

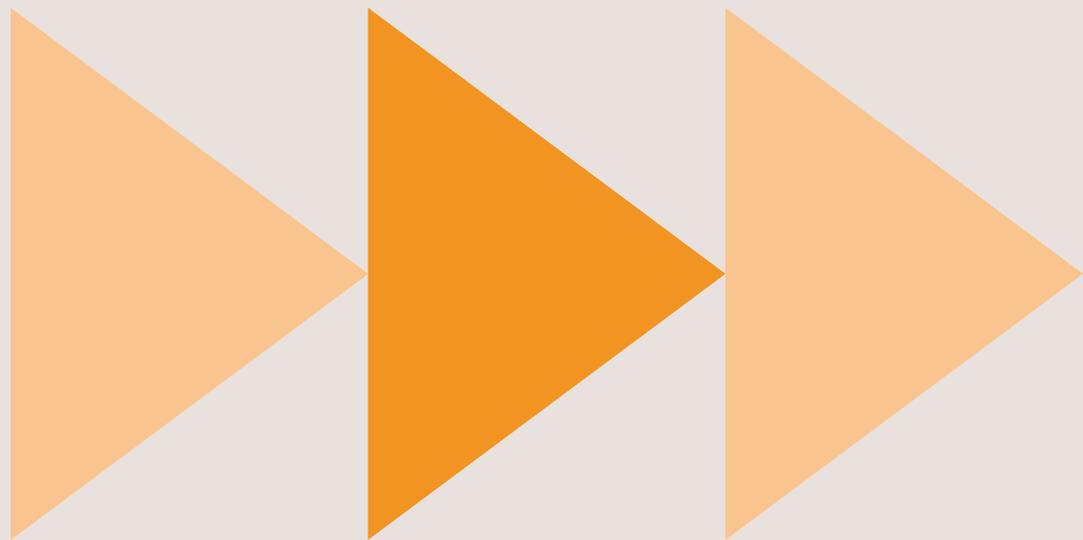
Employee jobs paid below the Living Wage: 2023

Joe Richardson & Ana Witteveen,
Living Wage Foundation
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1. Acknowledgements & data sources

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

This is the twelfth annual report on employee jobs paid below the Living Wage and the fourth produced by the Living Wage Foundation. Previous reports were produced by KPMG and IHS Markit.¹ This report draws on the analysis and approaches used in those reports.

¹ For example, see: IHS Markit (2019), Living Wage Research for KPMG: 2019 Report.



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 real Living Wage according to the UK's best earnings data - the Annual Survey of Hours and Earnings (ASHE) - in order to assess the incidence of low pay, and trends over time across groups.

The latest data was collected in April 2023, when the real Living Wage was **£10.90** across the UK and **£11.95** in London. The rates were calculated in September 2022 and reflected an increase of 10.1 per cent and 8.1 per cent respectively, compared to the previous year.

When interpreting 2023 data on the scale of low pay, the wider context around the cost-of-living crisis, recent wage growth and changes to the UK Government's National Living Wage should be considered. Our analysis finds that the number of jobs paid below the real Living Wage was higher in 2023 than 2022, when we saw the lowest number of low paid jobs ever recorded. As outlined in last year's report, a key driver of this decrease in 2022 was that the real Living Wage rates in place during April 2022 were calculated in October 2021, before the cost-of-living-crisis began.² At the same time, wage growth for lower earners over this period was particularly high, driven by both high inflation and a sharp increase in the National Living Wage. This meant fewer people were paid below the real Living Wage when the data was collected in April 2022.

In contrast, the real Living Wage rates in place during April 2023 were calculated in September 2022, and therefore did account for the persistently high inflation that began in 2022. As a result, both the UK rate and the London rate increased a record amount (10.1 per cent for the UK and 8.1 per cent for London). Data collected in 2023 therefore provides a more accurate barometer for the scale of low pay in the UK than data collected in 2022.

² Abdul Aziz, S and Richardson, J (2022) Employee jobs below the Living Wage.

Our analysis finds that:

- 12.9 per cent of employee jobs in the UK (3.7 million jobs) were paid below the Living Wage in April 2023 – a small increase from 12.3 per cent (3.5 million jobs) in April 2022. Despite increasing since 2022, both figures remain low by historical standards.
- The region with the highest proportion of jobs paid below the Living Wage was the North East (15.9 per cent), followed by the East Midlands (15.7 per cent) and Northern Ireland (15.6 per cent). This is broadly consistent with data collected in 2022, with the North East and Northern Ireland featuring in the top three areas with the highest incidence of low paid jobs in both years.
- The regions with the lowest proportion of low paid jobs were the South East and Scotland (10.1 per cent respectively), the South West (11.8 per cent) and the East of England (12 per cent). These were also the four regions with the lowest proportion of low paid jobs in 2022.
- 15.4 per cent of jobs held by women were paid below the Living Wage, compared to 10.4 per cent of jobs held by men. The gap had narrowed since 2012 but widened slightly between 2022 and 2023. Jobs held by women also accounted for 59.5 per cent of all jobs paid below the Living Wage, 2.2 million in total.
- A higher proportion of part-time jobs (28.3 per cent) were paid below the Living Wage in April 2023 than full-time jobs (7.5 per cent). This gap has narrowed over the last decade, but increased slightly between 2022 and 2023.
- The hospitality sector (‘Accommodation and food services’) had the highest proportion of jobs paid below the Living Wage in April 2023 (48.1 per cent). This is the 12th consecutive year that hospitality has been the sector with the highest proportion of low paid jobs. Other sectors with above average levels of low pay in 2023 include ‘Arts, entertainment and recreation’ (24.7 per cent), and ‘Wholesale and retail trade’ (23.2 per cent).
- The sector with the highest number of below Living Wage jobs is the Wholesale and retail sector, with 818,000 low paid jobs in 2023.

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 14,000 employers who go beyond the government minimum to do right by workers and their families. Just over £3 billion³ has gone back 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 in April 2023, when the Living Wage rates were £11.95 in London and £10.90 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. The calculation is overseen by the Living Wage Commission. When the data was collected in April 2023, the UK minimum wage (introduced in 2016 and known as the ‘National Living Wage’) was £10.42 for people aged 23 and over, £10.18 for those aged 21-22, £7.49 for those aged 18-20, £5.28 for those under 18 and £5.28 for Apprentices.

This report is based on our analysis of the ONS Annual Survey of Hours and Earnings (ASHE) dataset – the most comprehensive source of earnings data in the UK. We present this data over time and by region (and other geographies), gender, hours, industry and occupation. The methodology section at the end of this report provides details on our approach. Despite the ASHE dataset being the most comprehensive dataset on employee earnings in the UK, some caution must be applied when interpreting our findings. As with other UK datasets, the ASHE has faced some sampling attrition since the Covid-19 pandemic.⁴ In addition to this, there has been growing discord between ASHE and other UK earnings datasets, particularly when it comes to the distribution of pay growth, with ASHE data suggesting earnings growth has been higher for the lower end of the pay distribution, while other earnings data such as HMRC’s Paye as You Earn Real Time Information (PAYE-RTI) data, shows a much flatter distribution when it comes to earnings growth, with no particular pay growth premium for lower earners.

³ Analysis by Cardiff Business School on internal Living Wage Foundation data (2023).

⁴ Wage and Employment Dynamics (2022). Longitudinal Attrition in ASHE. Methodology Paper.

Despite these considerations, ASHE is still the most comprehensive dataset in the UK when it comes to employee earnings, and is a requisite for studying hourly pay. The ASHE is the only dataset which collects hourly pay data based on firms' Pay As You Earn (PAYE) records. As such, recordings within the ASHE dataset are not reliant upon respondent recollection of pay amounts, nor are they subject to the derivation issues that are present within worker surveys like the Labour Force Survey (LFS).⁵ We therefore continue to use the ASHE to analyse the incidence and distribution of below Living Wage jobs in the UK.

For more information on the data sources used in this report, and the caveats required when interpreting the data, see the Methodology section of this report.



⁵ ONS (2017) Guide to interpreting Annual Survey of Hours and Earnings (ASHE) estimates.

