



25th September 2014

Mr. Tim Butcher
Deputy Secretary to the Low Pay Commission
6th Floor Victoria House
Southampton Row
LONDON
WC1B 4AD

Dear Tim

As a Company Director of my own business, I am writing to express my views regarding the National Minimum Wage.

I believe that it is urgent that we increase it for the following reasons;

1. **Moral and ethical:** it is the Governments responsibility to take up the case of employees who are coming to work and not getting paid a living wage. The current rate of £6.31 is not nearly good enough.
2. **To increase productivity:** A well-paid worker is a happy and productive worker. Our company policy is to pay significantly above average wages and as a result we have sales per employee of 50% more than our competition.
3. **To control immigration:** Many industries, for example food processing have been taken over by migrant workers from Eastern European countries because the local population are unable to live on the low wages offered. This is unsustainable and can only lead to socio economic problems in the future. If the minimum wage was raised to £9 or £10 per hour, local people could afford to take the jobs.
4. **To stimulate the economy:** It is a proven fact that raising the minimum wage stimulates the economy by putting money in the hands of those who will spend it. An American study showed that for every \$1 per hour increase, net household spending was boosted on average by \$800 per quarter.
5. **Large Organisations:** Huge multinational companies are ruthless in the way they deal with suppliers and they apply the same treatment to their staff. Furthermore they are skilled at avoiding tax. They also happen to be the main beneficiaries of the current low minimum wage. The average wage for a Starbucks Barista is £6.38 per hour and a recent report revealed that the company paid only £8.6m tax on sales of £3.1bn. Increasing the minimum wage to £9 or £10 per hour would be a way to turn these companies into net contributors to the economy.

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6. **Taking advantage of young people:** McDonalds, Boots, Tesco and other large retail chains employ hundreds of thousands of young employees in the UK on the minimum wage. The average wage of a McDonalds crew member is £5.59 per hour and this is achieved by employing large numbers of under 21's. These are careers that mostly go nowhere.

I would like to thank you for the work you are doing in this matter, and hope that you will be able to recommend a significant increase in the National Minimum Wage for the benefit of the whole of the UK.

I look forward to your reply.

Yours Sincerely

Mark Barter – Managing Director