employmenthero

UNITED KINGDOM

The Annual Jobs Report 2026

Last updated 23 November 2026

FOREWORD



Ben Thompson

Co-Founder and CEO, Employment Hero

Welcome to the second Employment Hero Annual Jobs Report. Employment Hero works with more than 350,000 small and medium businesses and more than 2.5 million employees around the world. Few organisations see where work, pay and jobs are heading with that much depth. This report is where we share what we see.

It hasn't been an easy year for anyone running a business. AI keeps moving fast, and I believe it will create kinds of work we can't name yet. I think small business owners feel the uncertainty whether they follow the markets or not.

Work is changing shape and I firmly believe people remain at the centre of that change. This report uncovers what's happening inside small and medium businesses and for the people who work in them, and suggests what's driving it.

I'm an optimist. I believe the trials of now will pass, but I'm also a realist. So we need to look at today's numbers and face them head on, so we can make better decisions for our businesses and for the people we work alongside every day.

I hope this year's report serves as a set of questions, and that we answer them together. What can we see? What are our options? And what will we do in 2027 and beyond? I'm hopeful about the answers. I believe small businesses will set the pace on AI, because they move quickly and they know their people. We're focused on putting small businesses in the most

competitive position we can, so they have every opportunity to create as many jobs as possible for the global small business workforce.

EXPERT COMMENTARY



Nina Skero

Chief Executive, Centre for Economics and Business Research (Cebr)

The UK labour market continues to face headwinds from elevated cost pressures on firms, while rapid technological change is disrupting the nature of work and the skills that employers demand. In an environment of economic uncertainty, hiring has pulled back sharply. Vacancies have fallen to their lowest level in over a decade outside the pandemic, pushing up the unemployment rate, most notably among younger employees. With more candidates competing for fewer roles, employees have less bargaining power to secure pay rises, and wage growth has slowed, particularly in the private sector.

Faced with fewer vacancies, slower pay growth and more competition for each role, employees are increasingly staying put. This report examines the rise of this "job hugging"[1] and what is driving it.

At the macroeconomic level, the main cost of job hugging falls on productivity. Job moves are one of the main ways employees find roles that make better use of their skills, pick up new skills along the way, and push employers to compete for talent through better pay and conditions.

When fewer people move, labour market dynamism slows, the gains from matching people to the right roles are left on the table, and firms face less pressure to raise productivity to attract and keep staff. Slower wage growth compounds the problem.

With inflation elevated, weaker pay growth squeezes household real incomes, holding back consumer spending at a time when demand is already fragile. In turn, softer demand weighs on business revenues and hiring, risking a self-reinforcing cycle in which a weaker jobs market gives employees even more reason to stay put.

Job hugging is a rational response to a weak job market, but not a cost-free one. Employees are trading progression for security as the reward for staying diminishes. This also opens the door for employers: those that offer clear progression, fair pay and good training can stand out to the talent that is currently standing still. Breaking the cycle means building a labour

market where staying is a choice rather than a necessity, and moving is an opportunity rather than a gamble.

INTRODUCTION · UNITED KINGDOM

Key findings

- 61% of employees surveyed say they prioritise job security over ambition because of the cost of living, up from 58% in a similar survey conducted in 2025.[2][3]
- Median pay growth on the Employment Hero platform eased from 6.4% year on year in April 2026 to 4.5% in October 2026.[4]
- 58% of employees surveyed have considered leaving a role before but stayed because changing felt too risky, and 34% are still in that job.[2]
- Average monthly headcount growth has slowed to 0.7% in the quarter to October from 1.3% in the same quarter of 2025, according to Employment Hero data.[5]



Lisa Cowie
Global Insight Lead, Employment Hero

Employment Hero's data is a monthly, region-level view of the SME ecosystem across the UK, built from employer records on our platform. It tracks employment and wage growth across around 4,800 businesses and 174,000 employees. Drawn directly from employers' payroll data, it captures actual headcount changes and earnings. Because SMEs feel ripple effects before larger enterprises, it can pick up shifts in the market earlier, giving a more agile picture of where things are heading. It also offers valuable context alongside national surveys and Office for National Statistics (ONS) figures.

UK employees are increasingly cautious about changing jobs, while wage growth is losing momentum. Median pay growth across SMEs on the Employment Hero platform peaked at 6.4% year on year (YoY) in April 2026 before easing to 4.5% in October, the lowest reading in 13 months. Pay is still running ahead of inflation, but with CPI at 3.5% in September the cushion is lessening.

Hiring tells a gentler version of the same story. Headcount grew slightly every month over the past year, but the quarter to October 2026 sees average monthly gains at 0.7% vs. 1.3% in the

same quarter of 2025. SMEs are still adding people, but more cautiously. Fewer vacancies and smaller pay rises form the backdrop against which employees decide to stay where they are. Our research shows the effects extend well beyond pay, dampening motivation, sentiment and career ambition.

This year's report reveals a striking shift in the geography of UK pay. At a time when the Government is pushing to rebalance economic growth beyond London, our platform data reveals that the capital's once considerable lead in wage growth has almost disappeared.

On the surface, this looks like regional levelling-up. But rather than the regions accelerating, London has slowed to meet them. Regional wage growth is converging, but closing the gap only signals meaningful progress if it delivers genuine opportunities, not just a more evenly distributed slowdown.

Work in the United Kingdom: what the data shows

The price of playing it safe

It's been a difficult year for UK employees. The jobs market has cooled. Recent ONS figures show vacancies at their lowest level outside the pandemic since 2014, while unemployment stands at 4.7% (June to August 2026). Inflation, meanwhile, stood at 3.5% in September, driven mainly by motor fuel prices and adding to pressure on household budgets.

