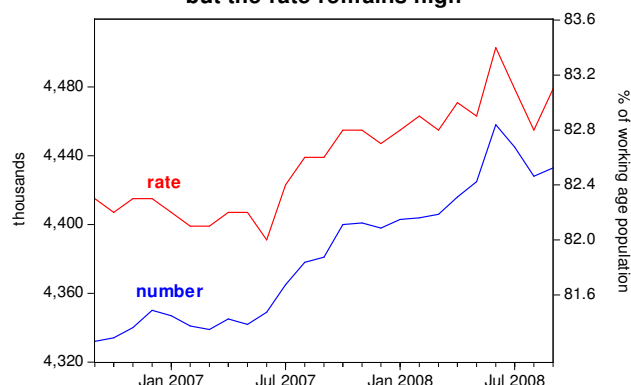


South East Labour Market Update December 2008

Contact: Claire Hann
Research & Economics Team
Strategy & Communications Directorate
01483 501 334
research@seeda.co.uk

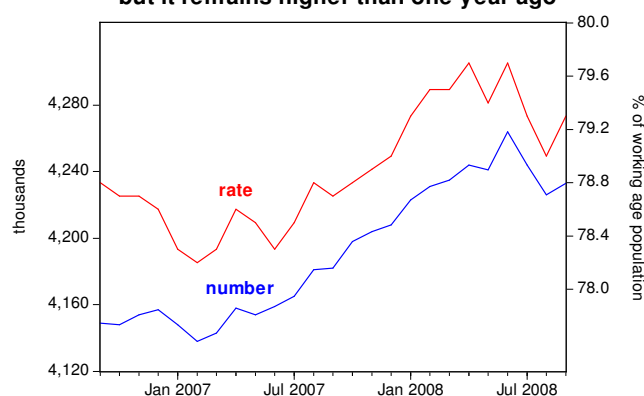
Economic activity has been falling away but the rate remains high



Source: National Statistics 2008

Note that the charts in this briefing show monthly data, which can be highly volatile. It is advisable to focus on the change over the past quarter, and to use the charts to review the longer term trends.

Some falls in employment, but it remains higher than one year ago



Source: National Statistics 2008

Economic Activity

Data for the three months to October shows that there were 4.43 million economically active people aged over 16 in the South East, or 25,000 lower than in the previous quarter.¹ This is the largest quarterly fall of any region, and contrasts with the situation in the UK, where economic activity *increased* by 22,000 in the same period.

The fall in economic activity in the region could be due to larger numbers of women moving into inactivity (the number of women in employment has dropped markedly – see below) as well as an increase in the number of migrant workers returning to their home countries.

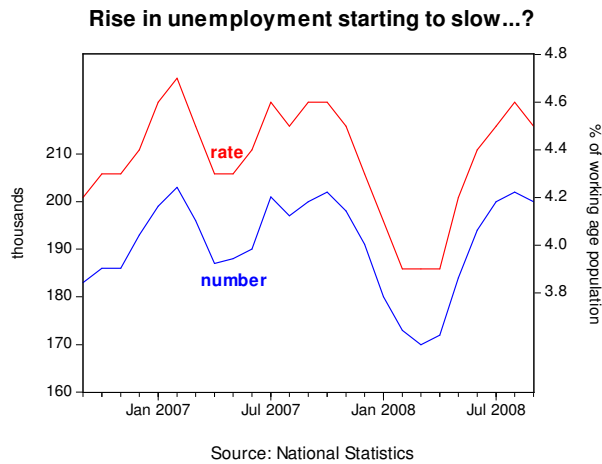
The economic activity rate in the South East, at 83.1%, is still the highest in the country. The UK figure fell by 0.1% on the previous quarter, to 79.1%.

Employment

In the three months to October employment in the South East fell by 31,000, standing at 4.23 million people (aged over 16). This is the second consecutive quarterly fall in the region. In the UK there were 29.4 million people in employment – 115,000 fewer than in the previous quarter.

This means that more than one quarter of the total fall in employment in the UK occurred in the South East. Since the South East accounts for only 14% of the UK workforce, this represents a significant fall in employment. The only other region seeing a larger fall in employment in the three months to October was the North West (a drop of 47,000). Some regions even saw a small increase in employment (the East Midlands and East of England, along with Scotland and Northern Ireland). However, there are still 51,000 more people in employment in the South East than in

¹ The economically active are those who are in employment or unemployed but available for work.



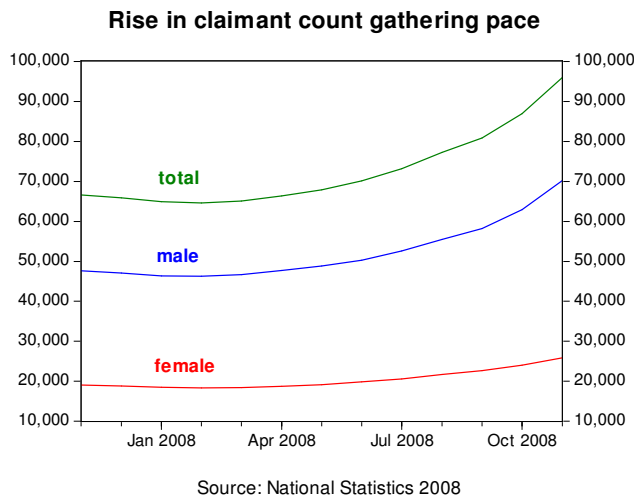
October last year.

