

E-book

Sage SME Pulse

# Monthly Workforce Pulse

April 2026

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

Sage



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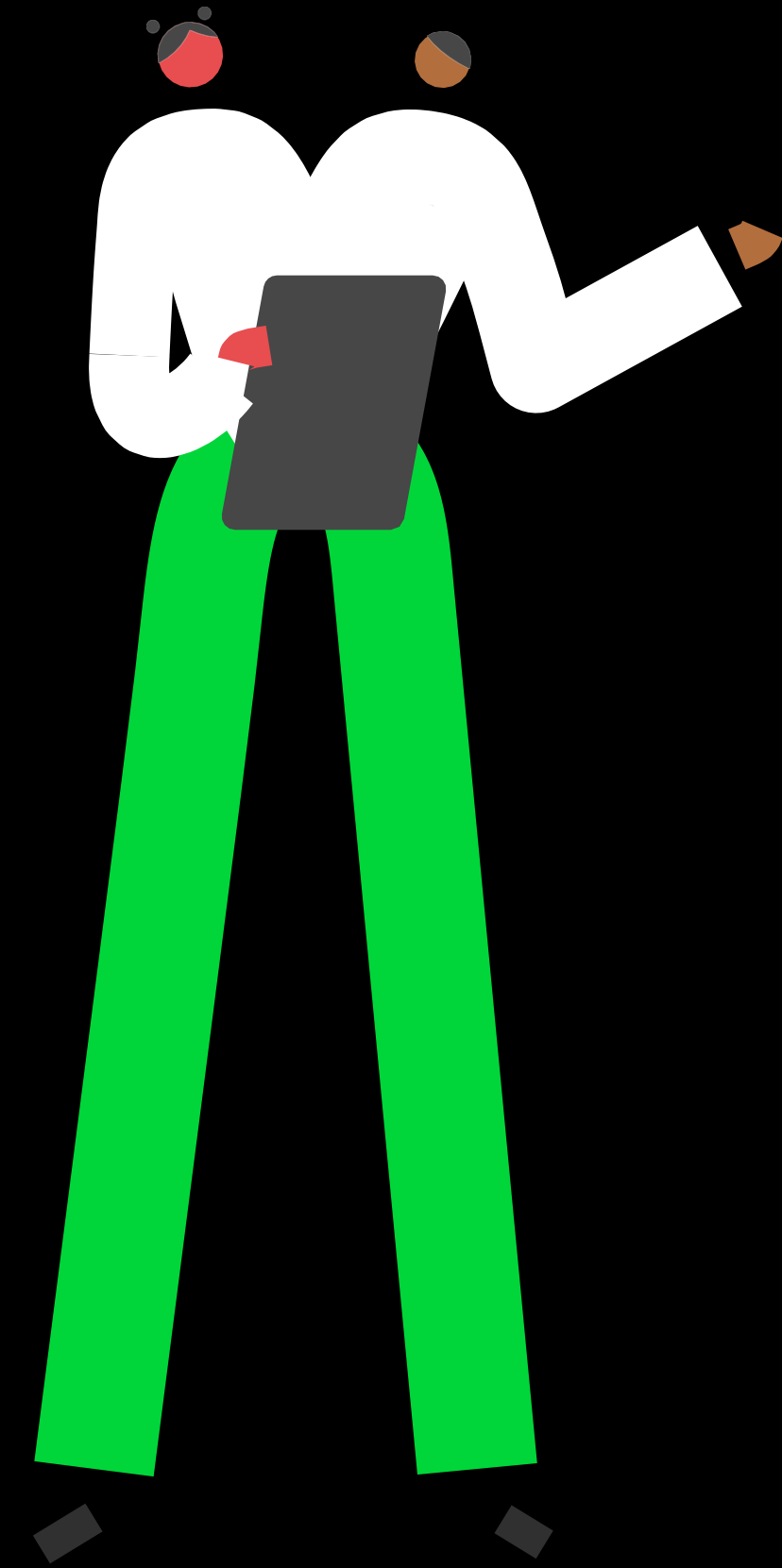
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01  
**Monthly  
Summary**

# April 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

**+£2,196**

Up **4.6%** year-on-year

### Median Net earnings

**+£1,790**

Up **3.7%** year-on-year

### Headcount

**+0.4%**

Year-on-year

Sage

The Sage SME Monthly Workforce Pulse indicates that headcount among surveyed small businesses increased by 0.4% year-on-year in April. Over the same period, median gross earnings rose by 4.6%, a slower pace of pay growth than the previous month.

Despite a strong first-quarter performance, the UK's outlook for GDP growth in 2026 remains subdued, as renewed inflationary pressures, driven by higher global energy prices, raise costs for small businesses and squeeze real household income. Cebr forecasts GDP growth of 0.9% for the year.

