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**Pertemps
Network** 

 **British
Chambers of
Commerce**

Labour Market Trends: September to November 2024 Overview

Between September to November 2024, wage growth remained strong, unemployment and employment levels both rose, and economic inactivity marginally fell but remains high. These trends suggest a cooling labour market but the challenges associated with activating the finite labour supply persisting.

Key Labour Market Indicators

	Rate	Number (000s)	Change on quarter (% change)	Change on year (% change)
Employment (000s, aged 16 - 64)	74.8%	33,783	+36,000 (+0.1%)	+438,000 (+1.3%)
Unemployment (000s, aged 16+)	4.4%	1,568	+133,000 (+9.3%)	+186,000 (+13.5%)
Youth Unemployment (000s aged 16 - 24)	14.5%	628	+31,000 (+5.2%)	+102,000 (+19.4%)

Source: Labour Force Survey from the Office for National Statistics

Overall Trends:

- **Market Overview:** Between September to November 2024, wage growth remained strong, unemployment and employment levels both rose, and economic inactivity marginally fell but remains high. These trends suggest a cooling labour market but the challenges associated with activating the finite labour supply persisting.
- **Employment rate 74.8% :** The UK employment rate for ages 16 - 64 stood at 74.8%, this is down on the quarter, unchanged from last year.
- **Unemployment rate 4.4%:** The unemployment rate for people aged 16+ is 4.4%, up 0.1% on the quarter.
- **Economic Inactivity 21.6%:** The economic inactivity rate (people not seeking work) slightly decreased to 21.6%, mainly due to fewer individuals citing caring responsibilities or health issues as reasons for inactivity.

1. Employment and Unemployment Rates:

- o The UK employment rate for ages 16 - 64 stood at **74.8%**, this is down on the quarter, unchanged from last year.
- o The unemployment rate for people aged 16+ is **4.4%**, up 0.1% on the quarter.

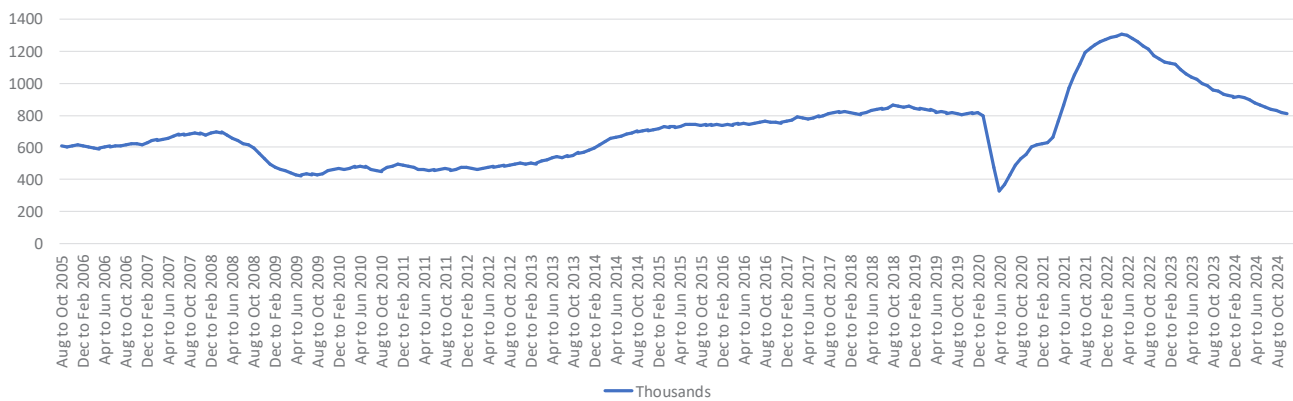
2. Economic Inactivity and Vacancies:

UK economic inactivity rate for people aged 16-64 years was estimated at **21.6%** between September to November 2024, slightly down on the quarter and the year.

- o The economic inactivity rate (people not seeking work) slightly decreased to **21.6%**, mainly due to fewer individuals citing caring responsibilities or health issues as reasons for inactivity.
- o Vacancies fell by 24,000 in the last quarter to 812,000, continuing a 30-period trend of declining job openings.

