

Hampshire Monthly Labour Market Update August 2026

- National Headlines (survey-based):
 - Employment
 - Unemployment
 - Economic Inactivity
- South-East (survey-based) Labour Market
- Local Monthly (claimant-count) Unemployment
- Local quarterly (survey-based)

UK economy saw slower growth in Q2, while the more volatile monthly measure only picked up slightly following no growth in May. The UK labour market remains soft with little change in the headline estimates whilst vacancies continue to decrease.

Economy

- According to ONS, the UK economy slowed to 0.4% in the 3-mths to June 2026, following 0.6% growth in the 3-mths to May (revised down), and **seventh consecutive 3-mth on 3-mth growth**. Growth led by services. Construction also posted growth, whilst production output stalled. On the more volatile monthly measure, **GDP edged into growth by 0.3% in June 2026**, as May was revised down to no growth.
- **Services output grew by 0.5% in the 3-mths to June 2026**, following 0.6% growth on the 3-mths to May (revised down). ICT, professional services and logistics drove output growth, while business support saw a large fall. **Consumer-facing services grew by 0.3%, led by accommodation and retail** - good weather and the World Cup help lift sales. On the monthly measure services grew by 0.4% in June 2026.
- **Production posted no growth in the 3-mths to June 2026**, following 0.2% growth in the 3-mths to May (revised up). On the monthly measure production was down 0.2%. **Manufacturing grew by 1.1%** led by pharma and IT but slower at 0.7% on the monthly measure.
- **Construction output grew by 0.3% in the 3-mths to June 2026**, following 1.5% growth in the 3-mths to May (revised down). Growth led by new work (0.4) and repair and maintenance (0.2%). Construction output contracted by 0.1% on the monthly measure following 0.8% decrease in May (revised down) and led by a fall in new work.

UK Labour Markets

- **No significant change** in the Headline survey-based data or PAYE employment, while vacancies continue to decrease.

Employment, Earnings and Inflation

- Timelier data saw **July's UK early estimate of payrolled employment largely unchanged on the month**. There were 13,000 employees fewer on the previous month (June) and 78,000 fewer employees compared to July 2025 (-0.3%).

- The headline (ILO) working age (16-64-years) employment rate was estimated at **75.1% for the 3-months to June 2026**; down by 0.2 percentage points on the year but up by 0.1 percentage points on the latest quarter.
- **Headline employment levels (aged 16+) are estimated at 34.46 million for the 3-months to June 2026**. This is up by an estimated 84,000 on the quarter and up by 253,000 on the year. In the latest quarter the number of full-time workers increased, but part-time workers decreased.
- **Wage growth continues to soften but remains marginally above inflation**. Annual pay growth stands at **4.1% for total pay (including bonuses) and 3.5% for regular pay for 3-months to June**. However, average growth for private sector regular earnings slowed to 2.8%. Adjusted for inflation (including housing costs), **real total pay grew by 1.1% and real regular pay by 0.5%**.
- **Annual CPI growth rose to 2.9% in June 2026**, as widely expected, and largely led by the July uplift in the Ofgem energy price cap and higher energy costs stemming from the war in the Middle East, notably higher gas prices (4-year high). Core inflation (excluding food and energy) remained at 2.6%, while services inflation eased to 3.4%.
- **Bank of England (BoE) held the base rate at 3.75% in July's MPC**. Expectations are for rates to hold steady while energy markets remain uncertain. The next MPC meeting is in early-September and the last meeting prior to October's Autumn Budget and OBR forecasts.

Vacancies (current demand for labour)

- **Earley estimates suggest vacancies decreased by 6,000 (0.8%) or by 707,000 between 3-mths to April 2026 and 3-mths to July 2026**.
- Number of **unemployed people per vacancy unchanged at 2.5** in 3-months to June 2026.
- Anecdotally, business **recruitment weighed down by increases in labour costs** and other operating expenses, especially micro-businesses (<9 employees).
- **In the latest quarter-on-quarter, Education saw the largest relative fall (-7.3%)**. The largest **volume decreases** were in **human health and social work activities** (-5,000).

Unemployment

- **Estimated ONS headline measure of unemployment (aged 16+) is 4.9% for the 3-months to June 2026**; up by 0.2 percentage points on the year but down by 0.1 percentage points on the latest quarter.
- **Headline unemployment levels (aged 16+) stood at an estimated at 1.77 million for the 3-months to June 2026**, down by 36,000 on the quarter but up by 88,000 on the year. Survey data needs to be viewed with degree of caution.
- **Unemployment rate among those aged 18-24 was unchanged on the latest (non-overlapping) quarter to 14.6%** and still among the highest rates since 2014. An estimated 597,000 young people were unemployed, up 6,000 on the quarter and up by 113,000 on the year.

