

SAGE UK WORKFORCE TRACKER

A Sage report in partnership with Smart Data Foundry and Cebr

Monthly Insight: November 2025

Insights drawn from anonymized payroll data from approximately 200,000 small businesses with millions of employees across the UK .

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November Monthly Summary.

Key Highlights

Median Gross Earnings

£2,170
Up 5.3% y/y.

Median Net Earnings

£1,767
Up 3.1% y/y.

Headcount

-0.4%
Decreased y/y.

“

The Sage UK Workforce Tracker reveals that in November, the headcount among the sample of small businesses contracted compared to the same month a year ago. Meanwhile, median earnings growth decelerated year-on-year, reflecting the shifting demand–supply dynamics in the labour market.

Looking ahead, the near-term economic outlook remains modest, reflecting weak consumer spending growth and still-fragile business confidence. On the upside, easing inflationary pressures should set the stage for further interest rate cuts, helping to reduce borrowing costs. Meanwhile, a sustained deceleration in earnings growth will be welcomed by employers as labour costs remain stubbornly high. Measures announced in the Autumn Budget are likely to do little to materially improve the economy’s tepid growth and productivity performance nor spur greater hiring appetite among businesses.”

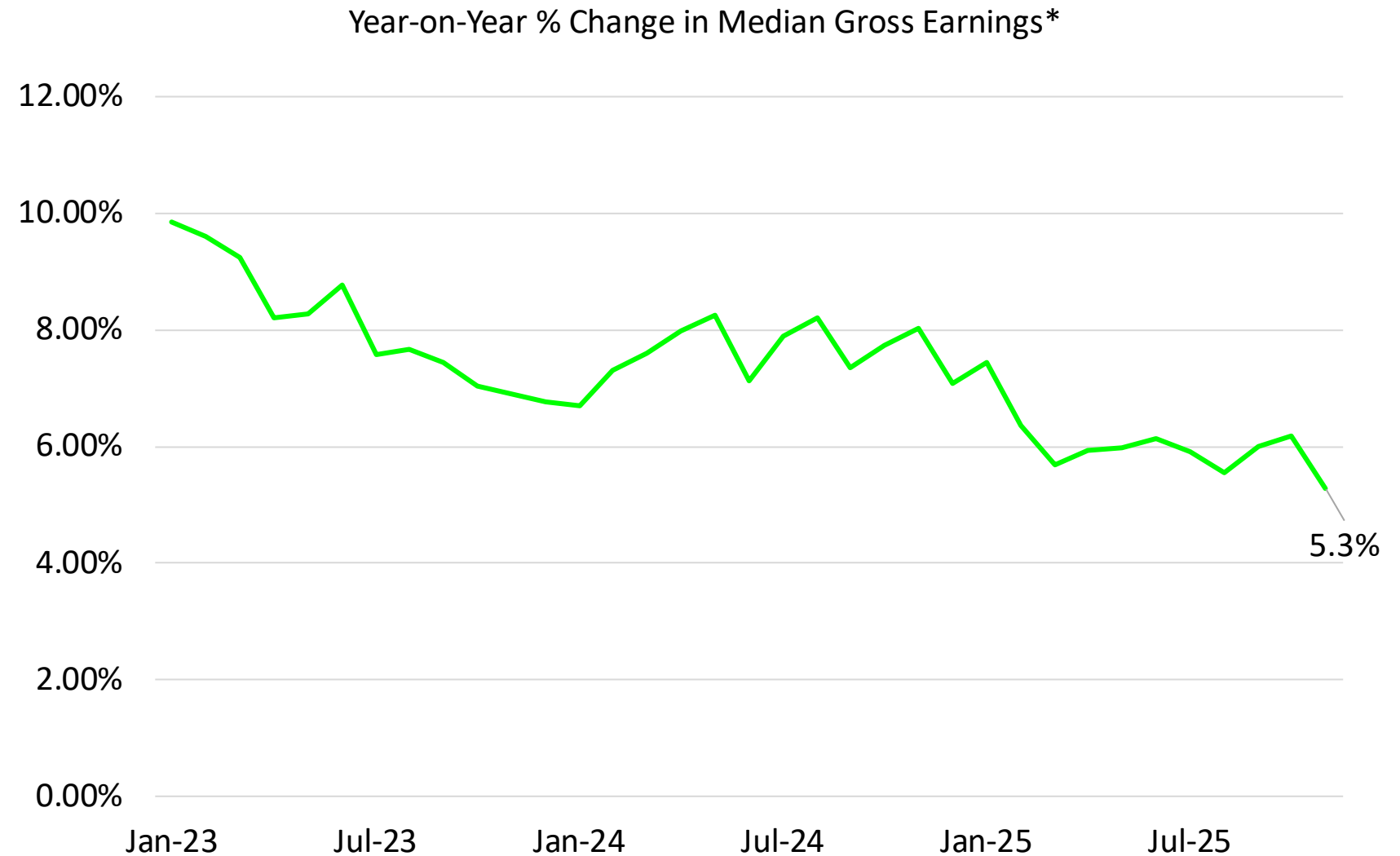
Liam Daly, Senior Economist at Cebr

About This Report

The Workforce Tracker is based on data collected each month from approximately 200,000 small businesses with millions of employees across the UK.

Earnings Growth.

