

Thursday, 31 March 2022

Australians say Roy Morgan unemployment estimate 'closer to reality' than ABS – for the fifth time

A clear majority of Australians 69% (up 3% points since March 2017) say the Roy Morgan February unemployment estimate (8.5%) is 'closer to reality' while only 31% (down 3% points) believe the far lower official ABS February unemployment number (4.0%). This special SMS Roy Morgan Poll was conducted on Tuesday March 29, 2022.

Analysis by Gender & Age

Analysis by gender shows women 71% (up 1% point) are slightly more likely than men 67% (up 7% points) to say the Roy Morgan unemployment estimate is 'closer to reality'. In contrast 33% (down 7% points) of men and 29% (down 1% point) of women say the ABS unemployment estimate is 'closer to reality'.

Analysis by age groups shows people of all ages are more likely to believe the Roy Morgan figures - 71% of 18-24yr olds believe the Roy Morgan unemployment estimate is 'closer to reality', along with 76% of 25-34yr olds, 68% of 35-49yr olds, 75% of 50-64yr olds and 57% of 65+yr olds.

Analysis by Voting Intention

Analysis by voting intention shows around two-thirds of ALP supporters (69%) and L-NP supporters (63%) say the Roy Morgan unemployment estimate is 'closer to reality' compared to only 31% of ALP supporters and 37% of L-NP supporters that say the ABS unemployment estimate is 'closer to reality'.

Over three-quarters of Greens supporters (76%) and supporters of Independents/ Other Parties (76%) say the Roy Morgan unemployment estimate is 'closer to reality' compared to only 24% of either that say the ABS unemployment estimate is 'closer to reality' – a difference of over 3:1.

Analysis by State

Analysis by State shows large majorities of people in Victoria (73%), NSW (72%), Queensland (70%), Tasmania (77%) and South Australia (66%) say the Roy Morgan unemployment estimate is 'closer to reality'.

In contrast, perceptions are more mixed in Western Australia with 56% of people saying the Roy Morgan unemployment estimate is 'closer to reality' compared to 44% that say the ABS unemployment estimate is.

Michele Levine, CEO Roy Morgan, says the latest Roy Morgan unemployment estimate (8.5% in February 2022) is 'closer to reality' than the latest ABS unemployment estimate (4.0%) – the fifth straight time Australians have trusted Roy Morgan's estimate more than the ABS:

"For the fifth straight survey, and every time we have measured the views of Australians on this issue, a clear majority of 69% of Australians (up 3% points from March 2017) say the Roy Morgan unemployment estimate of 8.5% in February is 'closer to reality' than the ABS unemployment estimate of 4.0%.

"There is widespread agreement that Roy Morgan's unemployment estimate is 'closer to reality' with large majorities of men and women, all age groups and supporters of the ALP, L-NP, Greens and Independents/Other Parties all favouring the Roy Morgan unemployment estimate over the ABS.

"There is a significant difference between the two unemployment estimates and the reliance on the ABS unemployment estimate does mean many media commentators and policy-makers have a lack of understanding of why wage growth in Australia remains so low – [wage growth in the year to December 2021 was at an annual rate of only 2.3%](#).

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“The main reason wage growth across the economy remains low is because real unemployment and under-employment is far higher than the monthly ABS unemployment estimates. The latest [Roy Morgan unemployment \(8.5% of the workforce, 1.23 million\) and under-employment \(7.8% of the workforce, 1.13 million\)](#) estimates show over 2.35 million Australians (16.3% of the workforce) remain looking for work or working part-time and looking for more hours – the under-employed.

“This large cohort of unemployed and under-employed Australians represents nearly 1-in-6 people in the workforce and is over four times higher than the oft-cited ABS unemployment estimate of 4.0% representing only 563,000 workers.

“To be fair, the [ABS does \(since October 2018\) now publish a monthly under-employment estimate which covers 925,000 odd workers in February 2022 for a total of 1.49 million workers unemployed or under-employed](#), but this figure is rarely mentioned in media and labour force commentary – and is still nearly 900,000 below the comparable Roy Morgan estimate.

“The policies of the Federal Government and the RBA rely heavily on accurate measures of the Australian labour force – and the true levels of unemployment and under-employment. Until there is widespread under-standing that the ABS provides an artificially low estimate of Australian unemployment these key policy-making institutions will continue to misunderstand the real dynamics of the Australian labour market – and continue to over-estimate the level of future wage growth in the economy.”

