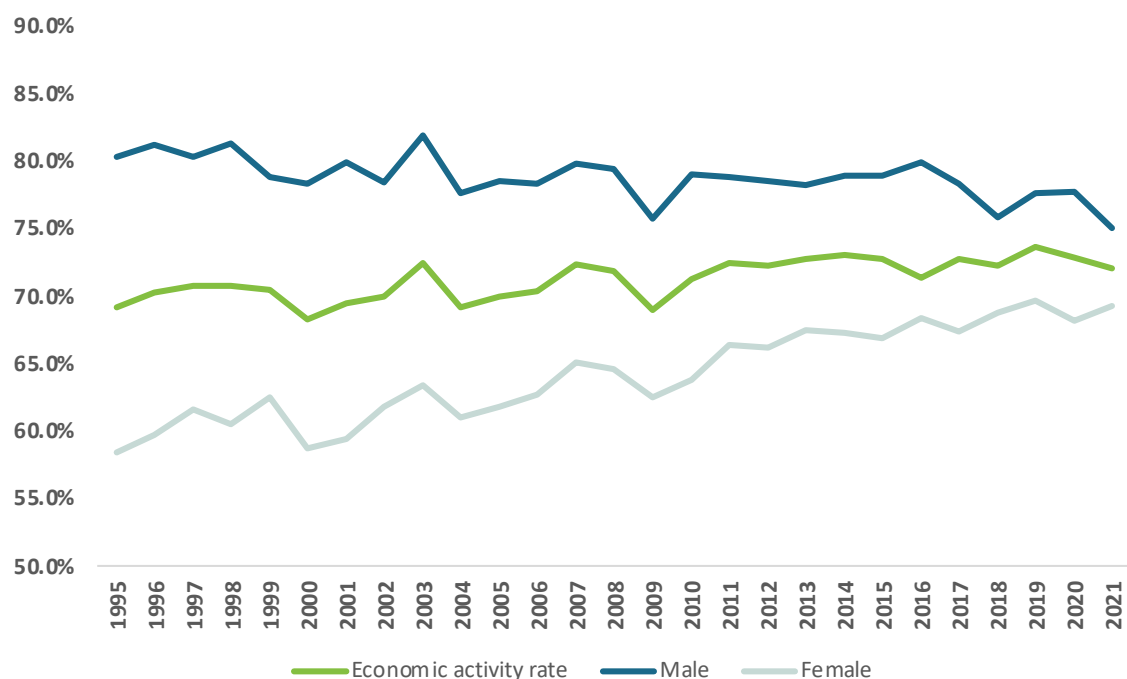
Chart 5 Total number of people economically active Northern Ireland 1995–2021 by gender*



Source Labour Force Survey 2021 (NISRA)

Note * Data taken from months Feb-Apr of each year

From the chart above it is clear that the number of economically active people has increased over the years, with a 147,000 increase from 1995–2021. Notable points of decline are in the years 1999–2000, where the number of economically active people fell by 17,000, 2003–2004, in which there was a drop of 28,000, and 2008–2009 which saw a decline of 27,000. It then increases in subsequent years, peaking in 2016 at 864,000 before falling again to 842,000 in 2021. In terms of gender, both experienced growth in the number of economically active individuals, however it is more intense with female growth than male (+112,000 as opposed to 35,000). Despite this, there are still more economically active men than there are women, though the gap between the genders is narrowing. Both genders experienced decline in the number of economically active individuals in the years between 2003–2004, and 2008–2009 although these declines were more severe for men than it was for women. On the other hand, during 1999–2000, female economic activity decreased quite sharply (–18,000) whereas males stayed the same. Moreover, in 2021, male economic activity fell whereas the number of economically active females increased. To conclude, there has been a vast increase of economically active people over the years and although there are still a higher proportion of economically active men, the gap between the genders is narrowing.

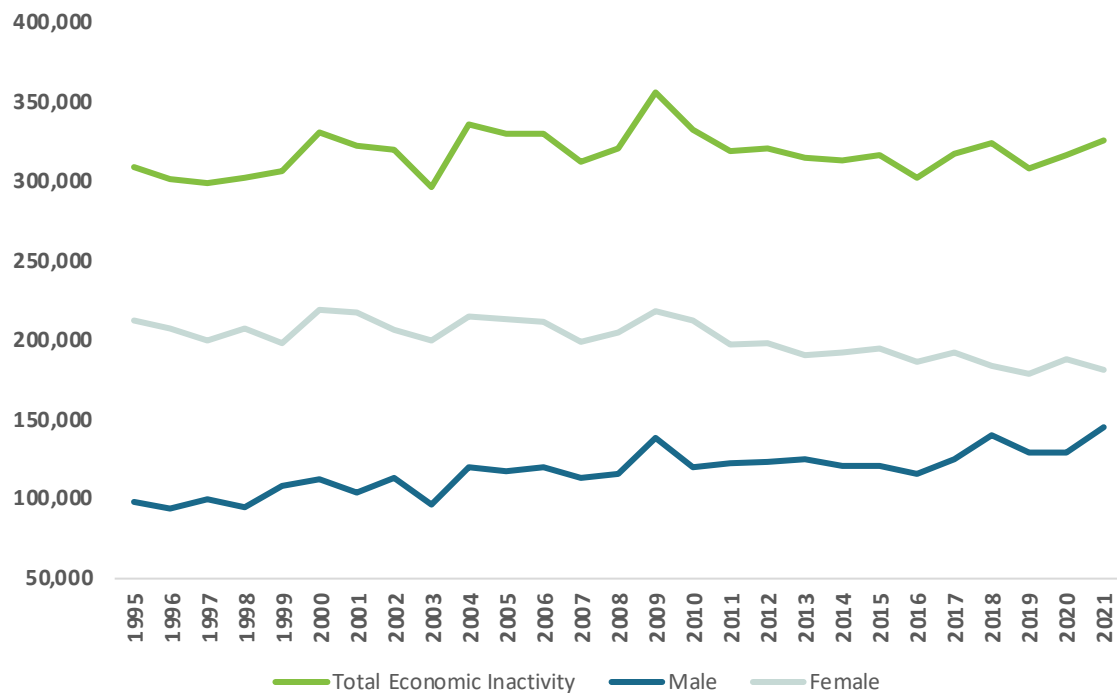
Chart 6 Economic activity rate Northern Ireland 1995-2021 by gender*

Source Labour Force Survey 2021 (NISRA)

Note * Data taken from months Feb-Apr of each year (people aged 16-64)

The chart above details that the economic activity rate has increased from 1995-2021 (+2.9pp). It peaked in 2019 with a value of 73.6% before falling to 72.1% in 2021. It also fell quite substantially between 2003-2004 and 2008-2009 but increased again in the following years. There are stark disparities between the genders in economic activity rates. The female economic activity rate has increased quite substantially over the years (+10.9pp) and is currently at its peak of 69.3%. On the contrary, the male economic activity rate has fallen over the years from 80.3%-75% and is currently at its lowest point throughout the 26-year period. It has fallen massively in recent years, specifically 2016-2018 (-4.1pp). During the same period female economic activity stayed mostly the same, increasing by a marginal 0.4pp. The male economic activity rate also fell more in 2008-2009 than the female one (-3.7pp compared to 2.1pp). Overall, the female economic activity rate is continuing to rise and is currently at its peak, whereas the male economic activity rate has fallen and is currently at its lowest point.

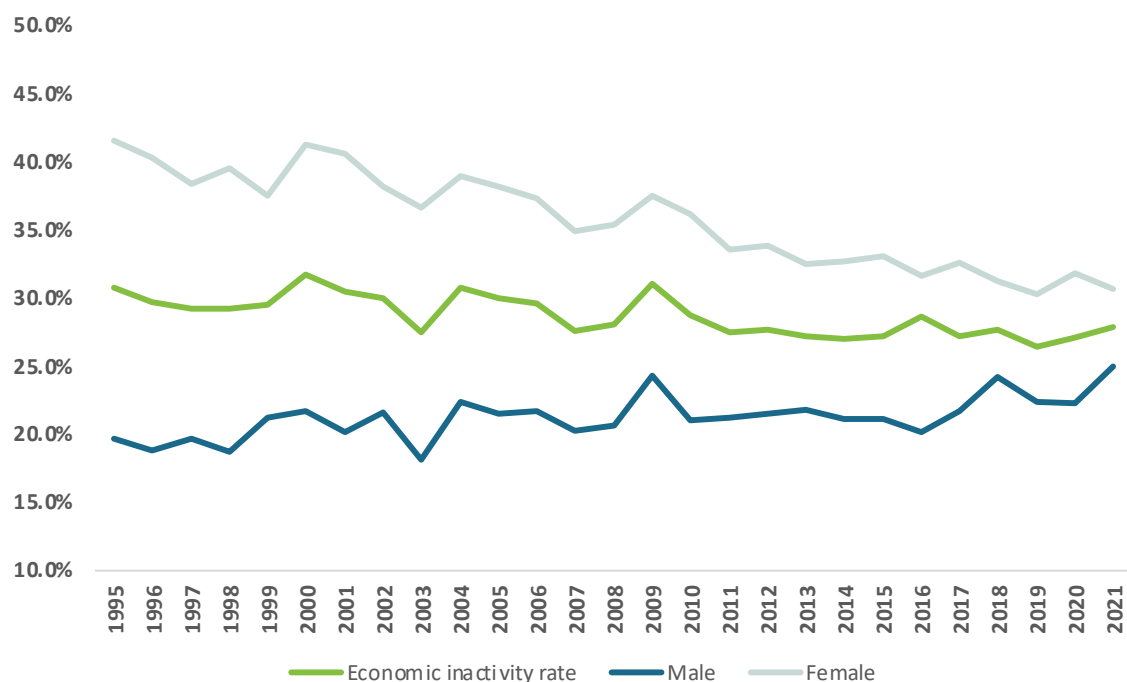
Chart 7 Total number of people economically inactive Northern Ireland 1995-2021 by gender*



Source Labour Force Survey 2021 (NISRA)

