

Jobs in the capital fall 24% as inflation hits hiring

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High inflation and continued uncertainty have damaged London's hiring market, according to new research from the Association of Professional Staffing Companies (APSCo), the trade association for the professional recruitment sector.

The data, provided by business intelligence specialist Vacancysoft, showed a 24% decline in vacancies in the capital between Q1 and Q2 of this year, likely influenced by a sustained period of high inflation. If hiring continues on this trajectory, vacancies in London could be on track to drop to levels that haven't been seen for over ten years.

While IT remains the leading skill in demand in the capital – accounting for 26.1% of all London jobs – this is lower than the 31.5% share noted last year. According to the data, IT is on track for a 48.9% retraction in demand year-on-year.

Across the sectors, the data shows that banks have accounted for 17.5% of the vacancies so far this year, compared to 15.5% within technology companies, knocking technology off the top spot for the first time in 2023.

Commenting on the findings, Ann Swain, Global CEO at APSCo, said

“While inflation is starting to fall, the latest data does show that the UK's sluggish economy is hitting the capital hard, but the current skills landscape is not helping employers either.

“The Government must do everything possible to encourage economic growth and avoid a recession. While many companies are reluctant to hire at the moment, those that are, face difficulties finding people with the right skill sets.

“Policymakers need to make it easier for firms to hire staff, be it through changes to tax and regulation or better access to highly skilled talent from overseas.”

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About APSCo

The Association of Professional Staffing Companies (APSCo) is the trade association for the professional recruitment market. APSCo Global comprises APSCo Asia, APSCo Australia, APSCo Deutschland and APSCo United Kingdom as well as APSCo OutSource, the trade body for the RPO and MSP sectors.

Find out more: www.apscouk.org