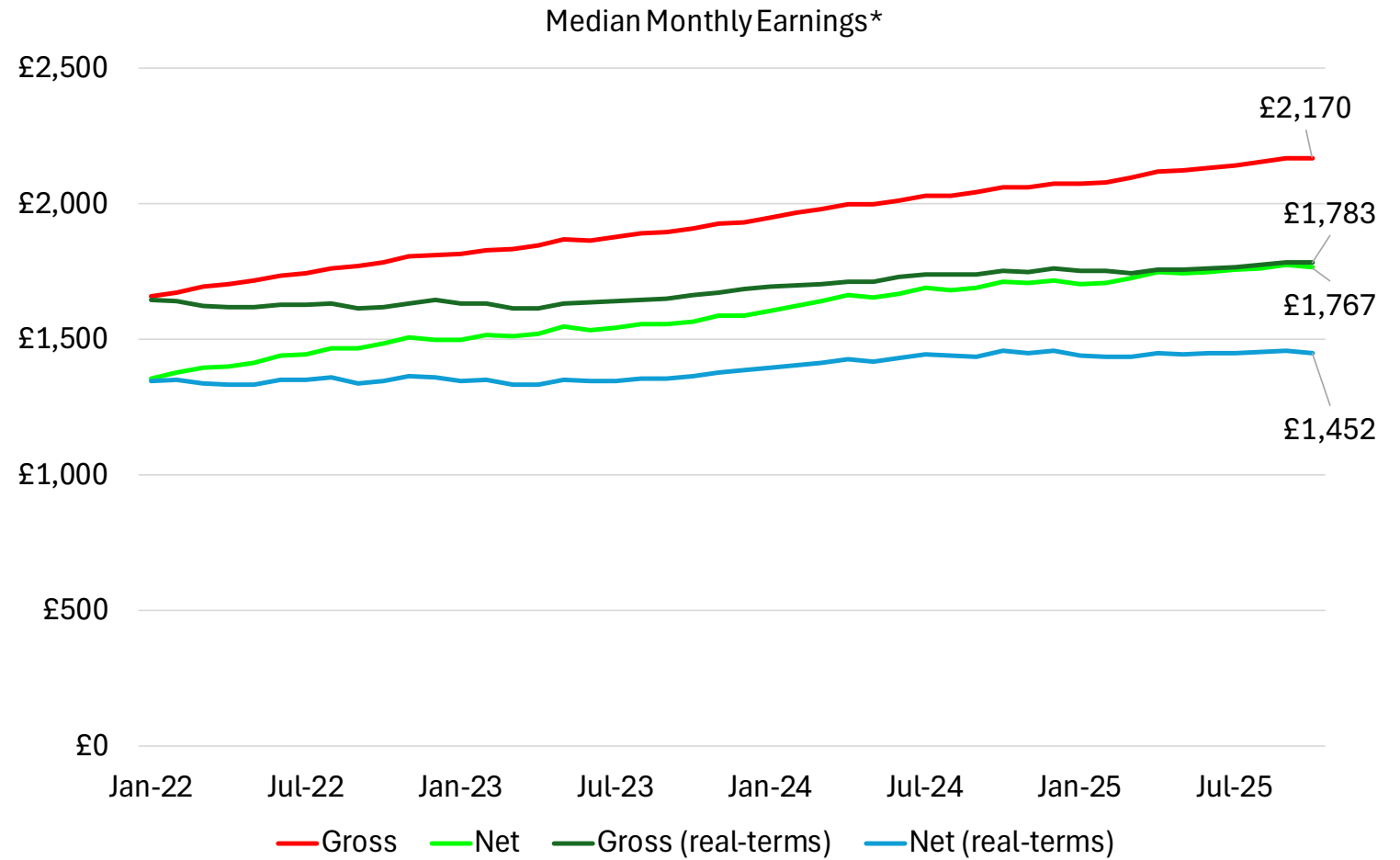
Median gross earnings rose **5.3% year-on-year** in November, down from 6.2% in October, and from 8.0% in November 2024.



*Data are seasonally adjusted

Median Earnings.

- In November, median **gross monthly earnings** were **£2,170**, up **5.3% year-on-year**.
- After accounting for inflation, **real term median monthly earnings** (adjusted for inflation) were **£1,783**, up **1.7% year-on-year**.
- Meanwhile, **median take-home pay (net)** stood at **£1,767**, up **3.1% year-on-year**.



*Data are seasonally adjusted

Earnings and Inflation.

