

## REPORT ON LABOR FORCE SURVEY (SEPTEMBER 2022)

### HIGHLIGHTS

1. The September 2022 Labor Force Survey (LFS) results show sustained improvement in the labor market. An additional 2.2 million Filipinos entered the labor force relative to September 2021, bringing the labor force participation rate (LFPR) to 65.2 percent from 63.3 percent in the same period a year ago.
2. Total employment is at 47.6 million in September 2022, or an additional 4.0 million employment creation year-on-year (y-o-y). Employment growth was observed across all sectors: services (+2.8 million), industry (+682,000), and agriculture (+461,000).
3. The unemployment rate significantly improved to 5.0 percent from 8.9 percent, translating to 1.8 million fewer unemployed relative to September last year.
4. However, the underemployment rate worsened to 15.4 percent from 14.2 percent in September 2021. The bulk of the increase came from the invisibly underemployed<sup>1</sup> (+882,000), as more employed workers seek to earn additional income with the spike in commodity prices. The high underemployment rate underscores the need to strengthen policy interventions geared toward generating more productive and higher-quality employment that provides adequate income for Filipino workers and their families.

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<sup>1</sup> Invisibly underemployed are persons working full-time or at least 40 hours per week but want more hours of work

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

Indicators	September 2021 <sup>a</sup>	September 2022 <sup>p,a</sup>
Population 15 years and over	75,570	76,832
Labor Force Level	47,873	50,080
Employment Level	43,593	47,583
Unemployment Level	4,280	2,497
Underemployment Level	6,183	7,326
Visible Underemployment	4,415	4,677
Employment Generation (y-o-y)	n.a.	3,990
Labor Force Participation Rate (%)	63.3	65.2
Employment Rate (%)	91.1	95.0
Unemployment Rate (%)	8.9	5.0
Underemployment Rate (%)	14.2	15.4
Visible Underemployment Rate (%)	10.1	9.8
Mean Hours of Work	40.2	39.6

*Estimates are based on 2015 Census of Population and Housing (CPH) population projections; <sup>p</sup> Data are preliminary and may change; <sup>a</sup> Estimates for the monthly round of the LFS - 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 LFPR continued to grow to 65.2 percent in September 2022 from 63.3 percent in the same period last year.

1. An additional 2.2 million individuals joined the labor force relative to September 2021. With the full reopening of the economy, more people are encouraged to look for work. The overall increase is observed across all age levels, mostly among the prime working age<sup>2</sup> (+1.5 million) and older age<sup>3</sup> (+514,000) cohorts. More than half of the additional labor force have a college education (+1.3 million).

<sup>2</sup> Prime working age pertains to 25-54 years old.

<sup>3</sup> Older age cohort pertains to 55 years old and above.

2. Those who opted out of the labor force decreased y-o-y (-946,000), mainly among those who cited COVID-19-related reasons (-843,000) and household duties (-796,000) for staying out of the workforce. However, this was offset by the increase in individuals who could not look for work due to age-related restrictions or having a permanent disability (+459,000) or schooling (+388,000).
3. The women's LFPR further increased to 54.8 percent (+1.7 million) from 51.1 percent in September 2021, signifying more economic opportunities in the labor market.

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

Indicator	2021					2022 <sup>p</sup>				
	Jan	Apr	Jul	Aug <sup>a</sup>	Sep <sup>a</sup>	Jan	Apr	Jul	Aug <sup>a</sup>	Sep <sup>a</sup>
LFPR (total)	60.5	63.2	59.4	63.6	63.3	60.5	63.4	65.2	66.1	65.2
Youth	34.7	38.2	32.6	37.8	35.8	32.0	34.8	37.1	38.0	36.7
Male	73.9	75.0	71.9	75.8	75.5	72.9	75.1	76.4	76.2	75.5
Female	46.9	51.4	46.8	51.4	51.1	48.1	51.5	53.9	55.9	54.8

*Estimates are based on 2015 CPH population projections; <sup>p</sup> Data are preliminary and may change; <sup>a</sup> Estimates for the monthly round of the LFS - 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*

**Almost 4.0 million additional employment was recorded in September 2022 compared to the previous year, as community quarantine restrictions were significantly de-escalated.**

4. Regarding employment gains across the three sectors, total domestic employment increased to 47.6 million in September 2022 from 43.6 million in September 2021.
5. The services sector posted more than 2.8 million additional employment y-o-y. The top contributors were wholesale and retail trade (+852,000),

accommodation and food services (+482,000), transportation and storage (+470,000), education (+332,000), and public administration (+293,000). The expansion in these subsectors reflects the easing of mobility restrictions, reopening of tourism activities, and conducting face-to-face classes. In addition, the resumption of the Civil Service Examinations in March 2022, which was suspended since March 2020,<sup>4</sup> has contributed to the employment generated in public administration. On the other hand, employment gains in the sector were moderated by losses from arts and entertainment (-80,000) and health activities (-12,000). from