Note * Data taken from months Feb-Apr of each year

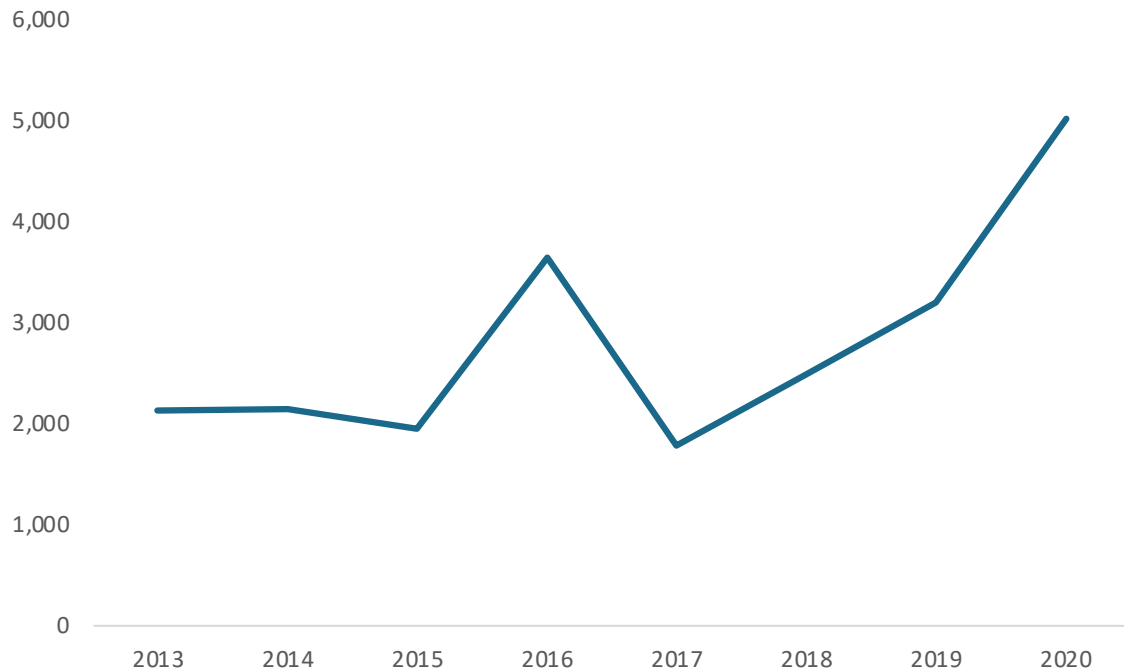
As the chart above shows, the number of economically inactive people has increased over the years, from 309,000 in 1995 – 326,000 in 2021. It peaked in 2009 at 356,000 before falling during the following years. Recently, however, it has started to climb again, increasing by 18,000 from 2019-2021. There are some interesting gender disparities. While the proportion of economically inactive men has increased over the years (+47,000 from 1995-2021), the number of economically inactive women has decreased by 31,000 over the 26-year period and is currently near its lowest point (it is currently at 181,000 which is 2,000 more than its lowest point of 179,000 in 2019). On the other hand, male economic inactivity is at its highest point over the 26-year period at 145,000 (+147,000 from 1995). Both genders were impacted in 2009, however more men seemed to become economically inactive than women. Recently, male economic inactivity increased quite sharply, growing by 16,000 from 2020-2021, whereas female economic inactivity decreased during the same time period. Overall, the number of economically inactive individuals has grown from 1995, however this is largely due to the drastic increase number of economically inactive men and has been affected less by women, whose number of economically inactive people has decreased. Despite this however, the number of economically inactive women remains higher than the number of economically inactive men.

Chart 8 Economic inactivity rate Northern Ireland 1995-2021 by gender*

Source Labour Force Survey 2021 (NISRA)

Note * Data taken from months Feb-Apr of each year

The chart above shows that the economic inactivity rate has fallen over the years, going from 30.8% in 1995 – 27.9% in 2021 (-2.9pp). It was at its lowest point in 2003 at 27.5% before increasing in the following year. It increased to 31% in 2009 before falling to 27.5% in 2011 (-3.5pp). It grew recently from 26.4% in 2019 to 27.9% in 2021 (+1.5pp). In terms of gender the female economic inactivity rate has fallen considerably from 1995-2021 (-10.9pp) and in spite of this and the fact that the male economic inactivity rate has risen by 6.2pp over the years, it is still higher than the male rate, although the gap is closing. The rates of both genders increased sharply in 2009 though the male rate was impacted more. In recent times, the female inactivity rate has fallen and is at its lowest point over the 26-year period (30.7%). In contrast, the male economic inactivity rate has increased sharply to 25%, and is currently at its peak of the 26 years. Overall, it is likely that the economic inactivity rate is increasing due to the male rate's growth despite the massive fall in female economic inactivity.

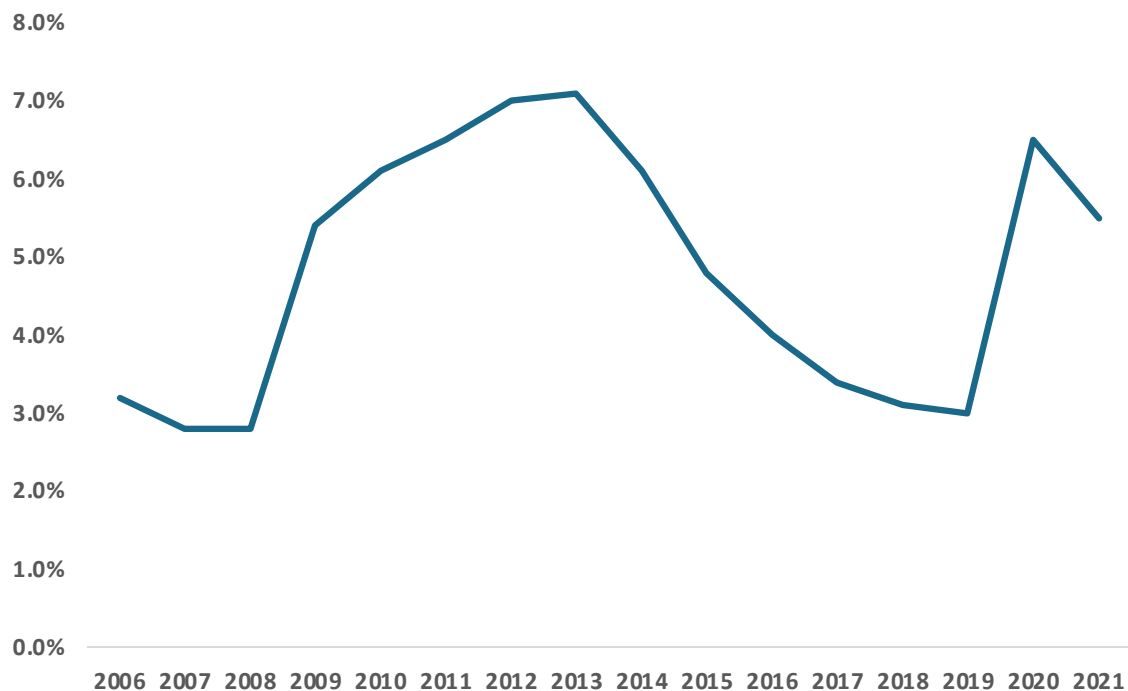
Chart 9 Number of redundancies from 2013-2020 Northern Ireland

Source Northern Ireland Claimant Count (NISRA)

Note * Data taken from months Feb-Apr of each year

From the chart above it is clear that redundancies have increased in Northern Ireland from 2013-2020. There was a large surge of job losses in 2016 (3,650) before they fell to their lowest point throughout the time period, in 2017 (1,790). They have increased every year since and peaked at 5,020 in 2020.



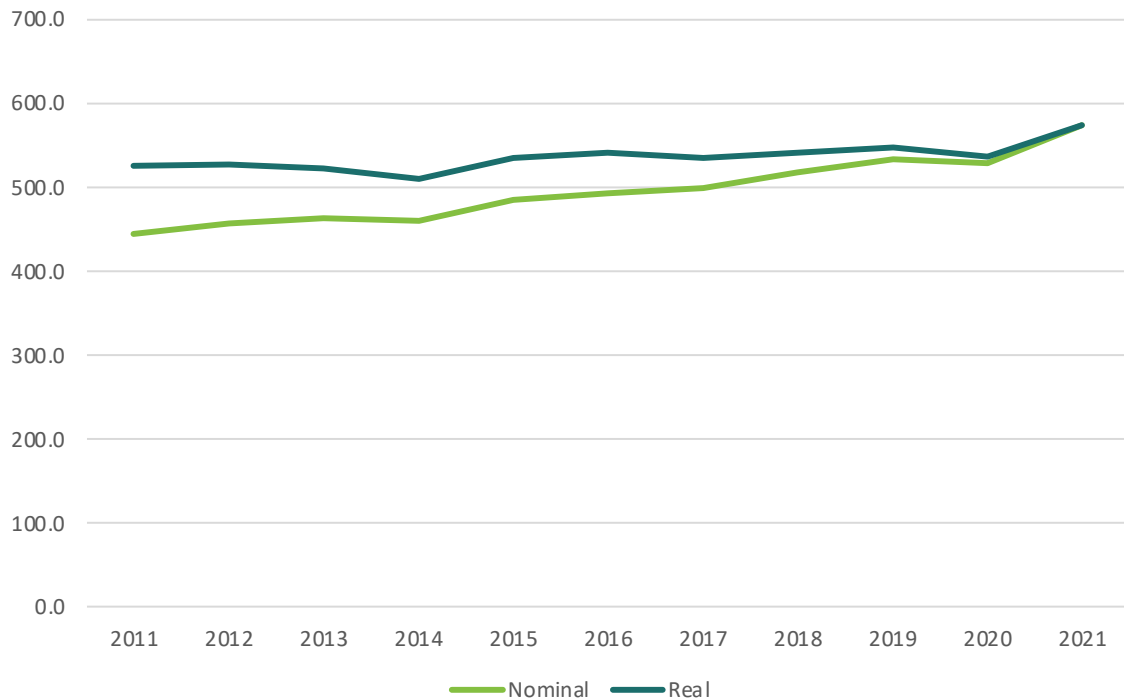
Chart 10 Claimant Count Rate Northern Ireland 2006-21

The chart above details that percentage of the workforce on claimant count rate increased massively from 2008-2013 (which was the peak of the 15-year period at 7.1%) before falling in the years following. It then increased sharply in 2020, going up by 3.5% before slightly decreasing by 1pp in 2021.

Earnings

The data presented in this section are drawn from the Northern Ireland Annual Survey of Hours and Earnings. The survey gathers information relating to the pay-week (or other pay period if the employee was paid less frequently) which included a specified date. Unlike the Labour Force Survey, the sample is made up of actual National Insurance returns made by employers in Northern Ireland. The sample used comprises approximately 1% of all employees in NI who were covered by Pay As You Earn (PAYE) schemes.

The chart below shows that Gross Weekly Earnings in Northern Ireland increased by 29.3% between 1997 and 2021. However, this in nominal terms and that when adjusted for inflation, the growth in pay falls to just over 9%.

