

UK Employment Insight

July
2012

Employment

UK

Insight

January

February

March

April

May

June

July

August

Sept

October

Nov

December


Employment Insight Information Source

This Employment Insight contains the latest estimates for employment, unemployment, economic inactivity, claimant count, average earnings, labour productivity, vacancies and labour disputes. The estimates are used by a wide range of users, particularly across government and the media, to monitor developments in the labour market. All estimates discussed in this Statistical Bulletin are for the United Kingdom and are seasonally adjusted except where otherwise stated. Most of the figures discussed in this Employment Insight are obtained from surveys of households or businesses and are therefore estimates, not precise figures.


Key indicators from March to May 2012:

The employment rate for those aged from 16 to 64 was 70.7 per cent, up 0.3 on the quarter.


There were 29.35 million people in employment aged 16 and over, up 181,000 on the quarter.



- The unemployment rate was 8.1 per cent of the economically active population, down 0.2 on the quarter. There were 2.58 million unemployed people, down 65,000 on the quarter.



- The inactivity rate for those aged from 16 to 64 was 22.9 per cent, down 0.2 on the quarter. There were 9.21 million economically inactive people aged from 16 to 64, down 61,000 on the quarter.



- Total pay (including bonuses) rose by 1.5 per cent on a year earlier, up 0.1 on the three months to April 2012. Regular pay (excluding bonuses) rose by 1.8 per cent on a year earlier, unchanged on the three months to April 2012.

Summary

Between December 2011 to February 2012 and March to May 2012, unemployment and economic inactivity fell and employment increased. The employment rate for those aged from 16 to 64 for the three months to May 2012 was 70.7 per cent, up 0.3 on the quarter. The number of people in employment aged 16 and over increased by 181,000 on the quarter to reach 29.35 million, the largest quarterly increase since the three months to July 2010. The number of people in employment was 218,000 lower than the pre recession peak of 29.57 million recorded in March-May 2008.

The number of full-time workers increased by 133,000 to reach 21.37 million and the number of part-time workers increased by 48,000 to reach 7.99 million. Most age groups showed increases in employment over the quarter with the largest increase occurring in the 25 to 34 age group, where the number of people in employment increased by 79,000 to reach 6.64 million. The number of people aged 65 and over in employment increased by 52,000 on the quarter to reach 929,000, the highest figure since comparable records began in 1992.

The unemployment rate for the three months to May 2012 was 8.1 per cent of the economically active population, down 0.2 on the quarter. The total number of unemployed people fell by 65,000 over the quarter, but increased by 132,000 on the year, to reach 2.58 million. The number of people unemployed for over two years increased by 18,000 over the quarter to reach 441,000, the highest figure since the three months to July 1997.

The economic inactivity rate for those aged from 16 to 64 for the three months to May 2012 was 22.9 per cent, down 0.2 on the quarter. The number of economically inactive people aged from 16 to 64 fell by 61,000 over the quarter, and by 121,000 over the year, to reach 9.21 million. This quarterly fall in economic inactivity was mainly due to a fall of 82,000, to reach 2.20 million, in the number of people who were not active in the labour market because they were students.

In June 2012 there were 1.60 million people claiming Jobseeker's Allowance (JSA). This was up 6,100 compared with May. The number of women claiming JSA increased by 8,000 between May and June to reach 530,700, the highest figure since August 1995. This increase in the number of women claiming JSA between May and June is likely to have been affected by a change in the eligibility rules for Lone Parent Income Support (LPIS) which has resulted in fewer lone parents being able to claim LPIS.

The whole economy earnings annual growth rate for total pay was 1.5 per cent in the three months to May 2012 and the annual growth rate for regular pay was 1.8 per cent. These growth rates were little changed compared with the three months to April.

