



Webinar: Raising the floor: the future of the minimum wage

Wednesday 10 February 2021 | 11.00am – 12.00pm

Gail Irvine, Senior Policy and Development Officer, Carnegie UK Trust (Chair)

Joe Dromey, Deputy Director for Research and Development, Learning and Work Institute

Emelia Quist, Senior Policy Manager, Federation of Small Businesses

Paul Nowak, Deputy Director General, Trades Union Congress



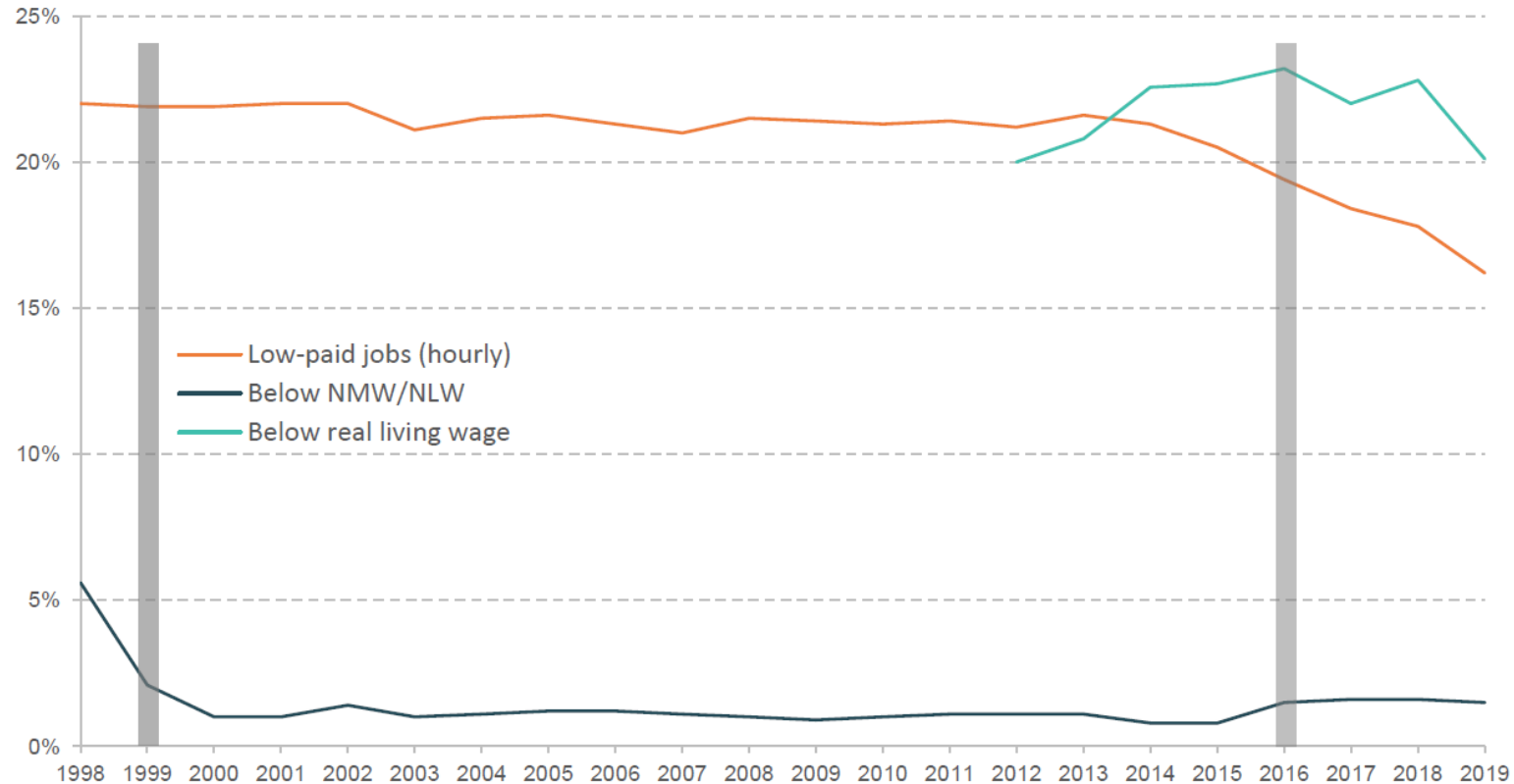
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THE FUTURE OF THE MINIMUM WAGE

