



Labour Market Structure

January to March 2025



Employment Rate

71.6%

*No statistically significant
quarterly or annual change*



Unemployment Rate

1.6%

*No statistically significant
quarterly or annual change*



Economic Inactivity Rate

27.2%

*No statistically significant
quarterly or annual change*

Source: NISRA

Business Expenditure on R&D

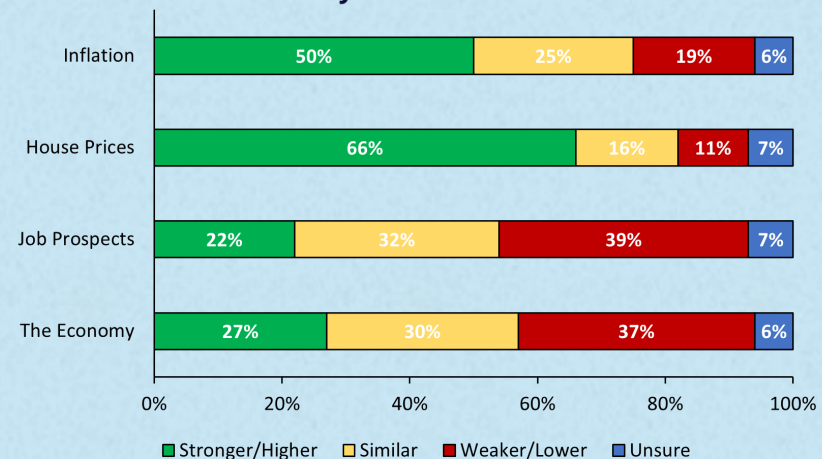
Comparison of the annual percentage change between 2022 and 2023 by UK region



Source: ONS

Consumer Sentiment: A Look Ahead

The proportion of respondents to questions around how the Economy, Job Prospects, House Prices and Inflation will fare in five years time



Source: The Irish League of Credit Unions



Commentary

The latest [NISRA Labour Market Report](#) indicated that the unemployment rate fell to a record low (+1.6%) in Q1 2025, though the local employment rate (+71.6%) also fell. The economic inactivity rate (+27.2%) also remained above its pre-pandemic level. The total number of [hours worked](#) in Q1 2025 increased by 2.5% over the year, to 29.9 million hours per week, which represented a statistically significant annual change. This figure is 1.7% above the pre-pandemic position recorded in Q4 2019.

The [Bank of England's Monetary Policy Committee](#) reduced its headline [base rate](#) by 25 basis points to 4.25% in May, marking the fourth cut since August 2024. While five members supported the move, two voted for a larger 50bps cut and two for no change, highlighting the diverse views emerging. The Monetary Policy Committee maintained its gradual easing guidance, citing lingering uncertainty from global trade tensions and domestic inflation dynamics. [CPI inflation](#) increased to +3.5% in April, from +2.6% in March, above the MPC's forecast of +3.4%, which will factor into the MPC's thinking when considering rates next month. The surge in [inflation](#) reflected prices being indexed to past inflation (e.g., broadband/mobile) and large government-set and administered price hikes (e.g., water & sewerage charges in England).

The Consumer Council's 2025 report '[Enough on their plates?](#)' explores the extent of [food insecurity and economic hardship](#) among young adults (aged 18–30) in NI. Key findings show that +41% of respondents were food insecure, defined by affirmative responses to three or more indicators of deprivation such as skipping meals or not being able to afford balanced diets. Notably, those with a disability (+69%) were more likely to be food insecure compared to those not disabled (+36%). In terms of income, one in five had £20 or less left after essential monthly payments with +6% stating their expenses currently exceeded their income, and +63% couldn't afford an unexpected £500 expense. ([Figures 1 and 2](#))

Achieving [regional balance](#) is a key objective in the [DfE 2024/25 Business Plan](#). The Ulster University Economic Policy Centre's report, '[Delivering balanced regional growth in Northern Ireland](#)' examines the persistent economic disparities across NI's regions and explores strategies to promote more equitable growth. The research finds that the questions about regional balance in the North are the same as those asked across OECD countries in recent decades, that [inequalities](#) between large and (in particular) small regions are increasing and that this disparity may be linked to slower national economic growth.

A recent [consumer sentiment survey](#) commissioned by the Irish League of Credit Unions revealed that consumers in both the North and South of Ireland anticipate challenging [economic conditions](#) over the next five years with ongoing concerns about tariffs, infrastructure deficiencies, and cost-of-living pressures contributing to this cautious outlook. In ROI, +38% of respondents expect the economy to weaken by 2030, while +29% expect improvement with +37% of NI respondents predicting a weaker economy, with +27% expecting it to get stronger. Regarding the job market, +37% of ROI consumers and +39% of NI consumers anticipate a downturn, compared to +25% and +22%, respectively, who are optimistic. Despite these concerns, there is a modest optimism about household incomes and over two-thirds in both the North and South believe house prices will increase over the next five years. ([Cover Page](#))

Local [house prices](#) in NI increased by +1.0% over the quarter to Q1 2025, and by +9.5% on an annual basis (the largest annual growth rate since Q4 2022) according to the latest [NI House Price Index \(HPI\)](#). Causeway Coast & Glens reported the largest annual growth rate (+15.4%) with Mid Ulster reporting the slowest rate (+5.2%). The standardised house price in the North was just over £185,000, with the highest price recorded in Lisburn & Castlereagh (£221,000).

