

# The future of the minimum wage

The worker perspective

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**Learning and Work Institute**

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## Acknowledgements

The future of the minimum wage project is supported by the Carnegie UK Trust. We will explore the impact of increasing the minimum wage on workers, employers and the economy. Building on the evidence and in dialogue with workers and employers, we will set out how policy can seize the opportunities of a higher minimum wage, while examining the implications for other key aspects of 'good work', including access, security, progression and training.

We would like to thank the Carnegie UK Trust for making this work possible, and Douglas White and Gail Irvine in particular for their support.



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We would also like to thank those who helped us to organise the focus groups for this research: Thames Reach, Unison, North Tyneside Citizens Advice, and Wakefield Council.

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## Executive summary

The minimum wage is one of the most successful policies in recent decades. Its introduction helped nearly eliminate extreme low pay, and more recent increases have boosted hourly pay for those at the bottom of the income distribution without a significant negative impact on employment. The minimum wage has achieved a deep and lasting political consensus.

While there has been much focus on the views of employers and their ability to respond to minimum wage increases, there has been less emphasis on the voice of workers. This report – the first in a series on the future of the minimum wage led by Learning and Work Institute and Carnegie UK Trust – explores public perceptions of the minimum wage, and the views of low paid workers in particular.

We highlight the impact of low pay and in-work poverty on workers; from the toll it takes on family life and on health and wellbeing, to the sense of insecurity and feeling 'left behind'.

There is **strong and broadly based support for further increases in the minimum wage**. Two in three (66%) adults believe that the minimum wage is too low and should be increased, with support for increasing the minimum wage being particularly high among low income households, young people, renters, and 2017 Labour voters. Two in three (66%) adults back the government's commitment to increasing the wage floor to £10.50 by 2024 for all workers aged 21 and over. A slim majority of adults (52%) would support more radical action, with an immediate increase in the minimum wage to £10/hr.

However, while low paid workers are very supportive of such an increase, many are sceptical about the impact this will have on their financial situation, and how employers will respond. Many expect that any increases in pay may be off-set by a decline in in-work benefits, and many feel that employers may respond to a higher wage floor through measures which will compromise other aspects of good work.

When it comes to the potential trade offs involved in increasing the minimum wage, more adults tend to favour a cautious approach which minimises any risk of increased unemployment, compared to a more ambitious approach to raising the wage floor even if this risked a small rise in unemployment. Most adults support having a single minimum wage irrespective of age, rather than having lower rates for younger workers, as we have at present. When it comes to regional flexibility, a majority of adults prefer to maintain a single national minimum wage, rather than having a more devolved approach, which allows local areas to set a higher wage floor.

The fieldwork was carried out before the coronavirus outbreak in the UK. The pandemic will have a significant impact on the UK economy, though the scale, nature and duration of its impact is as yet unclear, as is the impact of the measures taken by the government to protect employment.

# Introduction

## The history of the minimum wage

Pay is a critical component of fulfilling work. The idea that entering work should improve income is at the bedrock of our social contract.

The National Minimum Wage Act came into force in April 1999. It was the first time government had set an economy-wide wage floor in the UK. The Low Pay Commission (LPC) was established as a non-departmental public body – with representation from employers, trade unions and economists – to advise government on the level of the minimum wage.

The minimum wage has been one of the most successful policies in modern times. It led to a substantial reduction in extreme low pay, and contrary to warnings by some, the minimum wage did not lead to a significant negative impact on employment ([Resolution Foundation 2014](#)). The minimum wage has also been remarkably successful in securing a broad and lasting political consensus.

Following the 2015 general election, the newly elected UK Government introduced the National Living Wage, a significantly higher minimum wage for workers aged 25 and over. The then Chancellor George Osborne set the target for the National Living Wage to reach 60% of medium earnings by 2020. Introduced at the same time a reductions in welfare spending, Osborne argued that the National Living Wage would help the UK move toward being a ‘higher wage, lower tax, lower welfare society’, and reduce the need for taxpayers to ‘subsidise’ businesses who pay low wages through the benefit system ([HMT 2015](#)).

Again, most evidence suggests that this large increase in the wage floor did help to increase hourly pay for those at the bottom of the income distribution, without a significant negative employment effect ([LPC 2019](#)).

His successor as Chancellor – Philip Hammond – committed to further increases in the National Living Wage, with the aim of eliminating low pay ([HMT 2018](#)). He commissioned Professor Arindrajit Dube to write a review of the international evidence of the impact of minimum wages, which argued that the National Living Wage could be increased from its current level of 59% of median hourly earnings, to between 60% and two thirds of hourly earnings ([Dube 2019](#)).

Both major UK parties went in to the 2019 general election promising significant increases to the wage floor. In line with the recommendations of the Dube Review, the Conservatives committed to increasing the National Living Wage to £10.50<sup>1</sup> within 5 years, and extending

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<sup>1</sup> The manifesto pledged to raise the NLW to two thirds of median earnings within five years, which is currently projected to be £10.50 in 2024.

eligibility to all workers aged 21 and over. Labour promised to go further still, and to introduce a £10 minimum wage for all workers.

