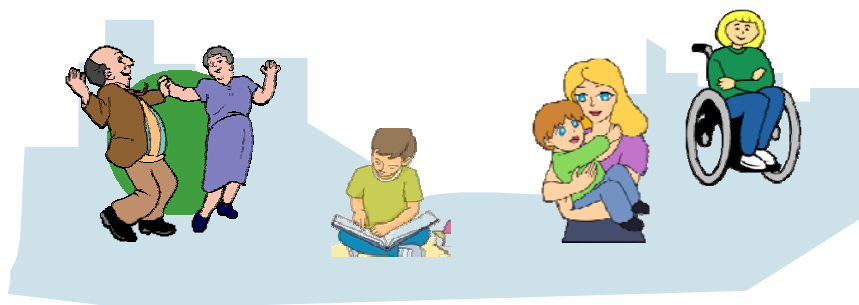


Vol. 18 No. 28

November 2014

PROFILE OF PERSONS NOT IN THE LABOR FORCE (2006 – 2013)



Overview

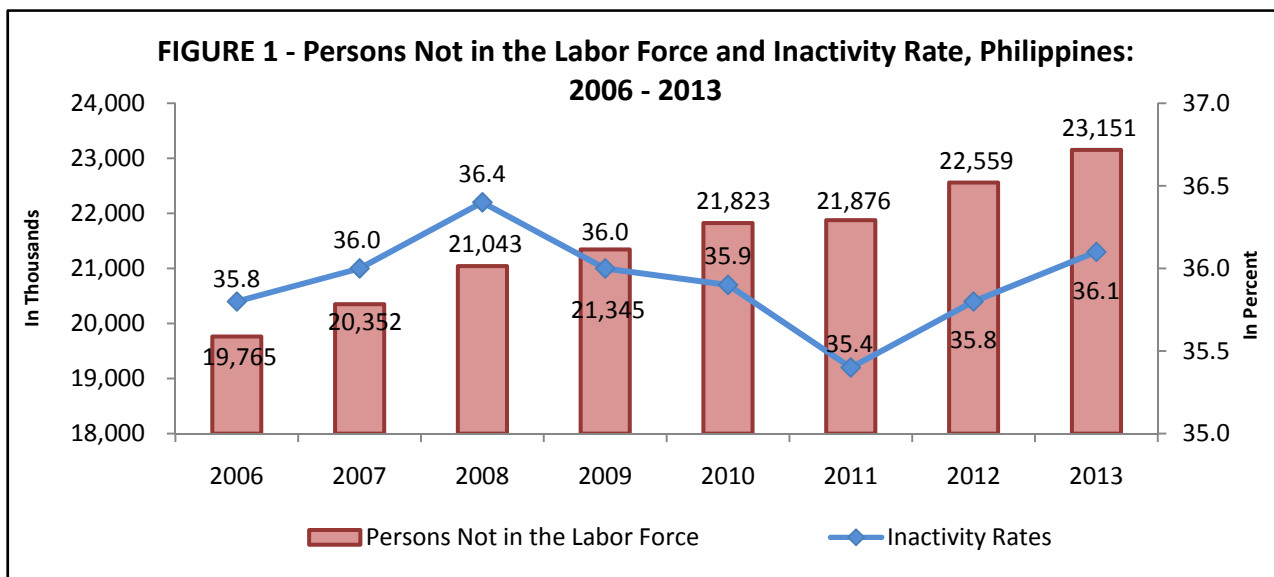
Persons not in the labor force, or the economically inactive, are persons who are neither employed nor unemployed. They are those who do not have work, not available for work and not seeking work due to the following reasons: (a) attendance to school; (b) engagement in household duties; (c) retirement or old age; and (d) other reasons such as infirmity or disablement.

Inactivity rate is the proportion of persons not in the labor force to the total working age population (population 15 years old and over). A low inactivity rate indicates that the economy is providing the working age population with sufficient market activity.

