

# UK labour market update

May 2025

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<https://www.hiringlab.org>



# Hiring Lab

Economic Research **by Indeed**

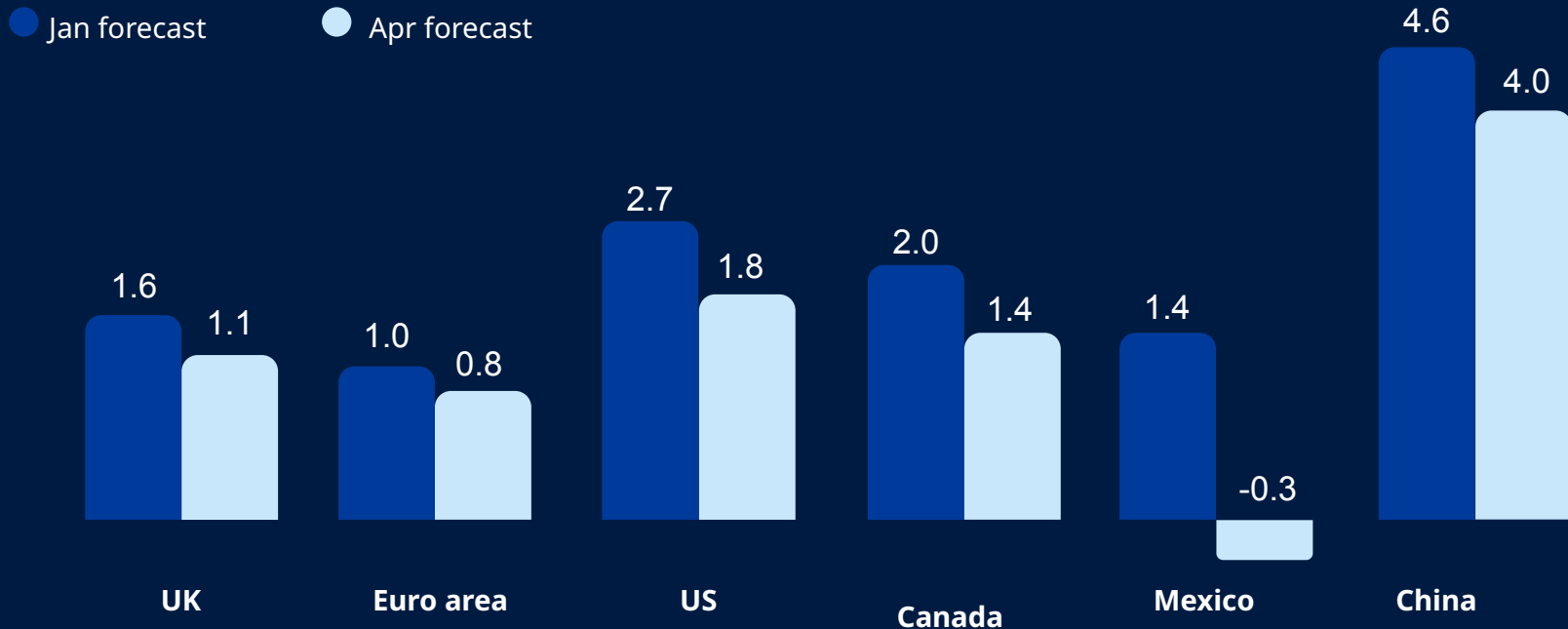
Trump is softening his tariff talk. But the damage may already be done.

