

# Key Labour Market Indicators – Sept 2020

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

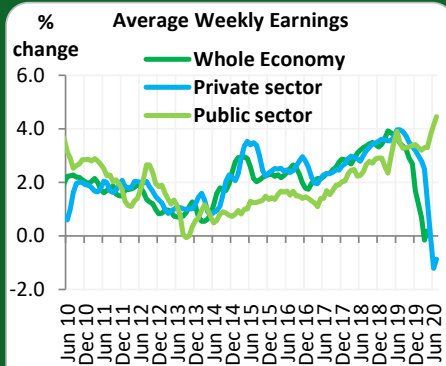
Key Labour Market Indicators are designed to provide headline figures on the wider economic and labour market conditions in the UK. This can be used as a quick reference guide when conducting periodic pay reviews for workers. This is the latest version. If you need to access previous editions, please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

## Earnings in the Economy

**+0.2%**

Average Weekly Earnings (AWE)

Estimated annual growth in average weekly earnings for employees in Great Britain in the three months to July 2020 was minus 1.0% for total pay (including bonuses) and positive 0.2% for regular pay (excluding bonuses). Annual pay growth has slowed sharply for both total and regular pay compared with the period prior to introduction of the coronavirus lockdown measures (December to February 2020), when it was 2.9%.



Source: Office for National Statistics

## 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. 2021 wage rate recommendations are due to be announced shortly.

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

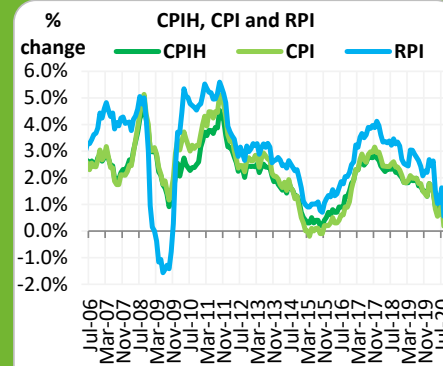
Source: Low Pay Commission

## Cost of Living

**+0.2%**

Consumer Price Index (CPI)

The UK inflation rate as measured by the Consumer Price Index (CPI), fell to 0.2% in August, from 1% in July, according to figures from the **ONS**. Cheaper restaurant meals due to the Eat Out to Help Out scheme saw prices rise at their slowest rate in five years. The cut to the rate of value added tax (VAT) also helped drive prices lower. The Office for Budget Responsibility (OBR) forecasts the annual rate of CPI inflation to average 0.6% in 2020 significantly below the Bank's 2% target.



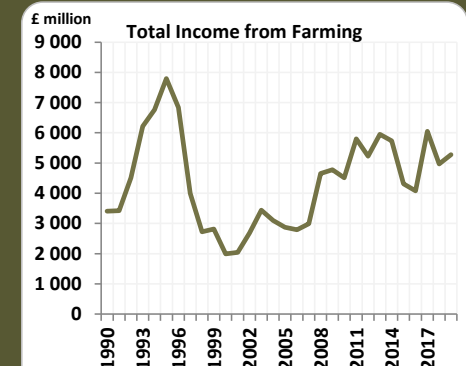
Source: Office for National Statistics

## Farm Business Profitability

**+8.0%**

Total Income from Farming (TIFF)

**Defra** has published its first estimate of TIFF for 2019. The TIFF is a measure of the performance of the whole agricultural industry in the UK. The profitability of UK farming increased by 8% to £5.3 billion in 2019. Crop output value rose by 6% to £10.0 billion. Weather conditions were generally more favourable in 2019, with higher yielding crops boosting the value. Agriculture's contribution to the wider economy, increased by 6% to £10.4 billion.



Source: Defra Agricultural Accounts