In the labour market, an expanded pool of job seekers is contributing to easing underlying wage pressures, which in principle should support hiring demand. However, businesses face rising input costs and uncertain demand conditions.

Moreover, recent increases to the National Living Wage will raise labour costs for firms in lower-paying sectors such as hospitality and retail, limiting the extent to which easing wage pressures translate into stronger hiring appetite. Furthermore, in response to the energy price shock, the Bank of England is now expected to keep rates higher for longer, acting as a headwind to business investment.

For workers, rising inflation alongside moderating pay growth is squeezing real wages, which, combined with a higher unemployment rate, will restrain household income and consumer spending. Together, softer demand conditions and elevated cost pressures will weigh on businesses' confidence and limit firms' appetite to expand hiring over the remainder of the year.

**Liam Daly**

Senior Economist at Cebr

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02  
**Earnings  
Insights**

# Earnings growth

Median gross earnings rose **4.6%** year-on-year in April, down from **4.9%** in March and **5.9%** in April 2025.

## Median Gross earnings

**+4.6%**

Year-on-year in April 2026

Year-on-Year % Change in Median Gross Earnings\*



\*Data is seasonally adjusted

# Median earnings

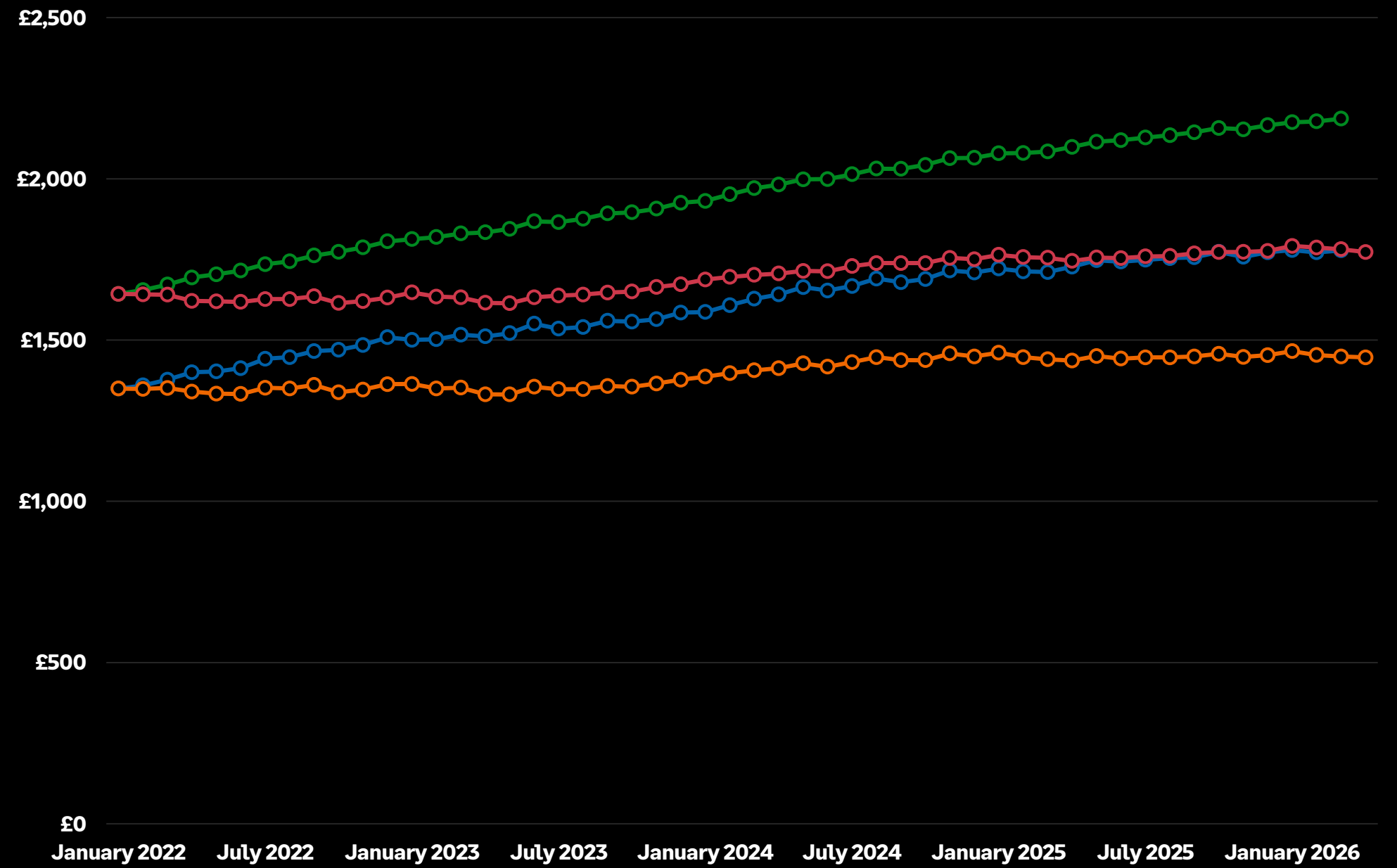
- In April, median gross monthly earnings were **£2,196**, up **4.6%** year-on-year.
- After adjusting for inflation, real-terms median monthly earnings were **£1,773**, up **1.6%** year-on-year.
- Meanwhile, median take-home pay (net) stood at **£1,790**, up **3.7%** year-on-year.

