



Department of Labor and Employment Manila, Philippines

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TRENDS AND CHARACTERISTICS OF NEW ENTRANTS TO THE LABOR FORCE: 2006-2012

Overview

New entrants to the labor force are persons aged 15 years old and over who seek work for the first time or <u>first time unemployed</u>, or those who work for the first time or <u>first time employed</u>, including those who are expected to work for the first time within two weeks after the date of interview. The volume of new entrants indicates new additions to the economically active population or labor force.

This issue of LABSTAT Updates presents the trends of total new entrants to the labor force, its composition and their demographic and socio-economic characteristics using the 2006-2012 results of the Labor Force Survey (LFS) conducted by the National Statistics Office.

The data relate to the annual averages of estimates from the LFS four survey rounds conducted every January, April, July and October. Data on new entrants to the labor force are available from January 2001. However, the data series presented in this issue starts with 2006 because of the change in the definition of unemployment in April 2005.

New entrants around 2% of the labor force

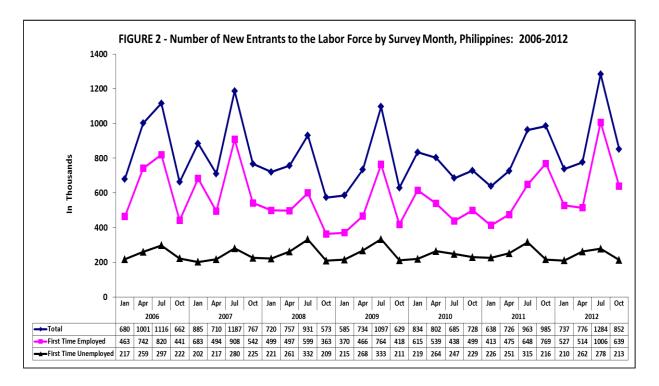
For the period 2006 to 2012, the number of new entrants to the labor force was gradually increasing, except for a drop in 2008, when the economic performance slowed down due to the onset of the global financial crisis. (*Figure 1*)



However, the growth was highly erratic until 2010 after which it grew by 8.7% in 2011 and 10.1% in 2012.

The proportional share of new entrants for the past seven years averaged at 2% with peaks in 2006 and 2007 at 2.4%. It recorded a downtrend in 2008 and a constant share at 2% until 2010, and then grew slowly to 2.3% in 2012.

The magnitude of new entrants was highest in July. This indicates that most of the new graduates start to look for work a few months after graduation. A different situation was noted in 2010 and 2011 when the new entrants were highest in January and October, respectively. (Figure 2)

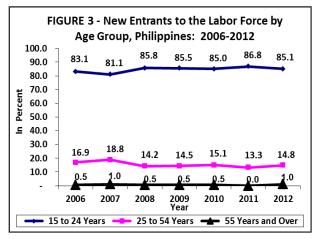


Slightly more men than women entered the labor force for the first time for the period covered. (*Table 1*)

Majority (81.1% to 86.8%) of the new workforce were young or aged 24 years old. This anticipated as they usually join the labor force after they have stopped araduated or have schooling. New entrants who were in their prime age (25 to 54 years old) accounted for a lower share of less than 20% as those in this age group are expected to have entered the labor force for the first time in their younger years. (Figure 3)

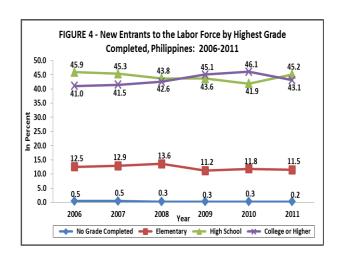
On the other hand, around 9 for every 10 new entrants were never married. The rest was comprised of the currently married, widowed and divorced/separated individuals or the so-called "ever married". (Table 1)

Almost all of the new entrants to the labor force were non-heads of households.