Chart 11 Median Real and Nominal Gross Weekly Earnings Northern Ireland 1997-2021

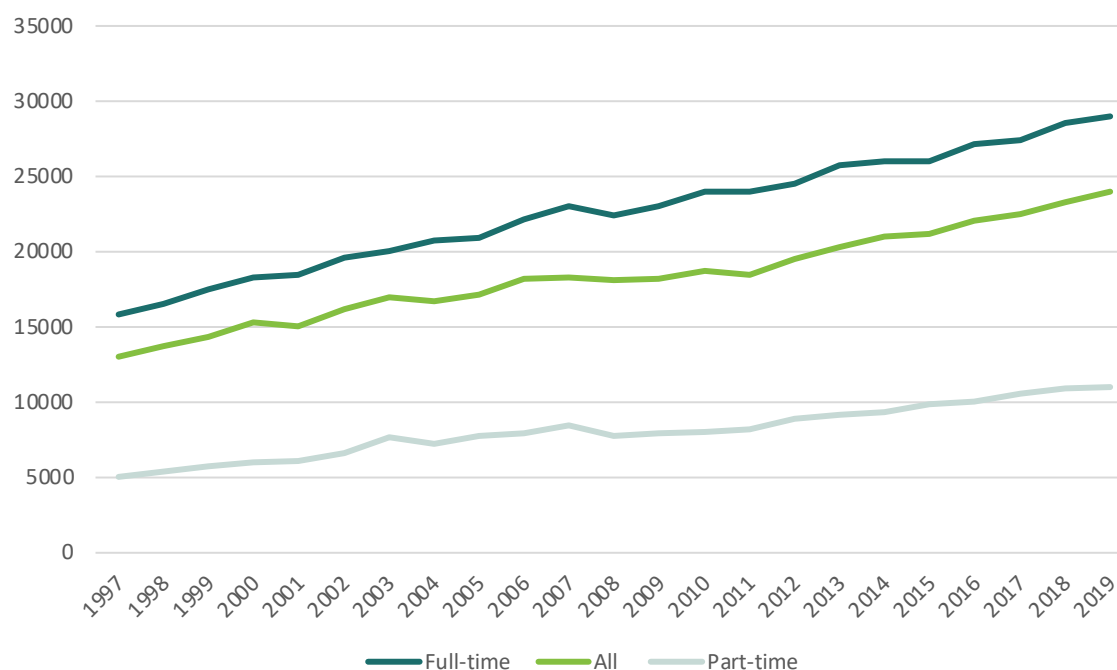
Source [Annual Survey of Hours and Earnings 2021](#) (NISRA)

Chart 12 Median Gross Weekly Earnings Northern Ireland 1997-2021

Source [Annual Survey of Hours and Earnings 2021](#) (NISRA)

The previous chart shows that weekly earnings have increased from over the years, from £237.80 in 1997 - £469.40 in 2021, an increase of 97%. Weekly earnings increased steadily until they eventually fell between 2010-2011 (a very slight decrease of 0.06%). Weekly earnings then stagnated until 2014, when they started climbing again up to a peak in 2021. They also fell the most between 2013-2014 (-0.6%). In addition, both full-time and part-time weekly earnings increased, growing by 101% and 137% respectively. It seems that part-time weekly earnings were impacted more by the financial crisis than full-time, as weekly earnings for part-time employees decreased by 6.3% from 2009-2010, whereas full-time earnings increased very slightly (+0.05%). Both oscillated until 2014, when they started to grow quite quickly again. Full-time earnings peaked at £534.50 in 2019 before falling to £528.60 in 2020 (-1.1%). On the contrary, part-time weekly earnings grew in 2020 increasing by 3% over the year. Overall, while slow at some points, weekly earnings have grown, both in full-time and part-time employment, and in total as a result.

Chart 13 Median Gross Annual Earnings Northern Ireland 1997-2021



Source Annual Survey of Hours and Earnings 2021 (NISRA)

From the chart above it can be determined that annual earnings have increased over the years, from 13,022 in 1999 – 24,000 in 2021 (+84%). Annual earnings were rising gradually from 1999-2002 before falling over the year by £264 (-1.7%). Moreover, full-time earnings have increased from 15,798 in 1999 – 29,018 in 2021 (+83%) as well as part-time annual earnings, which have grown from 5,022 in 1999 – 11,021 in 2020 (+119%). The drop in overall annual earnings from 2002-2003 cannot be explained by full-time or part-time annual earnings as both increased during this period, leading to another external factor(s) being the cause for this. Part-time annual earnings

experienced relatively slow growth, starting to pick up pace around 2017, growing 11.4% from 2017-2020. Similarly, full-time annual earnings had a high increase from 2017-2021 (+12.2%), however, its growth before this period was much more oscillated and had multiple phases of sharp increases followed by much slower growth. Overall, annual earnings have increased from 1999-2021 for both full-time and part-time employment, with part-time receiving larger growth than full-time (119% compared to 84%).

Chart 14 Median Hourly earnings excluding overtime Northern Ireland 1997-2021



Source Annual Survey of Hours and Earnings 2021 (NISRA)

The chart above demonstrates that hourly earnings, excl. overtime, have increased from 1997 (£6.35) – 2021 (£12.75) an increase of 100% in nominal terms. There was a steady increase in hourly earnings from 1997 – 2007 (+£2.65) Hourly earnings then increased by 10.6% between 2007-2009, before falling by 2.5% over the next year. They then stagnated until 2014 (growing by just 42p), before starting to climb again, growing by 26% from 2014-2021. Full-time and part-time hourly earnings have also increased over the time period, with full-time increasing by £7.33 (105%) and part-time increasing by £5.51 (121%), both of which also peaking in 2021 at £14.25 and £10.06 respectively. An interesting disparity between full-time and part-time earnings is that between 2006-2007 full-time hourly earnings fell by 2.2% whereas part-time grew by 4.6% during the same period. Part-time hourly wages then continued to gradually increase from 2007-2009 (+7.6%) and full-time increased sharply (+10.4%). Both then oscillated in the years following the economic crisis before increasing up to 2020. Overall, hourly earnings excluding overtime have increased from 1997-2021 for both full-time and part-time employment, and have therefore also grown in total.

Overall, hourly pay excl. overtime was £12.75 in 2021. It was higher for men than it was women (£13.11 and £12.36 respectively; a difference of 6.1%) and much larger for full-time workers than part-time (£14.26 compared to £10.05; difference of 41.8%). This is true for both male and female full-time and part-time work also. Interestingly, despite overall female hourly earnings excl. overtime being lower than male, female full-time and part-time hourly pay excl. overtime are both higher than when compared to male (full-time female is £14.64 compared to £14.07; difference of 4.1%, female part-time is £10.23 compared to £9.89; difference of 3.5%). Part-time male hourly earnings are the lowest of all and full-time female hourly earnings were the highest.

When overtime is included, hourly pay generally increases slightly, climbing by 3p overall. Despite this, there are certain categories that do not increase. For example, male part-time work stays the same, and female part-time actually falls marginally (-2p). Again, part-time male earnings are the lowest of all categories. All of the trends identified in hourly pay excluding overtime are also present when overtime is included.

Table 1 Overview of employee earnings for Northern Ireland 2021

	Hourly pay excl. overtime	Hourly gross pay	Weekly gross pay	Annual gross pay
All	12.75	12.78	468.6	24,000
Male	13.11	13.23	529.3	27,277
Female	12.36	12.37	405.2	20,620
Full-time	14.26	14.37	575	29,109
Part-time	10.05	10.08	207.6	11,035
Male full-time	14.07	14.21	586.2	30,130
Male part-time	9.89	9.89	179.7	10,065
Female full-time	14.64	14.75	558.2	27,396
Female part-time	10.23	10.21	215.4	11,366

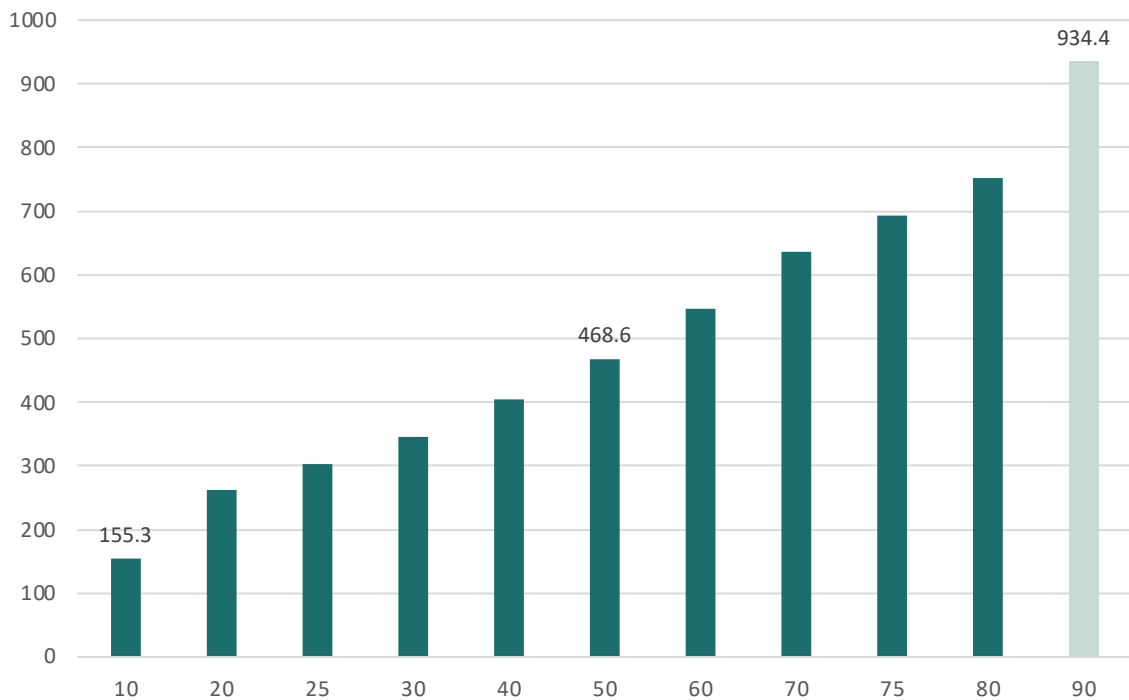
Source Annual Survey of Hours and Earnings 2021 (NISRA)

Overall, weekly gross pay was £468.60. Again, it was much higher for men than it was for women (£529.30 compared to £405.20; a difference of 31%). In addition, weekly gross pay was far greater for full-time work than part-time (£575 and £207.60 respectively; a difference of 180%) and this was again the same for men and women. Male full-time gross weekly pay was higher than female full-time (£586.20 compared to £558.20). On the other hand, part-time weekly gross pay was higher for women than it was for men (£215.40 compared to £179.70). Part-time men earned the lowest gross weekly pay of all categories and full-time men earned the highest.

