

We are in trouble, and it can only get worse

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New unemployment data is out this morning. I am going to use a Tweet from a TUC research officer to provide the key data:

https://twitter.com/alex__collinson/status/1338743897934229504?s=21

The fact is that despite all government efforts, the number of redundancies from August to October was at a record high in the modern era.

Businesses really did fail.

Companies were forced to make cuts.

And the fear of furlough ending resulted in very large numbers of people losing their jobs.

If anything, we know matters have now got worse. Big retailers have failed. Hospitality businesses without Christmas will have no choice but make people redundant, even if they think that they can survive.

And furlough has not ended as yet.

Whilst Brexit has not happened. And whatever deal is struck that will have a large, negative, impact.

Because of the way the ONS does its stats, which seriously benefits the government at present, the true scale of this crisis is not apparent as yet. But for those thinking 2021 is going to be a bonanza, think again. It won't be.

The reason for saying that is straightforward. When people fear redundancy they do not spend. Many in the private sector will have that fear. And Sunak is already offering austerity. Job cuts in the state sector will follow. No one turns on the spending taps in that scenario.

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