

# REPORT ON LABOR FORCE SURVEY (JUNE 2022)

## HIGHLIGHTS

1. The June 2022 Labor Force Survey shows labor market demand firmed up, a positive indication that the economy is recovering. The number of employed individuals reached 46.6 million or an additional 1.5 million relative to June 2021. Employment growth was observed across all sectors, i.e., industry (+692,000), agriculture (+457,000), and services (+367,000).
2. Relative to the same period last year, the labor force increased by 735,000 as the economy continues to reopen. Meanwhile, many young individuals opted to continue their studies instead of joining the labor force.
3. The unemployment rate declined to 6.0 percent from 7.7 percent in June 2021. This brought the number of unemployed individuals to about 3.0 million, lower than the recorded unemployment in June 2021 (3.8 million).
4. The underemployment rate is lower at 12.6 percent from 14.2 in June 2021, as the quality of work improved in the services sector with the re-opening of the economy.
5. In the near term, the immediate issues of rising inflation, the vulnerability of certain groups to shocks, and the pandemic-induced scarring will be prioritized to ensure that growth and employment gains are sustained. Targeted subsidies have been rolled out to augment household incomes amidst price increases. The reopening of the economy, including the resumption of face-to-face schooling, will boost domestic activities and insulate the economy against external headwinds.

**Table 1. Summary of Labor and Employment Indicators (in thousands)**

Indicators	January 2020 <sup>a</sup>	April 2020 <sup>a</sup>	June 2021 <sup>b</sup>	June 2022 <sup>a,b</sup>
Population 15 years and over	72,841	73,722	75,089	76,540
Labor Force Level	44,934	41,058	48,846	49,581
Employment Level	42,543	33,830	45,076	46,592
Unemployment Level	2,391	7,228	3,770	2,990
Underemployment Level	6,299	6,398	6,410	5,888
Visible Underemployment	3,799	5,489	4,412	3,942
Employment Generation (y-o-y)	1,513	(7,925)	n.a.	1,516
Labor Force Participation Rate (%)	61.7	55.7	65.1	64.8
Employment Rate (%)	94.7	82.4	92.3	94.0
Unemployment Rate (%)	5.3	17.6	7.7	6.0
Underemployment Rate (%)	14.8	18.9	14.2	12.6
Visible Underemployment Rate (%)	8.9	16.2	9.8	8.5
Mean Hours of Work	41.3	35.0	39.0	40.3

*Estimates are based on 2015 CPH population projections; <sup>p/</sup> Estimates are preliminary and may change; <sup>a/</sup> Estimates for the quarterly round of the LFS; <sup>b/</sup> Starting February 2021, monthly LFS will be conducted in between quarterly or regular LFS to generate national-level labor and employment statistics from the survey. Source: LFS-PSA*

## The Labor Force Participation Rate slightly fell to 64.8 percent in June 2022 from 65.1 percent in the same period last year, as more youth went back to school.

1. More individuals (+735,000) joined the labor force in June 2022 compared to the same month last year given the resumption of more economic activities. The overall increase is observed across age levels, except for the youth cohort (-762,000) who opted to continue with their studies. An additional 1.4 million cited schooling as their reason for not joining the labor force. Nonetheless, this was offset by an increase in participation among the working age and older cohorts: 25- to 34-year-olds (+474,000), 35- to 44-year-olds (+377,000), 45- to 55-year-olds (+126,000), 55 to 64-year-olds (+306,000), and 65 years and over (+214,000).

- The overall increase is more pronounced among males (+509,000) than females (+227,000) as 267,000 more cited household family duties for opting out of the labor force.

**Table 2. Labor Force Participation Rates: 2020-2022 (in percent)**

Indicator	2020 <sup>a</sup>		2021 <sup>b</sup>						2022 <sup>p,b</sup>					
	Jan	Apr	Jan <sup>a</sup>	Feb	Mar	Apr <sup>a</sup>	May	Jun <sup>b</sup>	Jan <sup>a</sup>	Feb	Mar	Apr <sup>a</sup>	May	Jun
<b>LFPR (total)</b>	61.7	55.7	60.5	63.5	65.0	63.2	64.6	65.1	60.5	63.8	65.4	63.4	64.0	64.8
Youth	37.4	32.4	34.7	37.7	40.1	38.2	38.4	39.8	32.0	35.9	36.9	34.8	36.2	35.9
Male	74.8	69.8	73.9	76.0	76.8	75.0	76.2	76.3	72.9	75.7	76.9	75.1	75.5	76.3
Female	48.4	41.5	46.9	50.9	53.1	51.4	52.9	53.7	48.1	51.8	53.7	51.5	52.5	53.2

*Estimates are based on 2015 CPH population projections; <sup>p/</sup> Estimates are preliminary and may change; <sup>a/</sup> Estimates for the quarterly round of the LFS; <sup>b/</sup> Starting February 2021, monthly LFS will be conducted in between quarterly or regular LFS to generate national-level labor and employment statistics from the survey; Source: LFS-PSA*

**As the economy further reopened, employment increased by 1.5 million year-on-year (y-o-y), with broad-based gains recorded across agriculture, industry, and services.**

- Compared to the same period last year, the total number of employed Filipinos increased by 1.5 million reaching 46.6 million.

