



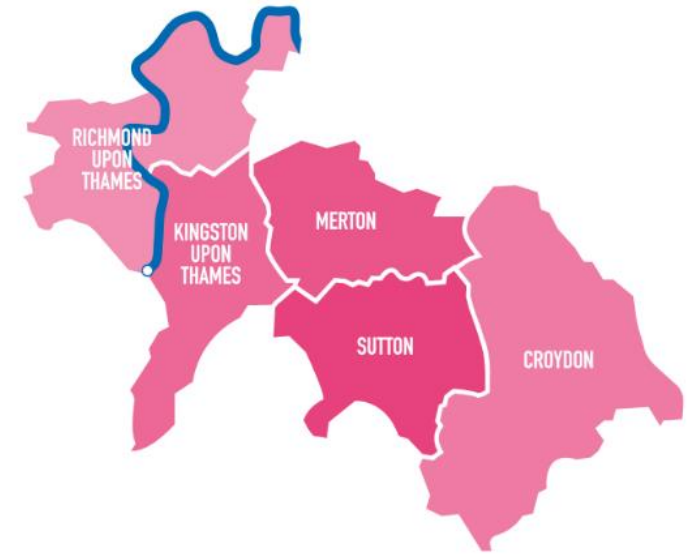
# SLP Economic Insights

October 2022

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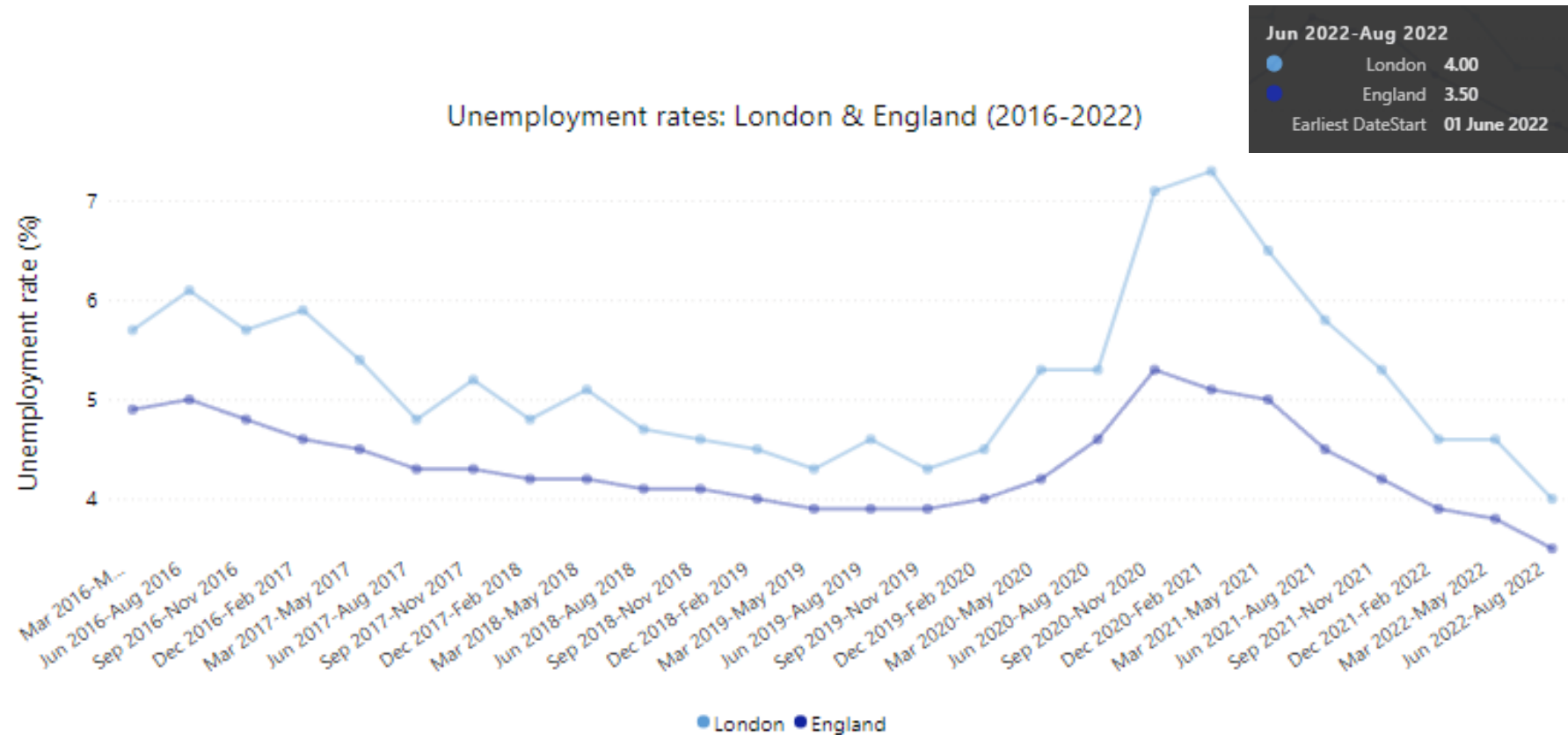
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# Headlines

- Unemployment rates across SLP boroughs have almost returned to pre-pandemic levels. Only Croydon of SLP boroughs has an unemployment rate above that of London as a whole.
- The number of unemployment benefit claimants in SLP boroughs has been falling since February 2021, but is still higher than pre-pandemic with **29,305** people claiming unemployment benefit at Sept 22.
- The number of Universal Credit claimants in SLP boroughs is **104,649**, 74% higher than pre-pandemic.
- Economic activity amongst the working age population reduced in all SLP boroughs except Kingston between March 2020 and March 2022. All boroughs saw a decrease in economic activity amongst the 50+ age group.
- Job vacancy postings are at a similar level to September 21 though have been declining since July.
- Considerable numbers of people living in SLP boroughs are vulnerable to the impact of the cost of living crisis due to low pay, economic inactivity and indebtedness.

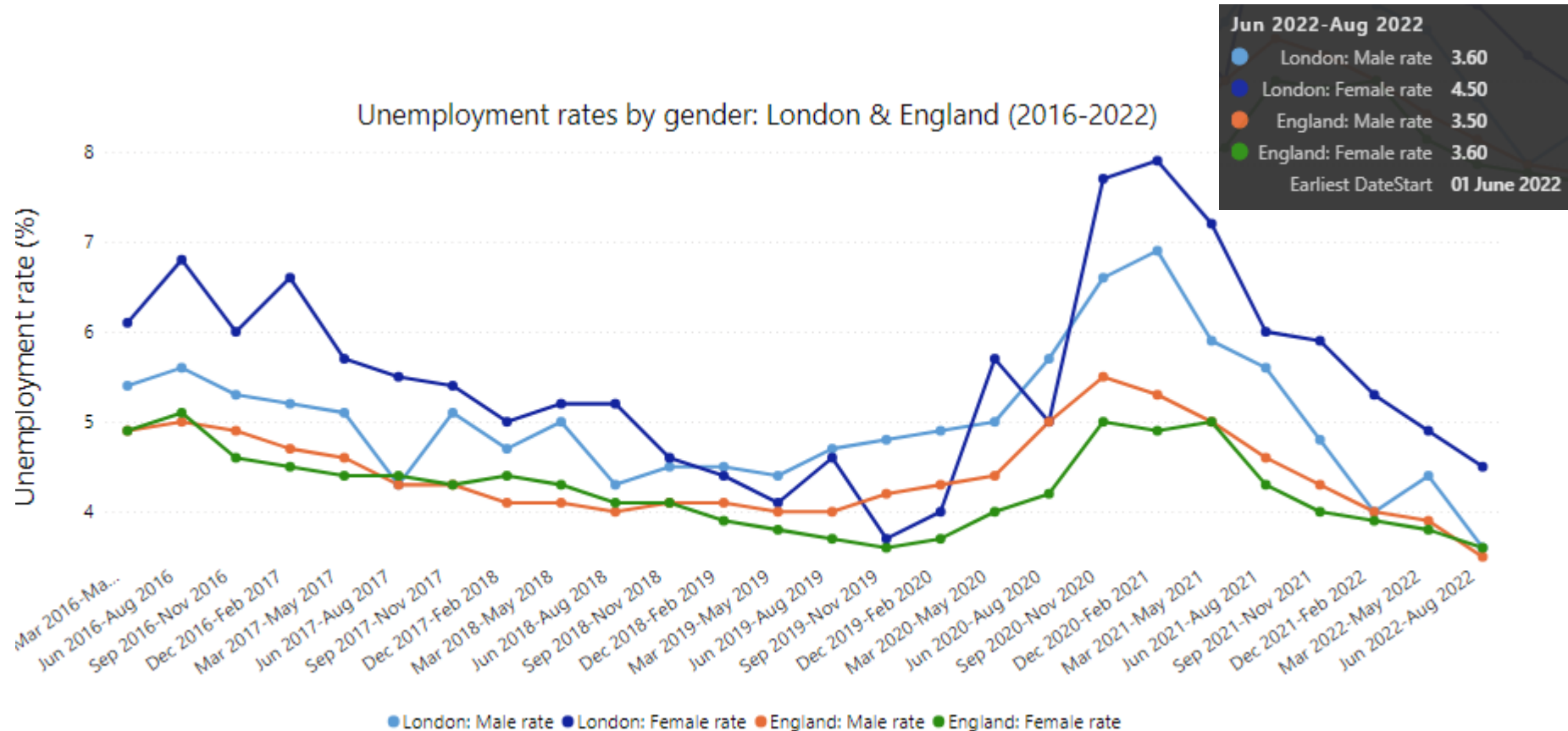
# Unemployment rates for London & England have continued to fall and are below the previous low rates seen in mid 2019