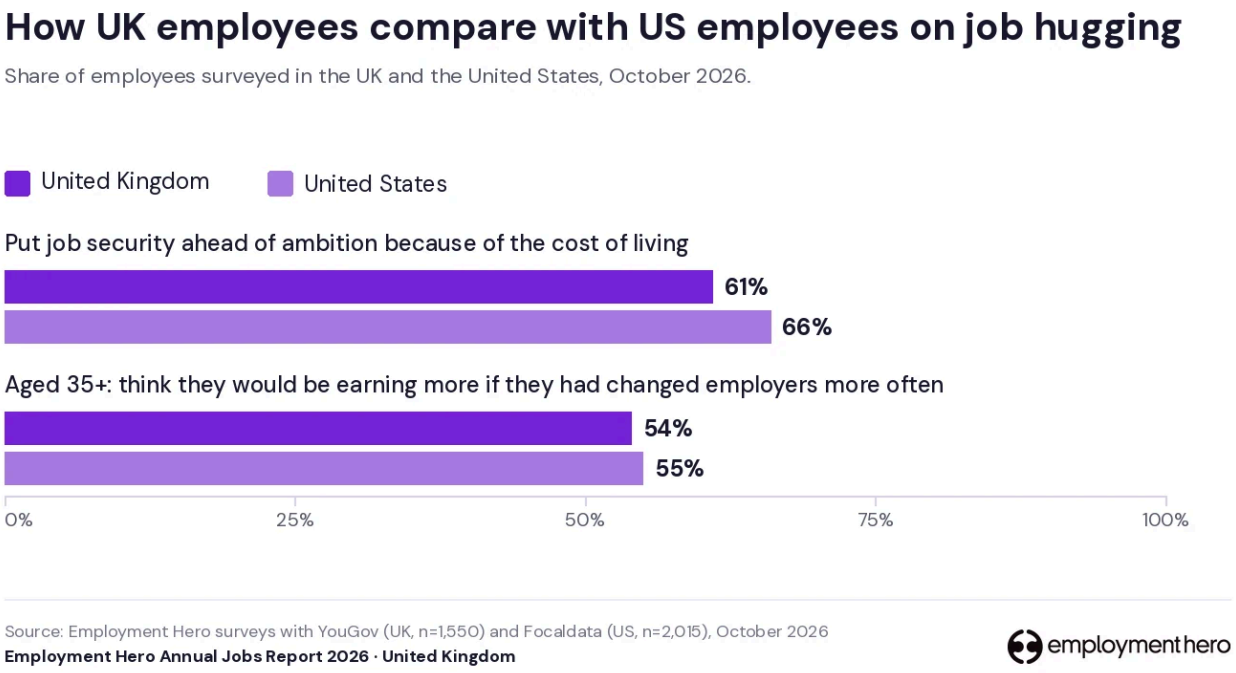
That pressure has made employees more cautious. Sixty-one percent of employees, excluding sole traders, in the survey commissioned with YouGov say they are putting job security ahead of ambition because of the cost of living, up from 58% in a similar survey conducted in 2025.[2][3]

Exercising caution comes at a price, at least in employees' eyes. Fifty-four percent of employees surveyed aged 35 and over think they could be earning more today if they'd changed employers more often. Among them, the median estimate of the extra annual earnings they might have made is around £13,100 a year,[6] and 30% put it at £20,000 or more.[6] Separately, full-time workers estimate they would need a median annual salary of £54,326 to feel financially comfortable. Compared with the ONS median gross annual pay of £40,911 for full-time employees, this represents a gap of approximately £13,400[7] – almost exactly the same figure as what staying put has cost.

This trepidation among employees has come as pay growth slows. Employment Hero's data shows median wage growth[4] peaked at 6.4% YoY in April 2026 and eased to 4.5% by October, leaving pay a

narrower lead over inflation than it had in spring. YoY wage growth figures for October 2026 are also the lowest in 13 months.

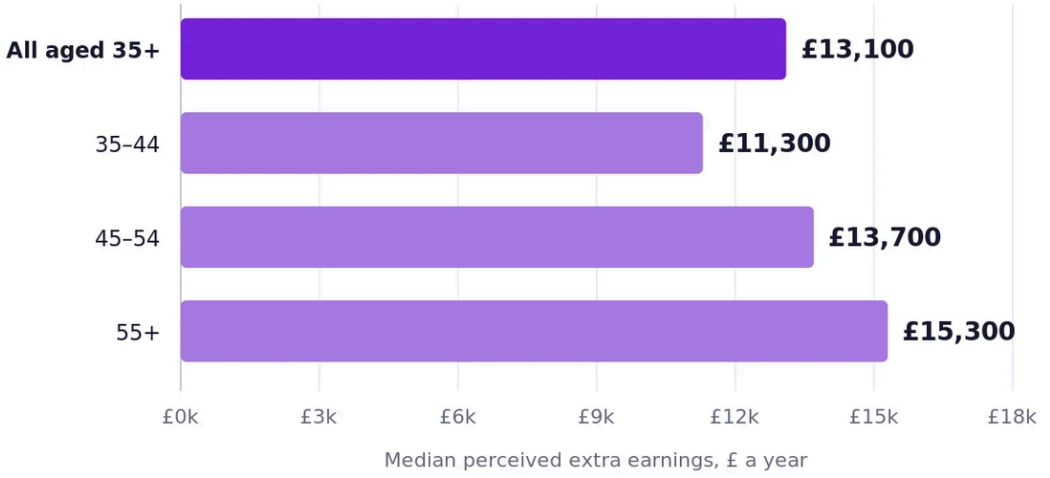
Job hugging appears even more prevalent in the US. In a separate survey with Focaldata, we found that 66% of workers[8] put job security ahead of ambition, compared with 61% in the UK. A similar pattern appears in beliefs about pay: 54% of employees surveyed aged 35+ think they would be, or could possibly be, earning more if they had changed employers more often, and a similar proportion (55%) of US employees say the same.



