

JOB DENSITIES FOR LOCAL AREAS

Introduction

In 2003 the Office for National Statistics (ONS) introduced a new local area labour market indicator: jobs density. This will augment other economic indicators such as unemployment rates and claimants of job seekers allowance. It is produced for all unitary authorities, like Herefordshire, all local authority districts (eg Malvern Hills, Forest of Dean), regions, parliamentary constituencies, travel to work areas and countries of the UK.

What is it?

Jobs density is defined as the number of filled jobs in an area divided by the resident population of working age.

The total number of jobs comprises employees, self-employment jobs, government supported trainees and HM forces. The jobs in an area may be held by residents of the area or people commuting in from other areas. Note that vacancies are not included. This is because no reliable data on vacancies are available for local authorities.

The working age population of an area is the number of residents aged between 16 and 64 (males) and 59 (females). The working age population of an area could be residents who live and work in the area, or residents who live in the area who commute to another area or residents who are unemployed or economically inactive.

Why is it a useful indicator?

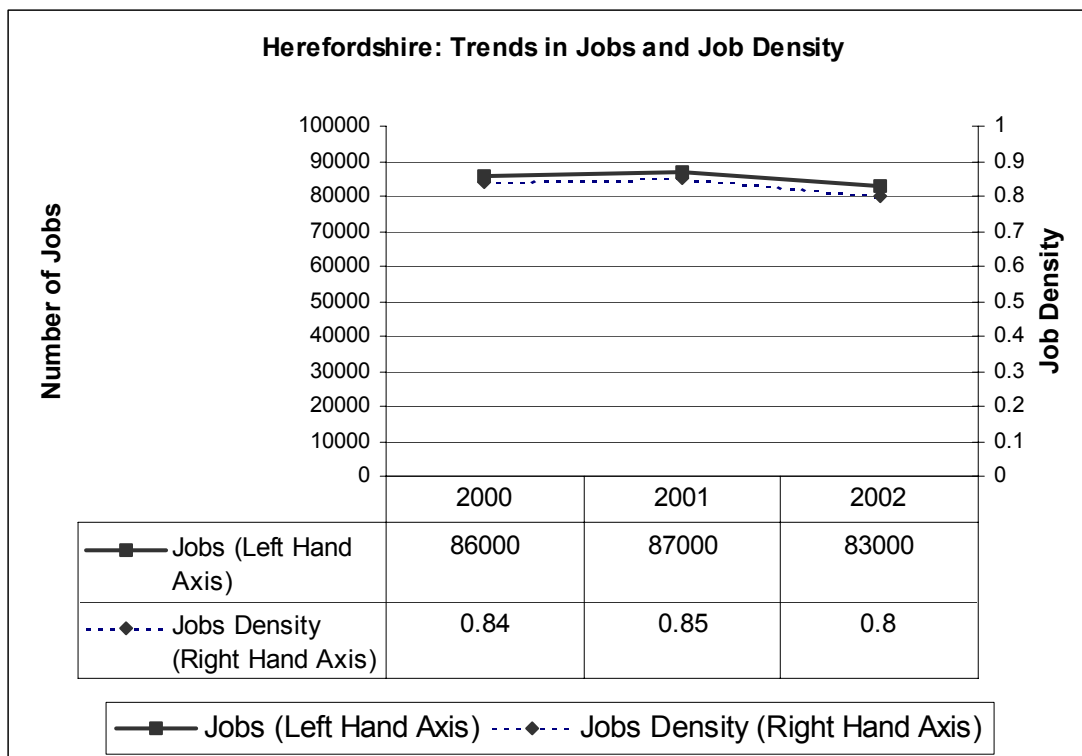
Job density estimates provide an indication of the level of labour demand within an area. An estimate greater than one indicates more jobs in an area than residents of working age, and can also indicate the presence of inward commuting or, possibly, that individuals have more than one job. An estimate of less than one means that there are fewer jobs in an area than residents of working age. This could be an indicator of outward commuting. However, it must be remembered that not every resident of working age will want a job: some will be students, others looking after home and family, and yet more permanently sick or early retired.

Data

In Herefordshire, the number of jobs increased from 86,000 in 2000 to 87,000 in 2001 before falling back to an estimated 83,000 in 2002. Job density followed a similar trend, rising from 0.84 to 0.85 between 2000 and 2001 and reducing to 0.8 in 2002.

The recent Herefordshire experience over 2000 to 2002 is in contrast to the national and regional trends. In both England & Wales and the West Midlands Region, the number of jobs has risen and the jobs density has remained relatively constant; at 0.83 for England and Wales, and between 0.8 and 0.81 in the Region.

The following graph shows the trends in Herefordshire.



The following table shows the estimates of job density for Herefordshire, neighbouring local authorities, West Midlands Region, plus some other areas.

Jobs Density, 2002

Local Authority	Jobs Density	Local Authority	Jobs Density
Herefordshire	0.80	Birmingham	0.89
Shropshire	0.82	Bristol	1.11
Worcestershire	0.75	Cardiff	1.01
Gloucestershire	0.88	Newport	0.91
Powys	0.83		
West Midlands Region	0.81		
England & Wales	0.83		

Source: Office for National Statistics

What do the numbers mean?

Some caution must be taken in interpreting these statistics as they are all based on estimates which are subject to sampling errors.

The estimate of 0.80 for Herefordshire implies that there are 80 jobs in Herefordshire for every 100 working age residents. The Labour Force Survey in 2002-3 estimates that 82 out of every 100 working age residents were economically active (ie working or unemployed and looking for a job). Comparing the two figures would suggest a slight lack of jobs. However some of the working age residents of Herefordshire will work outside the County.

The loss of jobs between 2001 and 2002 *may* reflect disruption to the local economy in 2001, resulting from the Foot & Mouth Disease crisis. Or it may be indicative of weakness

in the local economy although the low unemployment rate would suggest that the economy is buoyant. Later data are necessary to confirm the trend or otherwise.

Source: Labour Market Trends, August 2004

**For further information, contact Herefordshire Council Research Team on
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