

# Key Labour Market Indicators – March 2020

NB, figures below relate to % changes on the same period 12 months ago.

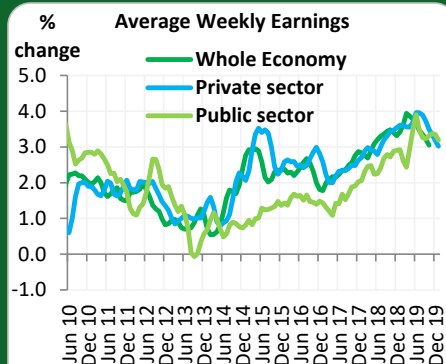
Key Labour Market Indicators are designed to provide headline figures on the wider economic and labour market conditions in the UK. This can be used as a quick reference guide when conducting periodic pay reviews for workers. This is the latest version. If you need to access previous editions, please visit [NFU Online](#).

## Earnings in the Economy

**+3.1%**

Average Weekly  
Earnings  
(AWE)

Year on year pay growth across the whole economy stood at 3.1% in the three months to January. UK wage growth in January outpaced inflation for the 23<sup>rd</sup> month in a row, and in real terms stood at +1.5%. The private sector regular average weekly earnings increased from £491 in January 2019 to £504 in January 2020. The public sector average increased from £532 to £547 in the same period. For the three months to January 2020, an estimated 1.34 million people were unemployed. This is 5,000 more than a year earlier.



## Wage Rates

**£8.72**

Current NLW  
Rate

The Government has announced increases to wage rates. The new rates came into effect on 1st April 2020. The NLW paid to workers aged 25 or over increased from £8.21/hour to £8.72/hour in April. The NMW rate for 18-20 year olds rose by 4.9% to £6.45 while 21-24 year olds saw an increase of 6.5% to £8.20 respectively. The apprentice rate has been increased by 6.4% to £4.15. In addition the accommodation offset increased by 8.6% to £8.20 per day.

### Rates from April 2020

NLW 25+	£8.72
21-24 Year Old Rate	£8.20
18-20 Year Old Rate	£6.45
16-17 Year Old Rate	£4.55
Apprentice Rate	£4.15
Accommodation Offset	£8.20

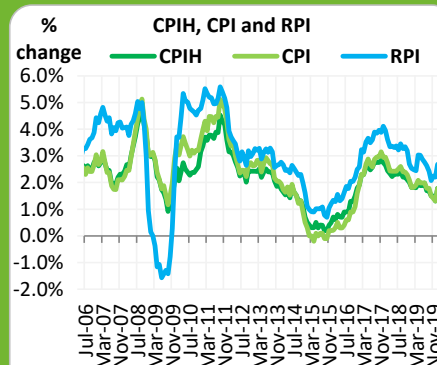
Source: Low Pay Commission

## Cost of Living

**+1.7%**

Consumer Price  
Index  
(CPI)

Inflation fell in February to 1.7% according to figures from the ONS. Food price inflation fell from 1.1% in January to 0.8% in February. The Consumer Prices Index including owner-occupiers' housing costs (CPIH) – the ONS's preferred measure of inflation fell to 1.7% in February. The Office for Budget Responsibility (OBR) forecasts the annual rate of CPI inflation to be 1.4% in 2020, gradually rising to 2.1% in 2022 and 2023, and settling at 2.0% by 2024.



Source: Office for National Statistics

## Farm Business Profitability

**-17.0%**

Total Income from  
Farming (TIFF)

Defra has published its final estimate of TIFF for 2018. The TIFF is a measure of the performance of the whole agricultural industry in the UK. The profitability of UK farming fell in 2018, down 17% to £4.6 billion. The cold, wet spring followed by the dry, hot summer contributed to lower yields of key crops, however better prices helped offset production falls. Agriculture's contribution to the economy fell by 6% to £9.5 billion.