### **The minimum wage today**

The minimum wage for workers aged 25 and over in the UK – known as the National Living Wage – increased to £8.72 from April 1<sup>st</sup> 2020. The 51p increase represented the largest cash increase in the wage floor since the introduction of the minimum wage two decades ago. The minimum wage for younger workers is lower, with the rate for those aged 16-17 being just £4.55 in 2020/21, the rate for those aged 18-20 being £6.45, and 21-24 year olds getting £8.20. The minimum wage for apprentices is lower still at £4.15.

The National Living Wage is different from the real Living Wage. While the former is the mandatory minimum wage for all workers aged 25 and over, the latter is a voluntary minimum wage, calculated by the Living Wage Foundation based on what people need to get by. The Living Wage currently stands at £9.30, or £10.75 in London.<sup>2</sup>

The significant increases in the wage floor in recent years has helped to boost hourly pay for those at the bottom of the income distribution. However, at the same time there has been a significant increase in the number of people who are working but who are in poverty. 56% of people in poverty now live in a household in which someone is in work, up from just 39% when the minimum wage was introduced ([JRF 2020](#)). The growth in in-work poverty is due to a number of factors, including the long freeze on in-work benefits, which has reduced their cash value over time, and increases in housing costs.

### **The coronavirus crisis, employment and the minimum wage**

The increase in the minimum wage comes at a very difficult time for the UK economy. The coronavirus outbreak, and the measures taken by government to prevent the spread of the virus, will have a significant impact on the economy.

Despite the measures taken by government to protect the economy and jobs, we are likely to see a large decline in employment, which stood at a record high before the outbreak. The scale and duration of the employment impact is impossible to predict.

The fieldwork for this report was undertaken before the coronavirus outbreak. It is not yet clear what impact the crisis will have on views of the minimum wage.

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<sup>2</sup> [www.livingwage.org.uk/](http://www.livingwage.org.uk/) The Living Wage is calculated based on the cost of a basket of goods and services that represent an acceptable standard of living. The ability for an individual to live free from poverty varies on an individual basis, dependent on hourly pay, hours worked, other income and household needs.

## Life on the minimum – Worker perceptions of living on the wage floor

In this section, we explore the views of workers – paid at or near the minimum wage – of the impact of low pay on them and their families. The findings are based on four focus groups with low paid workers.

Focus group participants shared a huge range of impacts that result from living on or near the level of the minimum wage. Most obviously, low paid workers described being **unable to afford basics**. Some participants reported struggling to afford anything beyond their rent and bills, and on some occasions even struggling to afford those. Many also reported struggling to afford nutritious food, or even three meals a day. Travel was a particular cause of stress, with low paid workers describing being unable to afford travel fares, and having to walk miles to work.

Many participants described having to rely on support from friends, family, the local community and foodbanks to make ends meet, with several describing feelings of shame and stigma relating to this. This reflects what foodbanks are seeing, with the Trussell trust reporting about 320,000 food parcels they gave out in 2018/19 going to those in work.<sup>3</sup>

*'I couldn't pay my rent last month because I didn't have enough to live on.'* (Low paid worker, North Shields).

*'I walk every day back and forth... two and a half miles there and two and a half miles there. And I do that five days in a week.'* (Low paid worker, North Shields).

*'Do I heat, do I eat?'* (Low paid worker, Wakefield).

*'I'm at foodbanks and I see all walks of people, all different walks of people and I can see the stigma and the shame on some people. I work fulltime and I've never had to do anything, I've never had to rely on anyone and now you're telling me that now I have to go and basically beg for food.'* (Low paid worker, London).

*'I have to borrow money off [my parents] to survive and how bad is that, having to go and ask my seventy something parents for money to just live, to eat, you know, basic stupid stuff, like just to get a bus to work.'* (Low paid worker, North Shields).

Many participants described having to **work long hours or multiple jobs** in order to make ends meet. Some who were in full time work also had to work weekends or take on additional jobs in order to make enough money to afford to live.

<sup>3</sup> <https://www.bbc.co.uk/news/education-48037122>



This was seen as leading to a **lack of time with family**. Workers described how long and anti-social hours, including working evenings and weekends had a knock-on effect on their family lives, causing them stress and feelings of guilt.

*'My family life is just being held together by the grace because I have to work extra bank shifts to supplement what I'm getting.'* (Low paid worker, London).

*'It's heart breaking to see your little one crying because she doesn't want her mum to go to work'* (Low paid worker, North Shields).

Participants described low pay as having an **impact on their financial situation**. Many described being only just able to afford the basics, and being completely unable to save any money. This left people unable to afford holidays or nice things for themselves or their children. More immediately, it left them without any funds to rely on if they were faced with a decline in income or unexpected cost. As a result of this financial insecurity, many participants described falling into debt, and having to rely on expensive short term credit.