With markets and tariffs, the only certainty is uncertainty

US and UK seal first deal of Donald Trump's trade war

# Economic forecasts have been downgraded

## IMF forecast for 2025 GDP growth (%)



# UK policy changes

## Headwinds

### **National Insurance Contributions**

Employers NICs rise from 13.8% to 15%, salary threshold reduced to £5k

### **National Living Wage**

6.7% increase to main rate, larger increases to youth rates

### **Workers' Rights Bill**

Range of employment reforms but not expected to take effect until at least 2026

## Tailwinds

### **Public sector hiring**

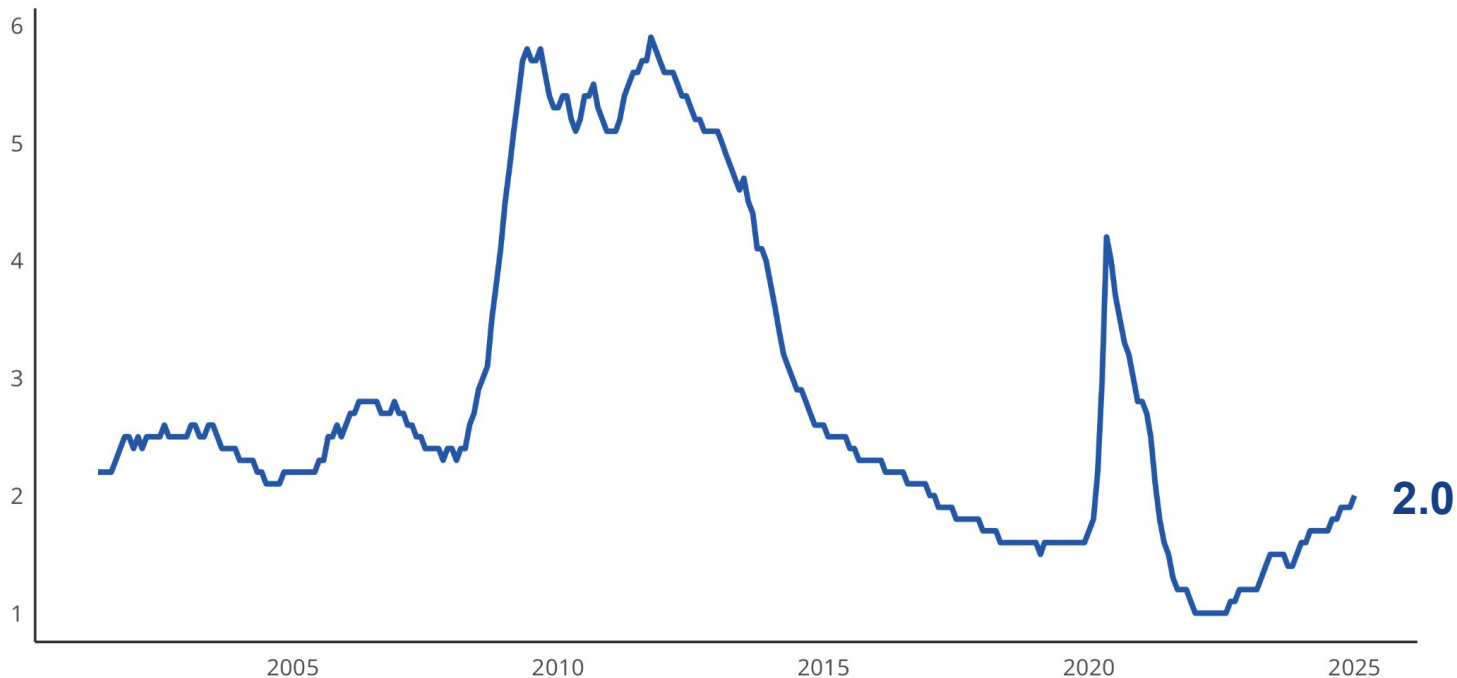
Eg. recruitment boost to teachers, police officers etc

