

Labour Market Report

Number 14 April 2011

Employment

The latest labour market data cover December 2010 to February 2011. Compared with the Sep – Nov figures, the employment level rose by 143,000 to 29,233,000. The employment rate also rose, by 0.2 points to 70.7 per cent.

Compared with last month's figures, there were 76,000 more people in employment, and the employment rate was 0.2 points higher.

Since the start of the recession, employment rates have fallen for most age groups, but younger groups have been harder hit (workers over 65 are the only group to have seen an increase):

Employment rates (%) over the past 2 years

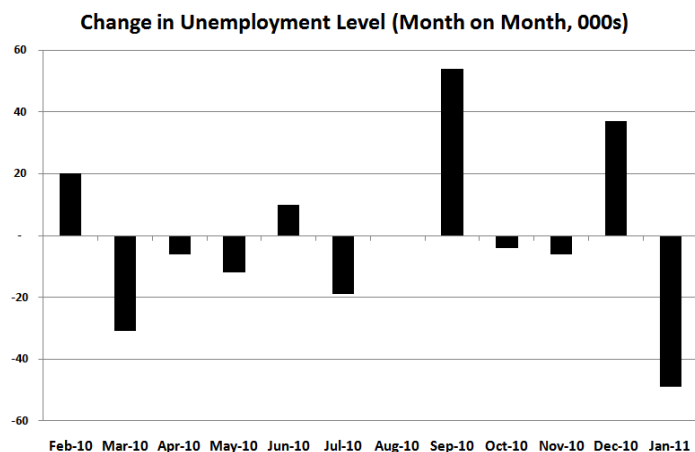
Age group	Jan 2008	Jan 2011	Change
16-17	34.7	23.8	-10.9
18-24	64.9	58.4	-6.5
25-34	80.9	78.9	-2.0
35-49	82.4	81.1	-1.3
50-64	65.6	65.0	-0.6
65+	7.2	8.9	1.7

Unemployment

Unemployment, using the ILO's internationally accepted definition, fell back below two and a half million, to 2,480,000: seventeen thousand lower than in Sep – Nov. The unemployment rate fell 0.1 points to 7.8 per cent.

It is too early to say whether the reduction in overall unemployment is the start of a trend. The Claimant Count measure of people receiving Jobseeker's Allowance rose seven hundred, to 1,450,500 in March. The Claimant Count is reported a month earlier than the ILO measure: just as last month's fall of more than 10,000 gave an indication that ILO figure was about to improve, so this month it suggests that a small adjustment the other way may be in the offing.

In addition, the pattern of monthly changes in ILO unemployment levels is very erratic:



Since the start of the recession, unemployment rates have fallen for all age groups, but again younger groups have been harder hit:

Unemployment rates (%) over the past 2 years

Age group	Jan 2008	Jan 2011	Change
16-17	24.3	38.0	13.7
18-24	11.9	17.9	6.0
25-34	4.6	7.3	2.7
35-49	3.5	5.5	2.0
50-64	3.0	4.8	1.8
65+	1.8	1.9	0.1

Over the Dec 2010 – Feb 2011 period, long-term unemployment, of over 12 months' duration, was essentially unchanged from last month (down 1,000) but up 11,000 from the previous quarter. This increase was almost entirely accounted for by an increase in the number of long-term unemployed women, the figure for men was unchanged.

Men and women

The difference in the experiences of men and women was again a notable feature of the employment figures. First, while the male unemployment rate (ILO measure) fell on the quarter from 8.7 to 8.5 per cent, the rate for women rose from 7.0 to 7.1 per cent.

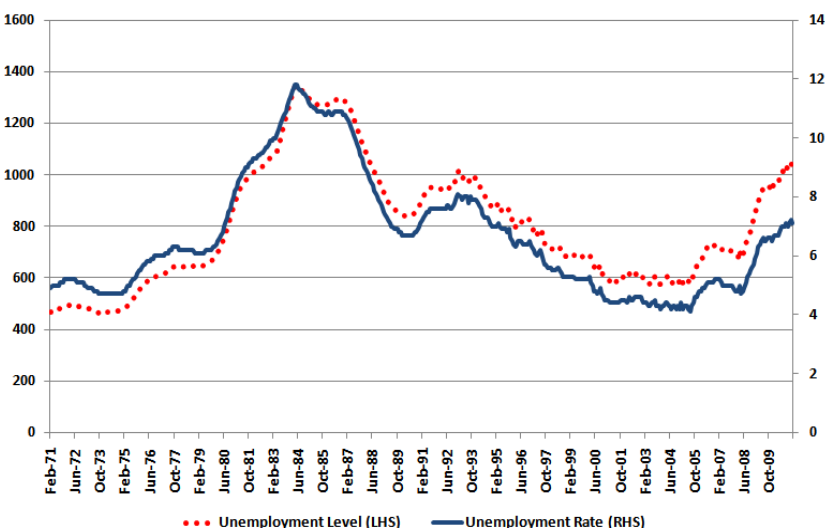
Over the past year, the claimant count has been very stable, and between April 2010 and March 2011 fell by 4.2 per cent, but this overall figure disguises very different results for men and women:

Claimant count - seasonally adjusted

Date	Men	Women	Total
April 2010	1,093,000	421,600	1,514,600
March 2011	988,200	462,300	1,450,500
Change	-104,800	40,700	-64,100
Percentage change	-9.6	9.7	-4.2

It is often remarked that the increase in unemployment is less marked than might have been expected from previous recessions, given the loss of overall output. This is true for over levels of unemployment and for men, but for women the unemployment rate is much closer to the 1990s recession and the unemployment *level* has already surpassed it:

Women's Unemployment



Vacancies and redundancies

The number of vacancies fell again, from 496,000 in Dec – Feb to 482,000 in Jan – Mar (provisional figure). This total still includes temporary census jobs; excluding them, there were 463,000 jobs available. The number of unemployed people per vacancy remained unchanged at 5.0.

The 'want work rate'

The number of working age people counted as economically inactive fell by 71,000 on the quarter and there were 2,351,000 economically inactive people said they wanted jobs. Taken with unemployed people, this means that 4,831,000 people wanted a job but did not have one. The "Want Work rate" was 14.2 per cent.

Atypical employment

The number of people in involuntary atypical work fell again. The total of people in temporary jobs because they could not find permanent ones or in part-time jobs because they could not get full-time employment fell by 8,000.

There was a shift away from atypical work. Compared with the previous quarter:

- The number of employees was 140,000 higher while the number self-employed was up 12,000;
- The number of unpaid family workers was down 2,000;
- The number working full-time was up 140,000, but the number working part-time was up 3,000.

Pay

In March, average total weekly pay (that is, including bonuses) was £448 and the annual growth rate was 2.0 per cent. Average regular weekly pay (i.e. excluding bonuses) was £432 – growth rate 2.2 per cent.

Private sector pay was lower than this, with an annual growth rate of just 1.9 per cent in February, down from 2.4 per cent in January. Manufacturing was even lower, with an annual growth rate of 1.2 per cent.

