

People still aren't getting just how bad unemplo...

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As the [Guardian](#) reports this morning:

More than a third of UK employers plan to make staff redundant over the next three months, according to research warning of a cascade of job losses caused by the coronavirus pandemic.

With a month to go until the [end of the government furlough scheme](#) on 31 October, 37% of more than 2,000 managers polled by YouGov said they were likely to make staff redundant by the end of the year. About 60% of the managers surveyed from larger businesses with more than 250 employees said their companies planned to make redundancies this year.

I have three thoughts. The first is that such surveys are likely to understate the truth, because the responses are likely to come from those who are not the true decision makers.

Second, such surveys tend to understate impact because smaller businesses are under-represented and they employ most people.

Third, people have still not got their heads around just how bad this might be.

The phoney war is going to end soon, and Sunak is encouraging that with his new unemployment creation scheme. And yet people still don't get how the cumulative consequences of unemployment of the scale we're likely to see - with all the downside multipliers it creates - is likely to impact the economy. And amongst those most especially not getting it are government and Bank of England, where a rosy view of a continuing V shaped recovery still seems to pervade. Some very rude shocks are on their way.