## Median Gross earnings

**+£2,196**

Up **4.6%** year-on-year  
in April 2026

Median Monthly Earnings\*



Key: ● Gross ● Net ● Gross (real-terms) ● Net (real-terms)

# Earnings and inflation

- In April, nominal earnings grew by **4.6%** year-on-year.
- Cebr projects that Consumer Price Index (CPI), rose by **3.0%** in April.
- Real-terms earnings (adjusted for inflation) grew by **1.6%** year-on-year.
- Inflation, measured by growth in the CPI index, affects the purchasing power of wages.

## Nominal earnings

**+4.6%**

Year-on-year  
in April 2026

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



Key: ● Nominal ● Real ● Inflation

\*Data is seasonally adjusted

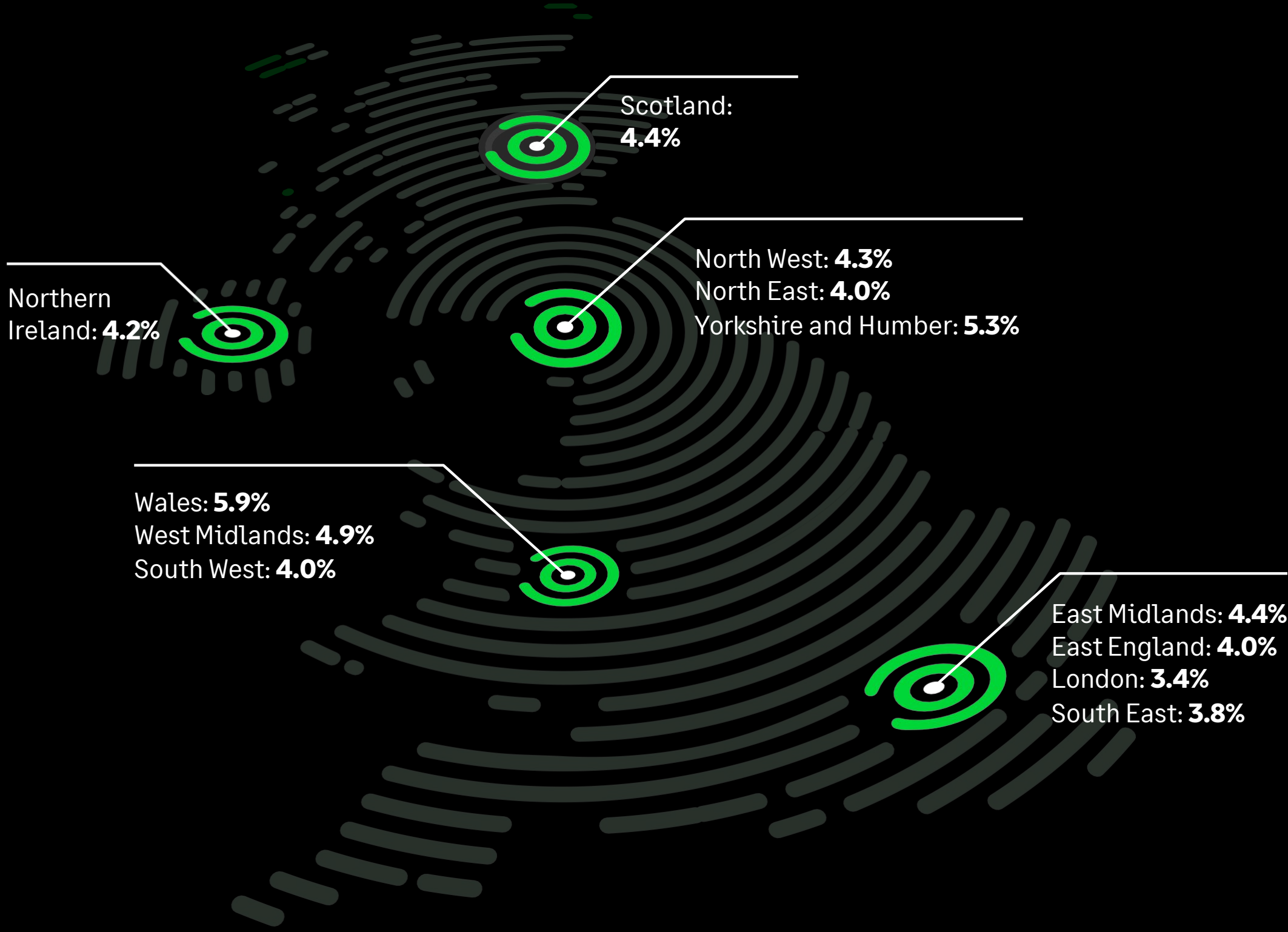
# Regional earnings

- London, the South East and the East of England exhibited the lowest earnings growth in April, at **3.4%**, **3.8%** and **4.0%**, respectively.
- Earnings increased at the fastest annual rate in Wales, rising by **6.3%**.

## UK average

**+4.6%**

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



\*Data is seasonally adjusted

# Earnings by sector

In April, earnings growth was highest in the construction sector, rising **5.5%** year-on-year. In contrast, earnings growth was lowest in the finance and insurance industry, with annual growth of just **0.1%**.

