

UK Labour Market Update

Jack Kennedy

Senior Economist





<https://www.hiringlab.org>

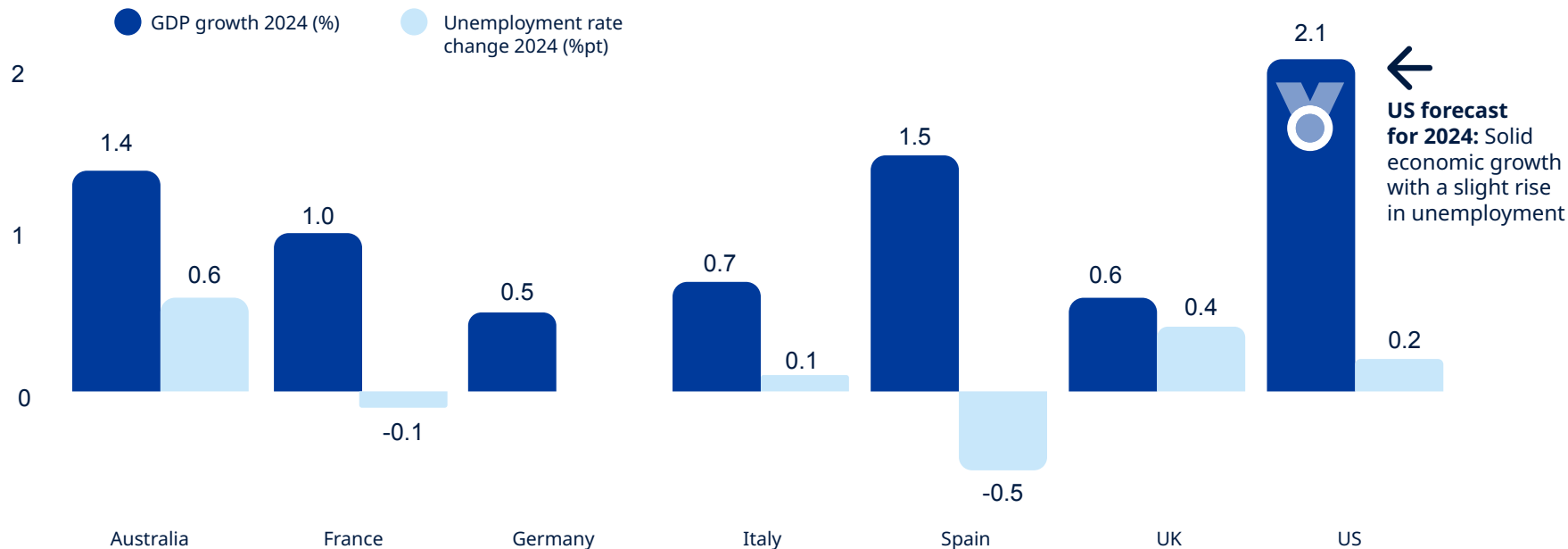


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