Long-term unemployment statistics: a quick guide

Penny Vandenbroek
Statistics and Mapping Section

Introduction
This guide provides a brief overview of long-term unemployment, an introduction to the key concepts and terminology, and lists relevant data sources. This is one in a series of statistical quick guides, designed to provide a basic understanding of Australian labour market data. Other guides include labour force, unemployment, employment and youth unemployment, which are available from the Parliamentary Library website.

In the labour force framework, unemployed people form part of the currently active population who, along with the employed, constitute the labour force. The long-term unemployed are a sub-set of this group (see diagram below).

Who are unemployed people?
The International Labour Organization (ILO) describes unemployed people as those who, during a specific recent period were: not working; available to work; and undertaking activities to seek work. The concept of ‘without work’ is used to distinguish unemployed people from the employed. A person must not have undertaken any work at all (not even for one hour) during the reference period. The long-term unemployed are a sub-set of unemployed people. They are classified as long-term unemployed based on the duration of their job search (52 weeks or longer).

How is unemployment measured?
The Australian Bureau of Statistics (ABS) conducts a monthly Labour Force Survey. This household survey is designed to produce key estimates of unemployment (and employment) from a sample of approximately 50,000 people.

Unemployed persons are defined as all persons aged 15 years and over who were not employed during the reference week and:
- had actively looked for work and were available to work (in the reference week), or
- were waiting to start a new job.

The long-term unemployed are those people who are classified as unemployed and have not worked for 52 weeks or longer.

More information on the definition is provided in Unemployment statistics: a quick guide.

Duration of job search
To measure the duration of job search, the ABS focuses on the period of time that has elapsed since an unemployed person began looking for work and was available to start work. The period is measured up to the end of the survey reference week. Any brief period of work (greater than one hour), during the job seeking period will result in a break in the duration. Prior to July 2014, the ABS measured the duration of unemployment based on different parameters for both looking for work and breaks in the period of looking. For more information, see: Information paper: Forthcoming changes to labour force statistics, Jun 2014 (cat. no. 6292.0).

What are the key measures?
The number of long-term unemployed people (head count)
Each month the ABS estimates the number of unemployed people, releasing trend, seasonally adjusted and original data by duration of job search and sex. People whose duration of active job search is 52 weeks or longer are considered to be long-term unemployed.

Data is available from Labour force, detailed – electronic delivery (cat. no. 6291.0.55.001), see:
- Tables 14a (duration and sex) and 14b (duration and age), or for estimates of median duration, Tables 14c (state/territory), 14d (age), 14e (by relationship in household) and 16c (labour market region).
- Data cubes: UM2 (state/territory), UM3 (age), RM3 (labour market region) and FM4 (relationship in household).

Chart 1 (on the next page) provides changes in the number of long-term unemployed people from the start of the data series to the most recent period. Breaks in the series, due to the introduction of new survey questionnaires, have been highlighted at April 2001 and July 2014. For more information see paragraph 18 of the ‘Explanatory notes’ tab, Labour force (cat. no. 6202.0).
1. Number of long-term unemployed people—trend

![Graph showing the number of long-term unemployed people over time.](image)


Time series data is also provided in the Parliamentary Library’s *Monthly Statistical Bulletin*, see ‘1.4 Long-term unemployment’.

**Duration of unemployment**

Chart 2 provides a snapshot of long-term unemployed people by selected age groups and their median duration of job search (in weeks). The median differs from the mean (average) in that it divides the spectrum of weeks in half, with equal groupings above and below this point. The median is less affected by unusual values (i.e. outliers) than the mean. This measure helps to depict the number of weeks most people spent searching for a job. The median duration across all age groups is also included (see ‘Total’).

2. Median duration of job search for the long-term unemployed by age, Jun 2018—original

![Bar chart showing the median duration of job search by age group.](image)

**Long-term unemployment ratio**

The long-term unemployment ratio expresses the number of people unemployed for 52 weeks or more as a proportion of all unemployed people. Chart 3 provides the long-term unemployment ratio from the start of the data series until the most recent period. Regular updates are available from the Parliamentary Library’s *Monthly Statistical Bulletin*, see ‘1.4 Long-term unemployment’.

3. Long-term unemployment ratio—trend


Chart 4 provides the long-term unemployment ratio by state or territory at June 2008 and June 2018 (average of 12 months ending). The annual average has been used to assist in smoothing some of the data volatility. Data is from the original series.

4. Long-term unemployment ratio by state or territory—annual average

Where do I find regional data?

_Labour force, detailed – electronic delivery_, cat. no. 6291.0.55.001 provides monthly unemployment data by duration of job search for Statistical Area Level 4 (SA4), or ‘labour market region’. These are the smallest available geographic areas, see: Table 16c and Data cube RM3. Data is from the original (unadjusted) series, therefore the use of an annual average is recommended, as is caution when interpreting the data. For Library clients, a correspondence between Commonwealth Electoral Divisions and selected geographies (including SA4s) is available via the Library portal, see ‘Your electorate’ > ‘Population’. Note that the Census does not collect information on a person’s duration of unemployment.

What other ABS data is available on the long-term unemployed?

The most relevant ABS publication is _Participation, job search and mobility_ (cat. no. 6226.0), which provides information on people looking for work, duration of job search and the main difficulty finding work.

Where do I find data on jobseekers receiving allowances?

The Parliamentary Library’s _Monthly Statistical Bulletin_ provides a time series of jobseeker numbers, including a breakdown of long-term and short-term recipients, see: 1.8 Jobseekers receiving allowances.

The Department of Social Services’ publication, _Labour market and related payments monthly profile_, provides more extensive data on Newstart (and some other benefit) recipients, including long-term jobseekers. Note that the figures vary to those released by the ABS due to differing methodologies in calculating ‘unemployed’ persons and duration of unemployment.

Where can I find international data?

_OECD Data_ provides summary labour force indicators, including comparison unemployment rates and long-term unemployment rates, for OECD member countries. The annual publication, _Employment Outlook_ also contains information on long-term unemployment. Note that the length of duration of unemployment may vary between countries. Generally, the European Union consider the long-term unemployed as those whose period of job search is one year or longer, while the United States of America uses a period of job search that is 27 weeks or longer.