



Commissioner for Older People
for Northern Ireland

Professional Services Unit

Department for Communities

Via email to: psu@communities-ni.gov.uk

28/05/2024

Re: User Survey on the NI Local Labour Market Insight Dashboard

Dear Sir/Madam

I am writing on behalf of the Commissioner for Older People for Northern Ireland regarding the department's call for feedback on the NI Local Labour Market Insight Dashboard.

The Commissioner commends the department's statistics services, which have proven to be an excellent resource to conduct analyses of government policy and action. In particular, COPNI values the Labour Market Insight Dashboard. It is a powerful tool for employers, policy makers and analysts, as it provides a wide range of reliable information through a superb user-friendly interface. Having said this, the Commissioner wishes to highlight important omissions in the Dashboard, and thereby, to contribute to improve its methodology.

The labour market, which has recently experienced difficulties due to labour shortages that curtail the potential growth of Northern Ireland business, is greatly affected by demographic ageing. Analysts have pointed at the ageing of the population as the main reason for the labour shortages of Northern Ireland. The available workforce is reducing due to the increase

in the pension age population and the lack of growth in the population between the ages of 16 and 65.^{1 2}

In this context, understanding the behaviour of older workers, and those over pension age in particular, is of enormous strategic importance for policy making in Northern Ireland. If a substantial percentage of people over state pension age decides to extend their working lives, this will have an unquestionable positive effect over the public budget and the economic activity, as it would provide opportunities for employers to access or retain skilled and experienced older workers, and it would increase revenue through income tax and national insurance.³ All of this could relieve the government from the pressures that result from demographic ageing. Without information on our cohort of older workers (provided through platforms such as the Dashboard), policymakers are less able to plan, act and intervene on this key economic and social issue.

The decision to ignore people older than 64 from the Labour Market Dashboard is particularly baffling given that the Labour Force Survey, which is the source for the Dashboard, does provide data on the population over 64.⁴ Moreover, given that the proportion of people older than 64 employed in Northern Ireland is significant, the exclusion seems unjustifiable.⁵

In addition, it may be useful to organise the data collected in line with the evolution of the state pension age.⁶ The division of population into three broad groups (0-15; 16-64; 65+) is

¹ See Northern Ireland Assembly, Finance and Economics Team, Research and Information Service (2024) [Northern Ireland economic overview Finance and Economics Team, Research and Information Service. Research and Information Service Briefing Paper](#), p. 3.

² Already in 2017, the Government Office for Science warned that if the exit rates of older workers continued in the same rate, 'the UK will face a labour shortage'. See Government Office for Science (2017) [Longer working lives bring significant benefits to individuals, employers and wider society](#), p. 4.

³ According to the Institute for Fiscal Studies (IFS), the biggest proportion of the UK government revenue in 2023/24 comes from taxes directly paid by population at work (25% income tax and 16% national insurance). In total, 41% of government revenue comes from taxes directly paid by population at work, but the contribution of the working population to the total government revenue indirectly affects other sources of revenue (VAT, company taxes, capital taxes, etc.). See Institute for Fiscal Studies (2023) [Where does the government get its money?](#).

⁴ The data from the Labour Force Survey can be filtered by both working age population (16-64) or people of 16 and over. Therefore, labour force statistics of people older than 64 are available in the Labour Force Survey, and there is no reason not to include them in the Dashboard.

⁵ Currently, 12% of the population older than 64 are employed in Northern Ireland, and also 5.6% of those aged 70 or over. Calculations based on the ONS [Annual Population Survey - Regional - Labour market status by age](#). Queried data: geography (Northern Ireland), Date (December 2023), age (65+; 70-74; 75-79; 80 and over), Labour Market Status (Employed).

⁶ COPNI understands that the data collection for the Dashboard is not a direct responsibility of the Department, but believes that the Department can contribute to improving the methodology of the Labour Force Survey.

only useful if it is reflective of three groups of population that belong to a distinctive labour market status (below legal working age, legal working age and state pension age). Labour market statistics based on age groups that represent a distinctive labour market status provide useful information on labour market behaviour and tendencies. For instance, it contributes to understanding why people of pensionable age stay at work, how many hours do they work, in which sector, what is their income, what is their motivation to stay at work, and if they have retired, what was their reason or motivation for that.

However, since 2020, the state pension age has been raised to 66 years of age.⁷ It is unclear why the Labour Force Survey has not updated its methodology to reflect this new reality. When analysing labour force data, especially for those of state pension age, the current category upper limit of 64 years of age presents obvious difficulties. The Dashboard currently does not present data on what is happening to older workers in this critical stage of increased state support and traditional expectations of retirement. Again, without understanding what is happening older workers, policymakers cannot plan, act or intervene on this key economic and social issue.

In conclusion, Northern Ireland is facing labour shortages, with large numbers of vacancies, and employers facing difficulties in recruiting workers. Many factors have contributed to this situation, but analysts tend to agree that demographic ageing is among the most relevant.⁸ In this context, it is crucial to have a reliable source of data to understand the behaviour of workers of state pension age, as government policy focuses on reducing economic inactivity.⁹

The Dashboard includes a wide range of reliable information that addresses key areas deserving of public scrutiny and government consideration. However, the platform omits consideration of a key area of social and economic life in Northern Ireland—the work patterns of our older population. This exclusion inhibits stakeholder from fully considering the experience of our current older population but also, prevents policymakers from addressing an

⁷ The rise of SPA for women from 59 to 65 took place by November 2018, and it rose together with the SPA for men to 66 by October 2020.

⁸ See Northern Ireland Assembly, Finance and Economics Team, Research and Information Service (2024) [Northern Ireland economic overview Finance and Economics Team, Research and Information Service. Research and Information Service Briefing Paper](#), p. 3.

⁹ See Department for the Economy (2015) [‘Enabling Success’. Supporting the transition from economic inactivity to employment: A strategy to tackle economic inactivity in Northern Ireland.](#)

increasingly vital issue for all of society—the retention of people in the workforce as our population ages. Therefore, the Labour Market Dashboard should with all speed commence the provision of detailed information on the full spectrum of our (ageing) workforce.

I would welcome the opportunity to discuss COPNI's response to this consultation should it be helpful.

Yours faithfully,



Ángel Leira Pernas
Policy Advice and Research Unit
Commissioner for Older People for Northern Ireland

angel.leirapernas@copni.org