

Northern Ireland jobs market remains in good health despite economic headwinds

Northern Ireland's labour market remains in good health, with a record number of people in jobs, a relatively short dole queue and rising wages.

The latest Labour Market Survey from the Northern Ireland Statistics and Research Agency showed the highest level of pay-rolled employees on record in August of 779,600. That is 2.7% up on the same time last year and 3.6% higher than in March 2020, before the Covid-19 pandemic restrictions took hold.

The data suggests the jobs market is managing to shrug off concerns around the growing risk of recession as a result of soaring inflationary pressures. However, economists have warned labour data tends to be a lagging indicator of economic health and future months will offer an indication as to how deeply the current environment has impacted employment.

Encouragingly for workers, the Labour Market Survey has shown that wages are close to keeping pace with inflation, rising by 9.2% in August to £1,987 a month on average. That compares to an inflation rate of 9.9% for the month, one which fell from 10.1% in July.

The claimant count – the number of people claiming unemployment benefit – stood at 35,600, around 3.8% of the workforce and down from 5.1% last year. However, the claimant count remains above the 3% recorded in March 2020.

Overall, the employment data reflects a labour market in good health but looking further into the data reveals the economic inactive level – the number of people neither in work or

looking for work – remains stubbornly high at 28.2%, considerably higher than the 21.7% for the UK average. Northern Ireland's economic inactivity rate has remained consistently higher than the UK for the last 15 years, peaking at 31% in 2009.