## Construction sector

**+5.5%**

Year-on-year earnings growth

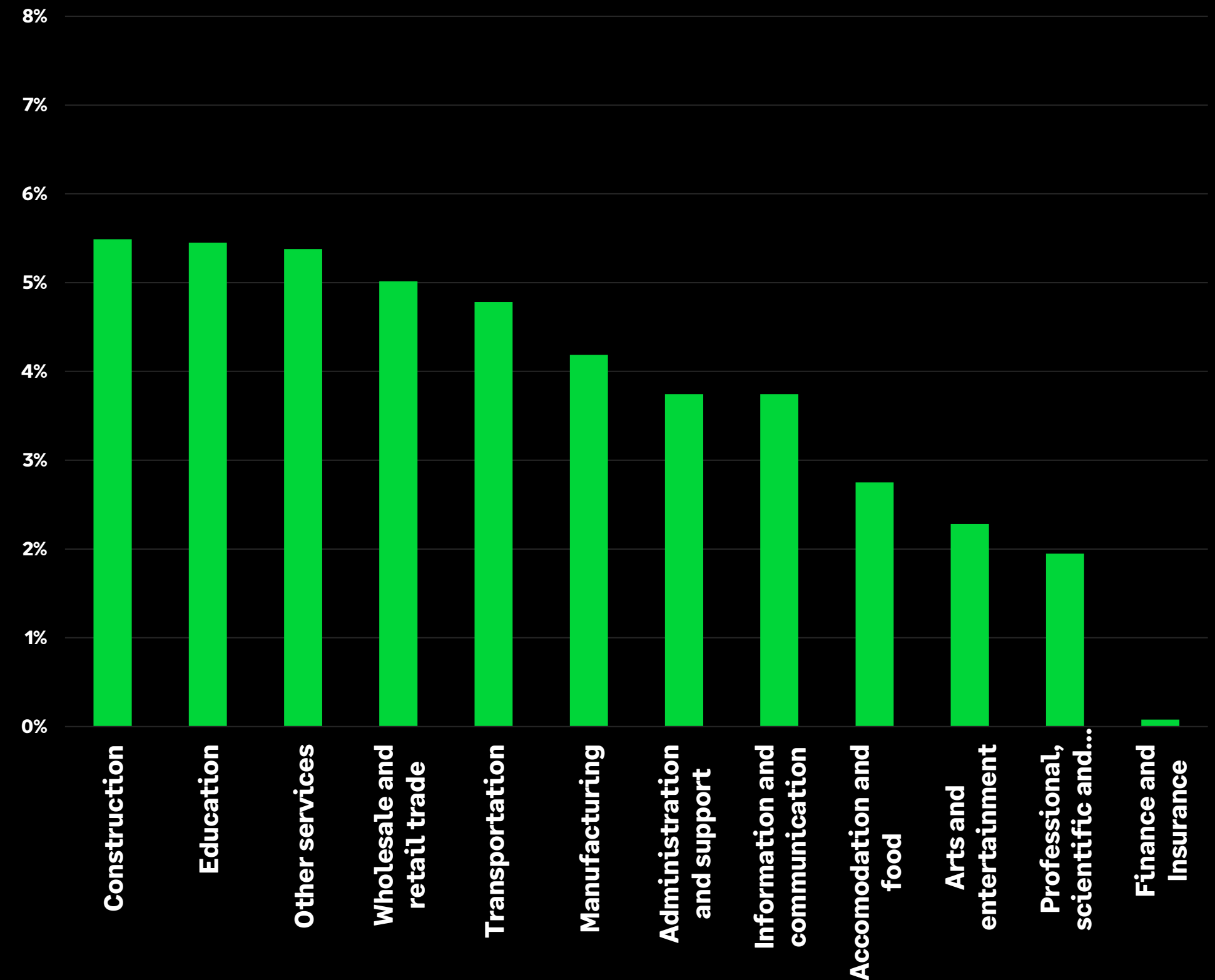
vs

## Finance and insurance industry

**0.1%**

Year-on-year earnings growth

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



03

# Workforce Insights

# Headcount growth

Total headcount grew by **0.4%** year-on-year in April, down from 0.5% in March.

