



UK Recruitment Market Outlook

September 2019 update

A summary of the latest market data for the UK recruitment/labour sector

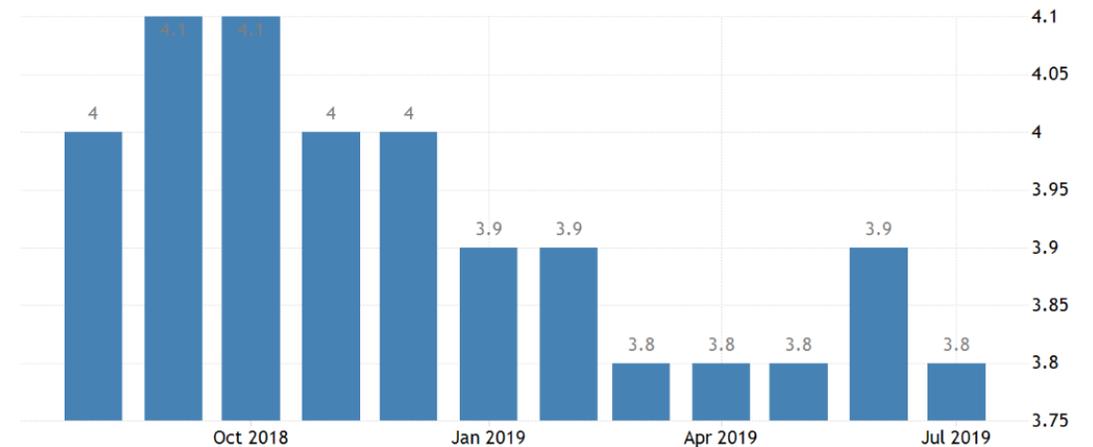
Unemployment falls again

The 0.1% increase in unemployment announced by the ONS in August for the April-June period was recovered in May-July where unemployment dropped by 11,000 to reduce the jobless rate back down to 3.8%

Unemployment -0.1% to 3.8%

Media coverage of the fall in unemployment was not as prominent as the coverage last month of the rise in unemployment.

Media coverage focussed on wages growth which was also contained in the ONS report (see next page)..



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Wage growth stays strong as unemployment falls

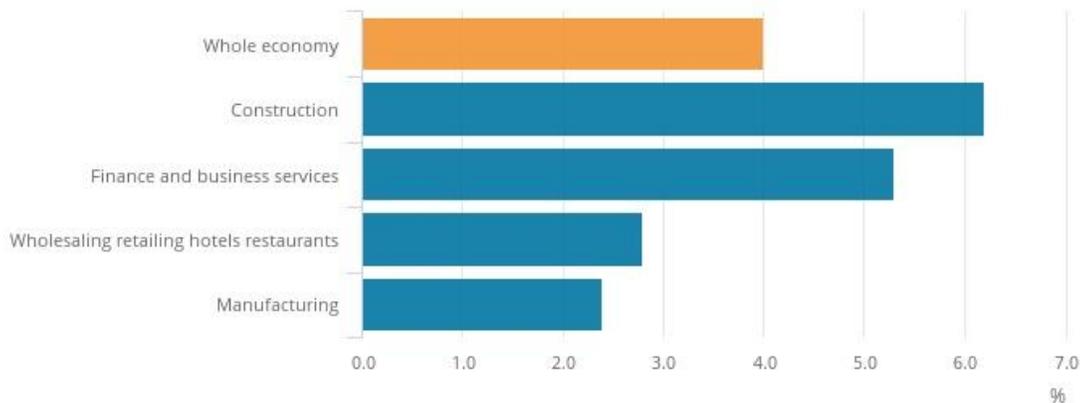
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Wages growing above inflation

The ONS report released on 10th September announced that Earnings excluding bonuses grew by 3.8% in May-July 2019 and, Including bonuses, wages rose at an annual pace of 4% - the highest rate since mid-2008.

Wages in Construction and Finance/Business Services are growing well ahead of other sectors



