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THE ADECCO GROUP

# Employment landscape

Q3 2017

[adeccogroup.co.uk](http://adeccogroup.co.uk)

# Snapshot

The UK is now enjoying the lowest unemployment for more than forty years, the last time it was this low was Spring of 1975. At the same time UK wage growth fell further behind inflation, effectively meaning another fall in household income.

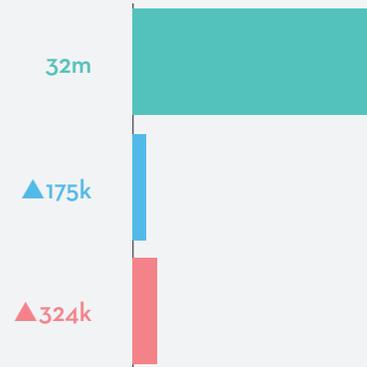
Employment continues to break records with more than 32 million people employed in the UK for the first time in history. It's easy to say this is just because the population is growing but with 74.9% of the population engaged in the workforce there has never been a higher percentage either.

Minister for Employment, Damian Hinds said the employment figures were "another reminder that our strong economy is giving record numbers of people the chance to find and stay in work". This was a strength regularly commented on by Matthew Taylor in his recent review of working practices to which The Adecco Group made a submission.

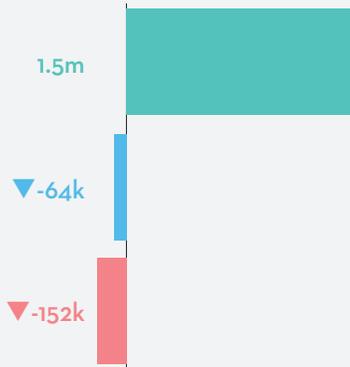
Employment rate for those aged from 16 to 64, seasonally adjusted (per cent)

— Current figure — Quarterly change — YoY% change

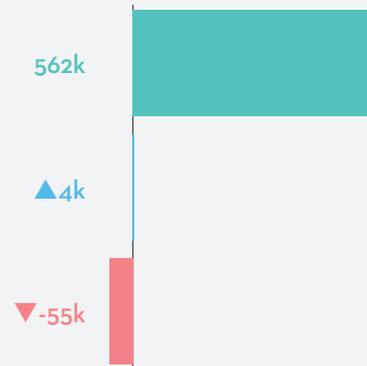
## Employment



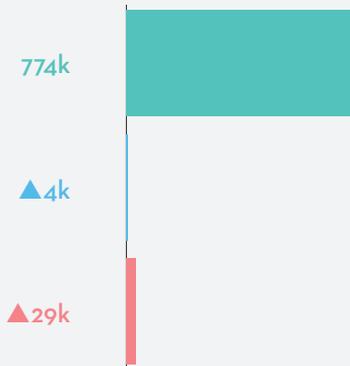
## Unemployment



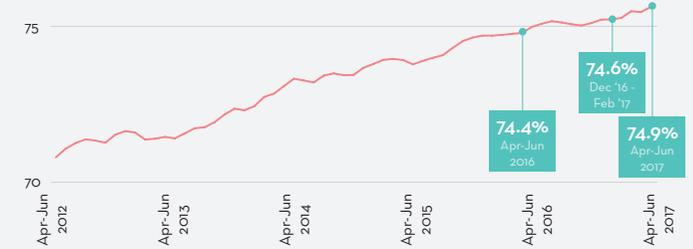
## Youth unemployment



## Vacancies



UK employment rate for those aged from 16 to 64, seasonally adjusted (per cent)



Non-UK nationals working in the UK, not seasonally adjusted ('000s)



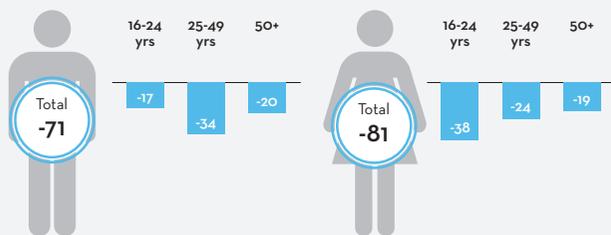
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# Who