Economic Inactivity

- **The headline measure of economic inactivity (16-64 years) rate is 20.9% for the 3-months to June 2026**; largely unchanged on both the year and on the latest quarter.
- **Latest quarter estimates show 9.11 million people aged between 16 and 64 years were not in the labour force (economically inactive)**. There was little change with the number of those aged 16 to 64 who are economically inactive is up by just 8,000 on the quarter but down by 55,000 on the year.

South-East Region Labour Market

- **The South East headline working age employment rate for the 3-months to June 2026 was 78.2%, the unemployment rate 4.1%, and the economic inactivity rate 18.4%**. The South East employment rate down 0.2ppts on the previous quarter, the unemployment rate up 0.3ppts but the inactivity rate unchanged.
- On the timelier (but seasonally unadjusted) unemployment **Claimant Count, the South-East rate was 3.1% for July 2026** unchanged on the month but up 0.1ppts on the year. The claimant count (185,120) is up by 1,854 on the previous month and up on the year by 5,970.

Local Employment

Hiring intentions (the number of online job postings) in Hampshire and the Solent saw **continued demand in the three months to July 2026**, although not as pronounced as in June as seasonal demand begins to ebb away. Demand grew across all four broad skills groups although easing, especially for low-skilled which suggests waning seasonal demand. Overall, **online postings up by 10% for the 3-months to July** but down by one third on previous non-overlapping quarter although higher than a year ago.

Provisional July 2026 payrolled employee numbers for Hampshire and the Solent points to softening labour market. Payrolled employment was down 0.1% on the month and on the quarter, and down on the year (-0.3%). **Latest provisional payrolled employment estimate is 910,300** for Hampshire and the Solent, around **1,000 fewer employees** compared to the previous month and around 2,800 fewer over same period one year ago.

Nearest headline (survey-based from p4) not updated this month.

Unemployment

Nearest headline (survey-based from p4) not updated this month.

Economic Exclusion

Nearest headline (survey-based from p4) not updated this month.

The rate for residents aged 16-17 who are **Not in Education, Employment or Training (NEETS) in the Hampshire County area was 4.0% in June 2026**, higher on the month and on the year. **The rate for the combined NEET & Not knowns was 6.8%**, higher on month but lower on the year.

Local ONS Monthly unemployment Claimant Count

On the timelier but seasonally unadjusted provisional ONS monthly claimant measure, **unemployed benefit claimants for July increased in the Hampshire and the Solent (HSCCA) area.**

However, the working age rate was unchanged at 3.0% for July 2026. There were increases in claimant numbers across all three broad age groups in July but disproportionately higher for the broad 18-24-year-olds age group.

The Hampshire and the Solent area (HSCCA) claimant count increased by 340 additional claimants to reach 37,900 in July 2026. However, The working age **rate was unchanged at 3.0%**. The 18-24 age group increased by 105 claimants to stand at 7,655 with the rate unchanged at 4.5%.

The Hampshire County area claimant count increased by 325 claimants to 21,140 in July 2026. However, the working age **rate was unchanged at 2.4%**. Youth unemployment increased by 90 claimants to 4,225 with the rate rising to 4.5%.

The comparable UK working age rate is 3.9% and South-East region 3.1% - **both Hampshire functional economic areas have unemployed claimant count rates lower than both the UK and South East averages.**

Only the **two cities** have working age rates **above the UK average**, with most districts below the South East average. **Half of the 14 local authority districts saw no change** in their rates on the previous month, and six saw a small increase and Portsmouth a small decrease..

The comparable UK young people (18-24 age group) rate is 5.7% and the South-East region 4.7% - **both Hampshire functional economic areas have rates lower than UK and South East averages.**

