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Earnings growth dips

The roller-coaster nature of earnings growth continues, official figures show.

In July, growth in average weekly earnings was down to 2.2% from the previous month's revised rise of 2.5% which was up on May's rise of 2.3%.

Manufacturing, earnings growth recovered with a rise of 2.5% against a 1.9% rise the previous month, but that was still down on the 3.3% rise for May.

In services, growth was down to 2.1% from 2.3%. In the private sector as a whole, growth was unchanged at 2.4%.

The public sector, excluding financial services, saw growth cut to 1.4% from 2.0% in June.

Headline earnings growth (the rolling three-month average) for the whole economy was down to 2.3% in July against 2.5% in the three-months ending June.

Manufacturing growth was up to 2.6% from 2.3%, but in services growth was down to 2.1% from 2.2%.

In the private sector as a whole, growth was down to 2.4% from 2.6%, while in the public sector, excluding financial services, growth was down to 1.7% from 1.9%.

£ a week	Average weekly earnings ¹				
	Whole economy	Manufacturing	Services	Private sector	Public sector ²
May 2015 (r)	491	568	476	490	491
June (r)	490	575	475	491	490
July (r)	493	574	478	493	492
August	494	573	478	494	493
September	492	573	477	491	495
October	494	574	478	493	494
November	495	575	479	494	495
December	496	578	479	494	494
January 2016	497	577	481	496	497
February	494	574	478	491	498
March	500	581	484	500	499
April	503	583	486	502	500
May (r)	502	586	485	502	499
June (r)	502	586	486	503	500
July (p)	505	588	488	505	499
% annual change					
Single month	2.2	2.5	2.1	2.4	1.4
3-month average ³	2.3	2.6	2.1	2.4	1.7

¹ Average weekly earnings in Great Britain, seasonally adjusted, including bonuses, but excluding arrears. ² Excludes financial services. ³ Average of the seasonally adjusted data for the latest three months compared with three months a year earlier. (p) provisional (r) revised

The regular pay figures, which strip out bonuses, show a 2.0% rise in July against a 2.3% rise in June.

The percentage rises in the year to July for various sectors, along with the previous month's rises in brackets, were: manufacturing 2.9% (2.3%); services 1.9% (2.0%); the private sector 2.2% (2.4%); and the public sector, excluding financial services, 1.4% (1.7%).

The average rise for regular pay in the whole economy for the three-month period ending July was down to 2.1% from 2.3% for the June period.

The sectoral increases were: manufacturing 2.6% (2.4%); services 1.8% (2.0%); the private sector 2.3% (2.5%); and the public sector, excluding financial services, 1.5% (1.7%).

The table below is based on the mean average earnings figures published in the Annual Survey of Hours and Earnings (ASHE) 2015.

The original figures have been updated by the 3.1% increase in average weekly earnings for the whole economy between April 2015 and June 2016 to give a rough estimate of earnings now in the various occupational groups.

Full-time average weekly earnings by occupation	
	£ a week
All employees	646.80
All male	701.10
All female	564.10
Managers	1,001.50
Professionals	818.50
Associate professionals	696.20
Admin & secretarial	473.50
Skilled/craft	544.70
Services	378.90
Sales	393.90
Operatives	508.60
Other manual jobs	388.50

www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentanddemography/types/bulletins/uklabourmarket/september2016

Unemployment among women falls

The fall in the number of unemployed women more than compensated for the rise in the men's total, Office for National Statistics figures show.

The overall number of unemployed people under the Labour Force Survey count fell by 39,000 to 1.63

million in the three months to July compared with the previous three-month period.

The fall in numbers was enough to cut the unemployment rate to 4.9% from 5.0%.

Unemployed women numbers were down by 48,000 to 731,000, cutting their unemployment rate to 4.7% from 5.0%.

However, the number of unemployed men rose by 9,000 to 901,000 and their unemployment rate rose to 5.1% from 5.0%.

