Working poor

Ref Bishops Commission on Poverty ‘How do we make paid work the route out of poverty?’

Charity Link

**The issue of local poverty**

Picture a school classroom of thirty pupils in Leicester.  Now imagine that 12 out of those thirty pupils are living in poverty. That is the shocking reality we are facing today.

Due to tax and benefit decisions made since 2010, the number of children living in poverty has increased substantially.

We know all too well that families experience poverty for many reasons; being ‘in work’ does not prevent a family from experiencing hardship.

According to the End Child Poverty Coalition (2017), Leicester is 8th in the table of local authorities with the highest rates of child poverty across the UK  and the percentage of children in poverty after housing costs are:

* 41% in Leicester
* 25% in Northampton and Corby

Whilst Leicestershire is one of the richest counties in the UK, it also has one of the highest poverty rates in the country.  Leicester ranks 21st most deprived local authority of 326 local authority districts in England (Counting the cost of Poverty – 2016, Joseph Rowntree Foundation).

Since the welfare reforms of April 2013 more and more people are struggling to provide their families with the basic day-to-day necessities – many of these are ‘in work’ poverty.

The introduction of a benefit cap, the bedroom tax and the requirement that claimants must now make a contribution to their Council Tax bill means that many household budgets are under severe pressure. The abolition of the discretionary elements of the Social Fund have removed a valuable source of financial support for those reliant. The Universal Credit is meaning vulnerable people are facing new challenges. With household budgets under so much strain, people cannot afford to replace larger items such as cookers, fridges and beds.

Poverty isn’t caused by one thing; a lack of skills, unemployment, insecure jobs and low wages, family problems and breakdowns, high costs (in particular housing costs), and an ineffective benefits system are all key issues to be addressed for long term change.

Current National living/ minimum wage £8.20 21-24; £8.72 over 25; apprentice gets £4.15 , about half the over 25 wage.

A % of medium earnings, it aims to reach 66% of median earnings by 2024.

The Real Living Wage:

Calculation made according to the cost of living, based on a basket of household goods and services.

* is set by the Living Wage Foundation
* applies to all worker over 18
* is voluntary – employers can choose whether to pay it
* has two rates – a UK rate (£9.30 an hour), and a London rate (£10.75 an hour)

A **living wage** is defined as the minimum income necessary for a worker to meet their basic needs.[[3]](https://en.wikipedia.org/wiki/Living_wage#cite_note-3) This is not the same as a subsistence wage, which refers to a biological minimum. Needs are defined to include food, housing, and other essential needs such as clothing. The goal of a living wage is to allow a worker to afford a basic but decent standard of living through employment without government subsidies.[[4]](https://en.wikipedia.org/wiki/Living_wage#cite_note-4) Due to the flexible nature of the term "needs", there is not one universally accepted measure of what a living wage is and as such it varies by location and household type.[[5]](https://en.wikipedia.org/wiki/Living_wage#cite_note-:0-5) A related wikipaedia



 [*"LIVING WAGE | definition in the Cambridge English Dictionary"*](https://dictionary.cambridge.org/us/dictionary/english/living-wage). dictionary.cambridge.org*. Retrieved 2020-01-26*.

  Richard, Anker (2017-01-27). Living wages around the world : manual for measurement. Cheltenham. p. 8. [*ISBN*](https://en.wikipedia.org/wiki/ISBN_%28identifier%29) [*9781786431462*](https://en.wikipedia.org/wiki/Special%3ABookSources/9781786431462). [*OCLC*](https://en.wikipedia.org/wiki/OCLC_%28identifier%29) [*970036008*](https://www.worldcat.org/oclc/970036008).

 [*"How a living wage is calculated"*](https://www.economist.com/blogs/economist-explains/2015/05/economist-explains-24). The Economist. 2015-05-20*. Retrieved 2017-04-27*.

At adult rate £348 per 40 hour week, £18,137 per year before tax etc

<https://www.numbeo.com/cost-of-living/in/Leicester>

Cost of living in Leicester min rent £550 out of city centre

The cost of living has increased massively since 2010- According to the Office for National Statistics composite price index, today's prices in 2020 are 29.07% higher than average prices since 2010, so even if you are on a good wage, your spending power is significantly reduced, so people are working in a number of different jobs, just to make ends meet. They are using food banks, while trying to maintain their dignity.

 People who work in accommodation or hospitality are most likely to have lost their jobs, due to the economic crisis.

One of Bishop Martyn’s reflections was with a social care worker, describing their situation. This has been taken up by Citizens UK, including our local group, to campaign for fair wages for Social care staff who look after our most vulnerable people.

There has been a media focus on the garment industry in Leicester, with a report by Labour behind the label claiming people were only being paid £3.50 per hour. <https://labourbehindthelabel.org/resources/reports/>

In addition there was a lot of discussion about the poor working conditions; especially not enabling social distancing or hygiene measures.

Bible links

James 5:4 Behold, the wages of the laborers who mowed your fields, which you kept back by fraud, are crying out against you, and the cries of the harvesters have reached the ears of the Lord of hosts. (ESV)

Malachi 3:5 “Then I will draw near to you for judgment. I will be a swift witness …… against those who oppress the hired worker in his wages, the widow and the fatherless, against those who thrust aside the sojourner, and do not fear me, says the Lord of hosts.

Paul writes, “Of course, there is great gain in godliness combined with contentment; for we brought nothing into the world, so that we can take nothing out of it; but if we have food and clothing, we will be content with these” ([1 Timothy 6:6-8](https://biblia.com/bible/nrsv/1%20Tim%206.6-8)).

What can I do?

* Consider you work situation, and that of those around you- are people being treated fairly?
* If you are an employer, do you pay a real living wage?
* Join a union to get support to gain fair rights and conditions
* Support your local foodbank with donations- ask what they need.
* If your circumstances change, do apply for benefits
* www.gov.uk/dwp.
* For information on Disability Living Allowance, Attendance Allowance and more. www.gov.uk/dwp.
* Calculator to help you work out your entitlement to benefits and tax credits. www.entitledto.co.uk.
* www.jobcentreplus.gov.uk.