This special Roy Morgan SMS Poll was conducted on Tuesday March 29, 2022, with an Australia-wide cross-section of 1,035 Australians aged 18+.

Australians were asked: *“The ABS Unemployment rate in February was 4.0%. The Roy Morgan estimate for February was 8.5%. Which do you believe is closer to reality?”*

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ABS v Roy Morgan Unemployment figures

Australians were asked: "The ABS Unemployment rate in February was 4.0%. The Roy Morgan estimate for February was 8.5%. Which do you believe is closer to reality?"

	Australians 18+				
	June 2013	June 2014	April 2015	March 2017	March 29, 2022
	%	%	%	%	%
Roy Morgan	73	63	67	66	69
ABS	27	37	33	34	31
TOTAL	100	100	100	100	100

*The 'Can't say' figures on previous interviewing rounds, which have been 're-percentage'd' out of this table for purposes of comparison, were June 2013 (21%), June 2014 (13%), April 2015 (11%) and March 2017 (11%).

	Electors	Political Party Support				
	March 29, 2022	L-NP	ALP	Greens	Ind/Other	Can't say
	%	%	%	%	%	%
Roy Morgan	68	63	69	76	76	70
ABS	32	37	31	24	24	30
TOTAL	100	100	100	100	100	100

#Figures for some these demographics must be treated with caution as there are under 50 interviews.

	Australians 18+	Gender		Age				
		Men	Women	18-24#	25-34	35-49	50-64	65+
	%	%	%	%	%	%	%	%
Roy Morgan	69	67	71	71	76	68	75	57
ABS	31	33	29	29	24	32	25	43
TOTAL	100	100	100	100	100	100	100	100

#Figures for some these demographics must be treated with caution as there are under 50 interviews.

	Australians 18+	Regions		State					
	March 29, 2022	Capital Cities	Country Regions	NSW	VIC	QLD	WA	SA	TAS#
	%	%	%	%	%	%	%	%	%
Roy Morgan	69	69	69	72	73	70	56	66	77
ABS	31	31	31	28	27	30	44	34	23
TOTAL	100	100	100	100	100	100	100	100	100

#Figures for some these demographics must be treated with caution as there are under 50 interviews.

*In June 2013 the Roy Morgan unemployment figure was 9.7% and the ABS unemployment figure was 5.7%. In June 2014 the Roy Morgan unemployment figure was 10.6% and the ABS unemployment figure was 6.0%. In April 2015 the Roy Morgan unemployment figure was 10.8% and the ABS unemployment figure was 6.1%. In March 2017 the Roy Morgan unemployment figure was 9.4% and the ABS unemployment figure was 5.7% (Jan. 2017) and then 5.9% (Feb. 2017).



ROY MORGAN MEASURES REAL UNEMPLOYMENT IN AUSTRALIA NOT THE 'PERCEPTION' OF UNEMPLOYMENT – JUNE 8, 2012

<http://www.roymorgan.com/~media/Files/Papers/2012/20120603.pdf>

The Roy Morgan Unemployment estimate is obtained by surveying an Australia-wide cross section by face-to-face interviews. A person is classified as unemployed if they are looking for work, no matter when.

The results are not seasonally adjusted and provide an accurate measure of monthly unemployment estimates in Australia.

The Australian Bureau of Statistics Unemployment estimates are obtained by mostly telephone interviews. Households selected for the ABS Survey are interviewed each month for eight months, with one-eighth of the sample being replaced each month. The first interview is conducted face-to-face. Subsequent interviews are then conducted by telephone.

The ABS classifies a person as unemployed if, when surveyed, they have been actively looking for work in the four weeks up to the end of the reference week and if they were available for work in the reference week.

The Australian Bureau of Statistics Unemployment estimates are also seasonally adjusted.

For these reasons the Australian Bureau of Statistics Unemployment estimates are different from the Roy Morgan Unemployment estimate. Gary Morgan's concerns regarding the ABS Unemployment estimate is clearly outlined in his letter to the Australian Financial Review, which was not published.

<http://www.roymorgan.com/news/papers/2003/20030801>

About Roy Morgan

Roy Morgan is Australia's largest independent Australian research company, with offices in each state, as well as in the U.S. and U.K. A full-service research organisation, Roy Morgan has over 78 years' experience collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
1,000	±3.0	±2.7	±1.9	±1.3
1,500	±2.5	±2.2	±1.5	±1.1