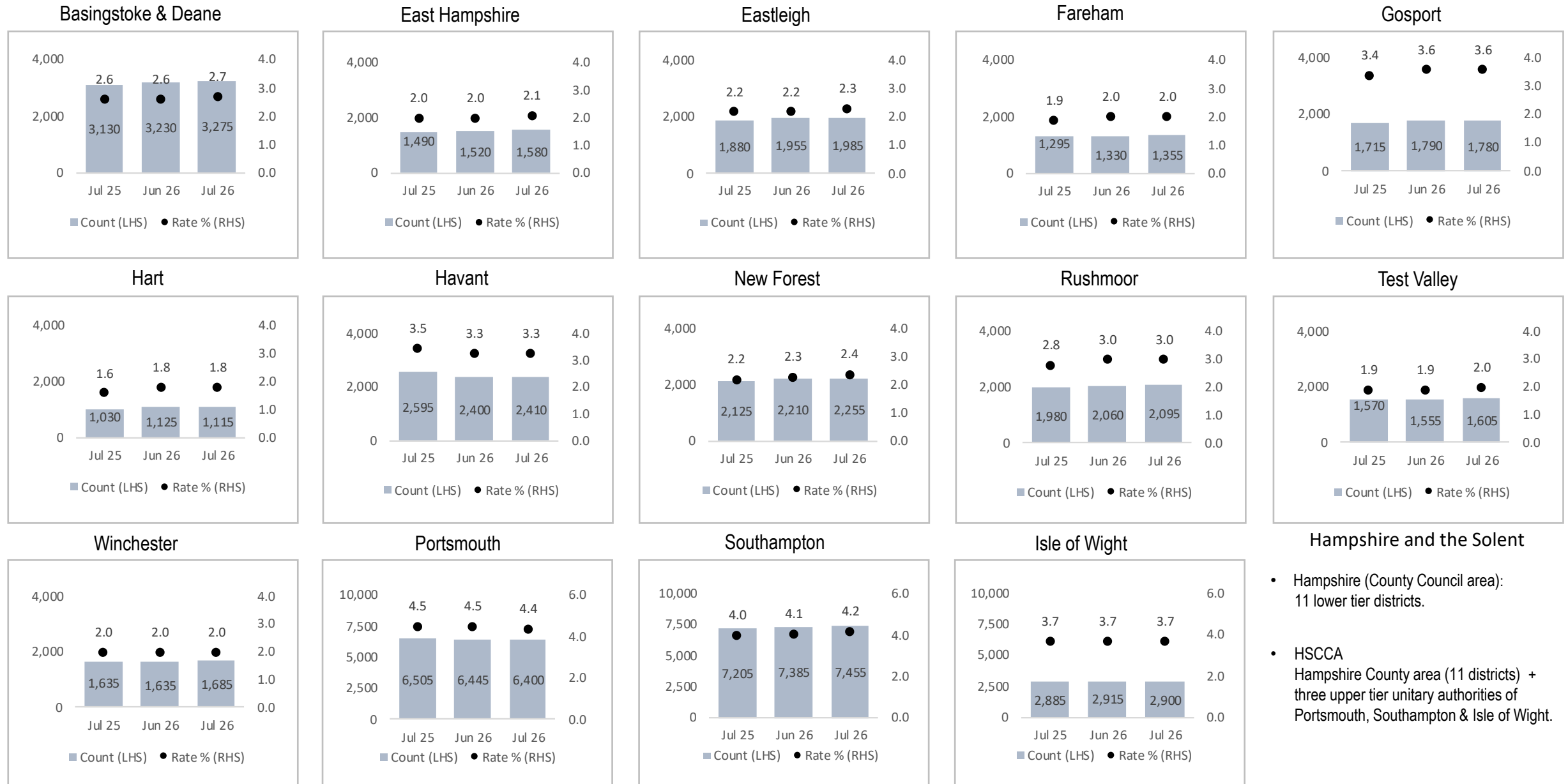
Hampshire Business News

- SportsMaserati Garage opens 6,000-sq-ft specialist workshop 6,000-sq-ft facility near Exton, Hampshire.
- Mountain Warehouse opens new store in Gunwharf Quays, Portsmouth.
- Andover-based Control Techniques Dynamics at risk of relocation to Romania by owners Nidec. Around 60 jobs could be impacted.
- TG Jones closing its Above Bar Street store in Southampton.
- The Ellen MacArthur Foundation restructuring could see 46 UK jobs at risk of redundancy, with 30 on the Isle of Wight.
- Technology and digital infrastructure services firm Telent signs 10-year lease at Building 150, Farnborough Business Park.
- Offgrid Energy Labs, a UK-India battery technology company, opens its first UK site in Hook.

