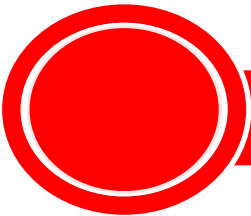
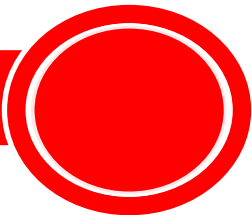


UK Employment Insight

September
2012

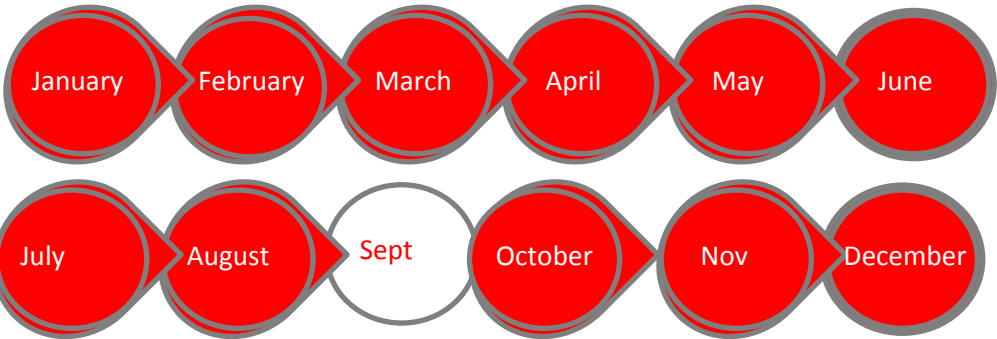
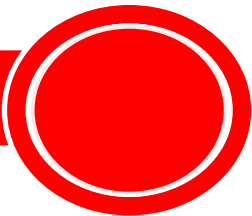
Employment



UK



Insight



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 May to July 2012:

The employment rate for those aged from 16 to 64 was 71.2 per cent, up 0.5 on the quarter.

There were 29.56 million people in employment aged 16 and over, up 236,000 on the quarter.

- The unemployment rate was 8.1 per cent of the economically active population, down 0.1 on the quarter. There were 2.59 million unemployed people, down 7,000 on the quarter.
- The inactivity rate for those aged from 16 to 64 was 22.4 per cent, down 0.5 on the quarter. There were 9.01 million economically inactive people aged from 16 to 64, down 181,000 on the quarter.
- Total pay (including bonuses) rose by 1.5 per cent on a year earlier, down 0.3 on the three months to June 2012. Regular pay (excluding bonuses) rose by 1.9 per cent on a year earlier, up 0.1 on the three months to June.

Between March to May 2008, when the number of people in employment reached a pre-recession peak of 29.57 million, and May to July 2012:

- the number of people in full-time employment fell by 640,000
- the number of people in part-time employment increased by 628,000
- the number of unemployed people increased by 978,000
- the number of economically inactive people, aged from 16 to 64, fell by 60,000.

Summary

The employment rate for those aged from 16 to 64 for the three months to July 2012 was 71.2 per cent. This is the highest figure since the three months to April 2009 and it is up 0.5 percentage points on the previous quarter. The number of people in employment aged 16 and over increased by 236,000 on the quarter to reach 29.56 million, the largest quarterly increase since the three months to July 2010.

The number of full-time workers increased by 102,000 on the previous quarter to reach 21.44 million and the number of part-time workers increased by 134,000 to reach 8.12 million, the highest figure since comparable records began in 1992. The number of employees and self-employed people who were working part-time because they could not find a full-time job increased by 24,000 on the quarter to reach 1.42 million, the highest figure since comparable records began in 1992.

The unemployment rate for the three months to July 2012 was 8.1 per cent of the economically active population, down 0.1 on the quarter. The total number of unemployed people fell by 7,000 over the quarter, but increased by 61,000 on the year, to reach 2.59 million. The number of people unemployed for over one year was 904,000. This is the highest figure since the three months to May 1996 and it is up 22,000 on the previous quarter.

