E-book

Sage SME Pulse

# Monthly Workforce Pulse

June 2026

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

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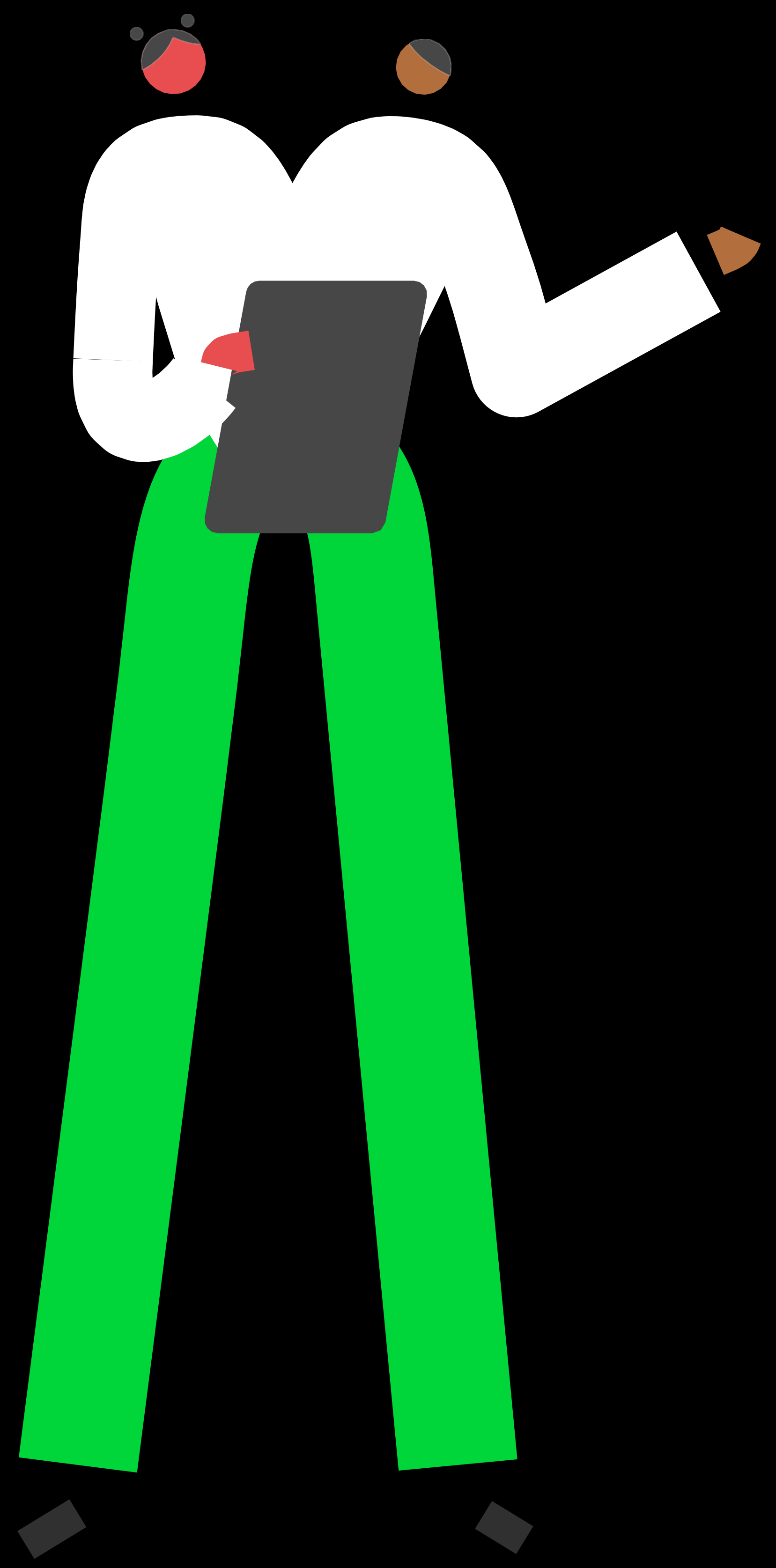
In partnersip with:

SMART DATA FOUNDRY

Cebr

# Contents





01

# Monthly Summary

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# June monthly summary

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

## Key highlights

**Median Gross earnings**
**£2,209**
Up **4.1%** year-on-year

**Median Net earnings**
**£1,804**
Up **3.5%** year-on-year

**Headcount**
**+0.5%**
Year-on-year

> The Sage SME Monthly Workforce Pulse indicates that headcount among surveyed small businesses increased by 0.5% year-on-year in June, a marginal uptick from growth in May. Over the same period, median gross earnings in the sample rose by 4.1%.
>
> Despite relatively strong start to 2026, the UK's outlook for GDP growth over the remainder of the year is muted, with renewed inflationary pressures, driven by a spike in global energy prices, weighing on household spending and small business profit margins. Cebr forecasts GDP growth of 1.1% for the year.
>
> In the labour market, an elevated unemployment rate is constraining wage bargaining power among workers. Despite slower wage growth, elevated input costs and economic uncertainty are limiting firms' capacity and willingness to expand headcount. Sluggish hiring activity is reflected in another recent decline in job vacancies, which fell to the lowest level in five years in the three months to May.
>
> For workers, higher inflation and slowing wage growth are putting pressure on real incomes. Weaker purchasing power and subdued consumer confidence are expected to weigh on household spending, posing a downside risk to revenue growth for small businesses over the remainder of 2026.

**Liam Daly**
Senior Economist at Cebr

*Source: Insights from 200,000 UK SMBs*

02

# Earnings Insights

# Earnings growth

Median gross earnings grew **4.1%** year-on-year in June, up from **4.0%** in May but firmly below the **6.2%** growth recorded in June 2025.