More than two-fifths of the new entrants reached/completed hiah school level. In 2009 and 2010, college graduates or undergraduates predominated but in 2011, the share of the high school-educated rose while those with college level went down. It can be further noted that consistently over the period, more than half of the new entrants were below college level which indicates that those who did not pursue higher education, opted to enter the labor force. (Figure 4)

Though the number of new entrants in the National Capital Region (NCR) was generally declining over time, it was consistently the highest contributor to the new additions in the labor force, followed by Region IV-A then Region III. The rest of the regions had very small number of new entrants. (*Table 1*)



First time employed less than 2% of total employed

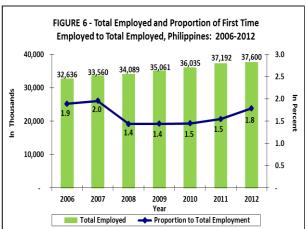
About 7 out of 10 new entrants to the labor force from 2006-2012 were employed for the first time. Relative to total employed, their shares ranged from 1.4% to 2.0%. (Figures 5 and 6)

There were more first time employed men than women. A big bulk of them were never married and non-heads households. However, employment rates of the first time employed ever married and household heads were compared to the never married and non-household heads, respectively. Perhaps the ever married household heads were less selective of the type of job and were more persistent to find work in order to support their families or households. (Tables 2 and 2A)

The first time employed were largely found in NCR with a share of 16.1% to 29.0%, followed by Region IV-A with 9.7% to 14.6% share. (*Table 2*)

These newly employed were mostly wage and salary workers who worked in private establishments. (Figure 7 and Table 2)







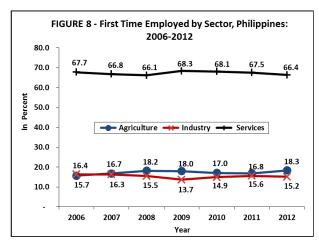
More than three-fifths (66.1% to 68.3%) of the first time employed were in services sector, followed by the agriculture sector (15.7% to 18.3%) and the industry sector (13.7% to 16.4%). (Figure 8)

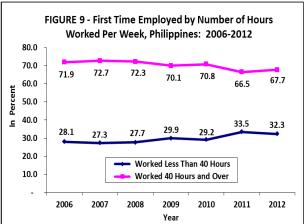
A large proportion of the first time employed found blue collar jobs, which was dominated by laborers and unskilled workers (37.3% to 40.6%), followed by service workers and shop and market sales workers (21.2% to 25.6%). The number of first time employed in these low-skill and low-paying jobs was probably due to lack of training or college degree as more than 60% of the first time employed had reached/completed high school level only. (Table 2)

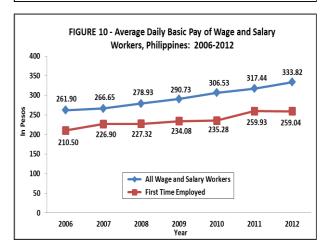
Around 7 for every 10 first time employed worked full-time or 40 hours and over per week while the rest did part-time work or less than 40 hours per week. (*Figure 9*)

Noticeably, a growing number of first shorttime employed were in term/seasonal and casual employment, from 282,000 (45.7%) in 2006 to 359,000 (53.4% in 2012. This explains their high underemployment rates ranging from 19.0% to 21.6%. (Table 2)

Expectedly, the average daily basic pay of this segment of the employed population was lower by 20%, on the average, than the average daily basic pay received by all wage and salary workers. The government/government corporations consistently had the highest average







daily basic pay, followed by those who worked for private establishments. (Figure 10 and Table 2)

More than one-fourth of new entrants were first time unemployed

New entrants to the labor force who classified as first were time unemployed constituted 26.0% to 34.4% of the total. Contrary to the trends of total increasing entrants and first time employed, that of the first time unemployed was slowly declining except in 2008 and 2011 when it peaked. (Figure 11)

The first time unemployed constituted less than 10% of the total unemployed for the years covered. (Figure 12)

Similar to the quarterly trend of the first time employed, the trend of unemployed new entrants generally peaked in July rounds. (Figure 2)

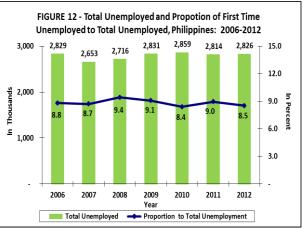
The shares of men and women in first time unemployment were almost the same. (Table 3)

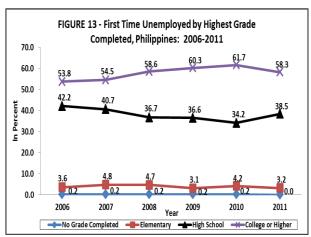
About 9 out of 10 unemployed new entrants to the labor force were young (15 to 24 years old). This indicates a higher proportion than the 8 out of 10 of the first time employed. (Tables 2 and 3)

Almost all of the unemployed new entrants were never married and non-heads of households. (Table 3)

More than half of the first time unemployed reached college level or higher. This indicates that those with higher education opt to stay unemployed to look for better and appropriate job opportunities that fit their qualifications. This is in contrast to the first time employed mostly reaching high school only. (Figure 13)







The patterns of the first time unemployed on age group, marital status, relationship to household head and educational attainment are similar to the total unemployed.

