

# EMPLOYEE JOBS PAID BELOW THE LIVING WAGE: 2022

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# 1 ACKNOWLEDGEMENTS AND DATA SOURCES

This report has been produced by the Living Wage Foundation, using published data from the Office for National Statistics' (ONS) Annual Survey for Hours and Earnings (ASHE). The methodology section at the end of this report sets out how the data was used to produce the results presented here.

This is the eleventh annual update on employee jobs paid below the Living Wage and the third produced by Living Wage Foundation. Previous reports have been produced by KPMG and IHS Markit,<sup>1</sup> and this report draws on the analysis and approaches in those reports.

# 2 SUMMARY



The real Living Wage is the only UK wage rate calculated based on what it costs to live. This report explores the number and proportion of employee jobs paid below the Living Wage according to the UK's best earnings data – Annual Survey of Hours and Earnings (ASHE) from the Office for National Statistics (ONS) – in order to assess the incidence of low pay, and trends across groups and over time.

**The latest ASHE data relates to below Living Wage jobs collated in April 2022, when the Living Wage rates were £9.90 across the UK and £11.05 in London.** The Living Wage rates were calculated in October 2021, and at the time represented an increase of 4.21 per cent for the UK and 1.84 per cent for London compared to the year prior.

This year's ASHE data shows a sharp decline in both the number and percentage of low paid jobs. This can partially be attributed to the fact

that the cost-of-living has increased dramatically over the course of the past year, and the Living Wage rates used in the analysis were calculated in October 2021 before the cost-of-living crisis began to take shape. As such, while the rates were in line with inflation at the time, unforeseen circumstances (such as the war in Ukraine), saw inflation skyrocket, and while wages have not kept pace with inflation, rising living costs, alongside a tight labour market, have driven wages upwards, pushing more workers above the rates set in October 2021. Additionally, when the data was collected in April 2022, it coincided with a large increase to the government's minimum wage – the 'National Living Wage', which rose to £9.50. While these were still below the real Living Wage rates at the time (£9.90 outside London and £11.05 in London), this sharp increase would have had ripple effects up the earnings distribution and pushed more workers above the Living Wage threshold.

This context should be considered when making interpretations of the data on the declining scale of low pay. It should also be noted that the new Living Wage rates for 2022–23 announced in September 2022, increased by the largest recorded amount in a single year (from £11.05 to £11.95 in London – an 8.1 per cent increase, and from £9.90 to £10.90 outside London – a 10.1 per cent increase). These increases reflect the sharp rise in living costs seen over the past year.

In order to factor the sharp increase to this year's Living Wage rates into this analysis, we have also developed a forecast of the number and proportion of low paid jobs for the year 2023. This is the first time we have used the newly announced Living Wage rates in our analysis. However, with both inflation and the Living Wage rates increasing dramatically over the past year, it was necessary. The forecast applies the newly announced Living Wage

rates and recent projections for wage growth this year to the ASHE data, adjusted across the earnings distribution for differential wage growth seen in recent PAYE-RTI data and expectations for next year's minimum wage increase. The forecast model suggests that this decline in low paid jobs is a blip rather than a sustained trend. With current levels of projected wage growth being around 6 per cent, and therefore lagging behind the growth in the Living Wage rates (8.1 and 10.1 per cent respectively).

Our analysis finds that:

- 12.2 per cent of employee jobs in the UK (3.5 million jobs) were paid below the Living Wage in April 2022, compared with 17.1 per cent (4.8 million employee jobs) in April 2021. This is the lowest it has been since April 2012, when the figures were first recorded.

## SUMMARY

- However, with wages lagging behind inflation and the cost-of-living crisis expected to continue, our forecast indicates that both figures will climb next year. The forecast projects that 18.5 per cent of jobs will be paid less than the Living Wage in 2023 (amounting to 5.1 million jobs in total).
- In April 2022, the regions with the highest proportion of jobs paid below the Living Wage are Yorkshire and the Humber (15.8 per cent), followed by the North East (14.8 per cent) and Northern Ireland (14.6 per cent). This is the first time since 2012 that a region other than Northern Ireland has had the highest proportion of below Living Wage jobs.
- The regions with the lowest proportion of jobs paid below the Living Wage are Scotland (9.0 per cent) and the South East (9.3 per cent). This is a slight reversal of the picture in April 2021, when the South East has the lowest proportion, followed by Scotland.
- 14.6 per cent of jobs held by women were paid below the Living Wage, compared to 9.9 per cent of jobs held by men. The gap in the proportion of low paid jobs between men and women (at 4.7 percentage points) is the narrowest it has ever been, and less than half of what it was in 2012. However, jobs held by women still account for the majority (59.4 per cent) of all low paid jobs.
- Part time jobs (26.3 per cent) continue to be more likely paid below the Living Wage in April 2022 than full time jobs (7.0 per cent). This gap has also been narrowing over the decade (with the exception of 2021–22 where there was a slight increase). Consequently, the gap has declined by almost 10 percentage points since 2012.
- The hospitality sector ('Accommodation and food services') has the highest proportion of jobs paid below the Living Wage (48.5 per cent), followed by 'Arts, entertainment and recreation' (24.4 per cent), and 'Wholesale and retail' (22.1 per cent). For all of these sectors, the proportion of low paid jobs are lower than they were in 2021.
- As the 'Wholesale and retail' sector is much larger than the 'Accommodation and food services' and 'Arts, entertainment and recreation' sectors, it accounts for the largest number of below Living Wage jobs (822,000).

# 3

# INTRODUCTION



The real Living Wage is independently calculated based on what it costs to live. There is a rate for the UK and a higher rate for employees working in London, reflecting the higher living costs in the capital. The Living Wage is paid voluntarily by over 11,000 employers who go beyond the government minimum and do right by workers and their families. Over £2 billion has gone into the pockets of low paid workers as a result of the real Living Wage movement.

**This report looks at the number and proportion of below Living Wage jobs collated in April 2022, when the Living Wage rates were £11.05 in London and £9.90 across the rest of the UK.** The rates are calculated annually by the Resolution Foundation based on a social consensus of what people need for a decent standard of living and to participate fully in society.<sup>2</sup> The calculation is overseen by the Living Wage Commission. At the

time the data was collected, the UK minimum wage for people aged 25 and over (introduced in 2016 and known as the ‘National Living Wage’) was **£9.50** as of April 2022, while the National Minimum Wage was **£9.18** for those aged 21-22, **£6.83** for those aged 18-20, **£4.81** for those under 18 and/or Apprentices.

This report is based on analysis of the Annual Survey of Hours and Earnings (ASHE) dataset from the Office for National Statistics (ONS) – the most comprehensive source on earnings among UK employees. We present results over time and disaggregated by region (and other geographies), gender, hours, industry and occupation. The methodology section at the end of this report provides details on the approach taken.

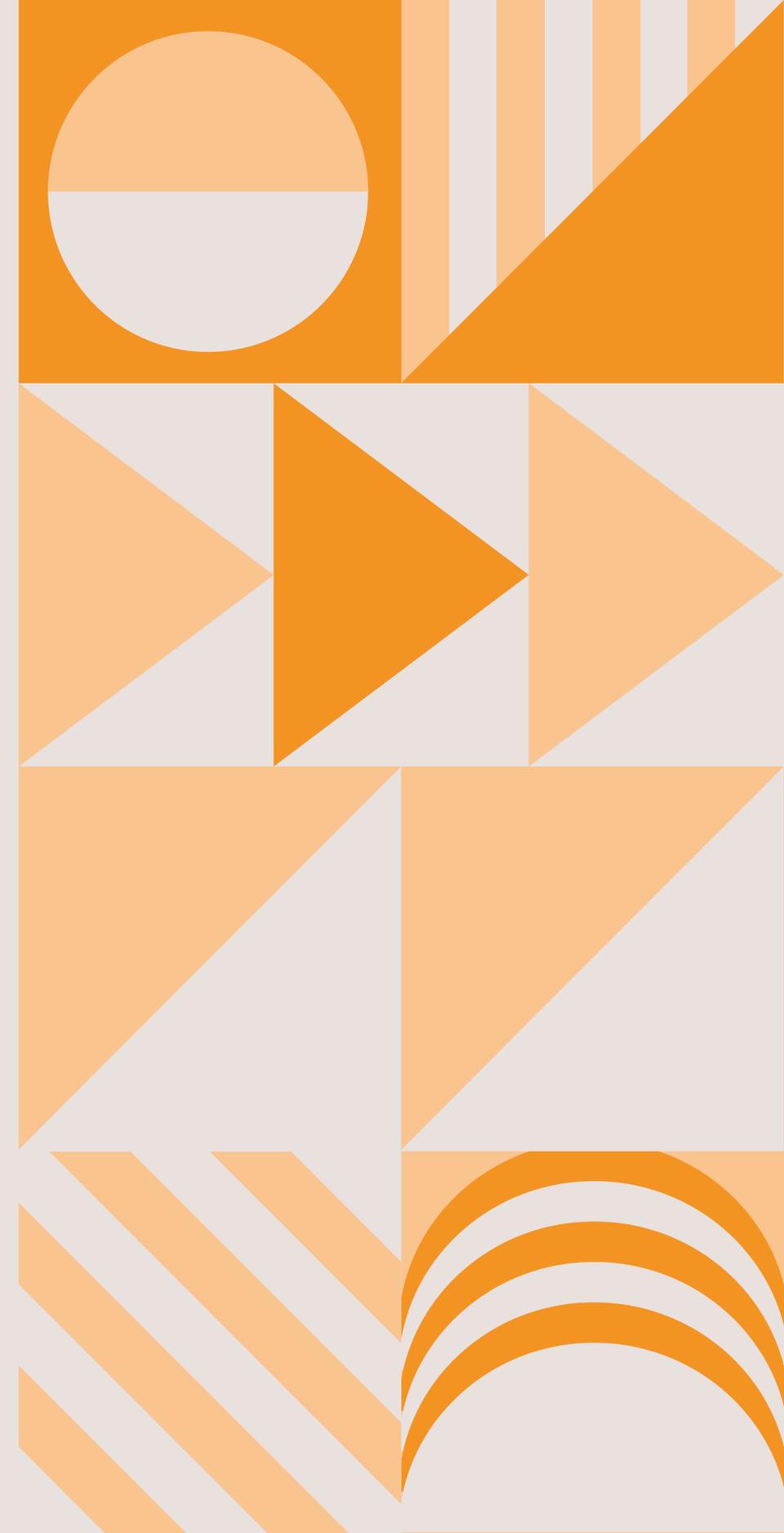
The report also contains a forecast of the number and proportion of low paid jobs for next year. As mentioned above, the forecast uses projected

levels of wage growth – using Bank of England (BoE)<sup>3</sup> and His Majesty’s Treasury (HMT)<sup>4</sup> projections, and applies that to this year’s ASHE data. The projection is then adjusted across the earnings distribution to account for the different levels of wage growth across earnings deciles, using the PAYE-RTI data. When it comes to the adjustment across earnings deciles, the only exception is the lowest earning decile in the ASHE data (10th percentile), which is generated using projections for the National Living Wage for 2023. Through this method, we are able to project earnings growth across the earnings deciles using central wage growth estimates, whilst also allowing for differential wage growth across the earnings distribution.

It is important to note that the forecast, while an appropriate and robust use of available data, should be treated with caution, and seen as an indicative projection for hourly wage growth over the forthcoming year

and how that may interact with the Living Wage, as opposed to a finite or precise prediction. More details about our approach can be found in the methodology section.