Note: Survey with YouGov, October 2026 (UK n=1,550); survey with Focaldata, October 2026 (US n=2,015), using the same screening as the UK survey and matched to the UK profile for comparison. The earnings question was asked of employees aged 35 and over (notes 2 and 8).

What employees feel they've missed out on by not changing employers more frequently

Question: "How much more do you think you could be earning today if you had changed employers more frequently or strategically throughout your career?"



Source: Employment Hero survey with YouGov, October 2026 (n=428, aged 35+)
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Note: Survey with YouGov, October 2026. Base: UK employees aged 35+ who think they would be earning more by changing employers more often, excluding "don't know" (total n=428). Perceived, not measured: estimates are respondents' own guesses. Medians interpolated within the bands. Survey question: "How much more do you think you could be earning today if you had changed employers more frequently or strategically throughout your career?" (notes 2 and 6).

Pay is still beating inflation, but by less

ONS consumer price inflation (CPI) was 2.8% in April, dipped to 2.6% in June and rose to 3.1% in August. Since April, median pay growth in our data has eased, so real pay growth is narrowing from both sides: prices are picking up while wage growth slows.

Employees are feeling that tension. Seventy-two percent of employees surveyed say they had a pay rise in the last year, but 46% of them say it fell behind the cost of living, and the average rise among them was 3.5%.[9]

Most still see ways to earn more, though not necessarily in their current job. Eighty-two percent believe they have at least one way to increase their income. The lever they feel they control most, cited by 34%, is extra income outside their main job, while just 15% point to building skills and 9% to asking for a raise with their current employer.

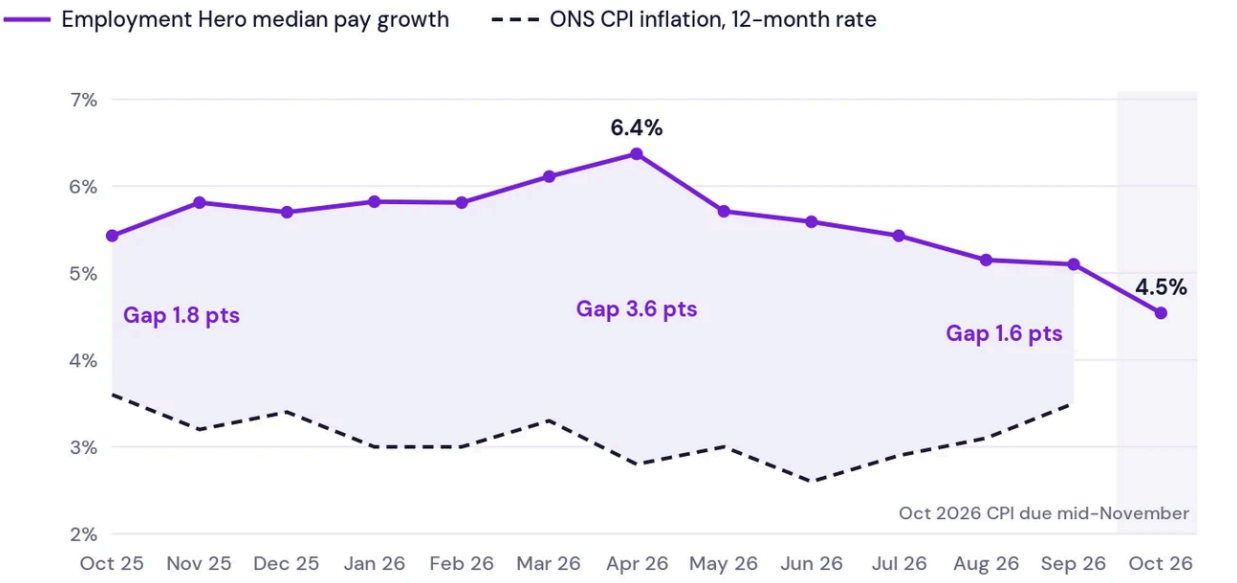
This is all occurring while household budgets remain stretched: 44% of employees surveyed struggle to save each month, and 40% would find it difficult to cover an unexpected £1,000 expense. For those earning extra through small-scale trading, there's some relief ahead. Following the Autumn Budget on 28

October 2026, the tax-free trading allowance[10] will triple from £1,000 to £3,000 on 6 April 2027. Taken together, it's clear that pay growth on paper isn't necessarily landing as relief for employees.

£13,100 a year is what mid-career employees believe "job hugging" has cost them, as Britain's workforce digs in.[6]

Median wage growth against CPI, year on year, October 2025 to October 2026

Employment Hero median pay growth (cohort-adjusted) against ONS CPI inflation (12-month rate), year on year. Gap = pay growth minus CPI, in percentage points.



Source: Employment Hero platform data (UK SMEs); ONS Consumer Price Index
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Source: Employment Hero platform data (note 4); ONS Consumer Price Index, 12-month rate (note 13). Employment Hero figures are cohort-adjusted median annual pay growth, year on year. Gap = pay growth minus CPI, in percentage points. October 2026 CPI is published by the ONS in mid-November, after this report, so the October gap is not shown.