### **Wider economic plans**

Eg. housebuilding, infrastructure, green energy

# Labour market has gradually loosened

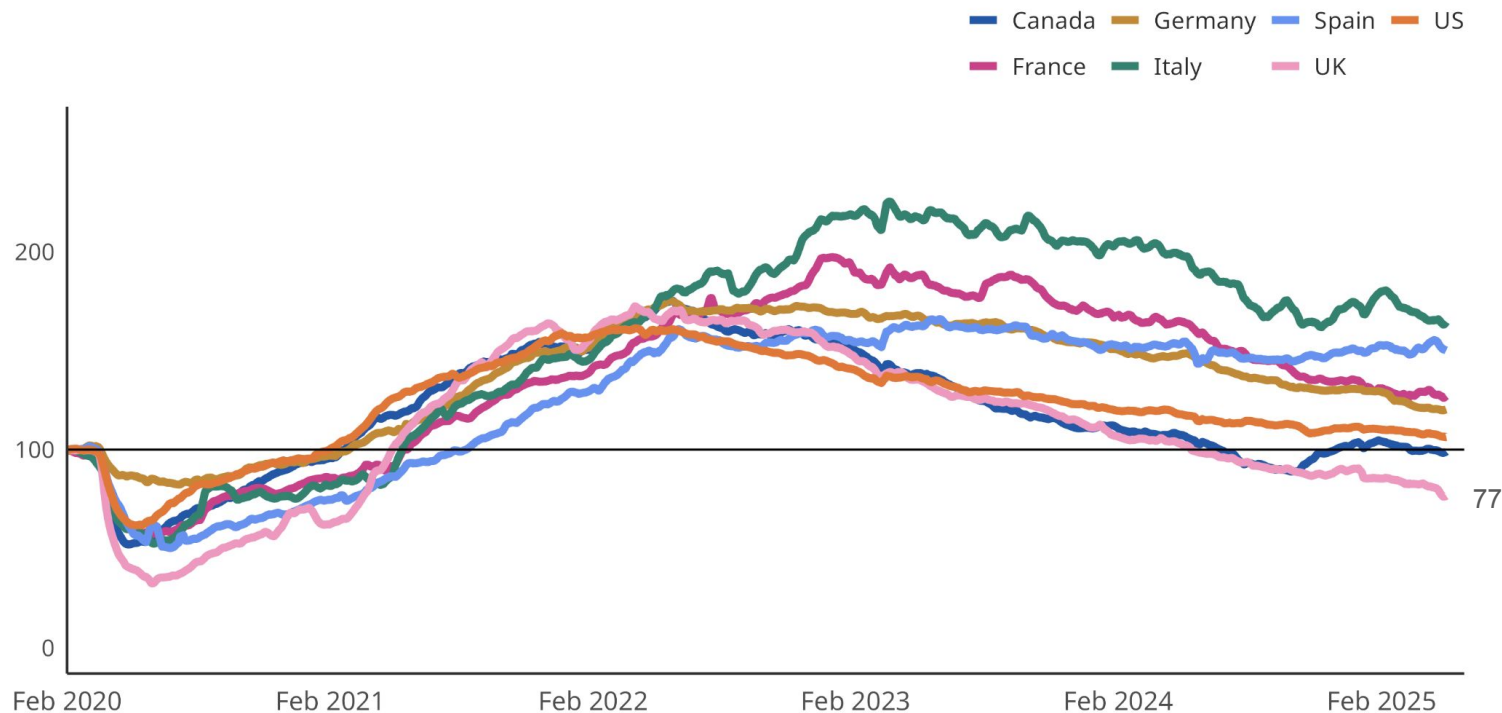
Ratio of unemployed people to vacancies, to February 2025



Source: ONS

# UK job postings lag European economies

Indeed Job Postings Index (JPI), seasonally adjusted, to 2 May 2025



Source: Indeed Job Postings Index

# Sectoral strength varies

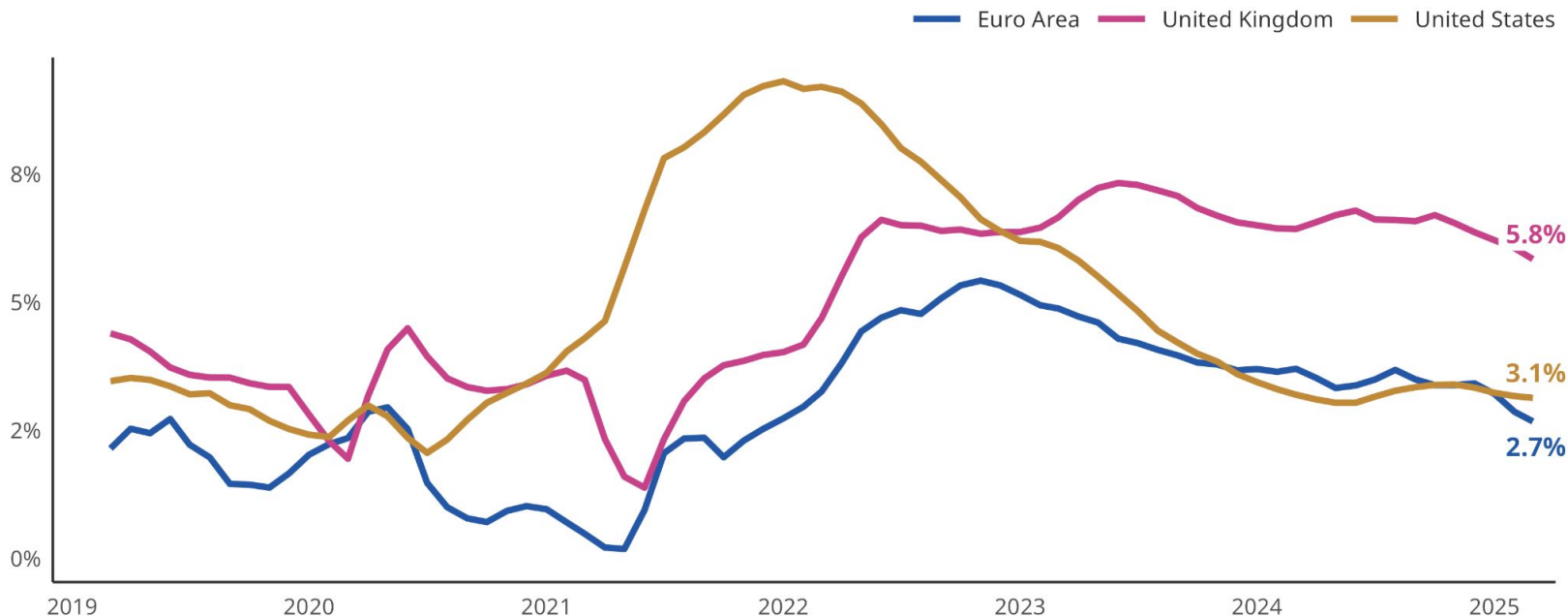
Indeed Job Postings Index (JPI), UK, seasonally adjusted