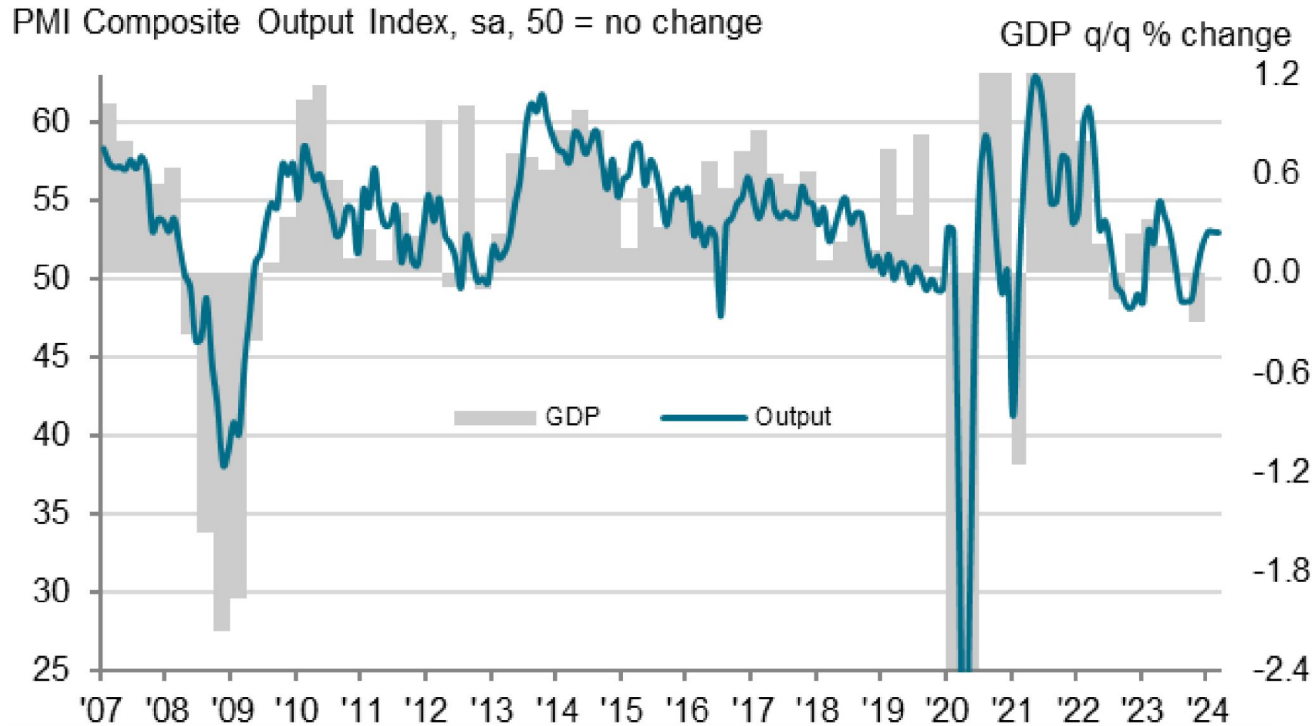
Economic Research **by Indeed**

Economic forecasts are mixed

International Monetary Fund forecasts for 2024



UK economy **moves out of recession** in Q1?

