



November 2013

labour market update

Employment continues to rise as the economy grows and inflation falls

There have been three pieces of good news for the economy in recent weeks. Firstly, the UK economy grew by 0.8 per cent during the third quarter of 2013 and has now seen three consecutive quarters of growth. GDP is currently 1.5 per cent more than it was last year but remains 2.5 per cent below its pre-downturn peak.

Secondly, this month saw inflation fall to 2.2 per cent, the lowest level in more than a year but still above the

target rate of 2 per cent. This fall has been driven by a fall in petrol prices and a fall in student tuition fees.

Finally, the improvement in the labour market continues in line with the improvement in the wider economy. Employment has again risen, increasing 177,000 on the quarter. This continues to be driven by a rise in full time employment. Unemployment has fallen again, down 48,000 on the quarter. Inactivity has also fallen and is down 69,000 on the quarter.

Table 1: Key statistics

	Reference Period	Rate
Unemployment (ILO)	July - September 2013	7.6%
Claimant Count	October 2013	3.9%
Employment	July - September 2013	71.8%
Y-o-Y Average Weekly Wage Growth	July - September 2013	0.7% inc bonus 0.8% ex bonus



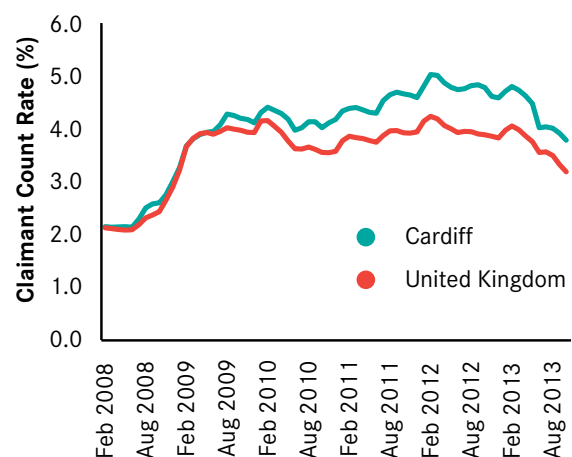
Spotlight on Cardiff

At 3.8 per cent, Cardiff's claimant count rate is currently above the UK average of 3.2 per cent.

As Figure 1 shows, the city entered the recession with a claimant rate of 2.2 per cent, just 0.1 percentage points higher than the UK average.

While the city's claimant rate continued to be in line with the UK average until late 2009, following this a divergence between the city and the UK average appeared. At its largest, this gap was 0.9 percentage points in August 2012. The gap has reduced since then and now stands at 0.6 percentage points.

Figure 1: Claimant count rate in Cardiff



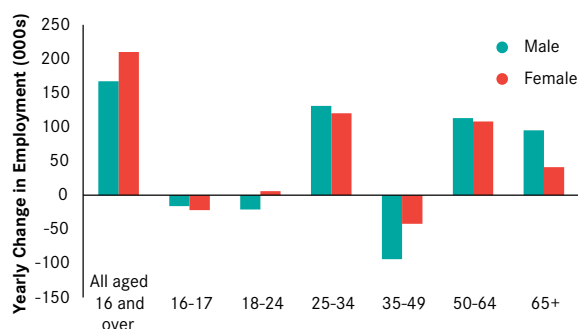
Source: NOMIS

See more city by city comparisons at www.citiesoutlook.org

Rise in employment not evenly distributed

As noted above, employment has been rising recently. However, this rise has not been distributed evenly by age or by gender. Figure 2 shows the changes in employment over the year for males and females by age group. Those aged 35-49 have seen the largest fall in employment, with males in this age group experiencing a fall of more than twice that of females. Young people have also seen their employment fall on the year, although females aged 18-24 have seen a small increase in employment of 6,000. Those aged 25-34 have seen the largest increase in employment (of 251,000) over the last year, with males seeing a slightly higher increase than females.

Figure 2: Employment by age and gender

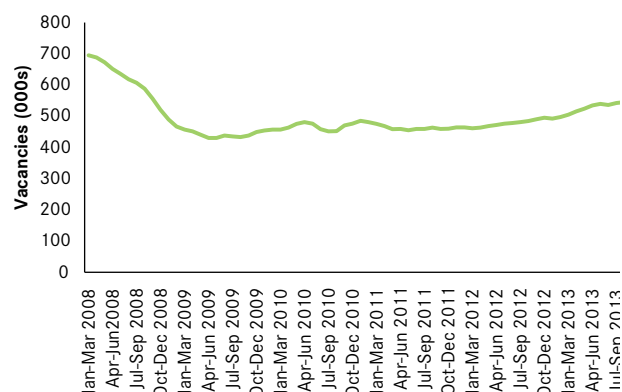


Source: ONS

Vacancies continue to increase steadily

Alongside the increase in employment, vacancies have also risen by 6,000 on the previous quarter. Figure 3 shows that after falling sharply throughout 2008, vacancies levelled off in 2009. Vacancies have increased steadily since mid 2012 but remain 150,000 below their level at the start of the downturn.

