

October  
2015



## Jobs paid less than the living wage

Big Numbers Box

32,000

Employee jobs  
in Dorset paid  
less than the  
living wage

Current  
living wage  
outside London

£7.85 per hour

Welcome to this **ourcommunities** bitesize bulletin on jobs paid less than the living wage in Dorset. This edition pulls out a local perspective on a recently released (Oct 2015) national dataset.

The [living wage](#) is a voluntary pay standard for employees aged 18 and over who are not apprentices, interns or trainees. It is designed to cover the basic cost of living. Currently at £7.85 per hour, it is due to increase next month.

### Box 1: Why is this important?

A decent living wage helps improve quality of life by covering the basic cost of living, reducing poverty and allowing people to spend more time with their families.



Many employers say the living wage reduces absenteeism, raises work quality and improves recruitment and retention. Poor quality of life and poor housing are likely to have an impact on mental and physical well-being and a consequent effect on demands for health and care services.

in Dorset



employee jobs paid  
less than living wage

one in four

### Box 2: Which employee jobs are likely to pay below the living wage?

In 2014, about six million employee jobs in the UK paid less than the living wage. The jobs most likely to pay below the living wage are:

- Employee jobs **outside London** are more likely to be paid below the living wage.
- **Females** are more likely to be paid below the living wage than males.
- **Part time employees** are more likely to be paid below the living wage than full time workers.
- By industry, employees in **accommodation & food services** and in **retail** are more likely to be paid below the living wage.
- By occupation, employees in **elementary occupations** (e.g. refuse workers, cleaners & agricultural labourers) or in **sales and customer service occupations** are less likely to receive the living wage.
- **18-24 year olds** and those **aged 65+** are less likely to receive the living wage.
- Employees in the **private sector** are less likely to be paid the living wage than those in the public sector.



### Box 3: What is the local picture?

In London and the South East, about 19% of employee jobs were paid below the living wage compared with 23% in the rest of the UK. In the South West region, about 24% of employee jobs were paid below the living wage.

At smaller geographies, the level of confidence in the estimates is much lower and they should be treated with caution, but the headline figures indicate up to 31% of employee jobs in the Dorset districts and boroughs are paid less than the living wage with the highest percentages evident in Weymouth & Portland, North Dorset and East Dorset. Christchurch had the smallest

Percentage of employees jobs below the living wage, 2014



proportion of employee jobs below the living wage. An above average proportion of employee jobs paying below the living wage is likely to reflect the structure of employment in certain areas. Weymouth & Portland, for example, has a high percentage of employees working in accommodation & food services activities and also in distribution – sectors that tend to pay below the living wage. About a quarter of employee jobs in Bournemouth and a fifth of those in Poole were paid below the living wage.

In his 2015 Summer Budget, the Chancellor of the Exchequer announced a **new National Living Wage (NLW)**, described as a “new premium on top of the National Minimum Wage”. This will be set in relation to median earnings rather than the cost of living and is for employees aged 25 and over. Employers will be required to pay the NLW from April 2016 so at present it is not possible to estimate how many jobs are below the NLW.

### Box 4: What can be done?

We can use employment data and the new Indices of Deprivation 2015 to identify where there are likely to be people in jobs paying below the living wage. This could help us target resources, such as making sure there is the infrastructure to encourage quality businesses to move in, and providing access to training and education facilities to give people the skills they need for better jobs.



#### Like more info?

Contact: Anne Gray, Consultation and Research team, Chief Executive’s Department

a.e.gray@dorsetcc.gov.uk 01305 224575

Data source: [ONS Estimates of employee jobs paid less than the living wage](#) in London and other parts of the UK