**Headcount**  
**+0.4%**  
Year-on-year  
in April 2026

Year-on-Year % Change in Total Headcount:  
April 2026



*\*Data is seasonally adjusted*

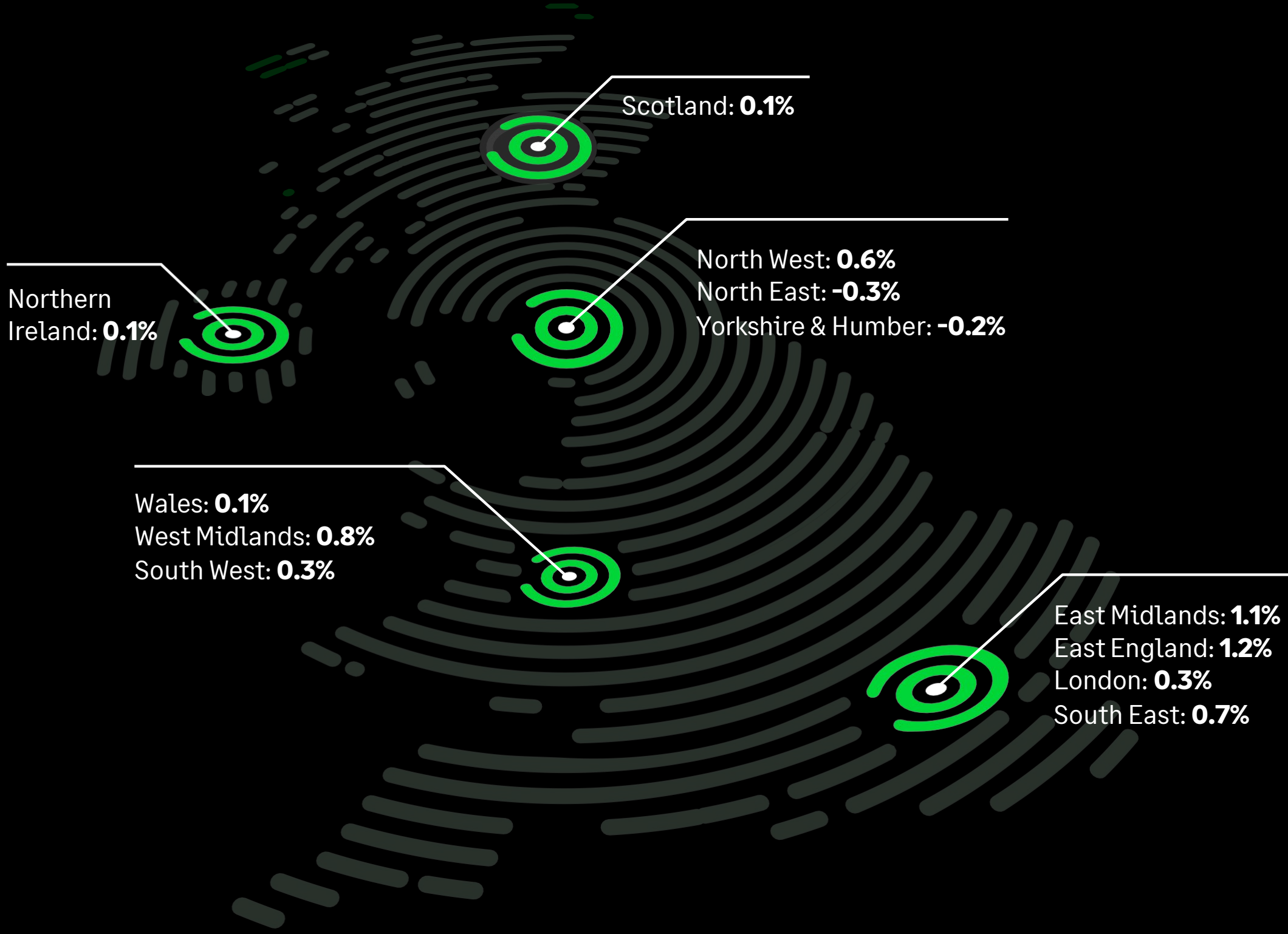
# Regional headcount

- Across the UK, total headcount among the sample of small businesses grew by **0.4%** year-on-year.
- The East of England, East Midlands, and West Midlands registered the largest year-on-year increases, at **1.2%**, **1.1%** and **0.8%**, respectively.
- Meanwhile, small businesses in the North East, Yorkshire and the Humber, and registered the weakest results, with headcount falling by **0.3%** and **0.2%**, respectively.

## UK average

**+0.4%**

Year-on-Year % Change in Headcounts by Region:  
April 2026



# Headcount by sector

Year-on-year changes in headcount varied widely by industry. Public administration and defence exhibited the greatest growth at **4.1%**, while accommodation and food services saw the greatest decline at **1.4%**.