4. The incidence of employee jobs paid below the Living Wage and trends over time

SCALE OF LOW PAY IN THE UK IN 2023

12.9 per cent of all employee jobs in the UK (3.7 million jobs) were paid less than the real Living Wage in April 2023. This is well below our original forecast from November 2022,⁶ and slightly lower than our revised forecast in May 2023.⁷ Our initial forecast projected that 18.5 per cent of jobs (5.1m) would be low paid in 2023, which was then revised down to 15.7 per cent (4.3m). Looking at the data around wage growth, and the distribution of wage growth over the last year, we identify three key drivers as to why the scale of low pay in 2023 was lower than initially expected:

1. HIGHER THAN EXPECTED LEVELS OF NOMINAL WAGE GROWTH

Over the last year, nominal wage growth has consistently outperformed expectations. At the time of our original forecast, we used a median wage growth forecast of 5.9 per cent. Our central estimate of 5.9 per cent was informed by the Bank of England's projection outlined in the 'Monetary Policy Reports' in August and November 2022, as well as the HMT's October 2022 summary of independent and 'City' forecasters.⁸ We pegged all data from the RTI-PAYE to this median wage growth projection to ensure it was underpinned by a central estimate, as well as the more timely RTI data on wage growth across the wage distribution.

However, wage growth has since exceeded those expectations. Between April 2022 and April 2023 (the coverage period for our last forecast), median regular pay grew by 7.7 per cent (while total

⁶ Abdul Aziz, S & Richardson, J (2022) Employee jobs below the Living Wage.

⁷ Living Wage Foundation submission to the Low Pay Commission, 2023.

⁸ Bank of England (2022) Monetary Policy Report August 2022; Bank of England (2022) Monetary Policy Report November 2022 and HMT (2022) Forecast for the UK Economy: a comparison of independent forecasts. Table 2 'Growth in prices and monetary indicators (% change)'.

pay grew by 7.8 per cent).⁹ Despite being a very small real-term pay cut at the time (when adjusted to CPI), this was still well above forecasts set out in Autumn 2022. As a result, our original forecast had underestimated wage growth, leading to an overestimation of low pay.

2. SHARP INCREASE TO THE NATIONAL LIVING WAGE

Our November 2022 forecast was also conducted before the April 2023 National Living Wage was announced. As such, we used the Office for Budgetary Responsibility (OBR) projected National Living Wage rate for 2023 of £9.97. This ended up being an underestimation, with the National Living Wage being uprated to £10.42, in what was a record 9.7 per cent increase on the previous year.

Increases to the National Living Wage have a significant impact on the number and proportion of jobs below the real Living Wage due to ‘ripple effects’. Minimum wage ripple effects explain the knock-on impacts of increases to the wage floor for workers further up the pay distribution. Workers paid above the minimum wage typically receive a pay increase when the minimum wage increases as employer’s seek to maintain wage differentials.¹⁰ Recent evidence suggests the ripple effect of the minimum wage stretches all the way to the 50th percentile earners, with those in the 30th percentile and below experiencing ‘strong’ wage growth when the minimum wage increases.¹¹ This has ramifications for the number and proportion of jobs paid below the real Living Wage because the real Living Wage typically sits within the lowest 10-25 percentile and is therefore within the bounds of the minimum wage ripple effect.

As a result, the uprating of the National Living Wage to £10.42 (£0.45p more than the £9.97 initially predicted) had a large impact on the proportion and number of low paid jobs. Therefore, when we re-ran the forecast model with both the actual National Living Wage rate and a higher median wage growth projection in May 2023, our model predicted a markedly lower proportion of low paid jobs – down from 18.5 per cent to 15.7 per cent in percentage terms – and from 5.1m to 4.3m total low paid jobs.

⁹ ONS (2023) Average Weekly Earnings.

¹⁰ Jeanette Wicks-Lim (2006) Mandated Wage Floors and the Wage Structure: New Estimates of the Ripple Effects of Minimum Wage Laws. Massachusetts: University of Massachusetts Amherst Political Economy Research Institute; Gregory, T & Ulrich Zieran (2022) ‘When the minimum wage really bites hard: the negative spillover effect on high-skilled workers.’ *Journal of Public Economics*. 106 pp1-32; Congiz et al (2019) ‘The Effect of Minimum Wages on Low-Wage Jobs’. *The Quarterly Journal of Economics* 134 (3) pp1405-1456; Rodgers et al (2004). ‘Do the Skills of Adults Employed in Minimum Wage Contour Jobs Explain Why They Get Paid Less?’ *Journal of Post Keynesian Economics* 27 (3) pp37-66 & ReWage (2023) What next for a fair minimum wage. Warwick: Warwick University.

¹¹ Avram, S & Harkness, S (2019). The impact of minimum wage upratings on wage growth and the wage distribution. A report prepared for the Low Pay Commission.

3. LESS THAN EXPECTED 'CLUSTERING' AROUND THE NATIONAL LIVING WAGE

Alongside a sharp increase to the NLW, we also observed less clustering around this wage floor than was expected. As outlined in the Low Pay Commission's 2023 summary of evidence, just 4.9 per cent of jobs were covered directly by the minimum wage, a slight decrease on 2022 and below the level recorded in 2019 (6.6 per cent).¹² Further to this, there were also fewer jobs paid slightly above the NLW than in previous years. 11 per cent of workers were paid up to 50p more than the NLW, while 17.2 were paid up to £1 more than the NLW. The share of workers paid up to 50p and £1 over the wage floor had both decreased since 2019, despite the NLW increasing by 27 per cent (£2.21) over that period.

This is contrary to expectations regarding increases to the wage floor and the coverage of that wage floor across the labour market. Analysis from 2019 found that, if the wage floor was increased to two thirds of median income in 2018, around one fifth (22 per cent) would be covered directly by the NLW. While not a projection, this would suggest that in April 2023 there should have been more jobs covered directly by the NLW than there actually were. Given that the real Living Wage is within the "windfall" of the NLW, the lower levels of clustering recorded meant that fewer jobs were low paid than was forecasted.

OVERALL TRENDS

12.9 per cent of all employee jobs in the UK (3.7 million jobs) were paid less than the real Living Wage in April 2023, compared to 12.3 per cent (3.5 million jobs) in April 2022. Table 1 and Figure 1 show these trends and put them in the context of changes since 2012. As outlined in Table 1 and Figure 1, 2023 saw a 0.6 percentage point increase in below Living Wage jobs compared to 2022. This bucks the trend of the previous two years, which saw both the number and percentage of low paid jobs fall. That being said, even with the increase this year, both figures remain low by historical standards, with both the number and proportion of low paid jobs in 2023 at their second lowest point ever recorded, bettered only by the figures from 2022.

¹² Low Pay Commission (2023) Summary of evidence 2023 report.

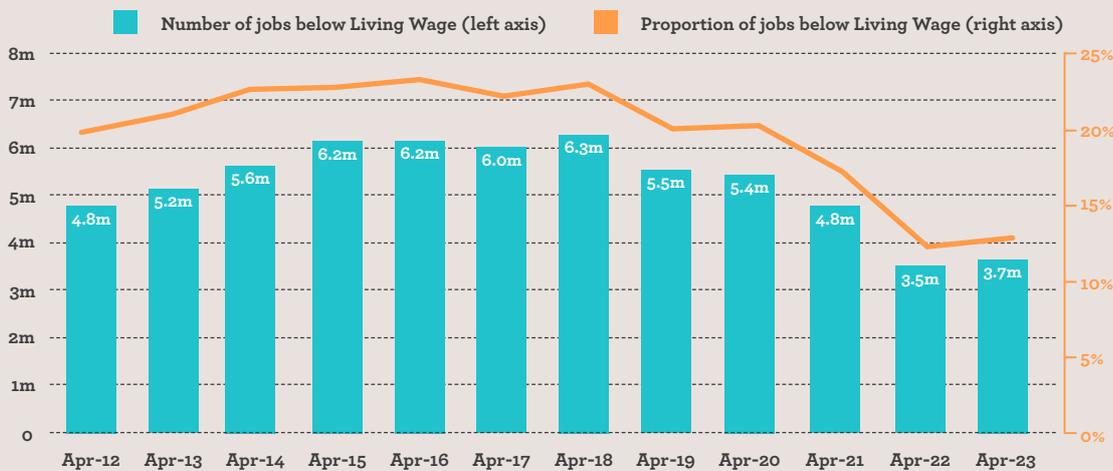
Table 1: Employee jobs paid below the Living Wage: UK, 2012-2023

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	27,498	£14.79	£9.90	£11.05	3,518	12.3%
April 2023	27,283	£15.88	£10.90	£11.95	3,664	12.9%

Notes: Data for April 2023 is provisional. The number and proportion of jobs paid below the Living Wage has been published by the 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.