**Median Gross earnings**

**+4.1%**

Year-on-year in June 2026


*Data is seasonally adjusted

# Median earnings

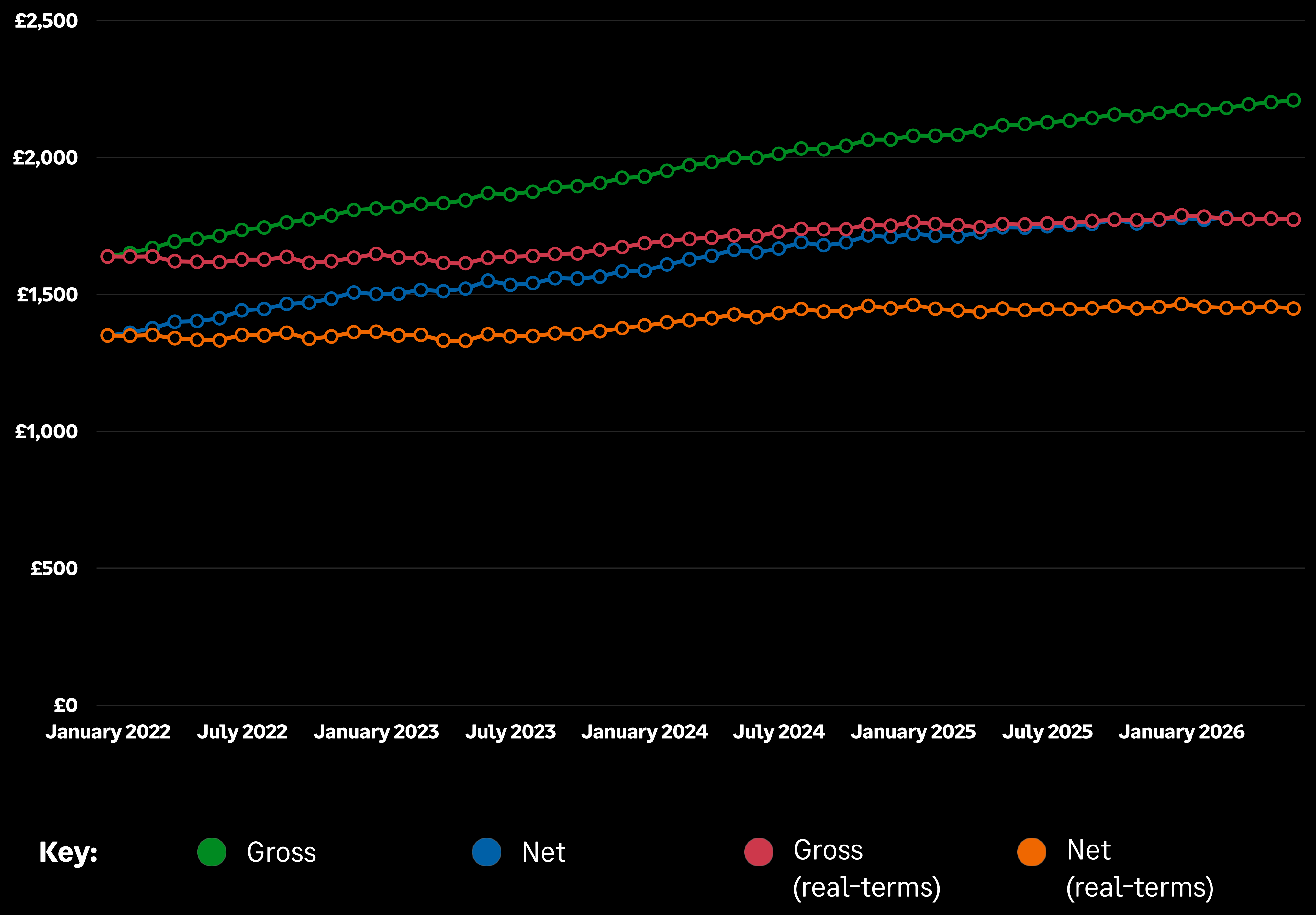
- In June, median gross monthly earnings were **£2,209**, up **4.1%** year-on-year.
- After adjusting for inflation, real-terms median monthly earnings were **£1,773**, **1.0%** higher than a year ago.
- Meanwhile, median take-home pay (net) stood at **£1,804**, up **3.5%** year-on-year.

## Median Gross earnings

**£2,209**

Up **4.1%** year-on-year
in June 2026

**Median Monthly Earnings***




*Data is seasonally adjusted

# Earnings and inflation

- In June, nominal earnings grew by **4.1%** year-on-year.
- Cebr projects that Consumer Price Index (CPI), rose by **3.1%** in June.
- Real-terms earnings (adjusted for inflation) grew by **1.0%** year-on-year.
- Inflation, measured by growth in the CPI index, affects the purchasing power of wages.