- The unemployment rate for **London** has fallen from a high of 7.3% in Dec 2020 - Feb 2021 to 4% in June 2022 – Aug 2022.
- The unemployment rate for **England** has fallen from a high of 5.3% in Sept 2020 – Nov 2020 to 3.5% in June 2022 – Aug 2022.
- The current difference between the unemployment rate for London and the UK is 0.5%.



# Females in London continue to have a higher **unemployment rate** than males in London and England and than females in England

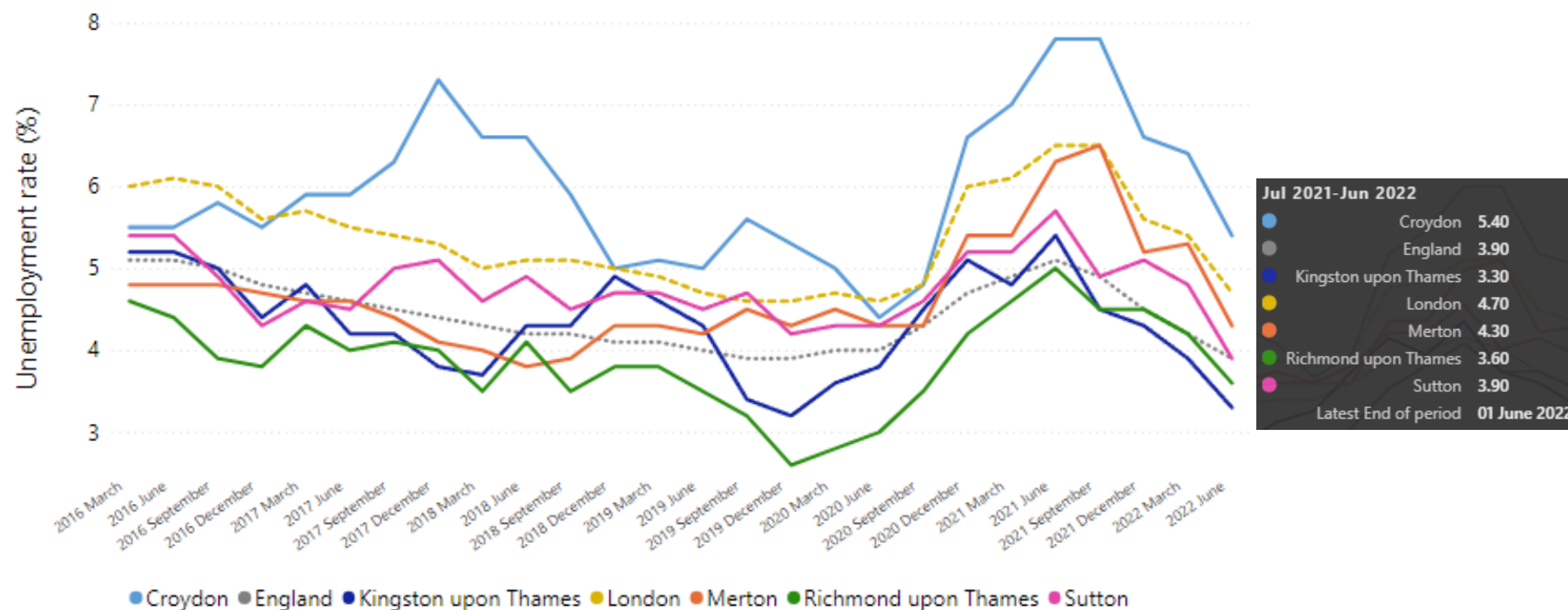
- The unemployment rate for **Females in London** has fallen from 7.9% in Dec 2020 – Feb 2021 to 4.5% in June 2022 – Aug 2022. However, it remains 0.9% above the rate of unemployment for males in London.



# Unemployment rates for all SLP boroughs have continued to fall since the end of 2021 with rates almost back to pre-pandemic levels

- Croydon (5.4%) is the only SLP borough with an unemployment rate above that of London (4.7%)
- Merton (4.3%) is above the unemployment rate for England (3.9%) and Sutton is equal to England.
- Richmond (3.6%) and Kingston (3.3%) are below both the London and England unemployment rates.

Unemployment rates based on model estimates: SLP boroughs, London & England - yearly rate (2016-2022)



\*Data points are based on the previous 12 months. The latest available data is for July 2021 – June 2022.

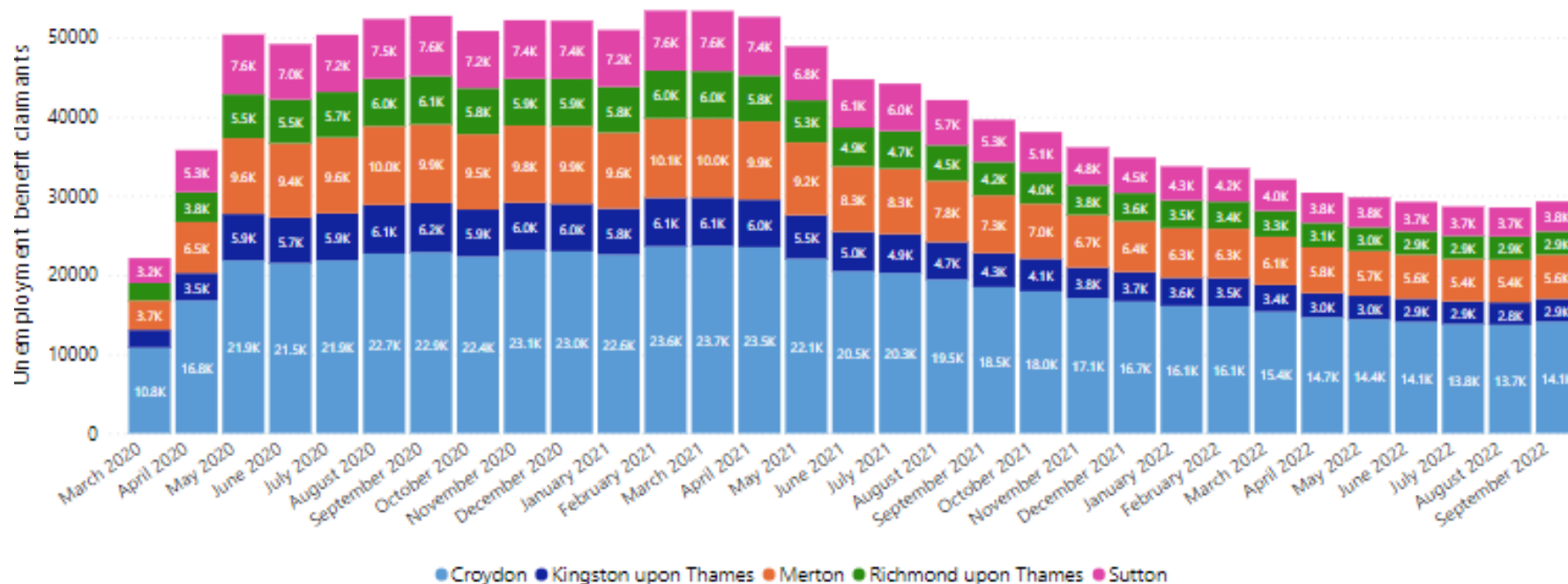


# The number of people claiming **Unemployment Related Benefits** across SLP boroughs has declined steadily since February 2021. Although this has slowed since April 2022 it is still higher than pre-pandemic

- There are 29,305 people claiming unemployment related benefits in September 2022.
- The number of people claiming unemployment benefit in September 2022 is 32% higher than in March 2020 (pre-pandemic). For each borough this is:

- Croydon (30%)
- Kingston (27.7%)
- Merton (51%)
- Richmond (33%)
- Sutton (19%)