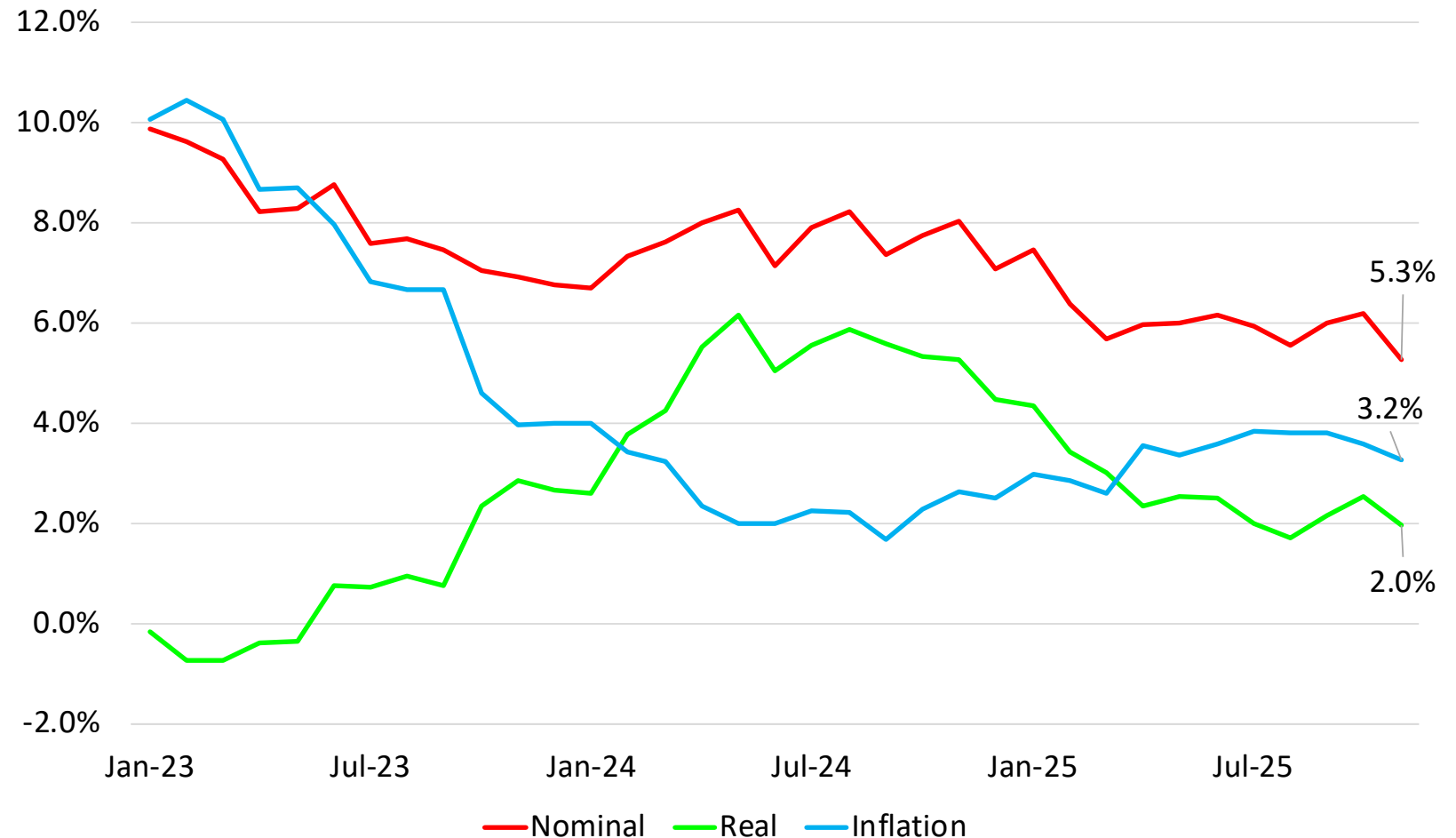
In November, **nominal earnings** grew by **5.3% year-on-year**.

Cebr projects that the **Consumer Price Index (CPI)** rose by **3.2% in November**.

Real-terms earnings (adjusted for inflation) grew by **2.0% year-on-year**.

Inflation, measured by growth of the CPI, affects the purchasing power of wages.