In the twelve months to May 2012 there were 1.48 million working days lost due to labour disputes, the highest figure since the twelve months to January 1991. Most of the working days lost in the twelve months to May 2012 were due to strikes in connection with a dispute over proposed changes to pensions for some public sector workers

Employment

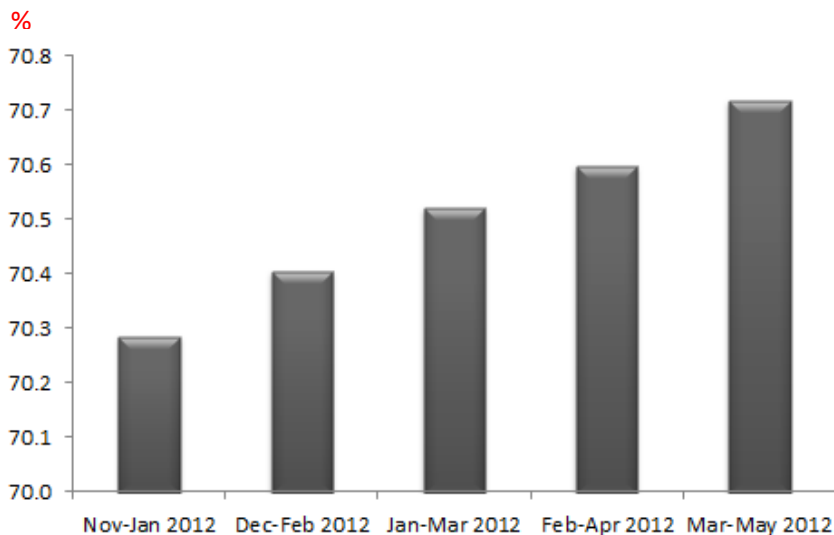
The employment rate for men aged from 16 to 64 was 76.3 per cent, up 0.5 percentage points on the

The employment rate for men aged from 16 to 64 was 75.9 per cent, up 0.4 percentage points on the previous quarter. The corresponding employment rate for women was 65.6 per cent, up 0.3 on the previous quarter.

The number of people in employment was 29.35 million in the three months to May 2012, up 181,000 from the three months to February and up 75,000 on a year earlier. The number of people in full-time employment was 21.37 million in the three months to May 2012, up 133,000 from the three months to February. Of this total, 13.65 million were men and 7.72 million were women. The number of people in part-time employment was 7.99 million in the three months to May 2012, up 48,000 from the three months to February. Of this total, 2.12 million were men and 5.87 million were women.

The number of people employed in the public sector was 5.90 million in March 2012, down 39,000 from December 2011. The number of people employed in the private sector in March 2012 was 23.38 million, up 205,000 from December 2011.

