Weekly vacancy analysis:

Vacancy trends in week-ending 26th April 2020

James Cockett, Dafni Papoutsaki, Matthew Williams and Tony Wilson

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This is the third in a series of weekly briefings exploring changes in vacancies since the Covid-19 crisis began. The work is funded by the Joseph Rowntree Foundation and uses vacancy data collected by Adzuna (www.adzuna.co.uk) – one of the largest online job search engines in the UK.[1] This briefing covers vacancies up to Sunday 26th April 2020. It follows the same format of previous briefings, with analysis of new vacancies, vacancy levels, changes by area and changes by job type. This week's briefing includes new analysis of salaries using Adzuna predicted salary tool.

As set out in the second briefing note, we use week ending 15th March (2nd week in March in text) when making comparisons with pre-crisis data.

Changes in new vacancies and vacancy levels

Our analysis finds that although this week there has been a continued fall in vacancies there has been a larger increase in the number of new vacancies in the last week.

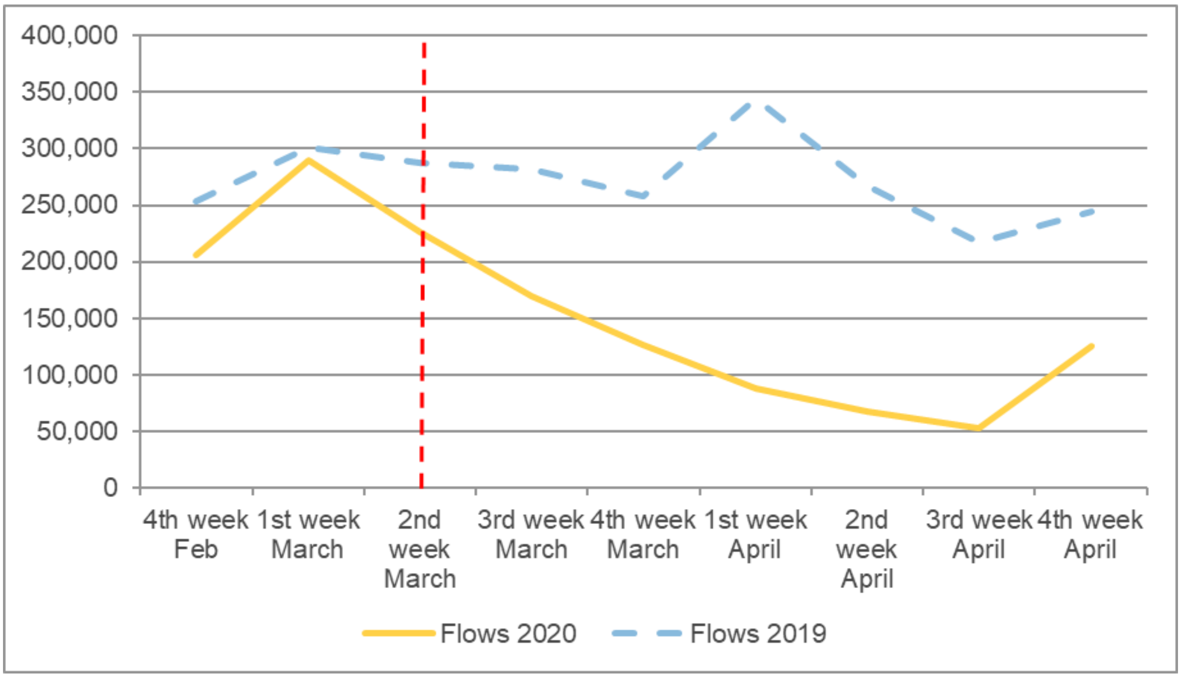
Our analysis finds that there were 126 thousand new vacancies notified last week. This is 45% lower than the number notified in the week before the crisis began, and is just half the level of new vacancies reported in the same week last year. However, the number of new vacancies notified has risen from the very low levels reported last week (which would have in part reflected the effect of Easter holidays). Nonetheless this is the first rise in six weeks, and sees new vacancies returning to the levels reported in the last week of March. Figure 1 shows the number of new advertised vacancies by week.

The overall level of vacancies at 26 April was 364 thousand. This is 456 thousand (56%) lower than pre crisis, and 36 thousand lower (9%) than last week. These are shown in

[1] Adzuna is one of the largest job search engines in the UK. It runs the government's 'Find a Job' service. It aggregates job ads from thousands of sources and cleans, de-duplicates and standardises the information to provide a robust picture of employer demand, covering at least 90 per cent of all vacancy activity.