The impact of the minimum wage

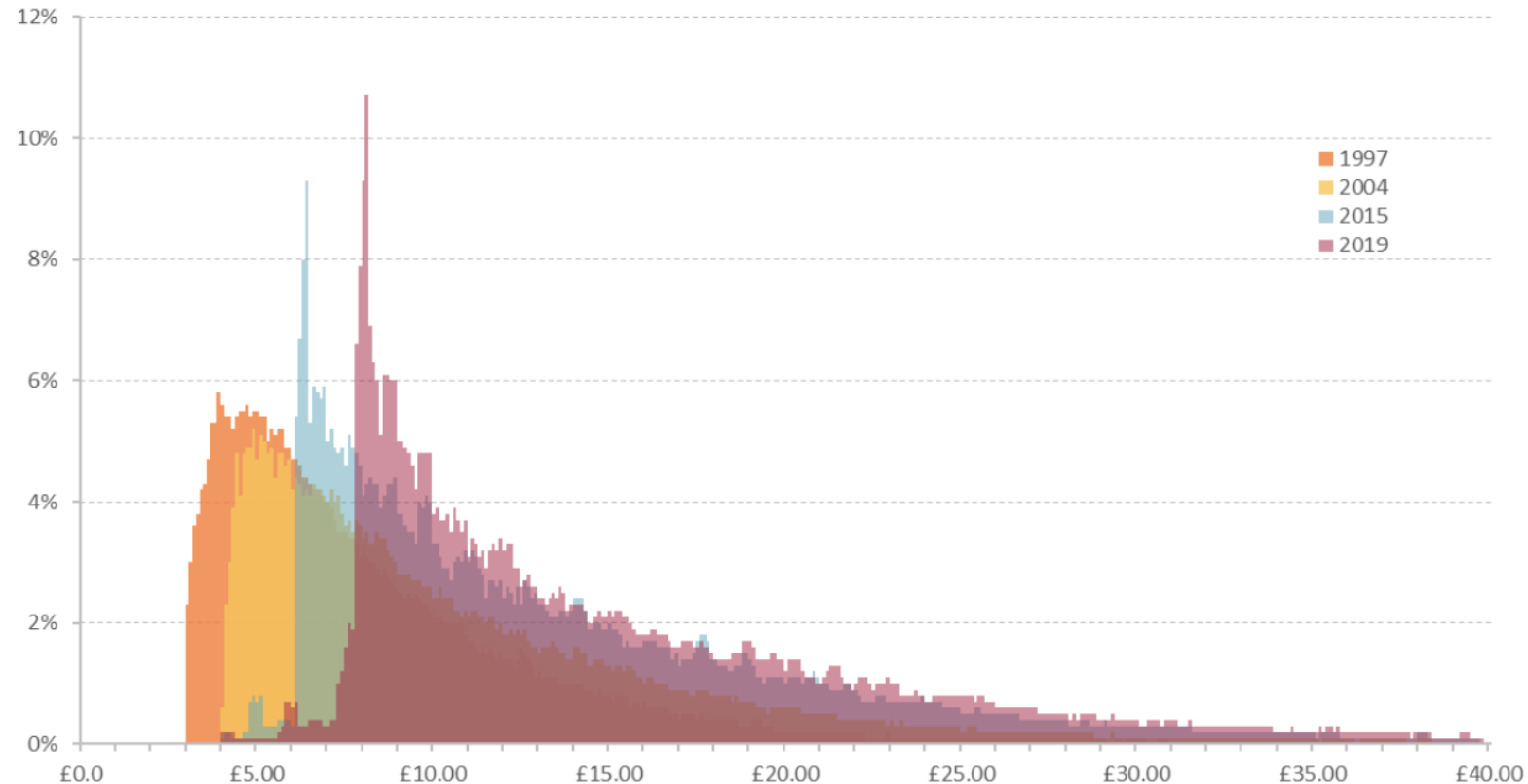
Figure 1: Proportion of all UK employees in low paid jobs, below NMW/NLW, and below real living wage