*'There is no saving, you are penniless, you can't have any savings throughout if you work for maybe ten, 15 years, you can't even dream of getting a mortgage because you have nothing, you have no saving.'* (Low paid worker, London).

*'You can get one of those payday loans and then you end up having to pay a massive amount back.'* (Low paid worker, North Shields).

A number of participants described how low pay and in work poverty had a corrosive impact on their **health and mental health**. Workers described how having to work long hours or multiple jobs, struggling to afford enough decent food, and the stress relating to financial insecurity left them both physically and mentally unwell.

*'A lot of carers I've seen them with bad backs, bad legs like me... we are becoming disabled.'* (Low paid worker, London).

*'I mean as for the food, I mean I'm diabetic, so obviously I have to eat properly. I can't afford to eat properly. You know, so some time in the future I'm going to end up with Type 1 diabetes because I couldn't control my diet because I couldn't afford to buy decent grub.'* (Low paid worker, North Shields).

*'It has an impact definitely on your mental health as well because you've got no life.'* (Low paid worker, North Shields).

A number of low paid workers highlighted concerns around **Universal Credit**. In particular, workers described how any increase in earnings as a result of working additional hours or securing a pay rise would in large part be mitigated by a drop in their Universal Credit payment, leaving them little better off.

*'It's soul destroying. You can't [work extra hours] because it's not worth your while. Like, if I was working fulltime, I'd be in exactly the same position.'* (Low paid worker, North Shields).

Finally, low paid workers described **feeling stuck and left behind**. Many reported that they cannot see a situation where they get lifted out of the place they are in now, even if they have got better in their job or received training at work. Some described feeling overlooked and ignored by government and decision-makers, and like the whole system was not working for people like them.

*'It feels as though it's a little bit stagnant and it's frustrating.'* (Low paid worker, London).

*'I'd be better not working and living off the dole than I would be working and I've worked all my life since the age of 16. Why the hell have I got to this stage and I'm stuck?'* (Low paid worker, North Shields).

*'The thing is you're supposed to benefit from going to work and unless you're in, like, finance or a solicitor or something like that, women like us do not benefit. We just don't benefit from working.'* (Low paid worker, North Shields).

*'It's almost, like, well, you've got a job and it might be minimum wage but you're off our radar now.'* (Low paid worker, Wakefield).

*'They're taking liberties with the poorer people of Britain.'* (Low paid worker, North Shields).

# More than the minimum – Worker perceptions of increasing the wage floor

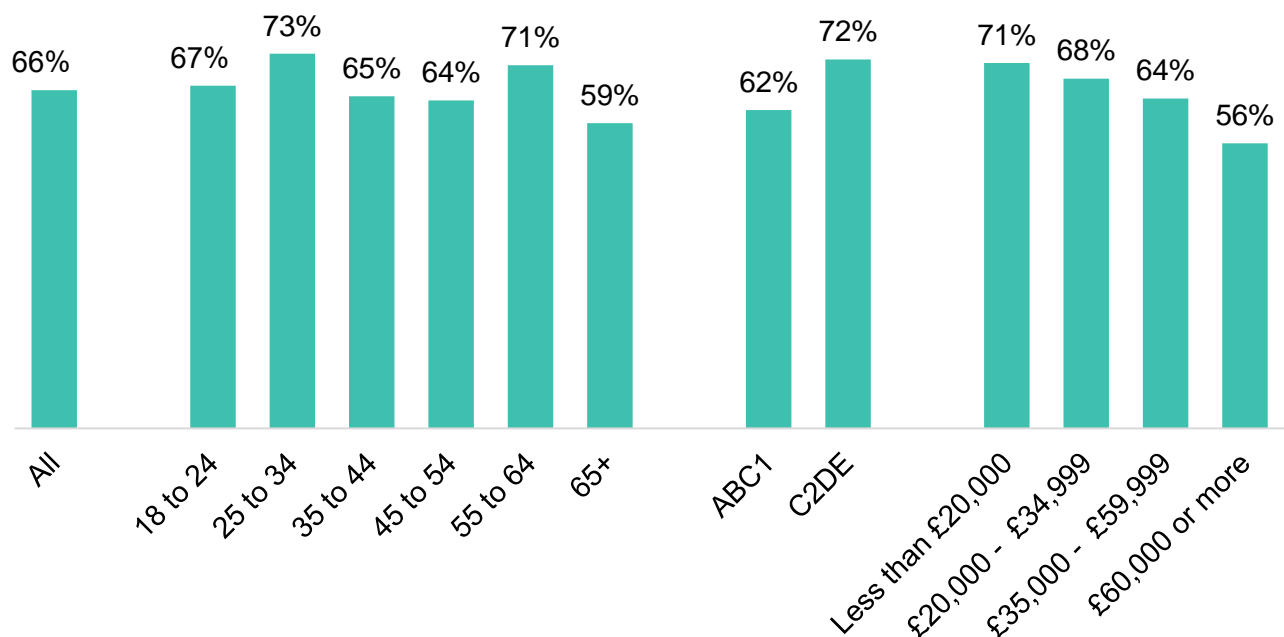
In this section, we explore the views of low paid workers of the minimum wage. We examine views both of the current rate, and of proposals to increase the wage floor. The findings are based both on focus groups with low paid workers, and on the representative survey of adults across the UK.