## Nominal earnings

**+4.1%**

Year-on-year
in June 2026

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


*Data is seasonally adjusted

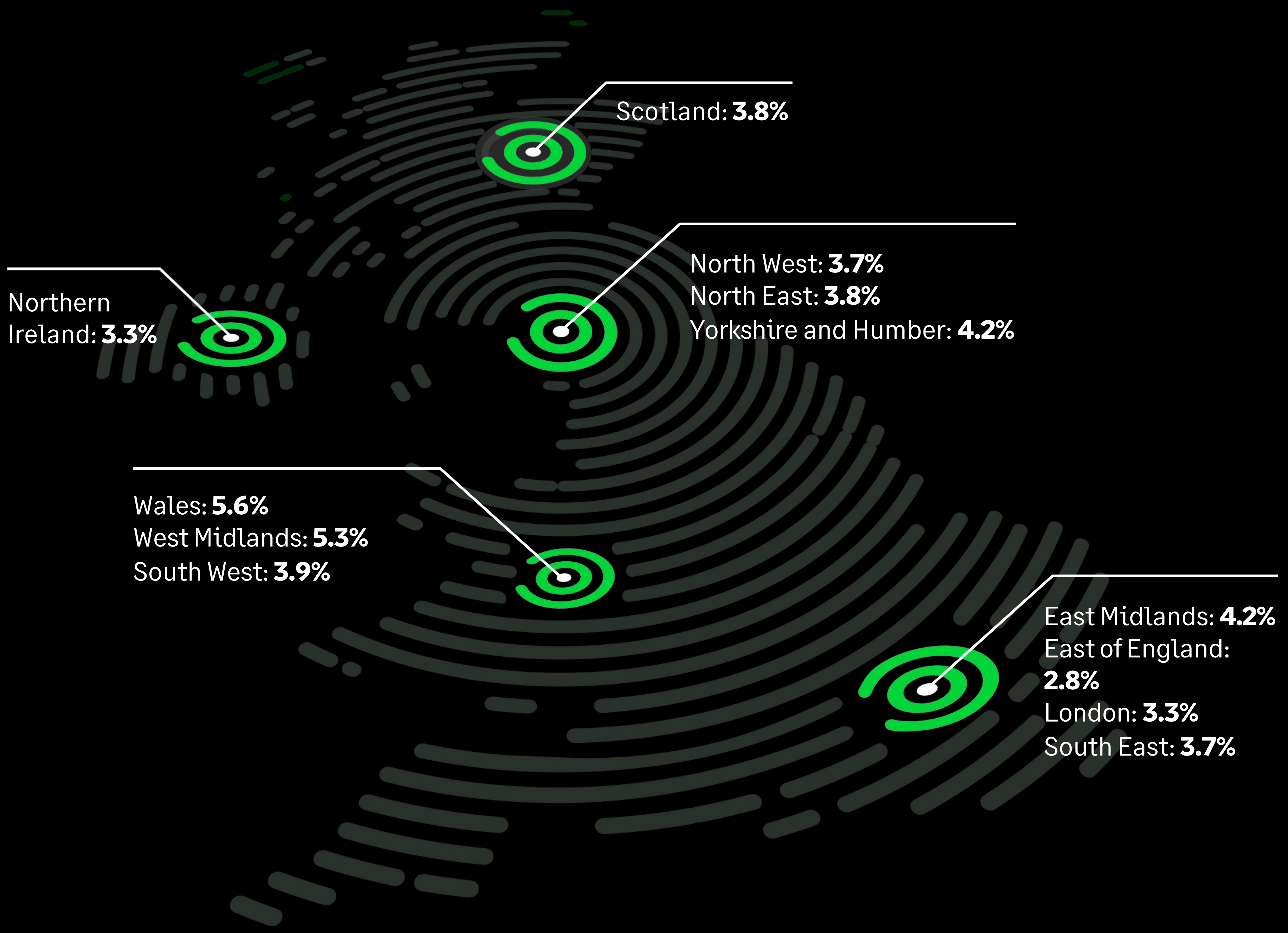
# Regional earnings

- East of England **(2.8%)**, London **(3.3%)** and Northern Ireland **(3.3%)** posted the lowest earnings growth in June.
- Earnings increased at the fastest annual rate in Wales, rising by **5.6%**, followed by the West Midlands **(5.3%)**.

## UK average

**+4.1%**

**Year-on-Year % Change in Median Gross Earnings* by Region:**
June 2026




**Data is seasonally adjusted*

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# Earnings by sector

In June, the wholesale and retail trade sector saw the fastest pace of earnings growth, at **4.4%** year-on-year. In contrast, earnings growth fell year-on-year in the arts and entertainment sector, contracting by **0.3%**.