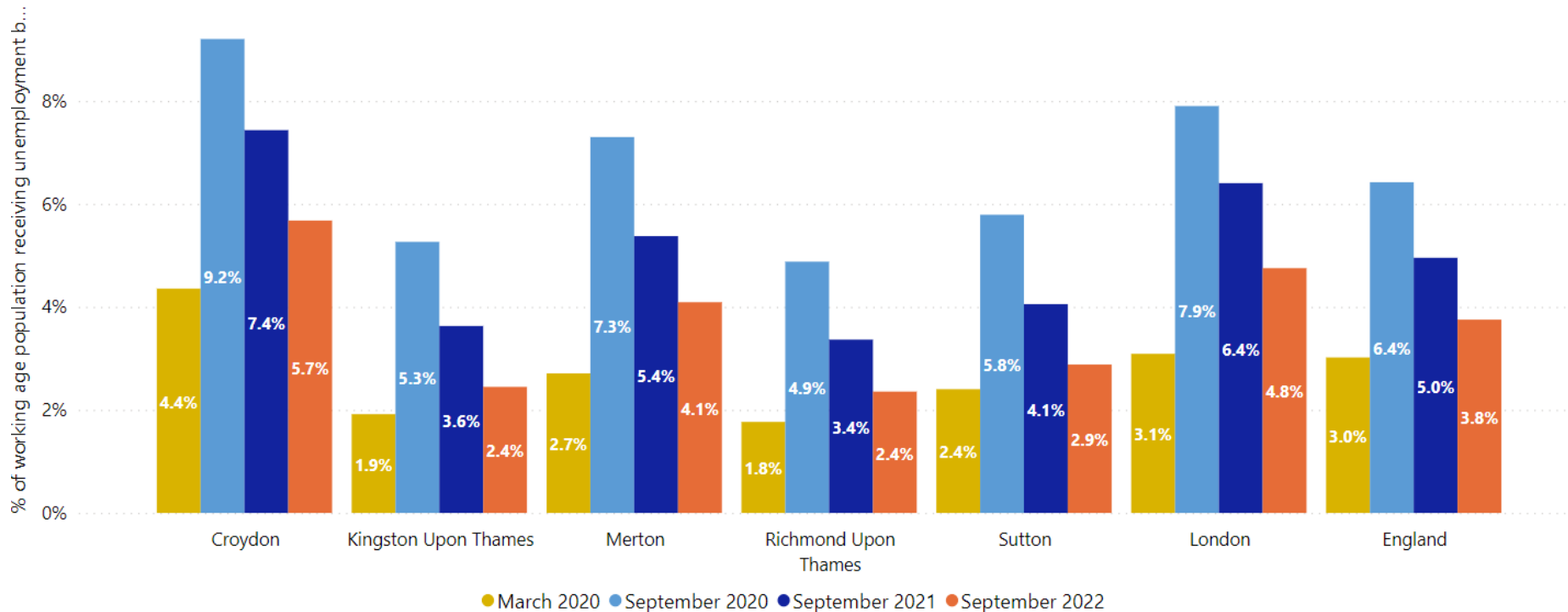
Unemployment benefit claimants: SLP boroughs (March 2020 - September 2022)



# Unemployment Benefit claimants as a proportion of the working age population are at their lowest level since April 2020, but are still above the levels for March 2020 (pre-pandemic)

- Unemployment benefit claimants as a proportion of the working age population are higher in Croydon (5.7%) than London (4.75%).
- Unemployment benefit claimant rates for Merton (4.1%) are higher than England but lower than London.
- Unemployment benefits as a proportion of the working age population for Kingston (2.4%), Richmond (2.4%) and Sutton (2.9%) are lower than England (3.75%) and London 4.75%)

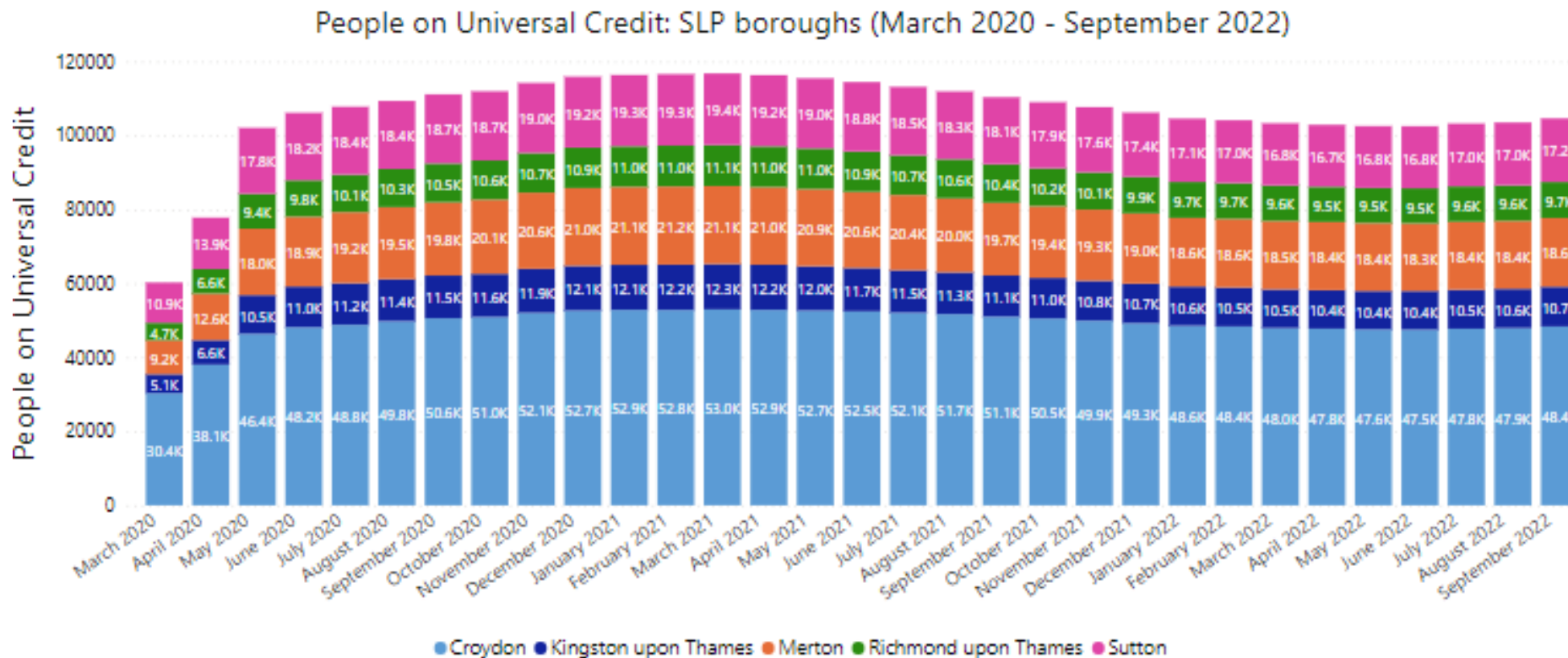
Unemployment benefit claimants - % of working age population: SLP boroughs (March 2020 & September 2020/21/22)





