Number of long-term sick people at a record high

The number of people who do not have a job due to long-term sickness has risen to a record high, according to data from the Office for National Statistics (ONS).

These people are not classed as unemployed because they are too sick to look for work. Instead they are classed as economically inactive.

That rate of economic inactivity rose from June to August, largely driven by those aged 50 to 64 years and 16 to 24 years because they are long-term sick or students.

Pay packets have experienced one of the largest falls in growth since comparable records began in 2001.

In real terms, adjusted for inflation, total pay (including overtime and bonuses) over the past year fell by 3.4% and regular pay fell by 4%, according to ONS data.

This is slightly smaller than the record 4.1% fall in real regular pay experienced from April to June 2022.

The decrease in real wages comes despite an overall increase in wages.

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Inflation has been higher recently than at any period since the early 1980s and was 9.9% in August, fuelled by energy and food costs. It was down from 10.1% in July.

Average total pay (including bonuses) was 6.0% higher and regular pay (excluding bonuses) was 5.4% up among employees during the June to August 2022 period.

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The unemployment rate for June to August 2022 decreased by 0.3 percentage points on the quarter to 3.5%, the lowest rate since December to February 1974.

The number of those who are economically inactive because they are long-term sick increased to a record high, the ONS said.