**Wholesale and retail trade**

**+4.4%**

Year-on-year earnings growth

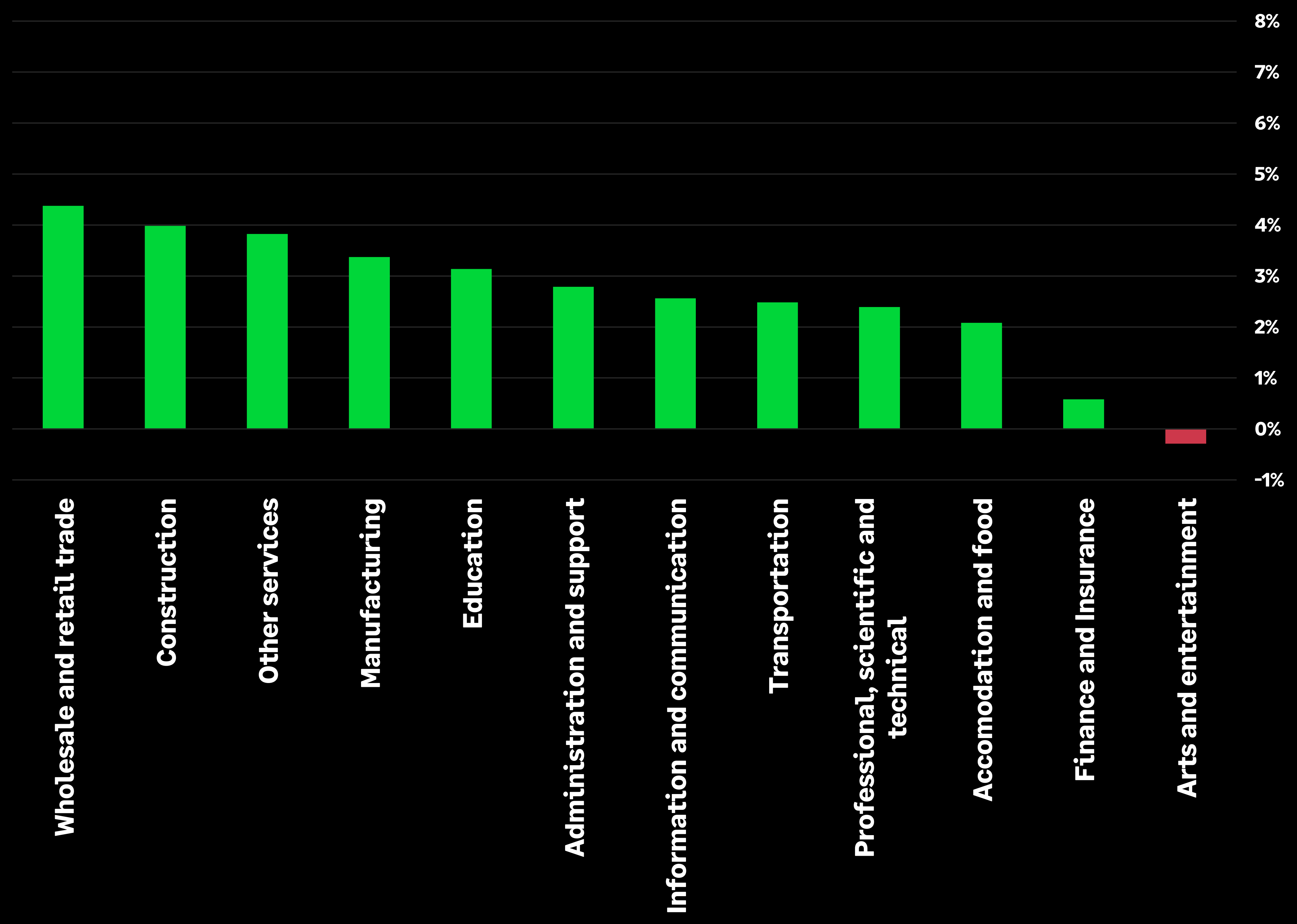
vs

**Arts and Entertainment**

**-0.3%**

Year-on-year earnings growth

**Year-on-Year % Change in Median Gross Earnings* by Sector:**
June 2026




**Data is seasonally adjusted*

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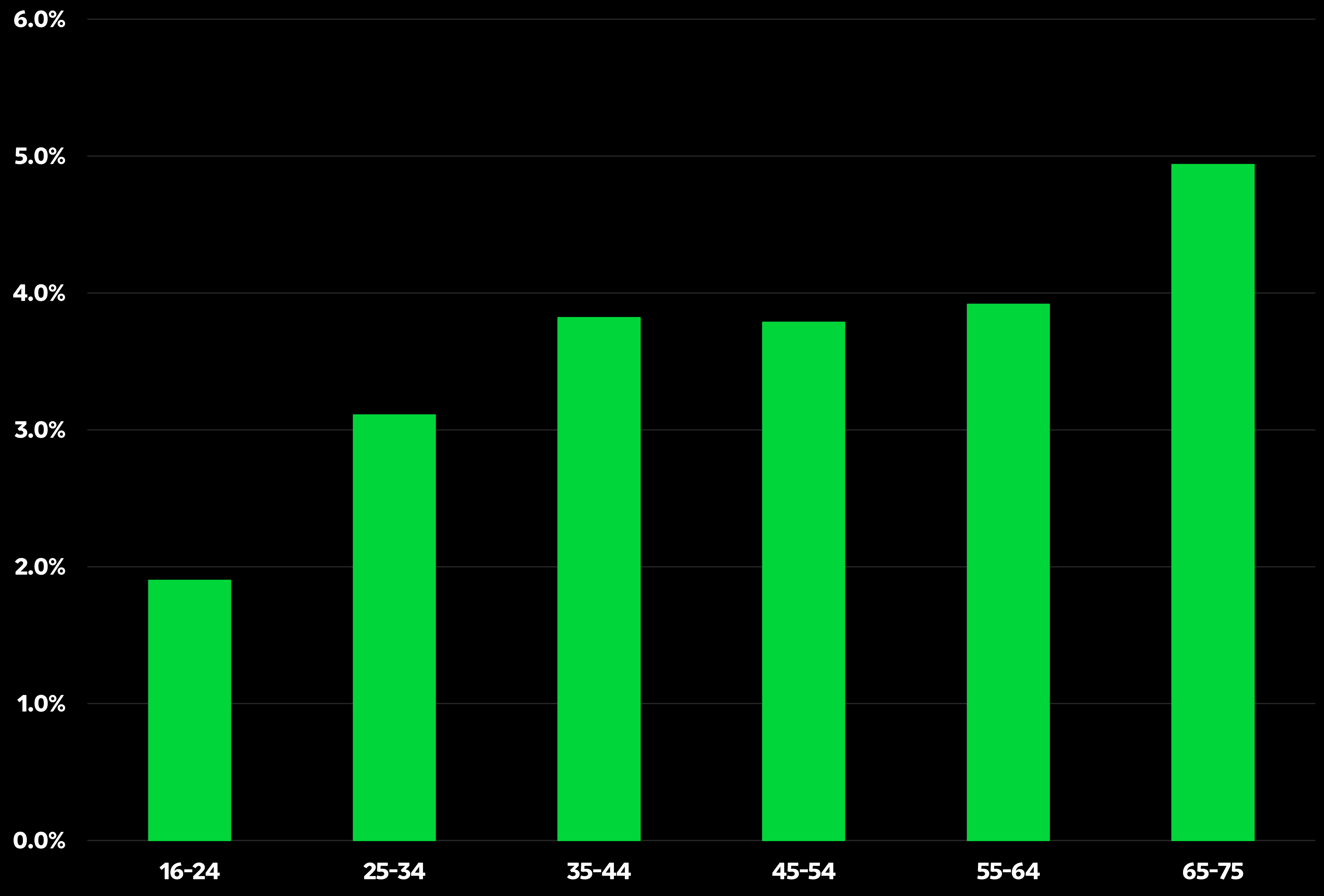
# Earnings by age

In June, earnings growth was highest among workers aged between 65-75 years at **4.9%** year-on-year. In contrast, earnings growth was weakest among workers aged between 16-24 at **1.9%**.