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

Indicator	2021					2022 <sup>b</sup>				
	Jan	Apr	Jul	Aug <sup>a</sup>	Sep <sup>a</sup>	Jan	Apr	Jul	Aug <sup>a</sup>	Sep <sup>a</sup>
Employment rate (%)	91.3	91.3	92.8	91.9	91.1	93.6	94.3	94.8	94.7	95.0
Employment growth (y-o-y in %)	(3.0)	27.9	0.9	na	na	4.3	5.5	13.7	8.2	9.2
<b>Employment Levels (in million)</b>										
Agriculture	10.0	10.6	9.2	11.1	10.2	9.3	10.7	11.1	10.8	10.7
Industry	7.6	7.9	8.3	8.4	8.2	8.3	8.4	8.4	8.4	8.8
Manufacturing	3.1	3.4	3.5	3.7	3.4	3.6	3.7	3.5	3.7	4.5
Construction	4.1	4.1	4.4	4.3	4.5	4.3	4.4	4.5	4.3	4.1
Services	23.6	24.8	24.2	24.8	25.2	25.4	26.5	27.9	28.7	28.0

Estimates are based on 2015 CPH population projections; <sup>b</sup> Data are preliminary and may change; <sup>a</sup> Estimates for the monthly round of the LFS - 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

- Employment in the industry sector increased by 682,000 compared to the same period last year, mainly from manufacturing (+1.1 million) and mining and quarrying (+68,000). Employment gains in manufacturing are consistent with the S&P Global Philippines Manufacturing Purchasing Managers' Index at 52.9, signaling an improvement in the operating conditions as sales increased for September.<sup>5</sup>

<sup>4</sup> March 15 civil service exams suspended | Civil Service Commission ([csc.gov.ph](http://csc.gov.ph))

<sup>5</sup> S&P Global Philippines Manufacturing PMI September 2022

Meanwhile, construction (-394,000), electricity (-46,000), and water supply (-33,000) recorded a drop in employment as prices of fuel, utilities, and other commodities surged. The Construction Materials Wholesale Price Index in the National Capital Region also recorded a 10.4 percent growth y-o-y.<sup>6</sup> Inclement weather also impeded construction activities as five tropical cyclones<sup>7</sup> hit the country in September.

7. The agriculture sector likewise recorded y-o-y employment gains (+461,000) despite adverse weather conditions. Employment in the agriculture and forestry subsector substantially increased (+599,000) with the continued rollout of government assistance through subsidies,<sup>8</sup> <sup>9</sup> upskilling programs,<sup>10</sup> <sup>11</sup> and improved systems and technology.<sup>12</sup> <sup>13</sup> However, this was slightly tempered by losses in fishing and aquaculture (-138,000) due to red tide in Samar.<sup>14</sup>
8. Additional employment was recorded in major occupations except for managers (-785,000) and craft and related trade workers (-162,000). The top contributors to employment expansion relative to the previous year were service and sales workers (+2.1 million), elementary occupations (+910,000),<sup>15</sup> plant and machine operators (+575,000), technicians and associate professionals (+453,000), professionals (+385,000), and clerical support workers (+383,000).

<sup>6</sup> Construction Materials Wholesale Price Index in the National Capital Region (2012=100): September 2022 | Philippine Statistics Authority ([psa.gov.ph](https://psa.gov.ph))

<sup>7</sup> Five typhoons entered PAR in September: Henry (within PAR on Aug 31-Sept 3), Inday (Sept 7-12), Josie (Sept 16), Karding (Sept 21-26), and Luis (Sept 27-29). While only Karding made a landfall, the other tropical cyclones enhanced the southwest monsoon.

<sup>8</sup> 4.6K corn farmers get fuel subsidy in Ilocos Region | Philippine News Agency ([pna.gov.ph](https://pna.gov.ph))

<sup>9</sup> Rice farmers in Bulacan get gov't cash aid | Philippine News Agency ([pna.gov.ph](https://pna.gov.ph))

<sup>10</sup> DAR trains ARBs on new farming techniques for higher yield | Philippine News Agency ([pna.gov.ph](https://pna.gov.ph))

<sup>11</sup> Enterprising farmers in Laoag produce own feeds for livestock | Philippine News Agency ([pna.gov.ph](https://pna.gov.ph))

<sup>12</sup> Solar irrigation system to boost Cavite farmers' productivity | Philippine News Agency ([pna.gov.ph](https://pna.gov.ph))

<sup>13</sup> Bicol corn, rice farmers get machinery to lower production cost | Philippine News Agency ([pna.gov.ph](https://pna.gov.ph))

<sup>14</sup> Red tide back in Samar's San Pedro Bay after 7 months | Philippine News Agency ([pna.gov.ph](https://pna.gov.ph))

<sup>15</sup> Elementary occupations involve the performance of simple and routine tasks which may require the use of hand-held tools and considerable physical effort.