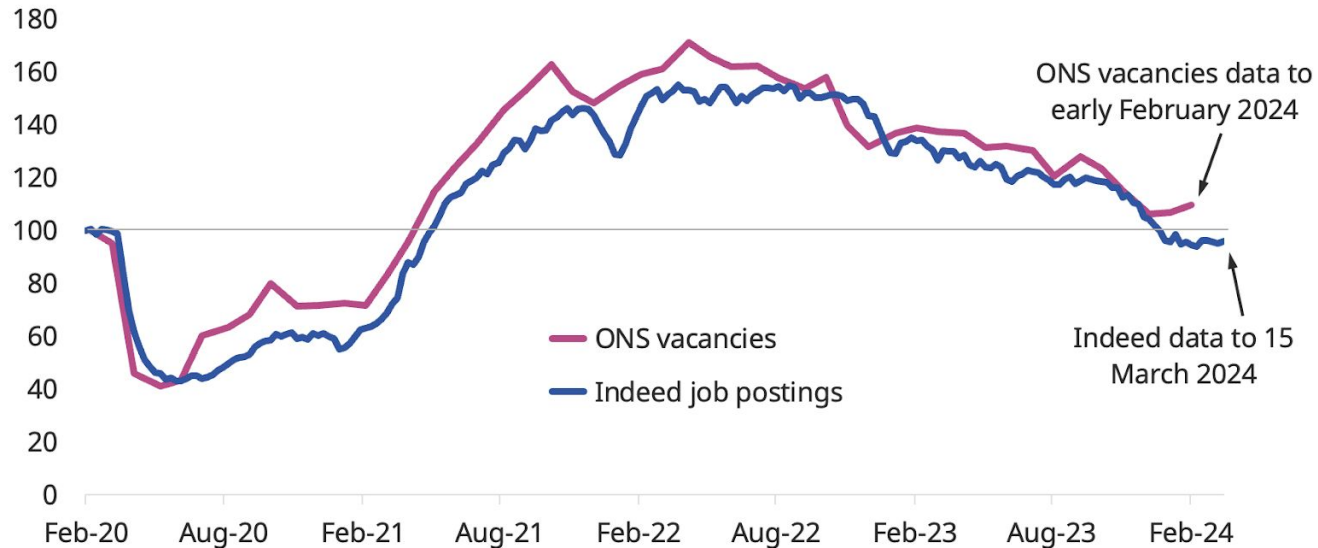


Source: S&P Global

The labour market
has slowed, but
not crashed

UK job vacancies **have slowed**

ONS vacancies (monthly) vs. Indeed job postings (weekly)
(Index, Feb 2020 = 100)



Source: Indeed, ONS.

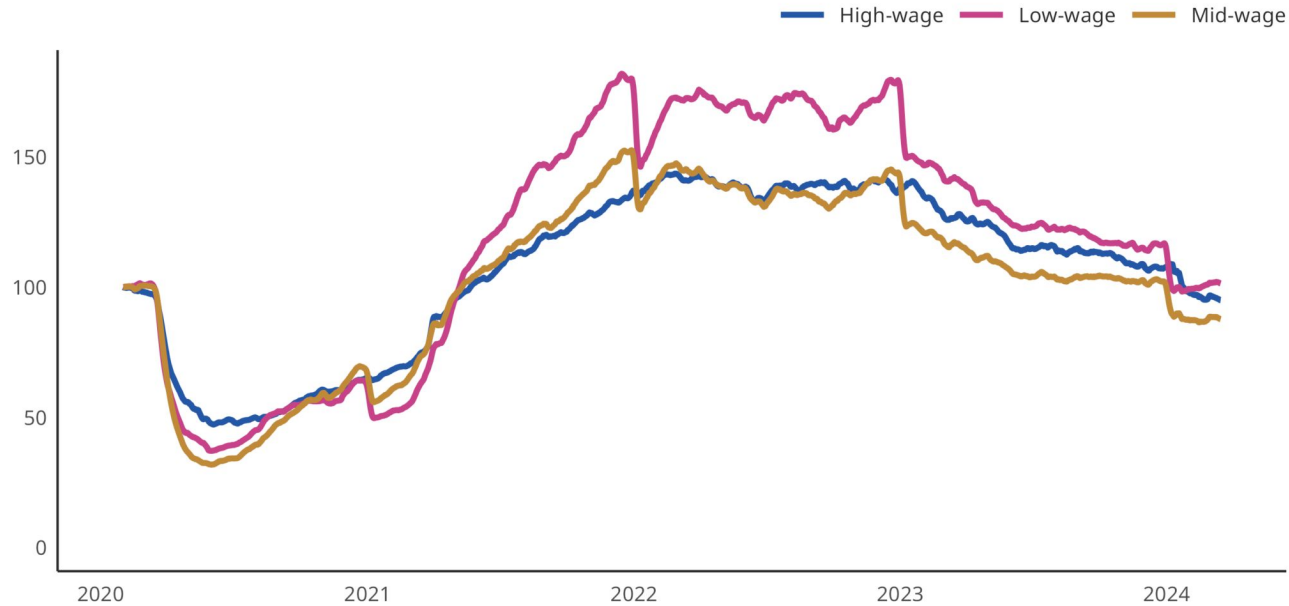
Indeed job postings are weekly counts (not seasonally adjusted).

ONS vacancies are monthly estimates from business surveys.



