

Jobs and pay continue to grow

Contrary to gloomy pundits the start of this year has brought more good news in the jobs market. 222,000 additional jobs were added in the last three months to end January, meaning more people with an income from employment to pay their bills and improve their lives. Pay sustained rises of 3.4%, usefully ahead of price inflation, so the average earner will have a bit more spending power as a result.

Now would be a good time to reinforce these favourable trends. Given the growing weakness of the Euro area economy and the slowdown in China, it would be helpful if the government would tax a bit less and spend a bit more. The figures show higher tax receipts than planned. They also show continuing reductions in taxes like VED and Stamp Duty where the rates have been set too high to maximise the revenue, whilst damaging activity and putting people out of work in the affected areas.

All parties agree that the best way out of low income and poor living standards is to get a job, and the best way to get a decent job is to work up from a lower paid job. Good employers help train an individual to realise their skill levels and therefore raise their pay. As unemployment is now quite low and as some employers are complaining they cannot attract the workers they need, it is even more imperative for companies to work with the people they have got. Value, them, train them, pay them better and get their productivity up. The UK is good at creating lots more jobs, but needs to get better at increasing productivity. The aim must be a higher wage higher productivity economy.

Unemployment is now at a 40 year low and employment at a new high. 76% of all people of working age are in jobs.