

Transition Between Labour Market Statuses — a Comparison Between the LFS and the Labour Market Account (LMA) in Denmark

LFS Workshop, Copenhagen 2017

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Agenda for Today

- How closely do the Labour Market Account (LMA) and the LFS align in terms of measuring labour market status and where do they differ?
- How can we use flow statistics when analyzing labour market statuses in the LFS and how can this be explored by the comparison of LFS vs LMA?



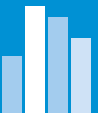
Definitions

- What is the LFS and LMA?
 - The Danish LFS is a survey with a sample size of approximately 22.000 persons per quarter
 - The LMA is an administrative register comprised of different databases. These databases attempt to capture all aspects of the labour force by gathering data on employment from the income-register as well as all types of public and social benefits



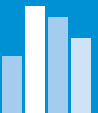
A Comparison – What does it Offer?

- Having access to both the LFS and the LMA allows us to compare individuals in the LFS to how they were registered during the reference week and see how many overlap. And of those that do not overlap we can attempt to analyze why this is.



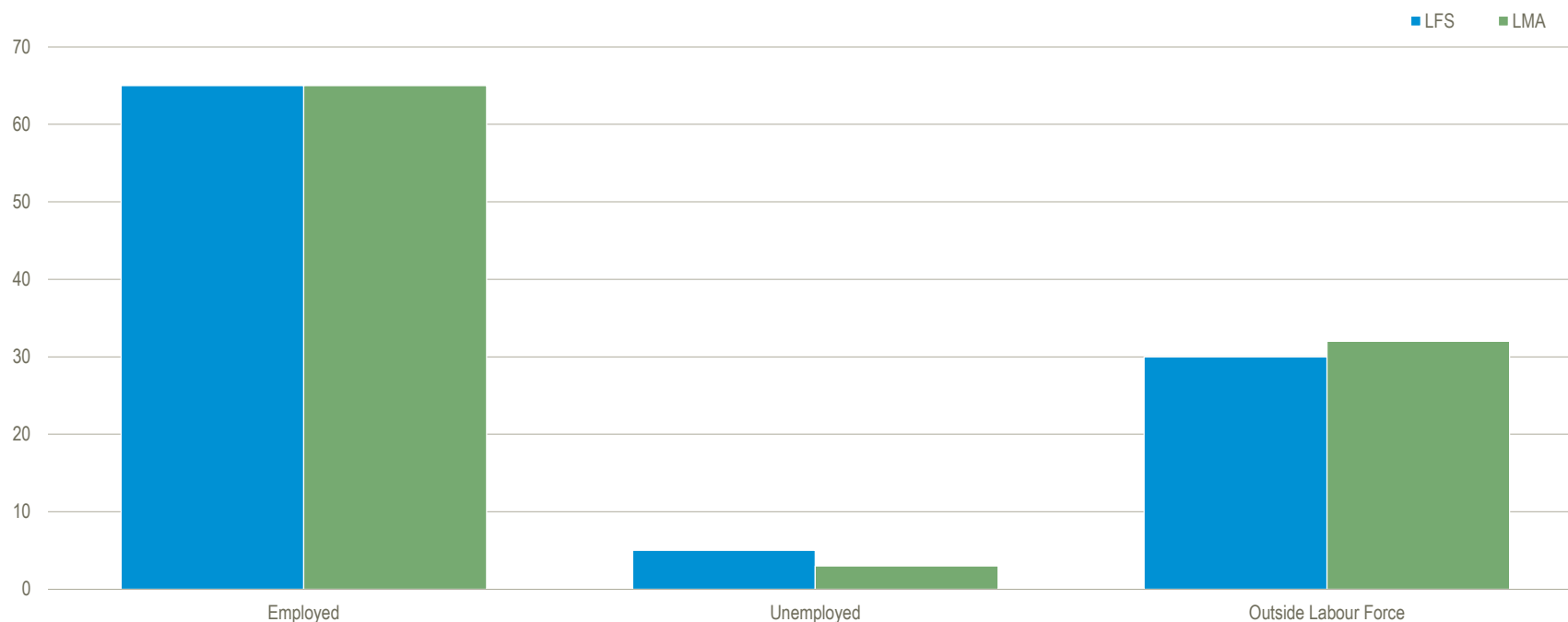
Initial Expectations for Labour Market Statuses

- Employment, Unemployment and Outside the Labour Force
 - Employment - In spite of measuring differently this category still should be fairly similar as both the LFS and the LMA use the ILO-definition of having worked at least one hour during the reference period.
 - Unemployment - Here we would expect there to be some differences as the definitions differ between the LFS – where a person is unemployed if they indicate that they are looking for work and able to start working and the LMA – where a person is registered as unemployed if they are receiving unemployment benefits or working certain wage-subsidized jobs.
 - Outside of labour force – This category is made up by the remainder of the other two and as such is harder to really define.



So how do they Compare?

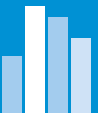
Table 1:
Population distribution in percentages in LFS and LMA 2015



The 9 % that *not* match

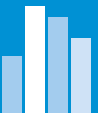
Looking at this group we see that it can be broken down into several categories but the majority of persons here fall into one of three categories or subgroups:

- *Subgroup One – Employed in the LFS but Outside Labour Force in the LMA*
 - 32 % of people not matching are in this group
 - Average age of 31.6 years of age
 - Nearly half of the group (45 %) are students
- *Subgroup Two – Outside Labour Force in LFS but Employed in LMA*
 - 31 % of people not matching are in this group
 - Average age of 35.9 years of age
 - More than half of the group (54 %) are students
- *Subgroup Three – Unemployed in LFS but Outside Labour Force in LMA*
 - 24 % of people not matching are in this group
 - Average age of 25.2 years of age
 - More than half of the group (59 %) are students



Closing Thoughts on Persons Not Matching

- Students
- Proxy – persons answering on behalf of interviewee



Flows Between Statuses

- We will now close by looking at how persons shift statuses in the LFS and LMA respectively and what this may tell us.