## Increasing the minimum wage

There is **widespread view that the minimum wage is too low, with strong and broad support for further increases.**

Two in three adults (66%) of GB adults surveyed said they believe the National Living Wage is too low and should be increased. Only 2% believe it is too high. Support for increasing the wage floor appears to be relatively consistent over time. The 2017 British Social Attitudes survey found that just over two thirds (70%) of adults thought the minimum wage should be increased ([ONS 2017](#)).

**Chart 1: Level of support for increasing the minimum wage**



While there is widespread support for a higher minimum wage, there is particularly strong support among a number of groups:

- **Low income households** – while there is support among all income groups for increasing the wage floor, support is particularly strong among low income households. 71% of adults in households with incomes below £20,000 support increasing the minimum wage, compared to 56% of adults in households with

incomes of £60,000 or over. This was reflected by near universal support for increasing the minimum wage among the low paid workers in our focus groups.

- **Lower socio-economic groups** – seven in ten (72%) adults in lower socio-economic groups (C2DE) support increasing the wage floor, compared to six in ten (62%) adults from higher socio-economic groups (ABC1).
- **Younger adults** – while a majority among all age groups back increasing the minimum wage, support is particularly strong among younger adults. Three in four (73%) of those aged 25-34 support a higher wage floor, compared to 59% of those aged 65 and over;
- **Renters** – six in ten homeowners (61%) support a higher minimum wage, compared to seven in ten people who rent their home from private landlords (72%), the council (71%) or a housing association (73%);
- **Labour voters** – over three quarters of 2017 Labour voters (78%) support a higher wage floor, compared to just over half of 2017 Conservative voters (53%)<sup>4</sup>.

The focus groups with low paid workers reflected public opinion, with the vast majority saying it is too low, that it is not enough to live on, and that it should be increased.

*'What they earn at the end of the month cannot give a household of two a square meal a day, it's highly impossible, and that is not the way we can survive.'* (Low paid worker, London).

*'I just think it's just really frightening the fact that people can be working and they're still struggling. It just seems a scandal really.'* (Low paid worker, London).

*'That's very low considering that you have to pay rent, council tax, you're paying water, electricity, your gas bills plus food, and if you have children it's even worse because, as you know, kids grow up and nurseries, schools, clothes, school dinners.'* (Low paid worker, London).

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<sup>4</sup> The public polling took place in October 2019, so 2019 voter split was not available. We anticipate that the shifts in voting at the 2019 election make it likely that support among Conservative voters overall is now higher.

Participants were asked about the planned increase of 51p to the National Living Wage, scheduled for April 2020, which will take it to £8.72. While the low paid workers were strongly supportive of increasing the minimum wage, they were generally unimpressed by the planned increase for next year. They described how it would have a minimal impact on their financial situation, leaving them still struggling to afford the basics. There was also some degree of scepticism about the willingness of the government to help improve their situation, and a lack of faith that things can get better.

*'You get it in one hand and it gets taken away out the other one... they are going to take council tax... it's the same, even stevens, so you're not getting any better off.'* (Low paid worker, North Shields).

*'It's an insult, isn't it? It's like an extra £50 a month in your pocket, that's what it is, £45 to £50 a month in your pocket on minimum wage, that's nothing.'* (Low paid worker, London).

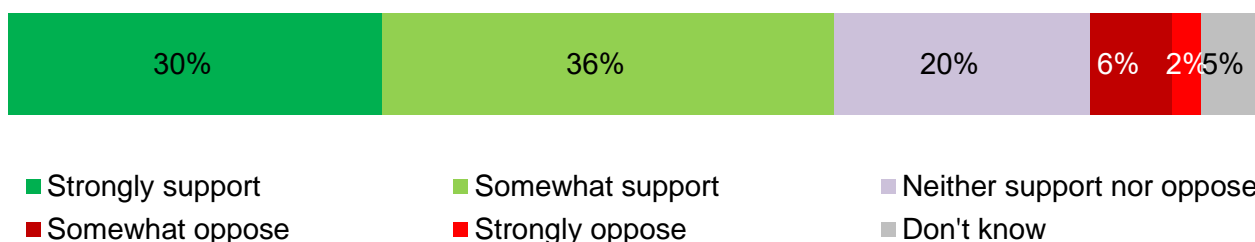
*'It makes them look good but that's about it. It doesn't do anything.'* (Low paid worker, North Shields).