Job security is winning over ambition

The Office for Budget Responsibility (OBR) expects the UK labour market to continue to undergo many of these pressures. Understandably, employees are hesitant to make any hasty moves. While UK employees have thought about leaving their job, many have decided the move wasn't worth the risk. Fifty-eight percent of those surveyed say they've considered leaving a role before but stayed because changing felt too risky. Thirty-four percent are still in that job now.[2]

When employees surveyed cited why they've stayed where they are, loyalty doesn't make the top three reasons. Comfort comes first, with 43% saying their current role is good enough, ahead of benefits and perks they don't want to give up (34%) and low confidence of finding something better (30%). Only 26% cite loyalty, and 24% say they stay because they feel genuinely fulfilled and challenged.

Doubt about being able to find another position quickly is also a common concern. Less than half (42%) are confident they could find a new job within three months if they lost their current one.[2]

One person we spoke with shared: *"I can't lie. As much as I've had enough, there is a part of me that's worried I'd move and absolutely hate it because I know the culture here pretty well and there's a very specific way of working at this company. What if I leave for somewhere new and don't pass probation? I can't imagine dealing with unemployment in this economy, I have a mortgage to pay!"*

Among women surveyed, confidence in finding a new job quickly is even lower at 36%, compared with 49% of men. When asked what percentage of an increase in salary it would take to make changing jobs worthwhile, respondents put the median response at a 15.4% pay rise.[11] These are of course hypothetical answers, and people often name a figure higher than they would accept in practice. The figure therefore shows how much a move would need to be worth to employees, rather than the salary employers would actually need to offer.

Despite these barriers to moving, many SMEs are still hiring. Employment Hero's data shows SME headcount grew[5] in every month of 2026 up to October, although the pace has slowed. In the quarter to October 2026, average month-on-month growth was 0.7% compared to 1.3% in the same quarter of 2025.

Staff at the smallest businesses are more likely to feel settled. Of people working in businesses with 2 to 10 employees, 34% rate their settledness[12] as 10 out of 10, compared with 25% of everyone else.

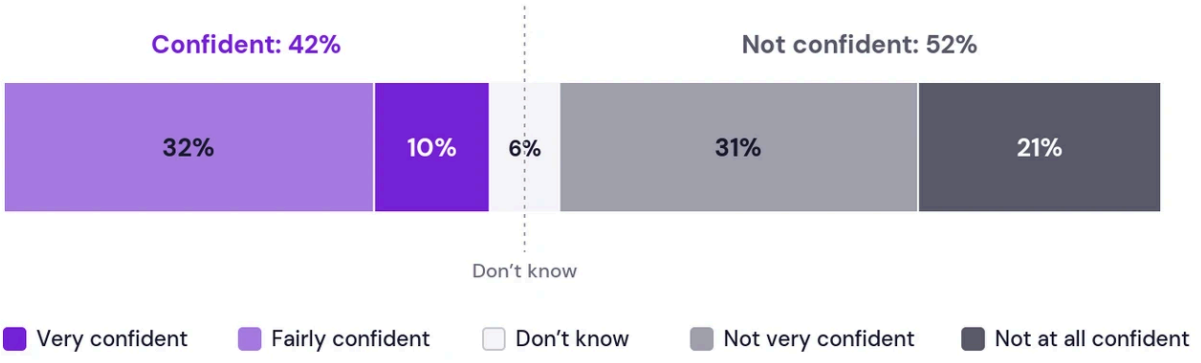
UK employees are not alone in feeling the impact of slowing salary growth alongside cost of living pressures. In the US, annual wage growth has slowed to 3%, its slowest pace since 2021, according to the Bureau of Labor Statistics.[13] Against that backdrop, stability has become a priority.

Moving for a pay rise may be a less realistic option in today's economy, and the bar is high. Among UK employees who would consider changing jobs for more money, 51% say they would need a pay rise of 15% or more to make a move worthwhile.[21] In the US, the equivalent figure is 48%, illustrating that a similar sentiment is running through both markets.

58% say they've thought about leaving a role before but remained because changing felt like too much of a risk. 34% are still in that role.[2]

Confidence in finding another job within 3 months if they lost their current one

Question: "How confident, if at all, are you that the job market would let you quickly (within 3 months) get another job if you lost your current one?"



Source: Employment Hero survey with YouGov, October 2026 (n=1,550)
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Note: Survey with YouGov, October 2026, n=1,550. Survey question: "How confident, if at all, are you that the job market would let you quickly (within 3 months) get another job if you lost your current one?" Confident = very or fairly confident (42%); not confident = not very or not at all confident (52%). Don't know (6%) is shown in the centre. Segments sum to 100% (note 2).

Growth in every postcode? Employees aren't convinced

One of the hallmarks under the current Labour Government has been the pledge to deliver growth in every postcode, with the Government promising to devolve power from Whitehall. Employment Hero's data shows that wage growth across the UK regions is more alike than at any point in the past year. This owes more to London slowing than to other regions accelerating, while the employees we surveyed remain sceptical that opportunity will spread.

For most of the year, London set the pace on pay. Employment Hero's data shows wage growth in the capital climbed from 7.0% YoY in October 2025 to 8.2% in March 2026. The other regions in the data (the South excluding London, the East of England, the Midlands, the North, Scotland and Wales) stayed in a narrow band of 4.9% to 5.8%.

After March, London's pay growth cooled sharply, from 8.2% YoY to 5.2% by October 2026, close to the growth seen across other regions.