THE INCIDENCE OF  
EMPLOYEE JOBS PAID  
BELOW THE LIVING WAGE  
AND TRENDS OVER TIME



## THE INCIDENCE OF EMPLOYEE JOBS PAID BELOW THE LIVING WAGE AND TRENDS OVER TIME

### OVERALL TRENDS

As of April 2022, 12.2 per cent of all employee jobs in the UK (3.5 million jobs) were paid less than the Living Wage in, compared to 17.1 per cent (4.8 million jobs) in April 2021. Table 1 and Figure 1 show these trends and put them in the context of changes since 2012. The key takeaway is that 2022 saw a substantial drop in below Living Wage jobs, falling by 4.9 percentage points since April 2021 – the largest recorded drop in a single year. This is also the second year in a row that the proportion of low paid jobs has fallen.

However, our forecast would suggest that this drop in low paid jobs is set to end next year, with the figure projected to return to more regular territory by 2023. The forecast, using the current estimates for both wage and jobs growth, projects that 5.1 million jobs will be paid less than the Living Wage rates as of April

2023 (£11.95 in London and £10.90 in the rest of the UK). This will mean around a fifth (18.5 per cent) of all employee jobs will be low paid. These figures are outlined in Table 1 and Figure 1 (italicised in Table 1 and faded in Figure 1 to reflect that they are forecasted).

This would suggest that the large decline in low paid jobs recorded this year is a temporary blip, as opposed to the start of a period of unusually low levels of below Living Wage pay. That said, while the forecast is informed by the latest available data on wage growth across the earnings gradient, and scaled to BoE and HMT forecasts for median wage growth, it is still a forecast. We therefore encourage that caution be applied when interpreting these findings.

That being said, it is worth discussing the key drivers of the decline in low paid jobs this year, and why current data suggests this to be a temporary

## Table 1: Employee jobs paid below the Living Wage: UK

Year	Jobs (000s)	Median hourly wage (nominal)	UK Living Wage	London Living Wage	Number of jobs below Living Wage (000s)	Proportion of jobs below Living Wage
April 2012	24,203	£11.28	£7.20	£8.30	4,805	19.9%
April 2013	24,575	£11.59	£7.45	£8.55	5,151	21.0%
April 2014	25,036	£11.61	£7.65	£8.80	5,644	22.5%
April 2015	25,997	£11.78	£7.85	£9.15	6,162	22.8%
April 2016	25,758	£12.16	£8.25	£9.40	6,224	23.2%
April 2017	26,241	£12.47	£8.45	£9.75	6,023	22.2%
April 2018	26,424	£12.77	£8.75	£10.20	6,297	22.9%
April 2019	26,703	£13.28	£9.00	£10.55	5,540	20.0%
April 2020	25,910	£13.71	£9.30	£10.75	5,448	20.2%
April 2021	27,111	£14.12	£9.50	£10.85	4,779	17.1%
April 2022	27,500	£14.77	£9.90	£11.05	3,495	12.2%
<i>April 2023</i>	<i>27,558</i>	<i>£15.64</i>	<i>£10.90</i>	<i>£11.95</i>	<i>5,109</i>	<i>18.5%</i>

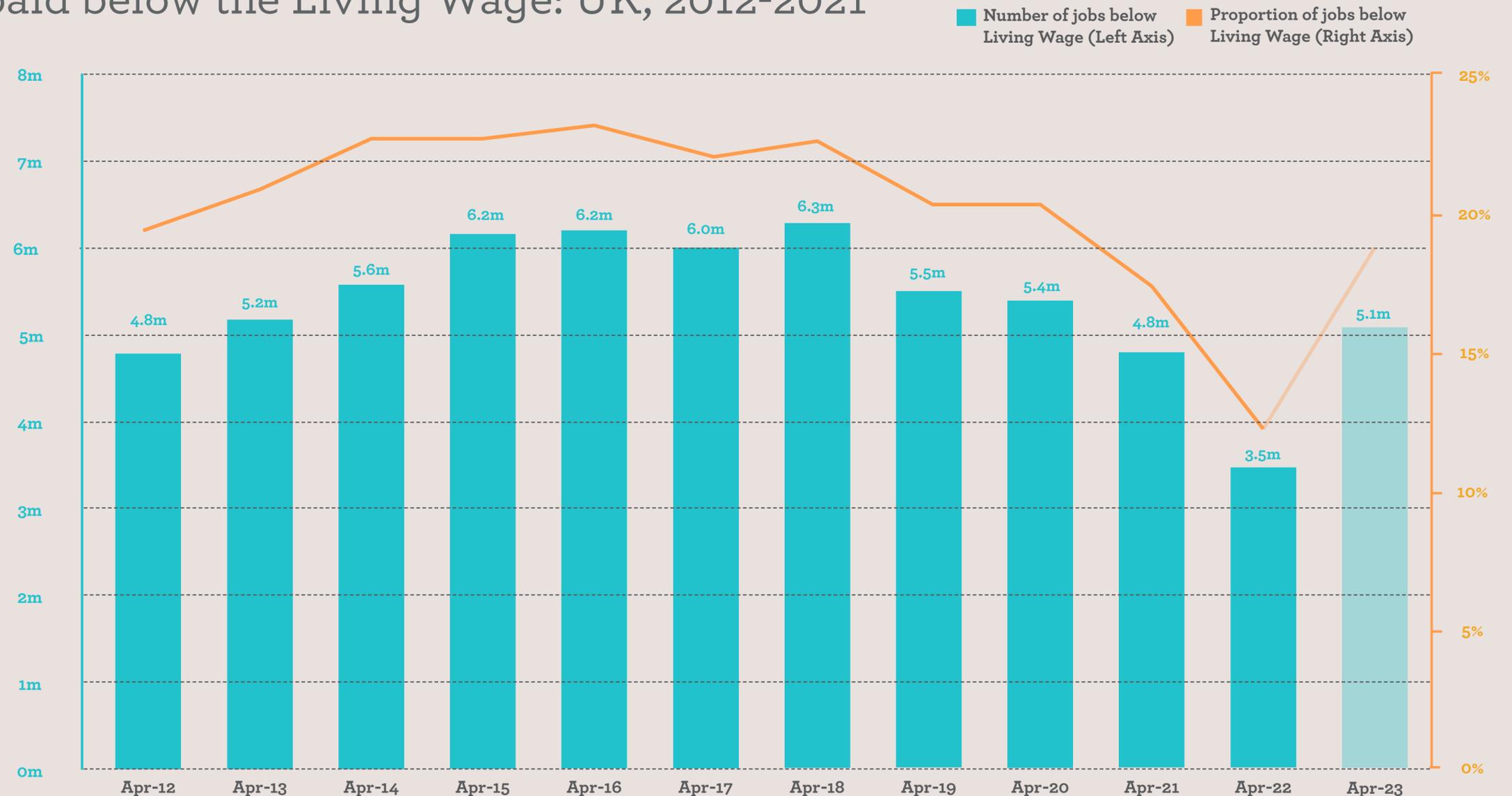
**Notes:** Data for April 2022 is provisional. The number and proportion of jobs paid below the Living Wage has been published by ONS for 2015 onwards; figures for 2012-14 are estimated from published ONS tables by the Living Wage Foundation. Data for 2023 is forecasted. The forecast uses data from ONS PAYE-RTI data, and forecasts from Bank of England and HMT. See the methodology section for further details.  
**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

## THE INCIDENCE OF EMPLOYEE JOBS PAID BELOW THE LIVING WAGE AND TRENDS OVER TIME

**Figure 1: Employee jobs paid below the Living Wage: UK, 2012-2021**  
(including forecast for 2023)

phenomenon. On the one hand, the decline in low paid jobs is a reflection of the sharp increase of the ‘National Living Wage’ (raising to £9.50 an hour as of April 2022). Increases to the wage floor drives up wages both for those on the minimum wage (i.e., the direct beneficiaries) and those slightly further up the income distribution (the indirect beneficiaries), with employers maintaining wage differentials between members of staff, and therefore having to raise wages for those earning above the ‘National Living Wage’. This year’s ASHE data suggests there have been a large number of indirect beneficiaries, many of whom have been pushed over the Living Wage threshold as a result.

Similarly, this year has seen record growth in businesses becoming



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**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings; ONS PAYE-RTI.

## THE INCIDENCE OF EMPLOYEE JOBS PAID BELOW THE LIVING WAGE AND TRENDS OVER TIME

accredited as Living Wage employers, with 2,407 accreditations and 68,388 uplifts between January – September 2022, up from 1,887 accreditations and 31,729 uplifts the year before. Overall, almost 400,000 employees throughout the UK have been uplifted due to Living Wage accreditation and continue to do so with the rates increasing annually. It is not unrealistic to suggest that Living Wage rates have made their mark on ONS statistics, with 1 in 10 employees now working for an accredited Living Wage Employer. Further to this, that is without mentioning the UK employers who peg to our rates without officially accrediting. This includes many of the major supermarkets in the UK – with the sector employing almost 1m UK employees.<sup>5</sup>

Nevertheless, much has changed since this data was collected in April 2022, particularly with regards to inflation and real wage growth. The Consumer Price Index (CPI) has remained elevated, hitting 9.0

percentage points in April 2022 and not falling underneath it since.<sup>6</sup> Meanwhile, wages have not kept pace. In fact, in real terms (i.e., accounting for inflation), total pay has declined through most of 2022, with data up to September 2022 showing a fall of 2.6 per cent in regular pay in 2022.<sup>7</sup> This is despite nominal wage growth (i.e., not accounting for inflation), being relatively strong, and forecasted to remain close to 6 per cent, at least for the remainder of 2022,<sup>8</sup> and possibly into the new year.<sup>9</sup>

The real Living Wage rates, which unlike other wage floors (and wages more broadly) are directly connected to actual living costs, have increased by record amounts due to high levels of inflation this year (from £11.05 to £11.95 in London – an 8.1 per cent increase, and from £9.90 to £10.90 outside London – a 10.1 per cent increase). As such, the decline in jobs paid below the Living Wage – which is rooted in living costs – is not expected to decline further with

wages not keeping up with inflation, and more workers falling underneath the real Living Wage rates as a result. This year therefore appears to show a temporary reprieve in low paid jobs, before the cost-of-living crisis starts to manifest in the ONS' ASHE data, as reflected in our forecast.

### REGION, NATION AND LOCAL AUTHORITY

Table 3, Table 4 and Table 5 in the data tables section of this report summarise the latest data and trends over time in the number and proportion of jobs paid below the Living Wage across the regions and nations of the UK.