Monthly Inflation and Year-on-Year % Change in Earnings*



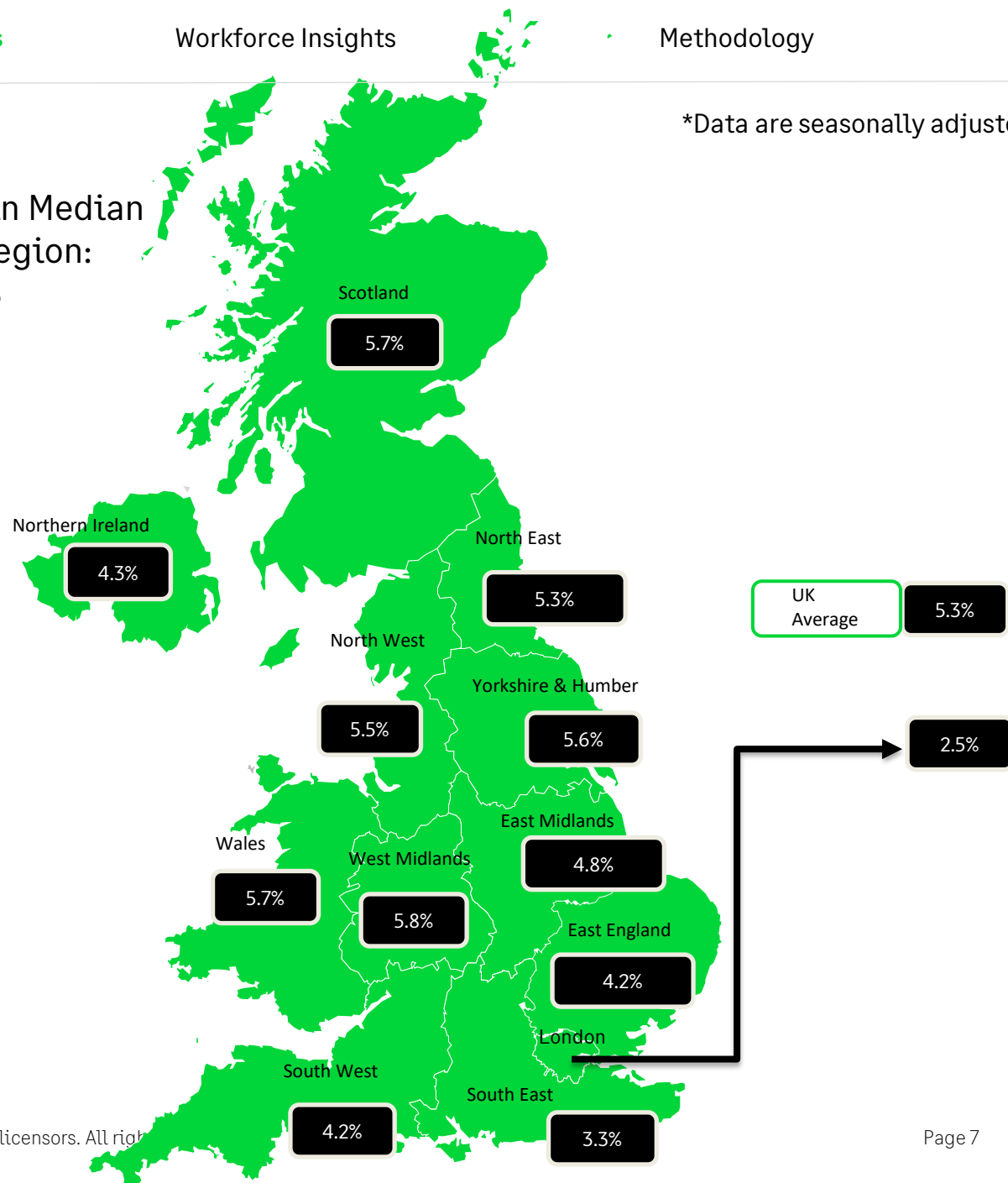
*Data are seasonally adjusted

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Regional Earnings.

Year-on-year % Change in Median Gross Earnings* by Region:
November 2025

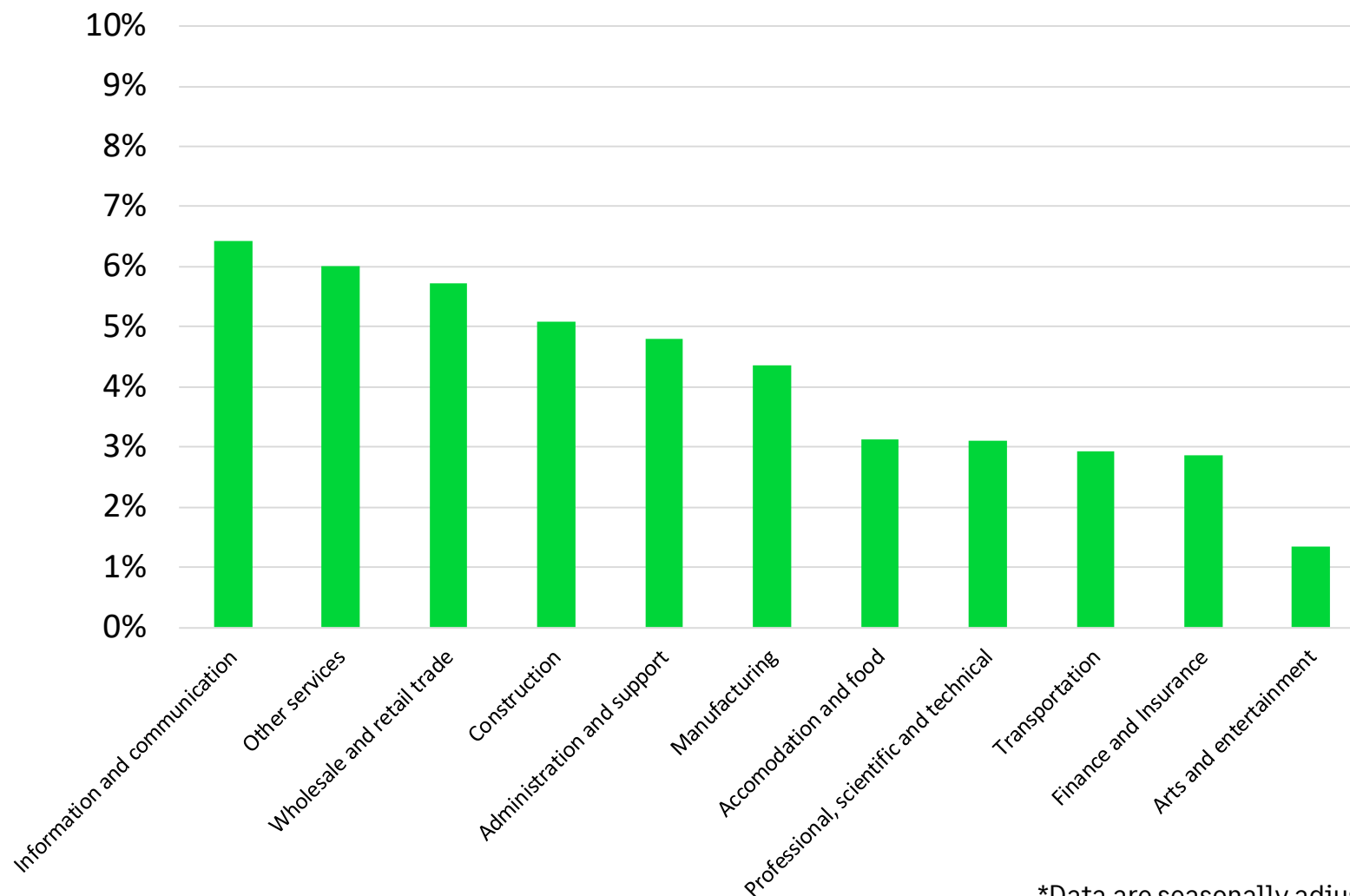
- **London** and the **South East** exhibited the lowest growth rate in earnings at **2.5%** and **3.3%**, respectively.
- Earnings increased at the fastest annual pace in the **West Midlands**, rising by **5.8%**.