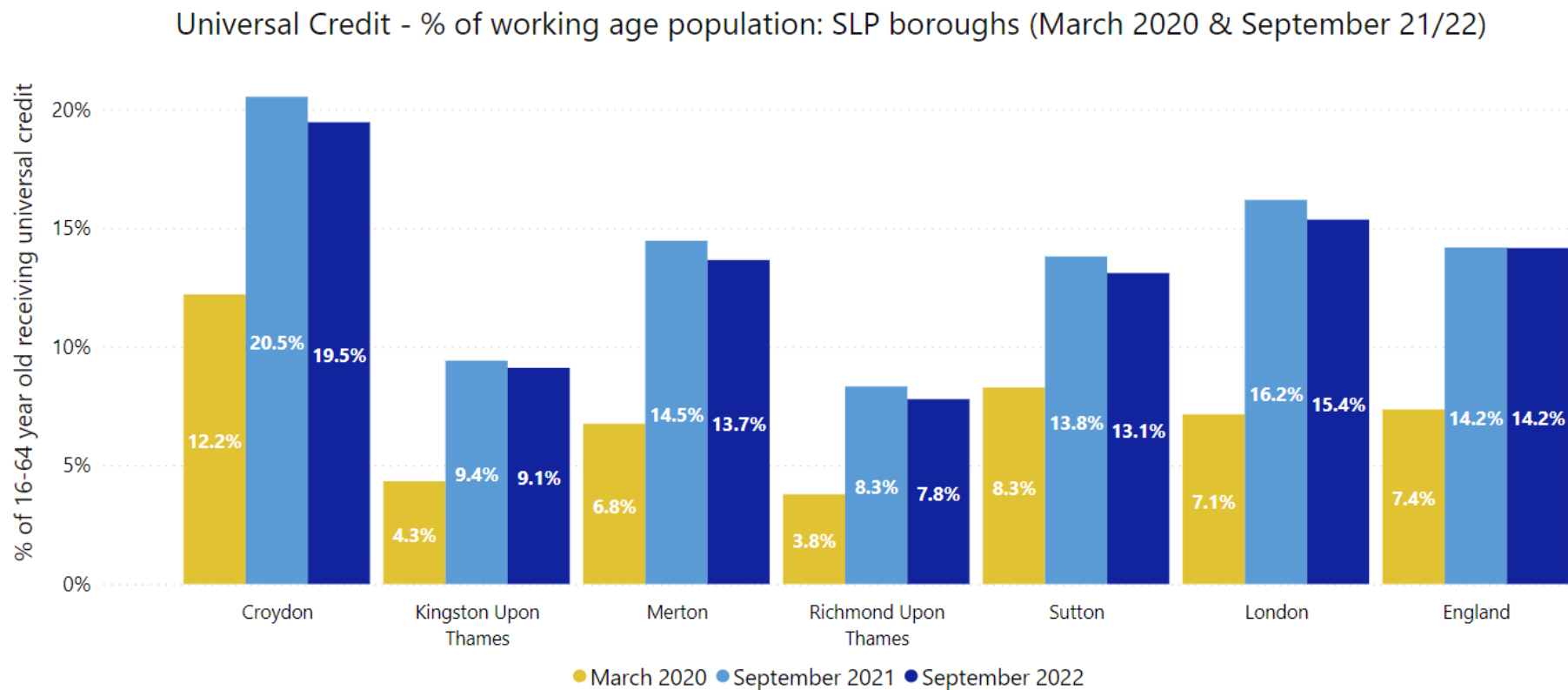
# The number of **Universal Credit** claimants across SLP boroughs has risen very slightly each month since June 2022

- There are **104,649** people claiming Universal Credit in September 2022.
- The number of people claiming universal credit is still 74% above the number of claimants in March 2020.
- The number of claimants has fallen by 10.4% from the highest number of claimants seen in March 2021.



# The proportion of **Universal Credit** claimants for each SLP borough in September 2022 is slightly lower than in September 2021

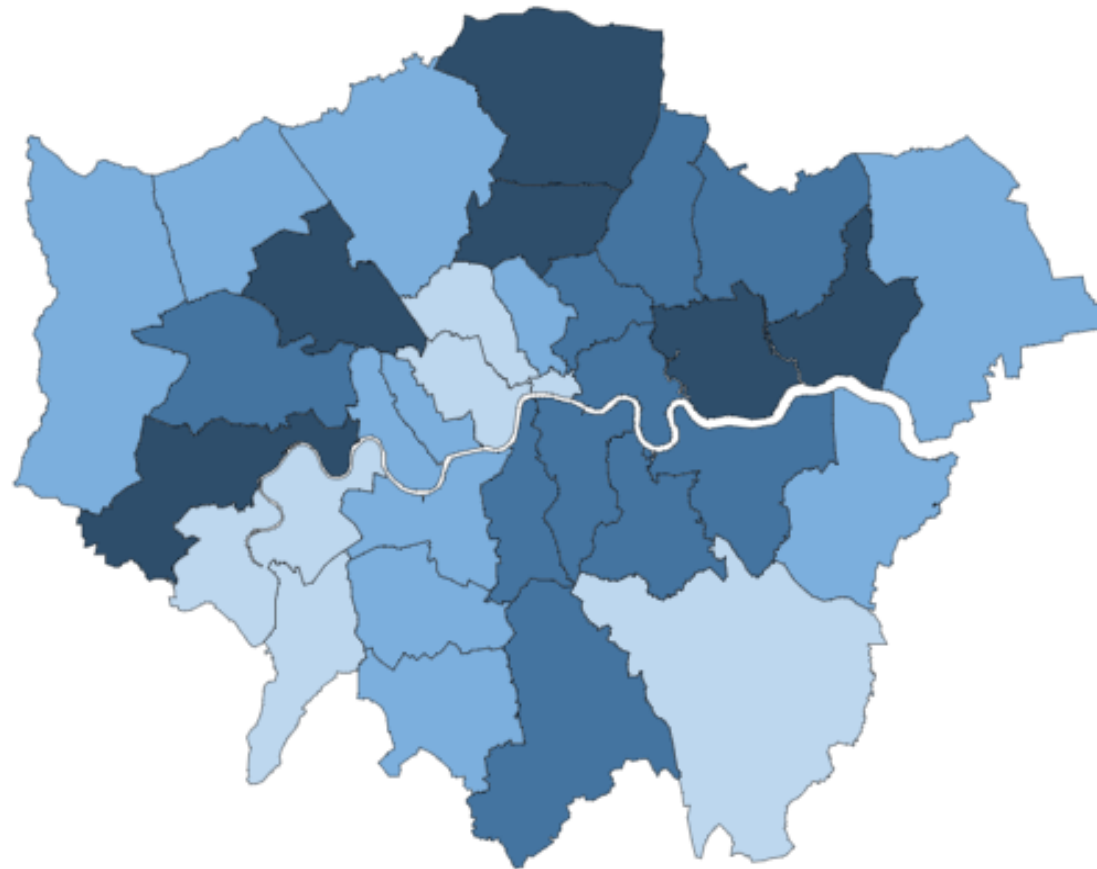
- The percentage of claimants for Croydon is 60% higher than March 2020.
- The percentage of claimants for Kingston is 112% higher than March 2020.
- The percentage of claimants for Merton is 101% higher than March 2020.
- The percentage of claimants for Richmond is 105% higher than March 2020.
- The percentage of claimants for Sutton is 58% higher than March 2020.



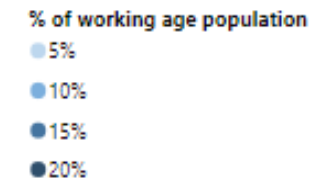
# With the exception of Croydon SLP boroughs are in the bottom half of London Boroughs in terms of proportion of **Universal Credit** claimants

- Croydon **8<sup>th</sup> Largest** out of the 33 boroughs
- Merton **14<sup>th</sup> smallest** out of the 33 boroughs
- Sutton **12<sup>th</sup> smallest** out of the 33 boroughs
- Kingston **3<sup>rd</sup> smallest** out of the 33 boroughs
- Richmond **2<sup>nd</sup> smallest** out of the 33 boroughs. Still the **lowest** if you exclude the City of London.

People on Universal Credit: London boroughs (September 2022)

