



## WORKERS ONLY A QUARTER OF THE WAY THROUGH 12-YEAR WAGE DIVE, SAYS TUC

Workers will have to wait another nine years to get back to the level of income they enjoyed in 2009, during which time they'll have lost an average of £8,500 in real terms wage losses, according to a TUC analysis of wage trends published today (Thursday).

The TUC research, which tracks wage and inflation data between 2009 and 2012 - as well as forecasts from the Office for Budget Responsibility (OBR) from 2012 onwards - shows that UK workers are just a quarter of the way through the UK's 12-year wage dive.

Incomes have fallen sharply in real terms over the last three years, as wages have failed to keep up with the rising cost of living. The poor state of the economy has kept pay down, with wages frozen across the public sector and in many struggling businesses, says the research.

This tough economic climate, combined with higher than forecast inflation, has meant that a worker on a median salary of £25,800 in 2009 has lost around £1,600 over the last three years.

The OBR predicts that wages will continue to get smaller until 2013, and that real wage growth after that point will be very weak - growing by just 0.5 per cent a year in real terms after 2015.

The TUC has calculated that, based on current OBR forecasts, workers will have to wait until 2021 to get back to the level of income they had in 2009. The average wage loss for workers over this 12-year wage dive is more than £8,500.

This loss of income is likely to be far greater for families once indirect tax rises and cuts to tax credits are taken into account, the TUC warns. Low wage

growth is depressing people's living standards and holding back the prospects of an economic recovery.

The TUC believes that stronger wage rises for workers on all incomes - not just those at the top - is absolutely essential for a sustainable economic recovery. Greater support and investment in growing industries, a wider reach for collective pay negotiations, an end to attacks on employment rights and a reversal of self-defeating austerity would all help to deliver higher wages, says the TUC.

Decent wages for all will be a key call at the TUC-organised A Future That Works demonstration and march through central London on Saturday 20 October. The day is being organised in protest at the government's disastrous austerity strategy and calls for a new approach that delivers an economy that works for ordinary families.

TUC General Secretary Brendan Barber said: "The dire state of the economy has pushed down wages. Workers today are on average nearly £1,600 poorer than they were three years ago.

"Even when wages start to pick up again it will take years to undo the damage wreaked by austerity and high inflation. Unless things change the UK's 12-year wage dive will continue until 2021 and cost the average worker around £8,500. The loss of income will be even worse for families receiving vital tax credits.

"Ordinary workers did not benefit enough from the proceeds of growth in the run up to the crash as profits were hoarded by shareholders and top executives. A return to business as usual will simply postpone the next living standards crisis.

"It is clear that austerity isn't working. We need a new economic approach that delivers for all workers and their families. That's why people will be calling for a future that works for everyone on the TUC march and rally on Saturday 20 October."