Figure 1: Employee jobs paid below the Living Wage: UK, 2012-2023



Notes: Data for April 2023 is provisional. The number and proportion of jobs paid below the Living Wage has been published by the 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.

There has been a steady decline in the number and proportion of low paid jobs since 2019, when the UK Government set the target for the National Living Wage to reach two-thirds of median earnings by 2024.¹³ This led to several steep increases in the National Living Wage in recent years, rising to £10.42 an hour as of April 2023. Increases to the wage floor drive up wages both for those on the minimum wage (direct beneficiaries) and those slightly further up the income distribution (indirect beneficiaries), as employers seek to maintain wage differentials between members of staff by raising wages for those earning above the National Living Wage.¹⁴

The National Living Wage and real Living Wage rates have continued to converge over the past four years, from the National Living Wage being 91 per cent of the real Living Wage in 2019 to 95 per cent of the real Living Wage in 2023. This has coincided with the steady decrease in the scale of low pay in the UK over that period. The exceptions being in April 2020, when the pandemic drastically impacted UK earnings data resulting in the scale of low pay remaining broadly consistent with the previous year, and April 2023, when the scale of low pay increased slightly after the real Living Wage was updated to account for the unprecedented rise in the cost-of-living in 2022.

In addition to the effects of a rising wage floor, the continued acceleration of the Living Wage movement has also contributed to the reduction in the scale of low pay over time. 2023 has seen sustained growth in businesses becoming accredited as Living Wage employers, with over 3,000 accreditations and 64,000 uplifts in 2023. Since 2011, 460,000 employees throughout the UK have been uplifted onto the real Living Wage through accreditation, and continue to do so with the rates increasing annually. In addition to the direct impact of businesses accrediting as Living Wage employers, many more firms continue to match the Living Wage rates without officially accrediting, further driving a reduction in the number and proportion of low paid jobs.

REGION, NATION AND LOCAL AUTHORITY

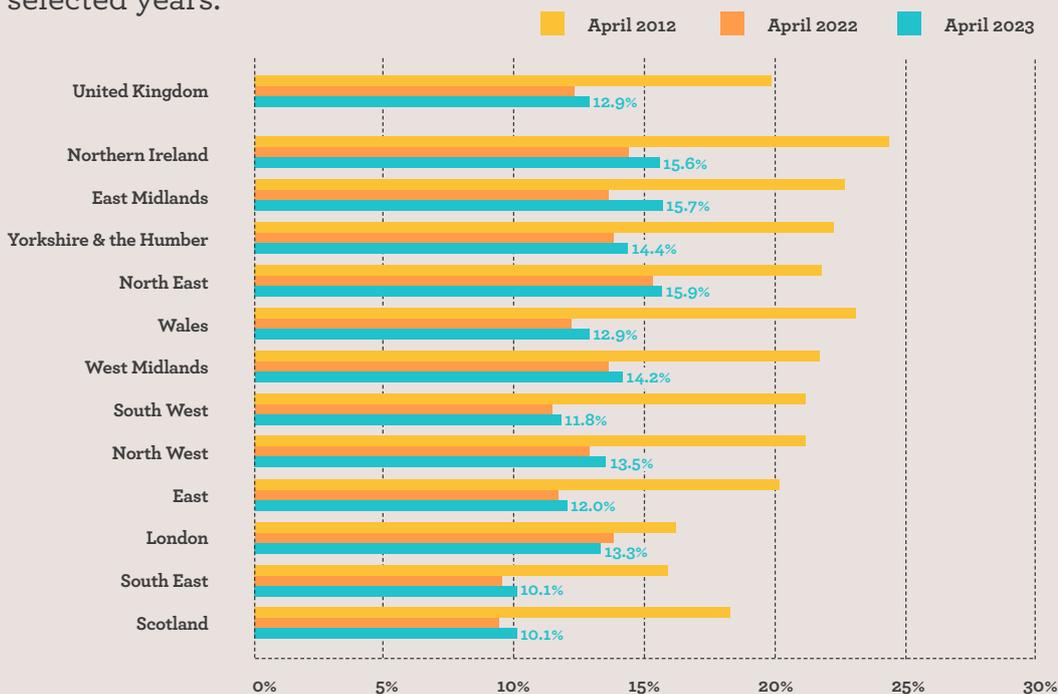
Table 2, Table 3, Table 4 and Table 5 in the data tables section of this report summarise the latest data and trends over time in the number

¹³ UK Government (2023) National Living Wage and National Minimum Wage: Low Pay Commission remit 2023. Accessible here: [National Living Wage and National Minimum Wage: Low Pay Commission remit 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/114444/nlw-nmw-remits-2023.pdf)

¹⁴ Avram, S & Harkness, S (2019) The impact of minimum wage upratings on wage growth and the wage distribution. A report prepared for the Low Pay Commission.

and proportion of jobs paid below the Living Wage across the regions and nations of the UK. The regions with the highest proportion of employee jobs paid below the Living Wage have remained fairly consistent over time (Figure 2).

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



Notes: Data for April 2023 is provisional. The number and proportion of jobs paid below the Living Wage has been published by the 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.

In April 2023, regions with an above average proportion of below Living Wage jobs were the North East (15.9 per cent), East Midlands (15.7 per cent), Northern Ireland (15.6 per cent), Yorkshire and the Humber (14.4 per cent), West Midlands (14.2 per cent), North West (13.5 per cent) and London (13.3 per cent). In contrast, the regions with below average levels of low pay in April 2023 were Scotland (10.1 per cent), the South East (10.1 per cent), the South West (11.8 per cent) and the East of England (12.0 per cent).

London’s scale of jobs paid below the real Living Wage is slightly higher than that of the UK as a whole (13.3 per cent compared to 12.9 per cent). This is in spite of London having the highest average salaries in the UK.¹⁵ As explored in prior LWF Research, when it comes to the real Living Wage, Londoners have been less impacted by the growth of

¹⁵ House of Commons Library (2022) Average earnings by age and region. Accessible here: <https://commonslibrary.parliament.uk/research-briefings/cbp-8456/>

the National Living Wage and associated ripple effects further up the income distribution. Unlike the real Living Wage, the National Living Wage does not have a separate minimum wage for London, despite the higher living costs in the capital. As a result, London has had a higher rate of low pay than the UK on average, for the past two years, having previously been amongst the lowest impacted regions.¹⁶

We can also assess employee jobs paid below the real Living Wage 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 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). Haringey in Inner London was the Local Authority with the highest proportion of employee jobs below the Living Wage in April 2023 (32.7 per cent). All the remaining Local Authorities in the top five for the highest incidence of low paid jobs are in Outer London – Brent (29.5 per cent), Waltham Forest (28.8 per cent), Bexley (28.5 per cent) and Redbridge (28.2 per cent). More broadly, Local Authorities in Outer London account for 12 of the top 25 areas with the highest proportion of low paid jobs. This is highly consistent with previous years data on low pay by Local Authority, with Outer London boroughs have higher living costs without necessarily receiving the higher-than-average wages seen in more central areas across the capital.

GENDER AND WORKING HOURS

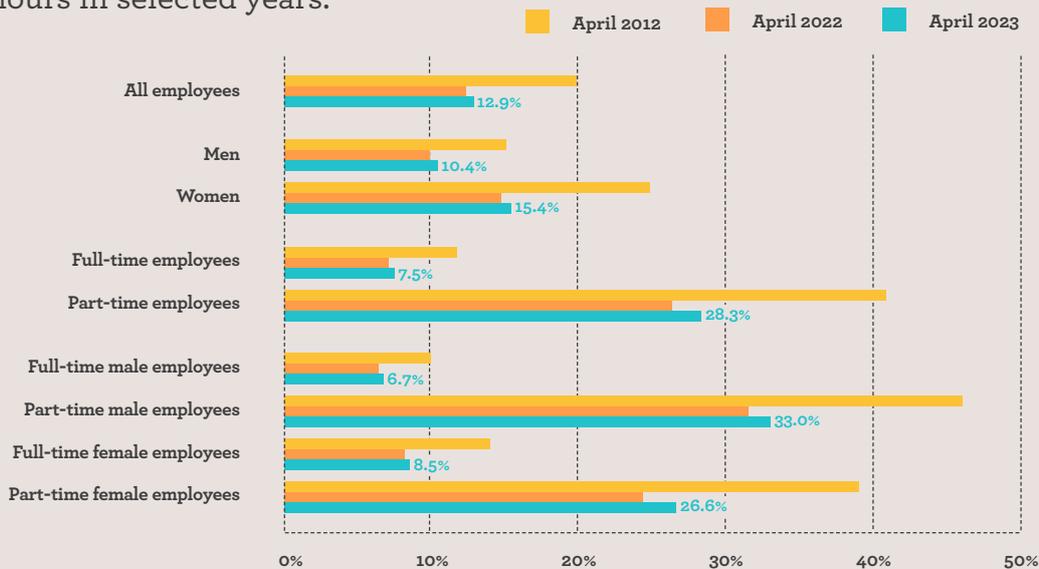
Table 2, Table 3, Table 4 and Table 6 in the data tables section of this report summarise the latest data and trends over time in the number and proportion of jobs paid below the Living Wage by gender and working hours (full-time/part-time). These trends are summarised in Figure 3 which shows that a much higher proportion of part-time jobs were paid below the real Living Wage than full-time jobs in April 2023 – 28.3 per cent of part-time jobs compared to 7.5 per cent of full-time jobs. Despite the longer-term data showing a reduction in the gap between full-time jobs and part-time jobs being paid less than the Living Wage since 2012, the gap actually widened slightly between 2022 and 2023.