Unemployment seasonally adjusted				
	Claimants ¹		LFS ³	
	(000s)	% ²	(000s)	%
August 2015	792	2.3	1,774	5.4
September	792	2.3	1,750	5.3
October	793	2.3	1,718	5.2
November	785	2.3	1,685	5.1
December	770	2.2	1,694	5.1
January 2016	741	2.2	1,691	5.1
February	735	2.1	1,700	5.1
March	751	2.2	1,692	5.1
April	760	2.2	1,671	5.0
May	771	2.2	1,646	4.9
June	772	2.2	1,641	4.9
July (r)	769	2.2	1,632	4.9
August (p)	771	2.2		

¹ Jobseeker's Allowance and Universal Credit claimants ² Percentage of working population – the employees, unemployed, self-employed and the armed forces.
³ The Labour Force Survey definition of unemployment – the number of unemployed people who want a job and are ready to start work in two weeks, and have looked for work in the past four weeks. Each figure is the average of the past three months – a rolling average. (p) provisional (r) revised

The other main unemployment measure – the claimant count – only includes claimants of Jobseeker's Allowance and those on the means-tested Universal Credit.

In August, unemployment under the claimant count rose by 2,400 to 771,000 from the revised figure for July of 768,600.

The increase in numbers was not sufficient to affect the joblessness rate which remained at 2.2%.

Once again, the fall was down to women. Their numbers fell by 1,100 to 271,400, but their joblessness rate was unchanged at 1.7%.

The number of male claimants increased by 3,500 to 499,500, but their joblessness rate remained at 2.7%.

Regions Unemployment fell in half of the UK's 12 regions/countries in the three-months to July.

The largest falls were 29,000 in Scotland, 16,000 in the East and 15,000 in the South East.

There largest increases were 17,000 in the West Midlands and 9,000 in London

The unemployment rate was above the UK average of 4.9% in six of the 12 regions/countries. The highest rates were 7.5% in the North East, 6.2% in the West Midlands and 5.9% in Yorkshire and the Humber.

In August, the claimant count increased in all but three of the 12 region/countries. The regions posting falls were the East, London and Northern Ireland.

The claimant count rate was above the UK average of 2.2% in seven regions/countries. The highest rates were 4.2% in the North East and 3.9% in Northern Ireland.

Region	August claimants		LFS May – July	
	Number	%	Number	%
North East	50,700	4.2	98,000	7.5
North West	106,100	2.8	181,000	5.1
Yorkshire & the Humber	76,100	2.9	159,000	5.9
East Midlands	45,400	2.0	102,000	4.3
West Midlands	83,200	2.9	176,000	6.2
East	46,900	1.5	101,000	3.2
London	104,000	1.8	289,000	6.1
South East	61,700	1.3	166,000	3.5
South West	41,100	1.4	118,000	4.2
Wales	43,500	2.9	63,000	4.1
Scotland	77,300	2.8	130,000	4.7
Northern Ireland	35,100	3.9	49,000	5.6

www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/september2016

Retail inflation down

The retail inflation rate fell in August, while the consumer measure was steady, Office for National Statistics figures show.

The annual rate of inflation – as measured by the Retail Prices Index (RPI) which is favoured by union negotiators – was down to 1.8% in August from 1.9% the previous month. Cheaper alcohol and housing costs were offset by dearer air and bus fares.

Meanwhile, inflation under the Consumer Prices Index (CPI) – the government's preferred measure – was unchanged at 0.6%.

	Price inflation			
	RPI ¹	% increase on a year earlier		
	RPI	RPIX ²	CPI	
July 2015	258.6	1.0	1.1	0.1
August	259.8	1.1	1.2	0.0
September	259.6	0.8	0.9	-0.1
October	259.5	0.7	0.8	-0.1
November	259.8	1.1	1.1	0.1
December	260.6	1.2	1.3	0.2
January 2016	258.8	1.3	1.4	0.3
February	260.0	1.3	1.4	0.3
March	261.1	1.6	1.7	0.5
April	261.4	1.3	1.4	0.3
May	262.1	1.4	1.5	0.3
June	263.1	1.6	1.7	0.5
July	263.4	1.9	1.9	0.6
August	264.4	1.8	1.9	0.6

¹ January 1987=100 ² RPI except mortgage interest payments

Seven of the 14 groups that make up the basket of goods used to calculate the RPI increased by more than the August's rise of 1.8%.