Annual gross pay was £24,000. Much like hourly gross pay and weekly gross pay, annual gross pay was much higher for men than it was for women (£27,277 compared to £20,620; a difference of 32%). Again, annual gross earnings are much higher in full-time work than part-time (£29,109 compared to £11,035; a difference of 164%), and this trend was the same for men and women. Similarly, to weekly gross pay, annual gross earnings are higher for men in full-time employment than women (£30,130 compared to

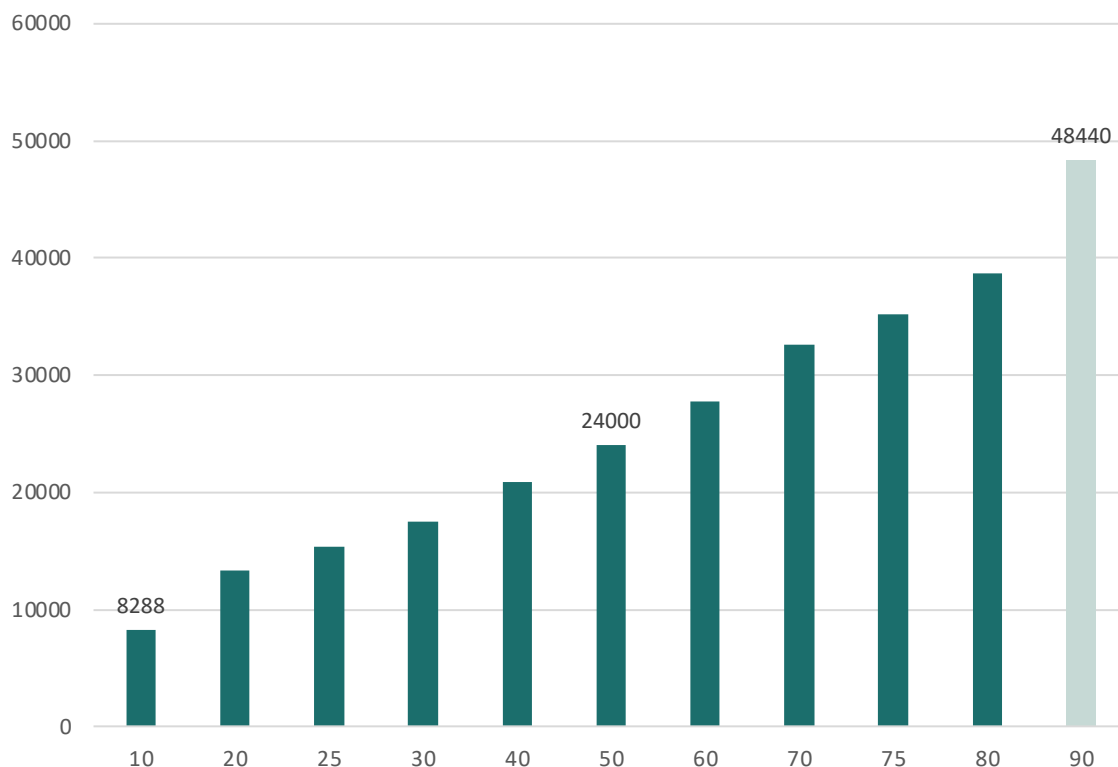
£27,396), and larger for women in part-time employment than men (£11,366 compared to £10,065). Part-time male employees earned the lowest gross annual pay of all categories and full-time male employees earned the highest.

Chart 16 Gross Weekly pay by decile Northern Ireland 2021



Source Annual Survey of Hours and Earnings 2021 (NISRA)

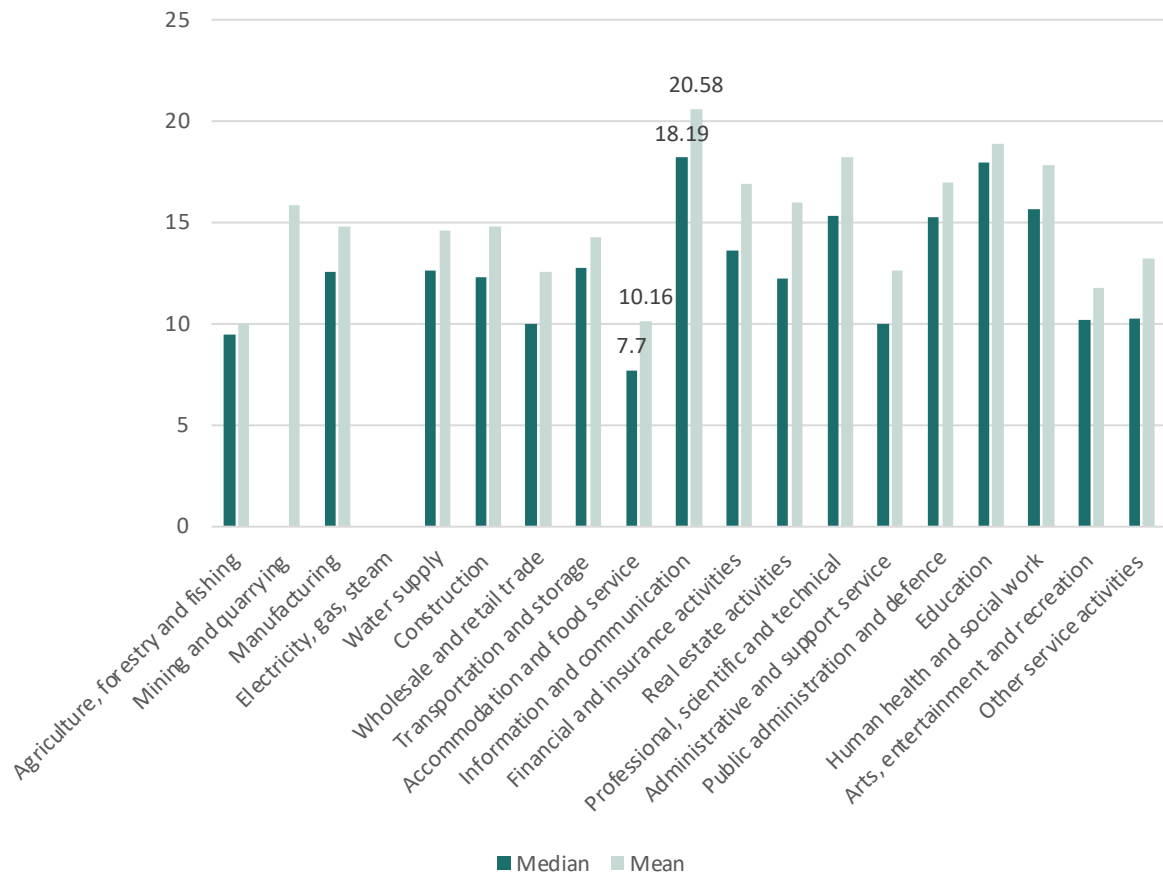
The chart above shows clear differences in gross weekly pay between the highest and lowest earners. The lowest 10% of workers earn £155.30 a week, whereas the top 90% earn £934.40, a massive 501% more than the aforementioned lowest percentile. The average worker will earn a gross weekly pay of £468.60, 202% higher than the lowest 10%, and 99% lower than the 90% highest. It seems that gross weekly earnings increase steadily over the earning percentiles until the highest 90%, where it increases by 24% (from the highest 80% - highest 90%). Overall, there is a substantial difference between the lowest 10% of earners and the average, and a massive gap between the lowest 10% and the top 90%.

Chart 17 Gross Annual pay by decile Northern Ireland 2021

Source Annual Survey of Hours and Earnings 2021 (NISRA)

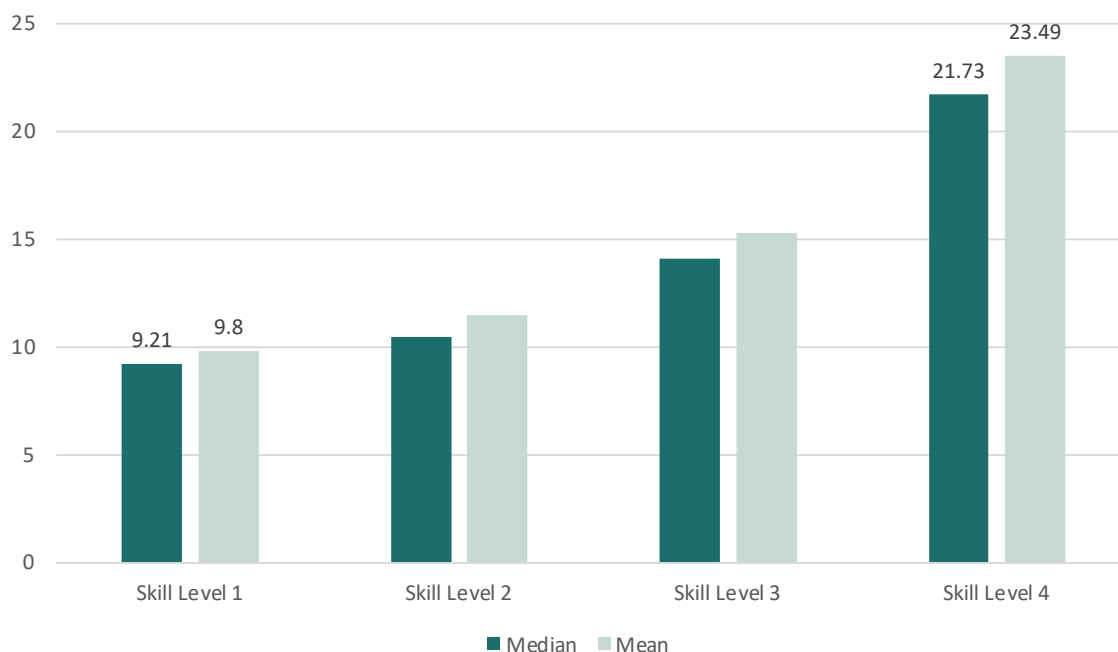
The chart above demonstrates that there are extreme differences in gross annual earnings. In fact, the top 90% of earners have annual incomes of £48,440 that are 467.3% higher than the lowest 10%. Gross annual earnings share similar trends with gross weekly earnings. For example, the average worker earns £24,000 annually, which is 190% higher than the bottom 10%, and 102% lower than the top 90%, which is comparable to the results in weekly gross earnings. Moreover, annual earnings increase steadily over the percentiles until the top 90%, where they increase sharply from £38,742 at the top 80%, to £48,440 at the top 90% (+25%). Overall, there are massive disparities in gross annual earnings between the highest and lowest earning members of society, and between the average worker and the top and bottom also.

Hourly earnings excluding overtime provide the most accurate comparator for wages across sectors and industries as it minimizes the variation that occurs from different working arrangements. Therefore, the following charts will examine these trends using hourly earnings excluding overtime as the main tool of comparison.