A similar trend can be seen between jobs held by men compared to those held by women over the past decade (Figure 3). In April 2023, 15.4 per cent of jobs held by women were paid below the real Living

¹⁶ Abdul Aziz, S & Richardson, J (2023) London's low pay landscape.

Wage, compared to 10.4 per cent of those held by men. Once again, the trend is one of closer convergence over the past decade – with the 9.8 percentage point difference in April 2012 shrinking to 5.0 percentage points by April 2023.

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



Notes: Data for April 2023 is provisional. The number and proportion of jobs paid below the Living Wage has been published by the 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.

While part-time jobs and jobs held by women are more likely to be low paid, these gaps have narrowed since 2012. This can be partially attributed to rising wage floors over the past decade disproportionately benefitting these groups. As a result of these roles being more likely to be low paid in the first place, raising the wage floor - and the associated ripple effects up the earnings distribution - have nudged more of these workers above the real Living Wage threshold over time. The same can be said for other initiatives to tackle low pay, including the Living Wage campaign itself.

Despite convergence over time, 57.0 per cent of below Living Wage jobs were still part-time in April 2023 (2.1 million), and 59.5 per cent of low paid jobs (2.2 million) were held by women. Overall, nearly 39.2 per cent of all employee jobs paid below the Living Wage in April 2023 were part-time jobs held by women, showing that these workers are still over-represented in low paid jobs.

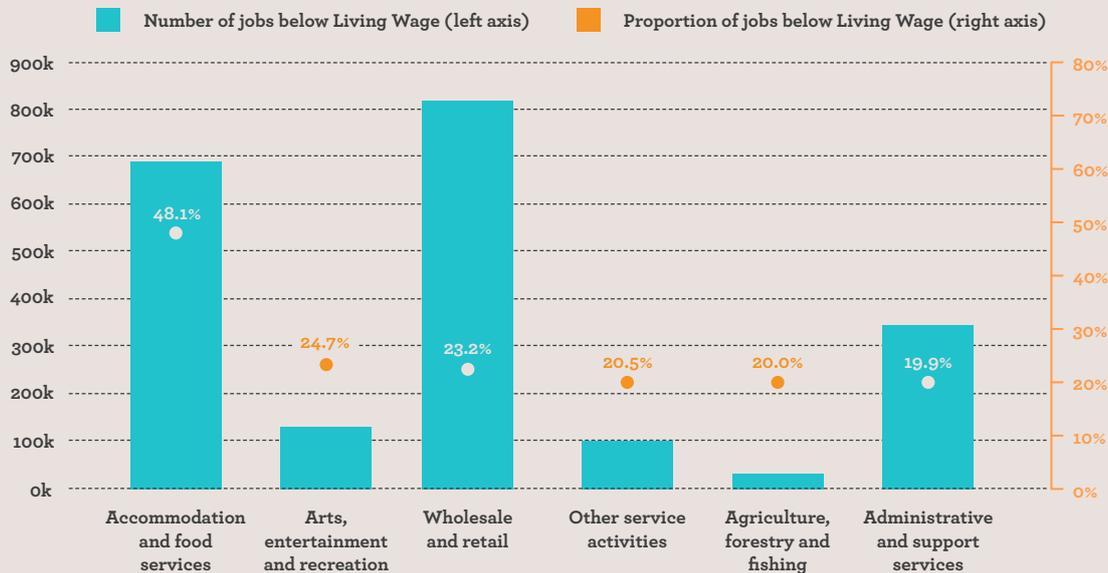
A slight outlier is that a higher proportion of part-time jobs held by men are paid below the real Living Wage compared to part-time jobs held by women (33.0 per cent versus 26.6 per cent). However, there are fewer total part-time jobs held by men than women, with women holding 68.6 per cent of all part-time jobs. This means that in 2023, the total number of part-time jobs paid below the Living Wage held by women (1.4 million) was more than twice the number of part-time jobs paid below the Living Wage held by men (656,000).

Table 2, Table 3 and Table 4 in the data tables section of this report show the latest data on below Living Wage employee jobs disaggregated by gender, hours and location. 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 as a whole. That said, London does stand out when it comes to hours. While the proportion of jobs in London paid below the real Living Wage was only slightly higher than across the UK as a whole (13.3 per cent compared to 12.9 per cent), London had by far the highest proportion of part-time jobs paid below the real Living Wage of any region or nation (38.3 per cent compared to 28.3 per cent across the UK). This is a gap that has grown since 2012, rising from 2.3 percentage points in 2012 to 10.0 percentage points in April 2023. A key reason for this is that unlike the rest of the UK, increases to the UK minimum wage have not been as effective in nudging London's part-time workers above the London Living Wage threshold, with the UK minimum wage not accounting for the higher cost-of-living in the capital, unlike the London Living Wage.

INDUSTRY

Table 8 in the data tables section of this report summarises the latest data on the number and proportion of jobs paid below the real Living Wage by industry. Industries with above-average rates of below Living Wage pay are also shown in Figure 4. The hospitality ('Accommodation and food services') sector had by far the highest proportion of jobs paid below the real Living Wage in April 2023 (48.1 per cent). As mentioned above, this is the 12th consecutive year that hospitality has been the sector with the highest proportion of low paid jobs. Other sectors with above-average levels of low pay in 2023 include the arts ('Arts, entertainment and recreation') at 24.7 per cent and retail ('Wholesale and retail trade') at 23.2 per cent. However, because the retail sector is much larger in terms of number of jobs, it accounted for the largest number of below Living Wage jobs in April 2023 (818,000).

Figure 4: Employee jobs paid below the Living Wage in industries with an above-average number and proportion of jobs paid below the real Living Wage by industry (one-digit SIC): April 2023.



Notes: Data for April 2023 is provisional. See the methodology section for further details.
Source: Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

Most sectors saw their levels of low pay remain broadly consistent between 2022 and 2023. The largest recorded uptick was in the ‘Agriculture, forestry and fishing’ sector (1.7 percentage point increase) followed by ‘Wholesale and retail’ (1.3 percentage point increase). Drilling down to a more specific industry definition, we found the highest proportions of jobs paid below the Living Wage in April 2023 to be in ‘Food and beverage services’ (52.9 per cent), ‘Services to buildings and landscape activities’ (e.g. cleaning and facilities management – 34.9 per cent), and ‘Other personal service activities’ (e.g. hairdressing and beauty therapy – 33.5 per cent).

5. Data Tables

Table 2: Employee jobs paid below the Living Wage, by region and gender: April 2023 (unless otherwise stated).