These trends are summarised in Figure 2, which shows that Yorkshire and the Humber has taken over Northern Ireland as having the highest proportion of employee jobs below the Living Wage (15.8 per cent). Prior to this year, Northern Ireland has consistently had the

## THE INCIDENCE OF EMPLOYEE JOBS PAID BELOW THE LIVING WAGE AND TRENDS OVER TIME

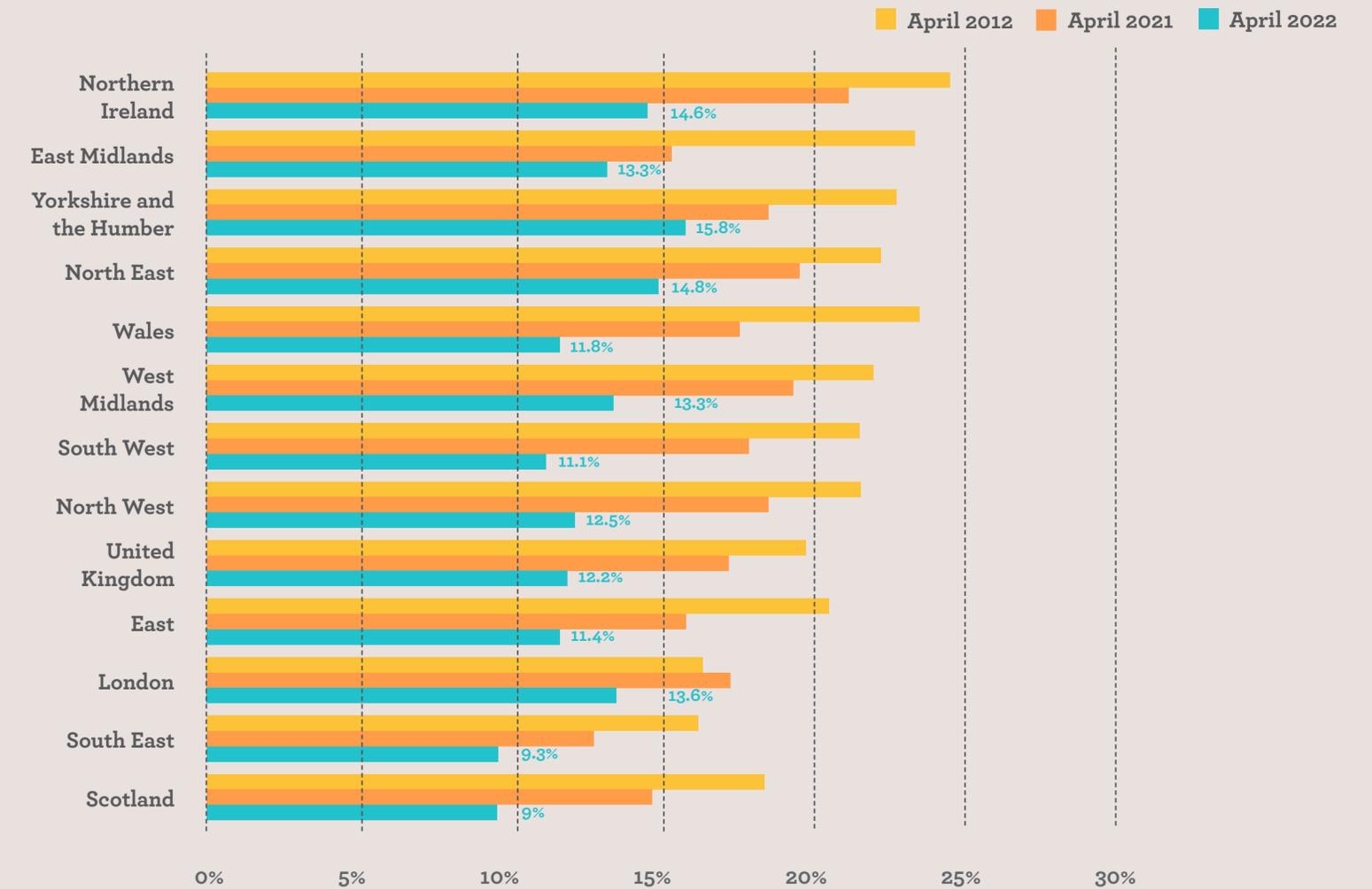
highest proportion of employee jobs paid below the Living Wage through the decade. Other regions with above average levels of jobs paid below the Living Wage include the North East (14.8 per cent), Northern Ireland (14.6 per cent), London (13.6 per cent) and the East Midlands and the West Midlands respectively (both 13.3 per cent).

This is the first year that London's rate has been above the rate for the UK since 2012. Albeit, the scale of low pay in London has still gone down, but not quite by as much as seen across the UK as a whole (3.5 percentage points compared to 4.9 percentage points). This is broadly in sync with the annual wage growth seen in London compared to the rest of the UK. According to the ASHE data, median pay increased by 3.7 per cent in London between April 2021 and April 2022, compared to 4.7 per cent for the UK as a whole.

In contrast, regions with low proportions of below Living Wage pay are Scotland (9.0 per cent) and the South East (9.3 per cent). The proportion of below Living Wage jobs in both the East Midlands and the South West saw the largest drop of all UK regions from 2021 – 2022 – a decrease of 6.9 percentage points for both regions (from 20.2 per cent to 13.3 per cent for the East Midlands, and from 18.0 per cent to 11.1 per cent for the South West). Taking a longer view, Wales has seen the highest drop of all the UK regions since 2012 – a decrease of 11.3 percentage points, from 23.1 per cent in 2012 to 11.8 per cent in 2022.

Employee jobs paid below the Living Wage can also be assessed across local authorities, metropolitan counties and parliamentary constituencies (apart from Northern Ireland). The 25 local authorities with the highest proportions of employee jobs paid below the Living

### Figure 2: Employee jobs paid below the Living Wage, by region in selected years



**Notes:** Data for April 2022 is provisional. The number and proportion of jobs paid below the Living Wage has been published by ONS for 2015 onwards; figures for 2012-14 are estimated from published ONS tables by the Living Wage Foundation. See the methodology section for further details.  
**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

## THE INCIDENCE OF EMPLOYEE JOBS PAID BELOW THE LIVING WAGE AND TRENDS OVER TIME

Wage are shown in Table 7 in the data tables section of this report. This data refers to the jobs located in each local authority (rather than the employees who live there).

A key standout this year is that all five of the worst impacted local authorities are London Boroughs: Haringey (34.2 per cent), Bexley (33.1 per cent), Redbridge (31.9 per cent), Waltham Forest (30.4 per cent) and Harrow (29.8 per cent). This is not completely out of sync with previous year's data, with outer London in particular being host to many of the below Living Wage 'hotspots' in the UK. Albeit, this is the first time that all five of the worst impacted local authorities are in London. Similarly, this year, eight of the top ten most impacted local authorities are in London, while London Boroughs account for 11 of the top 25 most impacted local authorities. Outside London, other areas with a high incidence of low pay include South Staffordshire in the West Midlands

(25.9 per cent) and Redcar and Cleveland in the North East (24.0 per cent).

### GENDER AND WORKING HOURS

Table 3, Table 4 and Table 6 in the data tables section of this report summarise the latest data and trends over time in the number and proportion of jobs paid below the Living Wage by gender and full time/part time hours. These trends are summarised in Figure 3. This shows that part time jobs were much more likely to be paid below the Living Wage than full time jobs in April 2022 – 26.3 per cent of part time jobs, compared to 7.0 per cent of full time jobs. Broadly speaking, the gap has been narrowing over the past ten years. In April 2012, the gulf stood at 29.1 percentage points, compared to 19.3 percentage points in April 2022.

A strikingly similar trend can be seen between jobs held by men compared

to those held by women over the past decade, as also outlined in Figure 3. In April 2022, jobs held by women (14.6 per cent) were more likely to be paid below the Living Wage than those held by men (9.9 per cent). Once again, the trend is one of closer convergence over the past decade – with a percentage point difference of 9.8 in April 2012 compared to 4.7 in April 2022.

The greater convergence between both men and women, and full time and part time jobs, can be partially attributed to the rising wage floors over the decade disproportionately benefitting both women and part time workers. As a result of these roles being more likely to be low paid in the first place, raising the wage floor – and its ripple effects up the earnings distribution – has nudged more of these workers above the Living Wage threshold over the last decade. Nevertheless, 58.0 per cent of below Living Wage jobs were part time (2.0 million jobs) and 59.4 per cent (2.1 million jobs) were held by

women, showing that these workers are still over-represented when it comes to earning below the Living Wage.

A slight outlier is that part time jobs held by men are more likely to be low paid than part time jobs held by women (31.2 per cent compared to 24.5 per cent respectively in 2022). But this is in the context of the majority (72.4 per cent) of all part time jobs being held by women, meaning that the number of part time jobs paid below the Living Wage held by women (1.4 million) is more than 2 times higher than the number of part time jobs paid below the Living Wage held by men (648,000). Furthermore, over a third (39.6 per cent) of all employee jobs paid below the Living Wage in April 2022 were part time jobs held by women.

Table 3 and Table 4 in the data tables section of this report show the latest data on below Living Wage employee jobs disaggregated

## THE INCIDENCE OF EMPLOYEE JOBS PAID BELOW THE LIVING WAGE AND TRENDS OVER TIME

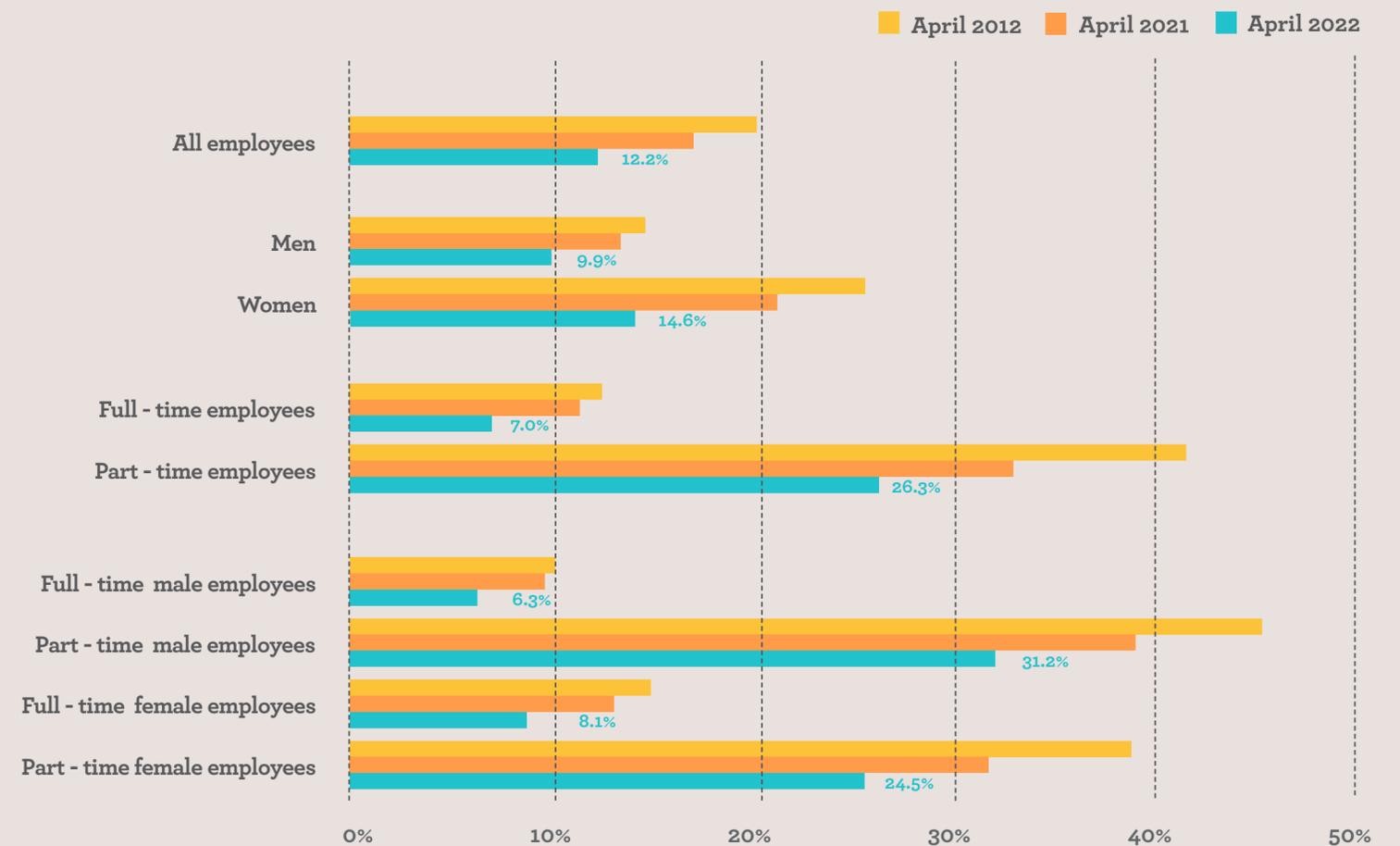
by gender, hours and region or nation. Broadly speaking, when it comes to the differences between men and women and full time and part time workers, regions of the UK tend to mirror the picture seen across the UK. Despite that, London stands out when it comes to hours. London has by far the highest proportion of part time jobs paid below the Living Wage of any region or nation (38.1 per cent, compared to 26.3 per cent across the UK). This is a gap that has grown over the past decade – standing at 2.3 percentage points in April 2012 compared to 11.8 percentage points in April 2022. A key reason for this is that unlike for the rest of the UK, increases to the UK Minimum/Living Wage have not been as impactful in nudging London’s part time workers above the London Living Wage threshold, with the UK Minimum/Living Wage not accounting for the higher cost of living in the capital, unlike the real Living Wage.

