

NEWS RELEASE



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HAIN: RECORD EMPLOYMENT, UNEMPLOYMENT DOWN AND NUMBERS ON BENEFITS FALLING

Peter Hain, Secretary of State for Work and Pensions, welcomed today's Labour Market figures – which show a rise in employment to its highest ever level, a fall in unemployment and a further fall in the numbers on Jobseeker's Allowance.

The latest figures show that:

- Employment is 29.08 million - up 93 thousand on the quarter and 180 thousand on the year.
- ILO unemployment is down 35 thousand on the quarter.
- The number on Jobseeker's Allowance is down 91.1 thousand on the year and down 13.8 thousand in June to 864.1 thousand.
- The number on incapacity benefits is 2.67 million, down 38 thousand in the year to November 2006, its lowest level in over 7 years.
- The number on lone parent benefits is 776 thousand, down 3 thousand on the year.
- Vacancies are 641 thousand up 52.5 thousand on the year, and redundancies are low at 123 thousand.

Peter Hain said:

"The Government's policies, including the creation of the New Deal, mean we have one of the most proactive approaches in the world to getting people off benefits and back into work. These figures show that we are getting results: employment is at an all time high, unemployment is down and the numbers on the main out-of-work benefits are falling for the first time in a generation.

"What is more, the improvements have been greatest for the groups that started off in the worst position. These figures provide a strong platform for our Green Paper today, which will set out the next steps we will take to achieve our goal of full employment in this generation."

BACKGROUND TO LABOUR MARKET STATISTICS: JULY 2007

Employment is up 180 thousand on the year, and up 93 thousand on the quarter. ILO unemployment is down 35 thousand on the quarter but up 2 thousand on the year. Economic inactivity is up 85 thousand on the year and down 1 thousand on the quarter.

The number claiming Jobseeker's Allowance fell 13.8 thousand in June to 864.1 thousand. It is down 91.1 thousand over the year. Separate figures published by DWP in May showed that in the year to November 2006 incapacity benefits fell by 38 thousand to 2.67 million and the numbers on lone parent benefits fell by 3 thousand to 776 thousand.

This month's Labour Force Survey covers March to May 2007. The claimant unemployment and vacancy count dates were 14th June and 8th June respectively.

The labour market is in a strong position

- 29.08 million people were in work in March to May, the highest figure on record.
- The employment rate is 74.5%, up on the quarter (0.1 points) but down on the year (0.1 point).
- The inactivity rate is 21.2%, near its lowest since 1992.
- The ILO unemployment rate is 5.4%, the same as year ago. It has fallen by 35 thousand on the quarter, but is up by 2 thousand on the year.
- Vacancies remain very high at 641.9 thousand and redundancies are very low.

Employment is up on the year but fell this quarter

- Employment rose by 93 thousand on the quarter, and by 180 thousand on the year.
- ILO unemployment fell 35 thousand on the quarter but is up 2 thousand on a year ago.
- The unemployment rate is 5.4%, down 0.1 percentage point on the quarter. ONS's assessment is that trend may be starting to fall. It remains at levels not seen since the 1970s.
- Economic inactivity fell in the last quarter, by 1 thousand, but is up 85,000 on the year. The inactivity rate is unchanged on the quarter but up on the year (0.1 percentage points).

New figures show sustained falls in the numbers on all the main out-of-work benefits.

- There were 864.1 thousand people on Jobseeker's Allowance (JSA) in June 2007, down 13.8 thousand on the previous month, and down 91.1 thousand on a year ago.
- Separate figures published by DWP in May show that the number of people claiming incapacity benefits fell 38 thousand in the year to November 2006, to 2.67 million; while the number on lone parent benefits fell 3 thousand to 776 thousand.

Vacancies remain very high and redundancies are very low

- Vacancies remain very high. ONS's vacancy survey estimates 641.9 thousand unfilled vacancies in the three months to June 2007, up 5.1 thousand on the previous quarter and 52.5 thousand over the year.
- More than 10,000 new vacancies are placed at Jobcentres every working day and at least as many again come up through other recruitment channels.
- Redundancies are at record lows. There were 123 thousand redundancies this quarter, down 23 thousand on the previous quarter.

Earnings growth in the year to April was 3.5%, down 0.6% points from April

- Excluding bonuses average earnings growth was 3.5%, down 0.1 percentage point from the April rate.

Main Out of Work Benefits May 1997- November 2006 levels in thousands.

Date	Total on key out-of-work benefits*	JSA (claimant count)**	IB/SDA	IS Lone Parents	Other (IS others and PC)
May-97	5533.1	1619.6	2,616.3	1,014.2	283.0
Nov-97	5338.1	1431.7	2,650.8	983.0	272.6
Nov-98	5161.4	1325.3	2,643.7	939.0	253.4
Nov-99	5007.6	1184.1	2,674.8	930.2	218.5
Nov-00	4861.0	1035.6	2,722.7	905.8	196.9
Nov-01	4725.3	921.3	2,746.1	878.6	179.3
Nov-02	4753.9	959.6	2,776.6	856.2	161.5
Nov-03	4697.7	913.0	2,780.6	831.8	154.3
Nov-04	4556.1	829.5	2,772.2	796.5	157.9
Nov-05	4545.5	900.5	2,710.7	778.6	155.7
Aug-06	4572.6	953.3	2,683.1	783.2	153.0
Nov-06	4,551.2	947.2	2,673.1	775.6	160.3
Jun-07	-	864.1	-	-	-

*Time series constructed using NOMIS claimant count data, 100% WPLS data and 5% sample data.

**all figures are Great Britain (not seasonally adjusted) except JSA which is UK (seasonally adjusted)

The numbers on the main out of work benefits have fallen by 981,900 Between May 1997 and November 2006. Later JSA figures show a fall between May 1997 and June 2007 of 755,500.

Over the last year:

- Jobseeker's Allowance is down 91,100 to June 2007
- Incapacity Benefit is down 38,000 to November 2006
- Lone Parents' benefit is down 3,000 to November 2006
- Other income related benefits are up 4,600 to November 2006

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