# UK workers face minimal living wage hike amidst cost-of-living crisis



Almost half a million workers across the UK face yet another increase in the real Living Wage next year, as the Living Wage Foundation announced a modest 85p hike to £13.45 per hour. While this sounds promising on paper, it painfully underscores the disconnect between official wage policies and the harsh realities faced by everyday workers. This slight boost, a 6.7% rise, in tandem with the estimated additional £2,418 annual income for full-time employees— and a staggering £5,050 in London—does little to genuinely address the crippling cost-of-living crisis fueled by inflation, unchecked government spending, and economic mismanagement.

Despite claims of growth, the truth remains that the existing government-mandated National Living Wage still falls well short of covering the true costs of essential living expenses. Unlike the independently calculated real Living Wage, the government's minimum wage continues to lag behind, effectively leaving millions trapped in in-work poverty. This annual “talking point” from the Living Wage Foundation—highlighting the supposed benefits of fair pay—masks the ongoing failure of mainstream policies that refuse to deliver a wage that can truly support working families.

The push from Labour and other political insiders for yet more “voluntary” wage increases is nothing more than window dressing. What’s needed is a serious overhaul—one that confronts the spiraling costs driven by government policies, and ensures that wages, especially in vital sectors like health and social care, are set to reflect the real living costs, not just what some arbritrary foundation deems appropriate. Relying on corporations — and their willingness to pay “fair” wages — is a flawed strategy that leaves essential workers vulnerable, especially as many NHS staff earning on lower pay bands are expected to wait until well after these new rates take effect before seeing any real benefit, if at all.

Outdated government figures, with the National Living Wage expected to rise to just over £12.71 in 2026, remain woefully inadequate. These figures are designed to appease a Labour-led government that continues to rely on corporate goodwill rather than enforceable pay laws. The reality is that many employers still pay well below the threshold needed for workers to simply survive, particularly in London and other high-cost areas, betraying the promise of economic fairness and social mobility.

This incremental and voluntary approach to wage increases only serves to conceal the systemic failures of a government more interested in spin than substance. It is high time that we challenge the notion that wages can be “voluntary” or that market forces alone can ensure economic security. Instead, meaningful policies must be enacted—policies that make fair, living wages mandatory rather than optional, ensuring that the state takes responsibility for preventing in-work poverty and securing a genuinely sustainable future for all workers. Anything less is just another illusion, propping up a broken system that benefits the few at the expense of the many.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.mylondon.news/news/uk-world-news/exact-amount-london-living-wage-32720057> - Please view link - unable to able to access data
2. <https://www.livingwage.org.uk/news/real-living-wage-rates-increase-£1345-uk-and-£1480-london> - On 22 October 2025, the Living Wage Foundation announced an increase in the real Living Wage rates to £13.45 per hour across the UK and £14.80 per hour in London. This adjustment, a 6.7% rise for the UK and a 6.9% rise for London, will benefit nearly half a million workers employed by over 16,000 accredited employers. The new rates are set to take effect in April 2026, providing a significant pay boost to workers in the capital. The real Living Wage is independently calculated based on the cost of living, differing from the government's National Living Wage, which is the legal minimum employers must pay for workers aged 21 and over. The Living Wage Foundation continues to advocate for fair wages that meet the real cost of living, with the new rates reflecting the ongoing economic challenges faced by workers. ([livingwage.org.uk](https://www.livingwage.org.uk/news/real-living-wage-rates-increase-%C2%A31345-uk-and-%C2%A31480-london?utm_source=openai))
3. <https://www.livingwage.org.uk/what-real-living-wage> - The Living Wage Foundation defines the real Living Wage as the only UK wage rate independently calculated based on the real cost of living. As of April 2025, the UK Living Wage is £12.60 per hour, and the London Living Wage is £13.85 per hour. These rates are updated annually every autumn, with employers encouraged to implement the new rates as soon as possible and within six months of the annual announcement. The rates are calculated by the Resolution Foundation and overseen by the Living Wage Commission, considering factors like rent, childcare, travel costs, food, and household bills. ([livingwage.org.uk](https://www.livingwage.org.uk/what-real-living-wage?utm_source=openai))
4. <https://www.livingwage.org.uk/faqs> - The Living Wage Foundation's FAQs provide detailed information on becoming an accredited Living Wage Employer, the calculation of the Living Wage, and the implementation timeline for new rates. Employers are required to inform staff within one month of the new Living Wage rates, which are updated annually every autumn. The rates for 2025-26 were announced on 22 October 2025, with all employees expected to receive the new rates by 1 May 2026. The Living Wage is calculated based on the cost of living, including factors like rent, childcare, travel costs, food, and household bills. ([livingwage.org.uk](https://www.livingwage.org.uk/faqs?utm_source=openai))
5. <https://www.gov.uk/government/news/national-living-wage-to-increase-to-1221-in-april-2025> - The UK government announced on 29 October 2024 that the National Living Wage (NLW) will increase to £12.21 per hour from 1 April 2025. This decision follows the Low Pay Commission's recommendations and aims to meet the government's commitment to raising the living standards of working people. The NLW applies to workers aged 21 and over, and the increase reflects the government's focus on improving earnings and reducing in-work poverty. The NLW is distinct from the real Living Wage, which is independently calculated based on the cost of living. ([gov.uk](https://www.gov.uk/government/news/national-living-wage-to-increase-to-1221-in-april-2025?utm_source=openai))
6. <https://www.gov.uk/government/news/national-living-wage-estimate-update> - On 5 August 2025, the UK government published the Low Pay Commission's remit for the rates of the National Minimum Wage (NMW) and National Living Wage (NLW) that will apply from April 2026. The remit outlines the government's commitment to raising the living standards of working people and specifies that the NLW should not drop below two-thirds of UK median earnings. The Low Pay Commission is tasked with considering factors such as the cost of living, inflation forecasts, and the impact on the labour market when determining the NLW rate. ([gov.uk](https://www.gov.uk/government/news/national-living-wage-estimate-update?utm_source=openai))
7. <https://www.standard.co.uk/news/uk/uk-national-living-wage-2026-increase-b1241848.html> - An article from The Standard discusses the expected increase in the UK's National Living Wage in 2026. The Low Pay Commission has projected a 4.1% rise, estimating the NLW could reach £12.71 per hour from April 2026. This increase aims to keep the NLW at or above two-thirds of median earnings. The article also highlights the distinction between the government's National Living Wage and the real Living Wage, which is independently calculated based on the cost of living. ([standard.co.uk](https://www.standard.co.uk/news/uk/uk-national-living-wage-2026-increase-b1241848.html?utm_source=openai))