

Mr Ben Lake MP
Welsh Affairs Committee
House of Commons
London
SW1A 0AA

23 November 2021

Dear Mr Lake,

Thank you for inviting me to give evidence at last week's Committee session on challenges across the labour market in Wales. I wanted to follow up in writing to say thank you and provide further data mentioned during the session that can then be shared across the committee.

Firstly, Rob Roberts MP asked the panel about the difference in wage growth across the UK during the session - our research team have conducted a quick analysis. [Looking at changes in real median earnings between 2008 to 2021](#), Wales showed the second strongest wage growth of 4%, following Northern Ireland's 6%. This is above Scotland's 3% - the nation that Mr Roberts compared to during the session - and well beyond London and South East who reported negative changes in real medial earnings. However, looking at the median weekly pay in 2021 by region, the ONS data found that Scotland's figure (£622) is higher than that of Wales (£571). We have enclosed a separate document on various statistics as supporting evidence. Further data from the ONS into [employee earnings in the UK:2021](#) also found that, median weekly pay for full-time employees was £611 across the UK in April 2021, up 4.3% on a year earlier which was the highest growth since 2008.

Secondly, I wanted to highlight again the role and contribution of the recruitment industry to the Welsh and wider UK economy. According to the independent study [Recruitment and Recovery](#), the recruitment industry supports £86bn in gross value added across the economy, which is the equivalent of 4.3% of GDP and larger than either the accounting or legal industries.

The recruitment industry plays an important role in enhancing the competitiveness and productivity of the UK economy. We help create better matches between workers and companies. On any given day, the industry places a million people into workplaces through temporary or freelance contracts. And someone finds a permanent role through a recruitment agency every 21 seconds, with over a million people finding their next permanent job through the sector each year.

As I highlighted during the evidence session, establishing a joint, cross-department forum with business representatives is key in tackling the local and national challenges experienced across the labour market. The REC will continue to urge the government to create such opportunity. If you'd like to meet with our organisation separately to discuss these issues in more depth, [REDACTED] my office will be happy to arrange a meeting at a mutually convenient time.

Yours sincerely,

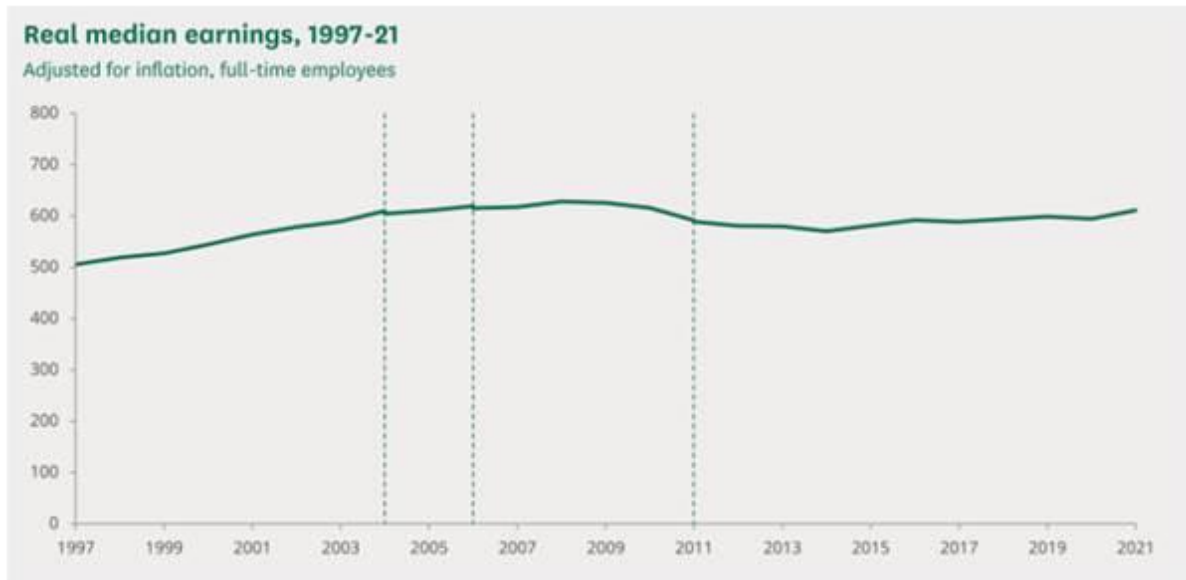


Kate Shoesmith
Deputy Chief Executive

The REC - data into wage growth in the UK

Employee earnings in the UK: 2021

- Median weekly pay for full-time employees was £611 in April 2021, up 4.3% on a year earlier; this growth is the highest since 2008.



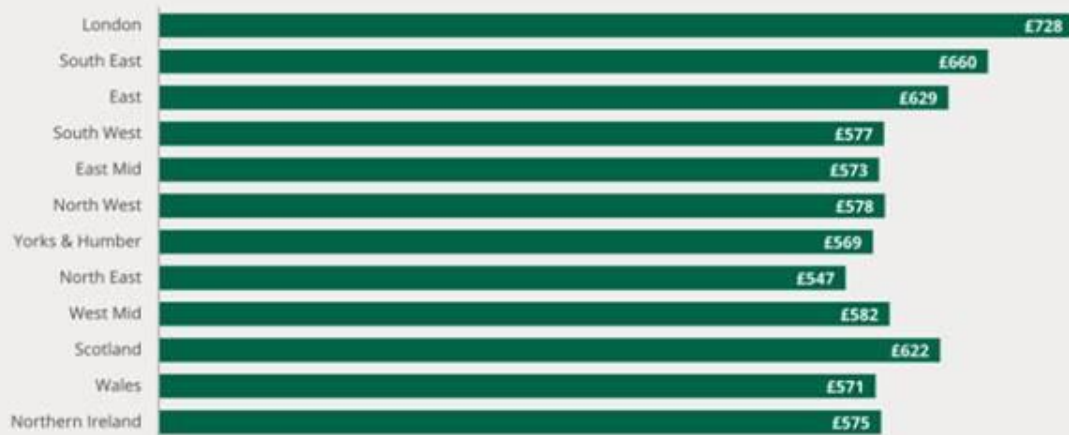
- Pay increased for most workers in 2021, but particularly those that were most affected by the pandemic in 2020, most notably younger employees, men and the lowest-paid occupations.
- In 2021 gross weekly earnings for full-time employees increased most in the lower paying occupations such process plant and machine operatives (9.1%) and elementary occupations (7.7%); skilled trades also saw a large increase (9%) after having the largest decrease between 2019 and 2020 (negative 6.5%).
- Gross weekly earnings for full-time employees increased in the construction industry (16.8%) mainly due to furloughing with loss of pay for this industry decreasing from 27% in 2020 to 5% in 2021; the accommodation and food services industry saw an increase of 4.6% despite high furlough rates with loss of pay in 2021 (45%).

Average earnings by age and region

- Median weekly pay was highest for full-time employees living in London and lowest for those in the North East at April 2021.

Median weekly pay by region of residence

April 2021, full-time employees



- London and the South East saw the largest falls in median full-time earnings over the period 2008-2021. While real median earnings in Northern Ireland, Wales and Scotland are higher than in 2008, but lower in every region of England.

% change in real median earnings 2008-21

Adjusted for inflation, full-time employees

