

Millions of workers seeing real terms pay fall 'sharply' as inflation bites

Millions of [workers](#) are seeing real terms pay fall “sharply” as soaring [inflation](#) bites, official figures revealed on Tuesday.

They showed that growth in real regular pay (which excludes bonuses and adjusted to inflation) fell in January to March, compared to a year earlier, by 1.2 per cent.

Strong bonuses meant that when they are included real terms total pay was up 1.4 per cent.

Darren Morgan, director of economic statistics at the Office for National Statistics, said: “Continued strong bonuses in some sectors such as construction and especially finance mean that total pay is continuing to grow faster than prices on average, but underlying regular earnings are now falling sharply in real terms.”

The squeeze is set to get worse as the [Bank of England has forecast that inflation may rise into double figures](#) later this year.

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The number of job vacancies in February to April 2022 rose to a new record of 1,295,000, the Office for National Statistics said

However, the rate of growth in vacancies continued to slow down.

The number of UK workers on payrolls rose by 121,000 between March and April to 29.5 million,

Chancellor Rishi Sunak said: “The unprecedented support we provided through our Plan for Jobs has led to the jobs market remaining robust despite global challenges, with the [unemployment](#) rate near record-lows and the number of payrolled employees at a record high.

“I understand that these are anxious times for people, but it’s reassuring that fewer people are out of work than was previously feared, and we are helping them to keep more of their hard-earned money through tax cuts, changes to Universal Credit and support with household bills worth £22 billion this financial year.”