**Table 3. Employment: 2020-2022**

Indicator	2020 <sup>a</sup>		2021 <sup>b</sup>						2022 <sup>p,b</sup>					
	Jan	Apr	Jan <sup>a</sup>	Feb	Mar	Apr <sup>a</sup>	May	Jun <sup>b</sup>	Jan <sup>a</sup>	Feb	Mar	Apr <sup>a</sup>	May	Jun
Employment rate (%)	94.7	82.4	91.3	91.2	92.9	91.3	92.3	92.3	93.6	93.6	94.2	94.3	94.0	94.0
Employment growth (y-o-y in %)	3.7	(19.0)	(3.0)	n.a	n.a	27.9	n.a	n.a.	4.3	5.4	3.6	5.5	3.1	3.4
<b>Employment Levels (in million)</b>														
Agriculture	9.63	8.76	10.04	10.30	11.13	10.56	10.63	10.94	9.35	10.86	11.84	10.75	10.12	11.40
Industry	7.99	5.75	7.60	7.65	8.80	7.89	8.22	8.17	8.31	8.14	8.17	8.42	8.77	8.86
Manufacturing	3.63	2.70	3.14	3.28	3.56	3.42	3.55	3.50	3.63	3.40	3.61	3.66	3.75	3.65
Services	24.93	19.32	23.60	25.20	25.40	24.82	25.87	25.97	25.36	26.48	26.97	26.46	27.19	26.34

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4. The bulk of employment gains relative to June 2021 came from the industry sector (+692,000), particularly from construction (+386,000), mining and quarrying (+156,000), and manufacturing (+143,000). Public construction projects were accelerated after the election ban.<sup>1</sup> The business outlook of firms in Q2 2022 compared to Q2 2021 has also significantly improved.<sup>2</sup> Moreover, the S&P Global Manufacturing Purchasing Managers Index (PMI) was recorded at 53.8 in June 2022 as demand continued to pick up.<sup>3</sup> Meanwhile, employment in the electricity subsector dropped by 14,000.
5. The agriculture sector posted 457,000 additional employment y-o-y, as both agriculture and forestry (+379,000) and fishing and aquaculture (+78,000) registered net positive growth. Crop production increased compared to the same period in 2021,<sup>4</sup> given fair weather conditions and the rollout of productivity-enhancing technologies. Meanwhile, farmers received subsidies and discounts to curb the impact of rising fuel prices.

<sup>1</sup> Common Station to be completed this month: DOTr | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

<sup>2</sup> Business Expectations Survey Q2 2022 | Bangko Sentral ng Pilipinas ([bsp.gov.ph](http://bsp.gov.ph))

<sup>3</sup> S&P Global Philippines Manufacturing PMI ([spglobal.com](http://spglobal.com))

<sup>4</sup> Updates on April-June 2022 Palay and Corn Estimates | Philippine Statistics Authority ([psa.gov.ph](http://psa.gov.ph))

6. Relative to June 2021, the majority of increase in employment in the services sector (+367,000) came from administrative and support services (+366,000), accommodation and food services (+323,000), transportation and storage (+289,000), and other services (+286,000), as restrictions were eased coupled with increasing vaccination and booster rates. The Department of Labor and Employment also reported that most of the vacancies available in job fairs as of June 12, 2022 are in administrative and support services, particularly business process outsourcing.<sup>5</sup>

However, these were tempered by losses in wholesale and retail trade (-788,000), education (-132,000), and financial and insurance activities (-91,000). Employment losses in the service sector were observed among part-time workers engaged in temporary work during the pandemic.

