

UK LABOUR MARKET PROFILE

APRIL 2020

This summary of the UK labour market uses data produced by the Office for National Statistics every month. This update covers the period from December 2019 to February 2020¹.

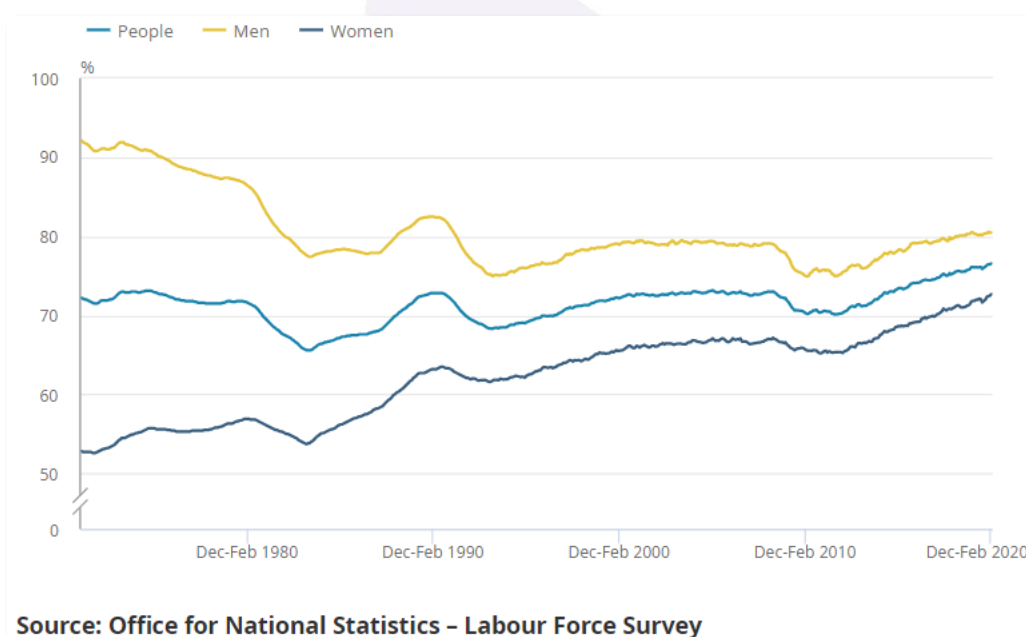
Please note, these estimates cover the period prior to the implementation of the coronavirus (COVID-19) social distancing measures.

Overall, the UK labour market remains extremely tight. A new record has been reached (for a second consecutive month) in terms of the number of people in employment and unemployment remains at levels not seen in a generation. Meanwhile, the proportion of working age people that are not active in the labour market has also reached a record low (again, for a second consecutive month).

However, there are signs that the labour market may have peaked. Unemployment is slightly higher than a year ago and the number of vacancies is down on the year.

Employment levels

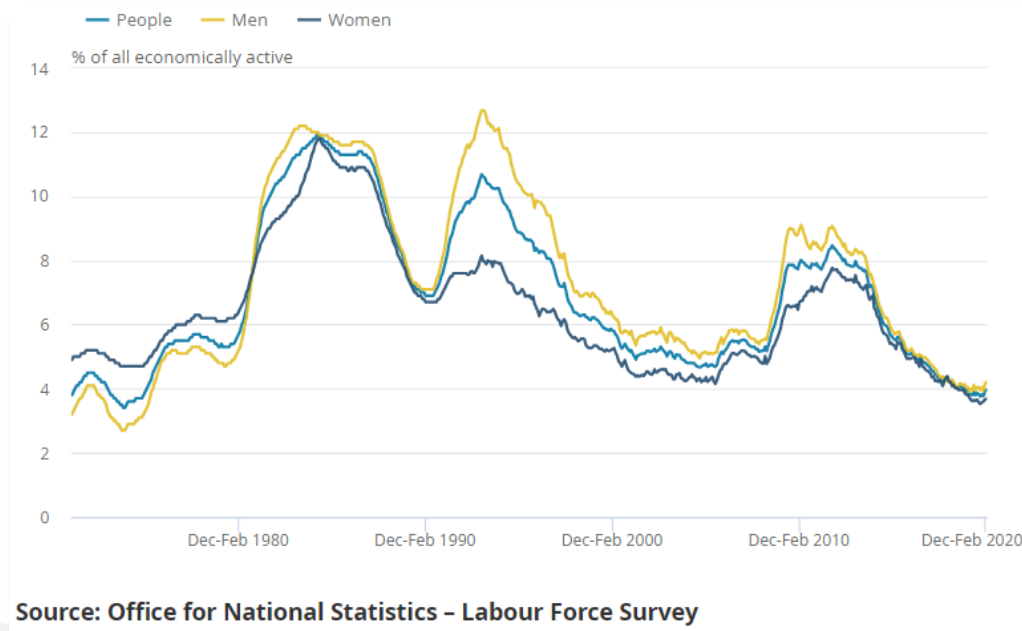
- The estimated employment rate for all people was at a record high of 76.6%
- This is 0.4 percentage points up on the year and 0.2 percentage points up on the quarter
- The estimates show a record 33.07 million people aged 16+ in employment (352,000 more than a year earlier)