This issue of the LABSTAT Updates focuses on the demographic characteristics and regional distribution of persons not in the labor force. Data used were based on annual averages of estimates for the four rounds of the 2006 to 2013 Labor Force Survey conducted every January, April, July and October.

Three out of ten persons aged 15 years and over were economically inactive in 2006 to 2013

- The number of persons not in the labor force was consistently increasing from 2006 to 2013 with the fastest growth observed in 2007 at 3.4% and the lowest in 2011 at 0.2%. From the 19.8 million individuals not in the labor force in 2006, it has increased to 23.2 million or by 17.1% in 2013.
- Inactivity rate remained in the range 35%-36% for the period covered, or one in every three persons in the working age is not in the labor force. The turning points of the inactivity rate were in 2008 where it had its peak at 36.4% and in 2011 where it had its lowest at 35.4%. Consequently, inactivity rate continuously dropped after 2008 but started to depict an upward trend after 2011. (Figure 1)

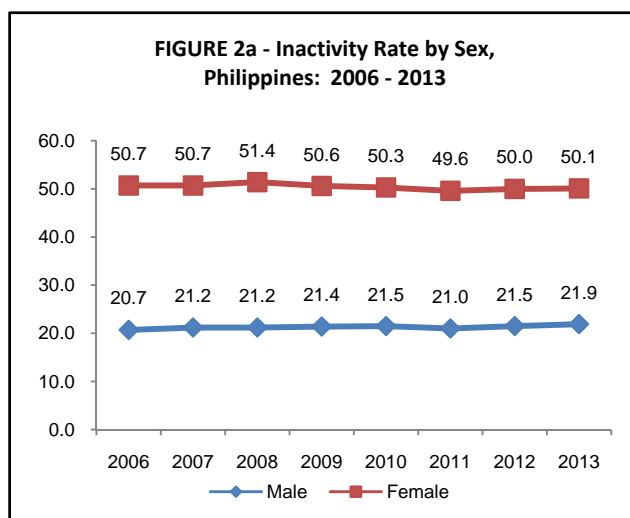
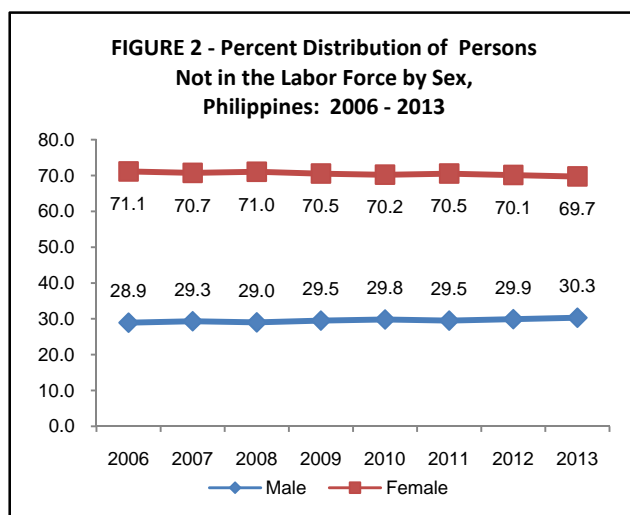


Demographic Characteristics

Inactivity rate for women more than double that of men

- Between 2006 and 2013, women consistently dominated the outside labor force population (7 out of 10 persons). (Figure 2)
- Inactivity rates for women were likewise higher than men during the years under study. About half of the women in the working age were not in the labor force while one out of five men in the working age was not in the labor force. (Figure 2a)

During the period covered, more than half (61%-63%) of the total women not in the labor force revealed that their major reason for not seeking work is engagement to household duties. This indicates that these Filipino women still play their traditional roles as homemakers or child rearers, resulting to a higher



inactivity rate for women than men.