	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2023	April 2022	2022-2023 change	April 2023	April 2022	2022-2023 change
All employees									
North East	1,020	£14.34	£17.40	170	161	+9	15.9%	15.3%	+0.6pppts
North West	2,833	£15.09	£18.60	397	380	+17	13.5%	12.9%	+0.6pppts
Yorkshire and the Humber	2,085	£14.57	£18.07	314	304	+10	14.4%	13.8%	+0.6pppts
East Midlands	1,823	£14.45	£17.83	299	258	+41	15.7%	13.6%	+2.1pppts
West Midlands	2,245	£15.05	£18.74	334	323	+11	14.2%	13.6%	+0.6pppts
East	2,387	£15.63	£19.25	297	295	+2	12.0%	11.7%	+0.3pppts
London	4,113	£20.34	£26.22	574	584	-10	13.3%	13.8%	-0.5pppts
South East	3,884	£16.52	£20.45	409	384	+25	10.1%	9.5%	+0.6pppts
South West	2,318	£15.07	£18.61	285	267	+18	11.8%	11.4%	+0.4pppts
Wales	1,193	£14.88	£17.94	161	149	+12	12.9%	12.2%	+0.7pppts
Scotland	2,223	£16.63	£20.10	234	234	-	10.1%	9.4%	+0.7pppts
Northern Ireland	1,158	£14.48	£18.26	190	179	+11	15.6%	14.4%	+1.2pppts
United Kingdom	27,283	£15.88	£20.05	3,664	3,518	+146	12.9%	12.3%	+0.6pppts
Men									
North East	491	£15.25	£18.09	69	65	+4	13.5%	13.0%	+0.5pppts
North West	1,444	£16.22	£19.66	164	152	+12	11.0%	10.5%	+0.5pppts
Yorkshire and the Humber	1,072	£15.97	£19.23	117	113	+4	10.6%	10.2%	+0.4pppts
East Midlands	940	£15.74	£18.84	108	96	+12	11.1%	10.0%	+1.1pppts
West Midlands	1,137	£16.27	£20.00	137	132	+5	11.6%	10.9%	+0.7pppts
East	1,227	£17.00	£20.51	123	124	-1	9.7%	9.8%	-0.1pppts
London	2,134	£21.82	£28.43	265	260	+5	12.0%	11.8%	+0.2pppts
South East	1,998	£18.26	£21.97	154	147	+7	7.5%	7.1%	+0.4pppts
South West	1,164	£16.52	£19.84	108	109	-1	9.0%	9.2%	-0.2pppts
Wales	581	£15.89	£18.67	66	64	+2	11.0%	11.0%	-
Scotland	1,052	£17.41	£20.74	93	92	+1	8.6%	8.0%	+0.6pppts
Northern Ireland	583	£15.02	£19.03	80	76	+4	13.2%	12.5%	+0.7pppts
United Kingdom	13,823	£17.16	£21.31	1,484	1,433	+51	10.4%	10.0%	+0.4pppts
Continues 									

Table 2 (cont.): Employee jobs paid below the Living Wage, by region and gender: April 2023 (unless otherwise stated).

Women	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2023	April 2022	2022-2023 change	April 2023	April 2022	2022-2023 change
North East	529	£13.50	£16.61	101	96	+5	18.1%	17.4%	+0.7pppts
North West	1,389	£14.01	£17.28	233	228	+5	16.0%	15.3%	+0.7pppts
Yorkshire and the Humber	1,013	£13.27	£16.55	197	190	+7	18.5%	17.6%	+0.9pppts
East Midlands	883	£13.16	£16.46	191	162	+29	20.6%	17.3%	+3.3pppts
West Midlands	1,108	£13.88	£17.16	197	191	+6	16.9%	16.4%	+0.5pppts
East	1,161	£14.33	£17.56	174	171	+3	14.3%	13.6%	+0.7pppts
London	1,979	£18.83	£23.59	308	324	-16	14.7%	16.0%	-1.3pppts
South East	1,886	£14.87	£18.52	255	237	+18	12.9%	12.0%	+0.9pppts
South West	1,154	£13.91	£17.07	177	158	+19	14.7%	13.7%	+1.0pppts
Wales	613	£13.96	£17.10	95	84	+11	14.8%	13.3%	+1.5pppts
Scotland	1,171	£15.82	£19.41	141	142	-1	11.5%	10.7%	+0.8pppts
Northern Ireland	575	£13.78	£17.31	110	103	+7	18.0%	16.4%	+1.6pppts
United Kingdom	13,460	£14.63	£18.49	2,179	2,086	+93	15.4%	14.7%	+0.7pppts

Notes: Data for April 2023 is provisional. See the methodology section for further details.
Source: Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

Table 3: Employee jobs paid below the Living Wage, by region and hours: April 2023 (unless otherwise stated).

	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2023	April 2022	2022-2023 change	April 2023	April 2022	2022-2023 change
All employees									
North East	1,020	£14.34	£17.40	170	161	+9	15.9%	15.3%	+0.6ppts
North West	2,833	£15.09	£18.60	397	380	+17	13.5%	12.9%	+0.6ppts
Yorkshire and the Humber	2,085	£14.57	£18.07	314	304	+10	14.4%	13.8%	+0.6ppts
East Midlands	1,823	£14.45	£17.83	299	258	+41	15.7%	13.6%	+2.1ppts
West Midlands	2,245	£15.05	£18.74	334	323	+11	14.2%	13.6%	+0.6ppts
East	2,387	£15.63	£19.25	297	295	+2	12.0%	11.7%	+0.3ppts
London	4,113	£20.34	£26.22	574	584	-10	13.3%	13.8%	-0.5ppts
South East	3,884	£16.52	£20.45	409	384	+25	10.1%	9.5%	+0.6ppts
South West	2,318	£15.07	£18.61	285	267	+18	11.8%	11.4%	+0.4ppts
Wales	1,193	£14.88	£17.94	161	149	+12	12.9%	12.2%	+0.7ppts
Scotland	2,223	£16.63	£20.10	234	234	-	10.1%	9.4%	+0.7ppts
Northern Ireland	1,158	£14.48	£18.26	190	179	+11	15.6%	14.4%	+1.2ppts
United Kingdom	27,283	£15.88	£20.05	3,664	3,518	+146	12.9%	12.3%	+0.6ppts
Full-time employees									
North East	726	£15.49	£17.91	72	67	+5	9.4%	9.0%	+0.4ppts
North West	2,094	£16.60	£19.24	174	165	+9	7.9%	7.6%	+0.3ppts
Yorkshire and the Humber	1,528	£15.97	£18.64	134	120	+14	8.4%	7.6%	+0.8ppts
East Midlands	1,308	£15.71	£18.37	134	110	+24	9.7%	8.0%	+1.7ppts
West Midlands	1,636	£16.53	£19.42	145	143	+2	8.4%	8.3%	+0.1ppts
East	1,670	£17.05	£19.94	119	122	-3	6.8%	7.0%	-0.2ppts
London	3,297	£22.19	£27.24	249	250	-1	7.2%	7.4%	-0.2ppts
South East	2,892	£18.17	£21.21	180	162	+18	5.9%	5.5%	+0.4ppts
South West	1,625	£16.60	£19.29	117	107	+10	6.9%	6.6%	+0.3ppts
Wales	864	£16.42	£18.54	67	60	+7	7.3%	6.9%	+0.4ppts
Scotland	1,602	£18.17	£20.87	94	94	-	5.6%	5.4%	+0.2ppts
Northern Ireland	825	£16.16	£18.96	88	82	+6	10.1%	9.1%	+1.0ppts
United Kingdom	20,066	£17.48	£20.83	1,573	1,482	+91	7.5%	7.1%	+0.4ppts
Continues ▼	▼	▼	▼	▼	▼	▼	▼	▼	▼

Table 3 (cont.): Employee jobs paid below the Living Wage, by region and hours: April 2023 (unless otherwise stated).

Part-time employees	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2023	April 2022	2022-2023 change	April 2023	April 2022	2022-2023 change
North East	294	£11.78	£14.78	98	95	+3	32.0%	29.8%	+2.2ppts
North West	739	£11.79	£14.87	223	216	+7	29.7%	27.6%	+2.1ppts
Yorkshire and the Humber	557	£11.67	£14.73	180	183	-3	31.5%	30.2%	+1.3ppts
East Midlands	516	£11.74	£14.82	165	149	+16	31.1%	27.8%	+3.3ppts
West Midlands	608	£11.85	£14.91	189	180	+9	30.2%	27.6%	+2.6ppts
East	717	£12.38	£15.63	177	173	+4	24.3%	22.6%	+1.7ppts
London	816	£12.77	£17.58	324	334	-10	38.3%	38.6%	-0.3ppts
South East	992	£12.26	£15.62	229	221	+8	22.8%	20.3%	+2.5ppts
South West	693	£12.22	£15.21	168	160	+8	23.9%	22.7%	+1.2ppts
Wales	330	£11.92	£14.66	94	88	+6	28.1%	25.4%	+2.7ppts
Scotland	622	£12.78	£16.02	140	140	-	22.0%	19.4%	+2.6ppts
Northern Ireland	333	£11.70	£14.54	102	97	+5	29.5%	28.6%	+0.9ppts
United Kingdom	7,216	£12.04	£15.44	2,091	2,036	+55	28.3%	26.3%	+2.0ppts

Notes: Data for April 2023 is provisional. See the methodology section for further details.
Source: Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

Table 4: Employee jobs paid below the Living Wage, by region, gender and hours: April 2023 (unless otherwise stated).