Figure 3: Vacancies



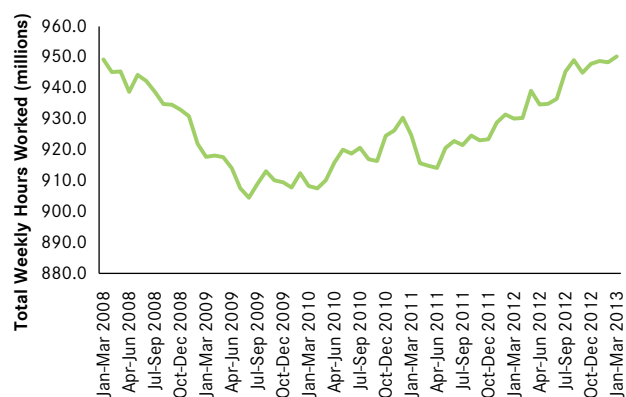
Source: ONS

Strong increase in hours worked continues

This quarter's increase in GDP has been matched with an 9.6 million increase in hours worked since the previous quarter.

As figure 4 shows, weekly hours are now 13.4 million above their pre-downturn peak. This recovery underlines the decline in productivity seen in recent years – despite a full recovery in working hours, GDP is still 2.5 per cent below its 2008 peak.

Figure 4: Total weekly hours worked



Source: ONS

Unemployment across cities varies by gender

As noted above, the rise in employment has not been evenly distributed by age or by gender. Table 2 looks at how unemployment varies across cities by gender. It shows the 10 cities that currently have the highest and the lowest ratio of male to female JSA claimants.

Table 2: Claimant count gender ratio

10 cities with the highest ratio of male to female claimants	
City	Gender ratio
Belfast	2.5
Dundee	2.4
Glasgow	2.3
Edinburgh	2.2
Birkenhead	2.1
Swansea	2.1
Middlesbrough	2.1
Blackpool	2.1
Hastings	2.1
Plymouth	2.1
10 cities with the lowest ratio of male to female claimants	
City	Gender ratio
Reading	1.6
Telford	1.6
Leicester	1.6
Milton Keynes	1.6
Aldershot	1.5
Swindon	1.5
Peterborough	1.5
London	1.4
Luton	1.4
Crawley	1.4

Source: NOMIS

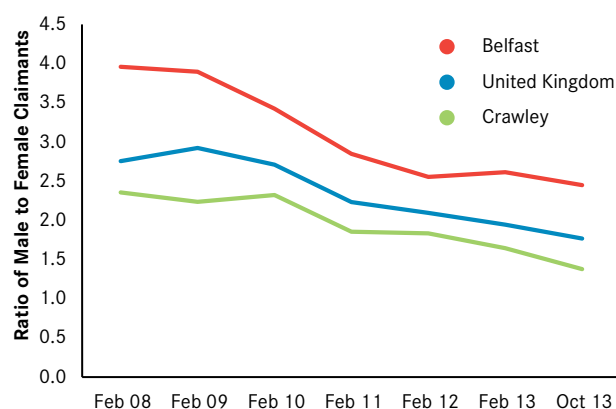
There is wide variation between cities, with Belfast having the highest ratio of 2.5 male claimants to every female claimant and Crawley having the lowest ratio of 1.4 male claimants for every female claimant.

Typically, the cities with the lowest ratio of male to female claimants are the cities with the lowest levels of unemployment. For example, Aldershot is among the 10 cities with the lowest ratios and has the third lowest claimant count rate of any of the UK's 64 largest cities.

The balance between male and female claimants has shifted throughout the downturn. Figure 5 shows that the ratio of male to female claimants in Belfast is much lower than it was in 2008, falling from 4.0 to 2.5 today. Crawley has also seen its ratio fall, down from 2.4 to 1.4 today.

These falls have been caused by increases in the number of female claimants, rather than a fall in male claimants. For example, women accounted for 20 per cent of all claimants in Belfast in 2008, but now make up 29 per cent of all claimants. This would suggest that women, particularly those at the lower end of the labour market (and so eligible to claim Jobseekers Allowance) have been hit harder by the downturn.

Figure 5: Claimant count gender ratio



Source: NOMIS

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