**Year-on-Year % Change in Median Gross Earnings* by Age Cohort:**
June 2026




**Data is seasonally adjusted*

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03

# Workforce Insights

# Headcount growth

Total headcount grew by **0.5%** year-on-year in June, up marginally from **0.4%** growth in May.

**Headcount**

**+0.5%**

Year-on-year in June 2026

**Year-on-Year % Change in Total Headcount:**
June 2026


**Data is seasonally adjusted*

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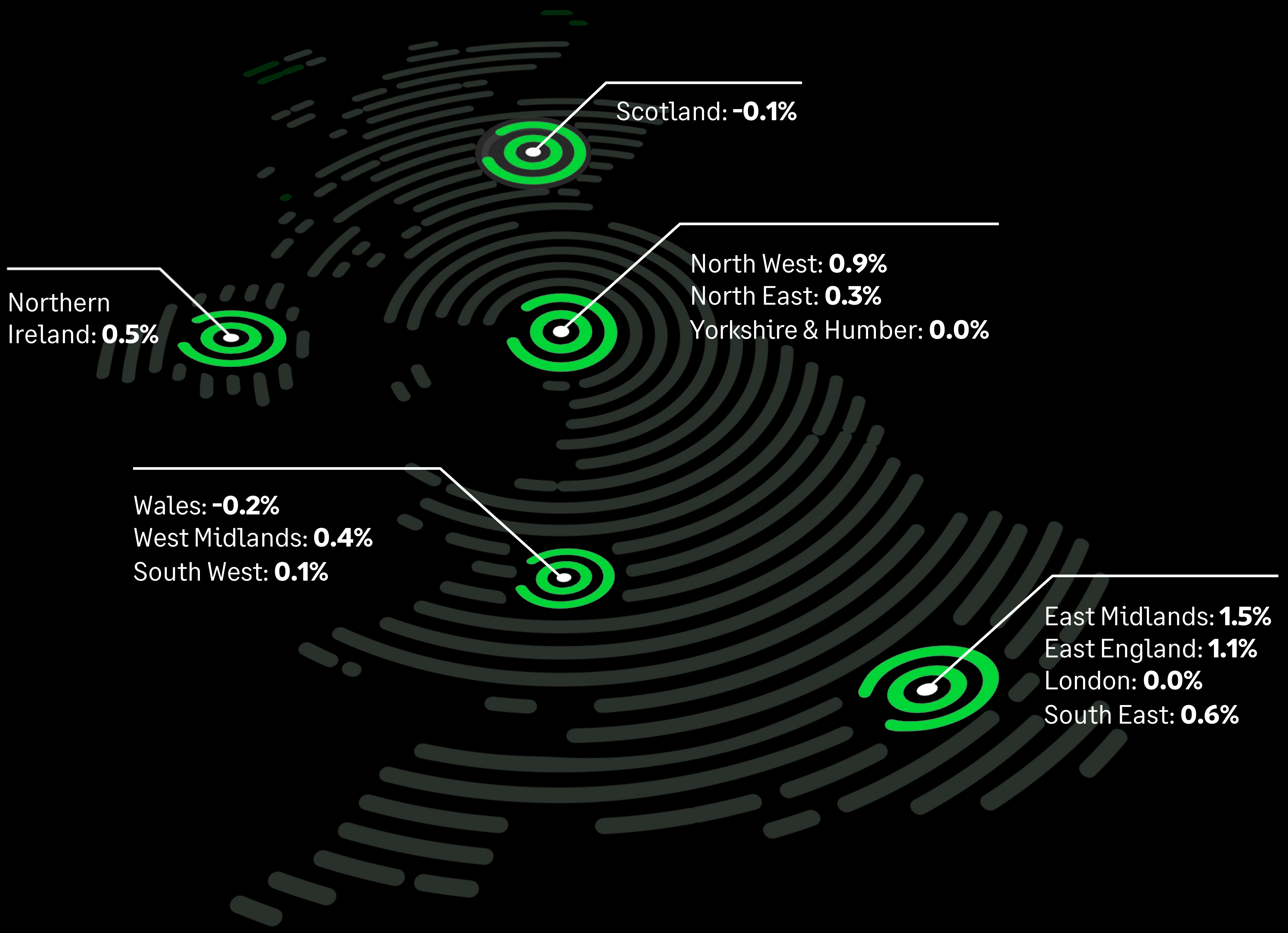
# Regional headcount

- Across the UK, total headcount among the sample of small businesses grew by **0.5%** year-on-year.
- **Year-on-year growth was highest in the East Midlands (1.5%), followed by East of England (1.1%).**
- Meanwhile, small businesses in Wales saw the largest decline in headcount, with numbers falling **0.2%** year-on-year. Scotland was the only other region where headcount contracted, falling by **0.1**%, while London and Yorkshire & the Humber were unchanged.

## UK average

**+0.5%**

**Year-on-Year % Change in Headcounts by Region:**
June 2026



# Headcount by sector

Disparities in headcount growth between industries persisted in June. Finance and insurance recorded the strongest growth at **1.3%**, while headcount in the accommodation and food services sector fell by **0.7%**.