	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2023	April 2022	2022-2023 change	April 2023	April 2022	2022-2023 change
Full-time male employees									
North East	418	£16.02	£18.32	41	38	+3	9.4%	8.9%	+0.5ppts
North West	1,235	£17.24	£20.04	92	85	+7	7.2%	6.8%	+0.4ppts
Yorkshire and the Humber	924	£16.73	£19.50	68	63	+5	7.1%	6.5%	+0.6ppts
East Midlands	808	£16.46	£19.09	67	55	+12	8.0%	6.6%	+1.4ppts
West Midlands	976	£17.29	£20.44	75	77	-2	7.4%	7.4%	-
East	1,031	£17.73	£20.84	67	63	+4	6.3%	5.9%	+0.4ppts
London	1,850	£23.62	£29.29	130	122	+8	6.8%	6.4%	+0.4ppts
South East	1,719	£19.21	£22.39	90	84	+6	5.0%	4.7%	+0.3ppts
South West	983	£17.27	£20.18	61	58	+3	6.0%	5.8%	+0.2ppts
Wales	499	£16.79	£18.99	38	35	+3	7.4%	7.1%	+0.3ppts
Scotland	902	£18.33	£21.19	51	51	-	5.5%	5.2%	+0.3ppts
Northern Ireland	487	£16.03	£19.37	48	49	-1	9.4%	9.3%	+0.1ppts
United Kingdom	11,832	£18.14	£21.75	829	779	+50	6.7%	6.4%	+0.3ppts
Part-time male employees									
North East	73	£11.42	£15.26	28	27	+1	37.6%	35.4%	+2.2ppts
North West	209	£11.45	£14.84	72	67	+5	34.8%	32.4%	+2.4ppts
Yorkshire and the Humber	148	£11.60	£15.50	49	51	-2	33.3%	32.1%	+1.2ppts
East Midlands	132	£11.62	£15.21	41	41	-	30.7%	32.0%	-1.3ppts
West Midlands	161	£11.30	£13.99	62	55	+7	38.5%	31.7%	+6.8ppts
East	196	£12.00	£16.40	55	61	-6	28.6%	31.0%	-2.4ppts
London	284	£12.00	£16.37	135	138	-3	46.5%	46.7%	-0.2ppts
South East	279	£12.10	£15.80	65	64	+1	23.5%	21.1%	+2.4ppts
South West	181	£12.00	£15.68	47	52	-5	26.3%	27.3%	-1.0ppts
Wales	82	£11.42	£14.25	28	29	-1	34.4%	32.1%	+2.3ppts
Scotland	150	£11.91	£14.79	42	41	+1	27.8%	24.2%	+3.6ppts
Northern Ireland	96	£11.51	£14.91	32	27	+5	33.3%	32.3%	+1.0ppts
United Kingdom	1,991	£11.80	£15.41	656	653	+3	33.0%	31.5%	+1.5ppts
Continues ▼	▼	▼	▼	▼	▼	▼	▼	▼	▼

Table 4 (cont.): Employee jobs paid below the Living Wage, by region, gender and hours: April 2023 (unless otherwise stated).

	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2023	April 2022	2022-2023 change	April 2023	April 2022	2022-2023 change
Full-time female employees									
North East	307	£14.82	£17.33	31	28	+3	9.5%	9.2%	+0.3pppts
North West	859	£15.78	£18.03	82	79	+3	9.0%	8.7%	+0.3pppts
Yorkshire and the Humber	604	£14.87	£17.25	66	58	+8	10.3%	9.1%	+1.2pppts
East Midlands	499	£14.44	£17.11	67	55	+12	12.6%	10.3%	+2.3pppts
West Midlands	660	£15.48	£17.81	70	66	+4	10.0%	9.7%	+0.3pppts
East	639	£15.92	£18.41	52	59	-7	7.7%	8.6%	-0.9pppts
London	1,447	£20.81	£24.56	119	128	-9	7.7%	8.8%	-1.1pppts
South East	1,173	£16.69	£19.38	90	79	+11	7.2%	6.7%	+0.5pppts
South West	642	£15.40	£17.86	56	50	+6	8.2%	7.8%	+0.4pppts
Wales	365	£15.73	£17.89	28	25	+3	7.3%	6.7%	+0.6pppts
Scotland	700	£18.00	£20.43	43	43	-	5.8%	5.5%	+0.3pppts
Northern Ireland	338	£16.40	£18.33	40	32	+8	11.2%	8.7%	+2.5pppts
United Kingdom	8,235	£16.65	£19.44	744	703	+41	8.5%	8.2%	+0.3pppts
Part-time female employees									
North East	221	£11.85	£14.63	70	68	+2	30.2%	28.0%	+2.2pppts
North West	530	£11.85	£14.89	152	149	+3	27.8%	25.9%	+1.9pppts
Yorkshire and the Humber	409	£11.68	£14.46	131	133	-2	30.9%	29.5%	+1.4pppts
East Midlands	383	£11.76	£14.69	124	107	+17	31.3%	26.5%	+4.8pppts
West Midlands	447	£12.00	£15.23	127	125	+2	27.3%	26.0%	+1.3pppts
East	521	£12.50	£15.35	122	112	+10	22.7%	19.7%	+3.0pppts
London	532	£13.17	£18.21	189	196	-7	34.0%	34.4%	-0.4pppts
South East	713	£12.30	£15.56	164	158	+6	22.5%	19.9%	+2.6pppts
South West	512	£12.26	£15.05	122	108	+14	23.1%	21.1%	+2.0pppts
Wales	247	£12.09	£14.78	67	59	+8	26.1%	23.0%	+3.1pppts
Scotland	471	£13.12	£16.40	98	99	-1	20.2%	17.9%	+2.3pppts
Northern Ireland	237	£11.70	£14.41	69	70	-1	28.0%	27.4%	+0.6pppts
United Kingdom	5,225	£12.20	£15.45	1,435	1,383	+52	26.6%	24.4%	+2.2pppts

Notes: Data for April 2023 is provisional. See the methodology section for further details.
Source: Living Wage Foundation analysis of ONS, Annual Survey of Hours and Earnings.

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

Number of employee jobs paid below the Living Wage (000s)	April 2012	April 2013	April 2014	April 2015	April 2016	April 2017	April 2018	April 2019	April 2020	April 2021	April 2022	April 2023
North East	202	233	228	252	255	249	263	227	202	187	161	170
North West	545	595	652	717	710	689	715	626	588	538	380	397
Yorkshire and the Humber	438	468	506	544	563	546	564	487	481	409	304	314
East Midlands	378	408	443	507	511	468	509	430	414	379	258	299
West Midlands	456	480	549	583	580	570	573	486	472	436	323	334
East	444	457	522	566	574	528	549	470	463	391	295	297
London	572	636	727	798	802	814	871	838	790	697	584	574
South East	515	576	621	667	686	695	712	603	678	531	384	409
South West	435	460	491	543	532	501	532	479	480	423	267	285
Wales	245	253	277	300	286	289	305	268	263	220	149	161
Scotland	390	404	422	460	468	433	473	398	342	335	234	234
Northern Ireland	183	183	205	226	258	240	232	229	276	235	179	190
United Kingdom	4,805	5,151	5,644	6,162	6,224	6,023	6,297	5,540	5,448	4,779	3,518	3,664
Proportion of employee jobs paid below the Living Wage	April 2012	April 2013	April 2014	April 2015	April 2016	April 2017	April 2018	April 2019	April 2020	April 2021	April 2022	April 2023
North East	21.8%	24.6%	23.7%	24.5%	25.5%	24.3%	25.2%	22.4%	21.7%	19.5%	15.3%	15.9%
North West	21.2%	23.0%	24.7%	24.8%	25.2%	23.9%	24.3%	21.0%	21.3%	18.6%	12.9%	13.5%
Yorkshire and the Humber	22.3%	23.8%	25.6%	25.3%	26.5%	25.3%	25.7%	21.9%	22.5%	18.4%	13.8%	14.4%
East Midlands	22.7%	24.1%	26.0%	26.9%	27.7%	25.7%	27.0%	22.7%	23.0%	20.2%	13.6%	15.7%
West Midlands	21.7%	22.9%	25.4%	25.1%	25.8%	25.2%	24.8%	21.7%	21.7%	19.4%	13.6%	14.2%
East	20.2%	20.5%	22.9%	22.7%	23.8%	22.0%	22.7%	18.8%	19.6%	15.6%	11.7%	12.0%
London	16.2%	17.2%	19.2%	20.0%	19.5%	19.4%	20.5%	19.7%	19.5%	17.1%	13.8%	13.3%
South East	15.9%	17.1%	18.3%	18.4%	18.7%	18.2%	18.8%	15.8%	16.8%	12.7%	9.5%	10.1%
South West	21.2%	22.4%	23.4%	23.9%	23.8%	22.3%	23.4%	20.3%	21.6%	18.0%	11.4%	11.8%
Wales	23.1%	23.6%	25.0%	25.3%	25.1%	24.9%	26.1%	22.5%	22.1%	17.8%	12.2%	12.9%
Scotland	18.3%	18.6%	19.2%	19.6%	20.1%	18.4%	19.4%	16.8%	15.1%	14.5%	9.4%	10.1%
Northern Ireland	24.4%	25.8%	28.3%	27.3%	29.6%	27.9%	28.0%	25.1%	26.2%	21.1%	14.4%	15.6%
United Kingdom	19.9%	21.0%	22.5%	22.8%	23.2%	22.2%	22.9%	20.0%	20.2%	17.1%	12.3%	12.9%