Employment



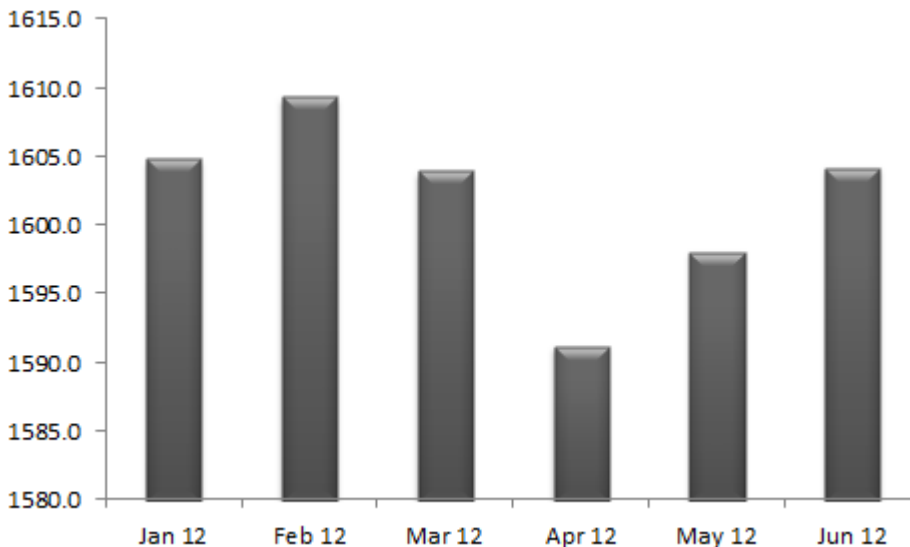
The Claimant Count

The claimant count measures the number of people claiming Jobseeker's Allowance (JSA) and differs from unemployment (which measures people who meet the internationally agreed definition of unemployment). The claimant count in June 2012 was 1.60 million, up 6,100 on the previous month and up 78,600 on a year earlier. The claimant count rate was 4.9 per cent, unchanged on the previous month but up 0.2 percentage points from a year earlier.

The claimant count can be affected by changes to the overall benefits system. For example, from late 2008 until mid-2011 changes in eligibility rules for Lone Parent Income Support (LPIS) resulted in fewer lone parents (predominantly women) being able to claim that benefit resulting in more lone parents claiming JSA while they look for work. A further change to the eligibility rules for LPIS, which came into effect on 21 May 2012, is likely to have affected the increase in the claimant count between May and June 2012.

Another change to the benefits system which has affected the claimant count since April 2011 has been a re-assessment, by the Department for Work and Pensions, of claimants of Incapacity Benefit (IB) resulting in some people who have been declared ineligible for IB claiming JSA while they look for work. The effect of this exercise on monthly changes in the claimant count is likely to be small.

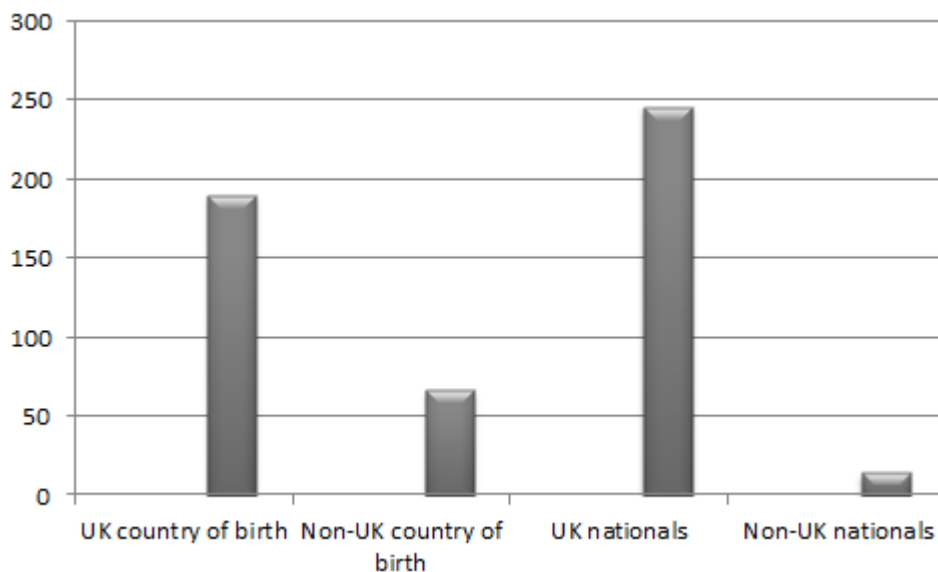
Thousands



ONS publishes estimates of employment by both country of birth and by nationality. The number of non-UK born people in employment is greater than the number of non-UK nationals in employment, as the non-UK born series includes many UK nationals. The estimates relate to the number of people in employment rather than the number of jobs. These statistics have sometimes been incorrectly interpreted as indicating the proportion of new jobs that are taken by foreign migrants. The number of UK nationals in employment was 26.83 million in the three months to June 2012, up 246,000 on a year earlier. The number of non-UK nationals in employment was 2.58 million, up 15,000 from a year earlier.

The number of UK born people in employment was 25.21 million in the three months to June 2012, up 190,000 on a year earlier. The number of non-UK born people in employment was 4.19 million, up 67,000 from a year earlier.