The 5.5% annual rise in clothing and footwear group included rises of 7.1% in the cost of women's clothing, 6.8% for men's.

The fares and other travel costs group was up by 3.7%, but that included a 4.4% rise in bus and coach fares and a 4.1% rise in other travel costs, such as air fares.

The housing group's overall increase was 3.1%. However, mortgage interest payments were down by 5.3%. This was partially offset by dwelling insurance and ground rent, where average insurance charges rose this year but fell a year ago.

The fuel and light group's 2.9% fall included a 6.8% decrease for gas.

The food basket's fall of 2.0% saw prices down for most items. Butter and eggs were down by 9.0% and vegetables by 5.7%.

However, three waist expanding items were up in price – oil and fats by 12.8%, while sugar and preserves and sweets and chocolates were both up by 1.3%.

More than 1.8%	%	Less than 1.8%	%
Tobacco	5.9	Motoring expenditure	1.2
Clothing & footwear	5.5	Personal goods & services	1.1
Household services	3.9	Alcoholic drink	0.2
Fares etc	3.7	Leisure goods	0.1
Housing	3.1	Household goods	-0.2
Leisure services	2.5	Food	-2.0
Catering	2.2	Fuel & light	-2.9

www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/aug2016

Campaigners set out how to solve poverty

The government should raise taxes on the wealthy to finance a £15 billion annual investment in affordable housing, free childcare and enhanced social security benefits to eradicate poverty in the UK, campaigners say in a report, *We can solve poverty*.

The independent Joseph Rowntree Foundation (JRF) calls for a political consensus to tackle what it says is "the biggest social evil of our time".

The JRF defines poverty as "when a person's resources are well below their minimum needs". About 13 million people in the UK are in poverty, while last year more than a million experienced destitution – the inability to eat, keep clean and stay warm. While pensioner poverty has fallen rapidly in recent years from 40% to 13%, child poverty is rising and is expected to increase over the next four years.

Julia Unwin, the chief executive of the JRF, said: "A new 'long-term deal' to solve poverty is urgently needed so the first generation of 'Brexit children' starting school this week grow up in a country where no matter where they live, everyone has a chance of a decent and secure life."

The report says that the fairest way to pay for poverty reduction is through general tax rises on

the better off. "Political choices need to be made, such as diverting resources from those who are wealthier to those who are relatively worse off."

It says that past attempts to address inequality and social exclusion have been piecemeal, and a new social and political consensus is needed to recognise that poverty in the UK is "real, causes harm, and is a solvable problem".

The programme would cost between £14 billion and £15 billion a year by 2020, it calculates. In part this would be met by taxing some universal benefits enjoyed by well-off pensioners, cutting tax allowances for the rich by 10%, and increasing the upper earnings limit in national insurance, three measures that collectively would raise £25 billion.

Key areas for urgent investment set out in the JRF report, include:

- a complete overhaul of the social security system, reversing many of the cuts introduced over the past few years to Universal Credit and Disability Employment Benefit, and raising the level of Jobseeker's Allowance;
- £5.4 billion annually on increasing the quality, coverage and affordability of childcare, including free provision for low-income parents who are in work, training or preparing for work; and
- £1 billion a year to build an additional 80,000 homes, with the proviso that half of those have affordable rents tied to the incomes of the lowest earners in an area.

Failing to tackle poverty costs the UK £78 billion a year, comprising £69 billion on public services needed to pick up the pieces of poverty and £9 billion in lost tax revenue and extra benefit spending, the JRF said. "Tackling poverty costs. But so does inaction."

The evidence collected over the past four years has been published in a separate report, *UK poverty: causes, costs and solutions*.

www.jrf.org.uk/report/we-can-solve-poverty-uk

www.jrf.org.uk/report/uk-poverty-causes-costs-and-solutions

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