

Labour market

Job insecurity and falling incomes remain key worries for households

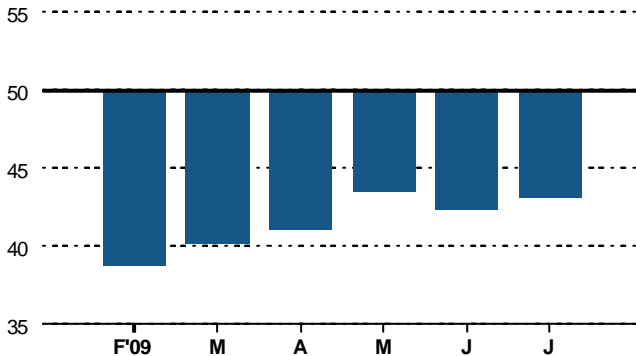
- **Lack of job security a major concern for households.**
- **Income from employment fell further in July...**
- **...but recovery anticipated.**

Latest data from the Markit/YouGov Household Finance Index (HFI) indicates that fears over job security remain to the fore among UK households. In July, 21% of survey participants reported that they felt less secure in their employment than was the case one month ago – three times as many as those signalling an improvement.

Although the resultant index reading rose marginally from 42.3 in June, to 43.1, it remained well inside negative territory, as has been the case in each month since data were first collected in February 2009 (see chart below).

Job security

50 = no change on previous month



Panellists in London were particularly anxious about their job security, with the index reading in the capital the lowest of all twelve UK regions (38.5). In contrast, households in the North East indicated that their perceived job security was unchanged from one month ago – the best outcome overall in July.

By age group, older workers felt the least secure in their employment. The 55+ bracket were the most pessimistic, closely followed by the 45-54 and 35-44 ranges. Young people (aged between 18 and 24) reported only a modest degree of concern regarding their job security.

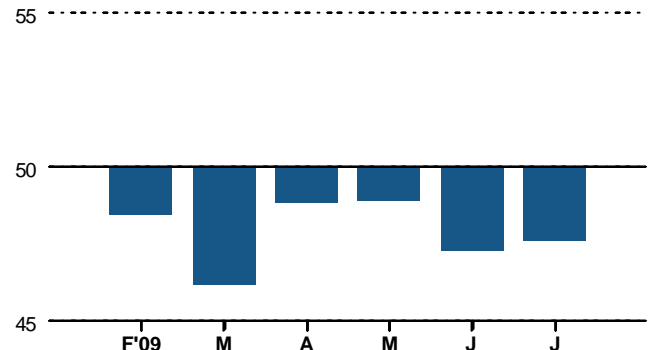
Job security was reported to have deteriorated in both the public and private sectors in July, with worries remaining more acute in the latter. Employment in the Media/Culture/Entertainment and Construction sectors was deemed most at risk.

Panellists' fears over job security in part reflected a further reduction in activity levels at their places of work during July. This was highlighted by an index reading of 49.0, although that was up from 47.7 in June and signalled only a marginal rate of decline.

Lower workloads – allied to a deteriorating labour market – resulted in another drop in households' income from employment during July. The index came in at 47.6, up only slightly from 47.3 in June (illustrated in chart beneath).

Income from work

50 = no change on previous month



There was a divergence in income trends between the public and private sectors, with the former registering slight growth while the latter saw a marked decline. Incomes in the construction sector remained under the most severe downward pressure.

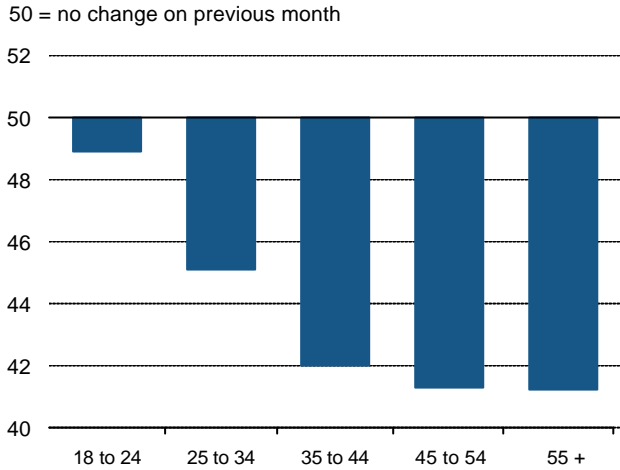
Despite the latest fall in pay packets, households are generally optimistic that an improvement in the economic climate will lead to a recovery in their incomes during the next twelve months. Although slipping from June's 57.6, to 56.4, the index remained well inside positive territory.

