

23 November 2009

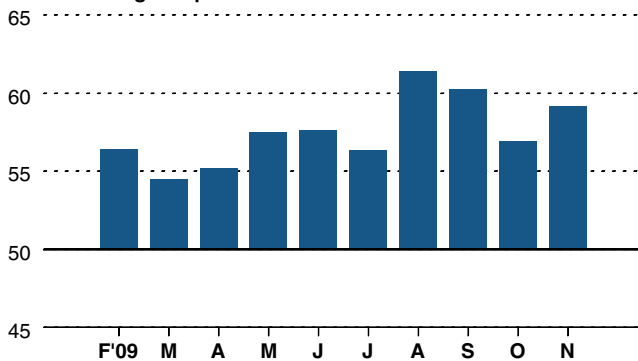
Future income expectations rise and job security fears ease

- Outlook for pay brightens despite slight fall in current incomes.
- Activity at work continued to grow in November...
- ...calming worries over job security.

The latest Markit/YouGov survey of UK households signalled an improvement in expectations regarding future income levels in November. This was linked to a further expansion of activity at respondents' workplaces and receding fears over job security.

Income from employment

50 = no change on previous month



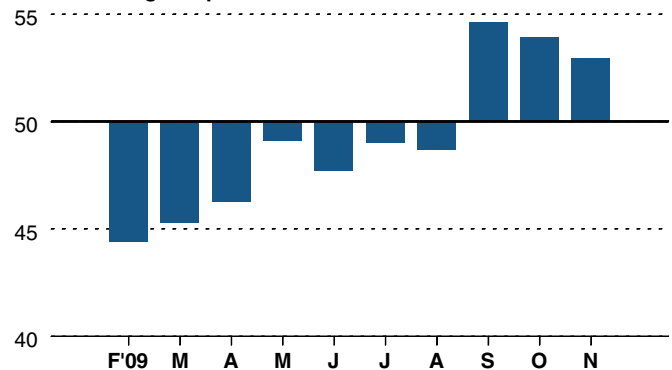
Optimism regarding future incomes climbed to the third-highest since the start of the series in February. Private sector employees were again more upbeat than their public sector counterparts (a reversal of the trend seen in the first half of the year).

The strongest degrees of confidence were indicated by workers in the highest income groups, namely households earning £57,751+ p/a and £34,501-£57,750 p/a. By industry sector, expectations were highest in Media/Culture/Entertainment and Finance/Business Services.

The improvement in future income expectations occurred despite a modest drop in households' income from work during November. Falls were centred on the lowest income brackets, with households earning up to £15,000 p/a and £15,001-£23,000 p/a reporting the sharpest reductions. Diverging trends were recorded in the private and public sectors, with the former posting a decline whilst the latter registered a slight increase.

Activity at work

50 = no change on previous month

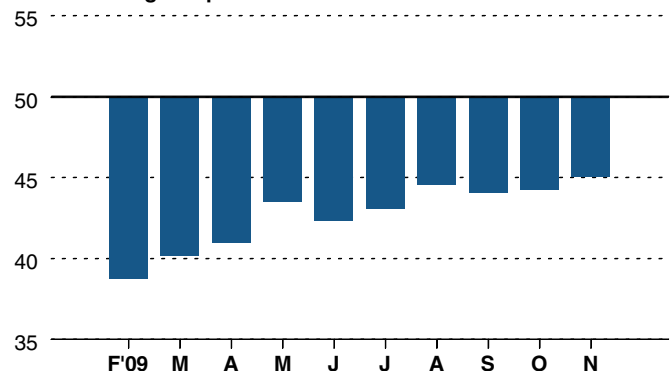


A rise in activity at respondents' workplaces was recorded for the third successive month in November (albeit the smallest in this sequence). The public sector remained the main driver of growth, as workloads in the private sector increased at only a modest pace.

The strongest expansion of activity occurred in the IT/Telecoms sector while, in contrast, workloads in the Construction industry fell sharply.

Job security

50 = no change on previous month

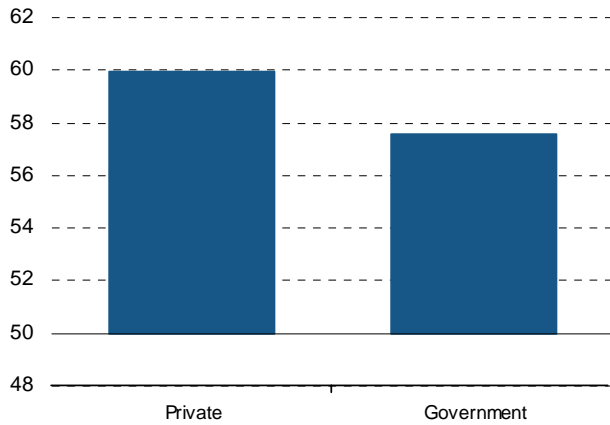


Higher levels of activity at work contributed to an easing of fears over the security of respondents' employment in November. The index tracking job security rose to its highest level in the ten-month series history, signalling the slowest rate of deterioration over this period. Younger workers were generally less concerned regarding their job stability than older employees; 18-24 year-olds actually signalled a slight improvement whilst those over the age of 55 reported the sharpest decline.

