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

£8.75
UK

£10.20
London

FOR THE REAL COST OF LIVING

@LIVINGWAGEUK
LIVINGWAGE.ORG.UK

#LIVINGWAGeweek
#KnowTheDifference
## Historical rates

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

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

AVIVA  
Ashtead group  
BARCLAYS  
BURBERRY  
ConvaTec  
Landsec  
London Stock Exchange  
Standard Life Aberdeen  
Unilever
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