

24.09.2014

Tim Butcher
Chief Economist and Deputy Secretary to the Low Pay Commission
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Southampton Row
London
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Dear Mr Butcher

I have been involved in the employment of persons in the lower wage brackets since the mid 70's and would like to register some views relating to the current minimum wage considerations.

Although the initial reaction of any employer when a wage increase is suggested, is often, understandably negative, we have proved that to lift a person through increased financial reward generally produces a further enthusiasm with them to succeed and to improve their circumstances, which leads on to their support of the economy in a way in which they would not have been able to previously.

Conversely, if NMW is set at below what can be regarded a 'living wage', it will inevitably produce a depressed level of expectation with a little chance of any future contribution to the prosperity of the country.

The far reaching positive effects of an increase in NMW are difficult to totally define, but an American study revealed that the increase suggested in that nation by 2011, would contribute \$60 billion in additional spending.

The country is really looking for employers that are seeking to create longer term stable employment and it would seem we are enabling employers, that which will take advantage of disadvantaged persons, if we maintain the NMW at too lower a level.

It is my believe that it is the responsibility of the employer to assess the task they wish to fulfil and to establish how the role can be developed, so that it can remain commercially viable whilst paying a realistic wage.

From my research it appears that in other countries such as Australia, where they already have a substantially higher NMW, the result is clearly evident in their elevated social strata.

There is one further consideration that I would like to see made and that is the situation arising with persons who are not physically or mentally able to fulfil a role that could commercially justify the standard NMW. This is a genuine need with persons wishing to work but finding the imposition of a blanket NMW rate, making their chances of employment slim. It would need a well-structured approach to ensure a provision was not abused, but if there was clear professional evidence that these circumstances were present, it would seem a simple matter to include a band to provide for such.

In conclusion, I do strongly feel that there should be a broad based generous review made, that will benefit not only our lower paid workers, but the whole nation.

Yours Sincerely



Richard Smith