Chart 18 Hourly earnings excl. overtime in Northern Ireland by Industry 2021

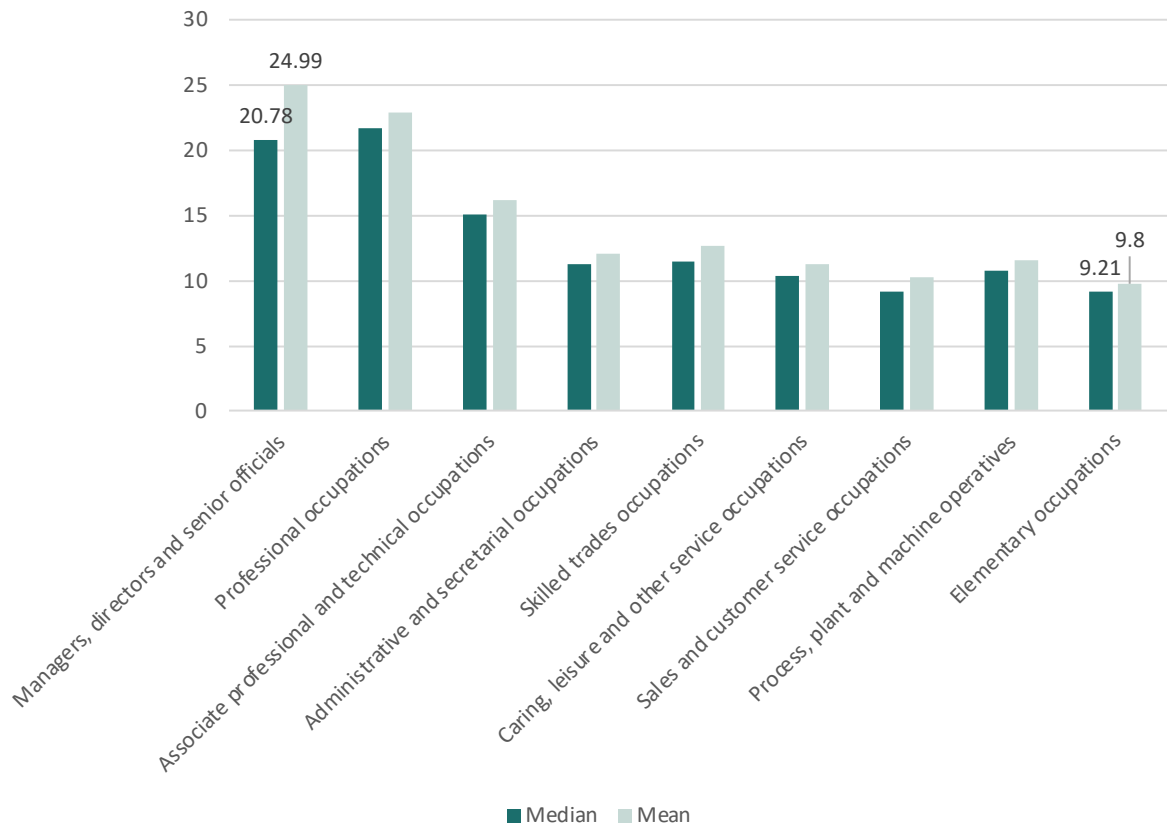
Source Annual Survey of Hours and Earnings 2021 (NISRA)

From the chart above it is clear that hourly earnings excl. overtime varies greatly depending on the industry. For instance, employees in the accommodation and food service industry earn a median hourly pay of £7.70 and a mean hourly pay of £10.16 which is the lowest hourly pay in any sector. Conversely, the information and communication sector has the highest hourly pay, with a median of £18.19 and a mean pay of £20.58, which is 136% and 103% higher than the accommodation and food service industry respectively. Moreover, the accommodation and food service sector is the lowest paid by quite a margin, the next closest being the agriculture, forestry and fishing industry with a median hourly pay of £9.98 (23.1% higher than accommodation and food).

Chart 19 Hourly earnings excl. overtime in Northern Ireland by Skill level 2021

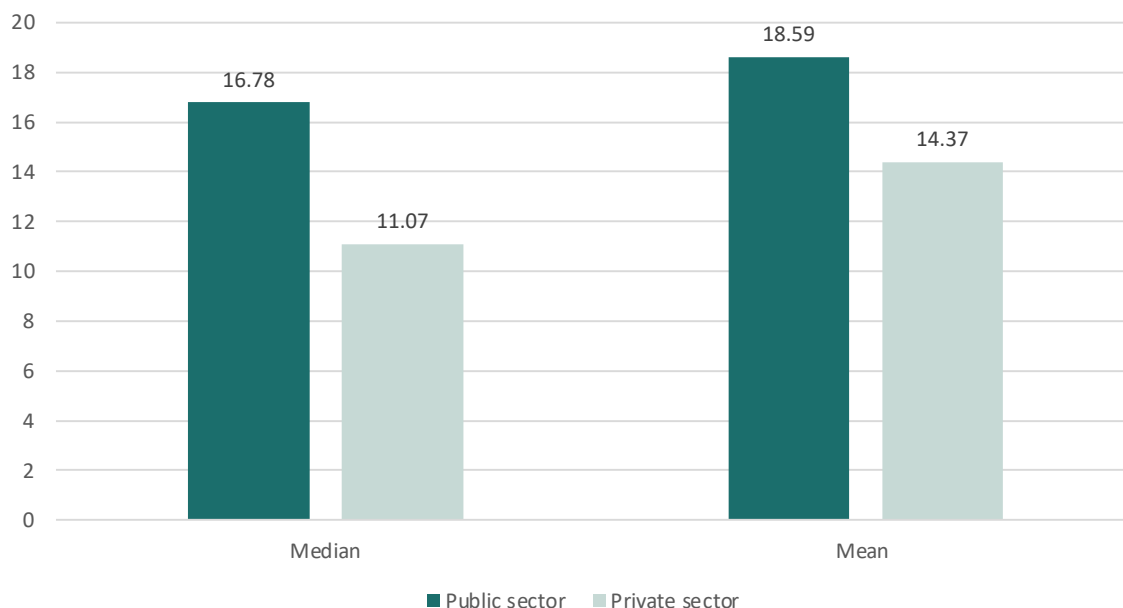
Source Annual Survey of Hours and Earnings 2021 (NISRA)

As the chart above demonstrates, there is a large difference in hourly pay excl. overtime depending on an individual's skill level. Indeed, there is a stark difference between the highest skilled employees and the lowest, with the lowest earning a median hourly pay of £9.21 and a mean hourly pay of £9.80. Conversely, the highest skilled employees earn a median hourly pay of £21.73 and a mean hourly pay of £23.49, which is 136% and 139% higher respectively. This is also far higher than those in skill level 3 (who earn a median hourly pay of £14.08 and a mean hourly pay of £15.27), meaning that those who are professionals are likely to earn much higher pay than those who are still very skilled at their profession. In addition, those at skill level 2 do not earn much more hourly pay than those at level 1, only earning 14% higher median hourly pay, and 17% higher mean hourly pay, and it starts to increase more sharply at skill levels 3 and 4. Overall, there is a massive gap between the highest skilled workers and all others when analysing hourly pay excl. overtime.

Chart 20 Hourly earnings excl. overtime in Northern Ireland by Occupation 2021

Source Annual Survey of Hours and Earnings 2021 (NISRA)

From the chart above it is clear that hourly pay excluding (excl.) overtime varies greatly depending on occupation. Most striking is the disparity between the highest paying (Managers, directors and senior officials), and the lowest (Elementary occupations). In fact, people employed in the highest paying occupation have a mean hourly pay excl. overtime of £24.99, compared to £9.80 for elementary occupations respectively (meaning that people employed in the managers, directors and senior officials occupation are paid 155% higher than those employed in elementary occupations). However, in terms of median pay it is those in the second highest paid occupations who earn the most. The highest earn a median hourly pay of £20.78 compared to £21.71 in the second highest (professional occupations) a gap of 4.4%. Additionally, in terms of median pay, hourly earnings excluding overtime are actually lowest in the sales and customer service occupations, £9.18 compared to a median of £9.21 in the elementary occupations. Overall, there are large disparities in hourly pay excl. overtime when it comes to occupation, but these differences are not the same among mean and median pay rates.

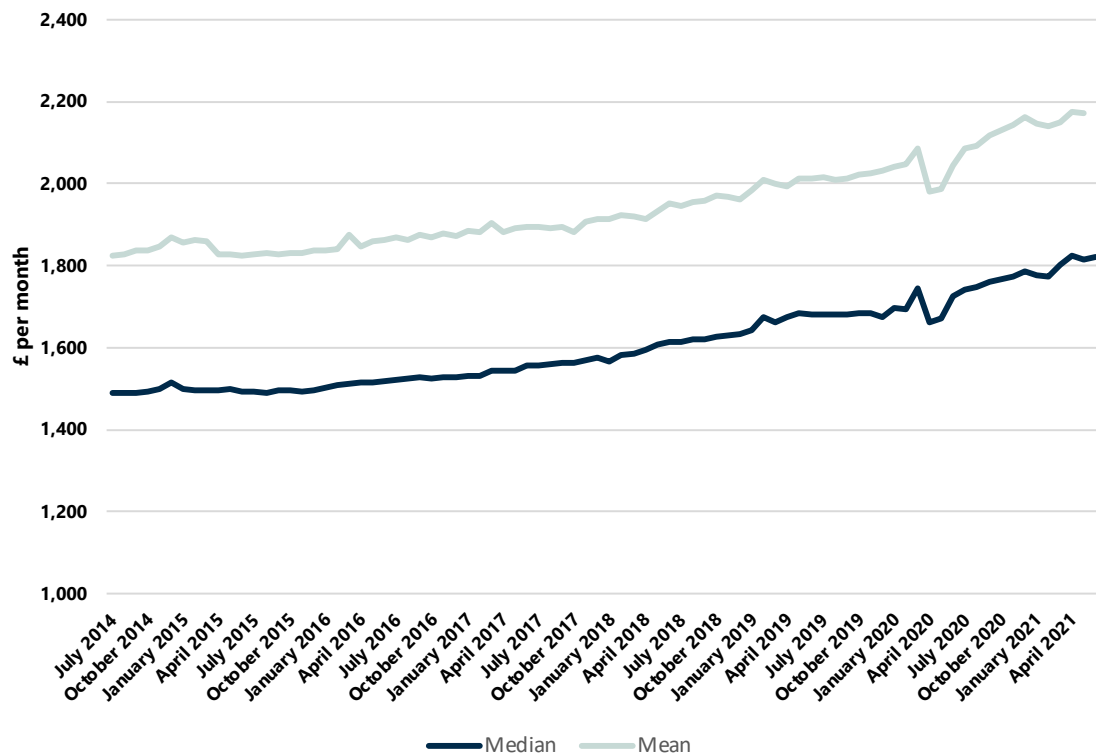
Chart 21 Hourly earnings excl. overtime in Northern Ireland by Sector 2021

Source Annual Survey of Hours and Earnings 2021 (NISRA)

As the chart above shows, hourly pay excl. overtime is higher for workers in the public sector than the private sector. In fact, median hourly pay is 52% higher for public sector workers, and mean hourly pay is 29% higher (£16.78 compared to £11.07 and £18.59 compared to £14.37 respectively). However, a recent study has shown that direct comparisons between the public and private sectors in Northern Ireland disguises many of the other differences that have been outlined in the preceding charts such as industry and skill level. There are also other factors that have not been covered here such as age, education and workplace organisation.

From the chart below, it is clear that the amount of median pay based on PAYE information has increased over the last seven years, from £1,489 in July 2014 – £1,822 in June 2021 (+22.4%). It climbed steadily from July 2014 to February 2020, where it experienced rapid growth and decline in March and April (+3.1% and -5%). It then continued to rise to April 2021, where it peaked at £1,824 (an increase of 9.2% over the year) before oscillating to its current value (£1,822). Moreover, the mean pay from PAYE data has also increased over the time period from £1,823 - £2,171 (+18.7%).