The economic inactivity rate for those aged from 16 to 64 for the three months to July 2012 was 22.4 per cent. This is the lowest figure since 1991 and it is down 0.5 percentage points on the previous quarter. The number of economically inactive people aged from 16 to 64 fell by 181,000 over the quarter to reach 9.01 million. There were falls over the quarter in all categories of economic inactivity with the largest fall occurring among people who were not active in the labour market because they were students, which fell by 75,000 over the quarter to reach 2.16 million.

The number of people claiming Jobseeker's Allowance fell by 15,000 between July and August 2012 to reach 1.57 million. The whole economy earnings annual growth rate for total pay was 1.5 per cent in the three months to July 2012, down from 1.8 per cent in the three months to June. This fall in the growth rate was largely due to a relatively high growth rate for April, when bonuses were higher than usual, dropping out of the latest three month average time period.

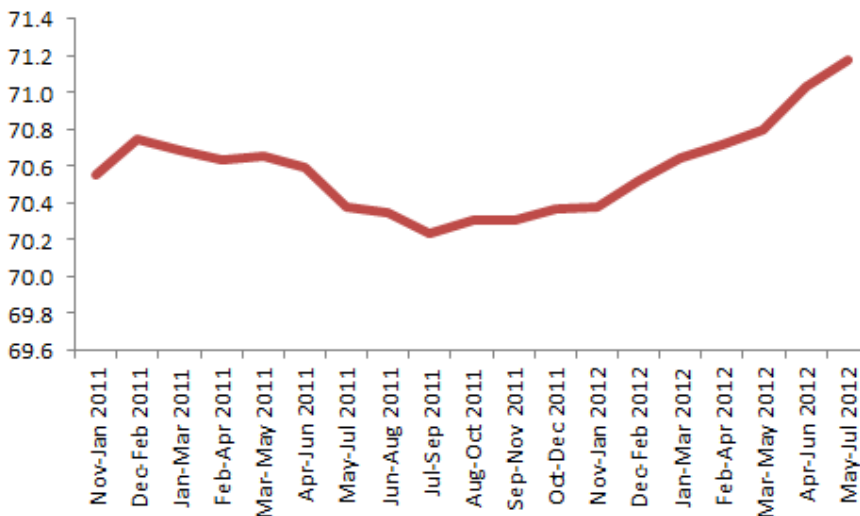
Employment

The employment rate for men aged from 16 to 64 was 76.3 per cent, up 0.4 percentage points on the previous quarter. The corresponding employment rate for women was 66.1 per cent, up 0.5 on the previous quarter. The number of people in employment was 29.56 million in the three months to July 2012, up 236,000 from the three months to April and up 431,000 on a year earlier. The number of people in full-time employment was 21.44 million in the three months to July 2012, up 102,000 from the three months to April. The number of people in part-time employment was 8.12 million in the three months to July 2012, up 134,000 from the three months to April.

The number of employees increased by 144,000 on the quarter to reach 25.07 million and the number of self-employed people increased by 52,000 on the quarter to reach 4.22 million. The number of unpaid family workers (people who work in a family business who do not receive a formal wage or salary but benefit from the profits of that business) increased by 15,000 on the quarter to reach 113,000. The number of people on government supported training and employment programmes increased by 24,000 on the quarter to reach 152,000.

The number of people employed in the public sector was 5.66 million in June 2012, down 235,000 from March 2012. The number of people employed in the private sector in June 2012 was 23.90 million, up 471,000 from March 2012. These large quarterly movements reflect the reclassification of some educational bodies from the public sector to the private sector. See Background Notes for further details. Excluding this reclassification, the number of people employed in the public sector fell by 39,000 between March and June and the number of people employed by the private sector increased by 275,000.

