

Mapping the UK's Recruitment Margins

The only certainty going into 2018 is that economic uncertainty will prevail until more clarity is given on Brexit. Despite this, demand for workers remains strong. As the UK unemployment rate falls to 4.3 per cent, more employers are reported to be turning to recruiters to help them fill vacancies. The last three months of 2017 ended on a positive note as the UK economy expanded by 0.5 per cent beating all growth expectations.

The **Financial Sector** has seen a 6.13 per cent rise in margins to 30.95 per cent in Q4 with demand for permanent workers seeing the steepest rise amongst the job sectors in December. New regulations being introduced within the Financial Sector in 2018 and the impact of Brexit have helped fuel the demand. Candidates are reported to be looking for more than just financial rewards but increased benefits to encourage them to change positions.

There was a 7.49 percent increase in margins in the **Catering Sector** to 37.72 per cent in Q4. Employers were reported to be looking for seasonal cover as well as filling gaps when permanent staff leave – a shortage of chefs looks set to continue.

Margins dip slightly in the **Construction Sector** to 16.06 per cent in Q4 with Housing remaining the best performing area of activity at the end of 2017. Ongoing cost pressures continue with economic uncertainty delaying investment decisions. However, reports of a gradual upturn in clients' willingness to commit to new work is being reported.

Margins in the **Driving Sector** increased to 19.79 per cent in Q4. The RHA (Road Haulage Association) estimates that the UK is currently facing a shortage of between 45k and 50K HGV drivers.

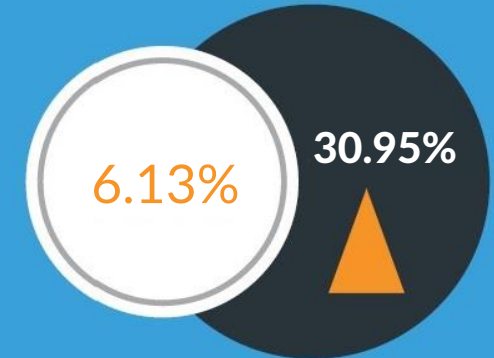
Current schemes are underway to tackle the shortage.

Demand for workers remained high for the **Engineering Sector** with margins reaching 17.26 per cent in Q4. This sector will be in the spotlight for 2018 as the UK Government and Industry launches a campaign to inspire the next generation and tackle a major skills gap reported to be damaging growth.

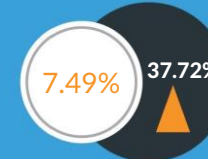
Although margins dropped slightly in Q4 to 11.51 per cent in the **Industrial Sector**, manufacturing sector growth remained solid at the end of 2017. Despite ongoing cost pressures and economic uncertainty, companies are maintaining a positive outlook going into 2018.

Retail Sector margins increased slightly to 36.15 per cent in Q4. Cost pressures persisted and inflation reached 2.7 per cent in December. The BRC (British Retail Consortium) reported that seasonal recruitment over the festive period failed to offset the downward trend of falling employment with full time employees seeing the biggest reductions as retailers seek greater flexibility in their workforces.

FINANCIAL



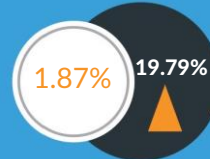
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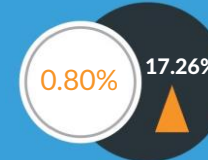
CONSTRUCTION



DRIVING



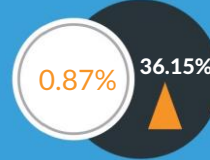
ENGINEERING



INDUSTRIAL



RETAIL



Margin = Sales less payroll cost, which is made up of contractor/temp wages, including NI where applicable.

Percentage figures shown = margin/sales x 100

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.