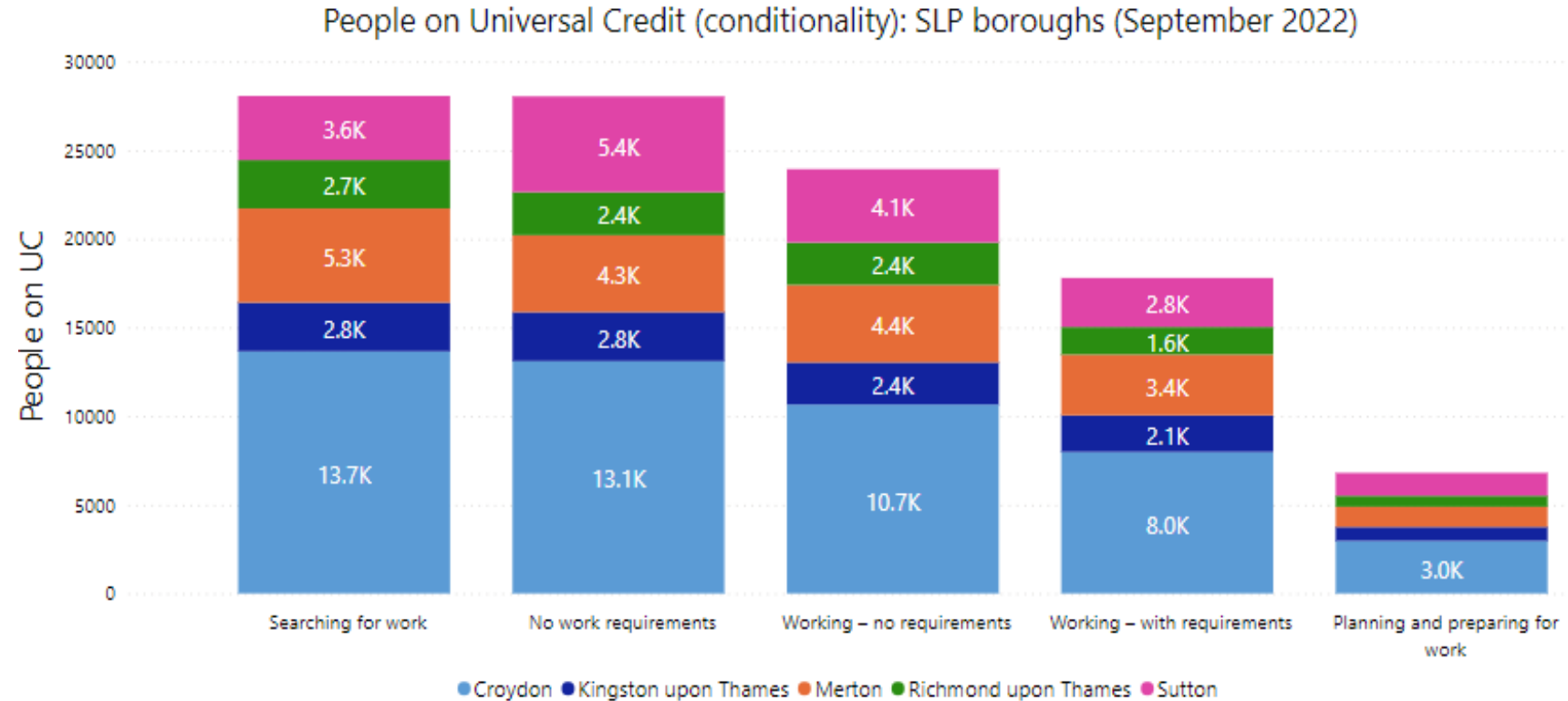


Area	% of working age population	% of working age population (bins)	Month
Kingston upon Thames	9.11%	5%	September 2022
Richmond upon Thames	7.79%	5%	September 2022
Merton	13.65%	10%	September 2022
Sutton	13.10%	10%	September 2022
Croydon	19.46%	15%	September 2022



# 40% of **Universal Credit** claimants in SLP boroughs were 'in work' at September 2022 with this remaining steady over the last 12 months

- **Searching for work** – 28,065 makes up **26.8%** of claimants
- **No work requirements** – 28,043 makes up **26.8%** of claimants
- **Working with no requirements** – 23,937 makes up **22.9%** of claimants
- **Working with requirements** – 17,799 makes up **17%** of claimants
- **Planning and preparing for work** – 6,803 makes up **6.5%** of claimants.

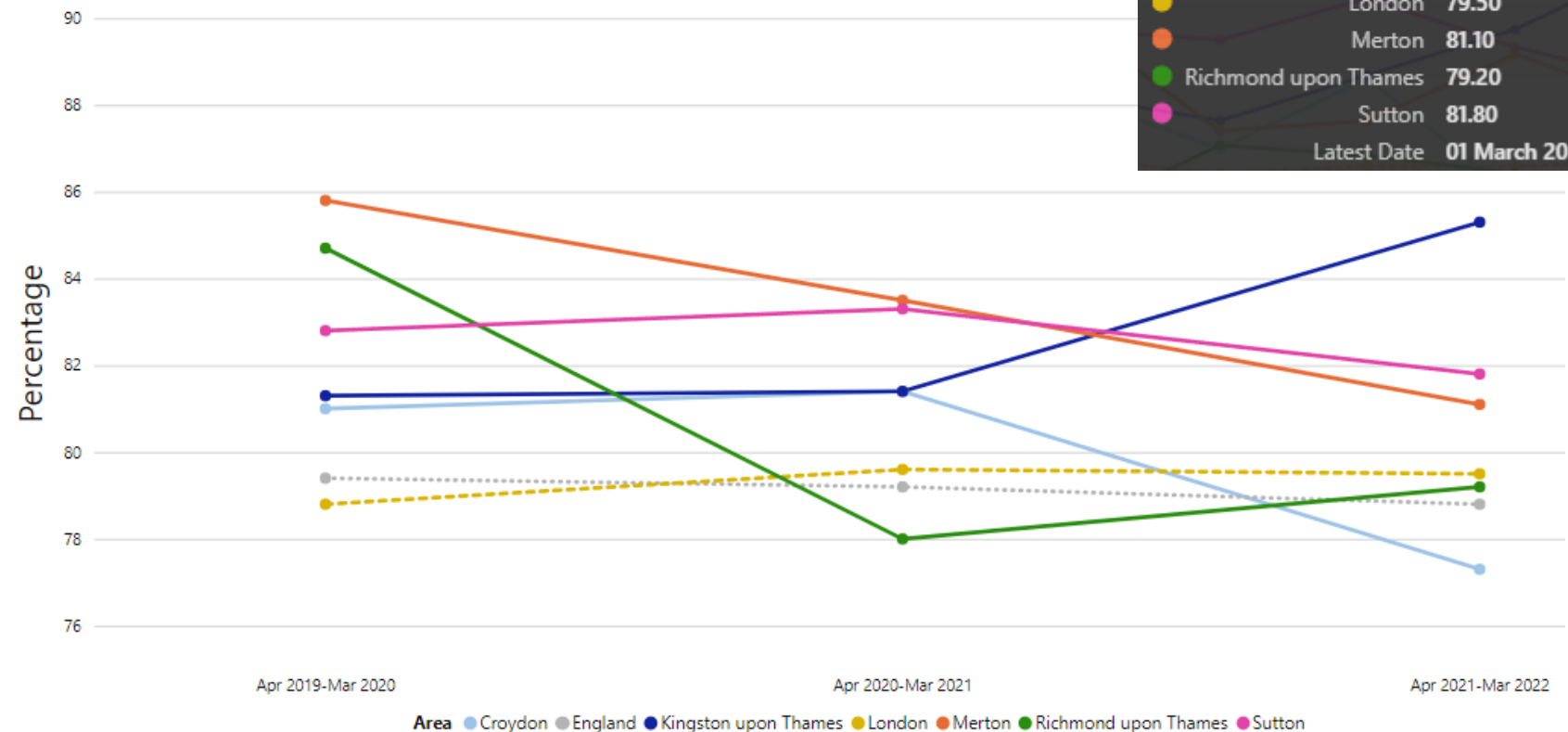


- **Searching for work:** Not working, or with very low earnings. Claimant is required to take action to secure work - or more / better paid work.
- **Working - no requirements:** Individual or household earnings over the level at which conditionality applies.
- **No work requirements:** Not expected to work at present. Health or caring responsibility prevents claimant from working or preparing for work.
- **Working - with requirements:** In work but could earn more, or not working but has a partner with low earnings
- **Planning for and preparing for work:** expected to work in the future and expected to start preparing for future

# The percentage of people aged 16-64 **Economically Active** reduced in all SLP boroughs except Kingston between March 2020 and March 2022

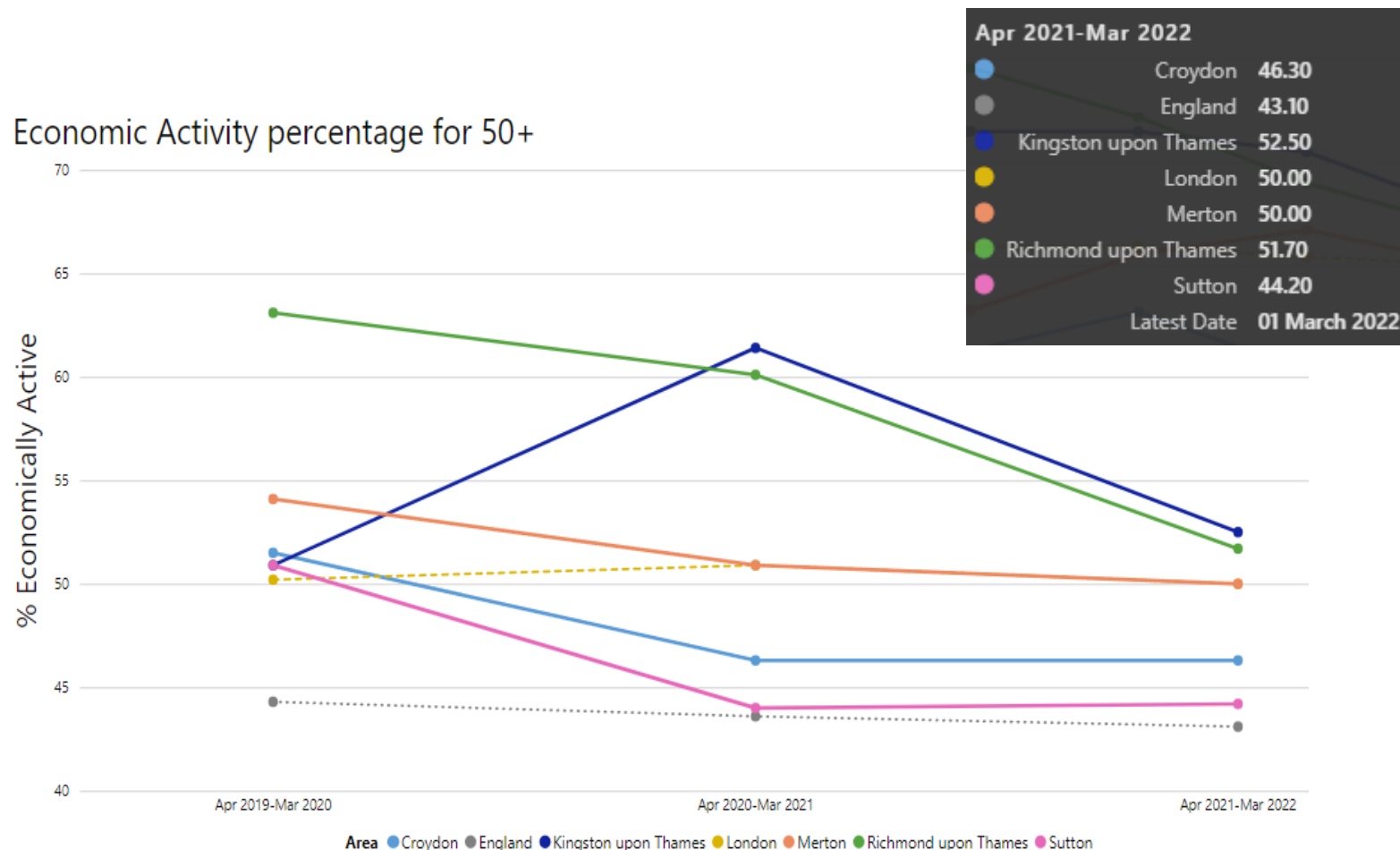
- Kingston, Sutton and Merton all have economic activity levels higher than both London and England.
- Richmond has economic activity levels lower than London but higher than England.
- Croydon has economic activity levels lower than London and England.