Employment %



Source: Labour Force Survey - Office for National Statistics

The Claimant Count

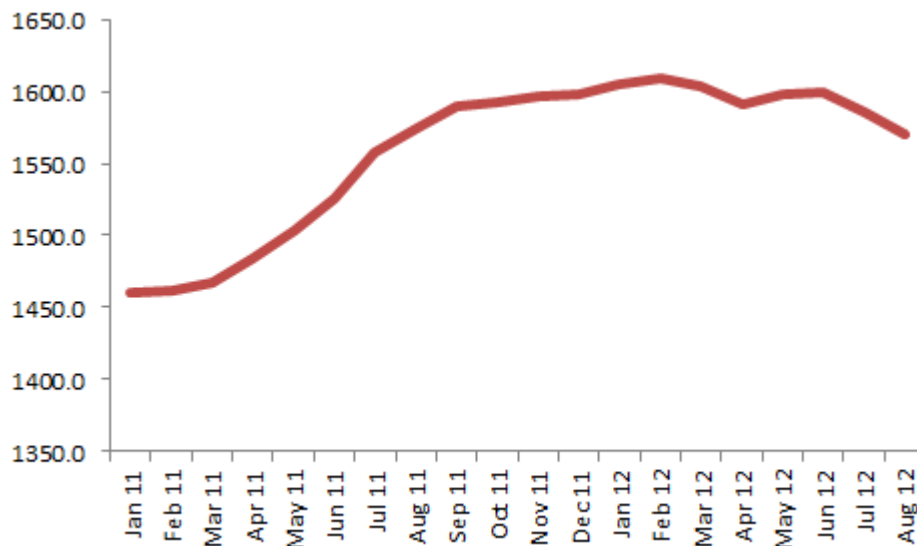
The claimant count in August 2012 was 1.57 million, down 15,000 on the previous month and down 3,600 on a year earlier. The claimant count rate was 4.8 per cent, unchanged on the previous month and from a year earlier.

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, has affected the claimant count since 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.

The claimant count for people claiming benefits for longer durations has also been affected by the introduction of the Work Programme in June 2011. Previous employment initiatives saw a break in individual's JSA claims, leading to an individual having a succession of shorter duration claims. Under the Work Programme individuals are more likely to remain on JSA for a single unbroken duration.