### Future increase in the wage floor

There is **strong popular support** for the government's plans to increase the National Living Wage, and indeed to go further still.

Asked about the government's plan to increase the National Living Wage to £10.50 an hour by 2024 and to extend it to all workers aged 21 and over, two in three adults (66%) said they supported the proposals, with only 9% being opposed. The proposals had broad support across all age groups, and among both Conservative and Labour 2017 voters.

**Chart 2: Level of support for the government's plan to increase the NLW by 2024**



Support was less universal for Labour's proposal to immediately increase the minimum wage for all workers to £10/hr. However, this was still backed by a majority (52%) of adults, and opposed by only one in four (24%). This suggests significant potential public appetite to go further still than the government's current proposals. Support for this proposal was particularly strong among adults aged 18-24, who are currently not entitled to the higher National Living Wage.

While the low paid workers in the focus groups broadly supported the government's planned increase in the minimum wage, there was a widespread view that the increase was too slow and too modest. Many participants said that 2024 was too long to wait, and that prices would increase in the meantime, limiting the impact of the pay rise. Some participants, particularly those in London, felt that even an increase to £10.50 was not enough. Indeed the planned rate for the National Living Wage in 2024 is below the current rate of the real Living Wage in the capital, which is set at £10.75.

*'50p every year, that's what it means. How can we live with 50p, an additional 50p every year for five years?' (Low paid worker, London).*

*'Next week would be champion.'* (Low paid worker, North Shields).

Some low paid workers in receipt of Universal Credit were sceptical about how much better off they would be, given the impact any increase in their earnings would have on reducing their benefit income.

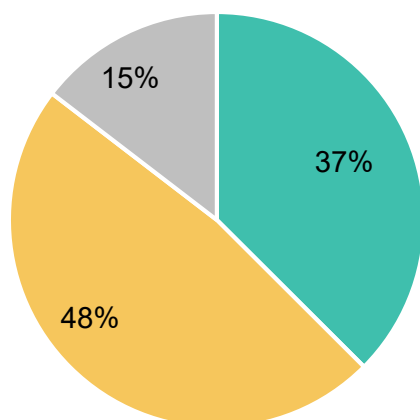
However, the low paid workers we spoke to in Wakefield were cautiously hopeful. They thought it would make a huge difference if it was now, but were pragmatic about the practicalities for this in relation to affordability with employers.

### Approaches to increasing the wage floor

In both the survey and the focus groups, participants were asked a number of questions about how the minimum wage should be increased.

First, participants were asked about the **pace of increasing the minimum wage**. While there is strong support for increasing the wage floor, more adults favour a cautious approach to doing so. One in two adults (48%) agreed that the government should take a cautious approach to setting the minimum wage in order to avoid an increase in unemployment, compared to just over one in three (37%) who thought that the government should take a more ambitious approach to increasing the wage floor, even if it risked a small increase in unemployment. Conservative voters were slightly more likely (63%) to back a cautious approach to increasing the wage floor.

**Chart 3: Opinions on rate of increase to the minimum wage vs. risk of unemployment**



- The Government should be ambitious in seeking to increase the minimum wage, even if this risked leading to a small increase in unemployment
- The Government should be cautious in setting the value of the minimum wage, ensuring that any rise does not lead to increases in unemployment
- Don't know

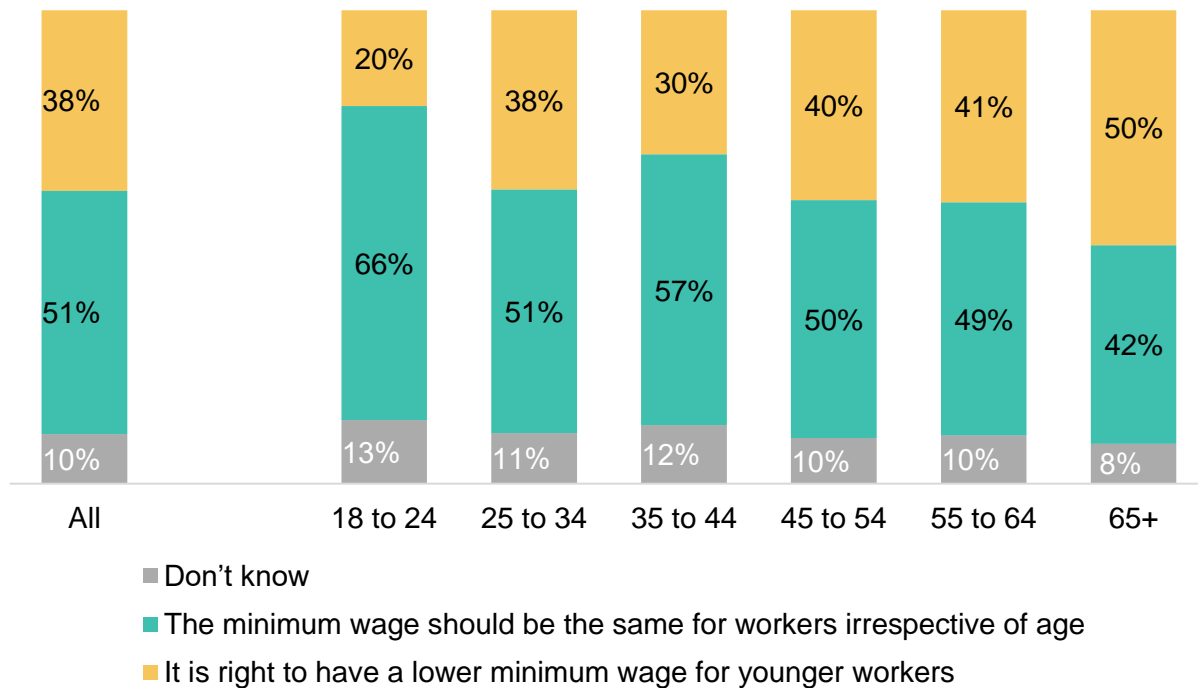
The focus groups found opinion on this issue was divided. The London groups in particular were in favour of an ambitious minimum wage policy, even if it did risk a small increase in unemployment, arguing that workers should be able to earn enough to get by. However, some of the participants in London rejected the premise of the question, arguing that even an ambitious increase in the minimum wage would not lead to a significant increase in unemployment. As a care worker put it; *'I feel that's always been the excuse to actually keep wages low'*.