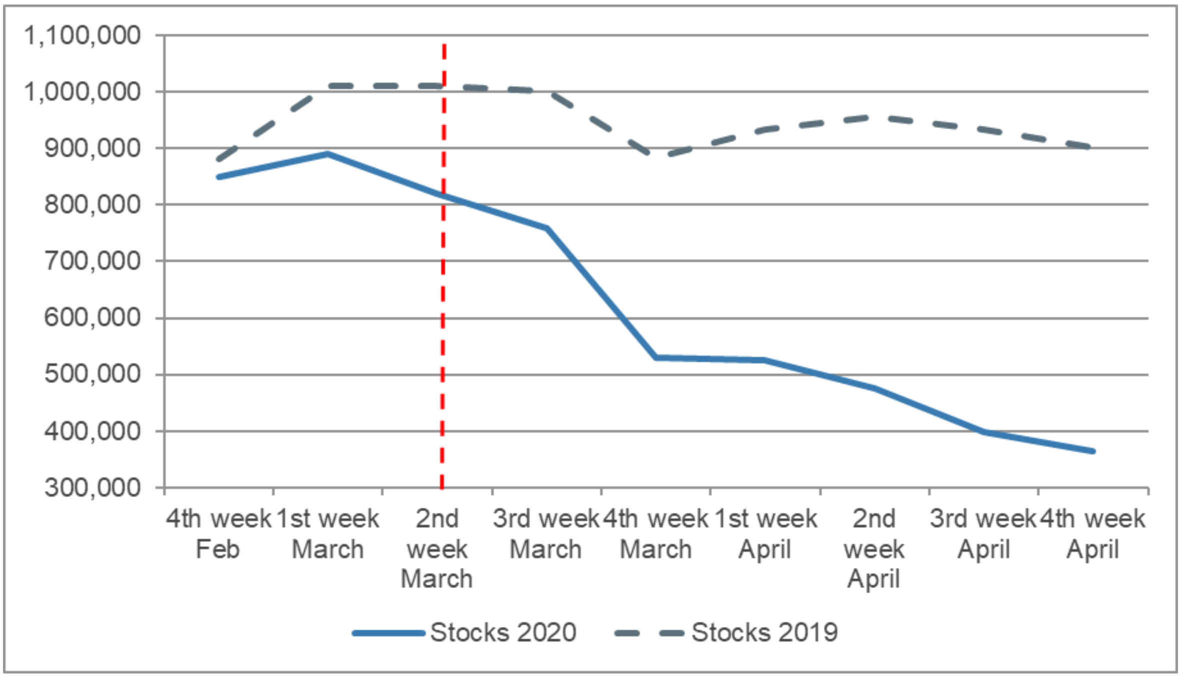
Figure 2 below. There may be signs that the fall in vacancy levels is bottoming out, with the rate of decline easing compared with previous weeks.

Figure 1: Number of new vacancies by week



Source: Institute for Employment Studies analysis of Adzuna vacancy data

Figure 2: Total number of vacancies by week



Source: Institute for Employment Studies analysis of Adzuna vacancy data

Whilst not directly comparable, the current level of vacancies is now likely to be much lower than in the depths of the great recession, where the number of vacancies in January 2009 was 416,000[2].

Week to week changes should be treated with caution, but the significant increases in new vacancies notified in the last week were driven by regional and sectoral differences. The number of new vacancies more than doubled in all regions apart from London and the devolved nations of Scotland and Northern Ireland. New vacancies in the South East were over 3 times higher than last week, with significant increases too in the North West. The number of new vacancies in the last week was highest in healthcare and nursing (23 thousand), accounting for 16% of all new vacancies. IT made up the second most (19 thousand), 14% of all new vacancies in the last week.

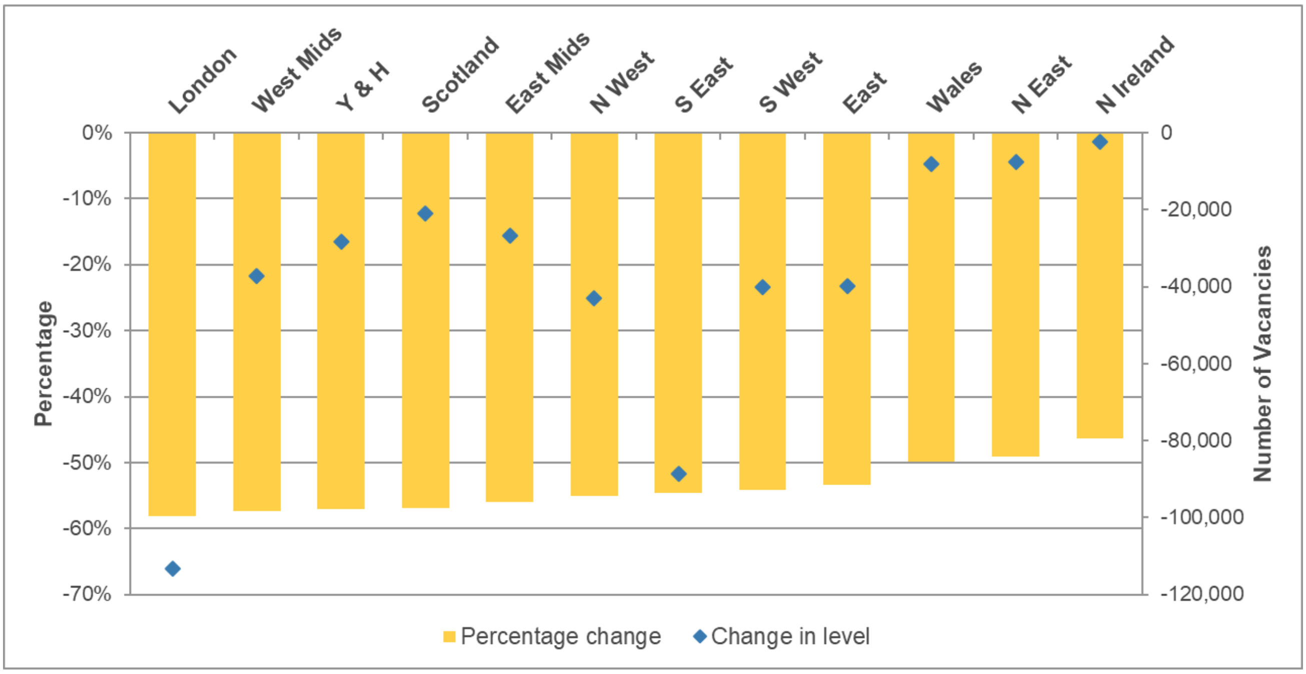
Local and regional changes in vacancy levels

Figure 3 below shows how vacancy levels have changed by English region and devolved nation since the crisis began. Overall since the w/e 15th March vacancies have fallen between 53-58% for Scotland and all English regions except for the North East, which saw vacancies fall by 49%. In Wales vacancies have fallen by 50%, while Northern Ireland has seen the lowest decline, at just under 46%.

