

Confidence in economy hits unprecedented low

Confidence

As the coronavirus crisis deepened, employer confidence in the UK economy plunged by 39 percentage points between March and April. At net: -62, this was the lowest since records began. Sentiment amongst small (0-49 employee) enterprises reached an all-time low of net: -66.

As the country entered the third week of lockdown, confidence in making hiring and investment decisions fell by 16 percentage points compared with the previous month. As a result, confidence hit a record low of net: -21. Levels were particularly downcast amongst small and mid-sized (50-249 employee) firms, at net: -29.



Do you think economic conditions in the country as a whole are getting...



In view of the economic conditions, do you/does your organisation expect confidence in hiring and investment decisions to get...



All involved in hiring (n=200).

Key points from April survey

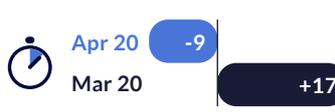
1



Confidence in the economy plummets to record low

Employer confidence in the economy fell to net: -62, almost twice as low as the previous record level of net: -35 in August 2019. Confidence in making hiring and investment decisions also hit a record low of net: -21.

2



Short-term demand for permanent staff tumbles

Demand for permanent staff in the next three months fell into negative territory for the first time since records began. Demand dropped 26 percentage points from the previous month to net: -9.

3



Sectors with positive demand

By sector, short-term demand for permanent staff remained positive in Health & social care and for Drivers (both at net: +7). In contrast, demand was lowest for workers in Construction (net: -28) and Sales & retail (net: -24).

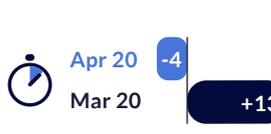
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Medium-term demand for permanent staff remains positive

Demand for permanent staff in the next 4 to 12 months fell by nine percentage points in March but remained positive at net: +8. By sector, demand for temporary drivers was notably higher than the average at net: +41.

5



Short-term demand for temporary staff falls

At net: -4, short-term demand for temporary agency workers fell by 17 percentage points from the previous month and returned to negative territory. Hiring intentions in the medium term remained positive at net: +5.

6



Growing importance of temporary workers

More employers this month highlighted the importance of temporary agency workers in providing short-term access to key strategic skills (up 30 percentage points) and managing fast changing organisational requirements (up 20 percentage points) compared to March.

Savanta ComRes interviewed 200 UK employers involved in hiring between 1 April and 9 April 2020. Data were weighted to be representative of UK adults in employment by region, broad industry sector and public/private split. Savanta ComRes is a member of the British Polling Council and abides by its rules.