9. Broad-based employment growth was also observed across all classes of workers, with wage and salary workers<sup>16</sup> posting the largest increase (+2.2 million). Of these, 1.6 million are from private establishments. However, vulnerable<sup>17</sup> employment also increased by 1.7 million, increasing its share of total employment from 35.1 percent last year to 35.6 percent.
10. In terms of hours worked, the number of full-time<sup>18</sup> employees increased by 3.1 million y-o-y, while part-time employment increased by 1.0 million. Meanwhile, those who did not work for valid reasons declined by 115,000. Despite the notable increase in full-time employment, mean hours of work slightly dropped to 39.6 from 40.2 last year.

**The underemployment rate rose to 15.4 percent from 14.2 percent in September 2021 as more employed workers desired additional work hours.**

11. The number of underemployed<sup>19</sup> persons increased by 1.1 million from September 2021 to September 2022, elevating the underemployment rate to 15.4 percent.
12. The bulk of the increase came from the invisibly underemployed<sup>20</sup> (+882,000), particularly in wholesale and retail trade (+225,000), manufacturing (+184,000), and public administration and defense (+111,000). The visibly underemployed<sup>21</sup> also increased (+262,000), driven by the wholesale and retail trade (+210,000), manufacturing

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<sup>16</sup> This includes those who worked in private households, private establishments, government or government corporation, and with pay in own family-operated farm or business.

<sup>17</sup> Vulnerable employment includes self-employed and unpaid family workers.

<sup>18</sup> Full-time employment pertains to those working for 40 Hours and over

<sup>19</sup> The underemployed pertains to those who wanted more hours of work in their current job or to have an additional job, or to have a new job with longer hours of work

<sup>20</sup> Invisibly underemployed are persons working full-time or at least 40 hours per week but want more hours of work

<sup>21</sup> Visibly underemployed are persons who are working part-time or less than 40 hours per week and want more hours of work

(+115,000), and transportation and storage (+107,000) subsectors. With the high prices of fuel, food, and other commodities, most of the respondents (48%) cited that they want more earnings as their reason for working more than 48 hours per week.

Commented [NTE1]: 48 hours? Isn't this 40hours?

- Underemployment increased across all classes of workers except among employers-in-own-family-operated-farm/business (-32,000). The bulk of the increase came from wage and salary workers (+831,000), of which 688,000 work in private establishments. This was followed by increases among the self-employed (+309,000) and unpaid family workers (+36,000).

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

Indicator	2021					2022 <sup>p</sup>				
	Jan	Apr	Jul	Aug <sup>a</sup>	Sep <sup>a</sup>	Jan	Apr	Jul	Aug <sup>a</sup>	Sep <sup>a</sup>
<b>National</b>	16.0	17.2	21.0	14.7	14.2	14.9	14.0	13.8	14.7	15.4

*Estimates are based on 2015 CPH population projections; <sup>p</sup> Data are preliminary and may change; <sup>a</sup> Estimates for the monthly round of the LFS – 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 significantly declined to 5.0 percent in September 2022, the lowest since the onset of the pandemic.**

- The overall unemployment rate dropped by 4.0 ppt relative to September 2021. This is equivalent to about 1.8 million fewer unemployed y-o-y. The resumption of economic activities, including face-to-face classes at all levels, bolstered the labor market.
- The decline was observed across all age groups, with the prime working age group (-1.2 million) posting the largest decline, followed by the youth cohort (-425,000). More than half of the decrease in overall unemployment was accounted for by those with junior high school education (-984,000).

16. The number of unemployed persons who did not look for work due to valid reasons (-1.2 million) continued to decrease as the number of those who cited COVID-19-related reasons declined (-1.1 million). Meanwhile, the number of unemployed who did not look for work due to temporary illness/disability (+18,000) recorded a slight uptick.

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

Indicator	2021					2022 <sup>p</sup>				
	Jan	Apr	Jul	Aug <sup>a</sup>	Sep <sup>a</sup>	Jan	Apr	Jul	Aug <sup>a</sup>	Sep <sup>a</sup>
Overall	8.8	8.7	7.2	8.1	8.9	6.4	5.7	5.2	5.3	5.0
15-24	19.8	15.8	15.9	16.0	17.7	13.8	12.3	11.9	10.8	11.5
25-54	7.4	8.1	6.1	7.2	7.9	5.6	5.1	4.5	4.8	4.1
55 & over	3.7	4.2	3.7	3.8	5.0	3.3	2.3	2.2	2.2	2.8

*Estimates are based on 2015 CPH population projections; <sup>p</sup> Data are preliminary and may change; <sup>a</sup> Estimates for the monthly round of the LFS - 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*

17. The country's unemployment rate remains largely at par with those of major Asian economies and is lower than that of India, Indonesia, and China.