London has seen the largest fall in percentage terms (58%), and also the highest number of falling vacancies (113 thousand).

[2] ONS Vacancy Survey- Dataset: X06

Figure 3: Percentage difference in vacancies (left-hand axis) and in the level of vacancies (right-hand axis) by region and devolved nation between w/e 15th March and w/e 26th April



Source: Institute for Employment Studies analysis of Adzuna vacancy data

As with the previous week's briefing, the changes within regions are far greater than those between them. The attached Annex sets out by local area: current vacancy levels, the change in vacancies since the crisis began, and the changes on the figures for the previous week and the same point the previous year. Again, caution should be used in assessing week-to-week changes.

Looking at trends since the crisis began, nine areas have seen vacancies fall by more than 62%, these are spread across the country from North to South. The largest falls since w/e 15th March have been in

- Trafford in Manchester in the North West – down 66.6%
- Edinburgh and South Ayrshire in Scotland – down 65.9% and 62.1% respectively
- Solihull in the West Midlands – down 65.4%
- Leicestershire in the East Midlands- down 63%
- South West London; Warrington (North West) and Bracknell Forest (South East) – all down 62.6%
- Central Bedfordshire in the East of England – down 62.3%
- Gateshead in the North East – down 62.0%

Seemingly the least affected areas, where overall vacancies have fallen by less than one third are:

- The Isle of Wight in the South East – down by 7.2%
- South Gloucestershire in the South West – down by 20%
- Redcar and Cleveland, and Hartlepool in the North East – down 24% and 32% respectively
- Tameside in the North West – down 27%
- Powys in Wales – down 33%

23 areas experienced a rise in total vacancies since last week, driven by the number of new vacancies advertised. Vacancies in Blackpool, East Lothian and Midlothian; and the Isle of Wight increased by more than a third on last week, offsetting some of the large falls seen since mid-March.

Changes by job types

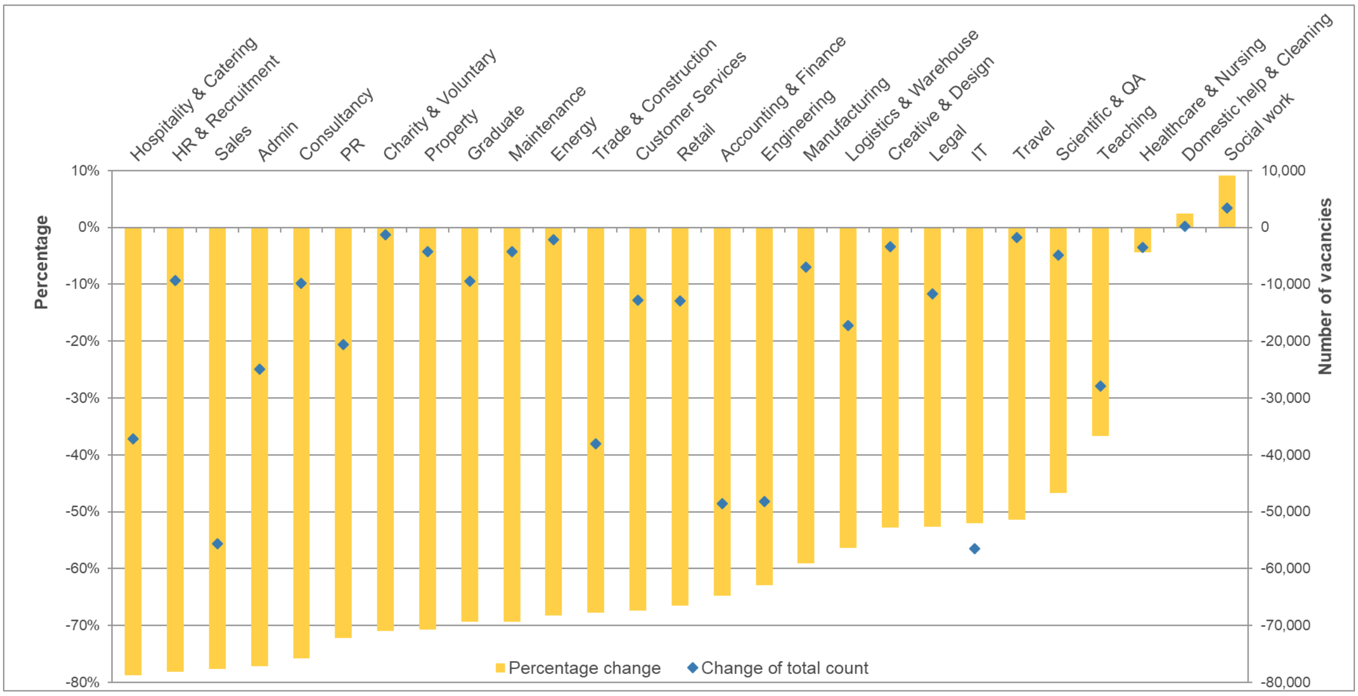
We have analysed changes in vacancies by the high level 'job types' that are recorded by Adzuna. These categorise all jobs into one of 27 groups, reflecting the broad occupational category for that work. This analysis is presented in Figure 4 below, showing the change in the level of vacancies and the percentage change for each type.