November data: How do you think the level of income from your employment will have changed 12 months from now?

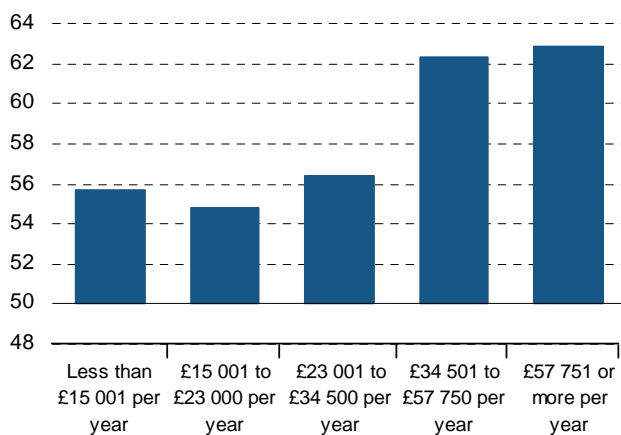
Public v Private

50 = no change on previous month



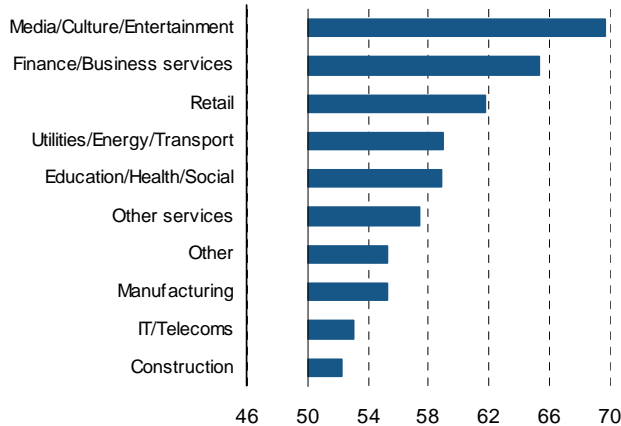
By income

50 = no change on previous month



By sector

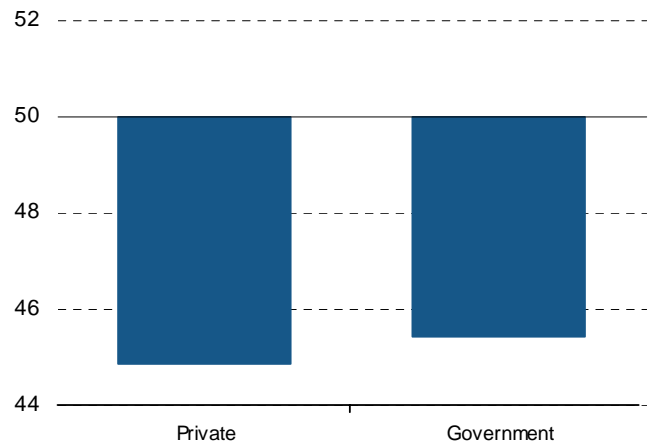
50 = no change on previous month



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

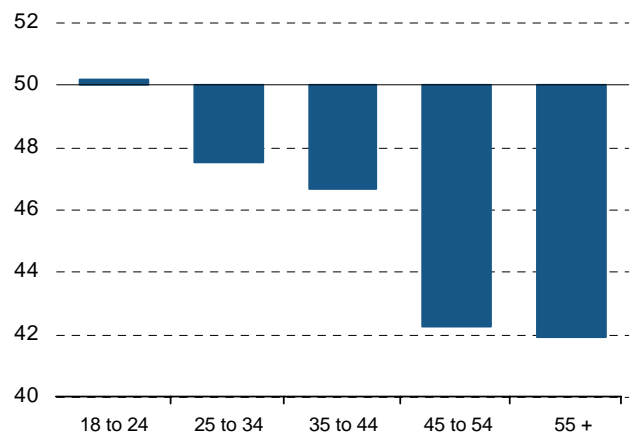
Public v Private

50 = no change on previous month



By age

50 = no change on previous month



By sector

50 = no change on previous month

