

# Key Labour Market Indicators – Dec 2020

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

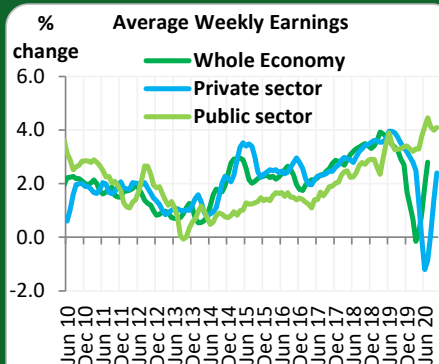
Key Labour Market Indicators are designed to provide headline figures on the wider economic and labour market conditions in the UK. This can be used as a quick reference guide when conducting periodic pay reviews for workers. This is the latest version. If you need to access previous editions, please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

## Earnings in the Economy

**+2.8%**

Average Weekly Earnings (AWE)

Growth in average total pay (including bonuses) among employees for the three months August to October 2020 increased to 2.7%, and growth in regular pay (excluding bonuses) also increased, to 2.8%. A notable proportion of the growth in average pay is because of a fall in the number and proportion of lower-paid employee jobs; other factors such as a fall in employees entering the labour market have also inflated average pay growth.



## Wage Rates

**£8.72**

Current NLW Rate

The Government has announced increases to wage rates. The new rates come into effect on 1st April 2021. The NLW paid to workers aged 23 or over will increase from £8.72/hour to £8.91/hour in April. The rate for 18-20-year olds will rise by 1.7% to £6.56 while 21-22-year olds will see an increase of 2.0% to £8.36. The apprentice rate has been increased by 3.6% to £4.30. In addition, the accommodation offset will rise by 2.0% to £8.36 per day. 16- and 17-year olds will see an increase of 1.5% to £4.62.

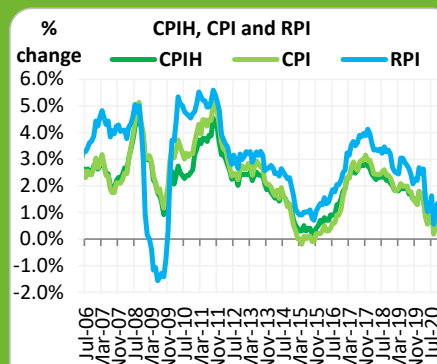
Rates from April 2021	
NLW 23+	£8.91
21-22-Year-Old Rate	£8.36
18-20 Year Old Rate	£6.56
16-17 Year Old Rate	£4.62
Apprentice Rate	£4.30
Accommodation Offset	£8.36
Source: Low Pay Commission	

## Cost of Living

**+0.3%**

Consumer Price Index (CPI)

The UK inflation rate as measured by the Consumer Price Index (CPI), fell sharply to 0.3% in November, from 0.7% in October, according to figures from the ONS. Lower prices for clothing, food and non-alcoholic drinks made the biggest contribution to the fall. The Office for Budget Responsibility (OBR) forecasts the annual rate of CPI inflation to average 0.5% in 2020 significantly below the Bank's 2% target.



## Farm Business Profitability

**-21%**

Total Income from Farming (TIFF)

Defra has published its first estimate of TIFF for 2020. The TIFF is a measure of the performance of the whole agricultural industry in the UK. The profitability of UK farming fell by 21% to £4.15 billion in 2020. The value of crop output is estimated to have decreased (-13%) to £8.72 billion. The value of livestock output is estimated to rise slightly (+2%) to £15.03 billion. Agriculture contribution to the national economy is estimated to have fallen by £1.05 billion to £9.36 billion.