**Public administration and defence**

**+4.1%**

vs

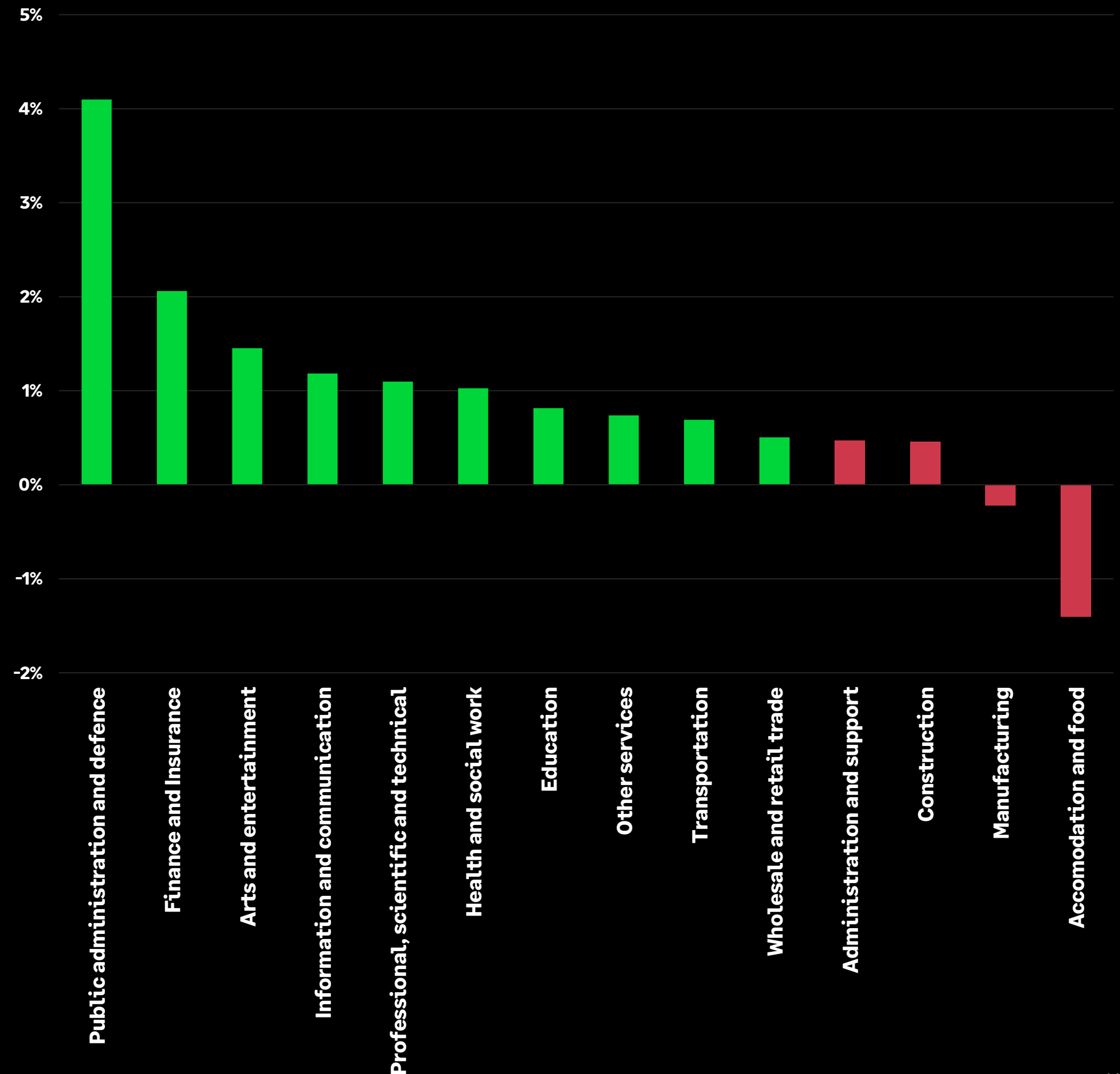
**Accommodation and food**

**-1.4%**

Year-on-year changes in headcount

Year-on-year changes in headcount

Year-on-Year % Change in Headcount by Industry: April 2026



# Headcount by business size

- Year-on-year, headcount growth was highest among micro (XS) businesses, which grew by **0.6%**.