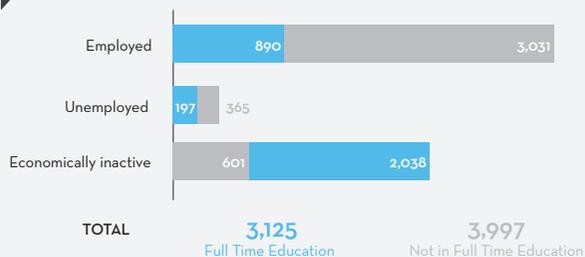
Unemployment fell across all age groups during the last year. This may be unsurprising given that more than 150,000 people have moved off the unemployment line in the last 12 months but the relatively even spread is encouraging. This includes nearly 40,000 over-50s an age where job transitions can sometimes be tricky.

The continuing fall youth unemployment is also an excellent story - from a high of 22.5% (nearly one in four) in 2011 now only 12.5% of 16-24 years are out of work.

Changes in number of unemployed people between March to May 2016 and March to May 2017, seasonally adjusted (thousands of people)



Young people in the labour market (aged 16 to 24) for March to May 2017, seasonally adjusted (thousands of people)



Most employed people are not in full-time education, most people in full time education are not actually in the labour market.

Unemployment by length (months)



# How much

Slow wage growth is definitely still a big storyline across the UK as prices rise faster than wages. The Adecco Group/CIPD Labour Market Outlook does not predict wage growth to be improving anytime soon.

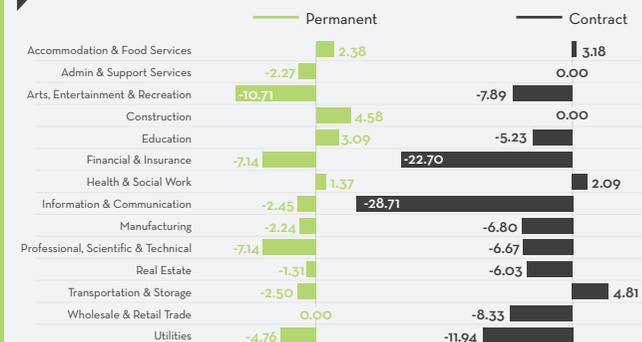
It should be remembered that within this figure is a public sector where wage growth is artificially capped at 1% currently. Private sector pay actually enjoyed a five-month high at 2.4% although even this would be lower than the current inflation rate.

John Philpott, director of the Jobs Economist, said: "The longer the real wage squeeze continues the greater the risk that weaker demand for goods and services will feed through to weaker demand for labour and lead to lower business investment, thereby further reducing the prospect of a productivity-led boost to real incomes."

Average weekly earnings annual growth rates, seasonally adjusted (per cent)



Changes in advertised salaries by sector (per cent) (Q2 2016 - Q2 2017)



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## How

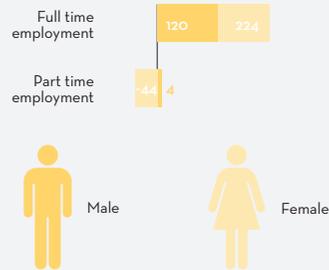
Figures continue to show the move back towards full time employment whilst the number of people working part-time actually fell during the last 12 months. The move towards full-time employment can be a sign of confidence in the future of the economy as employers decide to invest in the future.

The key now will be to invest in growing those individuals and their potential rather than just hiring bodies - this will be the only way to fuel productivity growth and get wages rising.