Notes: Data for April 2023 is provisional. The number and proportion of jobs paid below the Living Wage has been published by the 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.

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

Number of employee jobs paid below the Living Wage (000s)	April 2012	April 2013	April 2014	April 2015	April 2016	April 2017	April 2018	April 2019	April 2020	April 2021	April 2022	April 2023
All employees	4,805	5,151	5,644	6,162	6,224	6,023	6,297	5,540	5,448	4,779	3,518	3,664
Men	1,852	1,958	2,184	2,367	2,430	2,341	2,474	2,140	2,257	1,927	1,433	1,484
Women	2,961	3,181	3,426	3,795	3,795	3,682	3,823	3,400	3,191	2,852	2,086	2,179
Full-time employees	2,028	2,240	2,570	2,805	2,939	2,807	2,923	2,582	2,728	2,236	1,482	1,573
Part-time employees	2,809	2,928	3,096	3,357	3,285	3,216	3,374	2,958	2,720	2,543	2,036	2,091
Full-time male employees	1,064	1,164	1,346	1,445	1,534	1,452	1,528	1,313	1,482	1,160	779	829
Part-time male employees	787	809	876	921	895	889	946	827	775	767	653	656
Full-time female employees	946	1,067	1,205	1,359	1,405	1,355	1,395	1,269	1,246	1,076	703	744
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	1,435
Proportion of employee jobs paid below the Living Wage	April 2012	April 2013	April 2014	April 2015	April 2016	April 2017	April 2018	April 2019	April 2020	April 2021	April 2022	April 2023
All employees	19.9%	21.0%	22.5%	22.8%	23.2%	22.2%	22.9%	20.0%	20.2%	17.1%	12.3%	12.9%
Men	15.1%	15.9%	17.3%	17.6%	18.1%	17.2%	17.9%	15.6%	16.9%	13.9%	10.0%	10.4%
Women	24.8%	26.0%	27.6%	28.1%	28.3%	27.1%	27.9%	24.3%	23.5%	20.3%	14.7%	15.4%
Full-time employees	11.7%	12.7%	14.4%	14.4%	15.2%	14.3%	14.7%	12.9%	14.0%	11.0%	7.1%	7.5%
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%	28.3%
Full-time male employees	10.1%	10.9%	12.4%	12.4%	13.2%	12.3%	12.9%	11.1%	12.9%	9.8%	6.4%	6.7%
Part-time male employees	46.0%	47.6%	48.4%	50.1%	49.9%	48.4%	48.3%	42.7%	40.7%	38.5%	31.5%	33.0%
Full-time female employees	14.0%	15.4%	17.1%	17.4%	18.1%	17.2%	17.5%	15.5%	15.7%	12.8%	8.2%	8.5%
Part-time female employees	39.0%	40.1%	41.5%	42.6%	42.6%	41.0%	42.2%	36.6%	34.3%	31.4%	24.4%	26.6%

Notes: Data for April 2023 is provisional. The number and proportion of jobs paid below the Living Wage has been published by the 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.

Table 7: Employee jobs paid below the Living Wage in the top 25 Local Authorities with the highest proportion of jobs paid below the Living Wage: April 2023 (in percentage order):

	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2023	April 2022	2022-2023 change	April 2023	April 2022	2022-2023 change
Haringey (Inner London)	49	£14.67	£18.19	17	15	+2	32.7%	33.5%	-0.8pppts
Brent (Outer London)	68	£14.82	£18.35	21	24	-3	29.5%	14.0%	+15.5pppts
Waltham Forest (Outer London)	45	£15.65	£19.19	14	14	-	28.8%	30.3%	-1.5pppts
Bexley (Outer London)	57	£16.31	£19.66	17	18	-1	28.5%	33.7%	-5.2pppts
Redbridge (Outer London)	46	£13.93	£19.14	13	15	-2	28.2%	32.0%	-3.8pppts
Hyndburn (North West)	21	£12.15	£16.31	6	5	+1	26.3%	20.2%	+6.1pppts
Harrow (Outer London)	47	£14.91	£18.88	13	15	-2	26.1%	30.0%	-3.9pppts
Mansfield (East Midlands)	36	£13.21	£16.51	10	7	+3	25.3%	20.5%	+4.8pppts
East Lindsey (East Midlands)	43	£12.82	£16.16	11	9	+2	25.0%	21.7%	+3.3pppts
Thanet (South East)	44	£12.21	£16.08	11	7	+4	24.7%	16.2%	+8.5pppts
Barking and Dagenham (Outer London)	37	£15.32	£18.94	10	10	-	24.6%	26.0%	-1.4pppts
Gosport (South East)	18	£13.36	£17.46	4	4	-	23.7%	23.0%	+0.7pppts
Great Yarmouth (East)	33	£14.18	£16.52	8	7	+1	23.3%	18.1%	+5.2pppts
Bromley (Outer London)	78	£15.71	£20.25	18	20	-2	22.6%	19.9%	+2.7pppts
Redcar and Cleveland UA (North East)	32	£12.95	£16.08	7	8	-1	22.5%	24.5%	-2.0pppts
Wyre (North West)	23	£12.90	£15.79	5	6	-1	22.5%	20.6%	+1.9pppts
Sutton (Outer London)	55	£16.35	£19.76	13	11	+2	22.3%	21.7%	+0.6pppts
Greenwich (Outer London)	72	£15.99	£19.58	16	13	+3	21.5%	19.3%	+2.2pppts
Barnet (Outer London)	93	£16.88	£20.55	20	22	-2	21.3%	23.1%	-1.8pppts
Torbay UA (South West)	47	£12.87	£15.15	10	9	+1	21.0%	20.5%	+0.5pppts
Conwy / Conwy (Wales)	39	£13.64	£17.12	9	7	+2	20.8%	18.1%	+2.7pppts
Ealing (Outer London)	103	£16.87	£19.55	22	20	+2	20.7%	19.8%	+0.9pppts
Tameside (North West)	53	£13.63	£16.41	11	10	+1	20.3%	20.5%	-0.2pppts
Walsall (West Midlands)	86	£14.67	£17.63	18	14	+4	20.0%	15.2%	+4.8pppts
Nuneaton and Bedworth (West Midlands)	36	£14.55	£17.84	8	7	+1	19.9%	21.3%	-1.4pppts
United Kingdom	27,283	£15.88	£20.05	3,664	3,518	+146	12.9%	12.3%	+0.6pppts

Notes: Data for April 2023 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.

Table 8: Employee jobs paid below the Living Wage, by industry (one-digit SIC): April 2023 (unless otherwise stated).

