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**Chair of the UK Statistics Authority, Sir Andrew Dilnot CBE**

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Dear Jonathan

**STATISTICS ON NEW JOBS**

Thank you for your letter dated 28 July 2014 regarding a statement made by the Prime Minister in the Daily Telegraph<sup>1</sup> that day, about the number of new jobs which were filled by foreign workers in the past year, compared with previous years.

The latest figures<sup>2</sup> from the Office for National Statistics (ONS) show that over the period between January to March 2013 and January to March 2014, the net change in the number of UK nationals in employment, as a proportion of the net change in the total number of people in employment, was 76 per cent. The table below shows the equivalent figures for the past four years. These may be the figures the Prime Minister was referring to when he said in the article, “while most new jobs used to go to foreign workers, in the past year more than three quarters have gone to British workers”.

**Table 1 - Net change in the number of people in employment, by nationality**

	2010 to 2011	2011 to 2012	2012 to 2013	2013 to 2014
Net change in the total number of people in employment	+421,000	+44,000	+423,000	+741,000
Net change in number of UK nationals in employment	+187,000	-5,000	+365,000	+563,000
Net change in number of non-UK nationals in employment	+233,000	+49,000	+58,000	+178,000
Net change in UK nationals in employment, as % of net change in the total number in employment	44%	-11%	86%	76%

Source: Calculated from ONS Labour Market Statistics, table EPM06, 14 May 2014.

The estimates do not always sum to the total number of people in employment because some people do not state their nationality in their Labour Force Survey interviews.

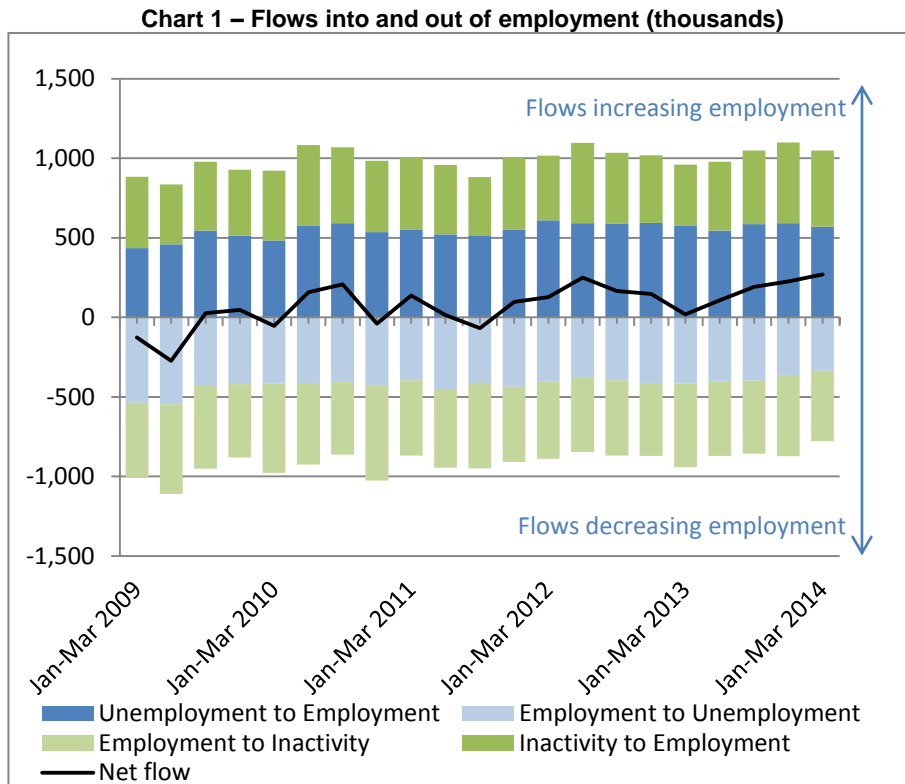
I want to be quite clear that these official statistics do not show the number of ‘new jobs’. The Statistics Authority has previously set this out in 2012<sup>3</sup>, and again recently in my reply to Matthew Hancock MP on 24 July 2014<sup>4</sup>. To reiterate, ONS publishes official statistics about the number of people in employment by nationality and country of birth<sup>5</sup>. The following distinctions should not be ignored:

- i. The official statistics provide estimates of net change in the number of people in employment. This is not the same as the number of people who move into employment; rather, it is the difference between flows of people into employment (e.g. from

unemployment, education, ill health, care for dependents, retirement, or from living in another country) and the flows of people out of employment (e.g. to unemployment, education, ill health, care for dependents, retirement or to move to another country).

- ii. The number of people in employment and the number of jobs in the economy are not the same. One person may have more than one job, and some jobs may be shared by more than one person.

Chart 1 below illustrates the flows into and out of employment, from unemployment and economic inactivity, and the consequent net change in the number of people in employment.

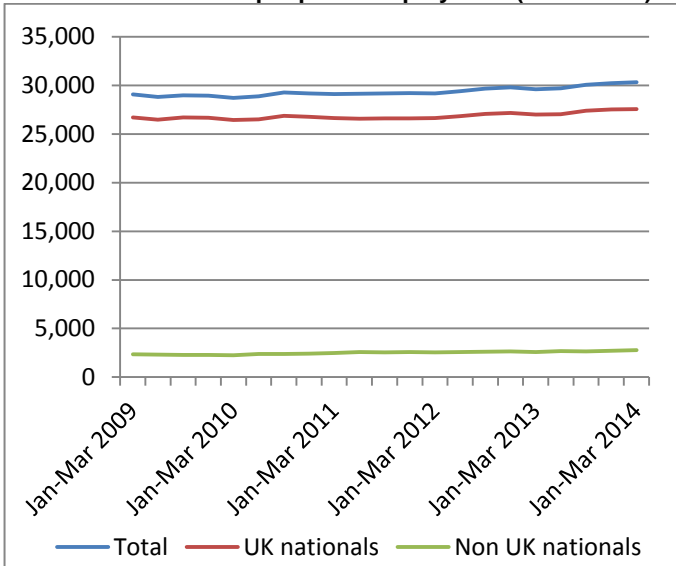


Source: ONS Labour Market Statistics, table X02 (experimental statistics), 14 May 2014. Data covers people aged 16 to 64. Seasonally adjusted. Data does not account for flows related to migration in the latest quarter, so the net flow is not fully consistent with the total net change in employment.

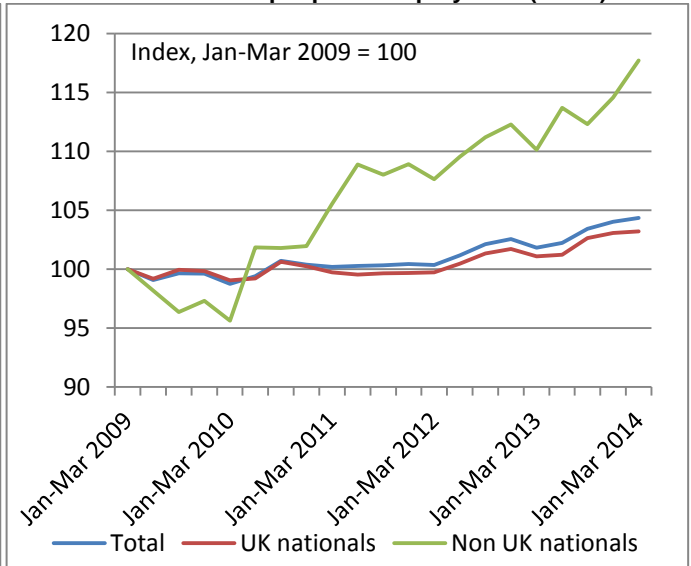
From the available official statistics, it is therefore not possible to estimate the number of new jobs, nor the number of new jobs that are filled by UK nationals, nor the number of new jobs that are filled by non-UK nationals.