Mid-wage job postings are **trending weakest**

Job Postings Index on Indeed, UK, 1 Feb 2020 = 100, seasonally adjusted, to 15 Mar 2024

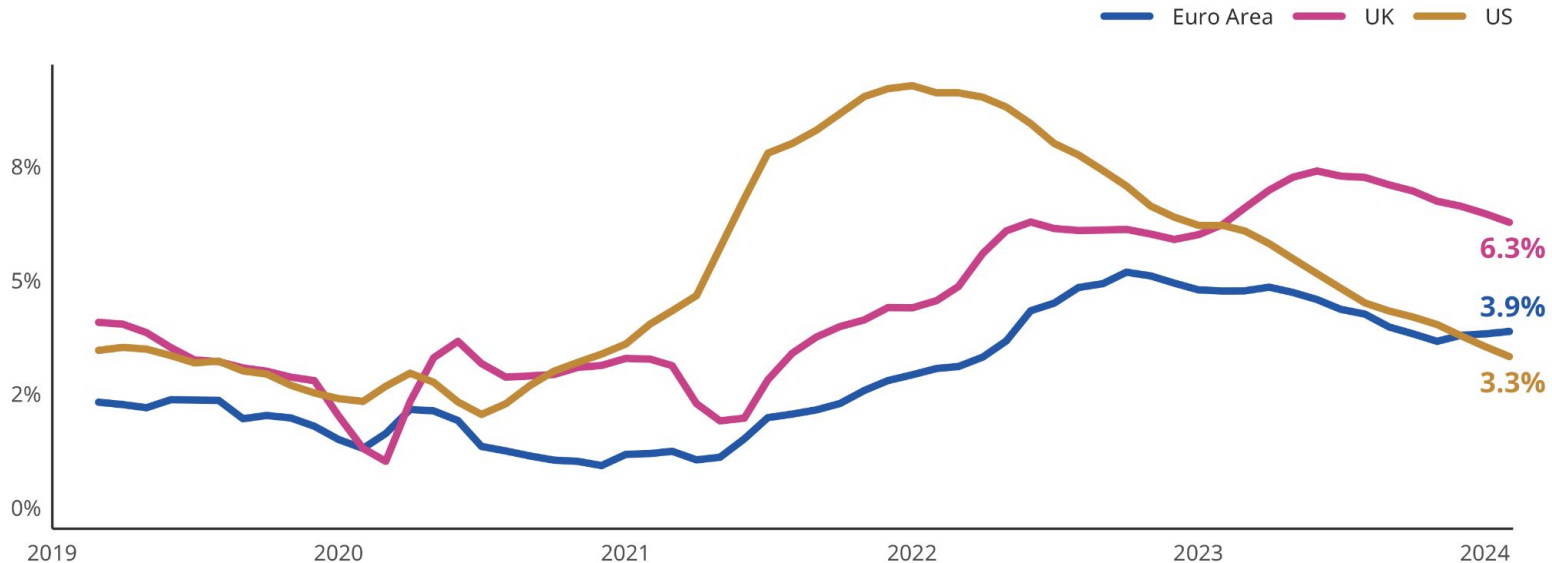


Source: Indeed



Wage growth key to timing of **interest rate cuts**

Year-on-year growth in posted wages to Feb 2024



Source: Indeed Wage Tracker

Strong wage growth in **low-paid categories**

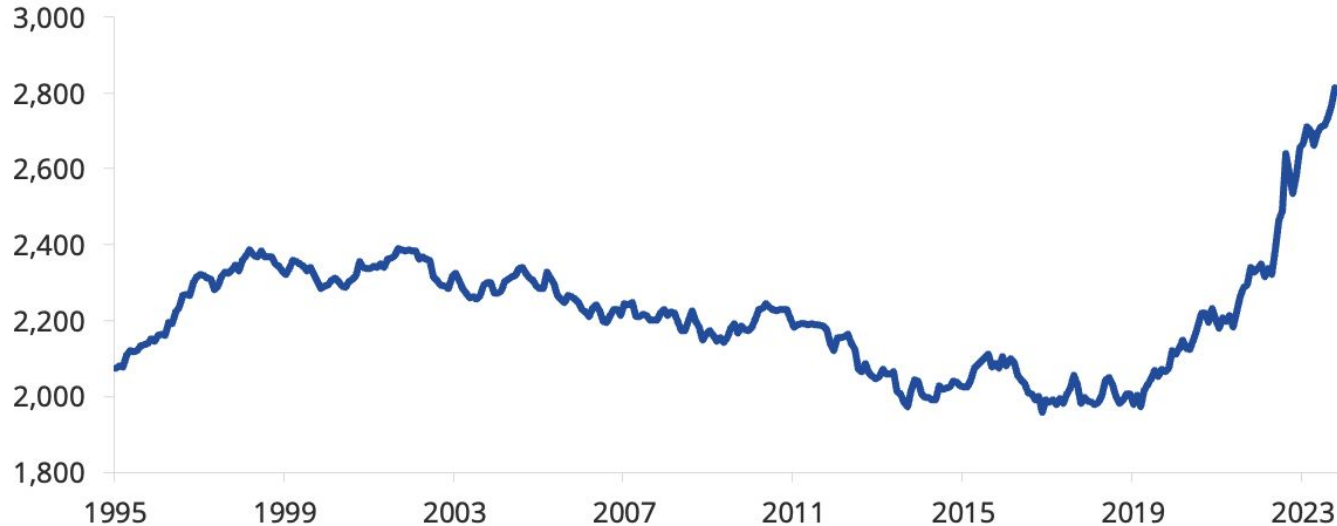
Change in UK posted wages, selected categories

Occupation	y/y growth in posted wages, Feb-24
Childcare	9.4%
Retail	8.1%
Cleaning & Sanitation	7.9%
Production & Manufacturing	7.4%
Security & Public Safety	7.2%
Installation & Maintenance	7.1%
Food Preparation & Service	7.1%
All jobs	6.3%
Construction	4.6%
Therapy	4.6%
Human Resources	4.4%
Information Design & Documentation	3.3%
Marketing	3.2%
Medical Technician	2.7%
Software Development	0.1%

Source: Indeed Wage Tracker