Working Age (16-64 years) Claimant Rate (July 2026) and Change on Previous Month (June 2026)

Local Authority	Rate (%)	RAG	Change (ppts)	RAG
HSCCA area	3.0		0.0	
Hampshire (County area)	2.4		0.0	
Basingstoke and Deane	2.7		0.1	
East Hampshire	2.1		0.1	
Eastleigh	2.3		0.1	
Fareham	2.0		0.0	
Gosport	3.6		0.0	
Hart	1.8		0.0	
Havant	3.3		0.0	
Isle of Wight	3.7		0.0	
New Forest	2.4		0.1	
Portsmouth	4.4		-0.1	
Rushmoor	3.0		0.0	
Southampton	4.2		0.1	
Test Valley	2.0		0.1	
Winchester	2.0		0.0	

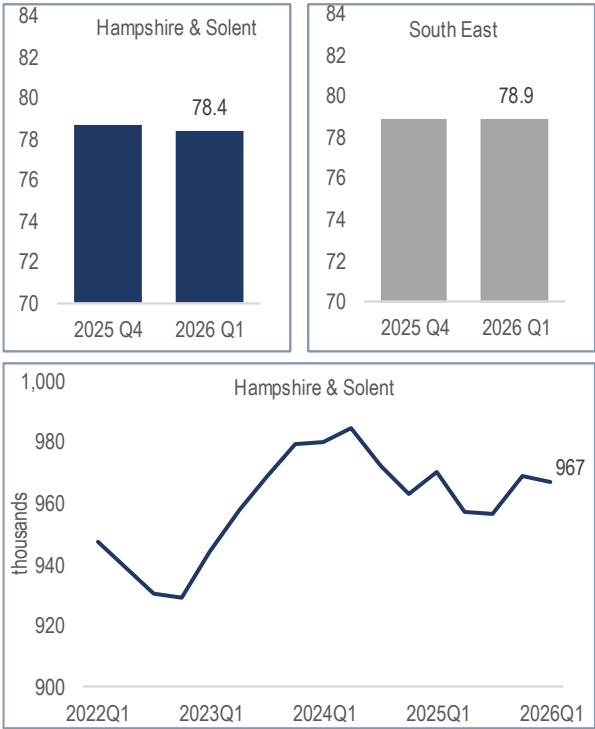
>= UK rate (3.9%)		> 0.0 ppts	
>= SE rate < UK		No change	
< SE rate (3.1%)		< 0.0 ppts	



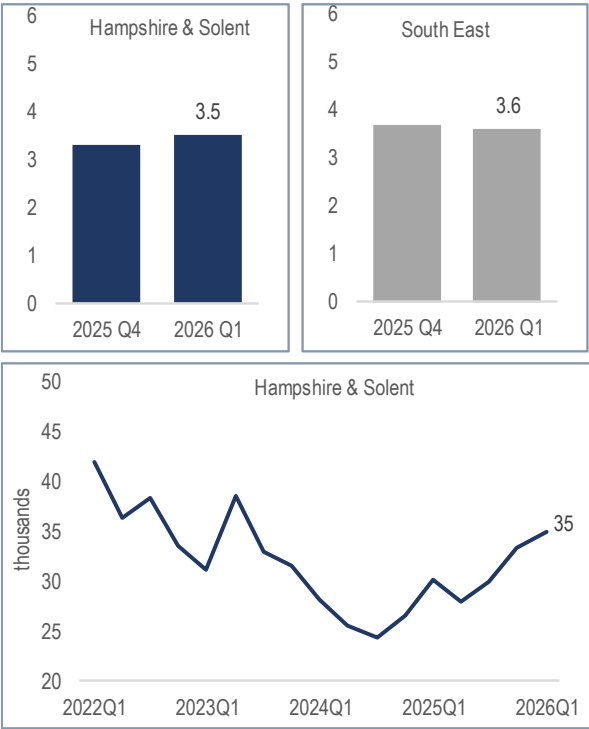
Hampshire and the Solent Quarterly Labour Market Indicators (not updated this month)

ONS considers APS robust for national and headline regional estimates but concerns with the quality of estimates for local authority geographies. As such, use with caution.