Earnings by Sector.

- In **November**, earnings growth was highest in **information and communication**, rising **6.4% year-on-year**. Meanwhile, earnings growth was lowest in the **arts and entertainments industry**, rising by **1.4% year-on-year**.

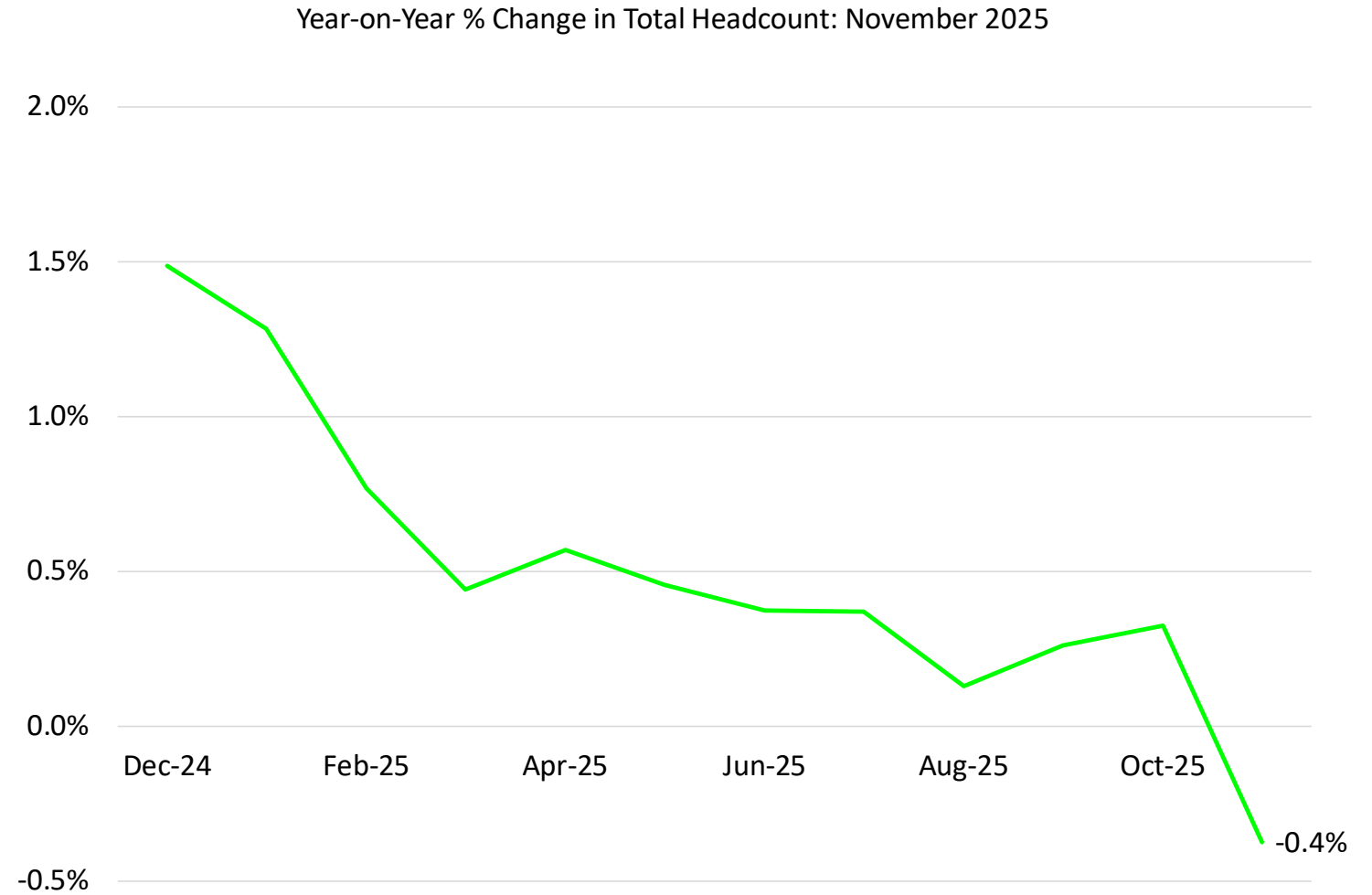
Year-on-Year % Change in Median Gross Earnings* by Sector: November 2025



*Data are seasonally adjusted

Headcount Growth.