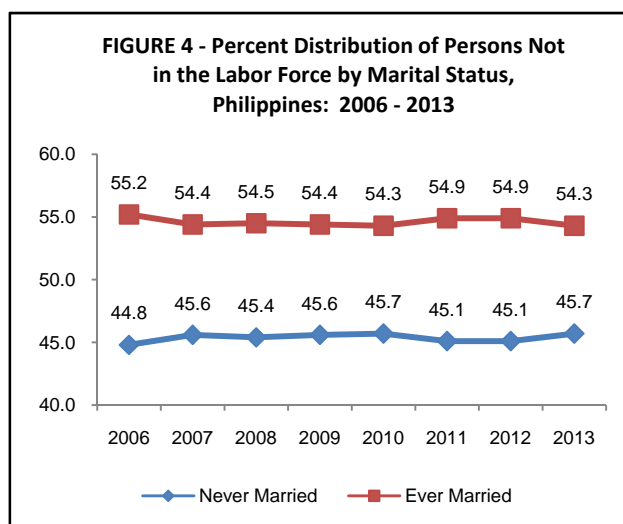
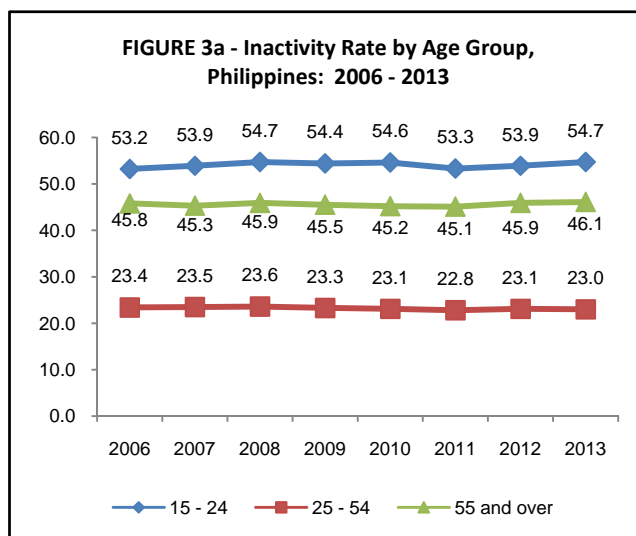
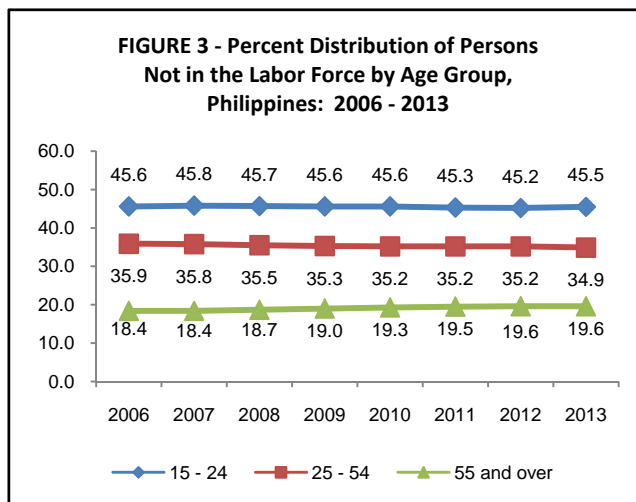
Persons in their prime ages (25-54 years) had the lowest inactivity rate

- Almost half (45.2%-45.8%) of the persons who were not in the labor force were the young ones (15–24years old), followed by those in their prime ages (25-54 years). (Figure 3)
- The young population consistently posted the highest inactivity rate ranging from 53.2% to 54.7% as this age group is composed mainly of students. (Figure 3a)

The persons in their prime ages had the lowest inactivity rate which remained almost the same over time with a ratio of one person not in the labor force for every 4 persons in the working age population. This age group consists largely of persons who have established their own families (80%-83% were ever married) and were equipped with at least the basic education (69%-74% reached at least high school) necessary for employment. Hence, inactivity rate is low for this age group.