### INDUSTRY

Table 8 in the data tables section of this report summarise the latest data on the number and proportion of jobs paid below the Living Wage by industry. Figure 4 provides this summary for industries with above-average rates of below Living Wage pay. Figure 4 shows that the hospitality (‘Accommodation and food services’) sector had by far the highest proportion of jobs paid below the Living Wage as of April 2022 (48.5 per cent). Nevertheless, it is also the hospitality sector which shows the biggest drop in the proportion of jobs paid below the Living Wage between 2021 and 2022, a decrease of 20.7 percentage points.

The next highest is the ‘Arts, entertainment and recreation’ sector, at 24.4 per cent, followed by the ‘Wholesale and retail’ sector at 22.1 per cent. However, because the ‘Wholesale and retail’ sector is larger in terms of the number of jobs, it accounts for the largest number of below Living Wage jobs (822,000)

**Figure 3: Employee jobs paid below the Living Wage, by gender and hours in selected years: UK**



**Notes:** Data for April 2022 is provisional. The number and proportion of jobs paid below the Living Wage has been published by ONS for 2015 onwards; figures for 2012-14 are estimated from published ONS tables by the Living Wage Foundation. See the methodology section for further details.  
**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

## THE INCIDENCE OF EMPLOYEE JOBS PAID BELOW THE LIVING WAGE AND TRENDS OVER TIME

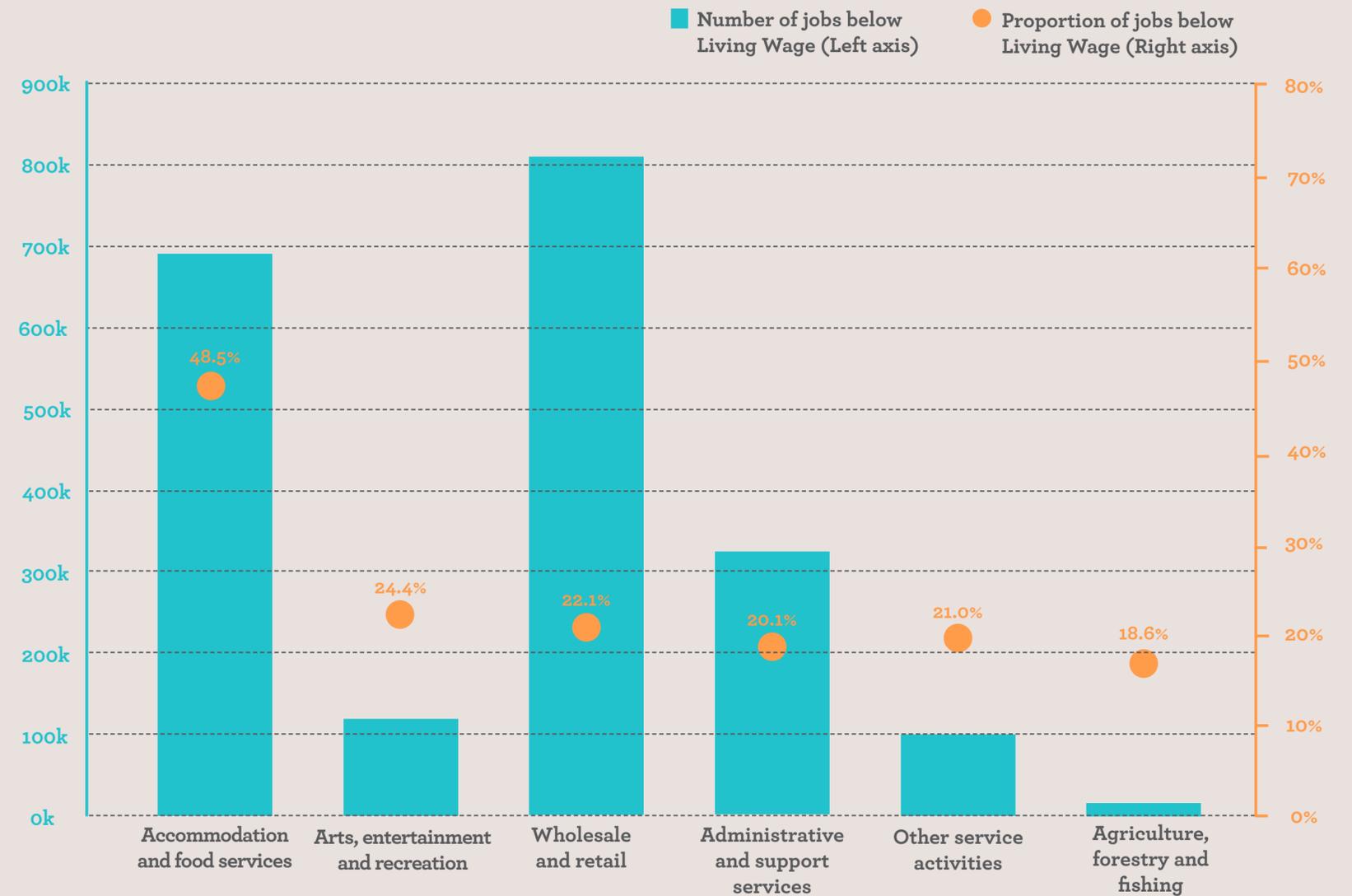
despite having a lower percentage than both ‘Accommodation and food services’ and the ‘Arts, entertainment and recreation’ sectors.

Compared to last year, all sectors experienced a decrease in the proportion of jobs being paid below the Living Wage, perhaps unsurprisingly given the scale of the drop seen across the wider economy. Nonetheless, this has been shared unevenly among industries, with those with a higher proportion of low paid jobs typically seeing larger decreases. For example, the hospitality sector experienced a significant decrease of 20.7 percentage points from April 2021–22, the largest drop across all UK sectors, while the ‘Arts, entertainment and recreation’ sector also experienced a notable drop of 9.2 percentage points.

Drilling down to a more specific industry definition, we find a particularly high proportion of jobs paid below the Living Wage in ‘Food

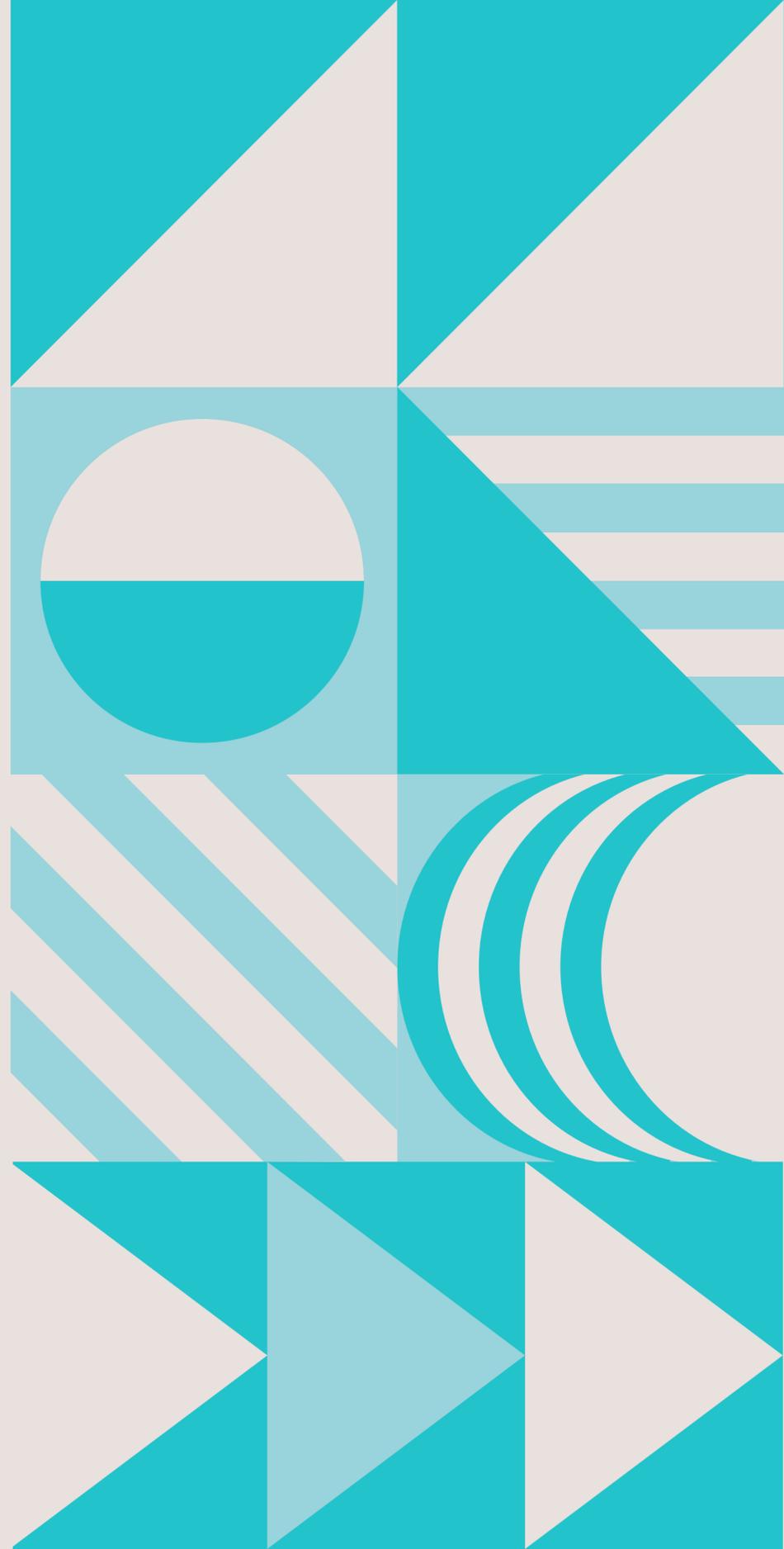
and beverage services’ sector, where more than half (53.5 per cent) are low paid. This is followed by ‘Services to building and landscape’ (e.g., cleaning and facilities management - 35.9 per cent); ‘Other personal service activities’ (e.g., hairdressing and beauty therapy - 35.1 per cent) and ‘Sports, amusement and recreation activities’ (29.8 per cent).