Breaking down the figures by gender reveals that the majority of the fall in employment was accounted for by a drop in female employment, which fell by 26,000 in the three months to October, compared to a fall of just 5,000 in male employment. A number of these women are likely to be employed in part-time and/or temporary jobs, which suggests that at this stage it is likely that temporary and part-time employment is bearing the brunt of the downturn. By contrast, London saw a drop of 23,000 in male employment (more likely to be permanent, full-time jobs) but an increase of 4,000 in female employment in the three months to October.

In the three months to October the South East employment rate stood at 79.3% - 0.4% lower than in the previous quarter. Over the same period the UK employment rate declined by 0.4% to 74.2%. The South East employment rate remains the highest of any region.

The employment rate for men in the South East remained unchanged on the previous quarter, at 83.5% - still by far the highest in the country. The UK employment rate for males declined by 0.6% to 78.1%.

The employment rate for women in the South East fell by 0.7% to 74.7%, making it the second highest in the country behind the South West. The UK female employment rate dropped by 0.2% to 70.1%.



Unemployment

In the three months to October there were 200,000 unemployed people in the region, or 6,000 more than in the previous quarter. This represents a smaller increase in unemployment than in the previous quarterly data release, and is one of the smallest increases in unemployment of any region.

The number of unemployed people in the UK increased by 137,000 over the same period, reaching 1.86 million in September, which is the highest level since November 1997. In the South East, however, unemployment is only as high as it was in July 2008.

The unemployment rate for those aged 16+ in the South East increased by 0.2% to 4.5% in the three months to October. This remains one of the lowest rates of any region (except the South West and Northern Ireland). The UK unemployment rate increased by 0.4% to 6.0%.

The increase in unemployment in the South East

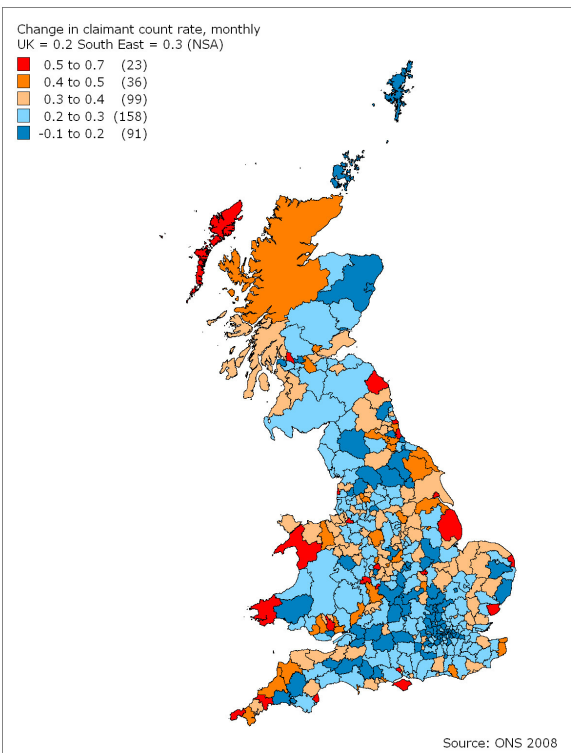
was entirely driven by a growth in male unemployment, while female unemployment remained unchanged on the previous quarter. The male unemployment rate increased by 0.2% to 4.8%. The female unemployment rate also increased (by 0.1%) to 4.2%.

There were 96,000 people in the South East claiming Job Seekers' Allowance (JSA) in November – over 9,000 more than in October. The number of men claiming JSA increased by around 7,300 between October and November and the number of female claimants by around 1,800. There were more than 1 million people in the UK claiming JSA, and the number increased by 75,700 between October and November.

The latest claimant count data at District level shows that those relatively remote (largely coastal) localities have seen the greatest increase in the claimant count rate between October and November.

The same is true for the South East, with Southampton and the Isle of Wight seeing the fastest increase in the proportion of people claiming Job Seekers' Allowance (0.5% each).

