

UK Labour Market Update

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Hiring Lab

Economic Research **by Indeed**

Outlook has turned more positive

GDP: Economy grew in February increasing hopes UK is out of recession

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Recessionary Pressures Receding in the Rearview Mirror as UK Economy Gains Momentum

UK consumers' confidence in their personal finances highest since 2021

Closely watched GfK survey also points to household caution about inflation

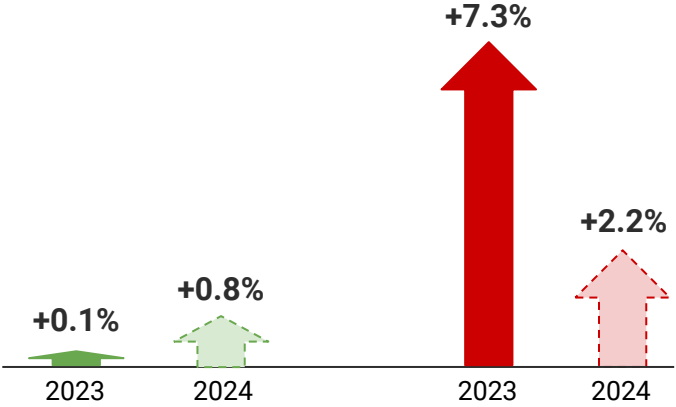
UK inflation

UK inflation could stay near 2% target for three years, says BoE rate-setter

Forecasts point to modest positive growth and normalising inflation

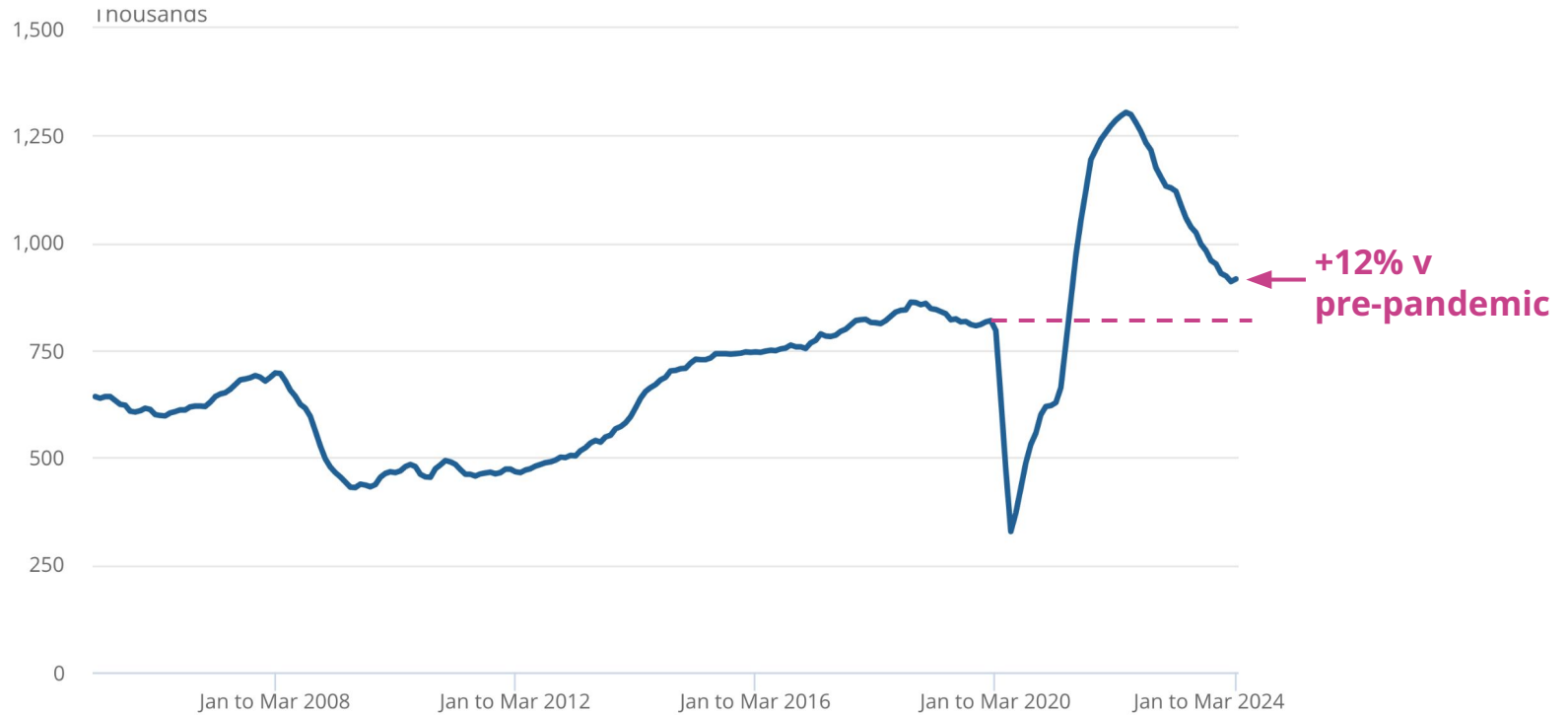
GDP

Inflation



Source: Actuals (ONS for inflation, OBR), Forecast (OBR)