**Finance and insurance**

**+1.3%**

Year-on-year change in headcount

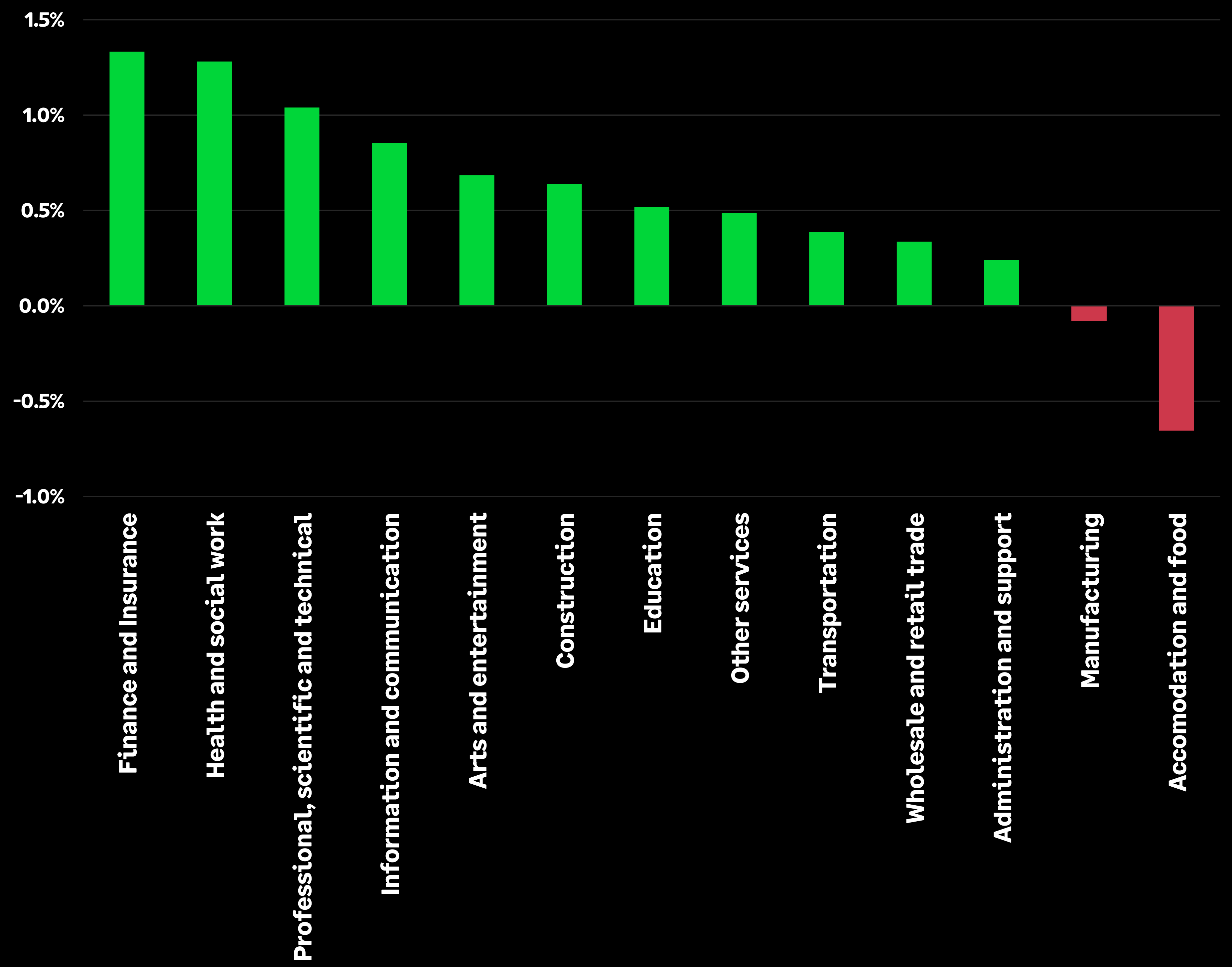
**vs**

**Accommodation and food**

**-0.7%**

Year-on-year change in headcount

**Year-on-Year % Change in Headcount by Industry:**
June 2026

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# Headcount by business size

- Year-on-year, headcount growth was highest among micro (XS) businesses, which grew by **0.5%**.
- Meanwhile, headcount rose by **0.4%** among small (S) and medium (M) enterprises.

## Year-on-year headcount

**+0.5%**
Among micro (XS) businesses

**+0.4%**
Among small (S) enterprises

**+0.4%**
Among medium (M) enterprises

**Year-on-Year % Change in Headcount by Business Size:**
June 2026


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# Headcount by age

- Workers aged 55-64 years posted the strongest year-on-year growth of **7.4%**.
- In contrast, headcount growth among workers aged between 25-34 years declined by **1.8%**.