However, the low paid workers in Wakefield were more concerned about the ability of employers in general – and small businesses in particular – to afford a significant increase in the minimum wage. They suggested that a gradual increase, along with increases in work benefits would be a prudent approach to boosting incomes for low paid workers.

Second, participants were asked about their views regarding **differentiated minimum wage levels by age**. At present, the National Living Wage applies only to workers ages 25 and over, with the minimum wage for workers aged 16-18 being nearly half that level. At the most recent election, the Labour Party committed to ending such age gradation, by introducing a £10/hr minimum wage for all workers. The government have committed to reducing age gradation, by extending the National Living Wage to all workers aged 21 and over.

Half (51%) of adults said they think the minimum wage should be the same for workers irrespective of age, while two fifths (38%) believed it is right to have a lower minimum wage for younger workers. Support for a single rate irrespective of age was particularly strong among young people, with two in three (66%) adults aged 18-24 backing this.

**Chart 4: Support levels for age gradation**



Most participants in the focus groups felt that, regardless of age, workers should be paid the same amount. Some highlighted examples of how they thought the lower minimum wage for younger workers was exploited by some employers to reduce wage costs. Some did support for a slightly lower rate for younger workers to reflect their experience levels, as long as this also came with training and opportunities to progress. However, the scale of the gap between the National Living Wage and the wage floor for younger workers was seen as unjustifiable.

*'My partner has gone for interviews and has done really well at the interviews, knows he's got the experience, doesn't get the job and then will go past if it's a shop and he will see that it's someone who is under 21 and they haven't got the experience because they can't because they're not old enough and that they will be on less money.'* (Low paid worker, Wakefield).

*'This is why the young, they don't want to work because this is what they are working for.'* (Low paid worker, London).

Finally, participants were also asked about **regional variation** in the wage floor. At present, the minimum wage rate is the same across the UK. This contrasts with many advanced economies, where regions and/or cities have the ability to set a local minimum wage.