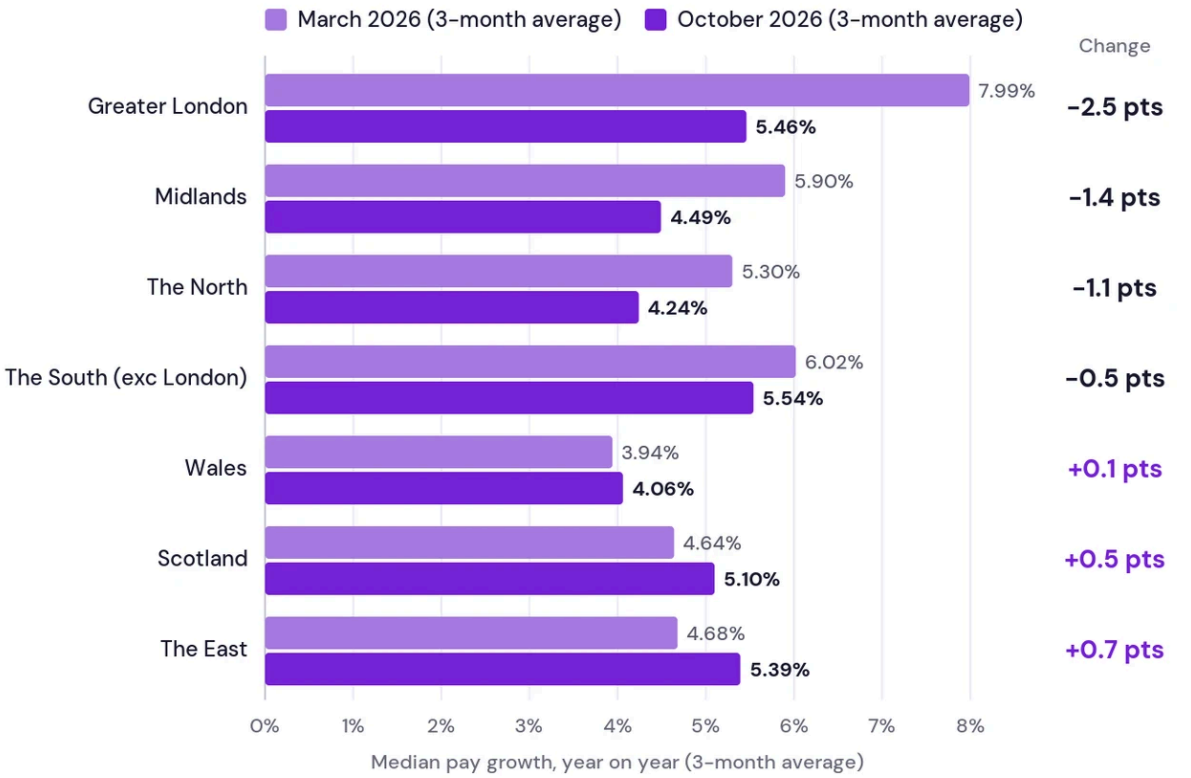
Pay growth across the regions has converged over the past year. The gap between the fastest and slowest-growing regions[14] widened to a peak of about 4.2 percentage points in March 2026, before narrowing to 1.5 percentage points by October, down from 2.0 percentage points in October 2025. Even so, London's pay is still roughly a fifth above the UK median, according to the ONS Annual Survey of Hours and Earnings.[13]

Employees surveyed see location as a major factor in the jobs open to them. Eighty-five percent say where someone lives in the UK affects the quality of jobs available, and 52% say it matters a great deal. In England, 59% don't expect opportunities to spread more evenly across regions within five years. The presumption is that higher pay and opportunities are more widely available in the capital, but employees surveyed in London are the most willing to move: 45% would relocate for the right job, against 30% across the UK.

85% say where someone lives in the UK affects the quality of jobs available.[2]

Median year-on-year pay growth by UK region: six-month change

Employment Hero median pay growth (cohort-adjusted), year on year, three-month averages to March 2026 and to October 2026, with the change in percentage points.



Source: Employment Hero platform data (UK SMEs). Northern Ireland excluded (small sample)
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Note: Employment Hero figures are cohort-adjusted median annual pay growth, year on year (note 4). Bars show the average of three monthly readings for each period. Labels show the change in percentage points: latest three months (August to October 2026) minus the earlier three-month period (January to March 2026). Because these are averages, they differ from the single-month figures quoted in the text (for example, London at 8.2% in March and 5.2% in October). Scotland's April 2026 value is included. Midlands and Wales October 2026 readings are under review. Northern Ireland was excluded due to a small sample. Regions as defined in note 14.

Trust in hiring is low

For employees hoping a new year will bring more opportunities, the job search itself has become harder to trust. And if it wasn't already clear that phantom job listings (a job advert for a role that doesn't exist or isn't being filled) have become more common, in October 2026, the term "ghost job"[15] entered the Collins Dictionary.

In a separate survey commissioned by Employment Hero in November 2025, 28% of employees said they had applied for one. By October 2026, 35% of UK employees surveyed suspected they had encountered a ghost job in the past two years. Among 18–34 year-olds, 52% say they have encountered a ghost job in the past 2 years, and 38% say they had applied for one in the 2025 survey. For employees who started a new job in the past year (representing recent job seekers), 64% suspect they encountered a ghost job.

The same person we spoke with also shared *"I feel pretty hopeless. I think I've sent off over 1,000 job applications in the past couple of years and I've only had three interviews this year."*

It's unsurprising then that only 38% of UK employees completely or mostly trust job boards to show genuine, live vacancies, and 27% say they're choosing to stay in their current roles because the market is too tough to navigate. While the data doesn't necessarily show that one causes the other, the two trends are showing up side by side.