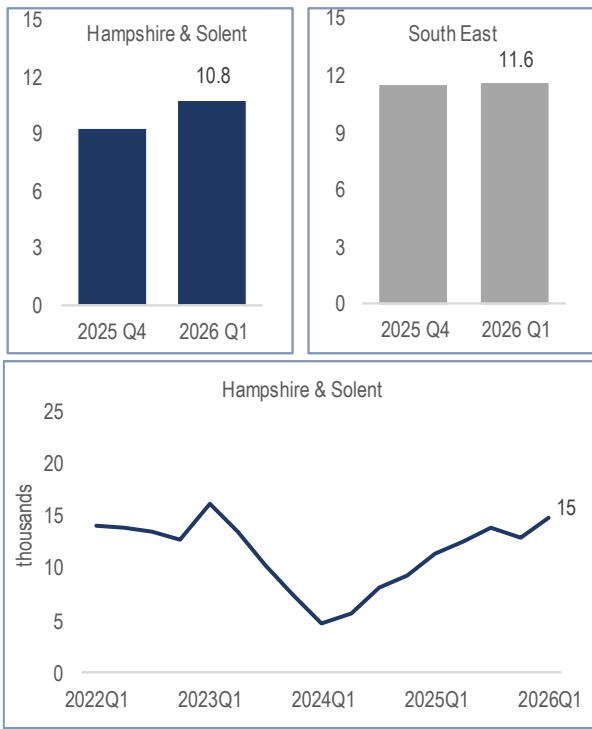
Employment



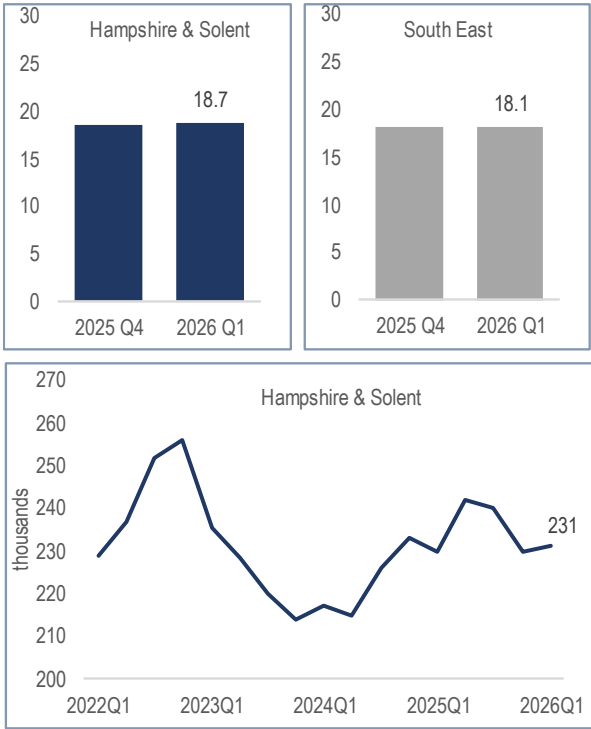
Unemployment



Youth Unemployment (16-24)



Economic Inactivity



- Long lag in the data for the 12 months to Dec 2025 data (Q1 2026). Sub-regional data is less reliable with changes based on rates.
- An **estimated 966,900 Hampshire and the Solent residents in employment in Q1 2026**.
- The **resident employment rate in Hampshire and the Solent decreased to 78.4% in Q1 2026**, down by 3.0ppts on the quarter and by 0.6ppts on the year.
- South East rate is higher at 78.9%.

- An **estimated 34,800 working age (16-64 years) Hampshire and the Solent residents were unemployed in the year to Q1 2026, as unemployment continues to edge up**.
- **Unemployment on the headline (survey-based) measure increased by 0.2ppts on the quarter by 0.7ppts on the year**. This is the fifth consecutive quarterly increase in rates.
- The Hampshire and the Solent rate is 0.1ppts below the South East average (3.6%).

- Estimates less reliable but **suggest around 14,800 Hampshire and the Solent residents aged 16-24 were unemployed in Q1 2026**.
- The **youth unemployment rate on the headline (survey) measure increased by 1.5ppts on the quarter to 10.8% and higher on the year**.
- The local rate is getting closer against the South East rate, although still lower.
- Young people are three times more likely to be unemployed than working age.

- There are an **estimated 231,000 Hampshire and the Solent residents economically inactive in the year to Q1 2026**.
- At **18.7%, close to one in five Hampshire and the Solent residents was economically inactive in the year Mar 2026 (Q1)**, with the rate slightly up on the previous quarter by 0.1ppts but unchanged on the year.
- The local rate is 0.6ppts above the South East rate (18.1%).

ONS considers APS robust for national and headline regional estimates but has concerns with the quality of estimates for local authority district geographies. As such, please use with caution for monitoring purposes.