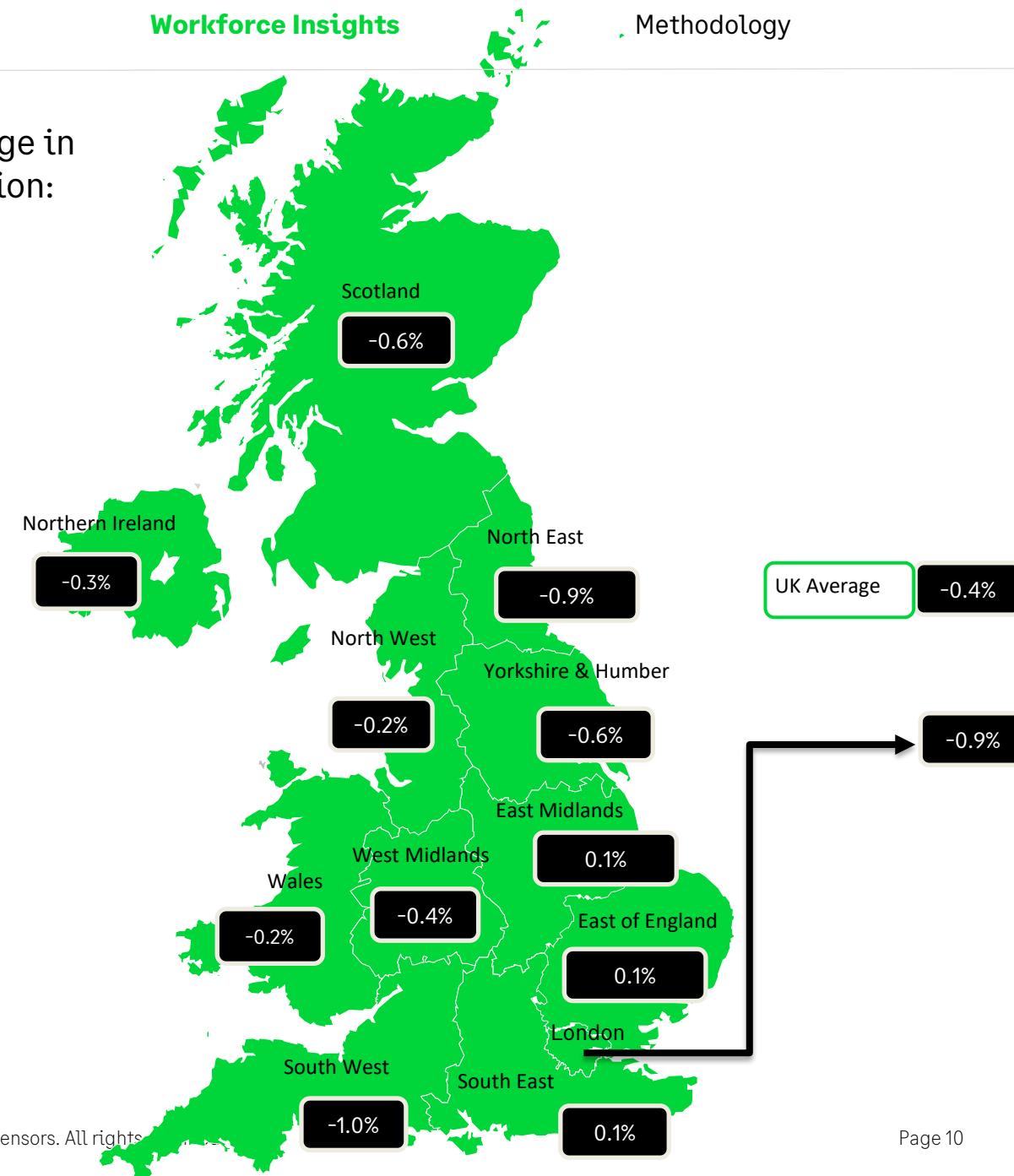
- **Total headcount** fell by **0.4% year-on-year in November**, down from **0.3%** growth in **October**.



Regional Headcount.