Thousands

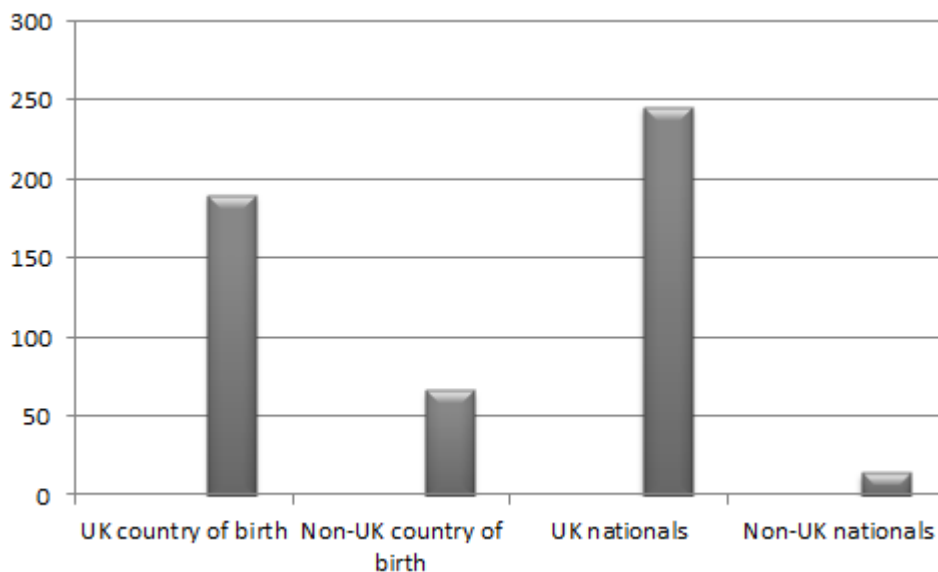


Source: Labour Force Survey - Office for National Statistics

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

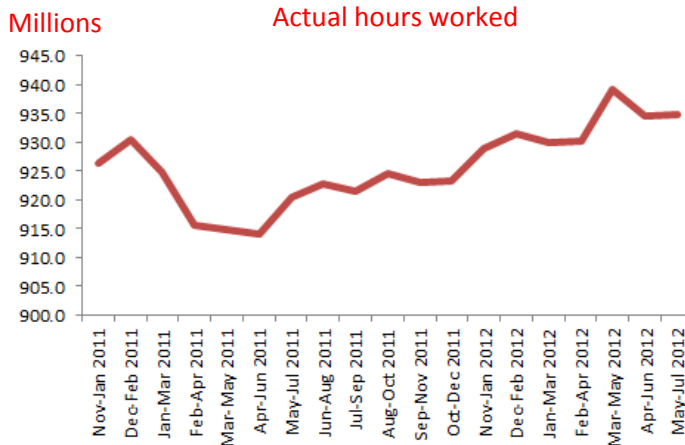


July Labour disputes

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 934.9 million in the three months to July 2012, up 4.5 million from the three months to April and up 14.3 million on a year earlier. Average weekly hours worked in the three months to July 2012 were 31.6, down 0.1 from the three months to April but unchanged on a year earlier. The estimates for total hours worked and average hours worked can be affected by the arrangement of public holidays. There was one more public holiday than usual during the May-July period in 2012 (due to the Diamond Jubilee).



Source: Labour Force Survey - Office for National Statistics

Earnings In July 2012:

Average total pay (including bonuses) was £471 per week in July 2012. In the three months to July 2012 total pay rose by 1.5 per cent on a year earlier, down 0.3 from the three months to June. Average regular pay (excluding bonuses) was £443 per week in July 2012.

In the three months to July 2012 regular pay rose by 1.9 per cent on a year earlier, up 0.1 from the three months to June. In the three months to July 2012 total pay (including bonuses) in the private sector rose by 1.8 per cent on a year earlier while regular pay (excluding bonuses) rose by 2.1 per cent on a year earlier. Total pay in the public sector rose by 1.2 per cent on a year earlier, while regular pay in the public sector rose by 2.1 per cent on a year earlier. Total pay in the public sector, excluding financial services, rose by 2.0 per cent on a year earlier while regular pay in the public sector, excluding financial services, rose by 1.9 per cent on a year earlier.

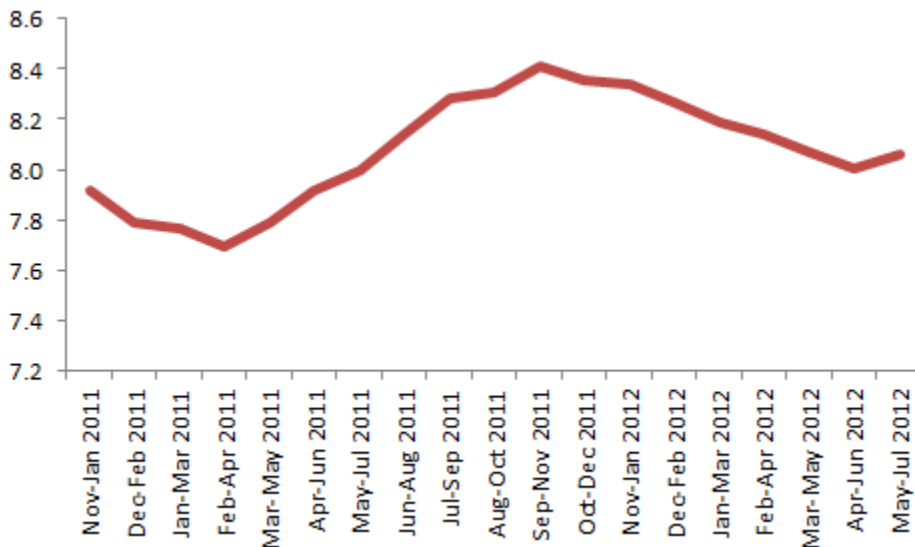
The public and private sector growth rates for June and July 2012 have been affected by the reclassification of English Further Education Corporations and Sixth Form College Corporations. From June 2012 onwards these educational bodies are classified to the private sector, but for earlier time periods they are classified to the public sector. ONS estimates that, if the reclassification had not occurred, the public sector single month growth rates for June and July 2012 would be between 0.6 and 0.8 percentage points lower and the corresponding private sector growth rates would be between 0.1 and 0.2 percentage points higher.