¹ Labour market overview, UK: April 2020. The next update will be published on 19th May 2020.

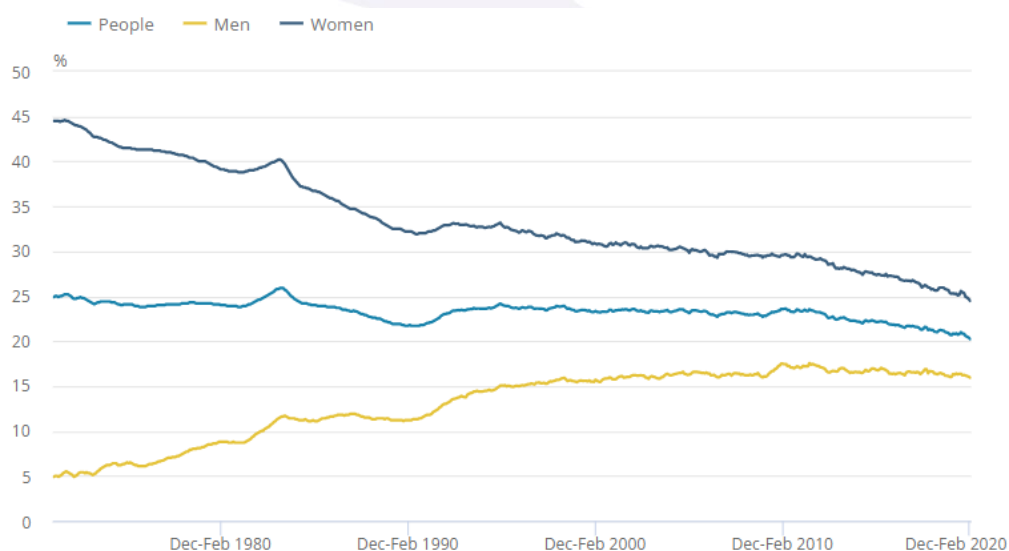
Unemployment levels

- The estimated UK unemployment rate for all people was 4.0%
- This is largely unchanged compared with a year early and 0.1 percentage points higher than the previous quarter
- There were an estimated 1.36 million unemployed people (22,000 more than a year ago, but 476,000 fewer than five years ago)