NCR, the region with the highest unemployment rate, also had the highest share of the first time unemployed to total new entrants. Nevertheless, this share has been declining through time, from 34.5% in 2006 to 22.0% in 2012. Notably, Regions IV-A and III, where industrialization is taking place, were observed to have growing shares of this segment of the unemployed. (*Table 3*)

FOR INQUIRIES

Regarding this report, contact **PROGRAM MANAGEMENT AND TECHNICAL SUPPORT SERVICES DIVISION** (formerly Technical Services Division) at Telephone No. 527-3000 loc 317
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Website: http://www.bles.dole.gov.ph

TABLE 1 - New Entrants to the Labor Force by Selected Demographic and Socio-Economic Characteristics, Philippines: 2006-2012

(In Thousands)

CHARACTERISTIC	2006	2007	2008	2009	2010	2011	2012
TOTAL LABOR FORCE	35,464	36,213	36,805	37,892	38,893	40,006	40,426
NEW ENTRANTS TO THE LABOR FORCE	865	887	745	761	762	828	912
First Time Employed	617	657	490	505	523	576	672
First Time Unemployed	249	231	256	257	240	252	241
SEX							
Men	442	462	379	393	396	431	476
Women	422	425	366	368	366	397	436
AGE GROUP							
15 - 24 Years	718	719	639	651	648	719	776
25 - 54 Years	146	167	106	110	115	110	135
55 Years and Over	*	1	*	*	*	-	1
MARITAL STATUS							
Never Married	755	758	661	671	676	742	804
Ever Married	109	129	84	91	85	85	108
Unknown	*	1	1	-	1	*	1
RELATIONSHIP TO HOUSEHOLD HEAD							
Head	39	46	24	25	23	24	30
Non-head	825	842	721	736	739	804	882
HIGHEST GRADE COMPLETED							
No Grade Completed	4	4	2	2	2	2	4
Elementary	108	114	101	85	90	95	123
High School	397	402	326	332	319	374	394
Post Secondary	а	а	а	а	а	а	58
College or Higher	355	368	317	343	351	357	333
REGION							
National Capital Region	265	253	191	189	144	220	170
Cordillera Administrative Region	8	8	12	15	15	13	18
Region I - Ilocos Region	27	28	25	33	30	30	36
Region II - Cagayan Valley	9	12	12	10	10	10	11
Region III - Central Luzon	82	70	67	62	76	70	84
Region IV-A - CALABARZON	101	124	96	91	103	127	129
Region IV-B - MIMAROPA	16	13	15	19	14	13	20
Region V - Bicol Region	37	45	32	33	54	37	55
Region VI - Western Visayas	52	58	65	64	69	71	89
Region VII - Central Visayas	76	80	61	52	60	53	68
Region VIII - Eastern Visayas	42	41 27	33	37	32	38	45 27
Region IX - Zamboanga Peninsula	24	27 30	33	34 37	22 38	31	37 44
Region X - Northern Mindanao Region XI - Davao Region	30 43	39 32	27 22	37 32	38 37	33 30	44 38
Region XII - SOCCSKSARGEN	43 17	32 22	15	32 21	20	22	36 24
Caraga	20	25	27	20	24	21	30
Autonomous Region in Muslim Mindanao	16	12	13	12	14	10	14

Note: Details may not add up to totals due to rounding.

^{*} Less than 500

a Included in college-educated. The inquiry on post secondary education was included in the LFS questionnaire starting January 2012 survey round.

