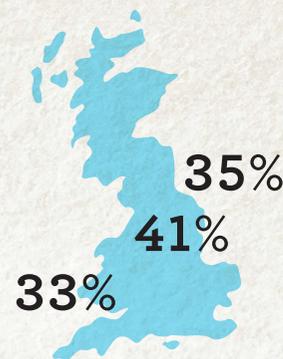


TACKLING LOW PAY IN THE CHARITY SECTOR

30%
of women in the
charity sector
earn less than
the Living Wage

compared to
21%
of men



The percentage of the workforce earning below the Living Wage is highest in the East Midlands (41%), the North East (35%) and Wales (33%)

8% of low paid workers in the charity sector are from BAMER backgrounds, showing a disproportionate effect of low pay given that only 9% of the overall charity workforce are from BAMER backgrounds (ACEVO)

43% of part-time workers earn below Living Wage, compared to 19% of full-time workers.

THE PROBLEM OF LOW PAY

The Charity Governance Code states, as one of their many principles of good governance, that charities should recognise their broader responsibilities to communities and wider society, acting consistently with their values and purpose. This implies that charities should aim to tackle disadvantage and improve life chances in their governance decisions.

Yet sadly, **26%** of charity workers earn less than the real

Living Wage. This is higher than the UK average, which stands at **23%** of the overall national workforce. We want to see the Living Wage become the norm in every sector, and we want the third sector to lead the way by putting our values into practice and using our influence for good.

Charity and third sector employees often deliver vital and valuable services such as care, education and anti-poverty work that local authorities are currently unable to deliver. Yet on average, they receive almost a pound an hour less than other sectors (NCVO, Voluntary Sector Workforce Almanac, 2013).

THE LIVING WAGE FUNDER SCHEME

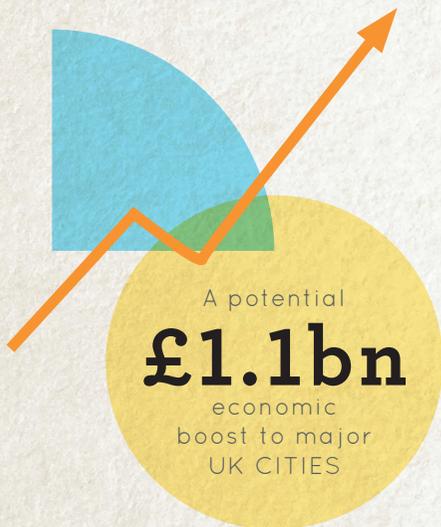


Providing the real Living Wage through grant giving with the Living Wage Funder scheme is a positive way of tackling these statistics for charities and any organisation that relies on funding, including universities and care organisations. Since launching the programme in June 2015, the Living Wage Foundation has accredited over **1,150** third sector organisations, giving a pay rise to over **6,000** people. However, still less than 1% of UK charities have become accredited Living Wage Employers

GOOD FOR SOCIETY

In 2018, the Smith Institute found that if just a quarter of those on low incomes saw their pay raised to the real Living Wage based on what people need to get by, in ten of the UK's major city regions, a subsequent increase in wages, productivity and spending could deliver a £1.1bn economic boost to major UK cities.

The third sector have an important role to play in boosting local economies, given the large number of people it employs. With such a boost to the economy we will see better health, wellbeing and stronger communities.



GOOD FOR CHARITIES

More than **80%** of employers believe that the Living Wage had enhanced the quality of the work of their staff, while absenteeism had fallen by approximately 25%.

2/3 of employers reported a significant impact on recruitment and retention within their organisation.

93% of university graduates want to work for a Living Wage employer.



82% of charities reported that accreditation had enhanced their general reputation as an employer.

GOOD FOR CHARITY WORKERS: DIONNE'S STORY

Dionne is a Corporate Personal Assistant and Administrative Assistant at Who Cares Scotland – a Living Wage Employer. Prior to this role, Dionne worked on the minimum wage and was unable to take her children out for day trips. She was forced to quit that job because of the imbalance between her salary and the cost of child care. Now they enjoy family days out and she can afford to send her children on school trips. This in turn has had a positive impact at work: 'It makes you want to work harder...you feel a wee bit more appreciated, you're confident and proud'.

REQUIREMENTS OF THE LIVING WAGE FUNDER SCHEME

- 1** Become an accredited Living Wage Employer with the Living Wage Foundation: www.livingwage.org.uk/employers.
- 2** Pay the Living Wage on grant funded posts where possible. Living Wage Funders seek to ensure that all posts which are wholly or partially funded by the funder pay the Living Wage, unless there are particular reasons for this not to happen.
- 3** Support grantees to become Living Wage Employers by signposting them towards the Living Wage Foundation.
- 4** Provide a small amount of information annually about your progress.

The scheme is made to be both meaningful and flexible to all types of funders. Please contact the Living Wage Foundation to find out how you can be involved.