**Table 6. Latest Unemployment Rates Across Selected Asian Economies**

Indicator	Unemployment Rate	Month released
China <sup>a</sup>	5.7	September 2022
India <sup>b</sup>	6.4	September 2022
Malaysia <sup>b</sup>	3.7	August 2022
<b>Philippines</b>	<b>5.0</b>	<b>September 2022</b>
Indonesia <sup>c</sup>	5.8	February 2022
Vietnam <sup>a</sup>	2.1	September 2022

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



## Increasing investment opportunities and strengthening the country's human capital must be prioritized to create more and better-quality employment.

18. **The lifting of quarantine requirements for unvaccinated/partially vaccinated travelers<sup>22</sup> and the approval of voluntary wearing of face masks<sup>23</sup>** can further attract foreign tourists and help boost employment.
19. Despite the declining number of new COVID-19 cases,<sup>24</sup> it is crucial to **improve the capacity of the health system** to monitor and respond to COVID-19 surges alongside other diseases (e.g., Legionnaire's disease, monkeypox, and dengue and chronic illnesses). The national and local governments are urged to take preventive measures and create contingency plans to ensure the readiness of hospitals and medical centers.
20. **Private-public partnerships are also urged to expand skills development and employment opportunities in the country.** The recent move to transfer the Technical Education and Skills Development Authority (TESDA) back to the Department of Labor and Employment (DOLE) is envisioned to support the tighter link between training and employment.<sup>25</sup> Recently, the Department of Information and Communications Technology (DICT) and the Cooperative Development Authority (CDA) also launched digitaljobsPH (djPH) technical training in collaboration with a private entity (Perpetual Help Community Cooperative, Inc.).<sup>26</sup> Further, the government has obtained an additional PHP228 million (USD3.8 million) investment

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Visibly underemployed are persons who are working part-time or less than 40 hours per week and want more hours of work

PBBM inks EO allowing the voluntary wearing of face masks indoors | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

<sup>24</sup> PH daily average of new Covid cases down by 22% from Oct. 17-23 | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph)).

<sup>25</sup> TESDA, DOLE to provide more skills training, employment | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph)); TESDA transfer from DTI to DOLE to address joblessness: Pimentel | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

<sup>26</sup> Gov't, private firm team up for online jobs training | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

from the United States to train unemployed and out-of-school Filipino youth through the YouthWorks PH program.<sup>27</sup>

21. **The timely passage of the FY 2023 budget and expediting the FY 2022 national budget implementation, particularly the job-generating infrastructure projects,** are crucial to accelerating recovery and mitigating the impact of external risks.
22. **We must streamline the response and rehabilitation responsibilities and establish long-term interventions to boost the country's disaster resilience and climate adaptation measures.** PAGASA expects La Niña to persist until March 2023 and near- to above-normal rainfall conditions in the coming months. Three to six tropical cyclones are also estimated to enter the Philippine Area of Responsibility (PAR) from November 2022 to April 2023.<sup>28</sup>
23. **Effective implementation of emergency employment programs and other forms of assistance need to be ensured.** The DOLE has initially tapped its emergency employment programs to immediately assist those hard-hit by calamities.<sup>29</sup> Meanwhile, leveraging technology (e.g., PlanSmart Ready to Rebuild)<sup>30</sup> will improve preventive and response measures and mitigate possible labor market downturns in times of disaster. Knowledge-sharing of best practices across local government units (LGU) is likewise encouraged.<sup>31</sup>
24. **Strategies for a more efficient labor market** will be outlined in the forthcoming Philippine Development Plan (PDP) 2023-2028, which includes, among others, improving the quality of education, providing

<sup>27</sup> US invests P228-M more in youth training, employment | Philippine News Agency ([pna.gov.ph](https://pna.gov.ph))

<sup>28</sup> Climate Outlook November 2022 to December 2023

<sup>29</sup> DOLE to implement emergency employment in typhoon-hit areas | Philippine News Agency ([pna.gov.ph](https://pna.gov.ph))

<sup>30</sup> New app to boost LGUs' disaster rehab, recovery efforts | Philippine News Agency ([pna.gov.ph](https://pna.gov.ph))

<sup>31</sup> Pasig village willing to share best DRRM practices to other LGUs | Philippine News Agency ([pna.gov.ph](https://pna.gov.ph))

opportunities for life-long learning, in-demand skills development and options to obtain micro-credentials, enhancing job facilitation programs, and strengthening linkages among industry, business, and training institutions.