7. By occupation group, the bulk of additional employment y-o-y were recorded among plant and machine operators (+512,000), service and sales workers (+420,000), skilled agricultural workers (+402,000), craft and related trade workers<sup>6</sup> (+387,000), clerical support workers (+352,000), and elementary occupations<sup>7</sup> (+85,000). On the other hand, managers (-529,000) posted the largest drop in employment, followed by technicians and associate professionals (-67,000), armed forces occupations (-25,000), and professionals (-23,000).
8. The proportion of vulnerable employment (i.e., self-employed and unpaid family workers) to total employment declined to 36.0 percent from 37.2 percent in June 2021. Meanwhile, the number of wage and salary workers increased by 1.7 million, of which 1.5 million are from private

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<sup>5</sup> 150k jobs up for grabs on June 12 | Department of Labor and Employment ([dole.gov.ph](http://dole.gov.ph))

<sup>6</sup> Craft and related trades workers apply specific knowledge and skills in the fields to construct and maintain buildings, form metal, erect metal structures, set machine tools, or make, fit, maintain and repair machinery, equipment or tools, carry out printing work, produce or process foodstuffs, textiles, or wooden, metal and other articles, including handicraft goods.

<sup>7</sup> Elementary occupations involve the performance of simple and routine tasks which may require the use of hand-held tools and considerable physical effort.

establishments. These signal a notable improvement in the quality of employment generated.

### **The underemployment rate eased to 12.6 percent from 14.2 percent in June 2021, as the services sector improved with the easing of restrictions.**

9. The number of underemployed workers fell by 522,000 from the same period last year. The reduction of underemployment in the services sector (-560,000) more than offset the slight increase in the industry (+29,000) and agriculture (+9,000) sectors. This brings down the underemployment rate to 12.6 percent, lower than the 14.2 percent recorded in June 2021.
10. Visible underemployment<sup>8</sup> (-471,000) declined y-o-y, particularly in wholesale and retail trade (-234,000) and construction (-164,000) sectors. Invisible underemployment<sup>9</sup> (-51,000) also dropped, mainly coming from wholesale and retail trade (-127,000) and agriculture and forestry (-105,000) sectors. Meanwhile, invisible underemployment in the manufacturing sector increased (+138,000).
11. In terms of hours of work, full-time employment<sup>10</sup> increased substantially by 11.0 percent or an additional 3.0 million individuals, while part-time workers<sup>11</sup> declined by 8.0 percent or 1.4 million fewer individuals compared to the same period last year. There was also a notable decline in the number of workers with a job but not at work (-143,000). Correspondingly, the mean hours of work improved to 40.3 in June 2022 from 39.0 in June 2021.

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<sup>8</sup> Visible underemployment are those who worked for less than 40 hours and seeking to work for longer hours.

<sup>9</sup> Invisible underemployment are those who worked for more than 40 hours, yet still seeking to work for longer hours.

<sup>10</sup> Those who worked for more than 40 hours a week.

<sup>11</sup> worked less than 40 hours

12. By class of worker, underemployment decreased across all classes of workers relative to the same period last year. A bulk of the decline came from self-employed (-244,000). This was followed by the wage and salary workers (-237,000), employers in own family-operated farm or business (-27,000), and unpaid family workers (-14,000).

**Table 4. Underemployment Rates: 2020 – 2022 (in percent)**

Indicator	2020 <sup>a</sup>		2021 <sup>b</sup>						2022 <sup>p,b</sup>					
	Jan	Apr	Jan <sup>a</sup>	Feb	Mar	Apr <sup>a</sup>	May	Jun <sup>b</sup>	Jan <sup>a</sup>	Feb	Mar	Apr <sup>a</sup>	May	Jun
<b>National</b>	14.8	18.9	16.0	18.2	16.2	17.2	12.3	14.2	14.9	14.0	15.8	14.0	14.5	12.6

*Estimates are based on 2015 CPH population projections; <sup>p/</sup> Estimates are preliminary and may change; <sup>a/</sup> Estimates for the quarterly round of the LFS; <sup>b/</sup> Starting February 2021, monthly LFS will be conducted in between quarterly or regular LFS to generate national-level labor and employment statistics from the survey; Source: LFS-PSA*

**The unemployment rate slid to 6.0 percent in June 2022, 1.7 percentage points (ppts) lower relative to the same period last year.**

13. Fewer unemployed persons (-781,000) were recorded relative to the previous year as economic opportunities increased with the reopening of the economy. This translates to a 6.0 percent unemployment rate, lower than the 7.7 percent in June 2021.
14. All age groups registered a decline in unemployment, led by youth (-305,000) and working age group (-438,000). With this, the youth unemployment rate improved to 11.8 percent, lower than the 14.5 percent in June 2021. Meanwhile, those with junior high school (-404,000) and college education (-224,000) also declined. On the other hand, the number of unemployed among the senior high school undergraduates (+20,000) and post-secondary graduates (+14,000) increased.
15. The number of unemployed persons who did not look for work for valid reasons declined by 35.9 percent (-699,000 individuals). Those who cite

COVID-19-related reasons significantly decreased (-852,000) as more areas in the country adopted lower alert levels compared to last year.