The estimated number of vacancies fell on the quarter, for the 30th consecutive period, to 812,000

Number of vacancies in the UK, seasonally adjusted,
Aug to Oct 2005 to Aug to Oct 2024



Source: Vacancy Survey from the Office for National Statistics

3. Wage Growth and Inflation Adjustments:

- o Average earnings were **5.6%** annually for regular pay (excluding bonuses), with real-term (inflation-adjusted) growth at 2.5%.

The rate of growth in Median Pay is lower in 2024 than the high rates seen through 2023

Percentage change month-on-month in previous year, seasonally adjusted, UK, Oct 2015 to Dec 2024 (estimated)

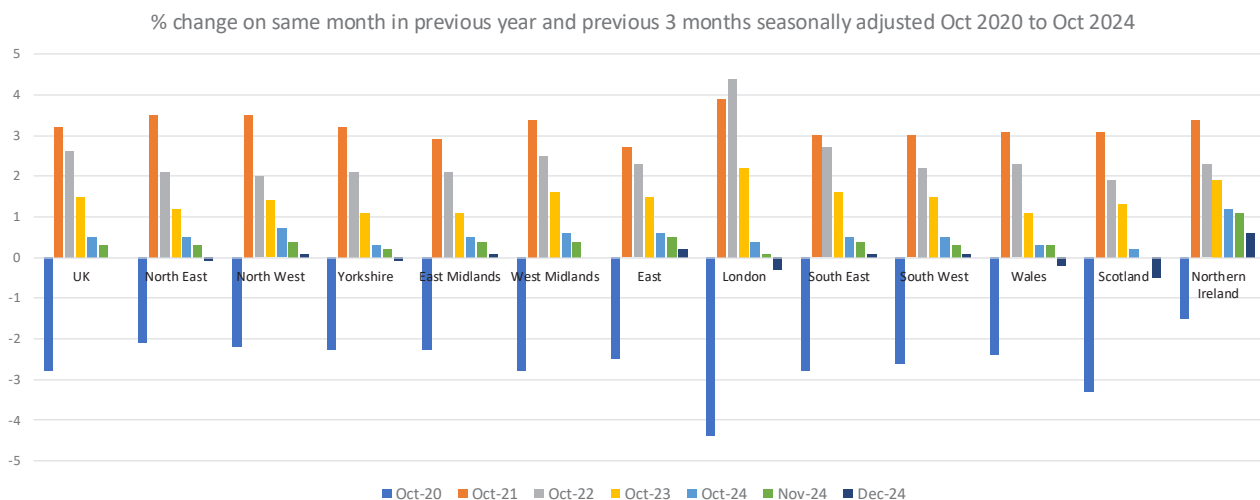


Source: PAYE Real Time Information for HMRC

4. Regional Employment Variations:

- o Employment increased notably in the East of England (+72,000), the East Midlands (+24,000) and Yorkshire and the Humber (+16,000). Some regions, however, experienced declines, such as London (-42,000), North West (-26,000) and South West (-14,000).
- o Unemployment also rose in certain regions. With East Midlands, North East, Scotland and Northern Ireland seeing the only decrease in unemployment levels.