Year-on-year % Change in Headcounts by Region:
November 2025

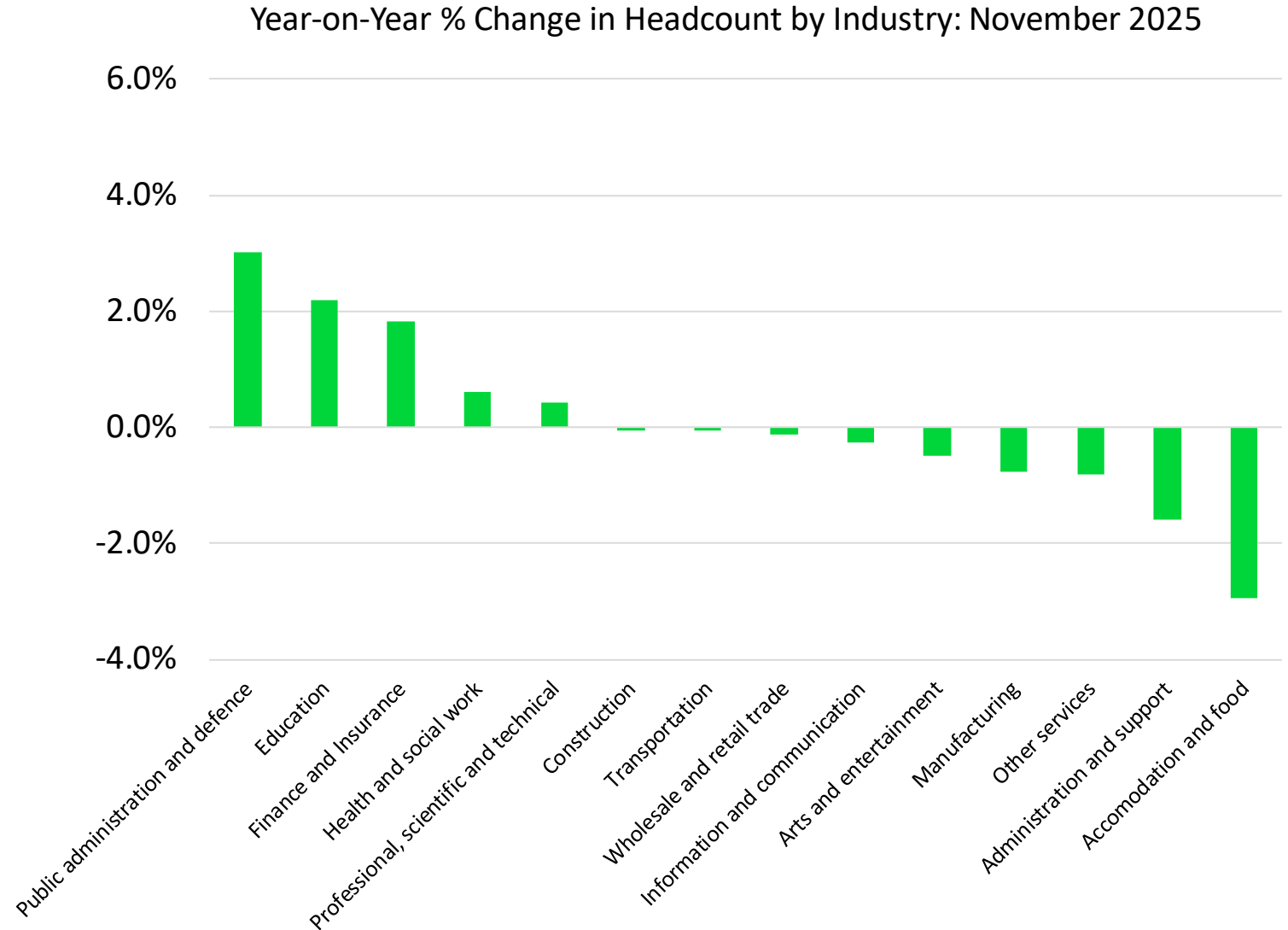
- Nationally, **total headcount** among the sample of small businesses fell 0.4% from November 2024.
- The **South East, East of England, and East Midlands** registered the greatest year-on-year increase at **0.1%**, **0.1%**, and **0.0%**, respectively.
- Meanwhile, the **South West, London, and the North East** registered the largest declines in headcount, falling by **0.9%** each.



Headcount by sector.

Year-on-year changes in headcount varied widely by industry.

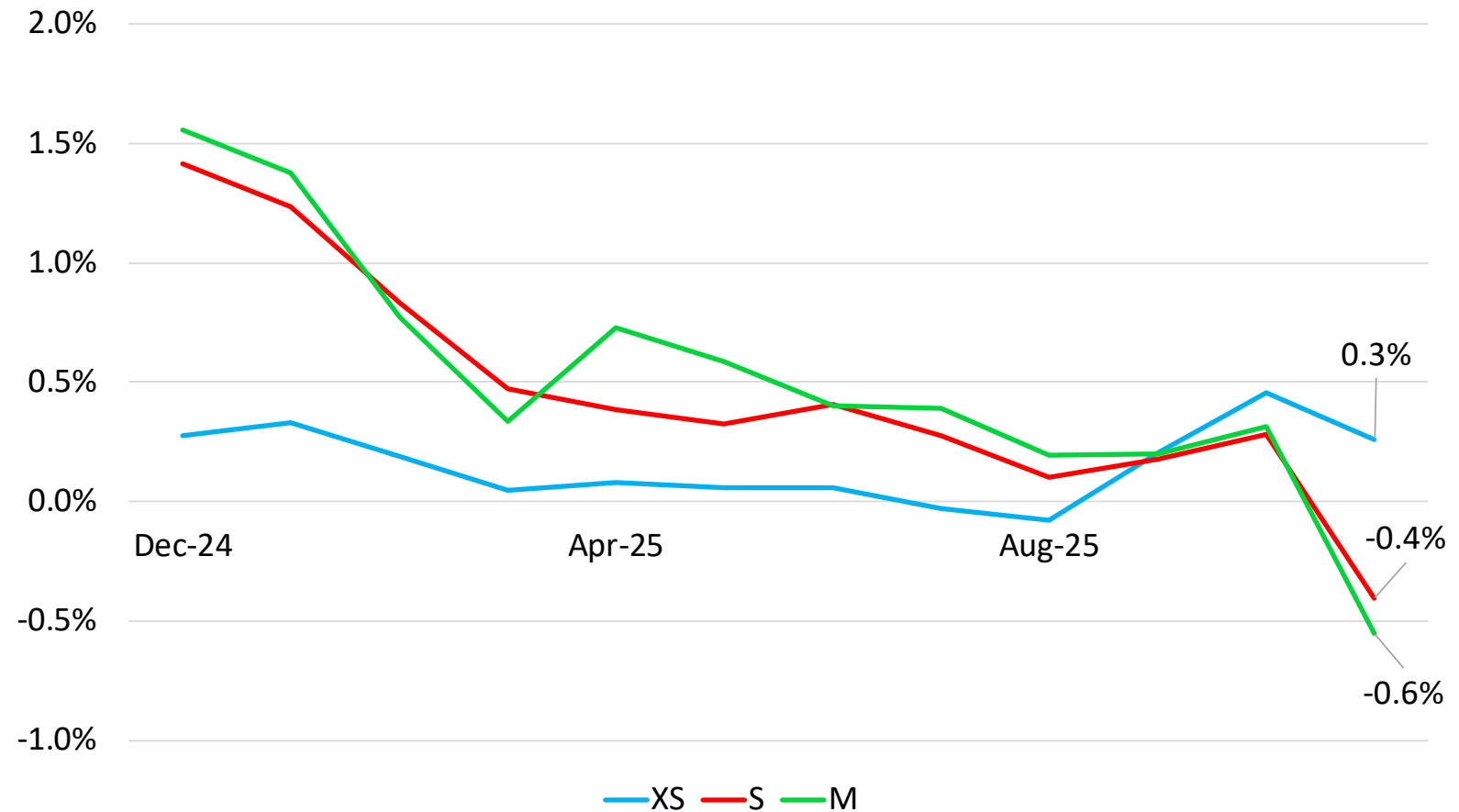
Accommodation and food services experienced the largest drop of **3.0%**, while **in public administration and defence**, headcount grew by **3.0%**.



