

Unemployment rate remains low as number of job vacancies falls

The UK unemployment rate remains low, according to the latest official figures.

The figure stood at 4.2% in the three months to August this year, after changes to the Office for National Statistics (ONS) survey method.

Under the new means of assessing the labour market, there has been no change in the level of joblessness compared to the three months to July.

Despite the unemployment rate remaining static, the number of jobs on offer fell to under a million. A drop of 43,000 jobs was estimated by the ONS from its previous tally – with 988,000 vacancies available from July to September.

The number of vacancies fell across the economy – 14 of the 18 industries surveyed posted a reduced number of jobs. It was the 15th consecutive period of contraction in the labour market.

Read more

[Real living wage raised to give 'lifeline' to workers](#)

[Wage growth eases as numbers in payrolled employment fall](#)

The country's all-time lowest unemployment rate was 3.4%, recorded in December 1973 – while the highest rate was 11.9% in April 1984.

Since the pandemic years, there has been a high number of people neither in work nor looking for work – people who are classed as economically inactive. This can be because people are [long-term sick](#).

Data from the ONS also shows there was a slight increase in the percentage of economic inactivity. The rate grew 0.1 percentage points to 20.9% from June to August compared to the three months from March to May.

Advertisement

Be the first to get Breaking News

Install the Sky News app for free



sky



A new way of crunching the labour market numbers is being adopted by the ONS in an effort to ensure accuracy, as the organisation found it harder to engage with enough people in certain groups.

The publication of unemployment data was delayed a week in an effort to produce the best estimates.

Some have been critical of the new process. The publication of experimental estimates of headline numbers raised “questions about the reliability of the data”, economics research firm Pantheon Macroeconomics said.

“The poor quality of this data will hamper key decisions,

including the Bank of England's on interest rates and the government's on labour market inactivity," the Resolution Foundation thinktank added.

Nevertheless, the figures demonstrated the labour market was loosening – with unemployment set to peak at 4.8% in the first three months of next year, Pantheon forecast.

As a result, it's expected the [Bank of England](#) will [keep interest rates at 5.25%](#) next month.