**Figure 4:** Employee jobs paid below the Living Wage in industries with above-average below Living Wage rates (one-digit SIC): April 2022, UK



**Notes:** Data for April 2022 is provisional. See the methodology section for further details.  
**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

# DATA TABLES



**Table 2:**  
Employee jobs paid below the Living Wage, by region and gender: April 2022 (unless otherwise stated)

**Notes:** Data for April 2022 is provisional. See the methodology section for further details.  
**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

All employees	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2022	April 2021	2021-2022 change	April 2022	April 2021	2021-2022 change
North East	1,011	£13.37	£16.54	155	187	-32	14.8%	19.5%	-4.7ppts
North West	2,830	£13.87	£17.40	367	538	-171	12.5%	18.6%	-6.1ppts
Yorkshire and the Humber	2,232	£13.16	£16.66	368	409	-41	15.8%	18.4%	-2.6ppts
East Midlands	1,815	£13.47	£16.74	251	379	-128	13.3%	20.2%	-6.9ppts
West Midlands	2,275	£14.01	£17.47	316	436	-120	13.3%	19.4%	-6.1ppts
East	2,419	£14.47	£18.00	288	391	-103	11.4%	15.6%	-4.2ppts
London	4,075	£19.44	£24.82	575	697	-122	13.6%	17.1%	-3.5ppts
South East	3,878	£15.38	£19.07	374	531	-157	9.3%	12.7%	-3.4ppts
South West	2,255	£14.20	£17.34	258	423	-165	11.1%	18.0%	-6.9ppts
Wales	1,175	£13.89	£16.62	144	220	-76	11.8%	17.8%	-6.0ppts
Scotland	2,371	£15.03	£18.23	221	335	-114	9.0%	14.5%	-5.5ppts
Northern Ireland	1,165	£13.50	£17.05	178	235	-57	14.6%	21.1%	-6.5ppts
United Kingdom	27,500	£14.77	£18.71	3,495	4,779	-1284	12.2%	17.1%	-4.9ppts
Men	Employee Jobs (000s)	Median Wage	Mean Wage	April 2022	April 2021	2021-2022 change	April 2022	April 2021	2021-2022 change
North East	486	£14.41	£17.32	62	76	-14	12.5%	16.3%	-3.8ppts
North West	1,411	£14.92	£18.49	147	220	-73	10.1%	15.5%	-5.4ppts
Yorkshire and the Humber	1,133	£14.45	£17.83	139	154	-15	11.8%	13.9%	-2.1ppts
East Midlands	923	£14.80	£17.72	91	148	-57	9.6%	15.3%	-5.7ppts
West Midlands	1,172	£15.33	£18.57	128	179	-51	10.6%	15.3%	-4.7ppts
East	1,226	£15.66	£19.15	119	158	-39	9.4%	12.8%	-3.4ppts
Continues ▾	▾	▾	▾	▾	▾	▾	▾	▾	▾

**Table 2:**  
Employee jobs paid below the Living Wage, by region and gender: April 2022 (unless otherwise stated)

**Notes:** Data for April 2022 is provisional. See the methodology section for further details.  
**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2022	April 2021	2021-2022 change	April 2022	April 2021	2021-2022 change
<b>Men (cont.)</b>									
London	2,145	£20.81	£26.98	258	299	-41	11.7%	14.3%	-2.6ppts
South East	2,002	£16.92	£20.44	143	200	-57	7.0%	9.5%	-2.5ppts
South West	1,152	£15.34	£18.36	106	171	-65	8.9%	14.9%	-6.0ppts
Wales	569	£14.83	£17.34	62	88	-26	10.6%	15.0%	-4.4ppts
Scotland	1,111	£16.18	£19.26	86	134	-48	7.5%	12.6%	-5.1ppts
Northern Ireland	577	£14.10	£17.65	76	101	-25	12.6%	18.6%	-6.0ppts
United Kingdom	13,905	£16.01	£19.95	1,418	1,927	-509	9.9%	13.9%	-4.0ppts
<b>Women</b>									
North East	525	£12.34	£15.64	93	110	-17	16.9%	22.4%	-5.5ppts
North West	1,419	£12.87	£16.09	220	318	-98	14.9%	21.5%	-6.6ppts
Yorkshire and the Humber	1,100	£12.02	£15.16	229	255	-26	19.9%	22.9%	-3.0ppts
East Midlands	892	£12.18	£15.47	159	231	-72	17.0%	25.4%	-8.4ppts
West Midlands	1,103	£12.89	£16.03	187	257	-70	16.2%	23.8%	-7.6ppts
East	1,193	£13.29	£16.50	168	233	-65	13.5%	18.2%	-4.7ppts
London	1,930	£18.04	£22.14	317	398	-81	15.7%	20.0%	-4.3ppts
South East	1,875	£14.00	£17.31	231	331	-100	11.8%	15.9%	-4.1ppts
South West	1,104	£13.09	£16.01	152	252	-100	13.3%	21.1%	-7.8ppts
Wales	605	£13.06	£15.80	82	132	-50	13.0%	20.4%	-7.4ppts
Scotland	1,261	£14.05	£17.12	135	201	-66	10.3%	16.1%	-5.8ppts
Northern Ireland	588	£12.88	£16.33	102	134	-32	16.5%	23.5%	-7.0ppts
United Kingdom	13,594	£13.56	£17.16	2,077	2,852	-775	14.6%	20.3%	-5.7ppts

**Table 3:**  
Employee jobs paid below the Living Wage, by region and hours: April 2022 (unless otherwise stated)

**Notes:** Data for April 2022 is provisional. See the methodology section for further details.  
**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

All employees	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2022	April 2021	2021-2022 change	April 2022	April 2021	2021-2022 change
North East	1,011	£13.37	£16.54	155	187	-32	14.8%	19.5%	-4.7ppts
North West	2,830	£13.87	£17.40	367	538	-171	12.5%	18.6%	-6.1ppts
Yorkshire and the Humber	2,232	£13.16	£16.66	368	409	-41	15.8%	18.4%	-2.6ppts
East Midlands	1,815	£13.47	£16.74	251	379	-128	13.3%	20.2%	-6.9ppts
West Midlands	2,275	£14.01	£17.47	316	436	-120	13.3%	19.4%	-6.1ppts
East	2,419	£14.47	£18.00	288	391	-103	11.4%	15.6%	-4.2ppts
London	4,075	£19.44	£24.82	575	697	-122	13.6%	17.1%	-3.5ppts
South East	3,878	£15.38	£19.07	374	531	-157	9.3%	12.7%	-3.4ppts
South West	2,255	£14.20	£17.34	258	423	-165	11.1%	18.0%	-6.9ppts
Wales	1,175	£13.89	£16.62	144	220	-76	11.8%	17.8%	-6.0ppts
Scotland	2,371	£15.03	£18.23	221	335	-114	9.0%	14.5%	-5.5ppts
Northern Ireland	1,165	£13.50	£17.05	178	235	-57	14.6%	21.1%	-6.5ppts
United Kingdom	27,500	£14.77	£18.71	3,495	4,779	-1284	12.2%	17.1%	-4.9ppts
Full-time employees	Employee Jobs (000s)	Median Wage	Mean Wage	April 2022	April 2021	2021-2022 change	April 2022	April 2021	2021-2022 change
North East	705	£14.72	£17.13	63	89	-26	8.6%	13.0%	-4.4ppts
North West	2,067	£15.31	£18.02	159	244	-85	7.4%	11.7%	-4.3ppts
Yorkshire and the Humber	1,558	£14.63	£17.35	138	193	-55	8.5%	12.1%	-3.6ppts
East Midlands	1,295	£14.82	£17.35	105	193	-88	7.8%	14.1%	-6.3ppts
West Midlands	1,645	£15.52	£18.12	138	217	-79	8.0%	13.1%	-5.1ppts
East	1,680	£15.78	£18.67	120	175	-55	6.8%	10.1%	-3.3ppts
Continues ▾	▾	▾	▾	▾	▾	▾	▾	▾	▾

**Table 3:**  
Employee jobs paid below the Living Wage, by region and hours: April 2022 (unless otherwise stated)

**Notes:** Data for April 2022 is provisional. See the methodology section for further details.  
**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

Full-time employees (cont.)	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2022	April 2021	2021-2022 change	April 2022	April 2021	2021-2022 change
London	3,244	£21.23	£25.78	247	334	-87	7.3%	10.3%	-3.0ppts
South East	2,812	£17.04	£19.77	161	238	-77	5.5%	7.9%	-2.4ppts
South West	1,569	£15.50	£17.96	105	195	-90	6.4%	12.1%	-5.7ppts
Wales	838	£15.19	£17.17	59	99	-40	6.8%	11.4%	-4.6ppts
Scotland	1,685	£16.69	£19.02	87	149	-62	5.0%	9.1%	-4.1ppts
Northern Ireland	843	£14.91	£17.61	81	110	-29	9.2%	13.9%	-4.7ppts
United Kingdom	19,940	£16.37	£19.74	1,464	2,236	-772	7.0%	11.0%	-4.0ppts
Part-time employees	Employee Jobs (000s)	Median Wage	Mean Wage	April 2022	April 2021	2021-2022 change	April 2022	April 2021	2021-2022 change
North East	306	£10.71	£13.74	92	98	-6	29.4%	35.4%	-6.0ppts
North West	763	£10.74	£13.92	208	294	-86	27.0%	36.6%	-9.6ppts
Yorkshire and the Humber	674	£10.59	£13.32	230	216	+14	33.2%	34.4%	-1.2ppts
East Midlands	519	£10.79	£13.48	145	186	-41	27.4%	36.2%	-8.8ppts
West Midlands	630	£10.95	£13.98	177	219	-42	27.5%	36.9%	-9.4ppts
East	739	£11.47	£14.62	168	215	-47	22.2%	28.2%	-6.0ppts
London	831	£12.09	£17.05	328	363	-35	38.1%	42.6%	-4.5ppts
South East	1,066	£11.55	£15.09	213	292	-79	19.8%	25.6%	-5.8ppts
South West	687	£11.30	£14.31	154	228	-74	22.2%	31.1%	-8.9ppts
Wales	337	£11.05	£13.78	85	121	-36	24.9%	33.1%	-8.2ppts
Scotland	687	£11.78	£14.32	135	186	-51	19.0%	28.0%	-9.0ppts
Northern Ireland	323	£10.68	£13.95	97	125	-28	29.1%	39.2%	-10.1ppts
United Kingdom	7,559	£11.16	£14.47	2,031	2,543	-512	26.3%	33.2%	-6.9ppts

**Table 4:**  
Employee jobs paid below the Living Wage, by region, gender and hours:  
April 2022 (unless otherwise stated)

**Notes:** Data for April 2022 is provisional. See the methodology section for further details.  
**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2022	April 2021	2021-2022 change	April 2022	April 2021	2021-2022 change
<b>Full-time male employees</b>									
North East	411	£15.24	£17.60	37	49	-12	8.6%	12.1%	-3.5ppts
North West	1,202	£15.97	£18.85	81	128	-47	6.5%	10.6%	-4.1ppts
Yorkshire and the Humber	945	£15.37	£18.17	73	97	-24	7.4%	10.3%	-2.9ppts
East Midlands	794	£15.46	£18.02	53	97	-44	6.4%	11.6%	-5.2ppts
West Midlands	1,001	£16.28	£18.97	75	112	-37	7.2%	11.1%	-3.9ppts
East	1,031	£16.50	£19.54	61	92	-31	5.7%	8.9%	-3.2ppts
London	1,860	£22.49	£27.74	122	162	-40	6.4%	8.9%	-2.5ppts
South East	1,695	£17.94	£20.84	82	115	-33	4.7%	6.4%	-1.7ppts
South West	963	£16.18	£18.68	56	105	-49	5.6%	10.9%	-5.3ppts
Wales	479	£15.62	£17.66	35	55	-20	7.0%	11.0%	-4.0ppts
Scotland	944	£17.07	£19.70	46	85	-39	4.7%	9.4%	-4.7ppts
Northern Ireland	493	£14.68	£17.89	49	62	-13	9.5%	13.4%	-3.9ppts
United Kingdom	11,817	£16.99	£20.38	770	1,160	-390	6.3%	9.8%	-3.5ppts
<b>Part-time male employees</b>									
North East	74	£10.22	£13.95	26	28	-2	35.0%	41.8%	-6.8ppts
North West	209	£10.39	£13.93	66	92	-26	32.2%	43.0%	-10.8ppts
Yorkshire and the Humber	187	£10.60	£14.10	66	57	+9	35.0%	35.7%	-0.7ppts
East Midlands	129	£10.50	£13.38	38	50	-12	30.4%	40.2%	-9.8ppts
West Midlands	171	£10.70	£13.46	54	67	-13	31.3%	42.3%	-11.0ppts
East	196	£10.86	£14.32	58	65	-7	30.1%	34.5%	-4.4ppts
Continues ▾	▾	▾	▾	▾	▾	▾	▾	▾	▾

**Table 4:**  
Employee jobs paid below the Living Wage, by region, gender and hours:  
April 2022 (unless otherwise stated)

