

EMPLOYMENT SITUATION OCTOBER 2020

About 3.8 million Filipinos were unemployed, or an unemployment rate of 8.7% in the third quarter of 2020, was estimated by the Labor Force Survey (LFS) of the Philippine Statistical Authority (PSA). The unemployment rate improved by at least 1.3 percentage points from the 10.0% estimated in July 2020 or a decrease in the number of unemployed persons by 758,000. This figure is also the lowest since April 2020, but it is still higher than the 4.6% recorded in the 3rd quarter of 2019. The underemployment rate was also lower at 14.4% from 17.3% in July 2020 (*Table 1*).

The extended lesser strict community quarantine may have contributed to the continuing improvement in the country's employment situation from July 2020 onwards.

TABLE 1
EMPLOYMENT, UNEMPLOYMENT,
AND UNDEREMPLOYMENT,
OCTOBER 2019, APRIL 2020, JULY 2020, OCTOBER 2020

Particulars	Oct 2020	Oct 2019	July 2020	April 2020
Employment Rate (%)	91.3	95.4	90.0	82.4
Underemployment Rate (%)	14.4	12.8	17.3	18.9
Unemployment Rate (%)	8.7	4.6	10.0	17.6

Source: Philippine Statistics Authority, LFS Report, October 2020

The Labor Force Participation Rate (LFPR) of 58.7% was the second lowest LFPR in the Philippine labor market's history next to April 2020 of 55.7%. LFPR in July 2020 was at 61.9% and 61.4% in October 2019 (*Table 2*). Of the 74 million Filipinos aged 15 years and over, about 20 million belong to the youth population (15 to 24). Of this, 6.9 million or 33.9% are in the labor force, lower than the estimated 38.9% in July 2020 and 37.1% in October 2019.

TABLE 2
TOTAL POPULATION 15 YEARS OLD AND OVER
AND LABOR FORCE PARTICIPATION RATE
OCTOBER 2019, APRIL 2020, JULY 2020, OCTOBER 2020

Particulars	Oct 2020	Oct 2019	July 2020	April 2020
Population 15 years old and over ('000)	74,307	72,603	74,061	73,722
Labor Force Participation (%)	58.7	61.4	61.9	55.7
Youth Population: 15-24yrs old ('000)	20,052	19,924	19,996	20,010
Youth Labor Force Participation (%)	33.9	37.1	38.9	32.4

Source: Philippine Statistics Authority, LFS Report, October 2020

¹ Labor Force Participation Rate (LFPR) is the proportion of the total labor force to the total household population 15 years and over.

Facts in Figures

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Unemployment. The National Capital Region (NCR) recorded the highest unemployment rate of 12.4% among the regions (*Table 3*). While this is an improvement from the July 2020 rate of 15.8%, it remains high compared to April 2020 (12.3%) and October 2019 (4.6%) rates. Two other regions recorded high unemployment rates - Region I (11.5%) and Region IV-A (11.0%). The rest of the regions have improved unemployment rates from July 2020 except for Region IV-B, Region IX, and Region XIII, which reported increases of 1 to 2 percentage points.

TABLE 3
UNEMPLOYMENT RATE BY REGION (%)
OCTOBER 2019, APRIL 2020, JULY 2020, OCTOBER 2020

Region	Oct 2020	Oct 2019	July 2020	April 2020
Philippines	8.7	4.6	10.0	17.7
NCR	12.4	4.6	15.8	12.3
CAR	5.5	2.8	9.6	25.3
Region I	11.5	5.2	11.1	22.3
Region II	5.8	3.6	9.4	15.6
Region III	9.6	4.7	10.9	27.3
Region IV-A	11.0	5.8	12.4	16.7
Region IV-B	7.9	3.7	5.7	15.3
Region V	8.2	4.8	9.1	15.7
Region VI	5.9	4.2	6.3	13.7
Region VII	9.9	4.3	11.7	16.7
Region VIII	5.3	4.3	8.1	14.3
Region IX	7.5	1.9	6.3	23.9
Region X	5.6	3.5	6.0	11.1
Region XI	6.8	4.1	8.0	17.9
Region XII	6.3	4.1	6.7	21.2
Region XIII	7.6	4.6	6.7	12.3
BARMM	3.4	6.6	3.8	29.8

Source: Philippine Statistics Authority, LFS Report, October 2020

The number of unemployed persons went down in October 2020 by 758,000 from 4.6 million reported in July 2020 (*Table 4*). There were more unemployed persons among 15 to 24 years old and the prime age of 25 to 34 years old than the other age groups. Youth unemployment eased by 3.3 percentage points from 38% in July to 34.7% in October this year.

Unemployment in the prime age group increased by 2 points from 30.8% to 32.8% in the same survey period.