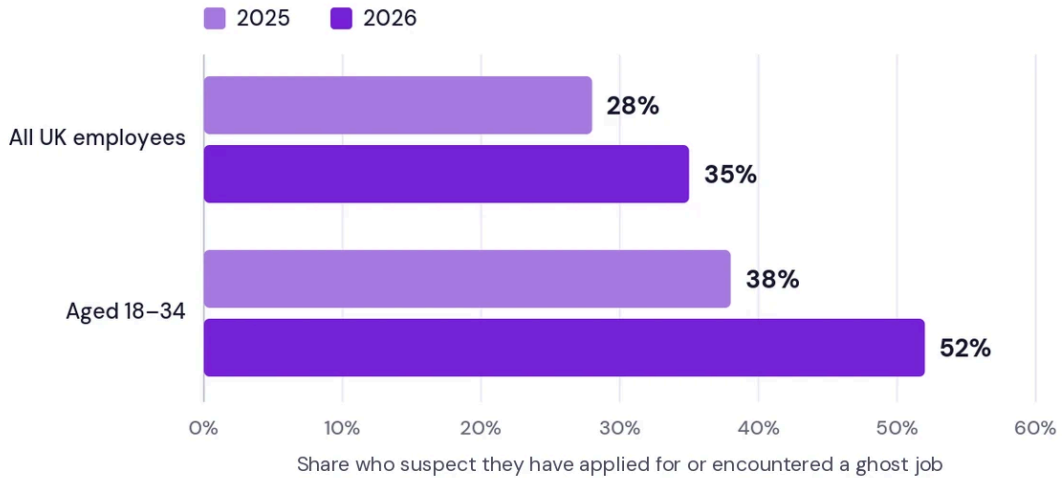
Where AI is concerned, however, many people are receptive to it as a job seeker. Fifty-five percent are open to it being used somewhere in hiring, with the most welcome uses being to match CVs to relevant jobs (34%), score skills tests (31%) or screen CVs (26%). The majority also believe that candidates can harness it too, with 53% saying it's acceptable to use AI on their applications when employers use it to assess them. Around half that amount (28%) think it's unacceptable and around 20% don't know or are neutral. Human-led processes are still preferred, with 68% of employees preferring a more human-led hiring process, even if it's slower, over a faster AI-led approach. In London, however, there is more openness to an AI-led process (37% vs. 21% across the UK overall).[2]

Among employees who are comfortable with AI in the recruitment process, perceived fairness in the hiring process ranks high. AI being able to ensure all applicants are assessed on the same criteria was cited by 40%, just behind helping to match them with jobs that suit their skills (43%). What job seekers don't want is AI replacing people. Yet 38% of respondents say they are not comfortable with AI in the recruitment process at all. For many employees, this is still a very new technology, and unfamiliar things can breed anxiety. For employers, the question is whether candidates who are new to the process and still uncertain about the technology are being kept out of the candidate pool.

35% of UK employees surveyed suspected they had encountered a ghost job in the past two years.[15]

Share of UK employees who suspect they have applied for or encountered a ghost job, 2025 and 2026

Share who suspect they have applied for or encountered a ghost job (an advert for a role that doesn't exist or isn't being filled) in the past two years.



Source: Employment Hero surveys with YouGov, October 2026 (n=1,550) and Focaldata, November 2025 (n=1,000)
Employment Hero Annual Jobs Report 2026 · United Kingdom

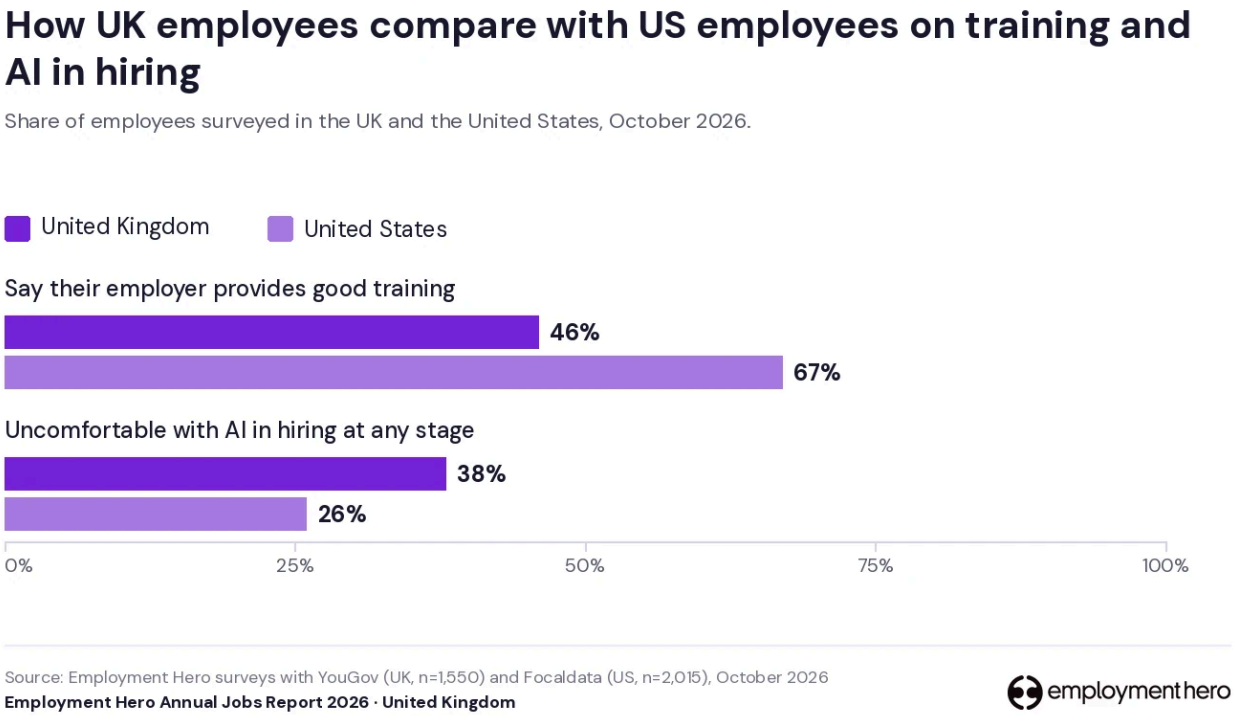
Note: Survey with YouGov, October 2026, n=1,550 (total). 2025 figures are from a separate survey with Focaldata, November 2025, n=1,000 (total). The 2025 survey asked about applying for a ghost job; the 2026 survey asked about encountering one. Sample profiles matched to enable year-on-year comparison (notes 2 and 15).