Unemployment - May to July 2012:

The number of unemployed people was 2.59 million in the three months to July 2012, down 7,000 from the three months to April but up 61,000 from a year earlier. The number of unemployed men was 1.49 million in the three months to July 2012, up 9,000 from the three months to April. The number of unemployed women was 1.10 million in the three months to July 2012, down 16,000 from the three months to April. The number of people unemployed for over one year was 904,000 in the three months to July 2012, up 22,000 from the three months to April. The number of people unemployed for over two years was 443,000 in the three months to July 2012, up 9,000 from the three months to April.

The unemployment rate for the European Union (EU) was 10.4 per cent of the economically active population in July 2012. The EU country with the highest unemployment rate was Spain, at 25.1 per cent, and the EU country with the lowest unemployment rate was Austria, at 4.5 per cent. The unemployment rate for Japan was 4.3 per cent in July 2012. The unemployment rate for the United States was 8.1 per cent in August 2012

Unemployment rate (aged 16+)
%



Source: Labour Force Survey - Office for National Statistics

Young people in the labour market

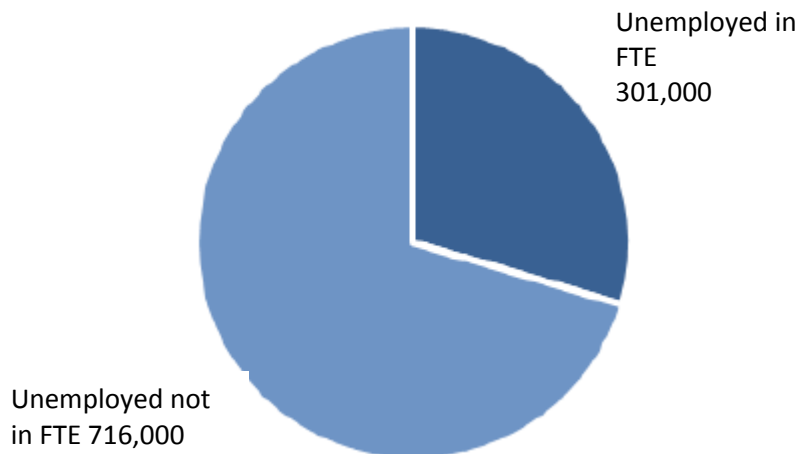
For May to July 2012:

In the three months to July 2012, there were 3.70 million 16 to 24 years olds in employment, up 58,000 from the three months to April. There were 2.56 million economically inactive 16 to 24 year olds (most of whom were in full-time education), down 75,000 on the three months to April. There were 1.02 million unemployed 16 to 24 year olds, up 7,000 from the three months to April.

The unemployment rate for 16 to 24 year olds was 21.6 per cent in the three months to July 2012, down 0.2 percentage points from the three months to April. 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 716,000 unemployed 16 to 24 year olds in the three months to July 2012, up 9,000 from the three months to April. The corresponding unemployment rate was 20.3 per cent of the economically active population for 16 to 24 year olds not in full-time education, down 0.1 percentage point from the three months to April.