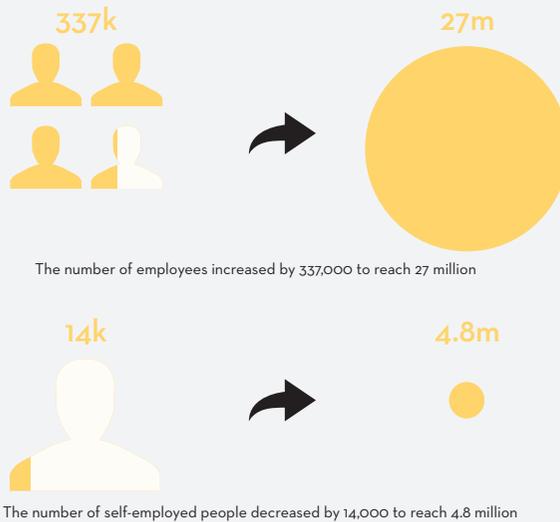
The average person worked 32.1 hours a week between March and May 2017, down from an unusually high 32.4 over Christmas. When only considering those that work full-time that figure rises to 37.5 hours per week.

This still has the UK on the lower end of the EU scale, higher than countries such as Germany, Holland and France but far behind countries that work the most - Greece, Poland, Latvia.

Changes in number of people in employment between March to May 2016 and March to May 2017, seasonally adjusted ('000s)



Employed vs Self-employed

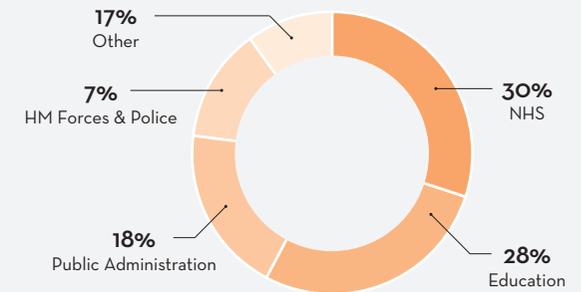


## What

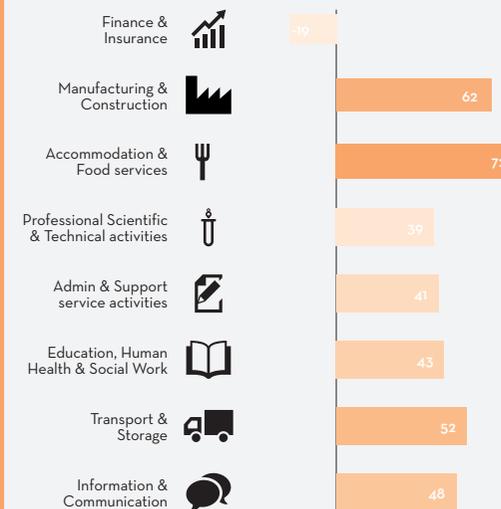
The workforce continues to grow across a wide range of sectors during the last year - construction and catering services are particular areas demonstrating confidence and strength.

The financial services sector is an area of weakness, one where the workforce has shrunk over the last year. This is a response to the current uncertainty over the future of the industry in this country following the results of the EU referendum - the workforce could fall yet further in the next year.

Public sector employment by industry for March 2017, seasonally adjusted (thousands of people)



Jobs added per sector between March 2017 and March 2016 (thousands of people)



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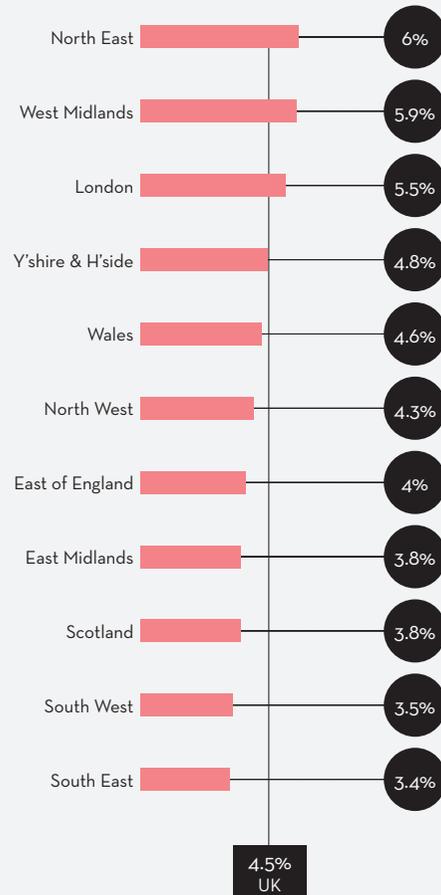
## Where

Only one region saw unemployment rise during the period March to May 2017 - the West Midlands. As the period showed the strongest jobs growth in over a year this is perhaps unsurprising but certainly encouraging.

