Autumn Budget: Avoid hiking employment costs, warns Employment Hero, as half of business leaders would consider price rises

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- Ahead of the Autumn Budget, Employment Hero has urged the Government to avoid increasing the cost of employment, with new research revealing that 1 in 2 (49%) small business leaders would consider raising prices.
- 86% of businesses are concerned about what the upcoming Budget will mean for their company, while 59% of owners don't feel Budget decisions consider small businesses.
- Employment Hero's most recent jobs data shows continued recovery in the UK labour market, with a 2.3% rise in employment in October vs September.

London, 10th November 2025: Employment Hero, the global authority on employment, has today called on the UK Government to avoid increasing the cost of employment at the upcoming Autumn Budget. As speculation around tax rises intensifies, a new survey of 1,000 senior business leaders commissioned by Employment Hero reveals that hiking employment costs, such as employer NICs, could damage the Government's mission to drive economic growth and control inflation.

The risk of hiking employment costs

New research reveals that 86% of businesses are concerned about what the upcoming Budget will mean for them. This is unsurprising, given that the majority (59%) of business owners don't feel the Government takes the needs of small companies into account when making Budget decisions.

When asked how their company would respond to an increase in the cost of employment, half (49%) of businesses said they would consider raising prices. In turn, this could fuel further inflationary pressure on the economy. The research also reveals that a third (33%) would delay hiring, while almost a quarter (24%) would consider making redundancies. At a time when the UK labour market is showing early signs of recovery, an increase in employment costs may risk creating significant uncertainty again, potentially reducing employment opportunities and increasing prices for consumers.

Employment Hero's real-time data reveals that continued recovery in the UK labour market are holding up. Employment increased by 2.3% month-on-month in October, and is up 1.9% compared to this time last year. This shows that SMEs are showing resilience despite an uncertain economic backdrop.

A lasting impact

The impact of the October 2024 Budget remains front of mind for business, with 72% of leaders reporting that the announcement had an impact on their company. This was reflected in Employment Hero's platform data, which shows the employment rate has followed a distinct u-shaped curve over the past 12 months.

A sharp dip followed the Budget, with employment falling by -0.9% in December 2024, before a slow recovery that began in February. Employment Hero's October data reflects the steady growth in employment and continued resilience of small businesses, despite the shock caused by the previous Budget. However, year-on-year growth remains well below levels recorded prior to April 2025, when the Budget reforms came into effect.

Kevin Fitzgerald, UK Managing Director at Employment Hero said: *"When you tax small businesses, you tax everyone. It creates a domino effect - higher costs lead to higher prices, fewer jobs and less money in people's pockets. Small businesses employ the majority of our workforce. Make life harder for them, and you make it harder for Britain to grow.*

"The Autumn Budget is an opportunity to learn from past mistakes. Our data shows the real impact last year's employment taxes had on small businesses. Despite these challenges, they remain resilient as ever - with October tracking a 2.3% growth in employment. If the Government wants to continue this job growth and control inflation, they can't keep penalising the very businesses that power our economy. We simply can't afford a repeat performance. The way to get Britain working again is to back small businesses, not burden them."

-ENDS-

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About the Employment Hero Monthly Jobs Report

The Monthly Employment Hero Jobs Report is powered by data directly drawn from the Employment Hero platform, reflecting the SME labour market of the UK's resident population aged 16 years and over, from close to 5,000 businesses and 105,000 employees.

About the Business Leader survey

Employment Hero commissioned leading research provider One Poll to survey 1,000 business owners and senior leaders in small-medium sized businesses (employees 5-499). The survey was conducted as a one-off study between 16th-28th October to understand perspectives ahead of the November 2025 Budget announcement.

About Employment Hero

Employment Hero is the global authority on employment, offering a world-leading Employment Operating System (eOS) that simplifies and optimises every stage of the employment process. Its award-winning platform combines HR, payroll, recruitment, and employee engagement tools with the groundbreaking employment superapp, EH Work, which integrates career management and financial wellbeing.

Serving over 350,000 businesses and managing more than 2.5 million employees worldwide, Employment Hero reduces administrative burdens by up to 80%, enabling organisations to focus on their goals and create more productive, engaged teams. By revolutionising the employment marketplace, Employment Hero is making employment easier, more valuable, and rewarding for everyone.

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