What it is possible to say from the published official statistics is that, over the past five years, the total number of people in employment is estimated to have increased from about 29 million to just over 30 million (Chart 2). The majority of people in employment are UK nationals (about 91 per cent). Over the past five years, the level of employment among UK nationals was estimated to have risen by about 0.9 million, to 27.6 million, a rise of 3 per cent (Chart 3). Over the same period, the number of non-UK nationals in employment increased by about 0.4 million, to 2.8 million, a rise of 18 per cent.

**Chart 2 – Number of people in employment (thousands)**



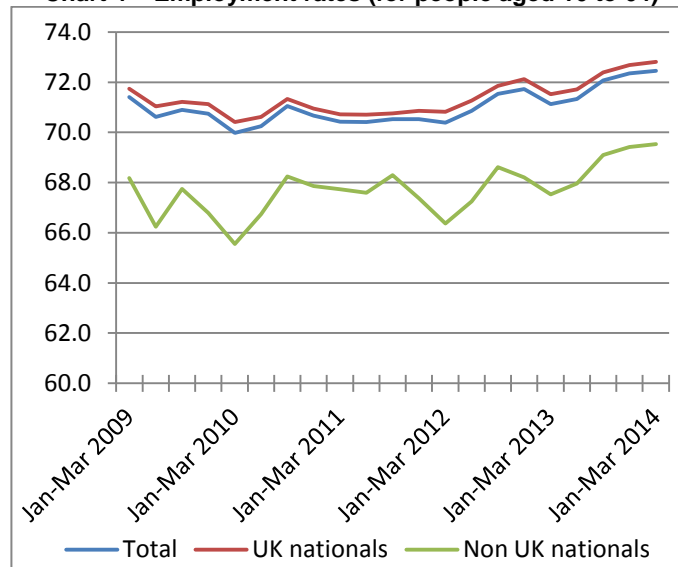
**Chart 3 – Number of people in employment (index)**



Source: ONS Labour Market Statistics, table EPM06, 14 May 2014. Data covers people aged 16 and over. Not seasonally adjusted.

Chart 4 shows that over the past five years, the employment rate for UK nationals (red line) has been consistently higher than the employment rate for non-UK nationals (green line). Both employment rates rose between the period January to March 2009 and January to March 2014; the rate for UK nationals rose by 1.1 percentage points, while the rate for non-UK nationals rose by 1.4 percentage points.

**Chart 4 – Employment rates (for people aged 16 to 64)**



Source: ONS Labour Market Statistics, table EPM06, 14 May 2014. Not seasonally adjusted.

I hope this letter clarifies what can, and cannot, be said from the published official statistics. I have agreed with the National Statistician that ONS will consider what further analysis it might provide to shed more light on this area.

I am copying this to the Prime Minister, the Cabinet Secretary, and the National Statistician.

Yours sincerely

**Sir Andrew Dilnot CBE**

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<sup>1</sup> <http://www.telegraph.co.uk/news/uknews/immigration/10995875/David-Cameron-Were-building-an-immigration-system-that-puts-Britain-first.html>

<sup>2</sup> <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/july-2014/index.html>

<sup>3</sup> <http://www.statisticsauthority.gov.uk/reports---correspondence/correspondence/letter-from-andrew-dilnot-to-george-eaton-new-statesman-21082012.pdf>

<sup>4</sup> <http://www.statisticsauthority.gov.uk/reports---correspondence/correspondence/letter-from-sir-andrew-dilnot-to-matthew-hancock-mp-24072014.pdf>

<sup>5</sup> Estimates of the number of people in employment at the level of the whole economy are produced from the Labour Force Survey, and are published as part of the Labour Market Statistics bulletin (see note 2). ONS also publishes statistics on the number of jobs in the economy, as a series called Workforce Jobs, but these figures do not include breakdowns by country of birth/nationality, nor do they provide estimates of 'new' jobs.