UK employees need more training to keep pace with AI

Confidence in adapting to new technology has fallen among UK employees from 75% in 2025 to 70% in 2026. Concern about skills is much the same on both sides of the Atlantic, with 30% of employees in the UK and the US worried their skills are becoming outdated. What differs is how employees rate their employers' training. Fewer than half of UK employees (46%) say their employer provides good training, against 67% in the US.

Training and confidence go together. Among UK employees who say their employer's training is good, 81% feel confident adapting to new technology, against 62% of those who don't rate employer training highly. Comfort with AI shows the same pattern, at 78% against 65%.

UK employees seem to have more apprehension about the use of AI in hiring than those in the US, with 38% uncomfortable with it at any stage, against 26% of Americans. The data can't show that one causes the other, but it does raise the question of whether better training would give UK employees more confidence – in themselves and the jobs market.



Note: Survey with YouGov, October 2026 (UK n=1,550); survey with Focaldata, October 2026 (US n=2,015), using the same screening as the UK survey and matched to the UK profile for comparison. Training is the share who agree their employer provides good training and upskilling (notes 2 and 8).

LOOK FORWARD

United Kingdom Forecast

If the past year has been defined by employees holding on, the year ahead is unlikely to loosen their grip, and pay is the first place to watch. Employment Hero's Employment Index put median wage growth at 4.5% in October 2026, down from 6.4% in April, and with the OBR expecting inflation to stay above target into 2027, what is left of employees' real pay gains could shrink further.[16]

As Cebr notes, job hugging is a rational response to a weak job market, but it is not a cost-free one. We expect caution to remain the default through 2027. Employees say it would take a 15.4% pay rise[11] to tempt them elsewhere, against the average 3.5% rise they received last year[9], so a wave of job moves is unlikely until that gap narrows.

For businesses, that can mean keeping staff but not always their best effort. Thirty-four percent of employees surveyed are still in a job they wanted to leave, and only

24% stay because they feel fulfilled and challenged. Training is one of the most practical places to start, given that just 46% of UK employees say their employer provides good training, against 67% in the US.

Rapid technological change is also reshaping the skills employers need, so the question for SMEs is what their teams will need next, not just who is in the role today. Planning for that now, through training, clear progression paths and a realistic view of the skills gaps ahead, will leave businesses in a stronger position than reacting once people start to move.

For employers, this also opens a door. Those that offer clear progression and good training can stand out to talent that is currently standing still. The aim is a labour market where staying is a choice rather than a necessity, and moving is an opportunity rather than a gamble.

Three signals will show which way 2027 is heading: median pay growth on the Employment Index, the pace of headcount growth, and whether vacancies start to rise. If hiring picks up faster than expected, the 34% still in jobs they wanted to leave may begin to move. Renewed price pressure would do the opposite and deepen the squeeze on real pay.[16]

Two factors are worth planning around: measures under the Employment Rights Act 2025[17], which will continue into 2027; and the tax-free trading allowance[10], which rises from £1,000 to £3,000 on 6 April 2027 and may ease pressure on employees who earn extra income on the side.

Either way, employers who rely on caution to keep their teams together may find it a short-lived advantage. The SMEs best placed for 2027 will be those that plan now for change in either direction. Reviewing budgets, workforce plans and the skills their teams will need means they can act quickly when hiring picks up or price pressure returns, rather than reacting once people have already moved on.

FOOTNOTES

Methodology, notes and definitions

First party data. Employment and wage figures come from Employment Hero platform data covering around 4,800 businesses and around 174,000 employees. Employment growth is the average change in employees per organisation, measured across organisations present in both periods, from October 2025 to October 2026. Wage growth is the median hourly rate, compared like-for-like across the same organisations (cohort-adjusted), from October 2025 to October 2026. We report medians rather than means for wages. Figures are only reported where at least 30 organisations are included. These results describe employers on the Employment Hero platform, not the whole UK labour market.[18]

Third party data. Official figures from the Office for National Statistics (ONS) and the Office for Budget Responsibility (OBR).[19] US wage growth is from the US Bureau of Labor Statistics (BLS).

Survey data. The custom survey was commissioned by Employment Hero and conducted by YouGov, fielded between 15 and 22 October 2026. The sample is 1,550 employed adults.[20] Respondents were in paid employment, full-time or part-time, and the sample excludes business owners and self-employed people by design, because most questions concern experiences within an employing organisation. Quotas were applied to match the survey to the working population in the UK.