Employment by country of birth and nationality, changes on year between April to June 2011 and April to June 2012



July Labour disputes

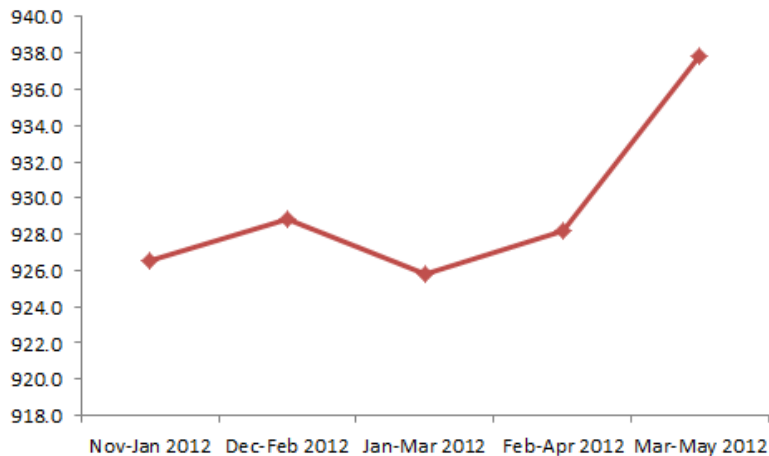
These estimates measure disputes (ie, strikes) connected with terms and conditions of employment. In July 2012, there were 9,000 working days lost from 17 stoppages. In the twelve months to July 2012, there were 1.24 million working days lost from 129 stoppages

Actual hours worked

Actual hours worked measures the number of hours worked in the economy. Total hours worked per week were 937.8 million in the three months to May 2012, up 9.0 million from the three months to February and up 26.8 million on a year earlier. Average weekly hours worked in the three months to May 2012 were 32.0, up 0.1 from the three months to February and up 0.8 on a year earlier. These annual increases in total hours worked and in average hours worked are affected by the arrangement of public holidays. There were more public holidays than usual during the March-May period in 2011 (due to the Royal Wedding) and there were fewer public holidays than usual during the same period in 2012 (as the public holiday usually occurring in late May was moved to early June).

Millions

Actual hours worked



Source: Labour Force Survey - Office for National Statistics

Earnings In May 2012:

Average total pay (including bonuses) was £468 per week in May 2012. In the three month to May 2012 total pay rose by 1.5 per cent on a year earlier, up 0.1 from the three months to April. Average regular pay (excluding bonuses) was £442 per week in May 2012. In the three months to May 2012 regular pay rose by 1.8 per cent on a year earlier, unchanged from the three months to April.

Unemployment - March to May 2012:

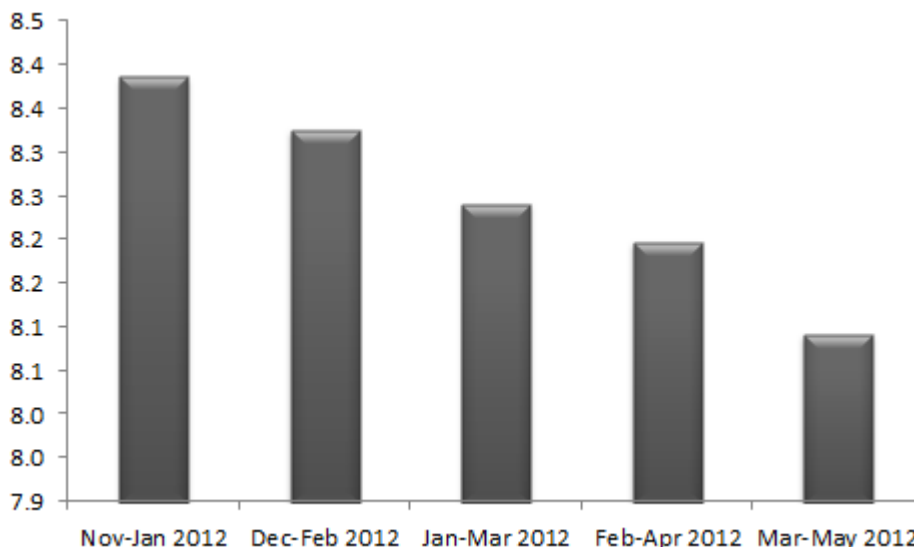
The unemployment rate was 8.1 per cent in the three months to May 2012, down 0.2 percentage points from the three months to February but up 0.4 from a year earlier. Unemployment rates are calculated, in accordance with international guidelines, as the number of unemployed people divided by the economically active population (those in employment plus those who are unemployed).