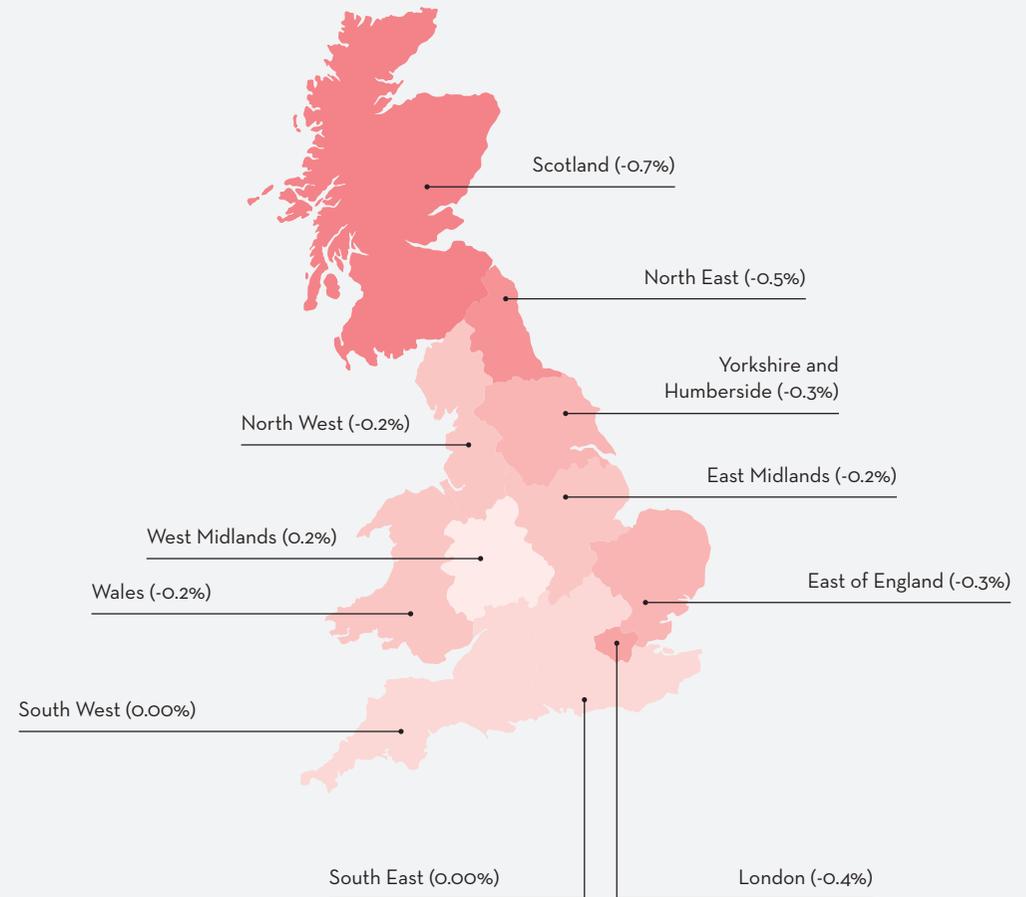
Scotland received a shot in the arm as unemployment fell to a 25-year low after a big drop to 3.8% that sees it far below the UK average.

Economy secretary Keith Brown said: "When considered alongside the fact that last week's GDP stats show Scotland's growth rate over the last quarter to be four times that of the UK, this is further evidence of the strength of the Scottish economy."

Regional unemployment rates (seasonally adjusted) for March to May 2017



Unemployment rates by region, seasonally adjusted, March to May 2017



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