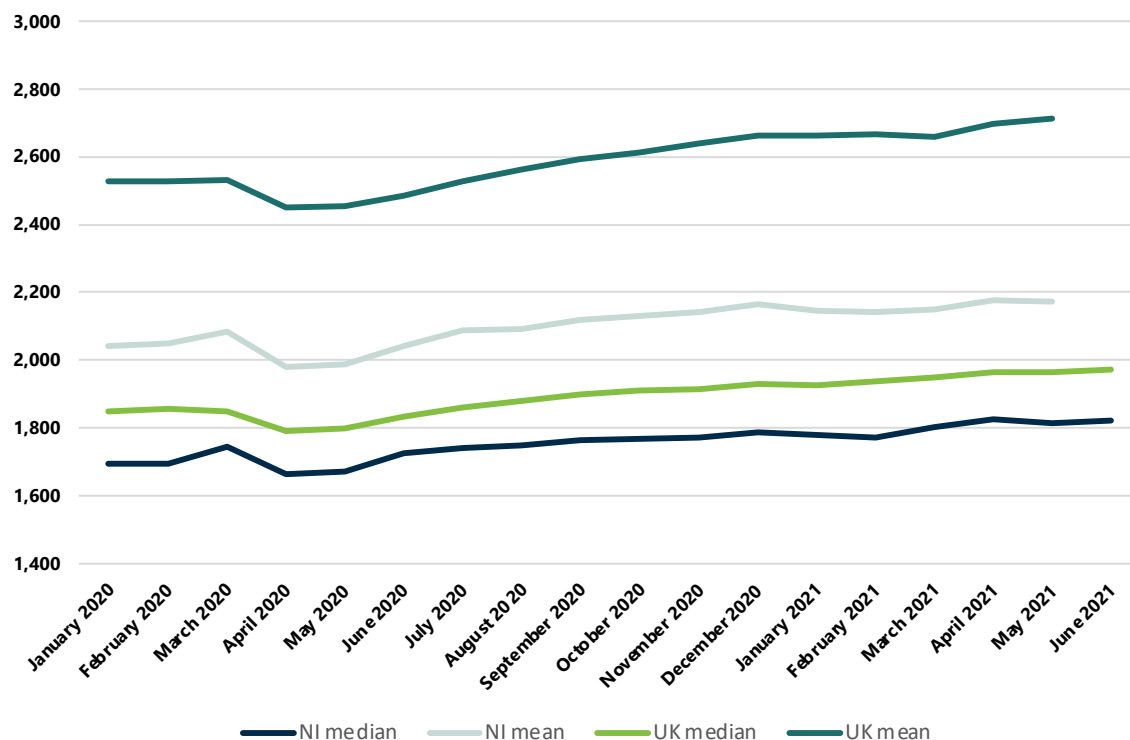
Chart 22 Median and mean monthly pay from PAYE information in Northern Ireland 2014-2021



Source Earnings and employment from Pay As You Earn Real Time Information (ONS)

Similarly, to the median pay, the mean increased steadily from July 2014 – February 2020 (with some oscillation in 2015) before climbing sharply and falling steeply in March and April (+1.8% and -5.3% respectively). It then peaked in April 2021 at £2,175, increasing 9.82% over the year, before falling marginally to £2,171 in May. The fall in earnings based on PAYE information between March and April 2020 is likely due to the pandemic and the restrictions put in place to combat it as businesses were closed and employees were made redundant. This also explains the fall between December 2020 and February 2021, as Northern Ireland entered another lockdown.

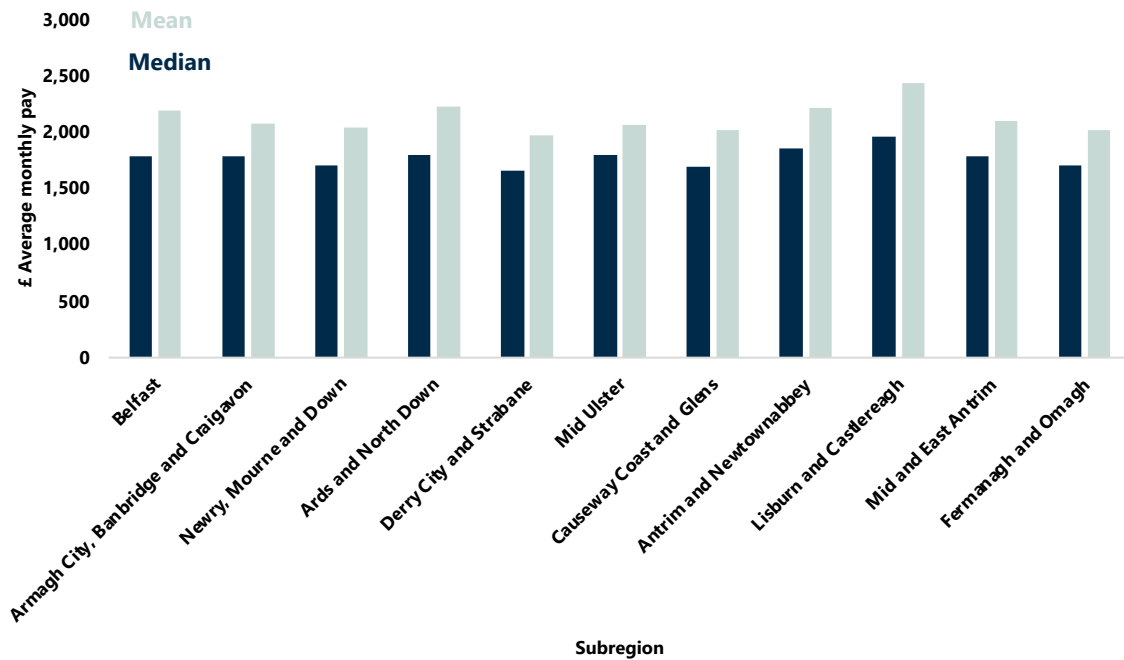
Chart 23 Median and mean monthly pay from PAYE information in Northern Ireland and UK (Jan 2020 – Jun 2021)



Source Earnings and employment from Pay As You Earn Real Time Information (ONS)

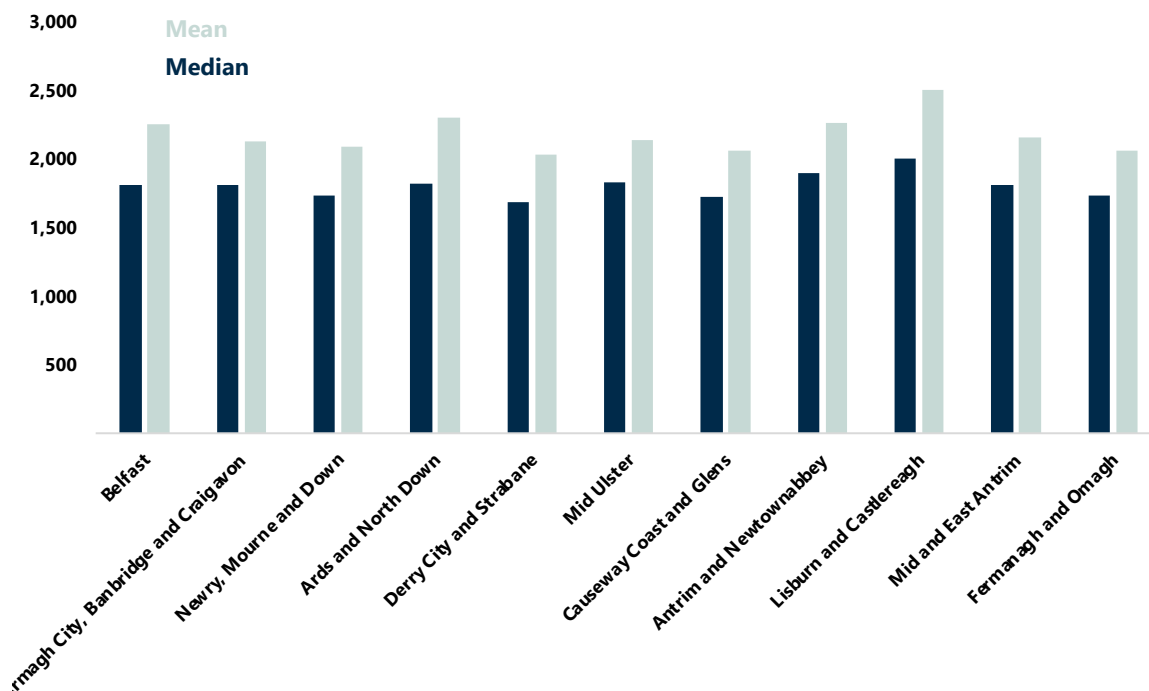
When analysing the median pay based on PAYE, it is clear that the UK as a whole has remained above Northern Ireland and both have increased steadily over the time period, with Northern Ireland's increasing more (+6.6% compared to +7.4%). There are a number of differences in the median earnings between the UK as a whole and Northern Ireland, for instance there was a sharp increase in median PAYE in March 2020 in Northern Ireland (+3.1%), whereas the UK median decreased slightly (-0.6%). Moreover, the next month saw a large decrease (-4.9%), and the UK also had a fall, but to a lesser extent (-3.1%). Finally, the UK median is at its peak at £1,971 whereas Northern Ireland was at its peak in April at £1,824 before it decreased to £1,822 (which is a very marginal decrease of 0.11% and is just £2 short of its peak). The UK as a whole also has much higher mean earnings based on PAYE information than Northern Ireland (£2,711 compared to £2,171 in May 2021, 24.9% higher). Both means decreased sharply between March to April 2020, with Northern Ireland increasing more (-5.3% compared to -3.3%). After this drop, both values increased over the year, with the UK as a whole climbing more (10.6% compared to 9.6%). The UK's median earnings based on PAYE peaked in May 2021, whereas Northern Ireland's peaked in April 2021 at £2,175 (again very marginal difference, just 0.2% or £4). Overall, both Northern Ireland and the UK as a whole are both experiencing large increases in the median and mean pay from PAYE information. However, there were huge falls between March – April 2020, which were likely caused by the restrictions put in place to try to mitigate the effects of the pandemic, causing more redundancies as businesses were forced to close.

Chart 24 Average mean and median earnings from PAYE information in Northern Ireland by subregion (Jun 2020-21)



Source Earnings and employment from Pay As You Earn Real Time Information (ONS)

The chart above shows that many of the subregions in Northern Ireland display little differences in earnings from PAYE information. Having said that, there are some disparities between the subregions. In fact, the highest earning subregion, Lisburn and Castlereagh, earns an average median pay of £1,960 and a mean average pay of £2,431, and the lowest earning subregion, Derry and Strabane, earns an average median pay of £1,659 and an average mean pay of £1,970 (18.1% and %23.4 lower than Lisburn and Castlereagh). When comparing the highest and second highest earning subregions from PAYE info., Lisburn and Castlereagh have a higher average median pay by 9.2%, and an average mean pay 9.6% higher than Ards and North Down. In addition, Derry and Strabane have a lower average median pay from PAYE information (-2.2%), and a lower average mean pay (-2.4%) than Causeway Coast and Glens. The average median pay for the majority of subregions is between £1700 - £1800 and the average mean pay between £2000 - £2100 with Lisburn and Castlereagh being a very notable outlier.