The largest fall in vacancies have been in Hospitality and Catering, HR recruitment, Sales and Admin. All have seen falls in vacancies of between 77 and 79% since w/e 15th March. Many sectors have caught up with hospitality (which experienced the largest immediate fall in vacancies) due to the large amount of home working. This changing nature of requires less of a need for secretarial support (offices are not open to receive phone calls etc.). Human resources and recruitment vacancies are falling due to the fall in vacancies overall. Sales jobs are in call centres which will not be recruiting in large numbers at the moment.

By volume, the largest falls have been in IT (down 56 thousand), sales (56 thousand), engineering (48 thousand) and accounting and finance (48 thousand). Combined, these four job types account for nearly half (44%) of the total fall in vacancies.

There are two 'job types' where the total number of vacancies has increased since mid-March, social work and domestic and cleaning, where vacancies have increased by 3,000 (9%) and 200 (6%) respectively. The current number of social work vacancies now stands at 41 thousand, 1 in 10 of all jobs being advertised. In mid-March this figure was over 1 in 20.

Figure 4: Percentage fall in vacancies (left-hand axis) and change in the level of vacancies (right-hand axis) by high level job type between w/e 15th March and w/e 26th April



Source: Institute for Employment Studies analysis of Adzuna vacancy data

Changes in vacancies by salary levels

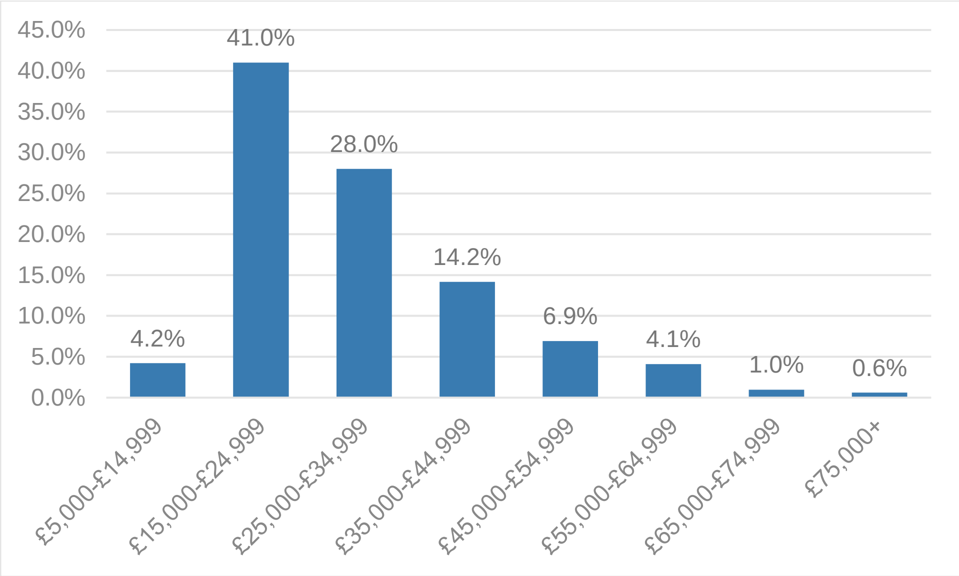
This week, we are adding analysis of changes in vacancy levels by salary bands. We do this using Adzuna's predicted salary, which is provided for each role. To predict these salaries Adzuna uses 'Jobsworth'[3], a machine learning algorithm that predicts a job's salary based on relevant information including the job title, job description and other factors, and which is trained using the job adverts on the site where the salary is stated[4].

Median pay in the UK is around £28,000, and this is reflected in the Adzuna data – with just under half of advertised jobs (45%) having a predicted salary of less than £25,000 a year (Figure 5).

[3] https://www.adzuna.co.uk/jobs/salary-predictor.html

[4] Note the minimum and maximum values assigned to a vacancy are £5,000 and £100,000 per annum.

Figure 5: Percentage of vacancies by salary group, w/e 15th March

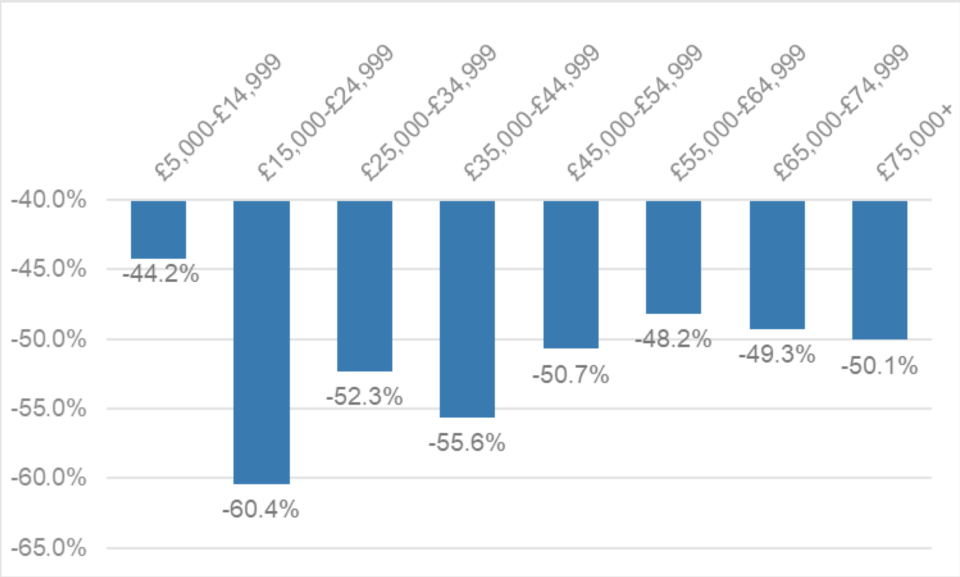


Source: Institute for Employment Studies analysis of Adzuna vacancy data

Looking at changes since the crisis began, the drop in vacancies between the 2nd week of March and the 4th week of April was the highest for the second salary band, with prospective earnings between £15,000-£24,999 (Figure 6). There was an even larger drop for professions at the highest end of the salary distribution, although that group refers to just 0.6% of the advertised jobs.

