

Don't believe the unemployment statistics

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It's become a recurring theme of this crisis that no one should believe government data because almost one of it is what it seems to be, and even less might be right. That is true of this morning's June unemployment data from [the Office for National Statistics \(ONS\)](#).

The headlines are this:

Early indicators for June 2020 suggest that the number of employees in the UK on payrolls is down around 650,000 compared with March 2020. The largest falls were seen at the start of the pandemic and while the number of payroll employees is still falling the decline is slowing. Flows analysis suggests that the falls in May and June are mainly because of fewer people moving into payrolled employment.

And this:

The Claimant Count fell slightly in June 2020 reaching 2.6 million; this includes both those working with low income or hours and those who are not working.

Plus this:

Vacancies in the UK in April to June 2020 are at the lowest level since the Vacancy Survey began in April to June 2001, at an estimated 333,000; this is 23% lower than the previous record low in April to June 2009.

What to say? First, that this is data for May and furlough was at its peak then. Of course unemployment had not risen by that much, even is 649,000 is still the biggest quarterly rise on record (records began in 1971).

And we know there have been many announcements of job losses since then.

Whilst I know from those looking for work that vacancies really don't exist unless you want to work in care of the NHS.

And remember, the claimant count is n to an unemployment figure.

So, the data does not present a true picture. The likely unemployment figure in May was around 2 million (pre-coronavirus unemployment plus this new figure). But that ignores 9.4 million furloughed people and more than 2 million self-employed people claiming support. Of course, we cannot know how many of them will become unemployed, but the [Office for Budget Responsibility has assumed](#) in its centre point forecasts that it is no more than 1.5 million, to create a total of 3.5 million. And my point is that is simply unrealistic: substantially more than 1.5 million are n to going to be returning to work when furlough and self-employed income support is over.

In that case this data tells us little, except that there is much worse to come.

And more worryingly, it would seem that preparation for that is not happening.