The Ulster University Economic Policy Centre's '[Business Investment Report](#)' provides a firm-level perspective on [business investment](#) in NI. Business investment is crucial to productivity growth and the long-term growth of the economy. In the UK, investment activity has lagged G7 counterparts for decades, with business investment as a share of GDP falling over time. In NI, investment lagged other parts of the UK in the late 1990s but by 2017-19 there had been a degree of catch-up with both investment per hour worked and intangible investment per hour worked converging with other regions of the UK. Despite this, NI continues to rank mid-table of the UK regions with regards to intangible investment, with lower levels of R&D investment and patenting activity than elsewhere, though there is evidence for a stronger preference for tangible investment in NI, such as in machinery and equipment. The annual change in business expenditure on R&D between 2022 and 2023 across the UK is displayed on the [cover page](#).

The latest [NEET](#) (Not in education, employment or training) figures for the North reported a NEET rate of 9.4% in Q1 2025, less than the UK overall (11.5%). In the time series analysed ([Figure 3](#)), the NI NEET rate peaked in Q1 2015 at 18.0%, whereas a decade later it has nearly halved. Between the end of 2014 and throughout 2015, NI experienced a greater upward rise than the UK but both followed a similar pattern between 2016 and late 2021, before the UK rate overtook the North and has remained higher since.



Tables and Charts

Table: The latest available headline labour market indicators for NI, the UK, Ireland and the Euro Area overall, seasonally adjusted and in percentage terms.

Indicator	NI	UK	IE	Euro Area
Unemployment Rate (16+)	1.6	4.5	4.0	6.2
Employment Rate (16-64)	71.6	75.0	74.4	70.6
Inactivity Rate (16-64)	27.2	21.4	22.1	24.7

Note: IE and Euro Area employment and inactivity rates refer to Q4 2024. All other indicators refer to the three months ending March 2025. For Ireland and Euro Area statistics, the minimum working age is considered to be 15. Sources: [NISRA Labour Market Report](#) and [OECD](#).

Figure 1: The amount of money left each month after all necessary payments are made, surveyed consumers aged 18-30. Source: [The Consumer Council](#).

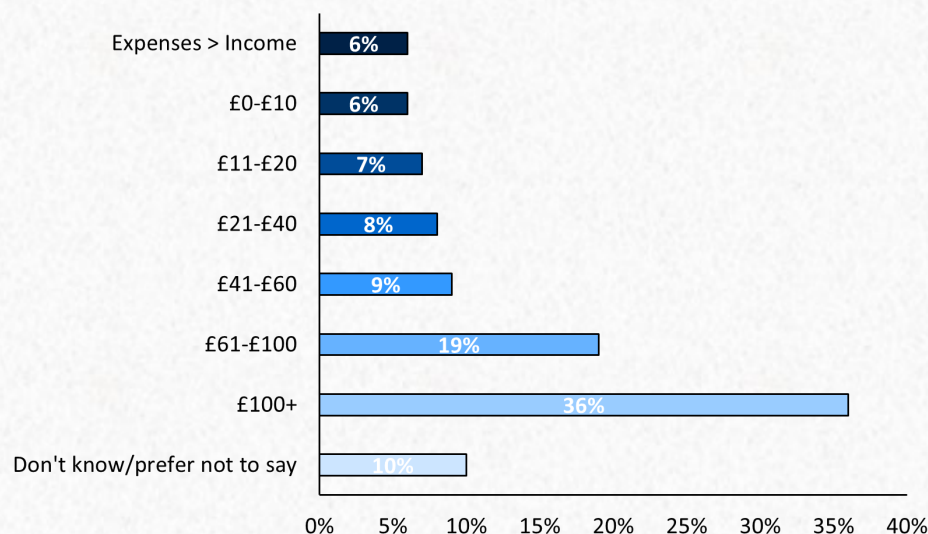


Figure 2: Food insecurity analysis of those survey respondents between the age of 18 to 30. Source: [The Consumer Council](#).

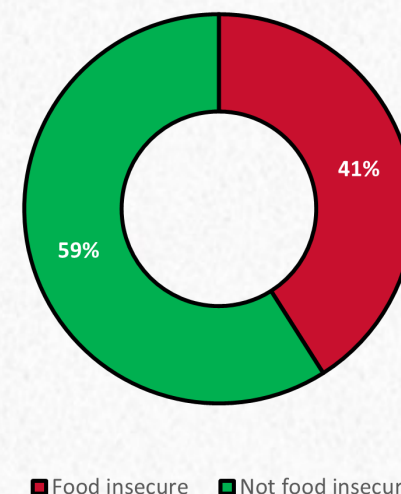


Figure 3: NEET rates for NI and UK, Q1 2013 - Q1 2025, not seasonally adjusted. Source: [NISRA & ONS](#).