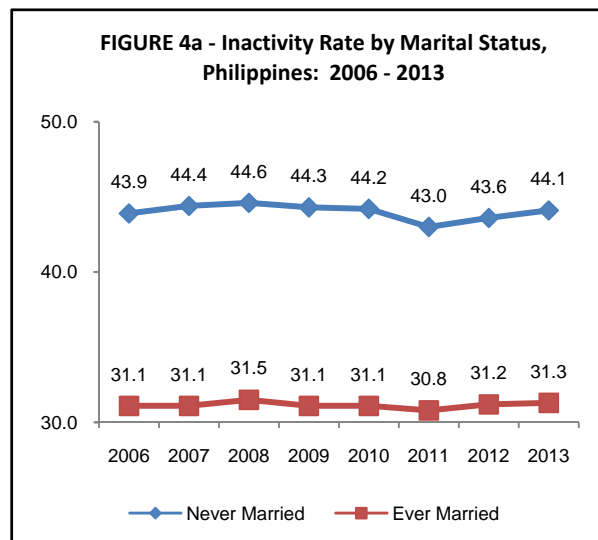
Lower inactivity rate for ever married persons than never married

- For the period 2006 to 2013, more than half (54.3%-55.2%) of the economically inactive persons were ever married while the never



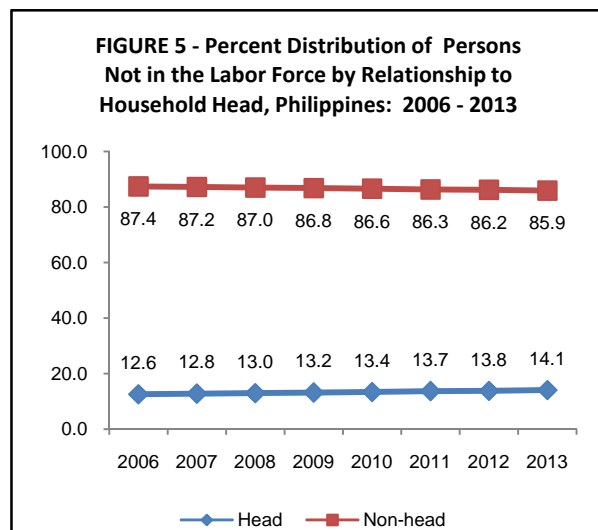
married persons ranged from 44.8% to 45.7%. (Figure 4)

- Ever married persons, however, had lower inactivity rate (30.8%-31.5%) than never married. This was consistently observed between 2006 and 2013. This indicates that having a family to support may be a driving force to join the labor force, hence, the lower inactivity rate for ever married persons than never married. (Figure 4a)

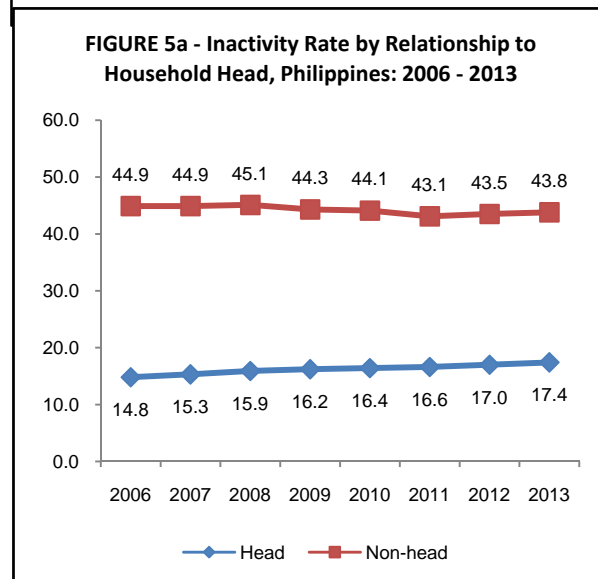


Heads of households had lower rate of economic inactivity but increasing over time

- There were more non-heads (85.9%-87.4%) of the households than heads (12.6%-14.1%) who were not in the labor force for the years covered. Proportion of non-heads was gradually and continuously decreasing while that of the heads showed an upward trend. (Figure 5)



Heads of households had lower inactivity rates for the period under study. However, the inactivity rate was consistently increasing over time. This was attributable to the rising rate of economic inactivity for the 55 years and over who comprised largely (about 70.0%) the heads who are not in the labor force. (Figure 5a)



Highest inactivity rate among those with no grade completed

- Persons not in the labor force comprised mostly of high school, followed by college or higher.