The relatively higher drop in job vacancies from lower pay bands likely reflects lower pay in many of the sectors directly shutdown by the restrictions put in place last month. Higher paid jobs, where people are more likely to be able to work from home, have taken a smaller hit compared to those offering lower pay.

Figure 6: Percentage change of number of vacancies by salary group, between w/e 15th March and w/e 26th April



Source: Institute for Employment Studies analysis of Adzuna vacancy data

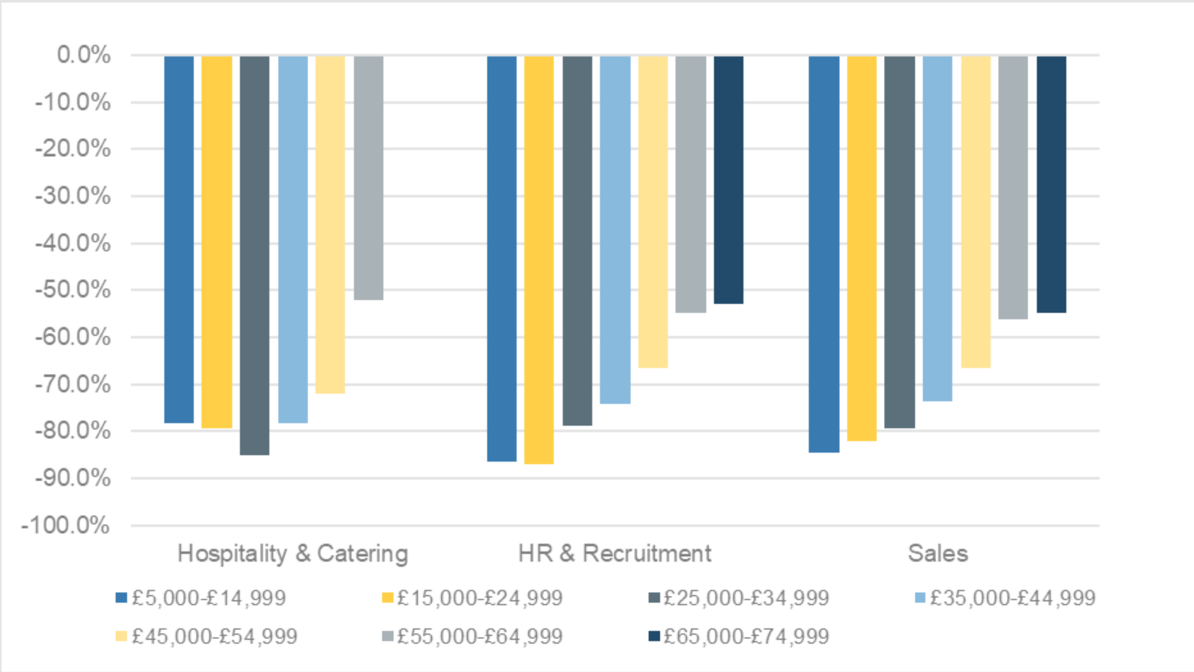
We focus next on the three job types that had the greatest fall in vacancies (Hospitality & Catering, HR & Recruitment, Sales) and the three job types that had the lowest fall in vacancies (Domestic help & Cleaning, Healthcare & Nursing, Social Work)[5].

The job types with the greatest decrease in vacancies had a much greater drop for lower paid positions than high paid positions (Figure 7). This indicates that for job types where vacancies have decreased the most, this has been particularly driven by falls in lower paid work. This likely reflects both restrictions on ability to work from home, as well as falls in recruitment to 'entry level' roles due to the ongoing economic uncertainty. This in turn likely means that younger people entering the labour market and those returning to work will be faced with fewer opportunities – as has happened in previous downturns.

A different pattern is observed for the three job types with the lowest decrease in vacancies (or in the case of Social Work, where vacancies have risen). In all three groups, there is an increase of vacancies for jobs within the two lowest salary bands (Figure 8). However even though these job types do not seem to be as adversely affected by the current crisis in terms of the number of vacancies as other job groups, there is a drop in their average remuneration. So as with previous crises, even where the volume of jobs has not declined, pay appears to be being adversely affected.