High-income households (£57,751+ per annum) are the most confident of seeing growth. In contrast, those households with incomes below £15,000 a year anticipate a sharp decline.

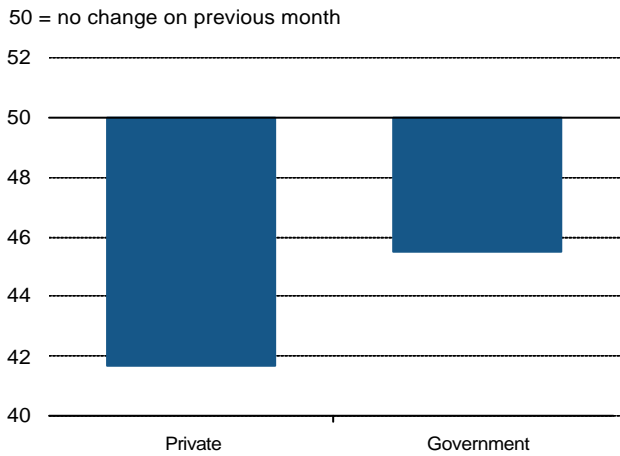
Job security

July data: Compared to one month ago, how secure do you think your job is?

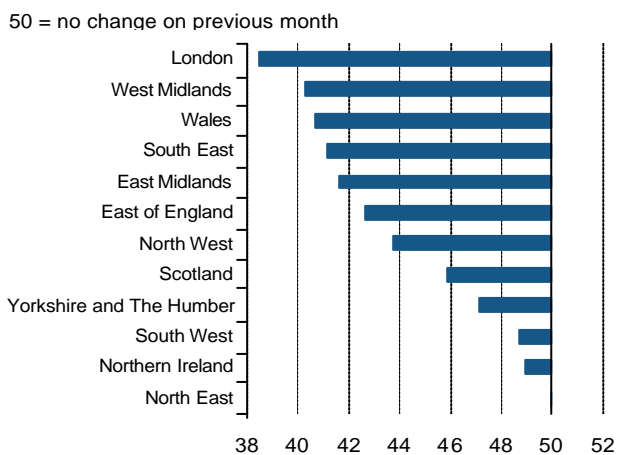
By age



Public v Private



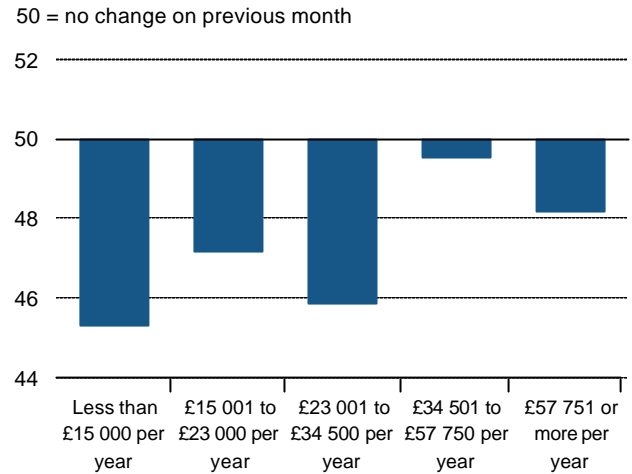
By region



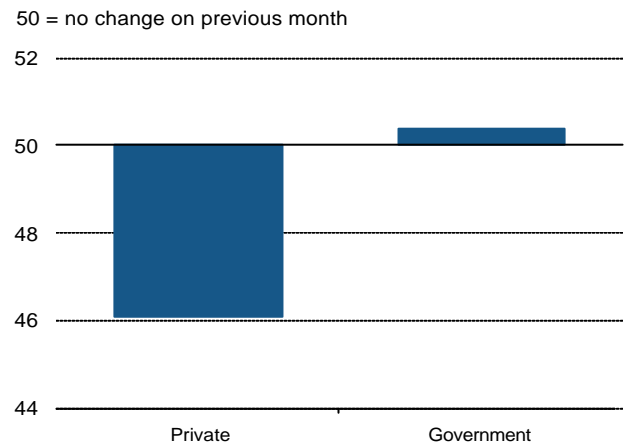
Income from work

July data: Compared to one month ago, how has the level of income from your employment changed?

By income



Public v Private



By region