**65-75 years**

**+7.4%**

Year-on-year change in headcount

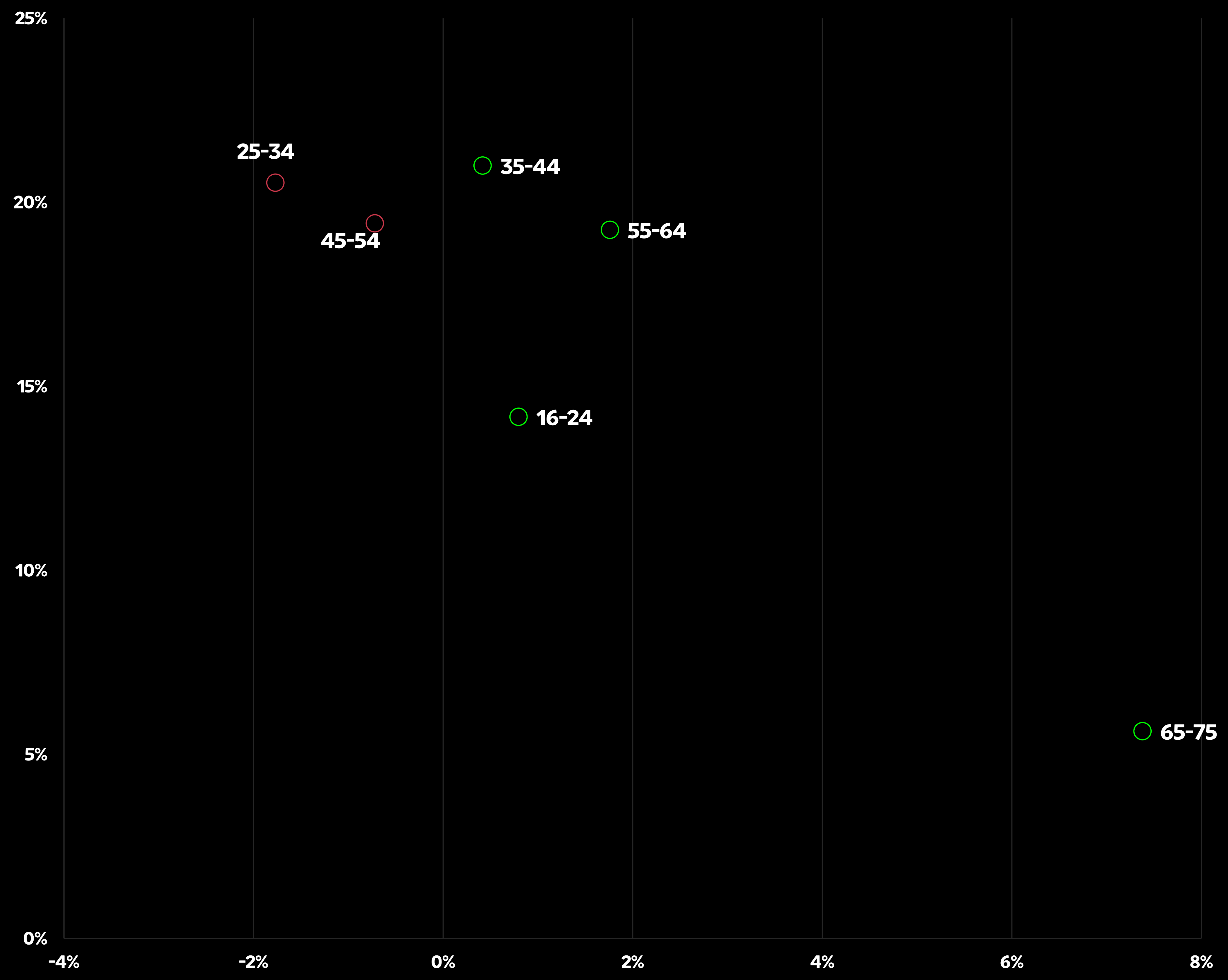
**vs**

**25-34 years**

**-1.8%**

Year-on-year change in headcount

**Share of Total Sample (vertical axis) against Growth by Age Cohort (horizontal axis) and**
June 2026



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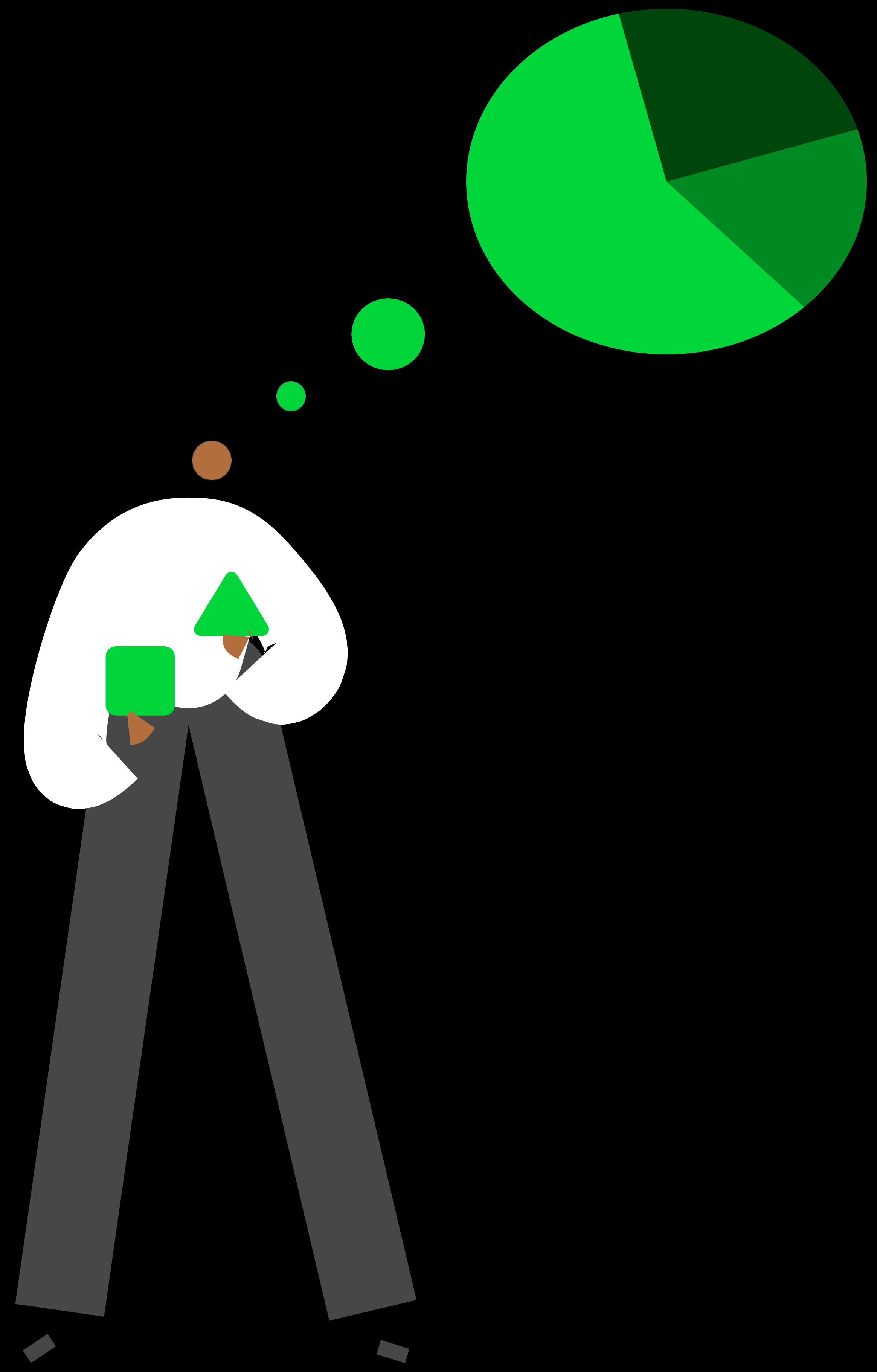
# Methodology