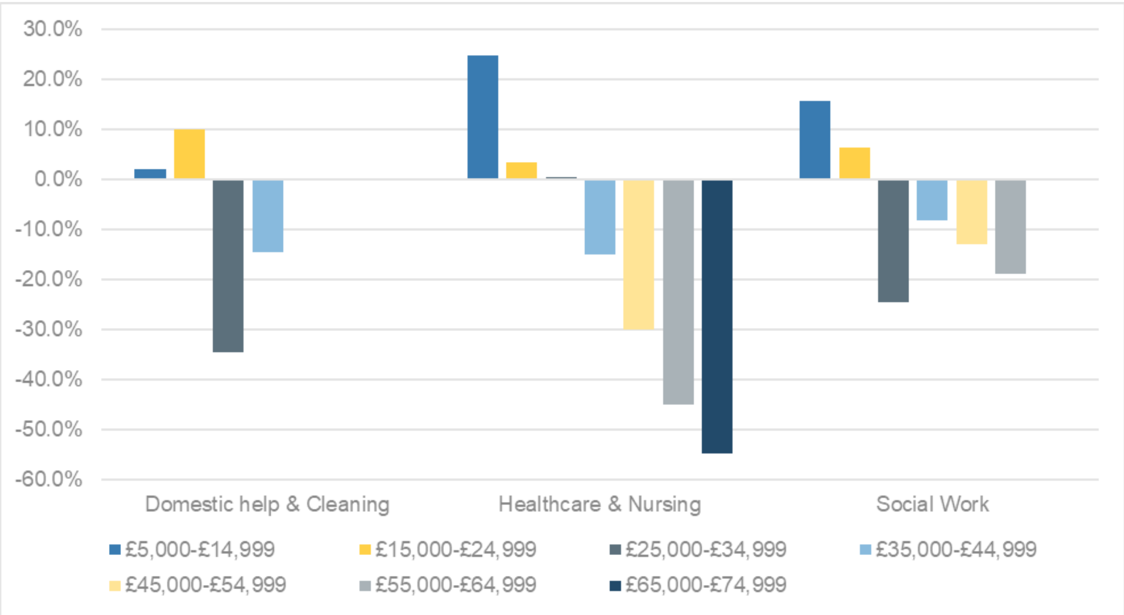
[5] Clusters with fewer than 20 observations are omitted.

Figure 7: Percentage change of number of vacancies by salary group and job type, between w/e 15th March and w/e 26th April



Source: Institute for Employment Studies analysis of Adzuna vacancy data

Figure 8: Percentage change of number of vacancies by salary group and job type, between w/e 15th March and w/e 26th April



Source: Institute for Employment Studies analysis of Adzuna vacancy data

Conclusions and next steps

This data shows that, overall, hiring intentions declined further during the fourth week of April, although the decline in the level of vacancies appears to be stabilising and there was a welcome increase in the number of new vacancies notified compared to the third week of April.

Of particular concern in this week's briefing is the higher drop of low pay jobs compared to higher pay jobs. This reiterates growing concerns that those looking for entry level opportunities in the labour market – including young people but also those who are returning to work, may have lower qualifications or may be otherwise disadvantaged – are likely to bear the brunt of the slowdown in hiring in the recovery.

Our Getting Back to Work report explores these issues in more detail, and sets out proposals for ensuring that those out of work are supported to remain close to work and re-enter employment in due course. We suggest five priorities for action, including investment in new active labour programmes for those out of work; refocusing skills and training to support the recovery; an integrated and coherent offer for young people; an orderly withdrawal from the Job Retention Scheme; and a new, partnership-based, 'Back to Work' campaign.

We will aim to publish further vacancy analyses at the end of each week, and anticipate that future briefings will include:

- Analysis of the unemployment to vacancy ratio in local areas
- Further analysis of vacancies by job type and occupation (high level analysis by 'job type' was presented in the first briefing note)
- More detailed analysis of what is driving changes in vacancies within local areas

We would welcome input and feedback on this briefing note, and on the content and analysis for future briefings.

Annex: Vacancy levels by local area

Table A. Error! No text of specified style in document.**1: Local area vacancies and changes since crisis began, in last week, and year-on-year**

Local Authority	Region/ nation	w/e 26 April 2020	Change since w/e 15 March	Change in last week	Year on year change
Trafford	North West	414	-66.6%	-13.2%	-70.0%
Edinburgh	Scotland	2,524	-65.9%	-7.8%	-68.6%
Solihull	West Midlands	492	-65.4%	-17.7%	-75.9%
Leicestershire	East Midlands	2,008	-63.0%	-14.2%	-64.6%
South West London	London	5,076	-62.6%	-10.5%	-77.0%
Warrington	North West	877	-62.6%	-10.3%	-74.1%
Bracknell Forest	South East	608	-62.6%	-7.5%	-67.6%
Central Bedfordshire	East of England	1,482	-62.3%	-17.8%	-60.0%
South Ayrshire	Scotland	125	-62.1%	-6.7%	-74.5%
Gateshead	North East	252	-62.0%	-16.3%	-75.3%
Leeds	Yorkshire and Humber	5,538	-61.8%	-15.6%	-72.9%
West Lothian	Scotland	475	-61.5%	-8.7%	-64.0%
North Eastern Scotland	Scotland	1,809	-61.2%	-4.2%	-62.3%
Birmingham	West Midlands	6,902	-61.2%	-11.2%	-68.5%
North West London	London	2,966	-61.0%	-15.6%	-62.9%
Thurrock	East of England	430	-61.0%	-20.4%	-71.0%
South East London	London	11,440	-60.9%	-9.7%	-74.1%
Northamptonshire	East Midlands	3,943	-60.8%	-9.5%	-62.6%
Bristol, City of	South West	6,411	-60.4%	-11.7%	-63.7%
Dudley	West Midlands	3,942	-60.1%	-20.3%	-28.7%
Buckinghamshire	South East	3,796	-60.0%	-12.2%	-58.0%
West Berkshire	South East	581	-60.0%	-10.3%	-70.7%
Warwickshire	West Midlands	2,893	-59.7%	-14.1%	-59.0%
Sheffield	Yorkshire and Humber	3,711	-59.5%	-13.9%	-46.7%
Slough	South East	1,064	-59.4%	-6.1%	-67.4%