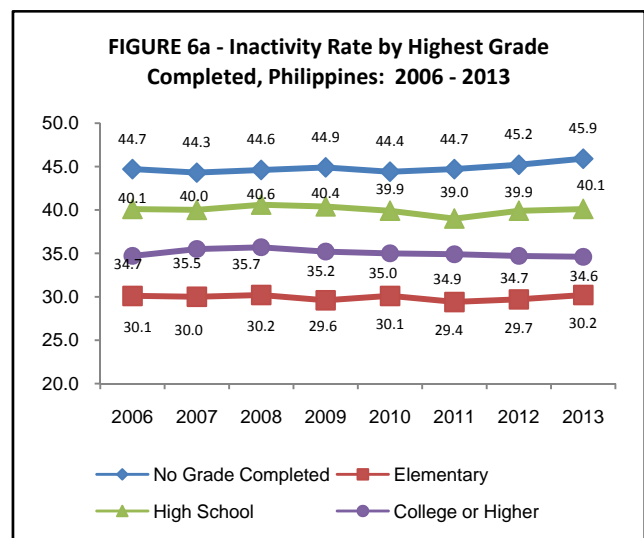
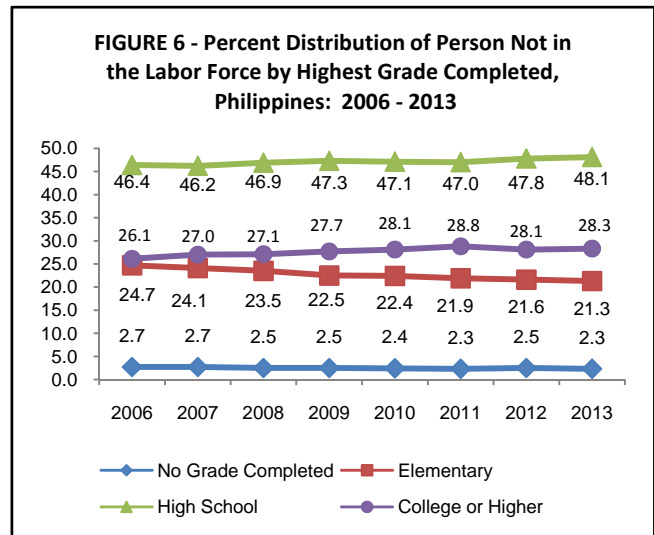
Persons with no grade completed had the least share to total persons not in the labor force. (Figure 6)

Results revealed that generally, the lower the educational attainment, the higher the inactivity rate. Hence, not surprisingly, due to lack of education, persons with no grade completed were likely to have the highest inactivity rate. Those with high levels of education tend to have lower inactivity rates as confidence level to join the labor market is higher for them, having possess the necessary or minimum requirements and skills for employment. (Figure 6a)

Poverty reduction is a main concern that pushes individuals to join the labor force regardless of educational attainment. However, the need to participate in the labor force was more intense for those with elementary level of education as results showed that they consistently recorded the lowest inactivity rates for the period covered. (Figure 6a)

ARMM had highest inactivity rate

- Over the period, people not in the labor force were mostly found in the National Capital Region (12.7%-14.1%). This was



followed by Region IV-A (12.7% - 13.3%) and Region III (11.6% - 12.2%). The least was recorded in the Cordillera Administrative Region (1.6%-1.7%). (Table 2)

- In terms of inactivity rate, the Autonomous Region in Muslim Mindanao had the highest ranging from 41.8% to 44%. The least inactivity rate, ranging from 28.2% to 31.7%, was observed in Region X. (Table 3)

