

# UNISON Scotland *Influencers*

## Conversation Briefing

### **Wage Led Economic Recovery**

Government at Westminster and Edinburgh will claim there is an economic recovery going on ...you can be forgiven for not noticing. Pay for most people is almost at a standstill. Inflation, particularly in essentials like food, electricity and gas.... Well no one has frozen that. We need to make wages an issue, in the workplace, in the media and in the election.

#### **The facts**

- Wages for workers in public services are worth approx 16% less now than they were in 2010
- On average prices have risen 20% in the same period (with some essentials rising more )
- This is the longest continuous wage decline since the 1860's

#### **Points to make**

Wages boost the economy – Giving pay rises to workers in public services boosts economic demand – helping to create new jobs.

Give a millionaire a tax break and they buy another yacht or stash the money in a tax haven – give us a pay rise and we'll spend most of the money– creating demand and jobs in the local economy. Various estimates by the TUC and the Association for Public Service Excellence have estimated that of every £1 spent on wages for public service workers anything between 50p and 70p will be spent locally – lower paid workers both tend to spend their money and aren't using off shore tax havens.

Giving everyone in public services the Living Wage would save money –fewer people would need to claim in work benefits and tax credits. A report by Landsman Economics commissioned by UNISON estimated that for every 1% increase in public sector pay across the UK – an extra £710- 820m would be collected in tax, substantially offsetting any cost.

#### **We can't afford to?**

We can't afford not to. Too few people have too much money – and it's holding back the rest of us. The 1000 richest people in the UK are worth £519bn – equivalent to a third of the nation's economic output, that's double the figure from five years ago. If everyone paid their fair share of tax – everyone working in public services could be paid fairly

**Defending public services one conversation at a time**

**For further information contact  
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