Worcestershire	West Midlands	2,349	-59.4%	-13.9%	-63.9%
Luton	East of England	614	-59.4%	-4.7%	-76.2%
Windsor and Maidenhead	South East	1,132	-59.3%	-11.7%	-66.2%
Glasgow	Scotland	3,034	-59.3%	-7.8%	-64.0%
Reading	South East	5,262	-59.3%	-9.4%	-55.8%
Telford and Wrekin	West Midlands	636	-59.0%	-5.1%	-67.3%
Falkirk	Scotland	170	-58.7%	-4.0%	-55.1%
Calderdale	Yorkshire and Humber	459	-58.7%	-12.9%	-65.8%
Blackpool	North West	289	-58.6%	52.1%	-78.0%
Kent	South East	9,440	-58.2%	-5.0%	-55.1%
Wokingham	South East	357	-58.1%	2.6%	-73.0%
Milton Keynes	South East	2,786	-58.1%	-5.4%	-56.5%
Central London (EC & WC postcodes)	London	49,238	-58.1%	-16.4%	-62.8%
North Lincolnshire	Yorkshire and Humber	467	-58.0%	-5.5%	-29.7%
Manchester	North West	11,279	-57.8%	-14.5%	-59.5%
Oxfordshire	South East	5,747	-57.6%	-1.5%	-62.3%
Cheshire West and Chester	North West	3,197	-57.6%	-8.9%	-50.7%
Hertfordshire	East of England	8,288	-57.5%	-9.8%	-63.0%
Cardiff	Wales	2,756	-57.5%	-12.1%	-60.5%
Gloucestershire	South West	5,660	-57.5%	-8.4%	-48.1%
East London	London	4,105	-57.3%	-12.4%	-65.1%
Isles Of Scilly	South West	6	-57.1%	0.0%	-85.4%
Wakefield	Yorkshire and Humber	1,153	-56.7%	-9.3%	-60.8%
Coventry	West Midlands	1,602	-56.7%	-12.3%	-65.4%
Surrey	South East	10,009	-56.7%	-8.3%	-63.8%
Hampshire	South East	8,395	-56.5%	-7.4%	-57.3%
Salford	North West	404	-56.5%	-19.2%	-75.6%
Bridgend and Neath Port Talbot	Wales	281	-56.4%	-12.7%	-65.6%
Derby	East Midlands	1,481	-56.4%	-8.6%	-60.1%
Bedford	East of England	925	-56.3%	-5.3%	-61.4%
Bath and North East Somerset	South West	985	-56.3%	-5.5%	-60.5%

North Yorkshire	Yorkshire and Humber	2,518	-56.2%	-9.2%	-54.8%
York	Yorkshire and Humber	1,302	-56.1%	11.0%	-34.4%
Staffordshire	West Midlands	3,017	-56.1%	-7.3%	-57.8%
Rotherham	Yorkshire and Humber	461	-56.1%	-16.9%	-78.3%
Lancashire	North West	4,215	-55.9%	-1.4%	-60.7%
Stockport	North West	1,172	-55.8%	-9.5%	-62.2%
East Lothian and Midlothian	Scotland	1,489	-55.5%	47.7%	-51.7%
Cheshire East	North West	1,984	-55.2%	-5.0%	-54.3%
Derbyshire	East Midlands	2,621	-55.1%	-11.3%	-53.7%
Nottingham	East Midlands	3,011	-55.1%	-5.5%	-60.3%
West Sussex	South East	4,615	-55.0%	-3.4%	-63.4%
Essex	East of England	7,693	-55.0%	-6.2%	-60.0%
North Lanarkshire	Scotland	350	-54.7%	-8.1%	-74.1%
Bournemouth, Christchurch and Poole	South West	1,623	-54.6%	-8.3%	-70.1%
Newcastle upon Tyne	North East	2,734	-54.5%	-12.7%	-54.3%
North London	London	2,887	-54.4%	-5.3%	-60.7%
Devon	South West	4,620	-54.4%	1.4%	-47.0%
Plymouth	South West	893	-54.3%	-2.2%	-58.9%
Nottinghamshire	East Midlands	2,468	-54.0%	-7.3%	-48.2%
Perth and Kinross, and Stirling	Scotland	486	-53.8%	-11.0%	-66.1%
Leicester	East Midlands	2,313	-53.6%	-5.2%	-64.3%
Blackburn with Darwen	North West	429	-53.4%	-6.5%	-74.2%
Central Valleys	Wales	247	-53.2%	-5.4%	-75.3%
Cumbria	North West	2,245	-53.2%	0.4%	-34.8%
Swindon	South West	837	-52.7%	-13.2%	-81.5%
Medway	South East	707	-52.4%	-5.2%	-72.6%
Barnsley	Yorkshire and Humber	362	-52.2%	-0.3%	-65.8%
East of Northern Ireland	Northern Ireland	952	-52.0%	-5.2%	-69.7%
St. Helens	North West	285	-51.9%	-7.8%	-65.5%
Doncaster	Yorkshire and Humber	919	-51.5%	-15.0%	-60.4%
Angus and Dundee	Scotland	603	-51.4%	-1.0%	-54.1%