FOR INQUIRIES

Regarding this report, contact the **Program Management and Technical Support Services Division** at 527-3000 loc 317
 Regarding other statistics and technical services, contact the **PSA-Intramuros Databank** at 527-9311 (Telefax)
 Or write to PSA-Intramurosc/o **Databank**, 3/F DOLE Bldg., Gen. Luna St., Intramuros, Manila 1002
 Fax: 527-5506 E-mail: bles_tsd@dole.gov.ph Website: http://www.bles.dole.gov.ph

TABLE 1 - Number of Persons Not in the Labor Force by Selected Demographic Characteristics and Region, Philippines: 2006 - 2013

(In Thousands)

SELECTED DEMOGRAPHIC CHARACTERISTICS/ REGION	2006	2007	2008	2009	2010	2011	2012	2013
TOTAL	19,765	20,352	21,043	21,345	21,823	21,876	22,559	23,151
SEX								
Male	5,710	5,966	6,111	6,291	6,494	6,460	6,753	7,006
Female	14,055	14,386	14,932	15,054	15,329	15,416	15,806	16,145
AGE GROUP								
15 - 24 Years	9,020	9,313	9,626	9,742	9,944	9,901	10,194	10,541
25 - 54 Years	7,101	7,295	7,478	7,541	7,675	7,701	7,933	8,070
55 and Over	3,645	3,744	3,939	4,063	4,204	4,274	4,432	4,540
MARITAL STATUS								
Never Married	8,854	9,274	9,563	9,732	9,963	9,864	10,170	10,577
Ever Married	10,906	11,070	11,473	11,608	11,850	12,001	12,377	12,566
Unknown	5	8	8	5	10	9	12	8
RELATIONSHIP TO HOUSEHOLD HEAD								
Head	2,485	2,605	2,733	2,820	2,915	3,006	3,114	3,264
Non-head	17,280	17,747	18,310	18,525	18,908	18,870	19,445	19,887
HIGHEST GRADE COMPLETED								
No Grade Completed	539	544	532	533	518	507	556	532
Elementary	4,887	4,896	4,937	4,809	4,888	4,795	4,879	4,931
High School	9,180	9,411	9,870	10,098	10,285	10,274	10,782	11,139
College or Higher	5,159	5,501	5,704	5,906	6,131	6,299	6,342	6,548
REGION								
National Capital Region	2,768	2,874	2,954	2,989	2,982	2,950	2,944	2,951
Cordillera Administrative Region	324	333	351	357	360	353	359	378
Region I - Ilocos Region	1,208	1,231	1,260	1,277	1,296	1,300	1,326	1,346
Region II - Cagayan Valley	651	659	710	706	741	717	752	750
Region III - Central Luzon	2,403	2,439	2,528	2,575	2,609	2,640	2,650	2,677
Region IV-A - CALABARZON	2,571	2,657	2,792	2,793	2,842	2,820	2,882	2,938
Region IV-B - MIMAROPA	503	513	527	530	562	562	601	657
Region V- Bicol Region	1,067	1,103	1,128	1,187	1,219	1,234	1,346	1,388
Region VI - Western Visayas	1,572	1,618	1,698	1,714	1,742	1,782	1,846	1,921
Region VII - Central Visayas	1,528	1,557	1,560	1,616	1,580	1,570	1,645	1,726
Region VIII - Eastern Visayas	808	864	917	900	986	962	1,073	1,062
Region IX - Zamboanga Peninsula	701	705	710	701	744	770	731	774
Region X - Northern Mindanao	710	755	790	811	847	863	892	951
Region XI - Davao Region	868	915	918	947	987	961	1,048	1,108
Region XII - SOCCSKSARGEN	790	815	825	837	876	890	890	932
Caraga	484	502	524	537	557	558	593	580
Autonomous Region in Muslim Mindanao	809	814	850	869	894	945	980	1,012

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

Source of basic data: Philippine Statistics Authority, Labor Force Survey, Public Use Files.