- Meanwhile, headcount increased by **0.5%** among small (S) enterprises and rose by **0.4%** for medium (M) enterprises.

## Year-on-year headcount

**+0.6%**

Among micro (XS) businesses

**+0.5%**

Among small (S) enterprises

**+0.4%**

Among medium (M) enterprises

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



Key: ● M ● S ● XS

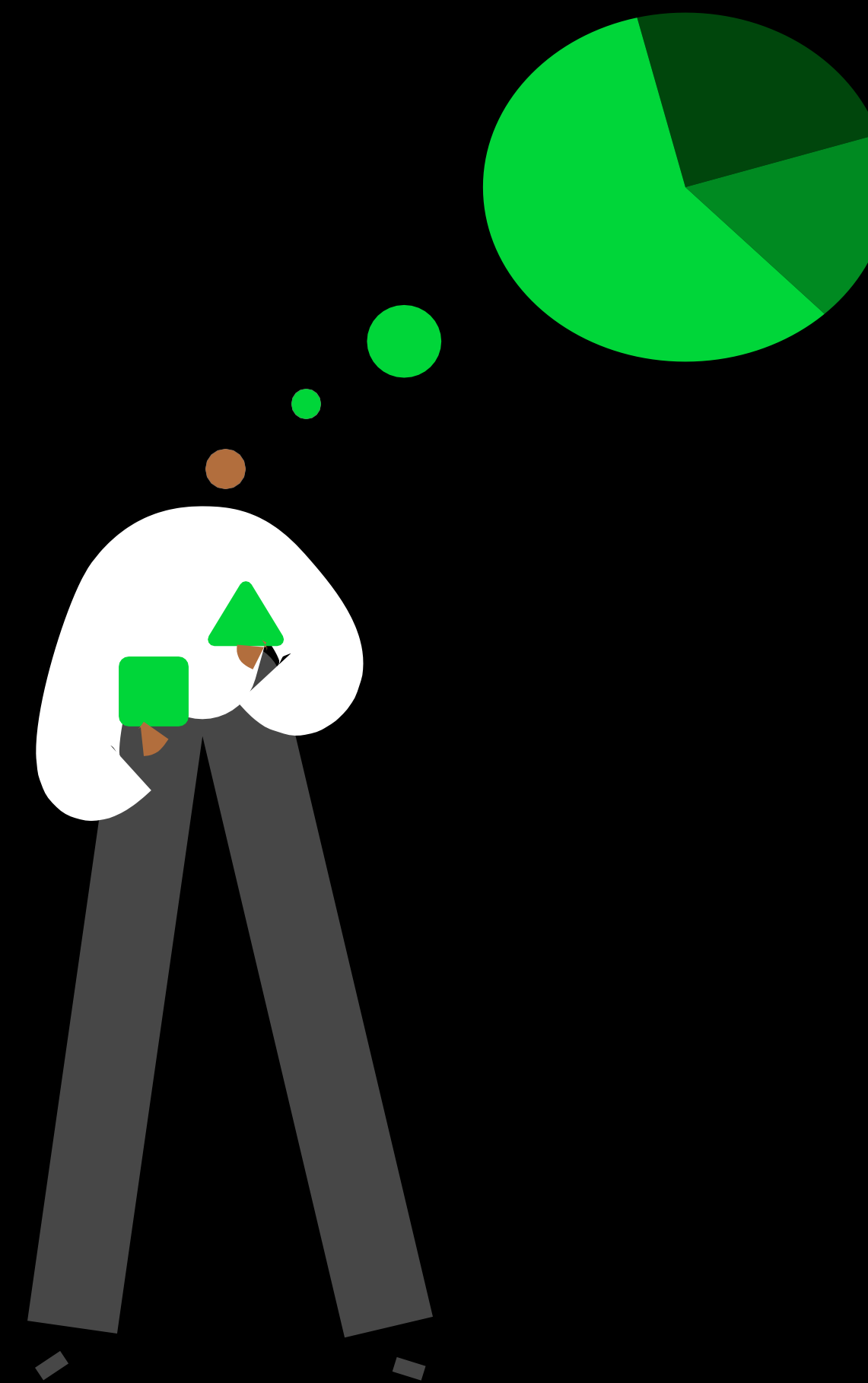
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# 04 Methodology