Source: L&W analysis of ONS Annual Survey of Hours and Earnings

The impact of the minimum wage

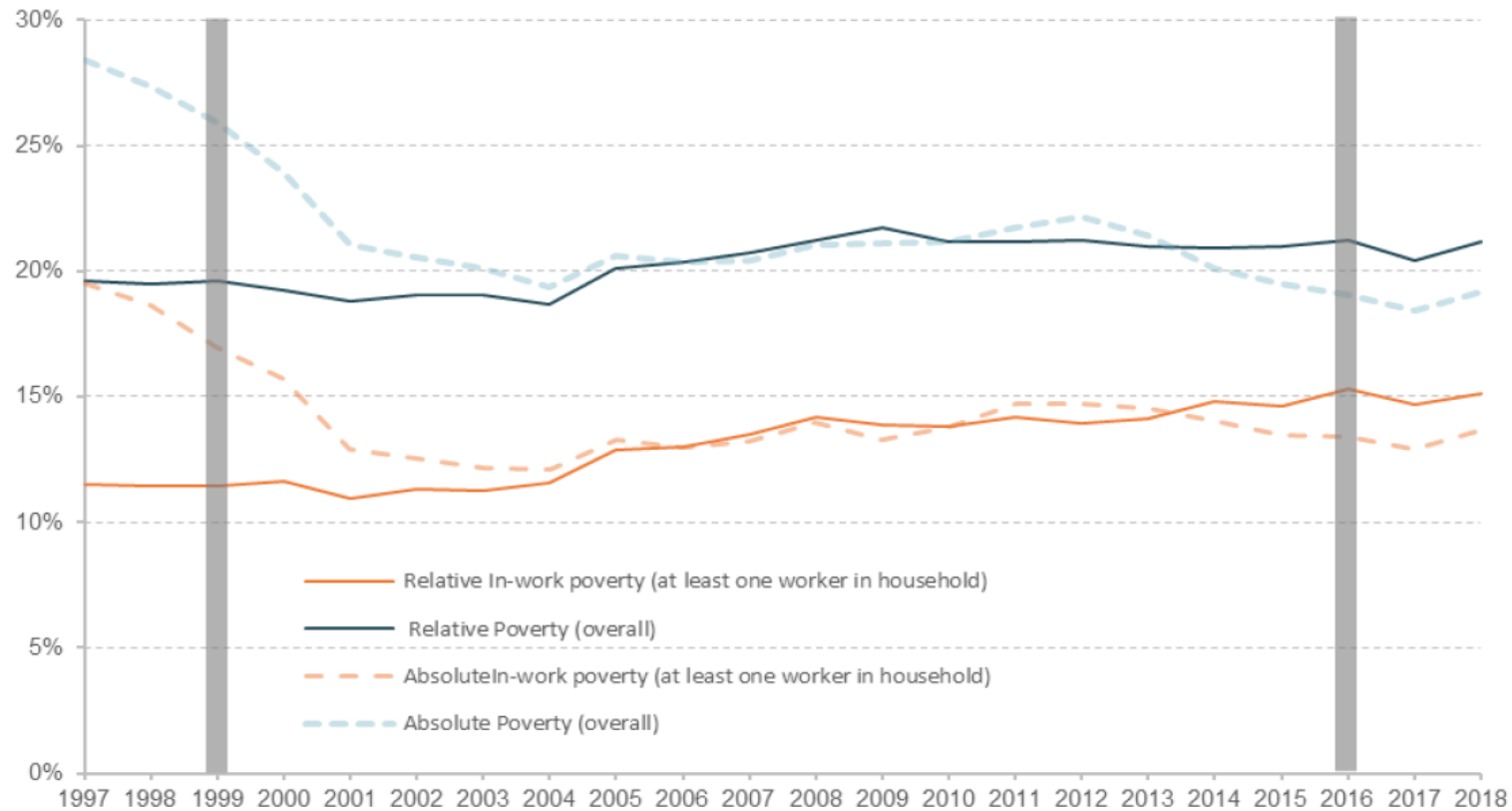
Figure 2: Distribution of UK hourly earnings before and after national wage floor implementation