Chart 25 Median and mean earnings in Northern Ireland by subregion (May 2021)

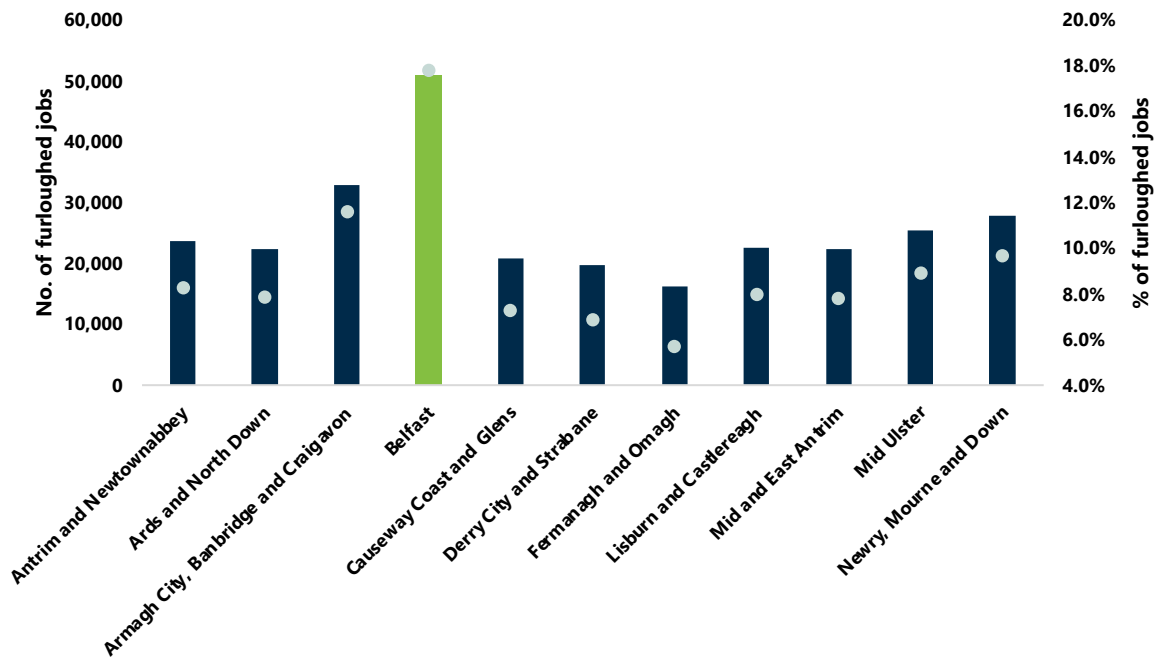
Source Earnings and employment from Pay As You Earn Real Time Information (ONS)

From the chart above many trends similar to average pay from PAYE information can be identified. Lisburn and Castlereagh is still the highest earning subregion, with a median pay of £2,000 and a mean pay of £2,499 in May. Moreover, Derry City and Strabane is still the lowest earning subregion, with a median pay of £1,684 and mean earnings of £2,030 (18.8% and 23.1% lower than Lisburn and Castlereagh respectively). The difference between the highest and second highest earning subregion is still quite large, with Lisburn and Castlereagh earning a 5.8% higher median pay, and a 10.4% higher mean pay than the second highest earning subregion (Antrim and Newtownabbey). Furthermore, there is a disparity between the lowest and second lowest earning subregions, however, it is very marginal, with Derry City and Strabane earning 2% less median pay and 1.3% less mean pay than Causeway Coast and Glens. Finally, most subregions earn a median pay between £1800 – £1900, and a mean pay between £2200 - £2300.

The Pandemic in 2021

The Coronavirus Job Retention Scheme (CJRS) continued to have a significant impact on Northern Ireland's labour market in 2021 as public health measures continued to constrict much economic activity. CJRS data is published by the HMRC on a monthly basis and the latest data covers all CJRS claims submitted by employers from the start of the scheme to May 2021. Data from the HMRC's RTI system has been matched with CJRS data to produce analysis of claims with daily amount of workers on furlough, employer size, sector of the economy, geographical location, age, gender and the use of flexible furlough. As such, this data allows for different aspects of the CJRS and furlough to be investigated in detail.

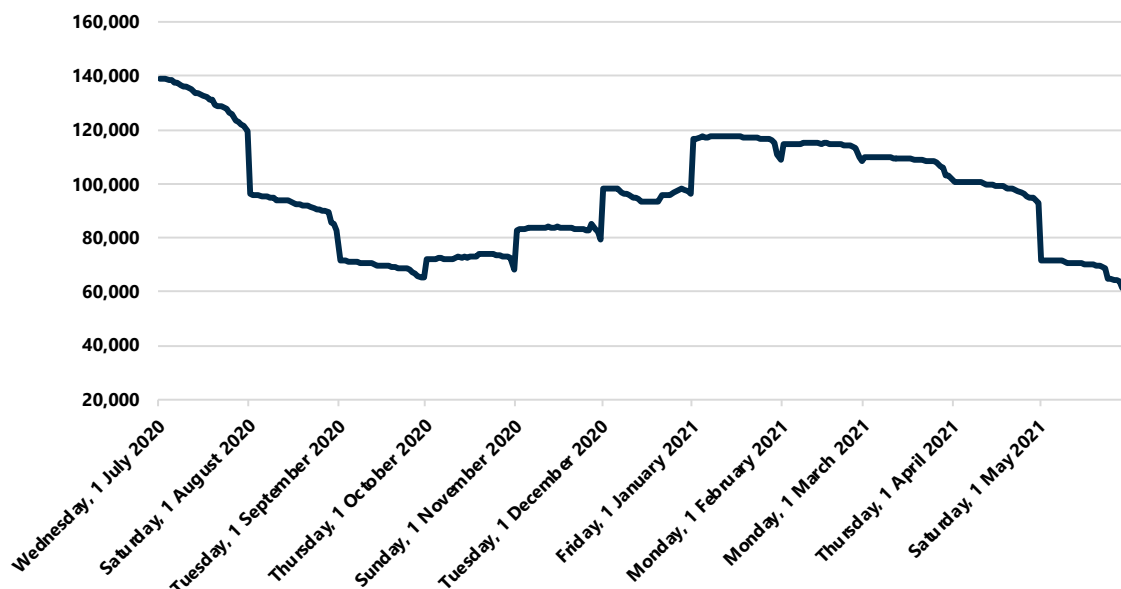
Chart 26 Cumulative number and percentage of furloughed jobs in Northern Ireland by Subregion (June 2021)*



Source [Coronavirus Job Retention Scheme Statistics](#) (HMRC)

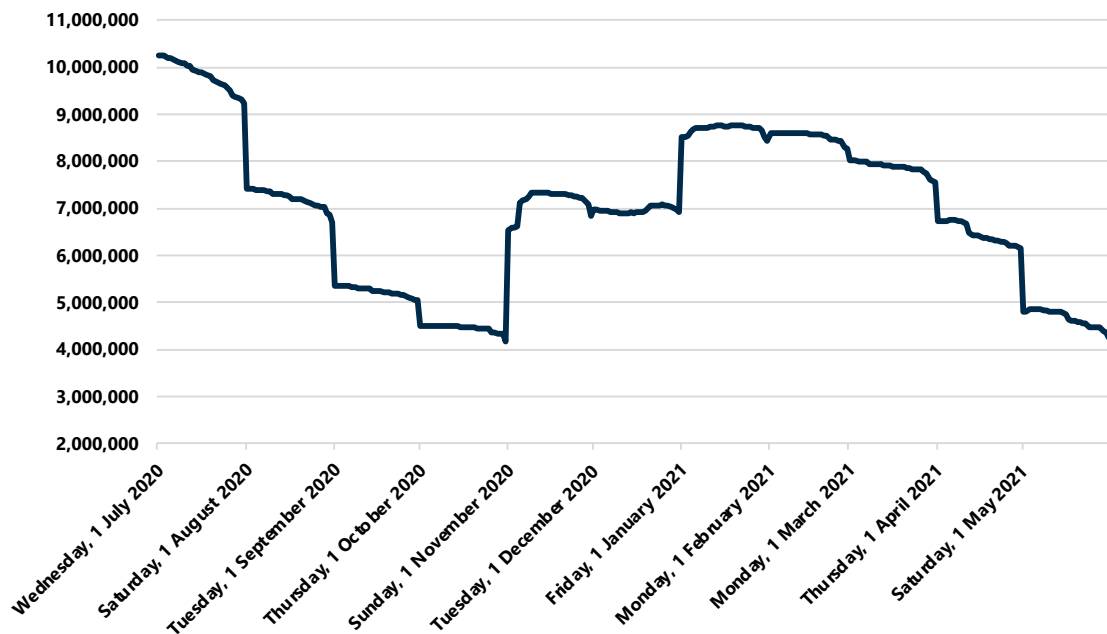
Note *Based on claims made by 14th June 2021

From the chart above, it is clear that each subregion has been affected differently by the CJRS and furloughed employment. This is most striking in Belfast, where the number of furloughed jobs was 50,900 in June, making up 17.8% of all furloughed jobs in Northern Ireland. This is 54.2% higher than the subregion with the second highest number of furloughed employment (Armagh City, Banbridge and Craigavon making up 11.6% of all furloughed jobs). Moreover, the subregion with the lowest number of furloughed jobs is Fermanagh and Omagh making up 5.7% of all furloughed jobs in the country, at 16,200 (214.2% lower than Belfast and 22.2% lower than the second lowest subregion, Derry City and Strabane, which makes up 6.9% of furloughed).