	Employee Jobs (000s)	Median Wage	Mean Wage	Number of employee jobs below Living Wage (000s)			Proportion of employee jobs below Living Wage		
				April 2023	April 2022	2022-2023 change	April 2023	April 2022	2022-2023 change
Agriculture, forestry and fishing	157	£12.76	£14.95	31	31	-	19.9%	18.2%	+1.7ppts
Mining and quarrying	31	£21.73	£25.77	-	-	-	-	-	-
Manufacturing	2,442	£16.66	£19.60	-	-	-	<10%	<10%	-
Electricity and gas	110	£24.12	£26.77	-	-	-	<10%	<10%	-
Water supply and sewerage	196	£16.92	£18.71	-	-	-	<10%	<10%	-
Construction	1,000	£17.24	£20.59	-	-	-	<10%	<10%	-
Wholesale and retail	3,527	£12.78	£16.72	818	819	-1	23.2%	21.8%	+1.3ppts
Transportation and storage	1,068	£15.49	£18.49	-	-	-	<10%	<10%	-
Accommodation and food services	1,436	£11.00	£13.01	690	690	-	48.1%	48.2%	-0.2ppts
Information and communication	1,209	£21.66	£25.63	-	-	-	<10%	<10%	-
Financial and insurance activities	1,050	£23.76	£31.85	-	-	-	<10%	<10%	-
Real estate activities	427	£16.03	£19.60	44	-	-	10.3%	<10%	-
Professional, scientific and technical	2,213	£20.20	£24.98	-	-	-	<10%	<10%	-
Administrative and support services	1,735	£13.55	£17.53	346	335	+11	19.9%	19.5%	+0.4ppts
Public administration and defence	1,561	£17.98	£19.74	-	-	-	<10%	<10%	-
Education	3,724	£18.36	£21.05	-	-	-	<10%	<10%	-
Human health and social work	4,300	£15.88	£18.65	475	-	-	11.0%	<10%	-
Arts, entertainment and recreation	526	£12.83	£18.84	130	129	+1	24.7%	24.0%	+0.7ppts
Other service activities	487	£13.74	£17.52	100	106	-7	20.5%	21.1%	-0.6ppts
All industries	27,283	£15.88	£20.05	3,664	3,518	+146	12.9%	12.3%	+0.6ppts

Notes: Data for April 2023 is provisional. See the methodology section for further details.

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

6. Methodology

METHODOLOGY FOR 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 Annual Survey of Hours and Earnings (ASHE) data collected by the Office for National Statistics (ONS).¹⁷ This survey is carried out in April each year and is the most comprehensive source of information on the structure and distribution of hours and earnings among employees in the UK. The 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. The 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 2023; however, estimates for 2023 are provisional and will be subject to small revisions in 2024.
- Following the ONS convention, we focus on gross hourly pay for all employees whose pay was not affected by absence (with a slightly adjusted definition for 2020 and 2021 due to the Covid-19 pandemic and furlough scheme – see below).
- We use a workplace-based (as opposed to residence-based) definition when assigning regional and other geographical classifications. 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 real Living Wage rates.
- 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).

¹⁷ ONS (2022) Employee earnings in the UK: 2022. Accessible here: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2022>

- Data for industries are classified according to the Standard Industrial Classification (SIC) 2007 coding frame.¹⁸ Data for occupations before 2021 are classified according to the Standard Occupational Classification (SOC) 2010¹⁹ coding frame. Data for occupations from 2021 onward are classified according to the Standard Occupational Classification (SOC) 2020 coding frame.²⁰

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 percentile distribution of earnings (the 10th, 20th, 25th, 30th, 40th, 50th (median), 60th, 70th, 75th, 80th and 90th percentiles). For each individual region and nation of the UK, 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.

¹⁸ ONS (2016) UK SIC 2007. Accessible here: <https://www.ons.gov.uk/methodology/classificationsandstandards/ukstandardindustrialclassificationofeconomicactivities/uksic2007>

¹⁹ ONS (2016) SOC 2010. Accessible here: <https://www.ons.gov.uk/methodology/classificationsandstandards/standardoccupationalclassificationsoc/soc2010>

²⁰ ONS (2021) SOC 2020. Accessible here: <https://www.ons.gov.uk/methodology/classificationsandstandards/standardoccupationalclassificationsoc/soc2020/soc2020volume1structureanddescriptionsofunitgroups>

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.²¹

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, gender and working pattern (full-time/part-time). For industries and occupations, we use the overall scale factor estimated for each region or nation in that year.

CAVEATS, CONSIDERATIONS AND LIMITATIONS WHEN INTERPRETING ASHE DATA:

Despite the ASHE dataset being the most comprehensive dataset on employee earnings in the UK, some caution must be applied when interpreting our findings. As with other UK datasets, the ASHE has faced some sampling attrition since the Covid-19 pandemic.²² The number of observations in the ASHE sample in 2023 was 156,000 – an increase compared to previous years (148,000 in 2022, 142,000 in 2021 and 144,000 in 2020),²³ but still below the number of observations typically recorded pre-pandemic (usually around 180,000). Further to this, inspection of the ASHE sample and the employer non-response weighting used in the ASHE dataset has found that both smaller firms (particularly those with less than 10 employees) and private sector firms are under-represented within the ASHE sample, even after weighting is applied.²⁴ This has implications for reported pay levels, particularly for the lower end of the pay distribution, with both the public sector and larger organisations typically having lower incidences of low paid jobs. Indeed, the Wage Employment

²¹ For example, see: IHS Markit (2019), Living Wage Research for KPMG: 2019 Report.

²² Wage and Employment Dynamics (2022), Longitudinal Attrition in ASHE. Methodology Paper.

²³ ONS (2023) Employee Earnings in the UK.

²⁴ Wage and Employment Dynamics (2022), Weighting for employer non-response in ASHE. Methodology Paper.

Dynamics' (WED) adjusted ASHE weight which boosted the representation of small, young, private sector firms, saw the reported median hourly pay fall by 4.0 per cent.^{25, 26}

Additionally, over recent years, there has been growing discord between ASHE and other UK earnings datasets, particularly when it comes to the distribution of pay growth. For example, according to the ASHE dataset, lower earners in the UK saw higher nominal growth in earnings between April 2022 and April 2023 than those further up the income distribution, for both hourly and weekly pay. For both hourly and weekly pay, the lowest quartile of earners saw earnings growth which was both above the median and to a slightly larger extent, above that seen for the highest quartile. However, the Real Time Information Pay As You Earn (RTI-PAYE) data from HMRC contradicts this slightly. Over the same period (April 2022-April 2023) RTI-PAYE data shows much flatter earnings growth across the pay distribution, with wage growth for the lowest quartile being broadly consistent with median earners and those at the upper end of the pay distribution (annual wage growth of 6-7 per cent for both single month and three month averages). Some level of discrepancy is to be expected, particularly as the RTI-PAYE data covers monthly earnings while ASHE covers hourly/weekly earnings. That being said, in previous years (particularly before Covid-19), there was a much higher degree of congruence between these two datasets. With these considerations in mind, this report's findings should be interpreted with some caution.

Despite these considerations, ASHE is still the most comprehensive dataset in the UK when it comes to employee earnings, and is a requisite for studying hourly earnings. The ASHE is the only dataset which collects hourly pay data based on HM Revenue & Customs (HMRC) Pay As You Earn (PAYE) records. As such, recordings within the ASHE dataset are not reliant upon respondent recollection of pay amounts, nor are they subject to the derivation issues that are present within worker surveys like the Labour Force Survey (LFS). While datasets like the LFS also collect information on hourly pay, they are less precise due to their vulnerability to respondent error, and are also subject to derivation issue once income weights are applied.²⁷ We therefore continue to use the ASHE to analyse the incidence and distribution of below Living Wage jobs in the UK.

²⁵ See reference 24.

²⁶ It is worth noting that the WED adjusted weight also resulted in the reported proportion of 'low paid' employee jobs falling. However, their definition of 'low pay' was that of being below two thirds of median income. Their re-weight was shown to deflate earnings unevenly, with the lowest quartile of earners seeing their reported earnings fall by 2.5 percentage points, compared to 4 percentage points for median earners. This is why there was a lower proportion of workers that were 'low paid' by their definition, because the median earners had been deflated more than the lowest earners, resulting in fewer workers being paid less than two thirds of the median. Using our own definition as the barometer of low pay - as those being paid below the real Living Wage - the adjusted ASHE data would result in more workers being considered as 'low paid'. This is because our definition simply includes those who are paid less than the real Living Wage, and therefore any deflation of earnings data (irrespective of the distribution), means more workers fall below that threshold, which in turn results in more workers being considered 'low paid'.

²⁷ ONS (2017) Guide to interpreting Annual Survey of Hours and Earnings (ASHE) estimates.

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