TABLE 2 - Percent Distribution of Persons Not in the Labor Force by Selected Demographic Characteristics and Region, Philippines: 2006 - 2013

(In Percent except Level)

SELECTED DEMOGRAPHIC CHARACTERISTICS/ REGION	2006	2007	2008	2009	2010	2011	2012	2013
TOTAL (000)	19,765	20,352	21,043	21,345	21,823	21,876	22,559	23,151
PERCENT	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
SEX								
Male	28.9	29.3	29.0	29.5	29.8	29.5	29.9	30.3
Female	71.1	70.7	71.0	70.5	70.2	70.5	70.1	69.7
AGE GROUP								
15 - 24 Years	45.6	45.8	45.7	45.6	45.6	45.3	45.2	45.5
25 - 54 Years	35.9	35.8	35.5	35.3	35.2	35.2	35.2	34.9
55 and Over	18.4	18.4	18.7	19.0	19.3	19.5	19.6	19.6
MARITAL STATUS								
Never Married	44.8	45.6	45.4	45.6	45.7	45.1	45.1	45.7
Ever Married	55.2	54.4	54.5	54.4	54.3	54.9	54.9	54.3
Unknown	**	**	**	**	**	**	0.1	**
RELATIONSHIP TO HOUSEHOLD HEAD								
Head	12.6	12.8	13.0	13.2	13.4	13.7	13.8	14.1
Non-head	87.4	87.2	87.0	86.8	86.6	86.3	86.2	85.9
HIGHEST GRADE COMPLETED								
No Grade Completed	2.7	2.7	2.5	2.5	2.4	2.3	2.5	2.3
Elementary	24.7	24.1	23.5	22.5	22.4	21.9	21.6	21.3
High School	46.4	46.2	46.9	47.3	47.1	47.0	47.8	48.1
College or Higher	26.1	27.0	27.1	27.7	28.1	28.8	28.1	28.3
REGION								
National Capital Region	14.0	14.1	14.0	14.0	13.7	13.5	13.1	12.7
Cordillera Administrative Region	1.6	1.6	1.7	1.7	1.6	1.6	1.6	1.6
Region I - Ilocos Region	6.1	6.0	6.0	6.0	5.9	5.9	5.9	5.8
Region II - Cagayan Valley	3.3	3.2	3.4	3.3	3.4	3.3	3.3	3.2
Region III - Central Luzon	12.2	12.0	12.0	12.1	12.0	12.1	11.7	11.6
Region IV-A - CALABARZON	13.0	13.1	13.3	13.1	13.0	12.9	12.8	12.7
Region IV-B - MIMAROPA	2.5	2.5	2.5	2.5	2.6	2.6	2.7	2.8
Region V- Bicol Region	5.4	5.4	5.4	5.6	5.6	5.6	6.0	6.0
Region VI - Western Visayas	8.0	8.0	8.1	8.0	8.0	8.1	8.2	8.3
Region VII - Central Visayas	7.7	7.7	7.4	7.6	7.2	7.2	7.3	7.5
Region VIII - Eastern Visayas	4.1	4.2	4.4	4.2	4.5	4.4	4.8	4.6
Region IX - Zamboanga Peninsula	3.5	3.5	3.4	3.3	3.4	3.5	3.2	3.3
Region X - Northern Mindanao	3.6	3.7	3.8	3.8	3.9	3.9	4.0	4.1
Region XI - Davao Region	4.4	4.5	4.4	4.4	4.5	4.4	4.6	4.8
Region XII - SOCCSKSARGEN	4.0	4.0	3.9	3.9	4.0	4.1	3.9	4.0
Caraga	2.4	2.5	2.5	2.5	2.6	2.6	2.6	2.5
Autonomous Region in Muslim Mindanao	4.1	4.0	4.0	4.1	4.1	4.3	4.3	4.4

Note: Rates were computed based on rounded figures.

** Less than 0.05 percent.

Source of basic data: Philippine Statistics Authority, Labor Force Survey, Public Use Files.

