News

Female unemployment grows significantly, with pay still squeezed

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By Annie Makoff-Clark

ONS figures suggest more people are in work, but outlook on wage growth is concerning



British women are experiencing a significant increase in unemployment levels, while the number of jobless men aged between 25 and 34 reached a record low, the latest <u>labour force figures from the Office for National Statistics</u> (ONS) have revealed.

The statistics, based on data from November 2017 to January 2018, show that UK employment increased by 168,000 compared with August to October 2017, and unemployment went up 24,000 over the quarter and 402,000 on the previous year. The total number of people in work totalled 32.25 million over the quarter.

The data found that there was a significant 0.3 per cent rise in female unemployment. Ian Brinkley, acting chief

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Even so, some in industry have suggested that the latest rise in female unemployment is down to the large number of high street retailers and hospitality businesses closing or restructuring.

Guy Michaels, associate professor at the London School of Economics – who described the increase as a "gradual trend rather than a blip" – told *People Management* that the different sectors men and women work in could leave them exposed to "different industry shocks".

Suzanne Tanser, reward manager at Croner, added: "The struggling retail and hospitality sectors are likely to have a negative effect on the employment rates of females as these are traditionally female-dominated roles.

"The high number of part-time roles, shifts and flexible working patterns make this sector an attractive one for females who have personal commitments to work around, such as childcare."

Meanwhile, earnings for those in employment remained low, with a 2.6 per cent growth rate representing just a 0.1 per cent increase on the previous quarter.

According to think tank The Resolution Foundation, this pay growth indicated an end to the 'pay freeze' for private sector workers, but not others. The Recruitment & Employment Federation said real wage growth had continued to fall, despite the number of job vacancies "holding close" to a record high.

The "puzzling coexistence" of low unemployment and low wage growth was "not a unique feature" of the UK economy, the ONS said.

Overall, experts have been positive towards the latest employment levels. Wage growth however, continues to be a source of concern.

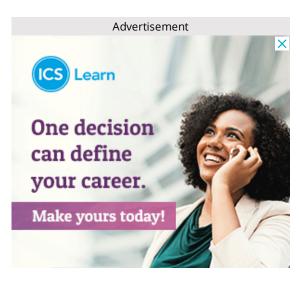
Michaels said: "Flexible and precarious work arrangements may flatten employment levels, but the UK's labour market has held up in the aftermath of the Great Recession. After years of stagnation, both productivity and wages have recently started to rise, which suggest that labour demand is picking up, though slowly. But we are still waiting to see sustained real, inflation-adjusted wage growth."

And Tara Sinclair, economist and senior fellow at global job site Indeed, told *People Management* that the average Briton's pay packet still wasn't keeping up with the rising cost of living.

In January, regular wages slipped by 0.2 per cent in real terms. "Despite some high-profile outbreaks of Tiggerish enthusiasm about the economy's progress, Britain's wage problem is proving as prickly as Eeyore's thistle patch," she said.

Yates added: "There are far more people in jobs, but real wage growth is practically non-existent. Hopefully this will start to improve, but there's no sign yet."

Meanwhile, unions and ministers reached a pay deal on Wednesday (21 March) which, if voted through, could see 1.3 million NHS staff – excluding doctors, dentists and senior management – benefit from a pay rise of at least 6.5 per cent over three years, after a prolonged period of pay caps.







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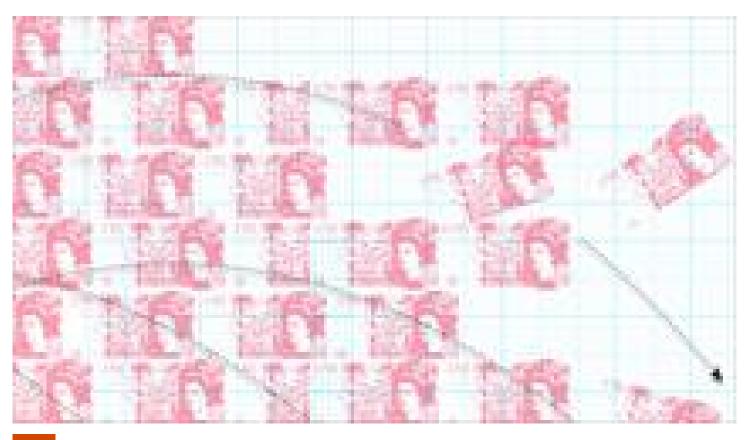
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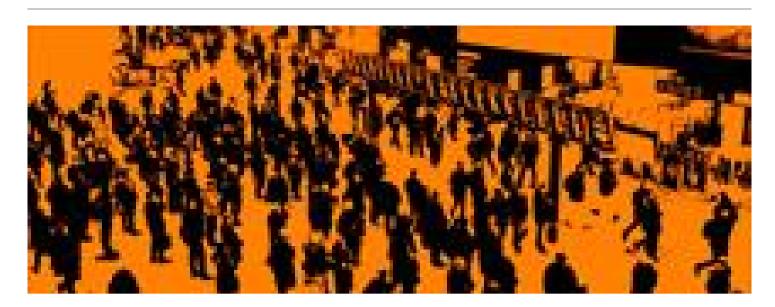
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