TABLE 2 - First Time Employed by Selected Demographic and Socio-Economic Characteristics, Philippines: 2006-2012

(In Thousands except Percent and Pesos)

CHARACTERISTIC	2006	2007	2008	2009	2010	2011	2012
TOTAL	617	657	490	505	523	576	672
SEX							
Men	318	347	254	265	274	310	356
Women	298	310	235	240	248	266	316
	200	0.10	200	2.0	2.0	200	0.0
AGE GROUP	40=	540	400	440	40.4	400	
15 - 24 Years	495	513	406	416	431	489	557
25 - 54 Years 55 Years and Over	121 *	143 1	83	89 *	92 *	88	113 1
		1				-	'
MARITAL STATUS							
Never Married	521	543	421	430	452	504	579
Ever Married	94	113 *	68	75	70	72 *	92
Unknown	*	*	1	-	1	*	*
RELATIONSHIP TO HOUSEHOLD HEAD							
Head	37	42	21	23	21	21	29
Non-head	579	614	468	482	502	555	643
HIGHEST GRADE COMPLETED							
No Grade Completed	4	3	2	2	2	2	4
Elementary	99	103	90	77	80	87	115
High School	292	309	232	238	237	277	306
Post Secondary	a	а	a	а	a	a	36
College or Higher	221	242	166	188	203	210	211
REGION	470	400	400	445	0.4	4.40	447
National Capital Region	179	180	120	115	84	149	117
Cordillera Administrative Region	5 17	5 18	8 12	11	9 17	8 18	13 24
Region I - Ilocos Region Region II - Cagayan Valley	6	9	8	19 7	8	6	7
Region III - Cagayan Valley Region III - Central Luzon	58	43	38	36	6 47	40	, 57
Region IV-A - CALABARZON	64	87	53	49	65	84	89
Region IV-B - MIMAROPA	11	9	11	14	10	9	15
Region V - Bicol Region	29	38	22	22	41	28	41
Region VI - Western Visayas	38	44	47	47	56	52	74
Region VII - Central Visayas	60	62	43	35	42	35	46
Region VIII - Eastern Visayas	36	37	27	29	26	32	37
Region IX - Zamboanga Peninsula	19	20	26	29	16	26	31
Region X - Northern Mindanao	21	30	18	28	29	26	37
Region XI - Davao Region	34	25	13	23	28	23	28
Region XII - SOCCSKSARGEN	12	19	12	15	14	17	19
Caraga	16	22	24	16	21	17	27
Autonomous Region in Muslim Mindanao	11	9	9	10	12	7	10
CLASS OF WORKER							
Wage and Salary Workers	425	501	374	391	401	431	521
Worked for Private Household	77	75	59	66	58	57	69
Worked for Private Establishment	348	380	278	286	303	333	399
Worked with Pay in Own Family-operated							
Farm or Business	4	7	6	3	3	5	47
Worked for Government/Government							
Corporation	36	39	31	37	37	36	6
Self-employed without Any Paid Employee	62	55	38	31	39	39	42
Employer in Own Family-operated Farm							
or Business	3	6	3	3	4	2	2
Without Pay in Own Family-operated Farm						40.	4.0-
or Business (Unpaid Family Workers)	86	95	74	79	78	104	107

TABLE 2 - First Time Employed by Selected Demographic and Socio-Economic Characteristics, Philippines: 2006-2012 contd.

(In Thousands except Percent and Pesos)