**TABLE 3 –Inactivity Rate by Selected Demographic Characteristics and Region,
Philippines: 2006 - 2013**

(In Percent)

SELECTED DEMOGRAPHIC CHARACTERISTICS/ REGION	2006	2007	2008	2009	2010	2011	2012	2013
PHILIPPINES	35.8	36.0	36.4	36.0	35.9	35.4	35.8	36.1
SEX								
Male	20.7	21.2	21.2	21.4	21.5	21.0	21.5	21.9
Female	50.7	50.7	51.4	50.6	50.3	49.6	50.0	50.1
AGE GROUP								
15 - 24 Years	53.2	53.9	54.7	54.4	54.6	53.3	53.9	54.7
25 - 54 Years	23.4	23.5	23.6	23.3	23.1	22.8	23.1	23.0
55 and Over	45.8	45.3	45.9	45.5	45.2	45.1	45.9	46.1
MARITAL STATUS								
Never Married	43.9	44.4	44.6	44.3	44.2	43.0	43.6	44.1
Ever Married	31.1	31.1	31.5	31.1	31.1	30.8	31.2	31.3
Unknown	41.7	44.4	47.1	38.5	38.5	45.0	41.4	38.1
RELATIONSHIP TO HOUSEHOLD HEAD								
Head	14.8	15.3	15.9	16.2	16.4	16.6	17.0	17.4
Non-head	44.9	44.9	45.1	44.3	44.1	43.1	43.5	43.8
HIGHEST GRADE COMPLETED								
No Grade Completed	44.7	44.3	44.6	44.9	44.4	44.7	45.2	45.9
Elementary	30.1	30.0	30.2	29.6	30.1	29.4	29.7	30.2
High School	40.1	40.0	40.6	40.4	39.9	39.0	39.9	40.1
College or Higher	34.7	35.5	35.7	35.2	35.0	34.9	34.7	34.6
REGION								
National Capital Region	37.6	38.3	38.7	38.5	37.6	37.0	36.9	36.5
Cordillera Administrative Region	32.7	32.5	33.4	33.4	32.6	31.5	31.8	32.9
Region I - Ilocos Region	39.1	39.2	39.2	38.5	38.2	37.5	38.8	38.7
Region II - Cagayan Valley	32.4	32.1	33.7	32.8	33.8	32.2	33.5	33.0
Region III - Central Luzon	39.5	39.2	39.7	39.4	39.0	38.7	38.3	38.0
Region IV-A - CALABARZON	36.5	36.7	37.7	36.8	36.4	35.3	35.6	35.5
Region IV-B - MIMAROPA	31.1	31.0	30.8	29.9	30.8	30.0	31.6	33.7
Region V- Bicol Region	34.4	34.8	34.8	35.5	35.6	35.6	35.8	36.1
Region VI - Western Visayas	35.0	35.2	36.1	35.6	35.2	35.1	36.4	37.3
Region VII - Central Visayas	36.3	36.1	35.6	35.9	34.2	33.6	34.3	35.3
Region VIII - Eastern Visayas	33.0	34.1	35.2	33.9	35.9	34.6	36.5	35.4
Region IX - Zamboanga Peninsula	35.5	34.9	34.3	33.2	34.1	34.3	33.6	34.9
Region X - Northern Mindanao	28.2	29.1	29.6	29.6	30.2	30.0	30.3	31.7
Region XI - Davao Region	33.2	34.3	33.8	34.3	35.0	33.3	34.5	35.8
Region XII - SOCCSKSARGEN	34.1	34.1	33.9	33.3	34.1	33.7	33.6	34.5
Caraga	33.4	33.8	34.2	34.1	34.6	34.3	34.9	33.5
Autonomous Region in Muslim Mindanao	42.8	41.8	42.8	42.8	42.9	44.3	43.5	44.0

Note: Rates were computed based on rounded figures.

Source of basic data: Philippine Statistics Authority, Labor Force Survey, Public Use Files.