Income is personal, not household, and is collected in bands. Medians are interpolated within the band where they fall, assuming responses are spread evenly across it. Income data is calculated as a median and excludes respondents who selected don't know or prefer not to say.

Differences between groups are tested with two-sided two-proportion z-tests, with significance at $p<0.05$.

Year-on-year comparisons use a YouGov UK survey fielded in August 2025 (n=1,081). The 2025 sample had solo operators removed to match the 2026 employee target and was weighted to the 2026 UK profile on age, gender, employment and region. Significance uses effective sample size (n=889). Questions were matched on wording and answer options.

Comparisons to the US use a Focaldata survey fielded between 13 and 20 October 2026 (n=2,015), using the same screening as the UK survey. Quotas were in place to ensure a representative sample across key US regions. US data was matched to the UK profile for market-to-market comparisons.

1. Job hugging. Staying in a current job out of caution rather than ambition. It is measured by the share of employees surveyed who agree they are prioritising job security over ambition because of the cost of living.
2. Survey. Employment Hero commissioned YouGov to survey 1,550 employed adults aged 18 and over in the UK, working full-time or part-time. Business owners and self-employed people were excluded by

design. Fieldwork ran from 15 to 22 October 2026, and quotas were applied to match the UK working population.

3. Year-on-year comparisons. The comparison survey is a YouGov UK survey fielded in August 2025 (n=1,081), with questions matched on wording and answer options. The 2025 sample is weighted to the 2026 UK profile on age, gender, employment and region. Differences are tested with two-sided two-proportion z-tests on the effective sample size, and described as significant at $p<0.05$.
4. Platform wage growth. Cohort-adjusted. Each employee's pay is compared only with their own pay in the comparison period, limited to employees in the same organisation in both periods, and the median of those individual changes is reported. Because of this, stated growth rates will not match the change between raw median salaries, which cover the whole workforce in each period, including joiners and leavers.
5. Platform employment growth. Cohort-adjusted. The average change in employees per organisation, measured across organisations present in both periods, and reported month on month, against three months earlier or year on year.
6. Perceived extra earnings. Median estimate (£13,115, rounded to £13,100) among employees surveyed aged 35+ (excluding sole traders) who did not change employers but believe they could have earned more by changing employers more frequently (n=541; excludes 113 "don't know" responses, valid base n=428).
7. Comfort gap. The difference between two figures. The first is the median annual salary that full-time employees surveyed say they would need to feel financially comfortable: £54,326, interpolated within the £40,000 to £59,999 band. The second is ONS median gross annual pay for full-time employees: £40,911 in April 2026 (provisional). The base is 941 full-time employees (30+ hours a week) who gave a figure. It excludes those who said they already feel comfortable (10% of employees) and those who answered "don't know" or "prefer not to say". The gap is reported as £13,400.
8. US comparisons. An October 2026 survey of 2,015 US employees, commissioned by Employment Hero and conducted by Focaldata between 13 and 20 October, using the same screening as the UK survey. Quotas covered US multi-state regions, and the data is matched to the UK profile for comparison.
9. Pay rise recipients and average rise. The 72% who received a rise is based on respondents who selected a % band response, "no, it stayed the same" or "no, it declined". It excludes those who said "don't know" or "prefer not to say". The mean pay rise is the mid-point of the median response band (between 3–4%).
10. Trading allowance. A tax-free allowance for individuals' trading and miscellaneous income. The Autumn Budget on 28 October 2026 confirmed it will triple from £1,000 to £3,000 from 6 April 2027.
11. Pay rise needed to change jobs. The median, interpolated within the 15 to 19% band, assuming responses are spread evenly across it.
12. Settledness. How settled employees surveyed feel in their current job, rated from 0 ("desperate to leave") to 10 ("very settled").
13. Official statistics. Inflation: ONS Consumer Price Index, 12-month rate, to September 2026. Vacancies and unemployment: ONS Labour market overview, October 2026. London pay premium: ONS Annual Survey of Hours and Earnings (Employee earnings in the UK: 2026, published 22 October 2026,

provisional). Inflation outlook: Office for Budget Responsibility, Economic and fiscal outlook, October 2026. US wage growth: US Bureau of Labor Statistics.

14. Regions. The Employment Index groups UK pay data into seven regions: London, the Midlands, the South (excluding London), the North, Scotland, Wales and the East. The regional gap is the difference between the fastest- and slowest-growing regions.
15. Ghost jobs. A job advert for a role that doesn't exist or isn't being filled. The base is all employees surveyed.
16. Employment Hero's Employment Index. Aggregated, anonymised payroll data from businesses using the Employment Hero platform. It covers around 4,800 UK businesses and 174,000 employees from October 2025 to October 2026, and figures are reported only where at least 30 organisations are included. The figures describe employers on the platform, not the whole UK labour market, and are not official statistics.
17. Employment Rights Act 2025. Became law in December 2025, with measures being phased in between 2026 and 2027.
18. An indicator for the employment landscape. Our figures come from employers on the Employment Hero platform, so they show direction and momentum rather than a national earnings total, which ONS publishes separately.
19. Gap between pay growth and inflation. Employment Hero median wage growth, YoY, minus ONS headline CPI inflation (12-month rate), in percentage points.
20. Employees. In this report, "employees" means the people surveyed: adults in paid employment, working full-time or part-time for an employer. Business owners, self-employed people, solo operators and freelancers were screened out of the survey, so the views reported are those of employed people.
21. Pay rise needed (% bands). The 51% reflects respondents who selected a percentage band in the survey (15–19% or higher), excluding "don't know" responses (7%) and "no salary increase would make me consider changing jobs at the moment" (11%).