Headcount by Business Size.

- Year-on-year, **headcount** rose most among **extra-small (XS) businesses**, which registered an increase of 0.3%.
- Headcount growth was lower among **small (S)** and **medium (M)** enterprises, standing at -0.4% and -0.6%, respectively.

Year-on-Year % Change in Headcount by Business Size: November 2025



Methodology.

Data Source and collection

The Sage UK Workforce Tracker is powered by payroll data obtained from a moving sample of approximately 200,000 businesses and 3 million employees across the United Kingdom.

Headcount estimates are calculated from a moving sample. Each month, the average headcount of a fixed panel of businesses is calculated over 24 months. A company is eligible for inclusion in the sample provided that payroll data is available for at least 24 months, and some companies are excluded based on statistical confidence thresholds to ensure data reliability and consistency.

Median earnings data is calculated based on all available employee payroll data.

Sampled companies are classified by region, business size, and industry. Regions follow the International Territorial Level 1 (ITL1) classification, covering Northern Ireland, Scotland, Wales and regions in England. Businesses are grouped into one of four size categories according to the number of people they employ. Industries are classified by industry, as defined by the UK Standard Industrial Classification (SIC).

Earnings data are seasonally adjusted using X13-ARIMA.

The Real Earnings Index is calculated as seasonally adjusted median monthly earnings divided by the Consumer Price Index including owner occupiers' housing costs (CPIH). The ratio is converted to an index (January 2022= 100.0).

Projections of gross and net earnings and total headcount are the result of macroeconomic modelling by Cebr. These are projections of data collected by Sage UK, informed by Cebr's judgement of wider macroeconomic trends.

Our small business sample

- In November, our sample comprised 214,337 businesses, which contained the following demographics.

Size

Our sample comprises over 200,000 eligible companies that employ millions of employees, with the following breakdown:

- 26% are extra-small (XS) businesses (<10 employees)
- 29% are small (S) businesses (10 – 50 employees)
- 35% are medium (M) businesses (51 – 250 employees)
- 10% are large (L) businesses (>250 employees)

Region

- Within the sample, 207,752 businesses identified their region.

Region	East Midlands	East of England	London	North East	North West	Northern Ireland	Scotland	South East	South West	Wales	West Midlands	Yorkshire and the Humber
Share	8%	9%	11%	4%	10%	4%	9%	13%	7%	4%	10%	9%

Sector (of the over 182,200 businesses for which we know the sector)

- 16% were in production
- 15% were in construction
- 69% were in services

Glossary.

Median monthly earnings represents the earnings of a typical employee, with half of all workers earning more and half earning less. It is often viewed as a more accurate measure of average wages, as it is less affected by very high or very low incomes.

Gross pay is an individual's total earnings throughout a given period before any deductions (e.g. mandated taxes and pension contributions) are made. Net earnings refer to what remains after these deductions have been applied.

Nominal earnings are the monetary value of wages or salaries paid to employees, unadjusted for inflation.

Real earnings are defined as nominal earnings adjusted for inflation, reflecting changes in the purchasing power of income over time due to changes in prices. Because ONS inflation data for the reference month is not yet available, Cebr's inflation forecast is used in the real-earnings calculation.

Year-on-year changes compare the value of a variable to the same reference period a year earlier.

Business sizes are classified as follows: extra small (XS) with 0–10 employees, small (S) with 10–50 employees, and medium (M) with 50–250 employees. Businesses with more than 250 employees are defined as large.

Get in touch

For press inquiries, please
contact:

Katie Thomas

Katie.Thomas@sage.com

For data inquiries, please contact:

Liam Daly

ldaly@cebr.com

020 7324 2864

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