



June 2013

# labour market update

## Employment rises but real wages continue to fall

This month's data contains positive news for the labour market, with employment rising by 24,000 on the previous quarter and full-time employment accounting for just under two thirds of this increase.

The number of jobs advertised also continues to increase, reaching 516,000 over the period March to May 2013. This is the highest number recorded since 2008.

While unemployment fell by 5,000 on the quarter, long-term unemployment remains an issue. Over a

third of the unemployed have been out of work for at least a year, an increase of 17,000 since last year.

Inactivity has risen by 40,000 on the previous quarter, again driven by an increase in economically inactive students.

A large weakness in the labour market continues to be real wages, with annual wage growth excluding bonuses at 0.9 per cent. While this represents a 0.1 percentage point increase on last quarter, prices are still increasing faster than earnings, with wage growth around one third of inflation.

**Table 1: Key statistics**

	Reference Period	Rate
Unemployment (ILO)	Feb 13-Apr 13	7.8%
Claimant Count	May 13	4.5%
Employment	Feb 13-Apr 13	71.5%
Y-o-Y Average Weekly Wage Growth	May 13	1.3% inc bonus 0.9% exc bonus

## Spotlight on Oxford

Oxford has seen the smallest yearly fall of any city in its youth claimant count rate, of only 0.2 percentage points. Great Britain as a whole has seen a fall in the year of 0.9 percentage points, with all cities experiencing a fall in their youth claimant count rate.

Despite its small fall, Oxford has the lowest youth claimant count rate of any city of 1.3 per cent. This is due to its historically low rate, which has remained low and relatively stable since the start of the recession.

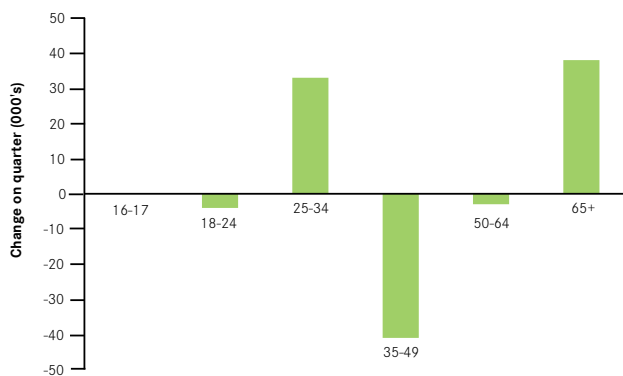
See more city by city comparisons at [www.citiesoutlook.org](http://www.citiesoutlook.org)

## Rise in employment confined to those aged 25-34 and 65 plus

As noted above, there has been a recent rise in employment. However, the only age groups that have seen an increase in employment on the previous quarter are those aged 25-34 and those aged 65 plus, as shown in Figure 1.

Following an increase of 38,000 on the previous quarter, the number of people aged 65 plus in employment has risen to over one million for the first time. This is a reflection of more people in this age group staying on in work and of more people of this age group in the population.

**Figure 1: Employment by age group**



Source: ONS

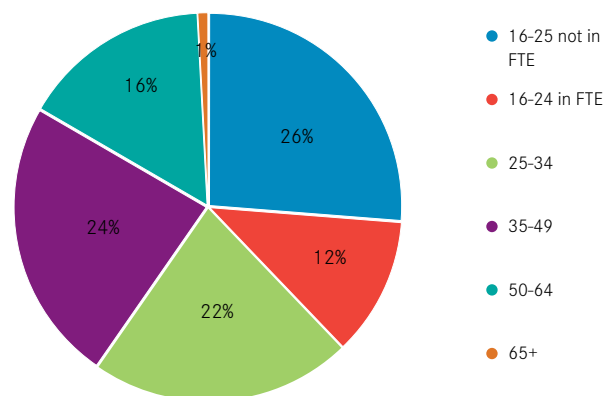
It is also interesting to note that despite the rise in full-time employment, 18 per cent of those working part-time would prefer full-time work. This is the highest share ever recorded.

## 16-24 year olds account for the highest share of the unemployed group.

Figure 2 shows a breakdown of unemployment by age group. At just under 40 per cent, 16-24 year olds account for the largest share of the unemployed group.

However, of the 951,000 unemployed 16-24 year olds, one third are in full-time education. 16-24 year olds unemployed and not in full-time education account for just over a quarter of the national unemployed. Those aged 65 plus account for the smallest share of the unemployed group, at just under 1 per cent.

**Figure 2: Unemployment by age group**



Source: ONS

## Public sector employment continues to fall

The latest data on the public sector shows that during the first quarter of 2013 public sector employment continued to decrease, falling 22,000 to 5.7 million. 19 per cent of people in employment currently work in the public sector, the lowest proportion since 2001.

In contrast, private sector employment rose by 46,000 to 24.1 million in the first quarter of 2013, more than enough to offset the fall in public sector employment.

Average wage growth in the two sectors has been very similar, with pay including bonuses rising by 1.2 per cent in the public sector and by 1.3 per cent in the private sector.

## Claimant count rates continue to fall

The largest 64 cities have seen a fall in their claimant count rates on the previous month. This is on trend with Great Britain as a whole, which has seen its claimant count rate fall 0.1 percentage points on the previous month to 3.6 per cent. Table 2 below shows the cities that have seen the smallest and largest share of claimants ending a claim (off-flows) on the month for JSA.

The data highlights that the cities that have seen the lowest share of claimants ending a claim are also those with the highest claimant count rate. For example, Hull had the highest claimant rate in May 2013 of 8.3 per cent, and also had a low proportion of claims ending during the month of only 14 per

cent. In fact, seven of the top 10 cities that have seen the lowest proportion of claimants leave JSA also feature in the top 10 cities with the highest claimant rate.

The relationship between cities that have seen the highest share of claimants ending a claim and those with the lowest claimant count rate is less extreme. For example Telford and Blackburn are among the cities that have seen high proportion of claimants leave JSA, but their claimant count rates are above the average of Great Britain at 4.0 per cent and 4.3 per cent respectively.

Bournemouth has seen the highest proportion of claimants ending a claim, at 30.0 per cent.

**Table 2: Claimant count off-flows**

### 10 cities with the highest proportion of claimants ending a claim

City	Claimant count rate (May 2013)	Off-flows as a proportion of total claimants
Bournemouth	2.5%	30.0%
Aberdeen	1.9%	25.0%
Telford	4.0%	24.5%
Aldershot	1.9%	24.3%
Blackburn	4.3%	24.0%
Preston	2.7%	23.7%
York	2.1%	23.7%
Oxford	2.1%	23.4%
Cambridge	1.7%	23.2%
Brighton	2.8%	22.8%

### 10 cities with the lowest proportion of claimants ending a claim

City	Claimant count rate (May 2013)	Off-flows as a proportion of total claimants
Sunderland	5.4%	15.8%
Sheffield	4.8%	15.6%
Birmingham	6.3%	15.0%
Bradford	5.9%	14.9%
Middlesbrough	6.5%	14.9%
Newcastle	5.2%	14.7%
Hull	8.3%	14.0%
Hastings	5.0%	13.7%
Dundee	5.6%	13.3%
Belfast	5.7%	13.2%

## Contact

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