**Notes:** Data for April 2022 is provisional. See the methodology section for further details.  
**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2022	April 2021	2021-2022 change	April 2022	April 2021	2021-2022 change
<b>Part-time male employees (cont.)</b>									
London	285	£11.40	£16.25	136	137	-1	46.0%	48.3%	-2.3ppts
South East	308	£11.38	£15.26	61	84	-23	20.3%	28.4%	-8.1ppts
South West	189	£10.94	£14.66	49	66	-17	26.5%	36.7%	-10.2ppts
Wales	91	£10.75	£13.64	28	33	-5	31.0%	36.6%	-5.6ppts
Scotland	167	£11.21	£13.98	40	48	-8	23.8%	32.3%	-8.5ppts
Northern Ireland	84	£10.67	£14.30	27	39	-12	31.7%	48.1%	-16.4ppts
United Kingdom	2,089	£10.95	£14.48	648	767	-119	31.2%	38.5%	-7.3ppts
<b>Full-time female employees</b>									
North East	294	£14.13	£16.42	27	41	-14	8.6%	14.3%	-5.7ppts
North West	865	£14.41	£16.80	78	116	-38	8.5%	13.1%	-4.6ppts
Yorkshire and the Humber	613	£13.65	£16.01	66	95	-29	10.1%	14.9%	-4.8ppts
East Midlands	501	£13.60	£16.22	52	95	-43	9.9%	18.3%	-8.4ppts
West Midlands	644	£14.48	£16.69	64	105	-41	9.3%	16.2%	-6.9ppts
East	650	£14.67	£17.20	59	83	-24	8.6%	11.8%	-3.2ppts
London	1,385	£19.96	£23.05	125	173	-48	8.6%	12.2%	-3.6ppts
South East	1,117	£15.66	£18.07	78	123	-45	6.7%	9.9%	-3.2ppts
South West	606	£14.39	£16.75	48	89	-41	7.5%	14.0%	-6.5ppts
Wales	359	£14.62	£16.49	25	44	-19	6.5%	11.9%	-5.4ppts
Scotland	741	£16.34	£18.10	41	63	-22	5.2%	8.6%	-3.4ppts
Northern Ireland	350	£15.19	£17.18	32	49	-17	8.7%	14.5%	-5.8ppts
United Kingdom	8,124	£15.47	£18.07	694	1,076	-382	8.1%	12.8%	-4.7ppts
Continues ▾	▾	▾	▾	▾	▾	▾	▾	▾	▾

**Table 4:**  
Employee jobs paid below the Living Wage, by region, gender and hours:  
April 2022 (unless otherwise stated)

**Notes:** Data for April 2022 is provisional. See the methodology section for further details.  
**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

Part-time female employees	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2022	April 2021	2021-2022 change	April 2022	April 2021	2021-2022 change
North East	231	£10.86	£13.68	66	70	-4	27.7%	33.4%	-5.7ppts
North West	554	£10.86	£13.92	142	202	-60	25.2%	34.3%	-9.1ppts
Yorkshire and the Humber	486	£10.59	£13.03	164	159	+5	32.6%	34.0%	-1.4ppts
East Midlands	391	£10.86	£13.51	107	136	-29	26.5%	34.9%	-8.4ppts
West Midlands	460	£11.00	£14.17	124	152	-28	26.1%	35.0%	-8.9ppts
East	543	£11.66	£14.72	110	150	-40	19.5%	26.1%	-6.6ppts
London	545	£12.53	£17.45	192	226	-34	33.9%	39.7%	-5.8ppts
South East	758	£11.66	£15.03	153	208	-55	19.6%	24.7%	-5.1ppts
South West	498	£11.50	£14.18	104	162	-58	20.6%	29.3%	-8.7ppts
Wales	246	£11.14	£13.82	57	88	-31	22.7%	31.9%	-9.2ppts
Scotland	520	£11.93	£14.43	95	138	-43	17.5%	26.8%	-9.3ppts
Northern Ireland	239	£10.68	£13.84	70	86	-16	28.2%	36.1%	-7.9ppts
United Kingdom	5,470	£11.27	£14.46	1,383	1,776	-393	24.5%	31.4%	-6.9ppts

**Table 5:**  
Employee jobs paid below the  
Living Wage over time, by region

**Notes:** Data for April 2022 is provisional. The number and proportion of jobs paid below the Living Wage has been published by ONS for 2015 onwards; figures for 2012-14 are estimated from published ONS tables by the Living Wage Foundation. See the methodology section for further details.

**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

Number of employee jobs paid below the Living Wage (000s), by region	April 2012	April 2013	April 2014	April 2015	April 2016	April 2017	April 2018	April 2019	April 2020	April 2021	April 2022
North East	202	233	228	252	255	249	263	227	202	187	155
North West	545	595	652	717	710	689	715	626	588	538	367
Yorkshire and the Humber	438	468	506	544	563	546	564	487	481	409	368
East Midlands	378	408	443	507	511	468	509	430	414	379	251
West Midlands	456	480	549	583	580	570	573	486	472	436	316
East	444	457	522	566	574	528	549	470	463	391	288
London	572	636	727	798	802	814	871	838	790	697	575
South East	515	576	621	667	686	695	712	603	678	531	374
South West	435	460	491	543	532	501	532	479	480	423	258
Wales	245	253	277	300	286	289	305	268	263	220	144
Scotland	390	404	422	460	468	433	473	398	342	335	221
Northern Ireland	183	183	205	226	258	240	232	229	276	235	178
United Kingdom	4,805	5,151	5,644	6,162	6,224	6,023	6,297	5,540	5,448	4,779	3,495
Proportion of employee jobs paid below the Living Wage, by region	April 2012	April 2013	April 2014	April 2015	April 2016	April 2017	April 2018	April 2019	April 2020	April 2021	April 2022
North East	21.8%	24.6%	23.7%	24.5%	25.5%	24.3%	25.2%	22.4%	21.7%	19.5%	14.8%
North West	21.2%	23.0%	24.7%	24.8%	25.2%	23.9%	24.3%	21.0%	21.3%	18.6%	12.5%
Yorkshire and the Humber	22.3%	23.8%	25.6%	25.3%	26.5%	25.3%	25.7%	21.9%	22.5%	18.4%	15.8%
East Midlands	22.7%	24.1%	26.0%	26.9%	27.7%	25.7%	27.0%	22.7%	23.0%	20.2%	13.3%
West Midlands	21.7%	22.9%	25.4%	25.1%	25.8%	25.2%	24.8%	21.7%	21.7%	19.4%	13.3%
East	20.2%	20.5%	22.9%	22.7%	23.8%	22.0%	22.7%	18.8%	19.6%	15.6%	11.4%
London	16.2%	17.2%	19.2%	20.0%	19.5%	19.4%	20.5%	19.7%	19.5%	17.1%	13.6%
South East	15.9%	17.1%	18.3%	18.4%	18.7%	18.2%	18.8%	15.8%	16.8%	12.7%	9.3%
South West	21.2%	22.4%	23.4%	23.9%	23.8%	22.3%	23.4%	20.3%	21.6%	18.0%	11.1%
Wales	23.1%	23.6%	25.0%	25.3%	25.1%	24.9%	26.1%	22.5%	22.1%	17.8%	11.8%
Scotland	18.3%	18.6%	19.2%	19.6%	20.1%	18.4%	19.4%	16.8%	15.1%	14.5%	9.0%
Northern Ireland	24.4%	25.8%	28.3%	27.3%	29.6%	27.9%	28.0%	25.1%	26.2%	21.1%	14.6%
United Kingdom	19.9%	21.0%	22.5%	22.8%	23.2%	22.2%	22.9%	20.0%	20.2%	17.1%	12.2%

**Table 6:**  
Employee jobs paid below the Living Wage  
over time, by gender and hours: UK

**Notes:** Data for April 2022 is provisional. The number and proportion of jobs paid below the Living Wage has been published by ONS for 2015 onwards. Figures for 2012-14 are estimated from published ONS tables by the Living Wage Foundation – sub-groups do not exactly sum to 'all employee' totals due to the estimation method used. See the methodology section for further details.

**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

Number of employee jobs paid below the Living Wage (000s), by gender and hours: UK	April 2012	April 2013	April 2014	April 2015	April 2016	April 2017	April 2018	April 2019	April 2020	April 2021	April 2022
All employees	4,805	5,151	5,644	6,162	6,224	6,023	6,297	5,540	5,448	4,779	3,495
Men	1,852	1,958	2,184	2,367	2,430	2,341	2,474	2,140	2,257	1,927	1,418
Women	2,961	3,181	3,426	3,795	3,795	3,682	3,823	3,400	3,191	2,852	2,077
Full-time employees	2,028	2,240	2,570	2,805	2,939	2,807	2,923	2,582	2,728	2,236	1,464
Part-time employees	2,809	2,928	3,096	3,357	3,285	3,216	3,374	2,958	2,720	2,543	2,031
Full-time male employees	1,064	1,164	1,346	1,445	1,534	1,452	1,528	1,313	1,482	1,160	770
Part-time male employees	787	809	876	921	895	889	946	827	775	767	648
Full-time female employees	946	1,067	1,205	1,359	1,405	1,355	1,395	1,269	1,246	1,076	694
Part-time female employees	2,017	2,121	2,220	2,436	2,389	2,327	2,428	2,131	1,945	1,776	1,383
Proportion of employee jobs paid below the Living Wage, by gender and hours: UK	April 2012	April 2013	April 2014	April 2015	April 2016	April 2017	April 2018	April 2019	April 2020	April 2021	April 2022
All employees	19.9%	21.0%	22.5%	22.8%	23.2%	22.2%	22.9%	20.0%	20.2%	17.1%	12.2%
Men	15.1%	15.9%	17.3%	17.6%	18.1%	17.2%	17.9%	15.6%	16.9%	13.9%	9.9%
Women	24.8%	26.0%	27.6%	28.1%	28.3%	27.1%	27.9%	24.3%	23.5%	20.3%	14.6%
Full-time employees	11.7%	12.7%	14.4%	14.4%	15.2%	14.3%	14.7%	12.9%	14.0%	11.0%	7.0%
Part-time employees	40.8%	41.9%	43.2%	44.4%	44.4%	42.8%	43.8%	38.1%	35.9%	33.2%	26.3%
Full-time male employees	10.1%	10.9%	12.4%	12.4%	13.2%	12.3%	12.9%	11.1%	12.9%	9.8%	6.3%
Part-time male employees	46.0%	47.6%	48.4%	50.1%	49.9%	48.4%	48.3%	42.7%	40.7%	38.5%	31.2%
Full-time female employees	14.0%	15.4%	17.1%	17.4%	18.1%	17.2%	17.5%	15.5%	15.7%	12.8%	8.1%
Part-time female employees	39.0%	40.1%	41.5%	42.6%	42.6%	41.0%	42.2%	36.6%	34.3%	31.4%	24.5%

## Table 7:

### Employee jobs paid below the Living Wage in the top 25 below Living Wage local authorities: April 2022 (in percentage order)

**Notes:** Data for April 2022 is provisional. No local authority (or equivalent) data is available for Northern Ireland. Data refers to jobs in workplaces located in the local authority, not employees who live in the local authority. See the methodology section for further details.