Long-term sickness **weighs on labour supply**

People economically inactive due to long-term sickness, aged 16-64, thousands, seasonally adjusted



Source: ONS

Soft **landing?**

On track for a soft landing? **Three things to watch**

01

Interest rates

High enough to ensure low inflation but not hinder growth

02

Layoffs

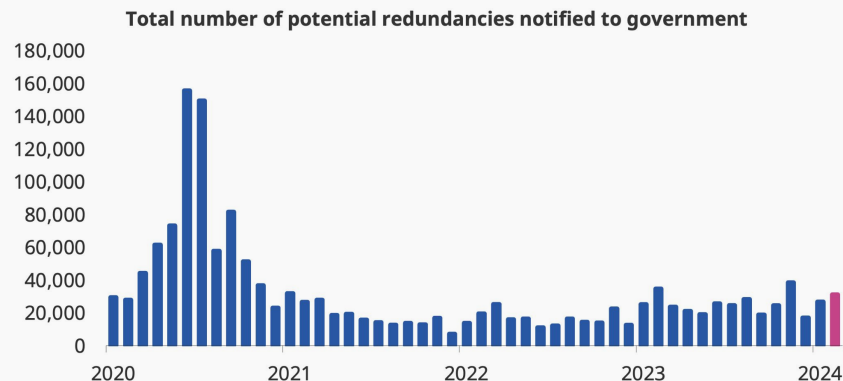
Need to stay low to keep unemployment in check

03

Geopolitics

A constant source of risk for the global economy

Redundancy notifications remain modest



Takeaways

01

Tight labour market (still)

We're past the peak but normalising, not crashing

02

Inflation and wage growth are falling but remain high

Interest rates likely to stay high a while longer

03

A soft landing remains possible

UK economy looks to have exited recession in Q1 and layoffs remain low, though there are still risks