Economic Activity percentage for 16-64



# The percentage of those aged 50+ **Economically Active** decreased in all SLP boroughs (except Kingston) between March 2020 and March 2022

- Croydon's 50+ age group **down -5.2%** between March 2020 and March 2022 compared to 3.7% for 16-64 year olds.
- Kingston's 50+ age group **up 1.6%** between March 2020 and March 2022 compared to 4% for 16-64 year olds.
- Merton's 50+ age group **down -4.1%** between March 2020 and March 2022 compared to 4.7% of 16-64 year olds.
- Richmond's 50+ age group **down - 11.4%** between March 2020 and March 2022 compared to 5.5% of 16-64 year olds.
- Sutton's 50+ age group **down -6.7%** between March 2020 and March 2022 compared to 1% of 16-64 year olds.





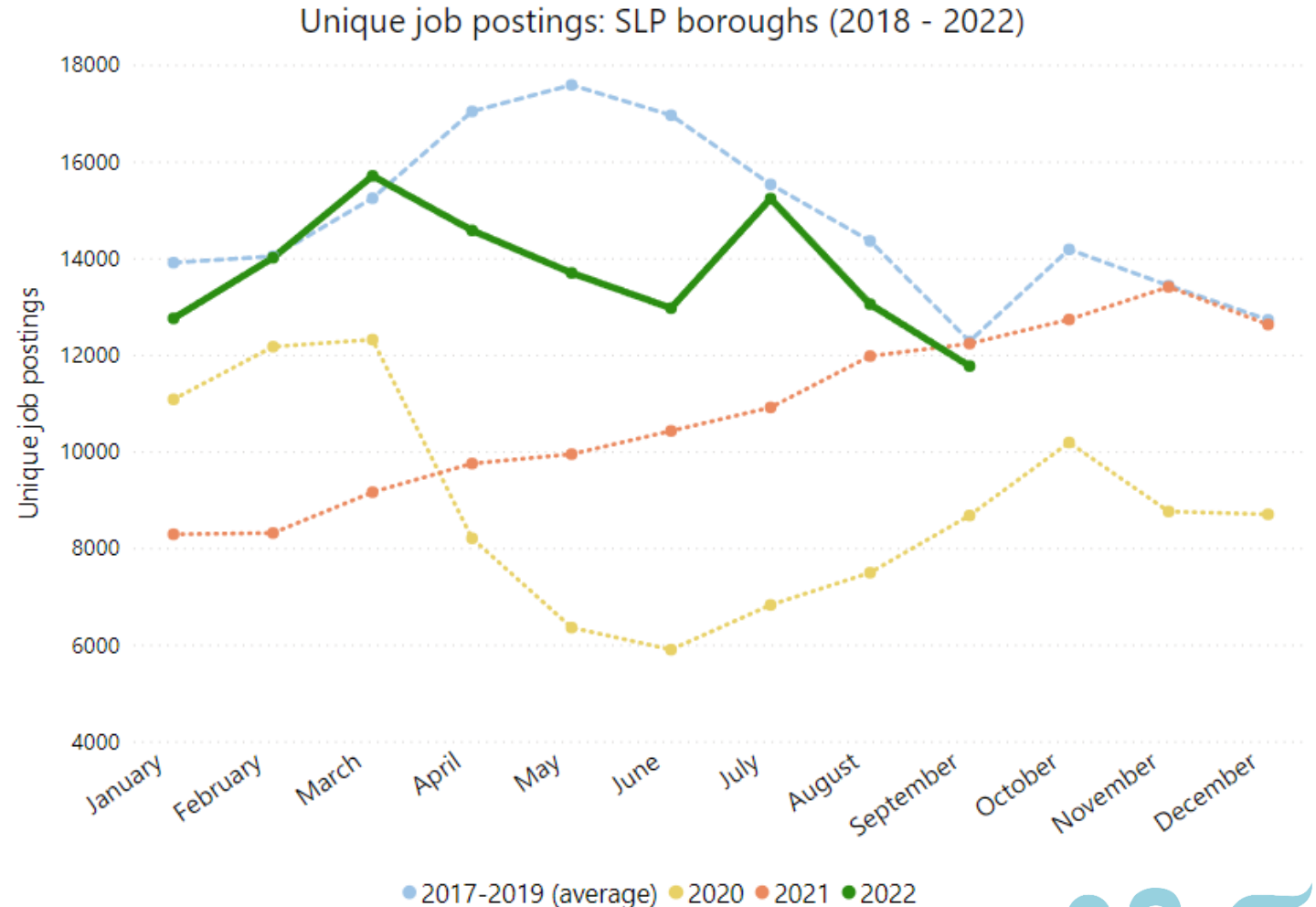
# The number of **unique job postings** in SLP boroughs rose from June to July but has fallen in the last two months

- There were **11,765** unique job postings for SLP boroughs in September 2022.
- In September 2022 the number of jobs posted was 465 lower than the number of jobs posted in September 2021.

**Note:** Job postings data is limited to only those job adverts posted online and does not include offline adverts. Often a job located within an SLP borough only has the location attributed to London, which has not been included in this analysis, therefore counts only for SLP boroughs may undercount the true number of postings for jobs located in SLP boroughs.

Comparisons with previous years may reflect differences in methodology as Emsi have changed how they calculate unique job postings, removing spam posts and improving de-duplications – this significantly reduced the number of active job postings reported.

\* This note was first added in March 2022.



Source: Emsi  
Updated: September 2022

# Financial Hardship

The LGA has produced local authority level overviews of financial hardship and economic vulnerability which include a range of indicators designed to provide an indication of how households and their finances have been impacted or are likely to change in the near future.

These indicators are presented alongside data on pre-existing levels of financial vulnerability, to identify how and where the scale of financial hardship is increasing and thus where relevant support services such as hardship grants and money / debt advice are required or may need scaling up. Some of these indicators are presented in slides 18 – 19. The reports for each SLP borough can be accessed below:

- [Financial hardship and economic vulnerability in Croydon | LG Inform \(local.gov.uk\)](#)
- [Financial hardship and economic vulnerability in Kingston upon Thames | LG Inform \(local.gov.uk\)](#)
- [Financial hardship and economic vulnerability in Merton | LG Inform \(local.gov.uk\)](#)
- [Financial hardship and economic vulnerability in Richmond upon Thames | LG Inform \(local.gov.uk\)](#)
- [Financial hardship and economic vulnerability in Sutton | LG Inform \(local.gov.uk\)](#)

The Centre for Progressive Policy have produced a new index measuring the cost of living crisis. The link below presents the results of the new index highlighting spatial patterns of vulnerability to this crisis and providing a greater understanding of which places are most likely be worst hit without further government support. [Levelling-Up-Outlook-5 2.pdf \(progressive-policy.net\)](#). The following slide provides an overview of this index for London boroughs.