Source: Office for National Statistics. Margin of error: $\pm 0.5\%$

BBC

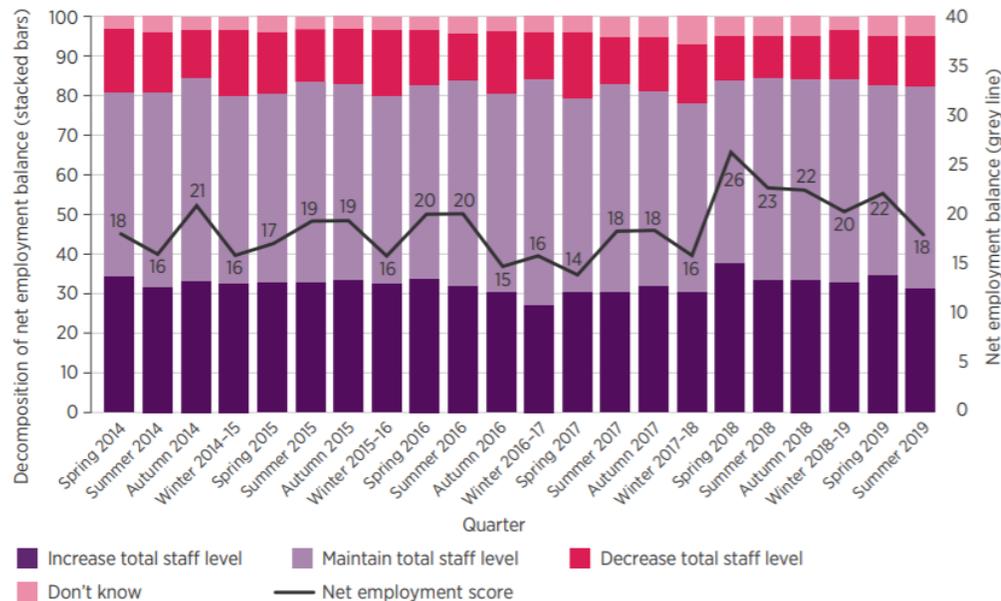
Employers remain positive

The CIPD quarterly labour market outlook released on 12th August showed that, despite the economic sentiment, UK Employers continue to have positive future hiring intentions – with those planning to increase levels of staff being 18 points higher than those seeking to decrease staff levels.



Net future employment +18

Figure 1: Decomposition of net employment balance over time



Base: summer 2019, all employers (n=2,104).

This quarter's net score is a decrease from the +22 recorded in the Spring of 2019 and is the lowest since the winter of 2017/2018.

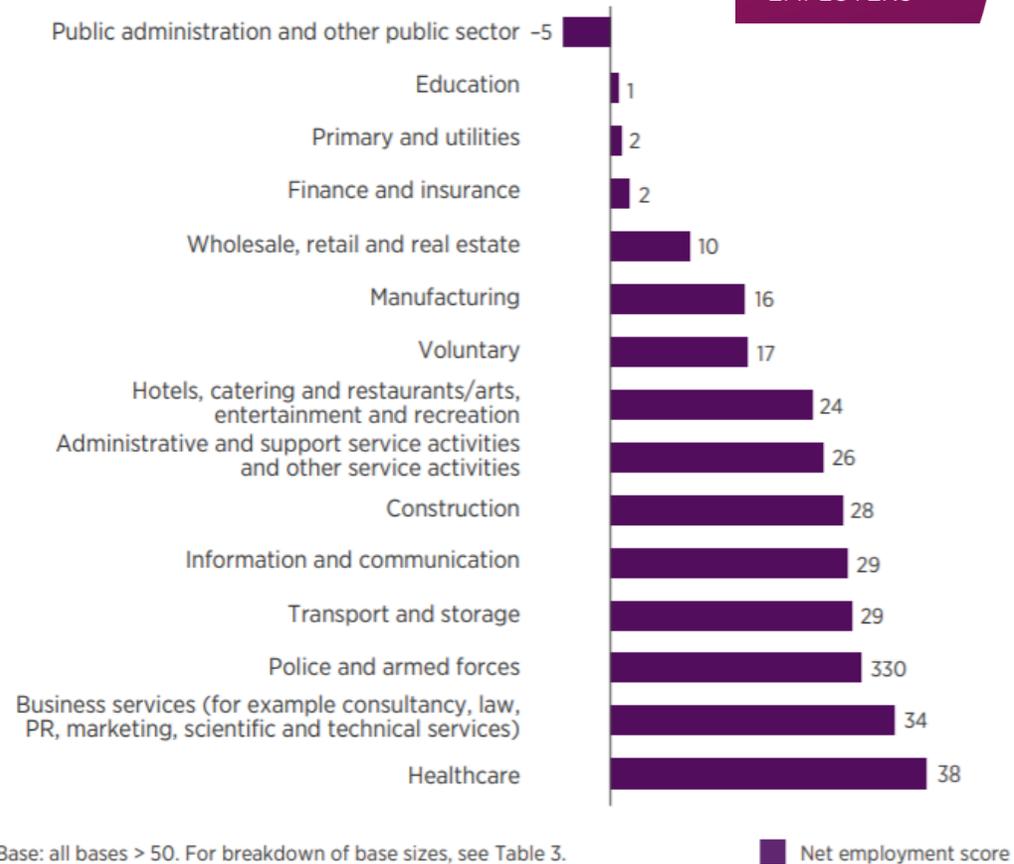
The overall figure also hides key movements within certain sectors (keep watching...)