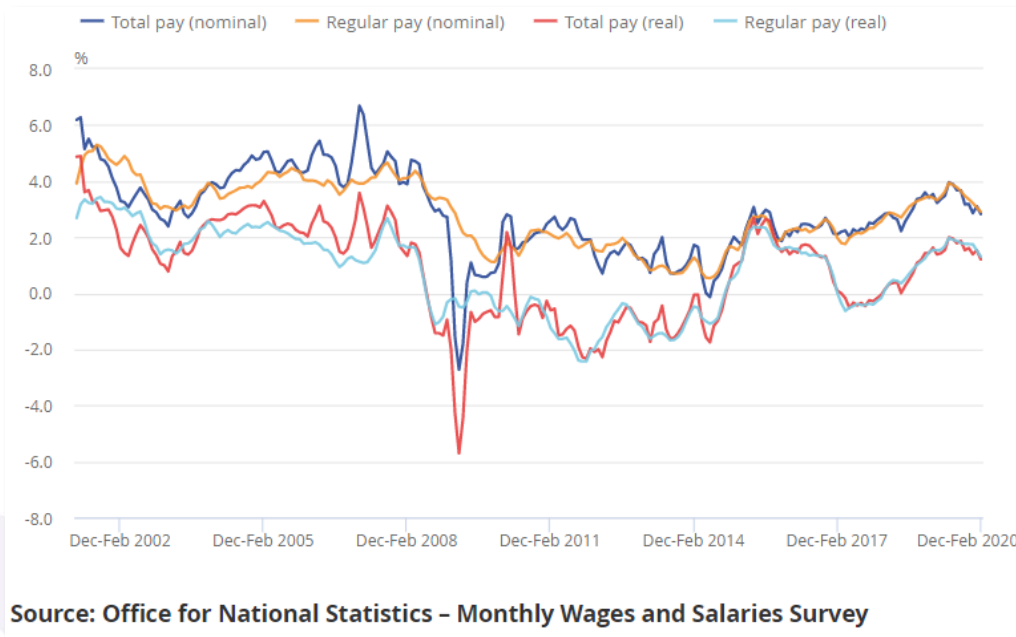
Economic inactivity

- The overall inactivity rate for people aged between 16 and 64 years was a record low of 20.2%
- This is down 0.4 percentage points on the year and down 0.3 percentage points on the quarter
- The estimates show 8.37 million people aged between 16 and 64 years not in the active labour force (166,000 fewer than a year ago and 641,000 fewer than five years ago)



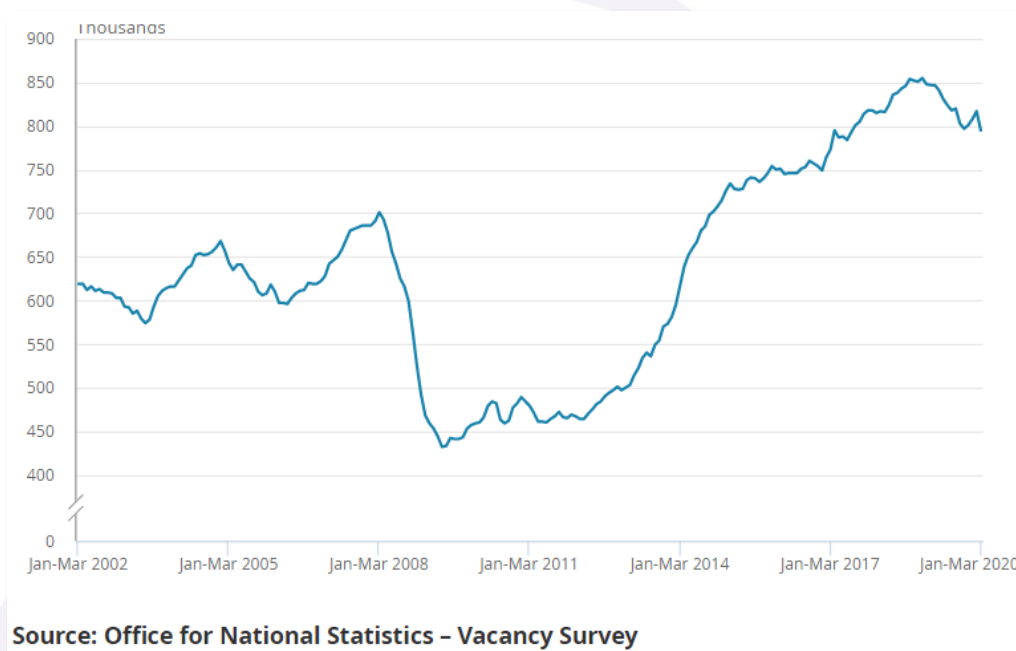
Earnings

- The rate of pay growth trended upwards between Spring 2017 and Spring 2019 (reaching 4.0% for total pay and 3.9% for regular pay – the highest nominal pay growth rates since 2008)
- Since then growth has slowed, currently standing at 2.8% for total pay and 2.9% for regular pay
- In real terms, annual pay growth has been positive since February 2018 (meaning that pay has been growing faster than inflation)
- Growth in real terms for both total pay and regular pay reached a recent peak of 2.0% in June 2019, before falling to 1.2% for total pay and 1.3% for regular pay



Vacancies

- There were an estimated 795,000 vacancies in the UK
- 6,000 fewer than in the previous quarter and 52,000 fewer than a year ago
- There were 1.7 unemployed people per vacancy (up slightly from a record low of 1.5 in March 2019).



Non-UK nationals living and working in the UK

The following migration statistics are updated every quarter by the Office for National Statistics (Migration Statistics²). The following data are unchanged from last month. The next update will occur on 21st May 2020.

- While overall migration levels have remained broadly stable since the end of 2016, patterns for EU and non-EU citizens have followed different trends. This reflects the different trends in immigration for employment and study, with EU migrants predominantly arriving for work-related reasons and non-EU migrants arriving for study.
- EU net migration has fallen following peak levels in 2015 and 2016, while non-EU net migration has gradually increased since 2013 and is currently at the highest level since 2004.
- For both EU and non-EU citizens, more people come to the UK than leave, and therefore continue to add to the UK population.
- There are currently 2.31 million EU nationals working in the UK and 1.34 million non-EU nationals.