CHARACTERISTIC	2006	2007	2008	2009	2010	2011	2012
SECTOR	<u> </u>	-	•	•	-	-	
Agriculture	97	110	89	91	89	97	123
Industry	101	107	76	69	78	90	102
Services	418	439	324	345	356	389	446
MAJOR OCCUPATION GROUP							
Officials of Government and Special - Interest							
Organizations, Corporate Executives, Manag	gers,						
Managing Proprietors and Supervisors	24	29	22	17	24	24	28
Professionals	40	42	29	33	40	37	52
Technicians and Associate Professionals	25	24	16	19	20	18	30
Clerks	63	68	56	62	61	67	70
Service Workers and Shop and Market Sales Worker	134	139	104	112	116	135	172
Farmers, Forestry Workers and Fisherman	26	22	15	112	14	10	172
Trades and Related Workers	38	39	26	24	22	27	25
Plant and Machine Operators & Assemblers	32	44	24	19	22	26	27
Laborers and Unskilled Workers	231	245	197	205	202	230	254
Special Occupations	2	4	1	2	1	2	2
	_	·	•	_	•	_	_
NUMBER OF HOURS WORKED PER WEEK At Work	600	650	105	400	E10	E71	666
Worked Less Than 40 Hours	609 171	652 178	485 134	498 149	519 151	571 191	666 215
Less Than 20 Hours	71	70	61	63	63	93	103
20 - 29 Hours	52	58	38	50	48	52	62
30 - 39 Hours	48	51	36	37	40	46	49
Worked 40 Hours and Over	438	474	350	349	367	380	451
40 - 48 Hours	268	301	218	219	238	255	294
49 Hours and Over	170	173	132	130	129	125	157
With a Job, Not at Work	8	4	5	7	4	5	6
NATURE OF EMPLOYMENT							
Permanent	323	341	238	244	252	273	296
Short-term/Seasonal/Casual	282	301	242	251	262	292	359
Worked for Different Employer					-	-	
on Day-to-Day or Week-to-Week	11	15	9	10	9	11	16
, ,							
UNDEREMPLOYED	133	138	101	96	107	117	132
Worked Less Than 40 Hours	66	55	50	48	51	58	63
Worked 40 Hours and Over	67	82	51	48	57	59	69
UNDEREMPLOYMENT RATE (%)	21.6	21.0	20.6	19.0	20.5	20.3	19.6
Worked Less Than 40 Hours	10.7	8.4	10.2	9.5	9.8	10.1	9.4
Worked 40 Hours and Over	10.9	12.5	10.4	9.5	10.9	10.2	10.3
AVERAGE DAILY BASIC PAY OF WAGE							
AND SALARY WORKERS (P)	210.50	226.90	227.32	234.08	235.28	259.93	259.04
Worked for Private Household	86.45	92.67	86.40	85.33	88.62	99.92	97.45
Worked for Private Establishment	231.82	247.59	253.03	261.73	255.19	279.55	273.35
Worked with Pay in Own Family-operated				20	22		
Farm or Business	176 44	188.88	150 67	284.08	175 22	180.65	185.04
	176.41	100.00	159.67	∠04.08	175.23	100.00	100.04
Worked for Government/Government	000.00	205 50	202.24	205.22	000.40	000.40	400.01
Corporation	286.66	305.56	303.94	305.03	329.18	369.49	402.81

Notes: 1. Underemployment rate of first time employed is defined as the proportion of first time employed who looked for additional work/more hours of work or new job to total first time employed.

^{2.} Details may not add up to totals due to rounding.

^{*} Less than 500.

a Included in college-educated. The inquiry on post secondary education was included in the LFS questionnaire starting January 2012 survey round.

TABLE 2A - Employment Rates of First Time Employed by Selected Demographic Characteristics, Philippines: 2006-2012

(In Percent)