Gradual normalisation of vacancies

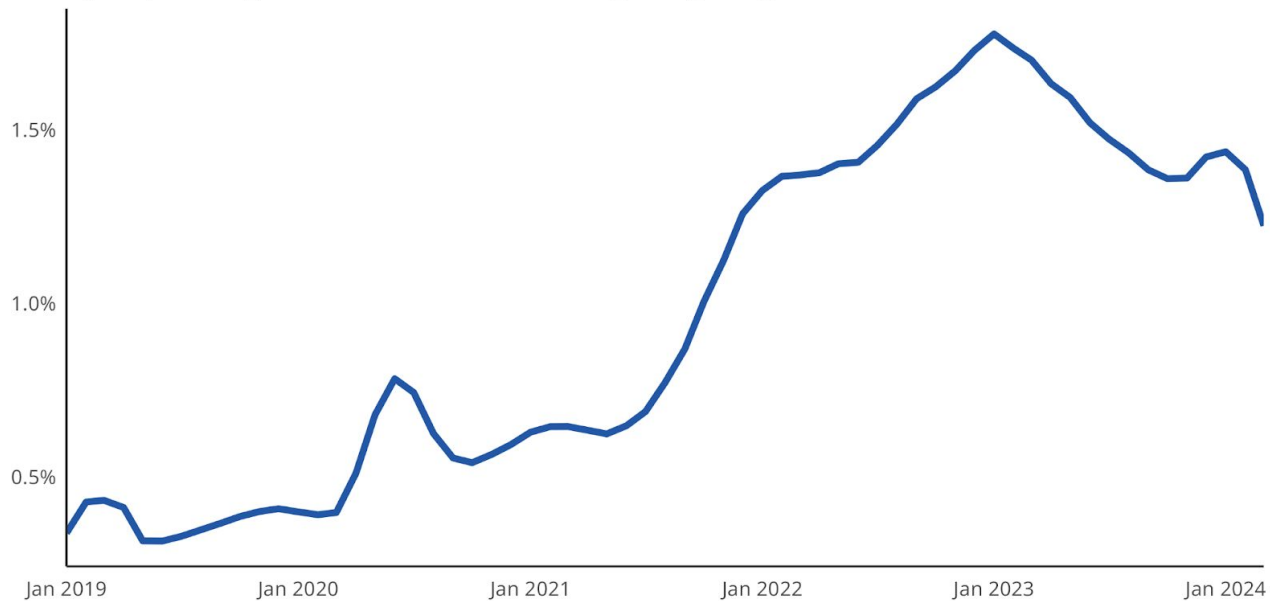


Labour market still somewhat tight



Signing bonuses have dipped

% of job postings on Indeed advertising a signing bonus

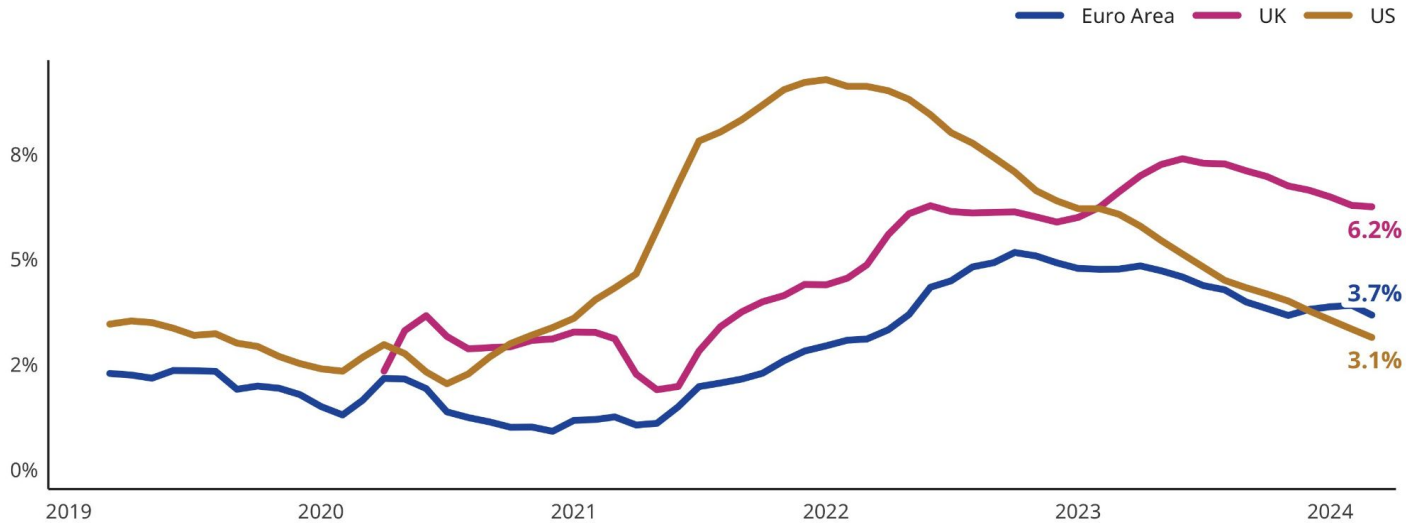


Source: Indeed. 3-month moving average



UK posted wage growth has eased but still high

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



Source: Indeed Wage Tracker (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.



Strong wage growth in lower-paid categories

Change in UK posted wages, selected categories

Occupation	y/y growth in posted wages, Mar-24
Childcare	9.2%
Retail	8.5%
Cleaning & Sanitation	7.7%
Production & Manufacturing	7.4%