Other cost of living resources available : [Cost of living: External resources and data | Local Government Association](#)

# Cost of Living Index

The Centre for Progressive Policy has produced a new index measuring the cost of living crisis. **All local authorities are ranked 1-307 on each indicator with 1 = best and 307 worst.** The graph below shows the vulnerability scores of all London boroughs with lower scores less vulnerable. Of SLP boroughs Merton and Croydon have the highest levels of cost of living vulnerability.

Croydon (Index score - 1082)

- London rank: 13 of 32
- England rank: 202 of 307

Kingston (Index score - 487)

- London rank: 1 of 32
- England rank: 52 of 307

Merton (Index score – 1149)

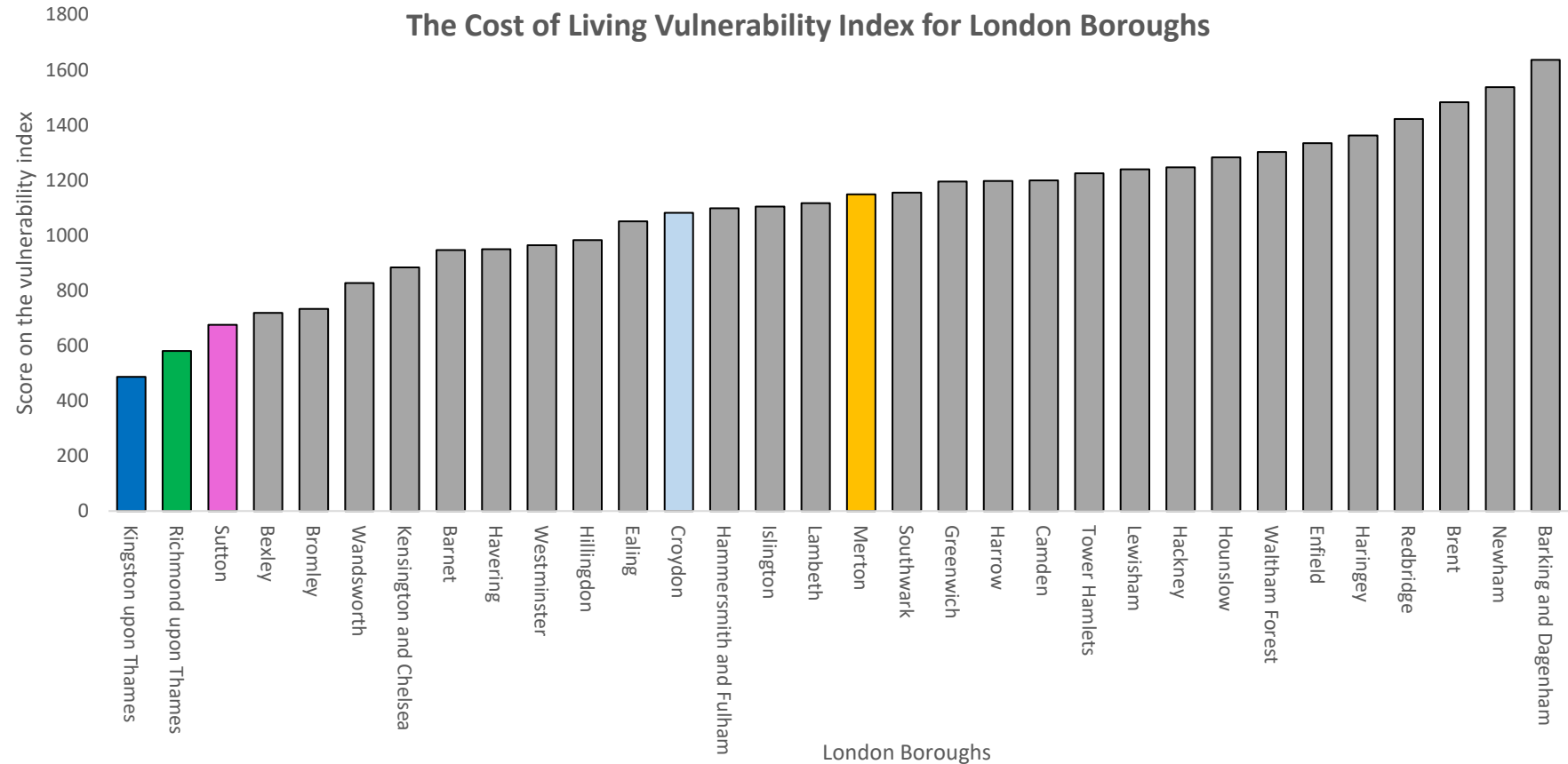
- London rank: 17 of 32
- England rank: 215 of 307

Richmond (Index score – 581)

- London rank: 2 of 32
- England rank: 69 of 307

Sutton (Index score – 675)

- London rank: 3 of 32
- England rank: 93 of 307

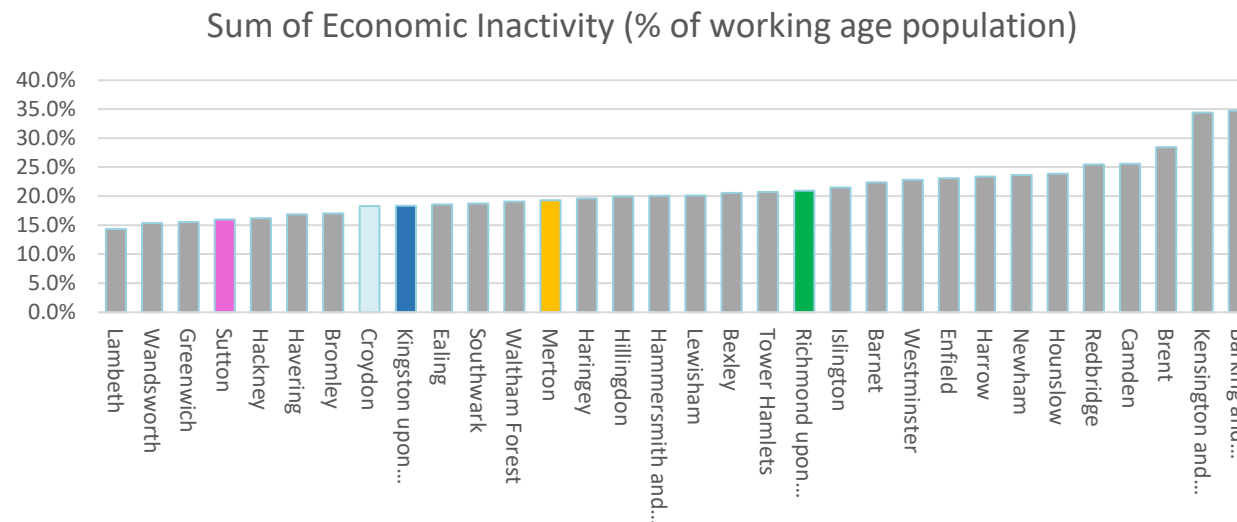


# Financial Hardship (Economic Inactivity & Low pay)

## Economic inactivity:

People not in employment who have not been seeking work within the last 4 weeks and/or are unable to start work within the next 2 weeks.

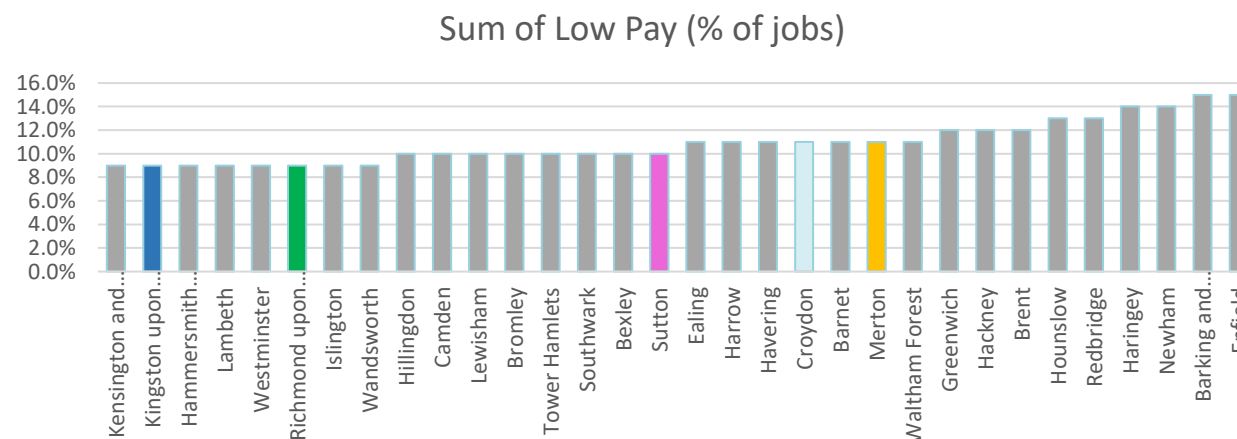
- Croydon – 8<sup>th</sup> lowest in London (18.3%)
- Kingston – 9<sup>th</sup> lowest in London (18.4%)
- Merton – 12<sup>th</sup> lowest in London (19.3%)
- Richmond – 13<sup>th</sup> highest in London (21%)
- Sutton – 4<sup>th</sup> lowest in London (16%)