# Methodology

## Data source and collection

- **The Sage SME Monthly Workforce Pulse** 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 May, our sample comprised **207,466** businesses, which contained the following demographics.

### Size

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


- **72% are micro (XS) businesses** (<10 employees)
- **23% are small (S) businesses** (10 – 50 employees)
- **5% are medium (M) businesses** (51 – 250 employees)
- **0.4% are large (L) businesses** (>250 employees)

### Region

Within the sample, **207,466** businesses identified their region.

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


### Sector

(of the over **177,489** businesses for which we know the sector)

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

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# Glossary

**Median monthly earnings:** This 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.

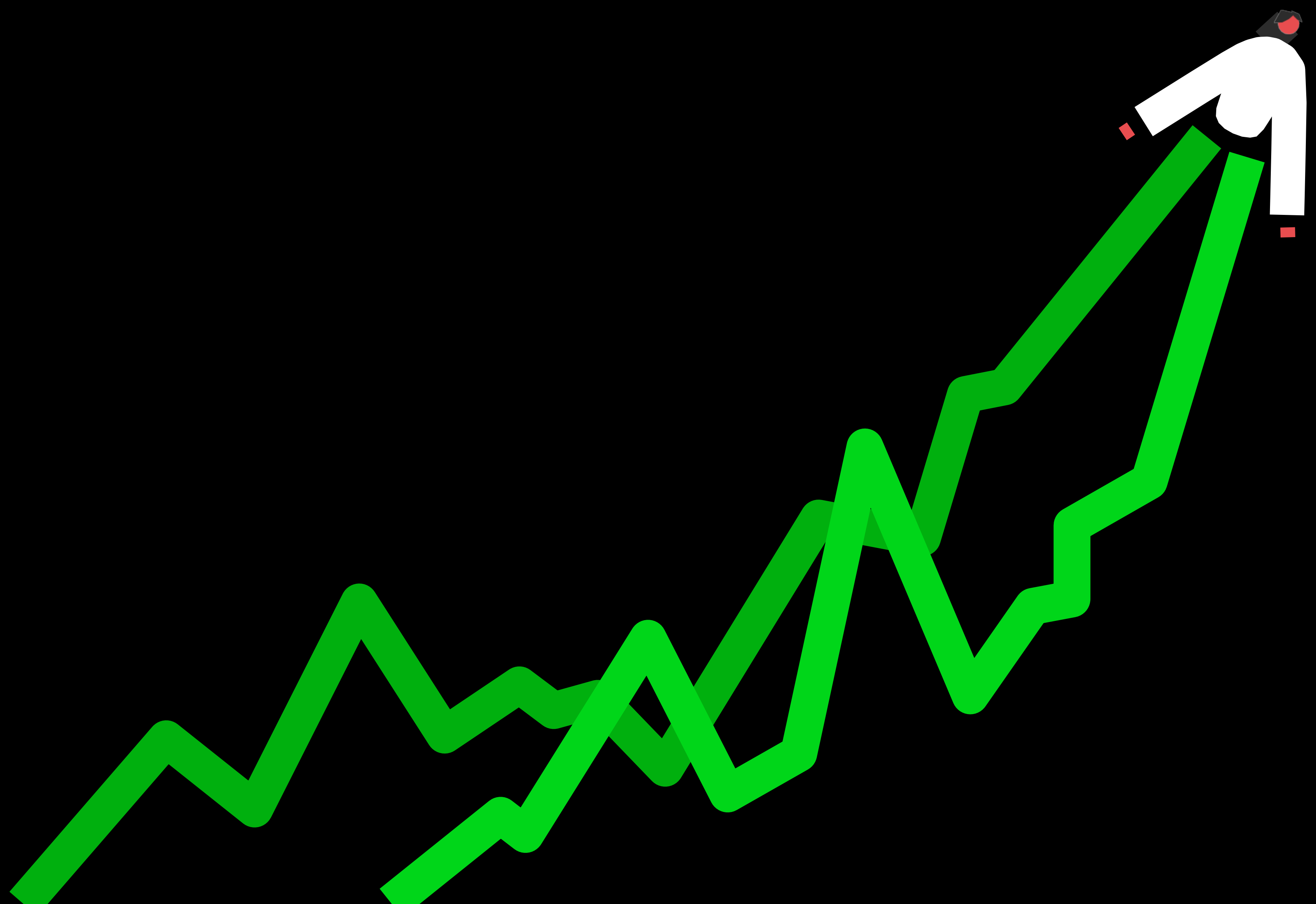
**Gross pay:** This is an individual's total earnings throughout a given period before any deductions (e.g. mandated taxes and pension contributions) are made. Net earnings refer to what remains after these deductions have been applied.

**Nominal earnings:** This is the monetary value of wages or salaries paid to employees, unadjusted for inflation.

**Real earnings:** These 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:** These compare the value of a variable to the same reference period a year earlier.

**Business sizes:** These are classified as follows: micro (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

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