CHARACTERISTIC	2006	2007	2008	2009	2010	2011	2012
TOTAL	71.3	74.1	65.8	66.4	68.6	69.6	73.7
SEX							
Men	71.9	75.1	67.0	67.4	69.2	71.9	74.8
Women	70.6	72.9	64.2	65.2	67.8	67.0	72.5
AGE GROUP							
15 - 24 Years	68.9	71.3	63.5	63.9	66.5	68.0	71.8
25 - 54 Years	82.9	85.6	78.3	80.9	80.0	80.0	83.7
55 Years and Over	100.0	100.0	100.0	100.0	100.0	-	100.0
MARITAL STATUS							
Never Married	69.0	71.6	63.7	64.1	66.9	67.9	72.0
Ever Married	86.2	87.6	81.0	82.4	82.4	84.7	85.2
RELATIONSHIP TO HOUSEHOLD HEAD							
Head	94.9	91.3	87.5	92.0	91.3	87.5	96.7
Non-head	70.2	72.9	64.9	65.5	67.9	69.0	72.9
HIGHEST GRADE COMPLETED							
No Grade Completed	100.0	75.0	100.0	100.0	100.0	100.0	100.0
Elementary	91.7	90.4	89.1	90.6	88.9	91.6	93.5
High School	73.6	76.9	71.2	71.7	74.3	74.1	77.7
Post Secondary	а	а	a	а	а	а	62.1
College or Higher	62.3	65.8	52.4	54.8	57.8	58.8	63.4
REGION							
National Capital Region	67.5	71.1	62.8	60.8	58.3	67.7	68.8
Cordillera Administrative Region	62.5	62.5	66.7	73.3	60.0	61.5	72.2
Region I - Ilocos Region	63.0	64.3	48.0	57.6	56.7	60.0	66.7
Region II - Cagayan Valley	66.7	75.0	66.7	70.0	80.0	60.0	63.6
Region III - Central Luzon	70.7	61.4	56.7	58.1	61.8	57.1	67.9
Region IV-A - CALABARZON	63.4	70.2	55.2	53.8	63.1	66.1	69.0
Region IV-B - MIMAROPA	68.8	69.2	73.3	73.7	71.4	69.2	75.0
Region V - Bicol Region	78.4	84.4	68.8	66.7	75.9	75.7	74.5
Region VI - Western Visayas	73.1	75.9	72.3	73.4	81.2	73.2	83.1
Region VII - Central Visayas	78.9	77.5	70.5	67.3	70.0	66.0	67.6
Region VIII - Eastern Visayas	85.7	90.2	81.8	78.4	81.3	84.2	82.2
Region IX - Zamboanga Peninsula	79.2	74.1	78.8	85.3	72.7	83.9	83.8
Region X - Northern Mindanao	70.0	76.9	66.7	75.7	76.3	78.8	84.1
Region XI - Davao Region	79.1	78.1	59.1	71.9	75.7	76.7	73.7
Region XII - SOCCSKSARGEN	70.6	86.4	80.0	71.4	70.0	77.3	79.2
Caraga	80.0	88.0	88.9	80.0	87.5	81.0	90.0
Autonomous Region in Muslim Mindanao	68.8	75.0	69.2	83.3	85.7	70.0	71.4

Note: Employment rate of first time employed is defined as the proportion of the first time employed to new entrants to the labor force.

a Included in college-educated. The inquiry on post secondary education was included in the LFS questionnaire starting January 2012 survey round.

TABLE 3 - First Time Unemployed by Selected Demographic Characteristics, Philippines: 2006-2012

(In Thousands)

CHARACTERISTIC	2006	2007	2008	2009	2010	2011	2012
TOTAL	249	231	256	257	240	252	241
SEX							
Men	124	115	124	128	121	121	120
Women	124	115	131	128	118	131	121
AGE GROUP							
15 - 24 Years	223	206	233	236	217	230	219
25 - 54 Years	26	25	23	21	23	22	22
MARITAL STATUS							
Never Married	234	215	239	241	224	238	225
Ever Married	14	16	17	16	16	13	15
Unknown	-	*	-	-	-	*	*
RELATIONSHIP TO HOUSEHOLD HEAD							
Head	2	3	3	3	2	2	1
Non-head	246	227	253	254	238	250	239
HIGHEST GRADE COMPLETED							
No Grade Completed	*	*	*	*	*	-	-
Elementary	9	11	12	8	10	8	9
High School	105	94	94	94	82	97	88
Post Secondary	а	а	а	а	а	а	22
College or Higher	134	126	150	155	148	147	122
REGION							
National Capital Region	86	72	71	74	60	71	53
Cordillera Administrative Region	3	3	5	4	5	5	5
Region I - Ilocos Region	10	10	13	14	14	12	12
Region II - Cagayan Valley	3	3	4	4	2	4	4
Region III - Central Luzon	24	27	28	27	29	30	27
Region IV-A - CALABARZON	37	37	43	42	38	42	40
Region IV-B - MIMAROPA	5	4	4	5	5	4	4
Region V - Bicol Region	7	7	11	12	13	10	14
Region VI - Western Visayas	14	14	18	17	14	19	16
Region VII - Central Visayas	16	18	18	17	19	18	22
Region VIII - Eastern Visayas	6	3	7	8	6	5	8
Region IX - Zamboanga Peninsula	6	6	7	5	6	5	7
Region X - Northern Mindanao	8	9	9	10	9	8	7
Region XI - Davao Region	9	7	8	8	9	7	11
Region XII - SOCCSKSARGEN	4	3	4	6	6	5	5
Caraga	3	3 3	3	3	4	4	3
Autonomous Region in Muslim Mindanao	5	3	3	2	2	3	4

Note: Details may not add up to totals due to rounding.

^{*} Less than 500.

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