Q4 25 -Q1 26 Employment Rate Change (ppts)

Local Authority	Q1 26Rate (%)	Qtr. Change (ppts)	RAG
HSSCA area	78.4	-0.3	
Hampshire (County area)	80.1	-0.3	
Basingstoke and Deane	80.2	-0.3	
East Hampshire	78.5	2.6	
Eastleigh	80.7	-5.1	
Fareham	87.6	0.5	
Gosport	73.7	2.4	
Hart	78.3	-2.2	
Havant	82.4	0.5	
Isle of Wight	73.6	0.8	
New Forest	79.8	-0.9	
Portsmouth	77.8	0.7	
Rushmoor	82.0	-3.6	
Southampton	73.3	-1.1	
Test Valley	76.9	2.6	
Winchester	79.3	0.9	

< Previous quarter No change > Previous quarter

Q4 25 – Q1 26 Unemployment Rate Change (ppts)

Local Authority	Q1 2026 Rate (%)	Qtr. Change (ppts)	RAG
HSSCA area	3.5	0.2	
Hampshire (County area)	2.7	0.0	
Basingstoke and Deane	3.2	-0.3	
East Hampshire	3.2	-0.3	
Eastleigh	2.9	0.1	
Fareham	2.3	-0.1	
Gosport	3.7	-0.5	
Hart	3.3	0.3	
Havant	3.7	-0.1	
Isle of Wight	4.2	0.3	
New Forest	2.8	-0.1	
Portsmouth	4.3	-0.3	
Rushmoor	3.2	-0.1	
Southampton	4.8	0.0	
Test Valley	2.7	-0.2	
Winchester	3.3	0.2	

< Previous quarter No change > Previous quarter

Q4 25-Q1 26 Economic Inactivity Rate Change (ppts)

Local Authority	Q1 2026 Rate (%)	Qtr. Change (ppts)	RAG
HSSCA area	18.7	0.1	
Hampshire (County area)	17.7	0.3	
Basingstoke and Deane	17.2	1.2	
East Hampshire	18.2	-0.7	
Eastleigh	17.3	4.6	
Fareham	11.9	-1.0	
Gosport	25.1	-0.2	
Hart	17.7	1.3	
Havant	14.1	-1.4	
Isle of Wight	22.5	-1.8	
New Forest	18.3	0.9	
Portsmouth	18.2	-1.0	
Rushmoor	16.1	3.9	
Southampton	22.4	0.6	
Test Valley	22.2	-2.7	
Winchester	18.3	-2.4	

< Previous quarter No change > Previous quarter

How to read 'traffic light' on page 4.

- For the Labour market indicators, the change refers to the rate not the level. For example, a rise in the employment rate (on quarter and on the year) would see an upward green arrow, while a decrease in unemployment would see a downward green arrow.
- Little or no change on previous period or where annual and quarter changes effectively cancel each other out

Sources:

The primary data source are the Office for National Statistics (ONS) and HMRC while additional data comes from several commercial sources such as, Lightcast.

For further information on Hampshire’s labour market see Monthly Labour Market Updates and Monthly Ward Claimant Count Reports available at: <https://www.hants.gov.uk/business/economic-intelligence/reports>

12 months March 2026 (Q1) Not updated this month	Employment (16-64yrs)		Unemployment (16-64yrs)		Economic Inactivity (16-64yrs)	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Hampshire (County area)	668,100	80.1	18,300	2.7	147,800	17.7
Basingstoke & Deane	91,200	80.2	3,200	3.2	19,600	17.2
East Hampshire	55,200	78.5	2,100	3.2	12,800	18.2
Eastleigh	65,700	80.7	2,000	2.9	14,100	17.3
Fareham	62,700	87.6	1,600	2.3	8,500	11.9
Gosport	39,400	73.7	1,500	3.7	13,400	25.1
Hart	45,300	78.3	1,700	3.3	10,300	17.7
Havant	59,800	82.4	2,400	3.7	10,200	14.1
Isle of Wight	57,000	73.6	2,700	4.2	17,400	22.5
New Forest	78,800	79.8	2,500	2.8	18,000	18.3
Portsmouth	113,100	77.8	5,200	4.3	26,500	18.2
Rushmoor	51,400	82.0	1,700	3.2	10,100	16.1
Southampton	128,700	73.3	6,800	4.8	39,300	22.4
Test Valley	57,500	76.9	1,800	2.7	16,600	22.2
Winchester	61,200	79.3	2,200	3.3	14,100	18.3
HSCCA area	966,900	78.4	34,800	3.5	231,000	18.7
South East	4,486,700	78.9	167,100	3.6	1,029,500	18.1
United Kingdom	31,745,000	75.4	1,512,600	4.5	8,818,400	21.0

This publication is produced by the Economy and Intelligence Team, Hampshire County Council. For further information on the bulletin or to subscribe please contact:

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Hampshire
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