

# Key Labour Market Indicators – September 2021

NB, figures below relate to % changes on the same period 12 months ago.

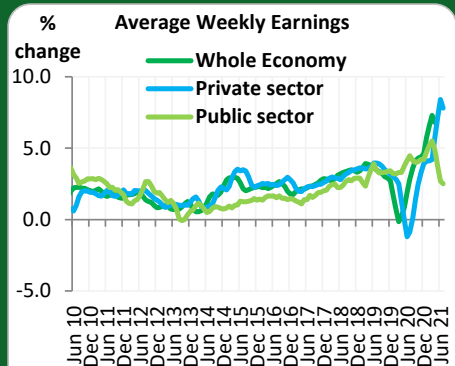
Key Labour Market Indicators are designed to provide headline figures on the wider economic and labour market conditions in the UK. This can be used as a quick reference guide when conducting periodic pay reviews for workers. This is the latest version. If you need to access previous editions, please visit [NFU Online](#).

## Earnings in the Economy

**+6.8%**

Average Weekly Earnings (AWE)

Figures from the [Office for National Statistics](#) (ONS) show that the rate of annual pay growth for regular pay (excluding bonuses) was 6.8% in May to July 2021. This strong growth in average pay is being affected upwards by a fall in the number and proportion of lower-paid jobs compared with before the coronavirus (COVID-19) pandemic; Without this effect, pay growth is likely to be between 3.6% and 5.1% (even this figure should be treated with caution).



Source: Office for National Statistics

## Wage Rates

**£8.91**

Current NLW Rate

The [Government](#) has announced increases to wage rates. The new rates came into effect on 1st April 2021. The NLW paid to workers aged 23 or over will increase from £8.72/hour to £8.91/hour in April. The rate for 18-20-year-olds will rise by 1.7% to £6.56 while 21-22-year-olds will see an increase of 2.0% to £8.36. The apprentice rate has been increased by 3.6% to £4.30. In addition, the accommodation offset will rise by 2.0% to £8.36 per day. 16- and 17-year-olds will see an increase of 1.5% to £4.62.

Rates from April 2021	
NLW 23+	£8.91
21-22-Year-Old Rate	£8.36
18-20-Year-Old Rate	£6.56
16-17-Year-Old Rate	£4.62
Apprentice Rate	£4.30
Accommodation Offset	£8.36 p/d

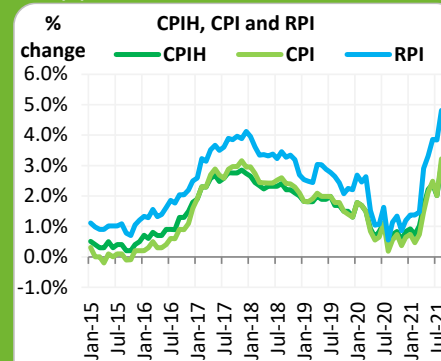
Source: Low Pay Commission

## Cost of Living

**+3.2%**

Consumer Price Index (CPI)

The UK inflation rate as measured by the Consumer Price Index (CPI), jumped to 3.2% in the year to August according to figures from the [ONS](#). UK inflation is expected to rise above 4% by the end of the year, fuelled by rising energy costs, the Bank of England has warned. The central bank's deputy governor, Ben Broadbent commented, "most of the inflation in goods prices was down to oil price rises and supply chain issues, which was likely to "fall away" in the early part of 2022.



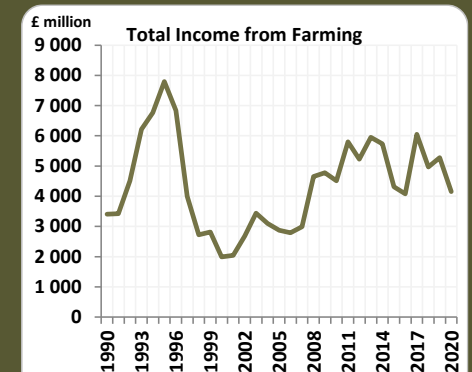
Source: Office for National Statistics

## Farm Business Profitability

**-21%**

Total Income from Farming (TIFF)

[Defra](#) has published its first estimate of TIFF for 2020. The TIFF is a measure of the performance of the whole agricultural industry in the UK. The profitability of UK farming fell by 21% to £4.15 billion in 2020. The value of crop output is estimated to have decreased (-13%) to £8.72 billion. The value of livestock output is estimated to rise slightly (+2%) to £15.03 billion. Agriculture contribution to the national economy is estimated to have fallen by £1.05 billion to £9.36 billion.



Source: Defra Agricultural Accounts