**Table 5. Unemployment Rates: 2020 –2022 (in percent)**

Indicator	2020 <sup>a</sup>		2021 <sup>b</sup>						2022 <sup>p,b</sup>					
	Jan	Apr	Jan <sup>a</sup>	Feb	Mar	Apr <sup>a</sup>	May	Jun <sup>b</sup>	Jan <sup>a</sup>	Feb	Mar	Apr <sup>a</sup>	May	Jun
Overall	5.3	17.6	8.8	8.8	7.1	8.7	7.7	7.7	6.4	6.4	5.8	5.7	6.0	6.0
15-24	13.6	31.5	19.8	18.5	15.4	15.8	14.5	14.5	13.8	14.3	11.3	12.3	12.1	11.8
25-54	4.0	16.0	7.4	7.5	6.0	8.1	7.0	7.1	5.6	5.6	5.3	5.1	5.4	5.6
55 and over	2.0	10.5	3.7	4.9	2.9	4.2	4.2	3.4	3.3	2.7	2.9	2.3	2.6	2.7

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16. The unemployment rate in the Philippines remains one of the highest among major Asian economies, though much lower than that of India.

**Table 6. Latest unemployment rates across selected Asian economies**

Indicator	Unemployment Rate	Month released
China <sup>a</sup>	5.6	March 2022
India <sup>b</sup>	7.8	June 2022
Malaysia <sup>b</sup>	3.9	May 2022
<b>Philippines</b>	<b>6.0</b>	<b>June 2022</b>
Indonesia <sup>c</sup>	5.8	February 2022
Vietnam <sup>a</sup>	2.5	June 2022

*Notes: <sup>a/</sup> Unemployment in these countries is reported quarterly (March, June, September, December); <sup>b/</sup> Unemployment in these countries is reported monthly; <sup>c/</sup> Indonesia unemployment is reported semi-annually (February and August)*

**The full reopening of the economy needs to be prioritized to steer the economy back to its high-growth path and reinvigorate job creation.**

17. **More areas have been de-escalated to Alert Level 1 effective August 1 to 15, 2022.** Despite the overall rise in COVID-19 cases nationwide, these



areas maintained their case classification and total bed utilization at low risk and have achieved high vaccination rates among the target population.<sup>12</sup> This is a further step towards the full reopening of the economy and shifting to an endemic mindset, which is critical in generating more employment and strengthening the domestic economy against external shocks.

18. **The Department of Health launched its new campaign “PinasLakas,” which aims to scale up the vaccination of booster doses nationwide.** To increase its accessibility, vaccination stations are set up in high-traffic areas such as terminals, schools, malls, plazas, and places of worship.<sup>13</sup> As of August 5, 2022, more than 71.8 million Filipinos have been fully vaccinated against COVID-19. Around 16.4 million have received their first booster dose, while 1.4 million have been given a second booster.<sup>14</sup>
19. **The capacity of the health system to respond to COVID-19 surges, alongside other diseases (e.g., dengue and chronic illnesses), needs to be ensured. Preventive measures also need to be in place to avoid the spread of other infectious diseases such as monkeypox.** Both the national and local governments are urged to take proactive measures and create contingency plans to ensure the readiness of the hospitals and medical centers.
20. **The immediate and safe resumption of face-to-face classes will increase domestic activities and prevent future productivity losses.** Local government units are encouraged to assist (e.g., ramp up vaccination efforts and strictly enforce the minimum public health standards) in the full implementation of face-to-face classes.<sup>15</sup> In addition, **a catch-up plan needs to be formulated to regain lost learning from the past two years.**

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<sup>12</sup> NCR stays under Alert Level 1; more areas de-escalated | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

<sup>13</sup> DOH launches "PinasLakas" – The Nationwide Booster Vaccine Campaign | Department of Health ([doh.gov.ph](http://doh.gov.ph))

<sup>14</sup> Prioritization no longer observed in Covid-19 vax: DOH | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

<sup>15</sup> Help schools prepare for F2F classes, DILG tells LGUs | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

This will help secure better opportunities for future generations and ensure that our demographic dividend will not be wasted.

21. **Increasing the employability of the current and future workforce can translate to job creation and better employment outcomes in the medium term.** This can be done through improved quality of education, provision of opportunities for life-long learning, in-demand skills development, options to obtain micro-credentials, enhanced job facilitation programs, and strengthened linkages between industry, business, and training institutions for a more efficient labor market, among others.
22. The passage of priority bills and other interventions to improve the investment climate in the country, as well as the timely implementation of the FY 2022 national budget, is crucial in accelerating recovery and mitigating the impact of external risks.