Wolverhampton	West Midlands	850	-50.8%	-15.9%	-59.5%
Bradford	Yorkshire and Humber	1,045	-50.8%	-7.5%	-71.0%
Peterborough	East of England	1,315	-50.2%	-8.2%	-60.5%
Gwent Valleys	Wales	680	-50.1%	-4.6%	-55.6%
Halton	North West	454	-50.1%	-3.6%	-59.1%
East Riding Of Yorkshire	Yorkshire and Humber	1,222	-50.1%	-10.2%	-30.9%
Cornwall	South West	1,914	-50.0%	1.5%	-49.7%
Cambridgeshire	East of England	6,101	-50.0%	-8.6%	-58.5%
Southampton	South East	2,384	-49.9%	-5.7%	-56.8%
Wiltshire	South West	3,237	-49.8%	-7.2%	-51.5%
Northumberland	North East	841	-49.3%	-7.5%	-47.5%
Liverpool	North West	4,145	-49.2%	-6.2%	-49.5%
County Durham	North East	1,458	-49.1%	-11.9%	-52.2%
Clackmannanshire and Fife	Scotland	817	-48.9%	5.7%	-63.2%
Somerset	South West	3,880	-48.8%	-5.8%	-42.2%
Walsall	West Midlands	481	-48.7%	-8.6%	-62.9%
Portsmouth	South East	1,199	-48.7%	-1.7%	-57.1%
Borders	Scotland	179	-48.6%	1.7%	-44.2%
Sandwell	West Midlands	594	-48.5%	-3.1%	-61.2%
South Lanarkshire	Scotland	601	-48.5%	-3.2%	-16.3%
North East Wales	Wales	837	-48.4%	-9.0%	-54.6%
Wigan	North West	648	-48.1%	-2.0%	-57.9%
Lincolnshire	East Midlands	3,020	-48.0%	-2.2%	-51.5%
Kingston upon Hull, City of	Yorkshire and Humber	783	-47.9%	-13.0%	-54.9%
Dumfries and Galloway	Scotland	281	-47.8%	-4.7%	-21.7%
Stoke-on-Trent	West Midlands	1,190	-47.4%	-1.7%	-54.4%
Stockton-On-Tees	North East	285	-47.2%	-8.7%	-61.9%
Suffolk	East of England	3,652	-47.1%	-6.2%	-51.5%
Kirklees	Yorkshire and Humber	1,001	-47.0%	-1.7%	-58.1%
Knowsley	North West	140	-46.8%	17.6%	-53.5%
West London	London	5,751	-46.6%	-3.3%	-14.0%
Dorset	South West	2,984	-46.2%	-2.5%	-29.3%

Southend-on-Sea	East of England	496	-46.1%	-2.4%	-75.4%
Brighton and Hove	South East	2,711	-46.0%	1.2%	-58.0%
Bury	North West	271	-46.0%	-13.7%	-71.9%
Highlands and Islands	Scotland	1,541	-45.4%	-0.2%	-52.0%
Rochdale	North West	433	-45.1%	-10.5%	-57.2%
Wirral	North West	645	-44.9%	-2.1%	-55.4%
Inverclyde, East Renfrewshire, and Renfrewshire	Scotland	604	-44.9%	-1.5%	-54.2%
Shropshire	West Midlands	1,696	-44.8%	-5.9%	-46.6%
Sefton	North West	418	-44.3%	2.5%	-47.3%
Swansea	Wales	870	-44.2%	-8.6%	-44.1%
North Somerset	South West	555	-44.2%	0.0%	-41.5%
Sunderland	North East	540	-43.8%	-1.6%	-60.1%
Monmouthshire and Newport	Wales	709	-43.7%	-37.9%	-67.4%
North East Lincolnshire	Yorkshire and Humber	398	-43.2%	-13.3%	-61.9%
Belfast	Northern Ireland	1,334	-43.0%	-6.3%	-68.7%
Norfolk	East of England	3,906	-42.8%	0.1%	-48.9%
Oldham	North West	539	-42.7%	-9.9%	-56.7%
North of Northern Ireland	Northern Ireland	109	-42.3%	-8.4%	-73.0%
South Tyneside	North East	195	-41.8%	4.3%	-60.8%
South West Wales	Wales	532	-41.5%	-0.2%	-57.8%
East Sussex	South East	11,967	-41.5%	-3.9%	109.8%
West and South of Northern Ireland	Northern Ireland	294	-40.8%	-2.6%	-72.9%
East and North Ayrshire	Scotland	433	-40.3%	-7.7%	-45.9%
Bolton	North West	302	-40.0%	-6.2%	-82.3%
Herefordshire, County of	West Midlands	1,073	-39.4%	3.9%	-37.0%
Torbay	South West	368	-39.0%	7.0%	-48.8%
East Dunbartonshire, West Dunbartonshire	Scotland	315	-37.5%	8.6%	-41.3%
Darlington	North East	478	-37.4%	-4.2%	-47.5%
North West Wales	Wales	913	-36.5%	3.6%	-40.0%
North Tyneside	North East	163	-36.1%	-2.4%	-60.5%
Rutland	East Midlands	214	-35.5%	-3.6%	-46.0%
Middlesbrough	North East	567	-33.9%	2.5%	-47.5%

Powys	Wales	439	-32.5%	7.9%	-59.4%
Hartlepool	North East	158	-31.9%	-5.4%	-39.9%
Tameside	North West	225	-27.2%	9.8%	-58.1%
Redcar and Cleveland	North East	113	-23.6%	0.0%	-43.5%
South Gloucestershire	South West	8	-20.0%	33.3%	-77.8%
Isle Of Wight	South East	847	-7.2%	36.2%	42.4%

About IES

The Institute for Employment studies is an independent, apolitical centre of research and consultancy in employment policy and human resource management. It works with employers, government departments, agencies and professional and employee bodies to support sustained improvements in employment policy and practice.

Institute for Employment Studies, City Gate, 185 Dyke Road, Brighton, BN3 1TL United Kingdom

www.employment-studies.co.uk

@EmploymtStudies

01273 763400