Source: L&W analysis of Annual Survey of Hours and Earnings

The impact of the minimum wage

Figure 3: Proportion of UK households in poverty



Source: L&W analysis of Family Resource Survey

The plan



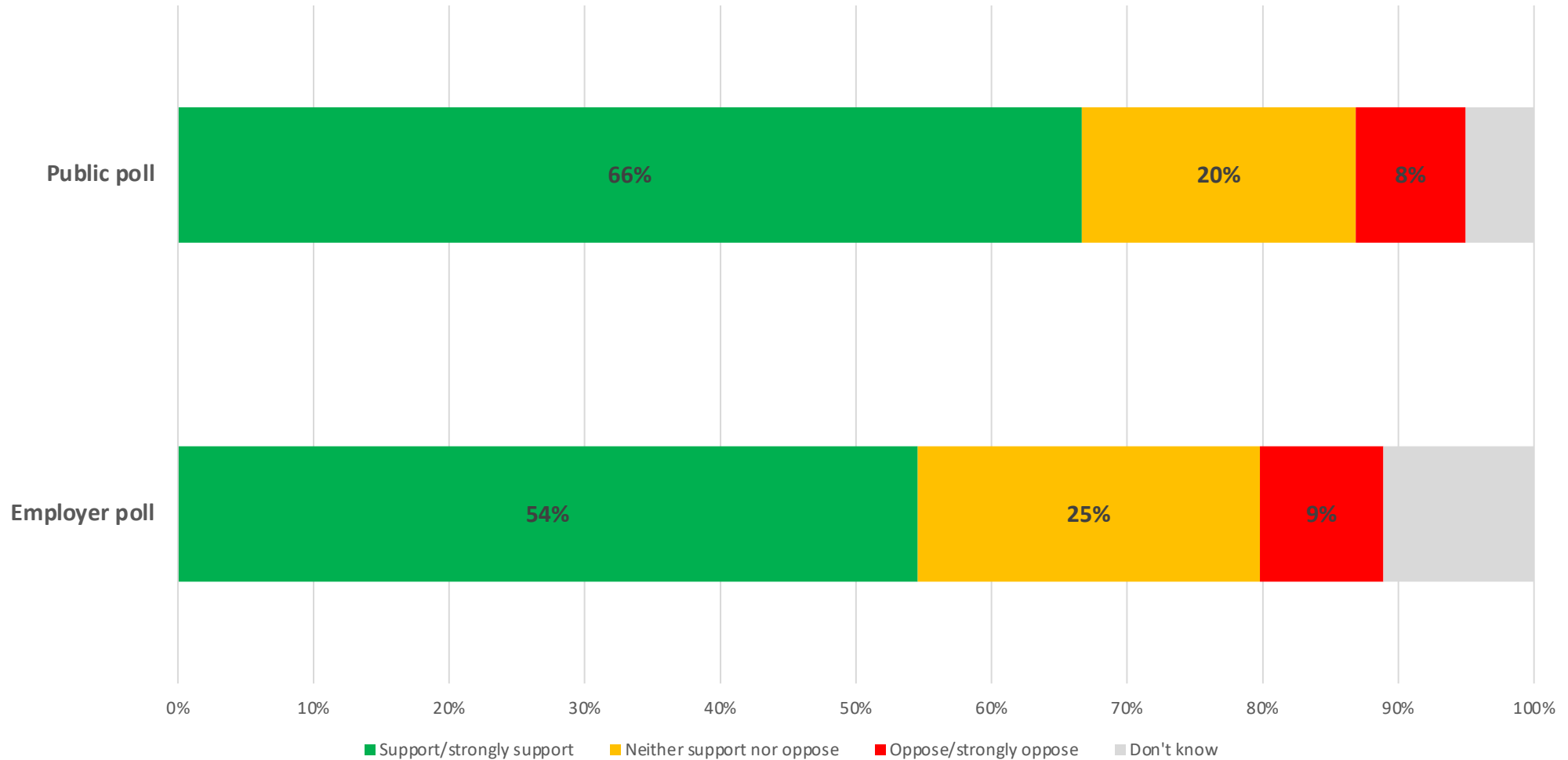
“Over the next five years, we will make the UK one of the first major economies in the world to end low pay altogether.

To do that, I am setting a new target for the National Living Wage; raising it to match two-thirds of median earnings.