Installation & Maintenance	7.1%
Food Preparation & Service	7.1%
Education & Instruction	7.0%
All jobs	6.2%
Legal	4.5%
Human Resources	4.4%
Project Management	4.3%
Marketing	2.9%
Information Design & Documentation	2.5%
Medical Technician	2.1%
Software Development	0.1%

Source: Indeed Wage Tracker

Soft **landing?**

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

01

Layoffs

Need to stay low to keep unemployment in check

02

Vacancies

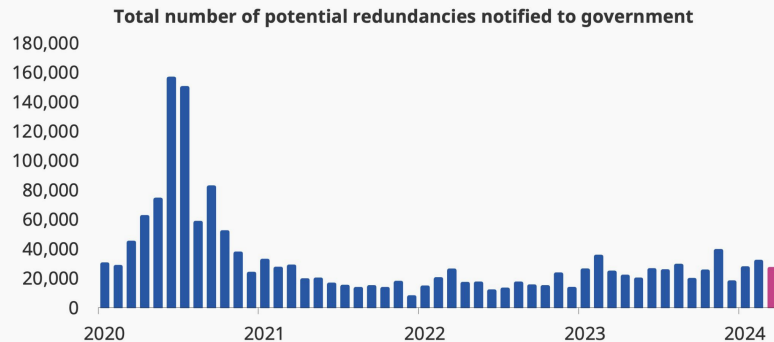
Continued gradual softening

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 higher, longer
- 03 Lower paid categories see strongest pay growth**
Hiring in some sectors remains challenging