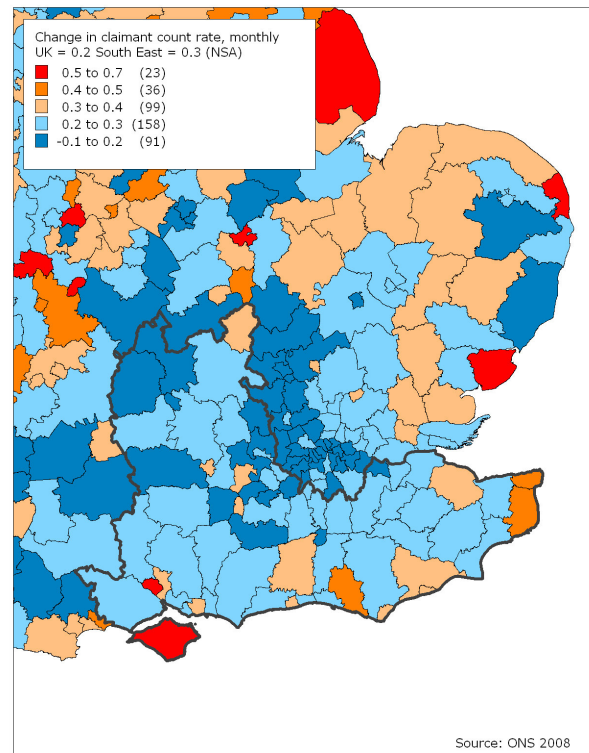
Change in claimant count rate (October-November 2008)



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Change in claimant count rate (October-November 08)



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However, since this data is not adjusted for seasonality, such findings need to be treated with a high degree of caution.

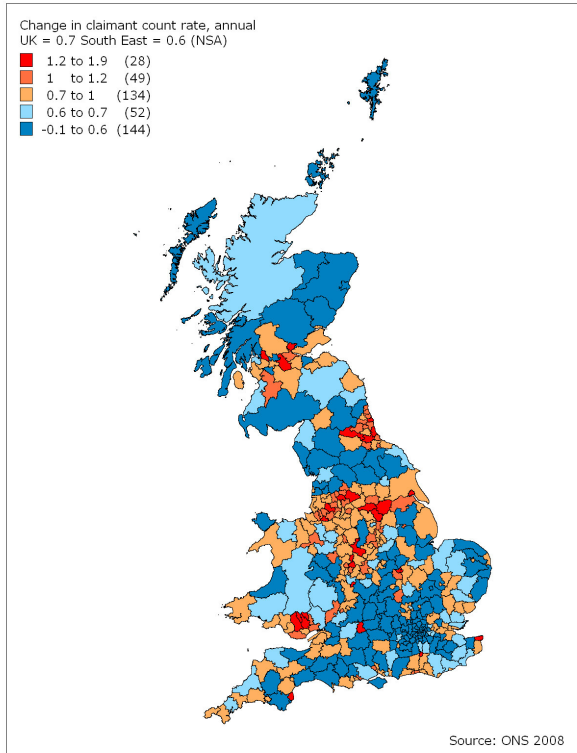
Comparing changes over the past 12 months is one way of dealing with seasonal variations, and in this case is more appropriate.

Across the country the West Midlands, North East and South Wales have seen the fastest change in the rate of claimant count

unemployment.

In the South East over the past 12 months, the claimant count rate (proportion of people claiming JSA) in Crawley increased by 1.3% - faster than in other parts of the region. Thanet (+1.2%), Milton Keynes and Southampton (+1.0% respectively) have seen significant changes (albeit in some cases from a low base).

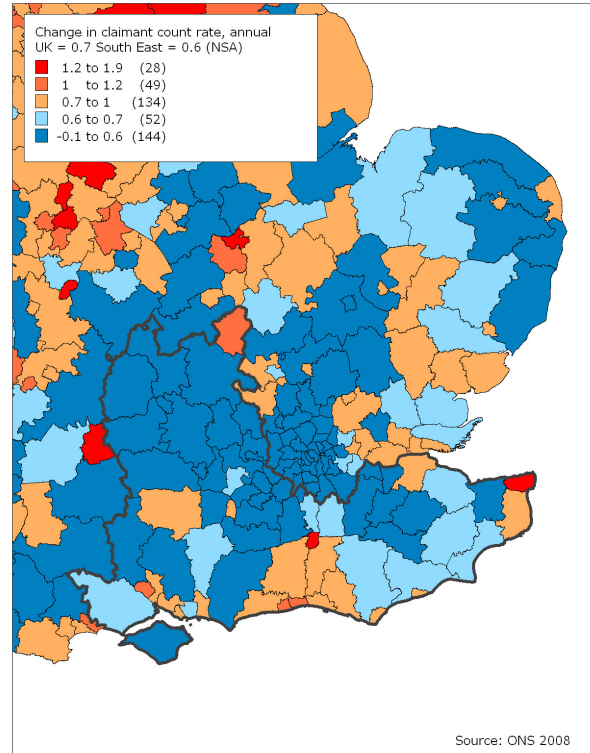
Change in claimant count rate (Nov 2007-Nov 2008)



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Change in claimant count rate (Nov 2007-Nov 2008)



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Several other areas, largely in Sussex, Kent and Urban South Hampshire, have seen increases in the claimant count rate above the regional average.

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Note: delete before publishing externally, keep for internal release and SEEDANET (it will allow easy location of documents, charts, maps and data).

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Source/file locations	
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