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

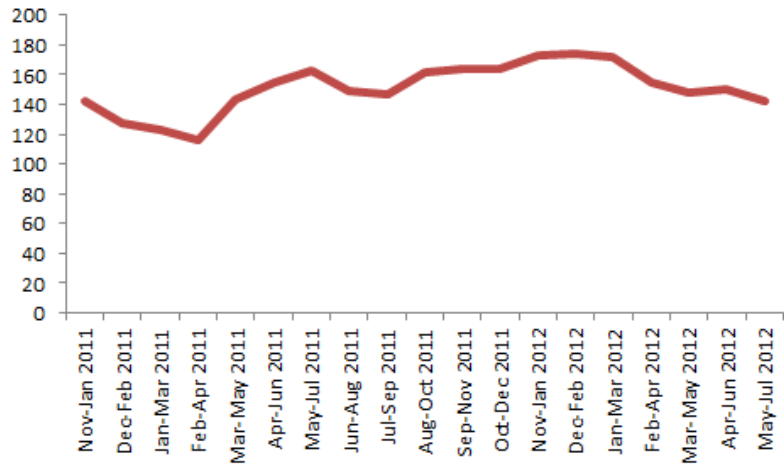


Source: Labour Force Survey - Office for National Statistics

Redundancies

The redundancies estimates measure the number of people who have been made redundant or have taken voluntary redundancy. In the three months to July 2012, 142,000 people had become redundant in the three months before the Labour Force Survey interviews, down 13,000 from the three months to April and down 20,000 from a year earlier. The redundancy rate was 5.7 per 1,000 employees, down 0.5 on the previous quarter and down 0.8 on a year earlier.

Thousands

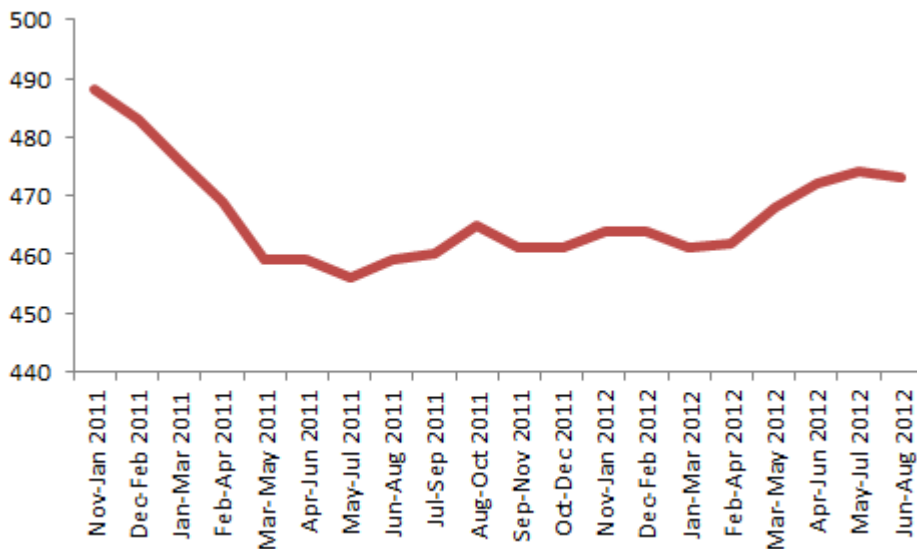


Source: Labour Force Survey - Office for National Statistics

Vacancies

Vacancies are defined as positions for which employers are actively seeking to recruit outside their business or organisation. There were 473,000 job vacancies in the three months to August 2012, up 5,000 on the three months to May 2012 and up 14,000 on a year earlier. There were 1.8 vacancies per 100 employee jobs in the three months to August 2012, unchanged on the previous quarter but up 0.1 on the year.

Thousands



Source: Labour Force Survey - Office for National Statistics



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manage