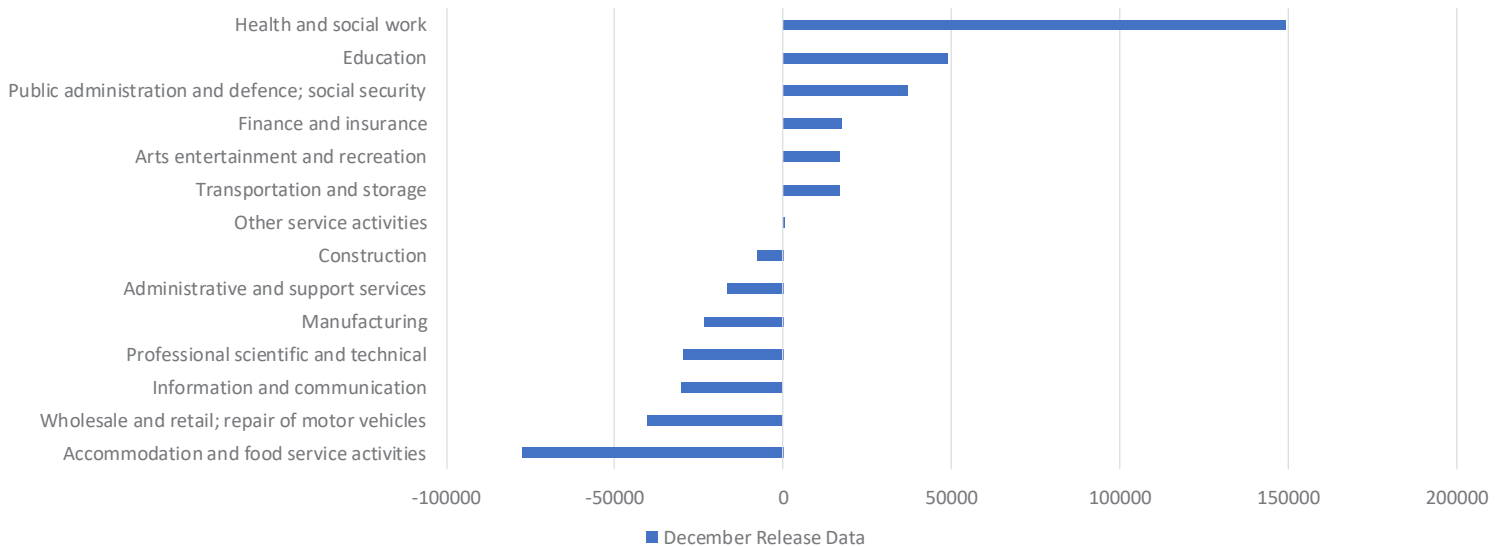
Higher growth still seen in Northern Ireland, but employee growth declines in other regions in line with UK average



Sector-Specific Vacancy and Pay Trends:

- **Sector Vacancies:** Sectors with the highest demand include Human health and social work (139,000), wholesale and retail and motor trade (94,000) and accommodation and food service activities (September to November 2024).
- **Pay Trends by Sector:** Pay growth was joint highest in manufacturing, wholesale and retail, and finance and business service (6.0%). While the public sector excluding financial services, saw the lowest growth (4.2%).

Payrolled employees, absolute change on November 2023 seasonally adjusted UK,
November 2024



This streamlined report provides you with actionable insights into the labour market’s current state and practical steps to navigate ongoing challenges effectively. By focusing on key indicators and sector-specific insights, should assist you in any strategic decisions that support sustainable growth amid an evolving workforce landscape.

Carmen Watson, Chair of Pertemps Network Group, said: *“The latest data shows a modest increase in the unemployment rate, indicating a rising demand for talent across all sectors.*

“As businesses plan for an increase in employment costs, strategic foresight will be key to navigating the challenges posed by the upcoming changes announced in the Budget.

“By partnering with a recruitment expert, businesses can navigate these difficulties more effectively and secure the best talent in a competitive environment.”

Reacting to the latest ONS Labour Market data, **Jane Gratton, British Chambers of Commerce Deputy Director Public Policy,** said: *“The labour market continues to be challenging for many businesses, with wage growth continuing to rise as firms compete for skilled workers. This is a concern as they face a significant rise in employment costs in April.*

“However, there are also signs of further loosening as unemployment ticks up, vacancies continue to fall and economic inactivity dips.

“The full impact of the changes to national insurance and the minimum wage, announced at the Budget, won’t be fully seen until later in the year. However, the warning lights on recruitment, employment and training are already flashing.

“Our latest survey paints a worrying picture of weak workforce growth, persistent hiring difficulties and cuts in workplace training. It also revealed that 55% of firms are planning to put up prices, with labour cost the main driver.

“To grow the economy, we need businesses and the workforce to thrive. Government must ease the cost-pressures on firms so they can invest in people. Working proactively with employers to tackle the long running skills crisis is likely to become even more important in the months to come.”



LET'S WORK TOGETHER



Working with a recruitment specialist to supply workers can improve your organisation's efficiency and productivity - and reduce costs.

The rhetoric that agencies cost more is not true in many cases.

We've developed the Pertemps Iceberg Challenge to show that what you pay to direct employees is just the tip of the iceberg, with significant additional employment costs lurking out of sight.

Working with an agency, there are no hidden costs.

Contact us at hello@pertemps.co.uk or **0808 164 1152** to take the Iceberg Challenge and see how Pertemps can start saving you money on your people costs.

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