



Living Wage in the UK

Graham Griffiths

Head of Partnerships and Operations

Living Wage Foundation

Living Wage Foundation

The Living Wage Foundation recognises and celebrates the leadership shown by Living Wage Employers across the UK.

- **Accreditation** - Recognition through the Living Wage employer mark.
- **Intelligence** – Advice and support on how to implement the Living Wage.
- **Influence** – Public forum to support the Living Wage including Living Wage Week each November.

History

- 2001 – Campaign started by parents in East London, Citizens UK
- 2003 – First London Living Wage rate calculated by the GLA
- 2011 – Living Wage Foundation established
- 2015 – Chancellor announces ‘National Living Wage’
- 2016 – Living Wage Commission launched to oversee calculation



Why is the Living Wage needed?

Earning less than the real Living Wage

- 1 in 5 workers (21%)
- 5.5 million people
- 26% of women compared to 16% of men
- 2 in 3 children in poverty have a parent in work



LIVING WAGE RATES

FOR
THE REAL
COST OF
LIVING

£8.75

UK



£10.20

London

@LIVINGWAGEUK
LIVINGWAGE.ORG.UK

#LIVINGWAGEWEEK
#KNOWTHEDIFFERENCE

Historical rates

| Year | London Living Wage | UK Living Wage | National Minimum/ National Living Wage |
|------|--------------------|----------------|---|
| 2003 | £6.40 | | £4.50 |
| 2004 | £6.50 | | £4.85 |
| 2005 | £6.70 | | £5.05 |
| 2006 | £7.05 | | £5.35 |
| 2007 | £7.20 | | £5.52 |
| 2008 | £7.45 | | £5.73 |
| 2009 | £7.60 | | £5.80 |
| 2010 | £7.85 | | £5.93 |
| 2011 | £8.30 | £7.20 | £6.08 |
| 2012 | £8.55 | £7.45 | £6.19 |
| 2013 | £8.80 | £7.65 | £6.31 |
| 2014 | £9.15 | £7.85 | £6.50 |
| 2015 | £9.40 | £8.25 | £6.70 |
| 2016 | £9.75 | £8.45 | £7.20 |
| 2017 | £10.20 | £8.75 | £7.50 |

The real Living Wage

| | THE MINIMUM WAGE <i>Government minimum for under 25s</i> | NATIONAL LIVING WAGE <i>Government minimum for over 25s</i> | REAL LIVING WAGE <i>The only wage rate based on what people need to live</i> |
|------------------------------|---|--|---|
| WHAT IS IT? | £7.05 | £7.50 | £8.75 across the UK and £10.20 in London |
| IS IT THE LAW? | Statutory | Statutory | Voluntary |
| WHAT AGE GROUP IS COVERED? | 21 and older | 25 and older | 18 and older |
| HOW IS IT SET? | Negotiated settlement based on recommendations from businesses and trade unions | A % of medium earnings, currently at 55%, it aims to reach 60% of median earnings by 2020. | Calculation made according to the cost of living, based on a basket of household goods and services |
| IS THERE A LONDON WEIGHTING? | No London Weighting | No London Weighting | Yes - Separate higher rate for London |

HOW DO I BECOME A **LIVING WAGE EMPLOYER?**

PAY THE REAL
LIVING WAGE
TO ALL YOUR
DIRECTLY
EMPLOYED
STAFF

HAVE A PLAN
TO PAY YOUR
ON-SITE
CONTRACTORS
A LIVING WAGE

COMPLETE THE
APPLICATION
FORM ONLINE

www.livingwage.org.uk/become-a-living-wage-employer

Subcontracted staff

- Success of campaign
- Phased implementation
- Regular staff
- Onsite

Why accreditation matters

- Long term **commitment** to the rates
- Accredited employers **uprate** each year, ensuring workers will always earn the Living Wage
- They get the Employer mark which gives consumers, users and clients a clear sign of their status as a **responsible employer**
- It builds our movement, demonstrates **leadership** and encourages other employers to get on board and sign up

Living Wage employers



Accreditation growth

- Over 3,750 employers
- Over 150,000 staff uplifted
- Breakthroughs in low paying sectors: IKEA, Oliver Bonas, Majestic Wine
- Doubled since NLW announced

FTSE 100 accreditations



Business benefits

93%

SAY IT HAS
BENEFITED THE
BUSINESS

86%

SAY IT HAS
IMPROVED THE
REPUTATION OF
THE BUSINESS

75%

SAY IT HAS
INCREASED
MOTIVATION AND
RETENTION RATES
FOR EMPLOYEES

64%

SAY IT
HAS HELPED
DIFFERENTIATE
THEMSELVES FROM
OTHERS IN THEIR
INDUSTRY



Recruitment and retention

- **Two thirds** of employers have reported a significant impact on **recruitment and retention**.
- Living Wage employers in London reported a **25%** reduction in **staff turnover** on average
- **45%** reported that accreditation had improved the **quality of applications** for Living Wage jobs

Productivity

- **80%** of employers have seen an increase in the **quality of work** of their staff
- **58%** of employers saw an improvement in the **motivation of staff** following accreditation (rising to **78%** for organisations with more than 500 staff)

Global Living Wage

- Launched paper on the principles of the Global Living Wage movement
- Calls with over 100 international partners
- International steering group
- Hong Kong pilot

Thank you

Please contact:

Graham Griffiths

Head of Partnerships and Operations
Living Wage Foundation

graham.griffiths@livingwage.org.uk

@LivingWageUK