Occupation	Index, 2 May 2025	Change since 2 May 2024, pts
<strong>Strongest</strong>		
Education & Instruction	141	-53
Real Estate	141	-28
Social Science	124	-78
Legal	120	9
Dental	114	-33
Mechanical Engineering	113	-27
Cleaning & Sanitation	112	-22
<strong>Weakest</strong>		
IT Operations & Helpdesk	55	-17
Medical Information	55	-39
Information Design & Documentation	54	-12
Media & Communications	53	-23
Software Development	53	-12
Beauty & Wellness	43	-8
Nursing	37	-58



# UK posted wage growth has eased, but remains strong

Year-on-year growth in posted wages to Mar 2025 (3-month average)



Source: Indeed Wage Tracker ([github.com/hiring-lab/indeed-wage-tracker](https://github.com/hiring-lab/indeed-wage-tracker))

The data are monthly median year-on-year growth rates in advertised wages and salaries across job title-region-salary type combinations. The euro area series is an employment-weighted average of France, Germany, Ireland, Italy, the Netherlands and Spain.



# Takeaways

- 01 Global uncertainty adds to existing economic headwinds**  
Tariffs turmoil follows rise in UK employment costs taking effect
- 02 Labour market has continued to cool**  
UK job postings have continued to decline and lag other economies
- 03 UK wage growth remains high but is gradually easing**  
Sustained slowing could pave way for faster interest rate cuts

# Indeed **Hiring Lab**

Hiringlab.org



## Global Market Trends

US, UK, France,  
Germany, Ireland,  
Canada & Australia



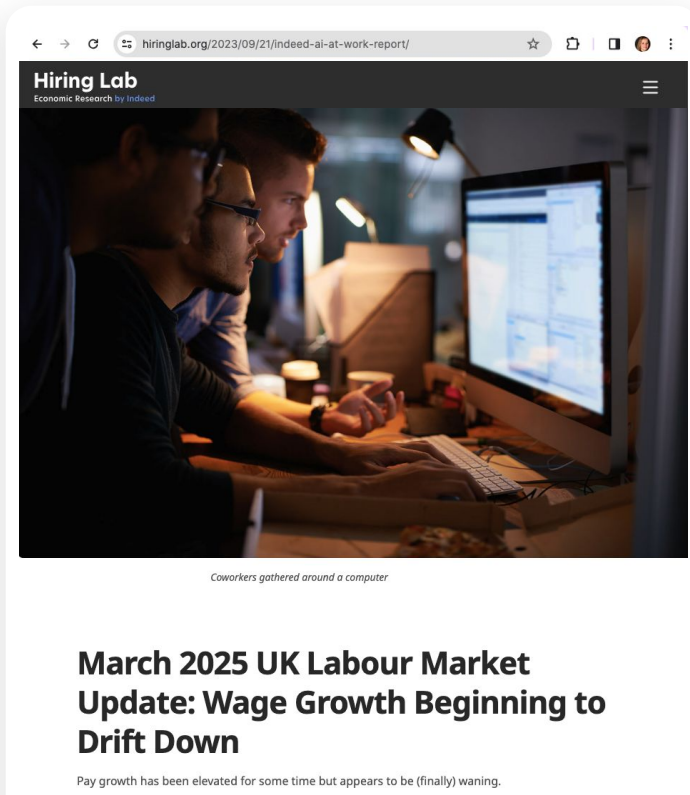
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