# 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 April, our sample comprised **214,355** 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)
- **22% 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, **207,797** 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

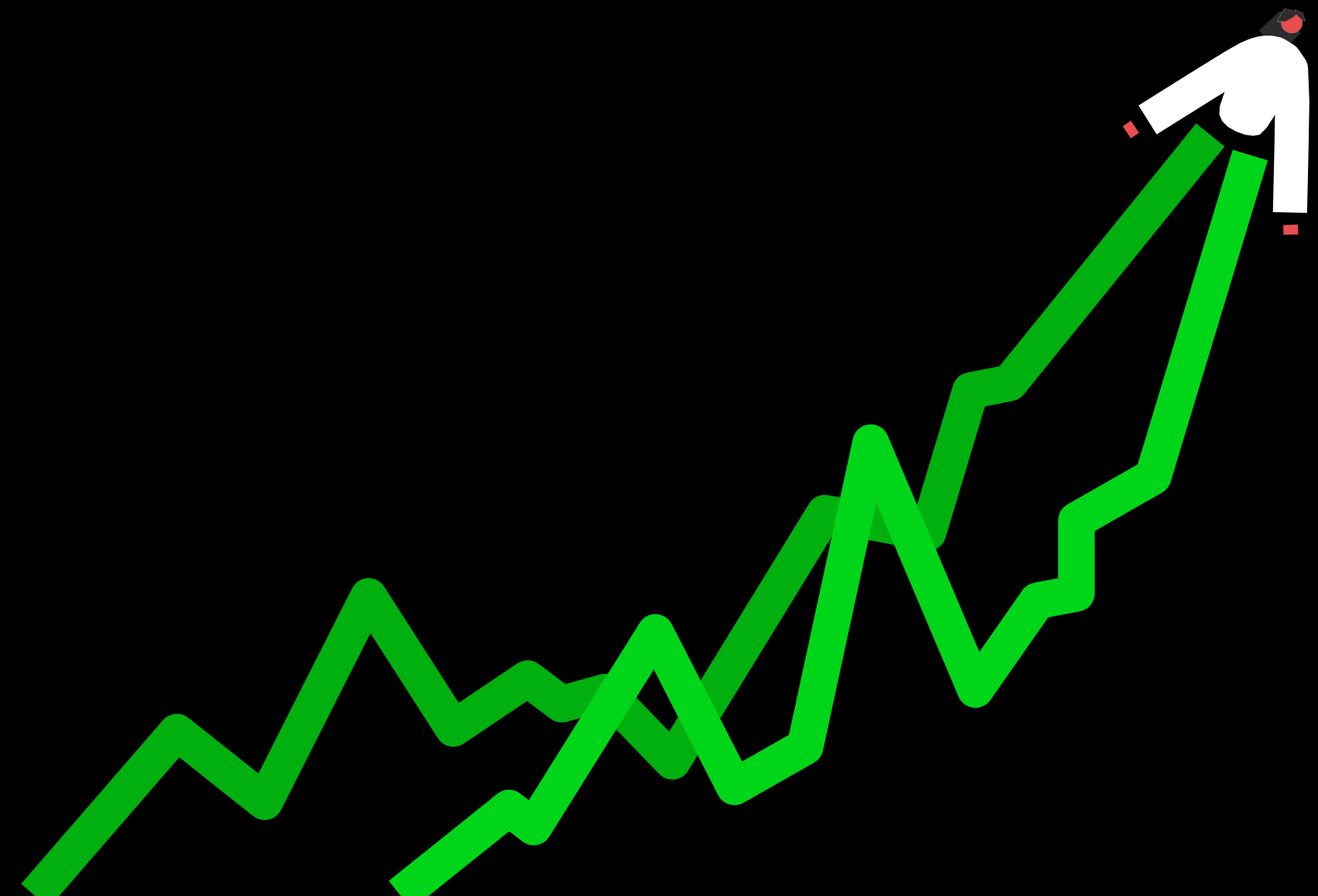
(of the over **183,518** businesses for which we know the sector)

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

# Glossary

<b>Median monthly earnings:</b>	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.
<b>Gross pay:</b>	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.
<b>Nominal earnings:</b>	This is the monetary value of wages or salaries paid to employees, unadjusted for inflation.
<b>Real earnings:</b>	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.

<b>Year-on-year changes:</b>	These compare the value of a variable to the same reference period a year earlier.
<b>Business sizes:</b>	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.



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