In the most recent data, real median pay grew by 2.1%. This reflects both slowing inflation and strengthening nominal pay growth. Employee earnings outstripped self-employed earnings in 2017-18, meaning ‘all worker’ earnings are falling behind the headline employee series. Compositional change (e.g. due to high-paying occupations expanding) boosted annual pay growth by 0.7ppts, roughly in line with the average compositional boost this century. Median year-on-year real hourly pay growth for employees in work over a year (both job stayers and changers) stood at 1.2% in January 2019, double the rate in the previous year. Both our headline measures of earnings inequality (r75:25 and r90:10) continue to fall and at an increasingly fast pace (a rate last seen in 2016).

The unemployment rate fell slightly over the year to 2019 Q2, reaching 3.9 per cent. Long-term unemployment stayed broadly flat, as it has for the past two years, at 1 per cent. Our measure of under-employment (net hours desired by those in work as well as the unemployed) increased slightly in the last quarter but is still close to its historic low. A decline in voluntary job-to-job moves suggests that firm and worker confidence to try new people and roles is falling, with less upward pressure on pay as a result. The share of jobs going to new migrants has risen slightly over the past year, to slightly under 20%.

Labour force participation continues to rise and reached 76.3% in 2019 Q2. Women and people aged over 50 have experienced the largest increases. Labour productivity continued its post-crisis weakness and fell 0.5% in the year to 2019 Q2. This is the joint-largest 12-month fall since 2012. While the proportion of people receiving ‘off-the-job’ training was slightly up over the past year at 6.7%, the long-term trend still shows a big fall in training intensity over the past 20 years. The proportion of all graduates in non-graduate roles fell slightly in the last year. While this measure has steadily increased over time, the proportion of ‘recent’ graduates in non-graduate occupations fell to a post-crisis low.