The number of unemployed people was 2.58 million in the three months to May 2012, down 65,000 from the three months to February but up 132,000 from a year earlier. The number of unemployed men was 1.48 million in the three months to May 2012, down 34,000 from the three months to February. The number of unemployed women was 1.10 million in the three months to May 2012, down 32,000 from the three months to February. The number of people unemployed for over one year was 885,000 in the three months to May 2012, up 3,000 from the three months to February. The number of people unemployed for over two years was 441,000 in the three months to May 2012, up 18,000 from the three months to February.

The unemployment rate for the European Union (EU) was 10.3 per cent of the economically active population in May 2012. The EU country with the highest unemployment rate was Spain, at 24.6 per cent, and the EU country with the lowest unemployment rate was Austria, at 4.1 per cent. The unemployment rate for Japan was 4.4 per cent in May 2012. The unemployment rate for the United States was 8.2 per cent in June 2012.

Unemployment rate (aged 16+)

%



Source: Labour Force Survey - Office for National Statistics

Young people in the labour market

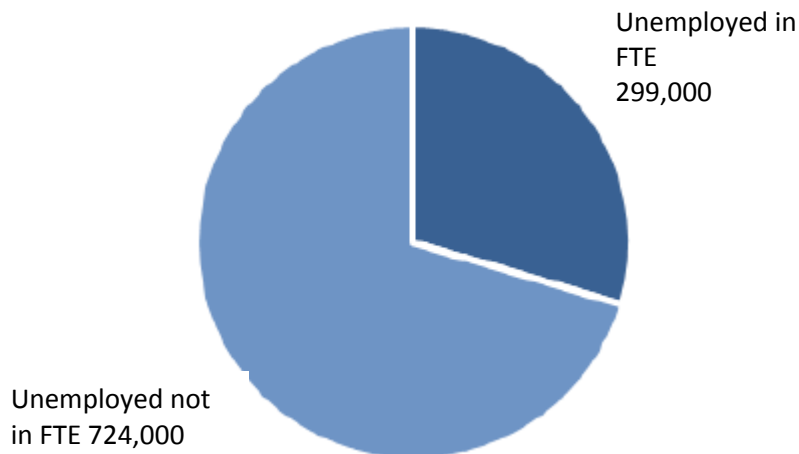
From March to May 2012:

In the three months to May 2012, there were 3.64 million 16 to 24 years olds in employment, up 14,000 from the three months to February. There were 2.62 million economically inactive 16 to 24 year olds (most of whom were in full-time education), down 14,000 on the three months to February.

There were 1.02 million unemployed 16 to 24 year olds, down 10,000 from the three months to February. The unemployment rate for 16 to 24 year olds was 21.9 per cent in the three months to May 2012, down 0.2 percentage points from the three months to February. In accordance with international guidelines, unemployment rates are calculated as the number of unemployed people divided by the economically active population (those in employment plus those who are unemployed). Increasing numbers of young people going into full-time education reduces the size of the economically active population and therefore increases the unemployment rate.

In accordance with international guidelines, people in full-time education are included in the youth unemployment estimates if they have been looking for work within the last four weeks and are available to start work within the next two weeks. Excluding people in full-time education, there were 724,000 unemployed 16 to 24 year olds in the three months to May 2012, up 6,000 from the three months to February. The corresponding unemployment rate was 20.7 per cent of the economically active population for 16 to 24 year olds not in full-time education, up 0.2 percentage points from the three months to February.