High demand in Healthcare

While the overall score is a net +18, the scores within specific sectors range from net +38 to -5.

Healthcare is the sector with the highest net positive score (+38) followed by Business Services (+34), Police (+33) and Transport (+29). The public sector has the lowest score at -5.

Figure 3: Net employment score, by sector (%)



Lower candidate applications

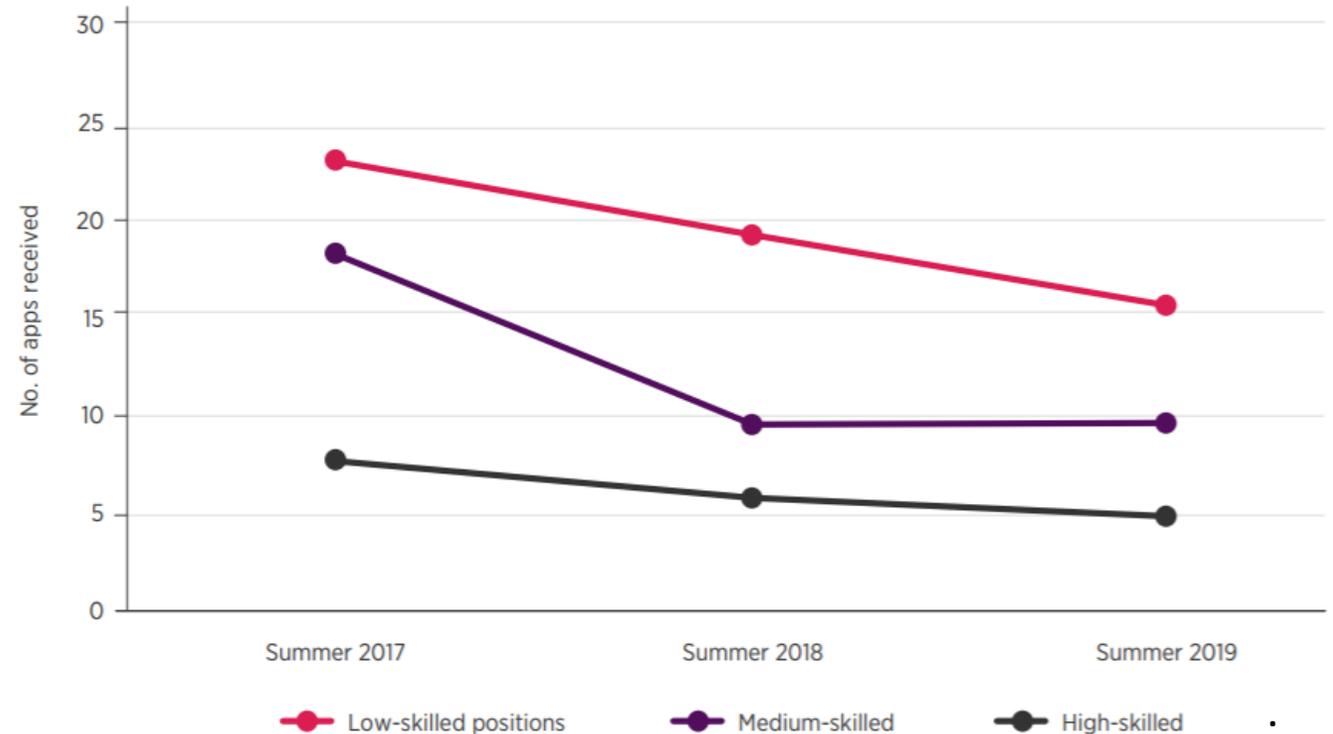
The CIPD survey reports that employers received 16 applicants for the last low-skilled position they recruited for, compared with 20 in Summer 2018.

The average number of applications received by employers for the last medium or high-skilled role they advertised remain relatively unchanged.

Of organisations currently hiring, 67% report that at least some of these vacancies are proving difficult to fill (compared with 66% in Summer 2018).



Figure 7: Median number of applications received for most recently filled role, by skill level



A handy summary

The drop in unemployment shows the UK labour market is not cooling yet

Employer sentiment remains positive with a +18 hiring intention

Healthcare, Business Services and Transport have high demand

Falling candidate applications demonstrate tightness in labour supply

Wages are growing particularly in Construction and Business Services



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