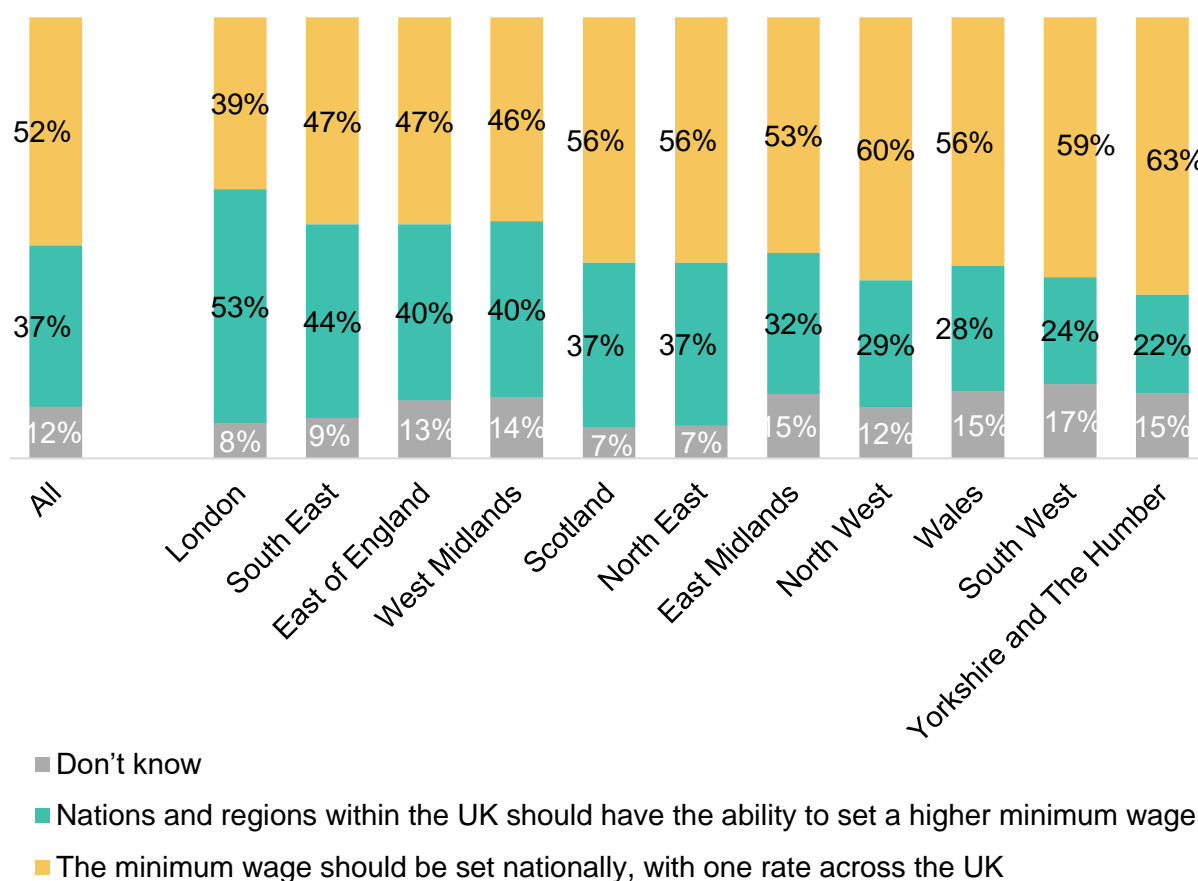
A single national rate provides simplicity for employers and avoids creating incentives for local areas to set a lower minimum wage. However, having a single rate does not reflect



variations in the ability of employers to afford a higher minimum wage or a higher cost of living in some areas.

Across the UK, a narrow majority of adults support maintaining the current situation. Just over one in two (52%) adults agree the minimum wage should be the same across the UK, with just over one in three (37%) agreeing that nations and regions should be able to set their own higher minimum wage. London is the only region where a majority of adults (53%) support local flexibility over the minimum wage.

**Chart 5: Support levels for regional variation**



These feelings were largely echoed in the focus groups. Londoners generally thought the minimum wage in London should be higher due to the cost of living, with some having friends and colleagues who have moved to cheaper areas because they can no longer afford London.

Views outside of London were more mixed. Some participants in North Shields agreed that there was a case for a higher wage floor in London in order to reflect the higher cost of living. However, low paid workers in Wakefield were more conflicted; some thought higher wages elsewhere might be a good thing in encouraging business into disadvantaged areas, while others felt this risked exacerbating regional inequalities.

## Employer reactions and responsibilities

Focus group participants were asked about how they thought their employers might react to a higher minimum wages. Participants highlighted a number of areas of potential employer responses, including:

- Passing costs onto consumers;
- Work intensification for existing staff;
- Removing breaks for staff;
- Reducing or removing financial benefits (e.g. travel expenses, bonuses, incentives);
- Reducing or removing non-pay benefits;
- Reducing differentials by holding down pay for those just above the wage floor;
- Cutting staff hours or cutting the number of staff;
- Investing in automation;
- Outsourcing work.

Many of the anticipated responses reflected the changes which workers claimed to have witnessed following recent increases in the minimum wage. These responses – and the general tone of the discussion – also reflected a largely pessimistic view of how employers would respond, with many anticipated changes coming at the expense of wider elements of job quality.

There were some feelings among low paid workers in the focus groups that minimum wage increases wouldn't have any affect on employers, and that they can afford it if they wanted to.

Low paid workers in the focus groups were also asked who should be responsible for ensuring workers have a decent standard of living; their employer through providing a decent wage, or the government through providing social security support. There were mixed opinions about this. Some argued that employers should pay a living wage, which allows their workers to live free from poverty, without the need for government to top up incomes. Others however argued it was the government's ultimate responsibility to ensure people have a decent income.

*'I think there are big companies and they are putting money off-shore and they can pay more if they want.'* (Low paid worker, London).

*'For my place they've announced that they're going to be putting the childcare cost up by a pound. So the parents are going to have to pay an extra pound to compensate the rise.'* (Low paid worker, North Shields).

*'All our prices of purchase have all gone up between 20 and 50 pence more on everything.'* (Low paid worker, North Shields).

*'There are companies paying £10.50 an hour. For example, they should be paying five people but actually they're paying four for the same... so, four people are doing more work.'* (Low paid worker, London).