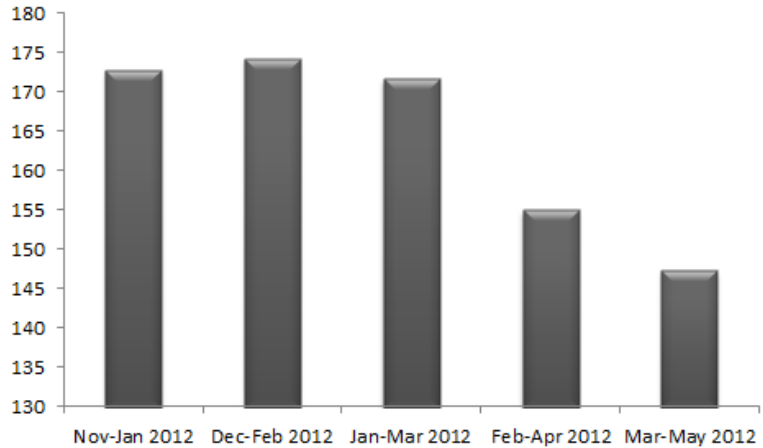
Young people (aged 16 to 24) in the labour market for March to May 2012



Redundancies

The redundancies estimates measure the number of people who have been made redundant or have taken voluntary redundancy. In the three months to May 2012, 147,000 people had become redundant in the three months before the Labour Force Survey interviews, down 27,000 from the three months to February but up 4,000 from a year earlier. The redundancy rate was 5.9 per 1,000 employees, down 1.1 on the previous quarter but up 0.2 on a year earlier.

Thousands

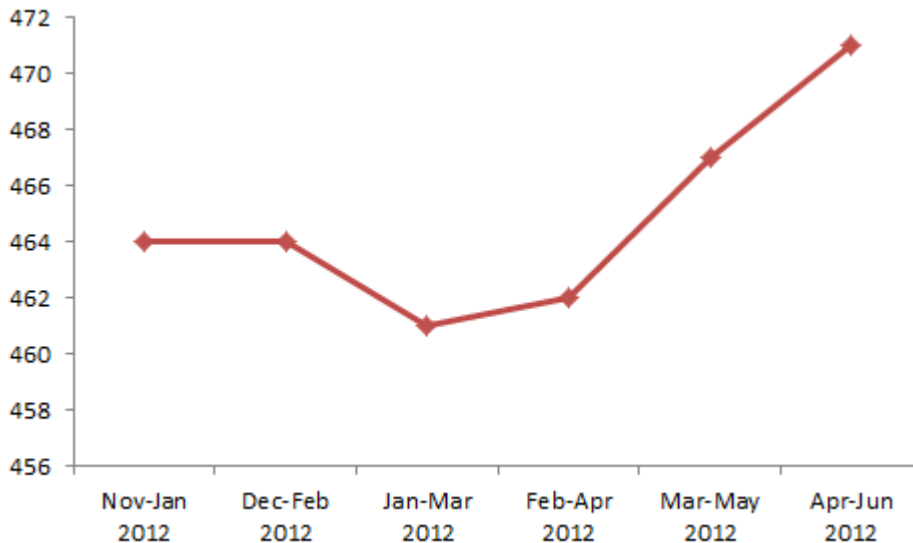


Source: Labour Force Survey - Office for National Statistics

Vacancies

Vacancies are defined as positions for which employers are actively seeking to recruit outside their business or organisation. There were 471,000 job vacancies in the three months to June 2012, up 10,000 on the three months to March 2012 and up 12,000 on a year earlier. There were 1.8 vacancies per 100 employee jobs in the three months to June 2012, virtually unchanged on the previous quarter and on the year.

Thousands



Source: Labour Force Survey - Office for National Statistics



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