TABLE 4
PERCENTAGE DISTRIBUTION OF UNEMPLOYED PERSONS
BY AGE GROUP
OCTOBER 2019, APRIL 2020, JULY 2020, OCTOBER 2020

Age Group	Oct 2020	Oct 2019	July 2020	April 2020
Unemployed Persons ('000)	3,813	2,045	4,571	7,228
Age Group (%)				
15-24	34.7	46.8	38.0	28.2
25-34	32.8	29.1	30.8	31.5
35-44	15.1	11.9	14.0	18.9
45-54	10.1	7.4	10.9	12.6
55-64	6.2	4.2	5.2	7.0
65 and over	1.1	0.7	1.1	1.8

Source: Philippine Statistics Authority, LFS Report, October 2020

Employment. The employment rate in October 2020 was at 91.3%, equivalent to 39.8 million Filipinos 15 years and over (Table 5). While the employment rate improved, the number of employed persons decreased by 1.6 million from July 2020 (41.3 million). This is due to the lower LFPR in the 3rd quarter of 2020.

The majority, or 22.8 million employed Filipinos, were in the services sector, followed by 9.7 million in agriculture and 7.3 million in the industry sector.

TABLE 5
DISTRIBUTION OF EMPLOYED PERSONS BY SECTOR
OCTOBER 2019, APRIL 2020, JULY 2020, OCTOBER 2020
(IN MILLIONS)

Sector	Oct 2020	Oct 2019	July 2020	April 2020
Philippines	39.8	42.5	41.3	33.7
Agriculture	9.7	9.7	10.9	8.7
Industry	7.3	8.1	7.8	5.7
Services	22.8	24.7	22.6	19.3

Source: Philippine Statistics Authority, LFS Report, October 2020

Of the 39.8 million employed persons in October 2020, 373,000 or 0.9% were not at work. The number is way lower than the July and April 2020 records of 1.3 million and 12.9 million, respectively (Table 6).

Workers may have become more confident in October to report for work, with only 38.2% citing quarantine restrictions as their main reason for not being at work, followed by personal/family reasons (10.2%) and health limitations (9%).

Given that typhoons and tropical depression usually occur in the 3rd quarter of the year, bad weather and natural disaster were also among the prominent reasons for not being at work (6.3%).

TABLE 6
PERCENTAGE DISTRIBUTION OF EMPLOYED PERSONS
BUT NOT AT WORK APRIL JULY, OCTOBER 2020

Reasons	Oct 2020	July 2020	April 2020
Number of Persons ('000)	373	1,321	12,908
ECQ/Lockdown/Covid-19 Pandemic	38.2	80.8	97.1
Health / medical limitations	9.0	4.0	0.2
Variable working time / nature of work	7.6	3.1	1.1
Personal / family reasons	10.9	2.4	0.1
Poor business condition	8.6	2.0	0.1
Low or off season	2.6	1.5	0.3
Bad weather natural disaster	6.3	0.6	0.1
Reduction in clients / work	3.2	0.5	0.0
Start / end / change of job	4.5	0.5	0.0
Could only find part-time work	0.4	0.5	-
Others	6.8	4.0	0.8

Source: Philippine Statistics Authority, LFS Report, October 2020

Underemployment. Out of 39.8 million employed, 5.7 million, or 14.4%, were underemployed in October 2020 (Table 7). This figure was lower than the 7.1 million recorded in July 2020, 6.3 million in April 2020 and 5.4 million in October 2019. The majority of the underemployed worked for less than 40 hours in a week (60.8%). The percentage of underemployed persons who did not work continued to improve from 5.1% in July to 1.9% in October 2020.

TABLE 7
PERCENTAGE DISTRIBUTION OF UNDEREMPLOYED PERSONS
BY HOURS WORKED OCTOBER 2019, APRIL,
JULY, & OCTOBER 2020

Underemployed Persons	Oct 2020	Oct 2019	July 2020	April 2020
Number of Persons ('000)	5,747	5,438	7,137	6,388
Hours worked in a week				
Worked less than 40 Hours	60.8	60.2	67.2	52.5
Worked 40 hours and Over	37.3	38.3	27.7	14.2
Did not work	1.9	1.5	5.1	33.2
TOTAL	100.0	100.0	100.0	100.0

Source: Philippine Statistics Authority, LFS Report, October 2020

Underemployment in the services sector increased from 48.2% in July to 50% in October 2020. Underemployment went down in the Agriculture sector from 32.5% in July to 31.3% in October 2020. (Table 8)

TABLE 8
PERCENTAGE DISTRIBUTION OF UNDEREMPLOYED PERSONS
BY SECTOR OCTOBER 2019, APRIL 2020, JULY 2020,
OCTOBER 2020

Underemployed Persons	Oct 2020	Oct 2019	July 2020	April 2020
Agriculture	31.3	37.1	32.5	33.8
Industry	18.6	17.6	19.3	17.4
Services	50.0	45.3	48.2	48.8
TOTAL	100.0	100.0	100.0	100.0

Source: Philippine Statistics Authority, LFS Report, October 2020