**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

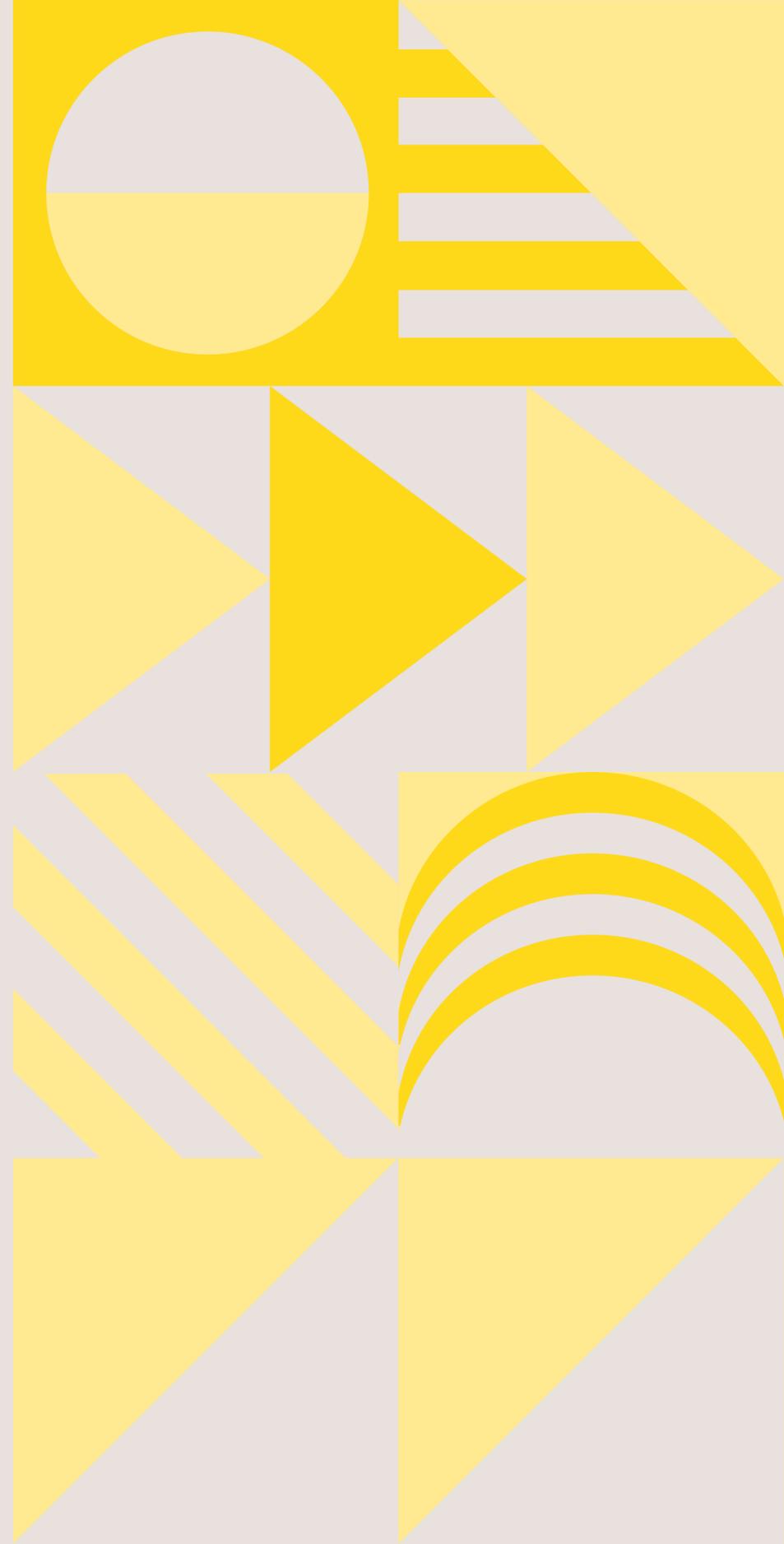
Local authority	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2022	April 2021	2021-2022 change	April 2022	April 2021	2021-2022 change
Haringey (London)	44	£13.52	£17.47	16	18	-2	34.2%	28.6%	+5.6ppts
Bexley (London)	50	£13.81	£17.45	17	24	-7	33.1%	40.7%	-7.6ppts
Redbridge (London)	45	£12.52	£17.46	15	15	-	31.9%	32.1%	-0.2ppts
Waltham Forest (London)	44	£13.84	£17.15	14	15	-1	30.4%	28.7%	+1.7ppts
Harrow (London)	48	£15.48	£18.58	15	18	-3	29.8%	34.0%	-4.2ppts
South Staffordshire (West Midlands)	27	£11.47	£14.39	7	9	-2	25.9%	28.4%	-2.5ppts
Merton (London)	63	£14.81	£19.00	17	15	+2	25.9%	22.8%	+3.1ppts
Havering (London)	59	£14.31	£18.45	16	22	-6	25.5%	32.3%	-6.8ppts
Enfield (London)	81	£15.71	£19.43	21	28	-7	25.0%	34.5%	-9.5ppts
Redcar and Cleveland (North East)	31	£11.84	£14.62	8	8	-	24.0%	23.6%	+0.4ppts
Forest of Dean (South West)	18	£11.85	£15.27	4	5	-1	23.4%	24.7%	-1.3ppts
Barking and Dagenham (London)	37	£15.76	£19.51	9	12	-3	23.2%	26.5%	-3.3ppts
Boston (East Midlands)	27	£11.88	£14.57	6	10	-4	22.9%	37.0%	-14.1ppts
Leeds (Yorkshire and the Humber)	519	£12.78	£16.89	123	58	+65	22.7%	15.4%	+7.3ppts
Barnet (London)	94	£15.12	£19.33	22	26	-4	22.6%	26.4%	-3.8ppts
Gosport (South East)	18	£12.75	£18.07	4	4	-	22.4%	21.1%	+1.3ppts
Rochdale (North West)	68	£12.00	£14.95	15	12	+3	22.1%	19.6%	+2.5ppts
East Lindsey (East Midlands)	41	£11.39	£14.17	9	13	-4	22.0%	28.1%	-6.1ppts
South Tyneside (North East)	34	£12.08	£15.41	8	9	-1	21.8%	28.3%	-6.5ppts
Tendring (East)	31	£11.94	£15.87	7	9	-2	21.4%	25.4%	-4.0ppts
Torbay (South West)	42	£11.62	£14.09	9	10	-1	21.1%	20.9%	+0.2ppts
Nuneaton and Bedworth (West Midlands)	32	£12.46	£16.41	7	9	-2	20.9%	27.1%	-6.2ppts
Sutton (London)	48	£15.83	£19.65	11	22	-11	20.8%	33.2%	-12.4ppts
Mansfield (East Midlands)	35	£12.21	£15.73	7	9	-2	20.7%	23.4%	-2.7ppts
South Ayrshire (Scotland)	34	£12.57	£16.28	7	9	-2	20.7%	22.3%	-1.6ppts
United Kingdom	27,500	£14.77	£18.71	3,495	4,779	-1284	12.2%	17.1%	-4.9ppts

**Table 8:**  
Employee jobs paid below the Living Wage, by industry (one-digit SIC):  
April 2022 (unless otherwise stated), UK

**Notes:** Data for April 2022 is provisional. See the methodology section for further details.  
**Source:** Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2022	April 2021	2021-2022 change	April 2022	April 2021	2021-2022 change
Agriculture, forestry and fishing	169	£11.72	£13.26	31	45	-14	18.6%	26.1%	-7.5ppts
Mining and quarrying	37	£18.99	£25.33	-	-	-	-	-	-
Manufacturing	2,536	£15.50	£18.33	-	277	-	<10%	11.2%	-
Electricity and gas	117	£20.46	£23.73	-	-	-	<10%	<10%	-
Water supply and sewerage	188	£15.41	£17.59	-	-	-	<10%	<10%	-
Construction	1,030	£16.34	£19.44	-	109	-	<10%	10.1%	-
Wholesale and retail	3,724	£11.61	£15.25	822	1,123	-301	22.1%	29.3%	-7.2ppts
Transportation and storage	1,098	£14.45	£17.39	-	-	-	<10%	<10%	-
Accommodation and food services	1,424	£10.00	£12.01	691	880	-189	48.5%	69.2%	-20.7ppts
Information and communication	1,108	£20.44	£23.89	-	-	-	<10%	<10%	-
Financial and insurance activities	1,072	£21.88	£29.89	-	-	-	<10%	<10%	-
Real estate activities	423	£14.82	£18.22	-	53	-	<10%	13.0%	-
Professional, scientific and technical	2,058	£18.91	£23.40	-	-	-	<10%	<10%	-
Administrative and support services	1,652	£12.46	£16.19	332	440	-108	20.1%	29.0%	-8.9ppts
Public administration and defence	1,645	£17.21	£18.82	-	-	-	<10%	<10%	-
Education	3,923	£17.60	£19.94	-	-	-	<10%	<10%	-
Human health and social work	4,178	£14.77	£17.73	-	649	-	<10%	15.6%	-
Arts, entertainment and recreation	532	£11.98	£16.15	130	154	-24	24.4%	33.6%	-9.2ppts
Other service activities	501	£12.88	£16.48	105	129	-24	21.0%	28.1%	-7.0ppts
<b>All industries</b>	<b>27,500</b>	<b>£14.77</b>	<b>£18.71</b>	<b>3,495</b>	<b>4,779</b>	<b>-1284</b>	<b>12.2%</b>	<b>17.1%</b>	<b>-4.9ppts</b>

# METHODOLOGY



## METHODOLOGY

The analysis in this report can be broken down into two strands. Firstly, there is the forecasting of the number and percentage of below Living Wage jobs for next year. Secondly, there is the analysis on the scale of low pay and who is most impacted by it as of April 2022. Both of these use the Annual Survey of Hours and Earnings (ASHE) dataset, though the forecast model also used other data sources, including data on median earnings growth from BoE and HMT, and ONS' PAYE As You Earn Real Time Information (PAYE-RTI) data.

### METHODOLOGY FOR ANALYSIS ON SCALE OF LOW PAY:

The analysis in this report on the scale of low pay, and how it is dispersed across demographic and economic factors, is based on the ASHE conducted by the Office for National Statistics (ONS).<sup>10</sup> Carried out in April each year, ASHE is the most

comprehensive source of information on the structure and distribution of earnings and hours worked among employees in the UK. ASHE is based on a 1 per cent sample of employee jobs taken from HM Revenue & Customs (HMRC) Pay As You Earn (PAYE) records. Consequently, individuals with more than one job may appear in the sample more than once. Information on earnings and paid hours worked is obtained from employers and treated confidentially. ASHE does not cover the self-employed or employees not paid during the reference period.

The following definitions apply to the analysis throughout this report:

- Data is available up to April 2022; however, estimates for 2022 are provisional and will be subject to small revisions next year.
- We use a workplace-based (as opposed to residence-based) definition for regional and other

geographical figures. That is, data for each geographical area relates to the employee jobs at workplaces located in that area, not the employees who live in that area. This approach is necessary for accurately identifying the jobs subject to the London and UK Living Wages.

- Full time jobs refer to jobs in which employees work more than 30 paid hours per week (or 25 or more for the teaching professions).
- Data for industries classified according to the Standard Industrial Classification (SIC) 2007.<sup>11</sup> Data for occupation before 2021 is classified according to the Standard Occupational Classification (SOC) 2010 coding frames.<sup>12</sup> Data for industries and occupations from 2021 is classified according to Standard Occupational Classification (SOC) 2020.<sup>13</sup>

- Following the ONS convention, we focus on gross hourly pay for all employees whose pay was not affected by absence (with a slightly tweaked definition for 2020 and 2021 due to the Covid-19 pandemic and furlough scheme – see last year's report for more details).<sup>14</sup>

Since 2015, the ONS has published data tables detailing the number and proportion of UK jobs paid below the Living Wage by region and nation, local authority/metropolitan county, parliamentary constituency, and disaggregated by gender and full time/part time hours. In these instances, we present the published ONS statistics.

For estimates relating to industries and occupations in all years and for all estimates prior to 2015, the ONS does not publish data on jobs below the Living Wage. In these instances, we estimate the proportion of jobs paid below the Living Wage using other data tables which detail the

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percentile distribution of earnings (the 10th, 20th, 25th, 30th, 40th, 50th (median), 60th, 70th, 75th, 80th and 90th percentiles are published). For each region and nation of the UK separately, we identify the percentile band within which the applicable Living Wage rate (London or UK) falls. We then interpolate the exact proportion of jobs that fall below this threshold, assuming that the distribution of earnings follows a linear trend between percentile points. We apply this proportion to the total number of jobs in each category to estimate the number of employee jobs paid below the Living Wage. This method does not allow us to estimate the number or proportion of jobs paid below the Living Wage in categories where the proportion is below 10 per cent.