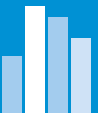
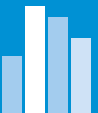


Table 2: Statuses in the LFS and LMA in 2014 and 2015

	2014		2015	
	LFS	LMA	LFS	LMA
Employed	36,000	37,000	36,000	36,000
Unemployed	3,000	1,000	2,000	1,000
Outside the labor force	16,000	17,000	16,000	17,000
In total	55,000	55,000	54,000	54,000



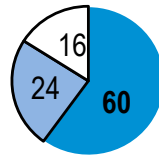
Shifts in Statuses

- For both LFS and LMA the primary shift is from *employed* to *outside of the labour force* but there are differences to how persons shift.



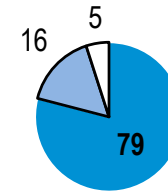
Shifting Status – LFS and LMA

LFS

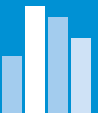


- Employed <-> Outside labour force
- Employed <-> Unemployed
- Unemployed <-> Outside the labour force

LMA

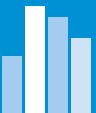
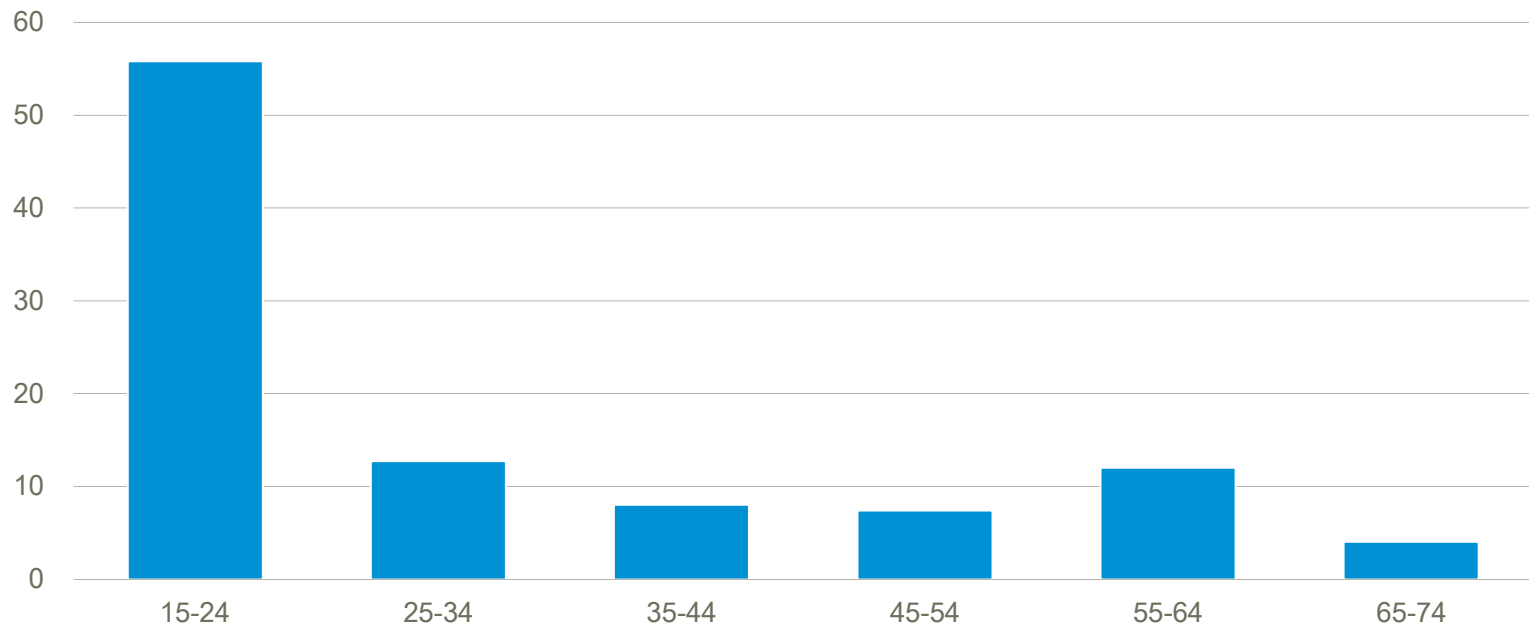


- Employed <-> Outside labour force
- Employed <-> Unemployed
- Unemployed <-> Outside the labour force



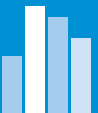
Students – again

- Students account for more than half of the shifts in status and when looking at the age distribution for those that shift we see this:



High Risk of Not Matching for Shifters

- Of the 15 % that shifted status in the LFS from 2014-2015 28% of those did not match between LFS and LMA.
- Of the remaining 85 % that did not shift status only 4 % did not match between the LFS and LMA.



Closing Thoughts

- The two methods overlap to a large extent (91 %)
- Students are overrepresented among the non-matchers and this group is hard to fully describe
- In the LFS respondents more often change status and fluctuate more between statuses than is the case for the LMA.