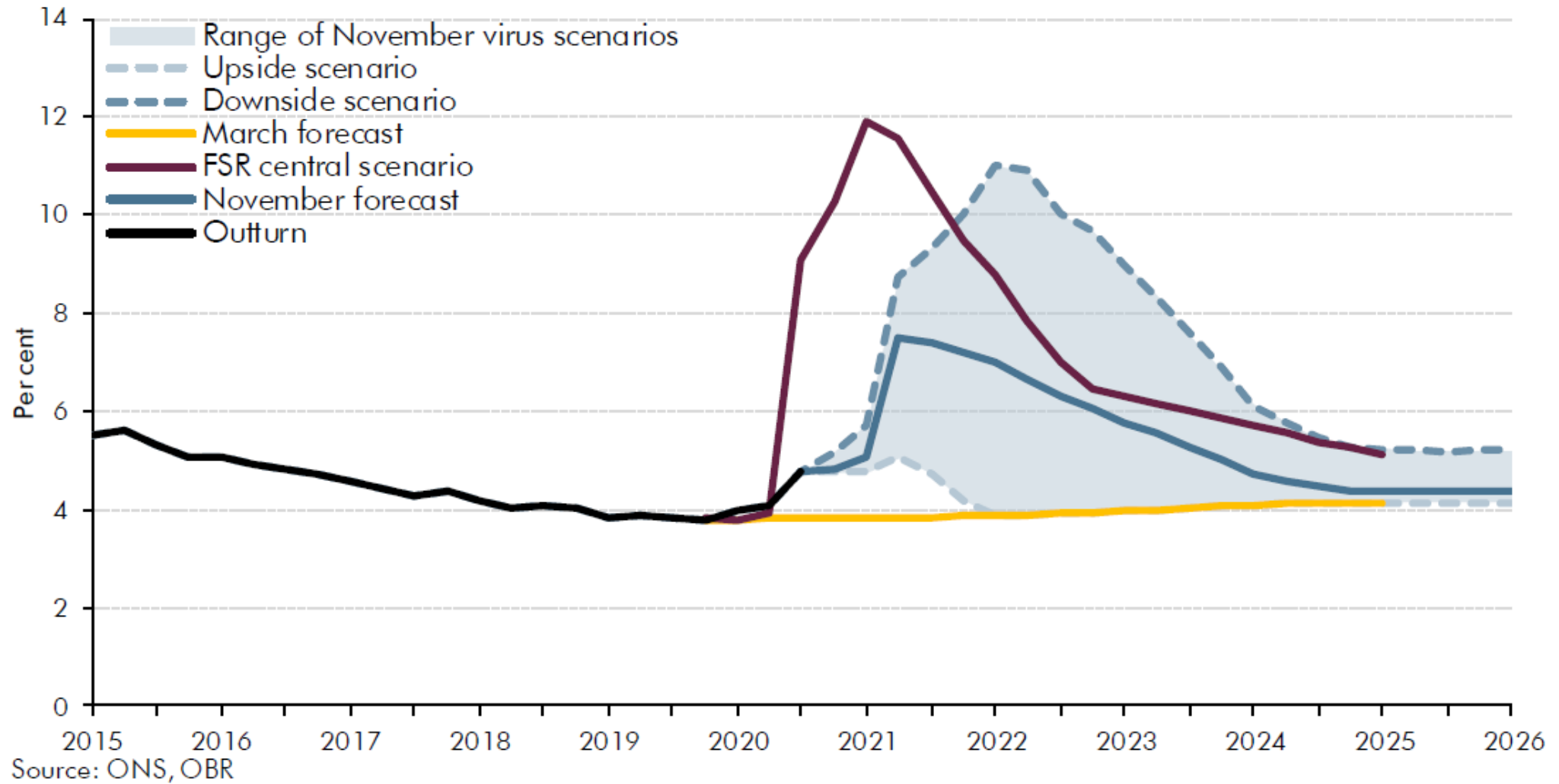
That means, on current forecasts, this ambitious plan will bring the National Living Wage up to £10.50. Giving four million people a well-earned pay rise.”

Sajid Javid MP, September 2019

Public and employer support



The context



Delivering a higher minimum wage

- Maintain commitment to 2/3 median pay
- Retain role of LPC
- Temporarily reduce/re-balance ENICs
- Support good work and progression

Delivering a higher minimum wage

- Boost employer investment in skills
- Ramp up enforcement to tackle underpayment
- Ensure sufficient social security support



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