

Mapping the UK's Recruitment Margins

The first quarter of 2015 was dominated by employment rising at its fastest pace in almost a year with unemployment falling to its lowest since 1971. At the same time wages experienced their highest gains since the end of the financial crisis, with many sectors finally starting to see some stability and regaining some of the ground lost in recent years.

After a slow start to the year, the Construction and Engineering sectors look to be on the rise once more. In Q1, Construction saw margins fall by 0.6% on the previous quarter but in Q2, that figure was turned on its head, with margins rising by 0.64%.

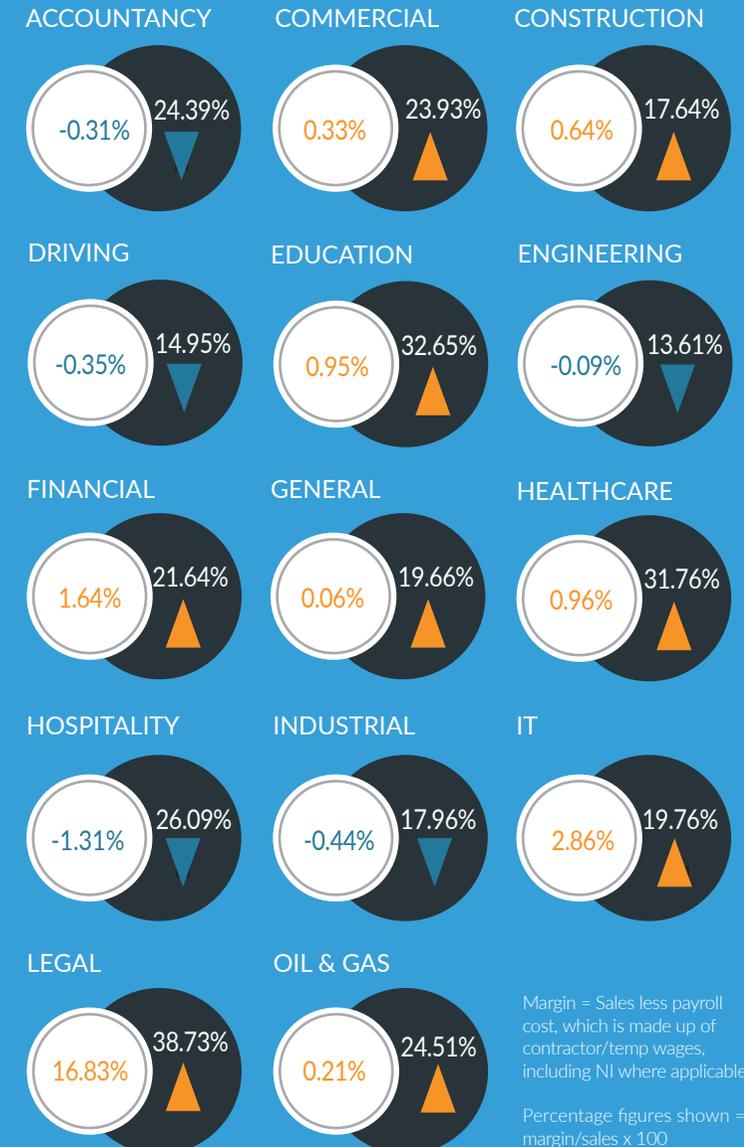
It's a similar story in the Engineering sector too. In Q1, margins fell by 2.4% but improved in Q2, standing at just 0.09%. This suggests that the government's industrial strategy and the £30 million match fund introduced to support employers and overcome skills shortages is already yielding results.

The finance sector experienced mixed fortunes in Q2. Accountancy margins fell 0.31% while Financial Services saw an increase of 1.64%. However, variations are nominal and do not suggest instability within the sector. Rather, despite sustained rises in operating costs and investment in technologies, profitability within the finance sector continues to rise at its fastest pace in four years while the number of people it employs is not only stabilising, it is growing.

Healthcare margins also increased in Q2 compared to Q1, with the Office for National Statistics finding over 147,000 unfilled nurses vacancies in the UK. This makes nursing the third most in-demand profession and explains why margins look set to remain strong for the foreseeable future.

Other key growth areas in Q2 include Education (0.95%), Commercial (0.33%), and Oil & Gas (0.21%). Driving, Industrial and Hospitality all saw falls last quarter of 0.35%, 0.44%, and 1.31% respectively.

The biggest winners were the IT and Legal sectors, which saw profit margins rise by 2.86% and 16.83% respectively. Strong economic growth generally takes longer to translate into progress within the legal sector - these increased margins suggest the sector is on course to getting back to levels not seen since 2006.



The **Simplicity Margin Index** is the only detailed quarterly report on the average recruitment margins across each major employment sector. Brought to you exclusively by The Global Recruiter, the Margin Index is a benchmarking tool used by recruitment owners looking for accurate and timely market intelligence to help them stay ahead of the competition whilst gaining a greater understanding of how well their sectors are performing.