## Low pay:

The percentage of jobs that pay two-thirds or below the UK median gross hourly pay

- Croydon – in the middle third of London boroughs (11%)
- Kingston – in the lowest third of London boroughs (9%)
- Merton – in the middle third of London boroughs (11%)
- Richmond – in the lowest third of London boroughs (9%)
- Sutton – in the middle third of London boroughs (10%)

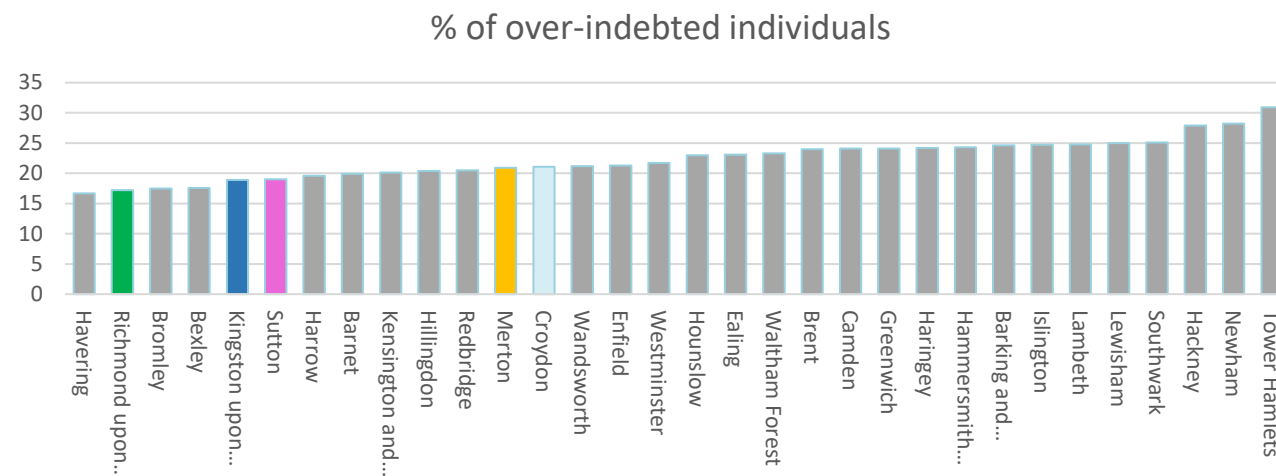


# Financial Hardship (Over-indebtedness & Gross Annual Pay)

## Level of Over-Indebtedness:

Over-indebted individuals are defined as those that either: find meeting their monthly bills / commitments a heavy burden; and / or have missed bill payments in three or more months out of the last six months.

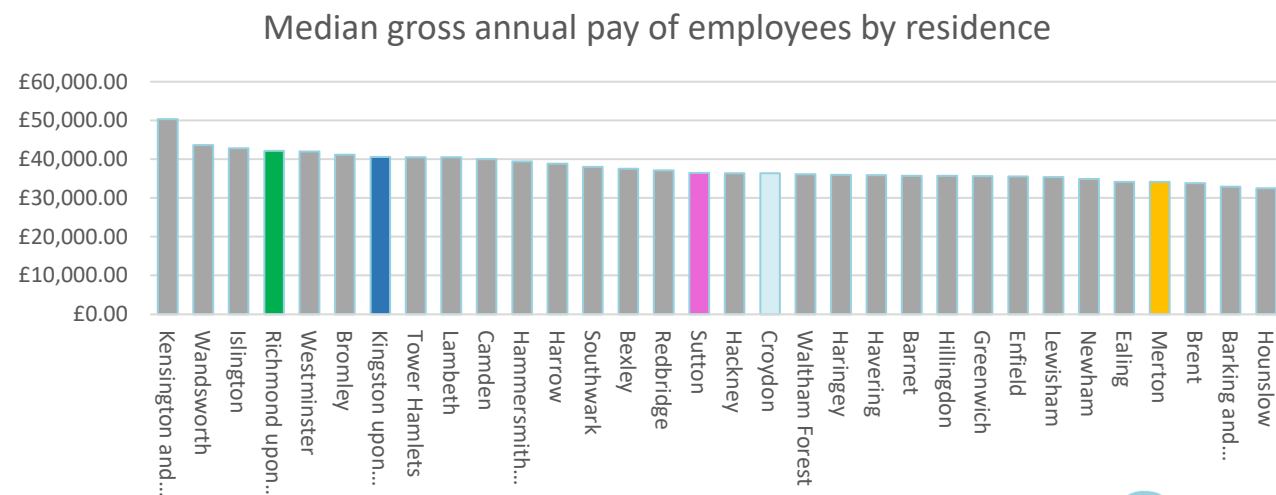
- Croydon – 13<sup>th</sup> lowest in London (21.1%)
- Kingston – 5<sup>th</sup> lowest in London (18.9%)
- Merton – 12<sup>th</sup> lowest in London (20.9%)
- Richmond – 2<sup>nd</sup> lowest in London (17.2%)
- Sutton – 6<sup>th</sup> lowest in London (19%)



## Median Gross Annual Pay of Employees (by Residence):

Provides information about earnings of employees who are living in an area, who are on adult rates and whose pay for the survey pay-period was not affected by absence.

- Croydon – 15<sup>th</sup> lowest in London (£36,347)
- Kingston – 7<sup>th</sup> highest in London (£40,572)
- Merton – 4<sup>th</sup> lowest in London (£34,127)
- Richmond – 4<sup>th</sup> highest in London (£42,151)
- Sutton – 16<sup>th</sup> highest in London (£36,459)



[Economic activity and social change in the UK, real-time indicators](#): (ONS, published 6<sup>th</sup> October 2022) - weekly findings on consumer behaviours, transport, and business and workforce.

- **Business and workforce** metrics were broadly down on the previous year; total online job adverts were unchanged in the latest week but 17% lower than the equivalent week of 2021, and for the fifth successive month jobs in small businesses have been down on the equivalent month of the previous year (Adzuna, Xero).
- **Consumer behaviour indicators** showed broad increases this last week, with growth in UK credit and debit card purchases consistent with previous end-of-month spending patterns, UK seated diners, and transactions in most Pret A Manger locations; meanwhile, overall retail footfall in the UK was 88% of the equivalent week of 2019 (Bank of England CHAPS data, OpenTable, Pret A Manger, Springboard).

[Employment in the UK](#): (ONS, published 11 October 2022) - Estimates of employment, unemployment and economic inactivity for the UK

- When comparing estimates for June to August 2022 against the previous three-month period (March to May 2022), be aware that survey estimates for March to May 2022 had a notably higher employment rate and lower economic inactivity rate than other recent periods.
- June to August 2022 estimates show a decrease in the unemployment rate compared with the previous three-month period (March to May 2022), and a decrease in the employment rate, while the economic inactivity rate increased.
- Total hours worked decreased compared with the previous three-month period and are still below pre-coronavirus (COVID-19) pandemic levels.

[Public opinions and social trends, Great Britain](#): (ONS, covering 14 to 25 September 2022) - Social insights on daily life and events, including the cost of living, working arrangements and well-being from the Opinions and Lifestyle Survey (OPN)

- Around 9 in 10 (91%) adults reported their cost of living had increased compared with a year ago, while 73% reported an increase in their cost of living over the last month.
- In response to increases in the cost of living, around 1 in 5 (19%) working adults reported looking for a job that pays more money, including a promotion.
- Among working adults, 15% reported working more hours than usual in their main job because of increases in their cost of living, and 4% reported working more than one job.
- Around 4 in 10 (42%) adults reported feeling very or fairly unsure about the future, while nearly a quarter (26%) stated feeling very or fairly sure.
- The most frequently reported worries (being very or somewhat worried) were about the rising cost of living (76%) and climate change (76%).
- Around 4 in 10 (44%) of adults who pay energy bills said they found it very or somewhat difficult to afford them in the latest period.
- Around 3 in 10 (28%) of those who are currently paying rent or mortgage payments reported finding it very or somewhat difficult to make these payments.

[Labour Market Statistics](#): (Institute for employment studies, 13 September 2022)

[Reasons for workers aged over 50 years leaving employment since the start of the coronavirus pandemic \(wave 2\)](#): (ONS, 27 September 2022)