Chart 27 Number of furloughed jobs from in Northern Ireland (July 2020 – June 2021)

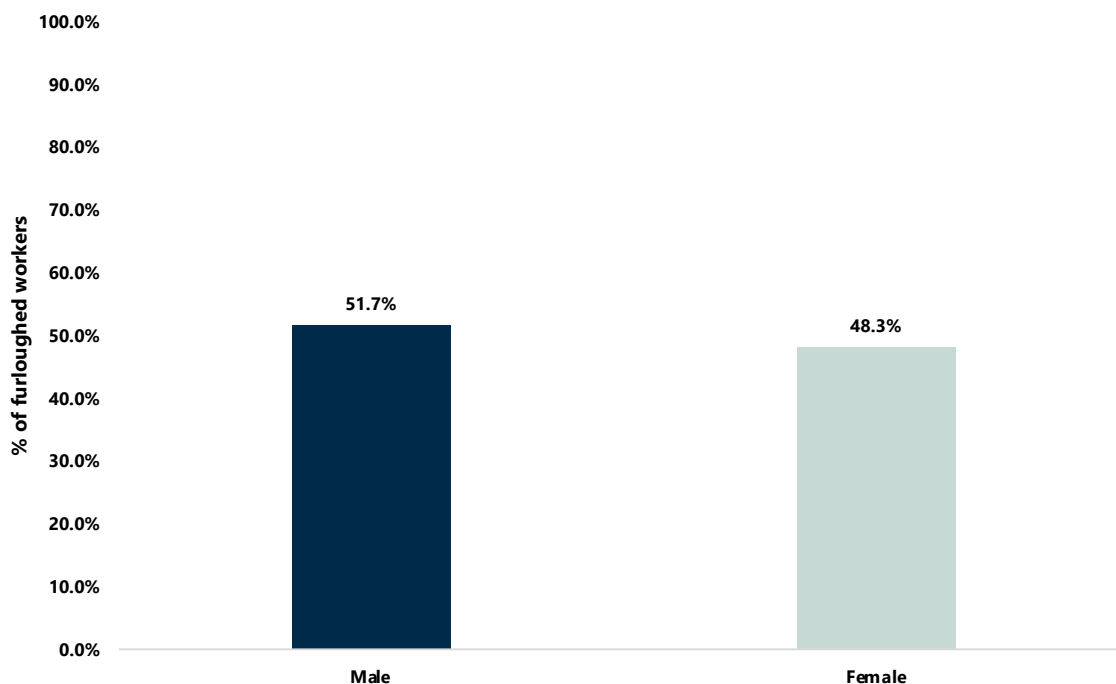
Source Coronavirus Job Retention Scheme Statistics (HMRC)

The chart above shows that the number of furloughed jobs has declined greatly from July 2020 – June 2021, going from 139,100 – 58,600, a decrease of 137.4%. The number of furloughed jobs fell massively from July – October as restrictions were eased during the summer. Then as the pandemic began to worsen again towards the end of the year, another lockdown was implemented, and as such furloughed jobs began to rapidly increase throughout the winter of 2020. As restrictions began to ease again, the number of furloughed jobs has fallen substantially from March – July 2021, where it is at its lowest point over the period (58,600). Overall, the number of furloughed jobs has fallen in Northern Ireland over the period, however, as the CJRS scheme came to an end in September, it is unclear what impact any further winter restrictions will have on the labour market coming in to 2022.

Chart 28 Number of furloughed jobs in the UK as a whole (July 2020 – June 2021)

Source Coronavirus Job Retention Scheme Statistics (HMRC)

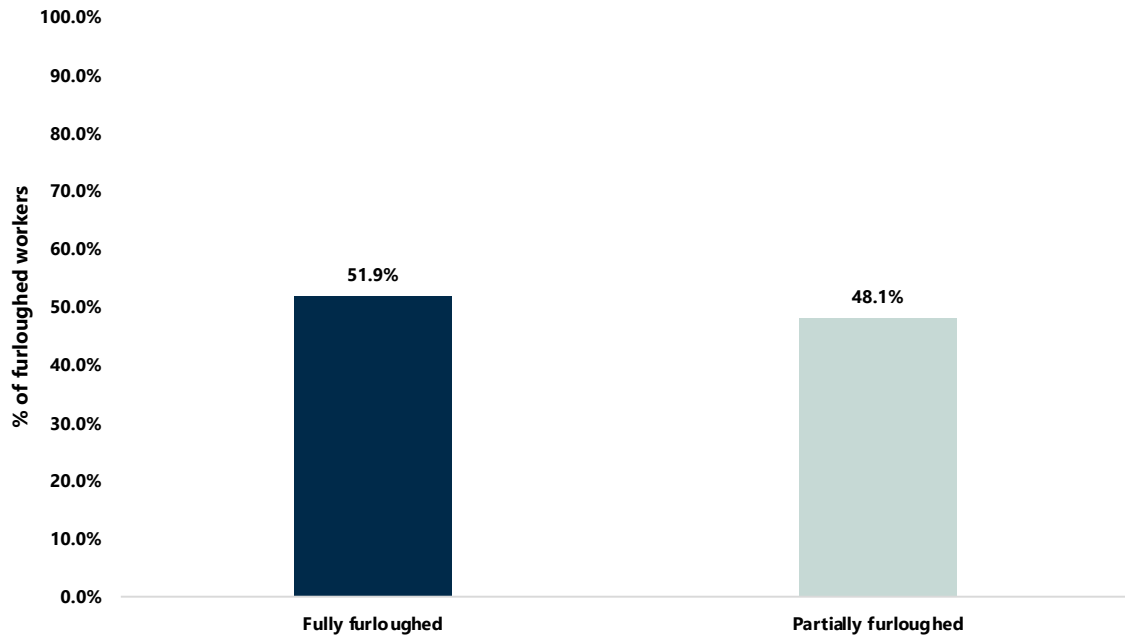
When investigating the furloughed jobs in the UK as a whole it can be seen that there are some similar trends to those found in Northern Ireland. Indeed, the number of furloughed jobs also fell from July 2020 as restrictions were getting lifted and workers were returning to work as normal. However, the fall in furlough jobs was much more significant than in Northern Ireland, falling by 145.1% from July – October 2020 (whereas Northern Ireland's number fell by 113.7% during the same period). The number of furloughed jobs then started to rise rapidly, rather than the steady growth in Northern Ireland, increasing from 4,181,000 – 6,851,600 in December 2020, an increase of 63.9%. The number of furloughed jobs continued to increase through the winter, before falling from February – June 2021, decreasing by 100.5% over this period. However, unlike Northern Ireland, June 2021 is not the lowest number of furloughed jobs throughout the period and this was in fact in November 2020 at 4,181,000, whereas it is 4,246,400 in June 2021. Overall, the number of furloughed jobs has decreased from July 2020 – June 2021 in both Northern Ireland, as well as the UK as a whole, however, the UK had much sharper and steep changes throughout the period as opposed to more gradual rises and falls in Northern Ireland.

Chart 29 Percentage of furloughed jobs in Northern Ireland by gender (June 2021)

Source Coronavirus Job Retention Scheme Statistics (HMRC)

The chart above demonstrates that there are slightly more men in furloughed jobs than there are women. This reflects the findings in the male and female employment rates, wherein there are nearly the same number of people employed in both genders, however, there are still more men employed than women. This may then influence the number of people in furloughed jobs as a higher percentage of the workforce in general is male, and therefore more men have a chance to be furloughed than women, resulting in the gender disparity above.

Chart 30 Percentage of jobs that are fully furloughed and partially furloughed in Northern Ireland (June 2021)*

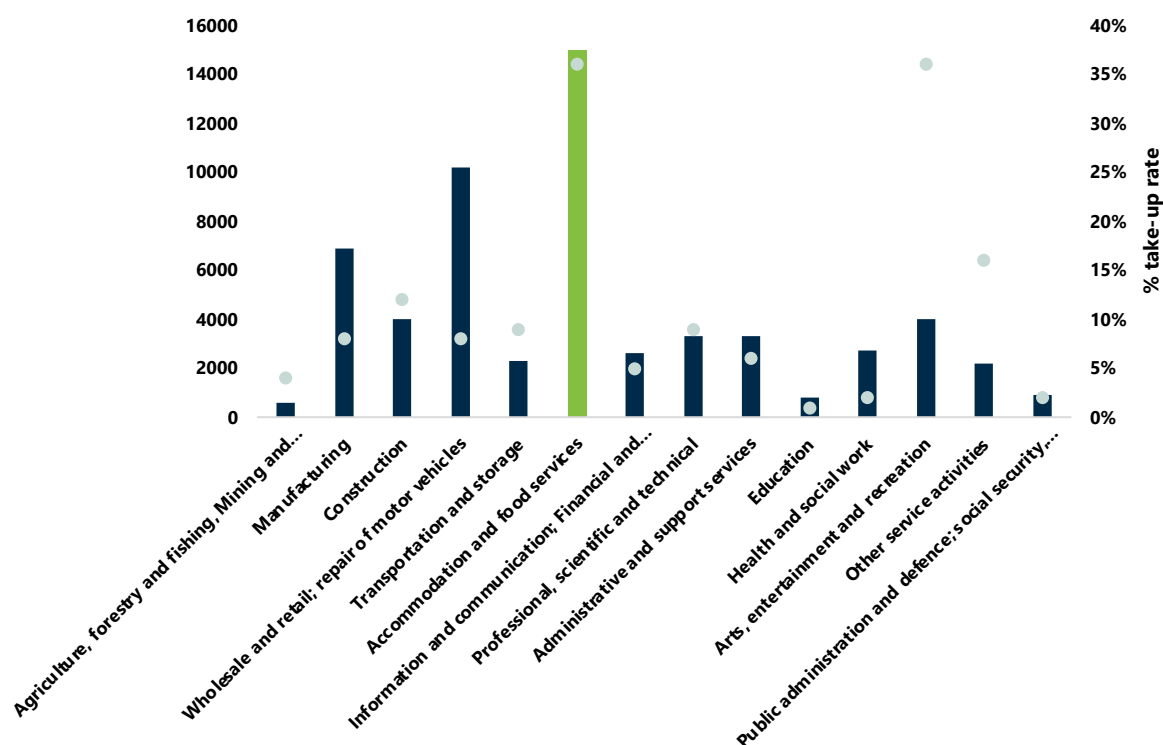


Source Coronavirus Job Retention Scheme Statistics (HMRC)

Note *A partially furloughed employee will receive a furlough payment when working less hours/days than normal. A fully furloughed employee is one that works full-time on furlough for the business.

The chart above demonstrates that there are marginally more workers who are fully furloughed than there are partially furloughed. Although a marginal difference, it is still significant as it differs from both Wales and Scotland, in which there are more partially furloughed workers than there are fully furloughed. On the other hand, these results reflect those found in England, in which there are more fully furloughed jobs than partially furloughed.

Chart 31 Number of furloughed jobs and take-up rate by industry in Northern Ireland (June 2021)*



Source Coronavirus Job Retention Scheme Statistics (HMRC)

Note *Take-up rate is the percentage of furloughed employments compared to the number of jobs eligible for furlough. Full names of industries cut off due to their size are Agriculture, forestry, fishing, Mining and quarrying, Energy production, and supply & Water supply, sewerage and waste... Information and communication; Financial and insurance & Real estate... Public administration and defence; social security, Households & other.

The chart above shows that there are massive differences in the number of furloughed jobs and take-up rate of furlough between industries. This is most striking in the accommodation and food services industry, which is also the sector with the lowest gross earnings. This industry is a massive outlier compared to the others, having 240% more furloughed jobs than the industry with the lowest number (Agriculture, forestry, fishing etc. at just 600), and 47% more than the second highest industry (Wholesale and retail; repair of motor vehicles at 10200). Moreover, this industry has the joint highest furlough take-up rate at 36%. The other industry with this take-up rate is Arts, entertainment and recreation, which has a much smaller number of furloughed jobs (4000, 275% lower than the highest). These take-up rates are much higher than any other sector, with most between 5% - 10% which makes sense as these industries are more tertiary and have been affected hugely by the restrictions put in place due to the pandemic. Overall, while all industries have furloughed employment to some degree, the accommodation and food services industry has a disproportionate number of furlough, and the effects of the scheme ending in just a few months may be catastrophic to both businesses and workers alike.





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