Resolution Foundation

THE RF EARNINGS OUTLOOK

The Scorecard: Q3 2018

What's happened: The earnings breakdown



What's round the corner: Pay pressures and slack



The unemployment rate continued to fall in Q3 2018. Long-term unemployment also continues to fall, but with signs that levels are plateauing.

Under-employment (net hours desired by those in work as well as the unemployed) increased slightly in Q3, but is still low, and below pre-recession levels.

Voluntary job-to-job moves (an indicator of a healthy labour market and worker confidence) fell in Q3 2018, bucking the trend of recent years.

In 2018 net migration stabilised (at 273k in June) after the post referendum fall. In Q3 the share of job entries made up by migrants was down slightly on the year.

What's in the pipeline: Longer-term labour market health and efficiency



Labour force participation continues to rise, as it has for the every quarter since summer 2012. In Q3 2018 the rate was 0.7% up on the year.

In Q3 2018 labour productivity was up on the quarter and year (by 0.9%). However in the latest data (for November) productivity growth slowed to just 0.2%.

'Off-the-job' training was up slightly on the previous quarter, but down on the year. The long-term fall in training intensity appears to have plateaued.

Grads in non-grad roles can reflect skills mismatch, and may keep individual productivity below potential. The rate of established grads in such roles continues to rise gently.

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