*'We didn't get ours increased because we were already on £8.41.'* (Low paid worker, North Shields).

*'My wage increases were stopped and people now caught up to my hourly rate and that's it, I'm stuck at that level so no pay rise.'* (Low paid worker, London).

*'Because the wages went up we don't get as many breaks... at one time if you'd done four hours you got 15 minutes. You don't get that now. You just don't get a break at all if you, like, four hours.'* (Low paid worker, North Shields).

*'It's either going to be more work for less money or for bigger private companies they'll turn to automation because that would be cheaper. If they're going to pay £10.50 out, they're going to put in a brand spanking new robot to do the job of 20.'* (Low paid worker, Wakefield).

## Good work

Finally, good work is about more than just a decent income. Participants in the focus group were asked what they considered good work to be. They identified a number of factors:

- Training, development and progression opportunities;
- Job security and contract type;
- Flexibility and work-life balance;
- Non-pay benefits;
- Having supportive colleagues;
- Having good management;
- Recognition;
- Manageable workloads / stress levels;
- Autonomy;

- Workplace environment.

These broadly reflect the elements of job quality set out by Carnegie UK Trust and RSA in their Measuring Good Work report<sup>5</sup>.

*'Just being acknowledged, acknowledged for when you work hard. You know, thanks, you've done a good job, we really appreciate it.'* (Low paid worker, North Shields).

*'Have flexibility with work and also be able to spend enough time with your kids, especially when they're young.'* (Low paid worker, London).

*'I think for me having a good job is also having work life balance and in this particular job [care work] there's no balance.'* (Low paid worker, London).

*'a lot of people struggle with stress issues because of potentially what they're earning and the job and the pressures they're under and I think there's a bit too much of lip service paid. I've seen that myself in a big organisation that's very good at putting up posters but don't go off sick with stress.'* (Low paid worker, Wakefield).

*'Security... you know that you've got a job, with that job you can pay rent, you know that you can help your relatives.'* (Low paid worker, London).

*'it seems like sometimes it's the lower paid workers that don't get the same benefits [as highly paid workers].'* (Low paid worker, Wakefield).

However, while the low paid workers identified a number of aspects of job quality that were seen as important, most emphasised that decent pay was the most important. Pay can therefore be seen as of foundational importance to job quality, and a vital but not sufficient component of decent work.

*'If I know I'm getting decent pay they can talk to us however they want.'* (Low paid worker, North Shields).

*'When people are being paid properly, when they are happy, they will be happy to go to work, they will be happy to meet their colleagues and so on and they will be happy with the clients, no stress.'* (Low paid worker, London).

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<sup>5</sup> <https://www.carnegieuktrust.org.uk/publications/measuring-good-work-the-final-report-of-the-measuring-job-quality-working-group/>

## Conclusion

This report highlights the strong public support for further increases to the minimum wage.

The public in general – and low paid workers in particular – do not think the minimum wage is enough to live on. There is strong support for the government's proposals to increase the minimum wage to £10.50 by 2024, and to go further still.

Support for a higher wage floor is broadly based, but it is particularly significant among low income households, young workers, lower socio-economic groups and tenants.

A majority back retaining a single national rate, rather than having regional flexibility over the wage floor. Most adults support an end to age gradation, with a single minimum wage irrespective of age. When it comes to the potential trade-offs involved in increasing the minimum wage, more adults support a cautious approach in increasing the wage floor which seeks to avoid a significant rise in unemployment.

However, while low paid workers are very supportive of a higher wage floor, there is some pessimism both about the impact this will have on their financial situation, and the way in which employers will respond. Many workers living on the minimum wage feel that increases in pay may in large part be cancelled out by declines in in-work benefit payment. Many low paid workers feel that employers may respond to a higher wage floor through measures which will compromise other aspects of good work.

In the next report in this programme, we will explore the views of employers of the minimum wage, and how they may respond to a significant further increase in the wage floor.

## Appendix 1 – Methodology

The future of the minimum wage project is using a mixed-method approach. The fieldwork for the first report was carried out before the coronavirus outbreak in the UK.

The fieldwork included:

### Quantitative fieldwork

The quantitative survey was an online survey of 1,502 GB adults aged 18+, run by BMG between the 8th - 11th October 2019. Data was weighted to reflect the profile of GB adults, based on age/sex, region, Indices of Multiple Deprivation, Household Income, the 2017 General Election results and the 2016 EU Referendum Results. All results are from BMG unless otherwise stated.

### Qualitative fieldwork

The qualitative aspect of the research was conducted through four focus groups with workers paid at or near the minimum wage.

**Table 1: Focus group detail**

Area	Sector	Wage of workers
South London	Mix of low paid sectors	£8.30 - £10.50
London	Social care	£8.21 - £10.70
North Shields	Mix of low paid sectors	£8.21 - £9.30
Wakefield	Mix of low paid sectors	£8.50 - £10.00

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## Appendix 2 – References

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