We then sum results for each region and nation to derive UK-wide figures (the implied total number of jobs paid below the Living Wage, when summed across sub-groups, can

vary slightly across categories due to the nature of the estimation method used). Data disaggregated by industry and occupation is not available for Northern Ireland, so in these instances we estimate the proportion of jobs paid below the Living Wage across Great Britain, and then apply this proportion to the number of jobs in each category across the UK to derive a UK-wide estimate for the number of employee jobs paid below the Living Wage.

This 'linear interpolation' approach follows that taken by KPMG and IHS Markit in previous reports on the proportion of employee jobs paid below the Living Wage.<sup>15</sup>

Compared to the published estimates of employee jobs paid below the Living Wage for 2015 onwards, this linear interpolation estimation approach produces very similar (but consistently slightly lower) results. To ensure that our results are consistent across different disaggregations and

over time, we adjust the estimates from our linear interpolations using 'scale factors' based on the proportional difference between estimated and published results. This is seen as an appropriate approach because these scale factors are relatively consistent from year to year, and scale factors across regions and nations (and other geographies) in adjacent years are positively correlated. For years prior to 2015, we use the 2015 scale factors specific to each geography and gender and full time/part time hours grouping. For industries and occupations, we use the overall scale factor estimated for each region or nation in that year.

### METHODOLOGY FOR FORECAST OF LOW PAID JOBS FOR 2023:

The forecast was designed to estimate the number and proportion of jobs what will be paid less than the recently announced Living Wage

rates (£11.95 in London and £10.90 for the rest of the UK), as of April 2023. Our model can be summarised in five key steps:

1. Applying recent median wage growth forecasts to all of the ASHE data across percentiles
2. Adjusting for wage growth across percentiles using PAYE-RTI data
3. Applying separate wage growth for the lowest earners (bottom 10th percentile) using projected NLW growth
4. Accounting for jobs growth
5. Using linear interpolation to calculate the number and proportion of jobs paid below the Living Wage within the projected distributional ASHE data for 2023

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### 1. Applying recent average wage growth forecasts to ASHE data across percentiles

The first step in our forecast was to apply the projected levels of wage growth across all earnings deciles in the 2022 ASHE data. We applied a wage growth figure 5.9 per cent using both BoE's projected median wage growth estimate of 'almost 6 per cent' in August 2022<sup>16</sup> and HMT's October 2022 summary of recent forecasts, which averaged at 5.9 per cent.<sup>17</sup> More recently, the BoE's projected median growth was revised down very slightly to 5.75 per cent<sup>18</sup> but given the revision was only slight, and to ensure our projection was grounded in multiple authoritative sources, we carried forward the 5.9 per cent figure for the forecast.

### 2. Adjusting for wage growth across percentiles using PAYE-RTI data

However, while the median wage growth estimate was the most

influential aspect of the forecast, we also wanted to account for different levels of wage growth reported across the earnings distribution, to reflect that earnings tend to grow at different proportional rates across the earnings gradient. We therefore applied slight adjustment to our projected growth forecasts across the earnings percentiles in the ASHE data, using the latest available information in the PAYE-RTI data, while still pegging each percentile to the median wage estimate of 5.9 per cent. We developed these adjustment factors in two key steps:

*Assessing the historic connection between ASHE Hourly pay growth with PAYE-RTI pay growth across the pay distribution:*

The first step was to assess the historical connection between PAYE-RTI data and the ASHE hourly pay data. Data on pay growth across the income distribution is only available for monthly earnings data. While

hourly pay has an impact on monthly earnings, so too do other factors, including the number of hours people work. We therefore analysed the historical connection between the reported monthly earnings growth as reported in the PAYE-RTI data over the course of a year (April-to-April), and the ASHE hourly. To smooth out the data, we used three-month-averages to calculate the yearly earnings growth in the PAYE-RTI data (March-through-to-May), rather than single-month (April-to-April).

We used this to assess whether the growth reported in the PAYE-RTI is indicative of growth reported in the ASHE hourly pay data. This served two purposes. Firstly, assessing the historical connection between the annual growth rates reported in the PAYE-RTI data compared to the ASHE hourly pay data served as a 'proof-of-concept' as to whether the levels of growth reported in the PAYE-RTI data are indicative of, or correlated towards, the ASHE hourly earnings

data, and therefore whether it is suitable to use this data to inform a forecast on the scale of below Living Wage pay. Given the below Living Wage population are invariably located in the lower earnings percentiles (i.e., 25th percentile and below), we paid particular attention to those percentiles when assessing the historical connection. We found a strong level of congruence between the ASHE hourly data and the PAYE-RTI data before the pandemic years, with the difference being typically lower than 1 per cent across the income distribution. However, given the pandemic years typically made earnings data more sporadic, divergent and difficult to interpret,<sup>19</sup> this is to be expected. As such, we took the pre-Covid-19 years as the better barometer for the connection between the PAYE-RTI and the ASHE hourly data, and therefore used the PAYE-RTI data to inform the forecast.

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### *Calculating and applying PAYE-RTI wage growth:*

Having established the PAYE-RTI as an effective proxy for the ASHE hourly pay data, we then calculated the income growth from this data source for the months of the 2022-23 financial year that are available. At the time the analysis was done, the data was available up to August 2022, around a third of the way into the current financial year. We calculated the level of reported monthly income growth using the three-month average from April 2022 (March-through-to-May) and the three-month average from the latest available months in 2022 (June-through-to-August). This was done separately for all income deciles available in the PAYE-RTI dataset (10th, 25th, 50th, 75th and 90th). We then extrapolated the reported wage growth figures for the remainder of the year.

This gave us the raw annualised wage growth figures for the income

deciles available in the PAYE-RTI data. However, there are income deciles which are in the ASHE data but not in the PAYE-RTI data. In the ASHE data, the 10th, 20th, 25th, 30th, 40th, 50th (median), 60th, 70th, 75th, and 90th percentiles are published, while PAYE-RTI data, only the 10th, 25th, 50th, 75th and 90th percentiles are published. We therefore interpolated the wage growth for those not in the PAYE-RTI, but in ASHE, by looking at where the ASHE decile sits in between the deciles that are in the PAYE-RTI. For example, for the 20th percentile, which is in the ASHE but not in PAYE-RTI, we have taken the difference in percentage wage growth figures for the 10th and 25th percentile (both in PAYE-RTI and ASHE), and interpolated where the 20th percentile would be, assuming a flatline linear distribution.

We therefore had the distributional variance in wage growth across each earnings percentile. This variance was carried over into the wage forecast used to project the number

and percentage of low paid jobs for 2023, while maintaining the median wage growth forecast from the BoE and HMT of 5.9 per cent. The method effectively took the rate of earnings growth for each percentile, which was then scaled to the median growth estimate of 5.9 per cent.

Through this method, we were able to maintain the distributional variance in wage growth reported in the PAYE-RTI data, while still ensuring that our projections, across all earnings percentiles, are grounded in the median wage forecasts made by robust and authoritative sources such as the BoE and HMT.

### **3. Applying separate wage growth for the lowest earners (bottom 10th percentile) using projected NLW growth**

The only outlier here was for the lowest earning percentile (the 10th percentile), of which the projected wage growth estimate was calculated

using the growth in next year's 'National Living Wage'. This was informed by the historical connection between the percentage growth rates in the bottom 10 percent of earners in the ASHE data, and the fact that around 7 per cent of workers earn the National Living Wage,<sup>20</sup> and so this cohort accounts for a majority of the bottom 10 per cent of earners. At the time calculation was developed, the National Living Wage for 2023 had not been announced, and so we scaled to the Office for Budgetary Responsibilities' (OBR's) projection of £9.97.<sup>21</sup>

### **4. Adjusting for the number of jobs in 2023**

Once we had our wage growth estimates, we also had to account for jobs growth in the labour market for the next financial year. We used the OBR's March 2022 projection for employees in the years 2021-2022 and 2022-23 to inform this.<sup>22</sup> This gave us a small increase in jobs (around 0.2

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per cent) for 2023. We recognise that this estimate, at the time of writing, is soon to be replaced by the OBR, and that many are predicting recession enforce job losses in the medium term. However, we still felt the March 2022 OBR forecast on jobs growth, while not fully ‘recession proof’ offered a realistic projection given the tightness of the labour market.

### **5. Using linear interpolation to calculate the number and proportion of jobs paid below the Living Wage within the projected distributional ASHE data for 2023**

With the projected wage and jobs data for 2023, we then use our usual method of ‘linear interpolation’ to estimate the number and proportion of jobs paid below the new Living Wage rates (£11.95 in London and £10.90 for the rest of the UK). As described above, the linear interpolation method estimates the proportion of jobs paid below the Living Wage using other data tables

which detail the percentile distribution of earnings (the 10th, 20th, 25th, 30th, 40th, 50th (median), 60th, 70th, 75th, 80th and 90th percentiles are published). For each region and nation of the UK separately, we identify the percentile band within which the applicable Living Wage rate (London or UK) falls. We then interpolate the exact proportion of jobs that fall below this threshold, assuming that the distribution of earnings follows a linear trend between percentile points.

### **CAVEATS AND CONSIDERATIONS:**

However, there are caveats that need to be considered. The PAYE-RTI data is only available for monthly earnings rather than hourly earnings, and so applying the rate of growth in this way may ignore the role that the number of hours an employee works may have on their earnings. Historical analysis of the alignment

between the PAYE-RTI data and ASHE Hourly Wage data when it comes to wage growth shows a firm, but not absolute correlation over recent years. Additionally, there is typically a lower level of variances between the two data sources for lower earnings (25th percentile and below), which are the main points of relevance for our projection. That said, there were two annual periods impacted by the pandemic (2019-2020, 2020-21), and these years made both collecting and interpreting earnings data more challenging. These years, as expected, show a higher level of variance between the PAYE-RTI data and the ASHE data. This was likely driven by workers being more likely to work fewer hours, being off sick, or being furloughed through the pandemic.

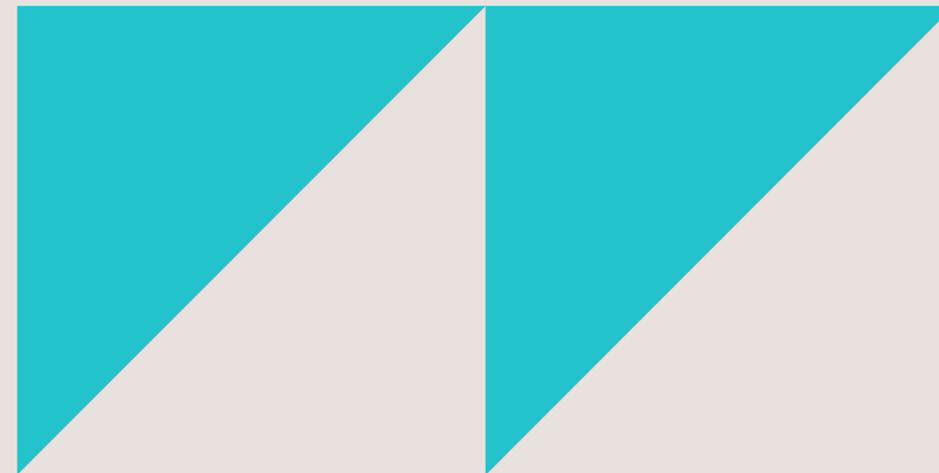
It should also be noted that, at the time the analysis took place, PAYE-RTI data was only available up to August 2022, giving us limited data on wage growth for the new financial year. This should be recognised when

interpreting the forecast, even when considering that the PAYE-RTI data had a relatively small impact on the growth forecasts across income deciles (with the BoE/HMT median pay growth/NLW growth projections being more influential).

Our forecast, while an appropriate and robust use of available data, should therefore be treated with caution, and seen as an indicative projection for hourly wage growth over the forthcoming year and how that may interact with the Living Wage, as opposed to a finite or precise prediction.

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