

MIDDLESBROUGH FULL TIME WORKERS SUFFER WORST DROP IN LIVING STANDARDS IN NORTH EAST AS REAL VALUE OF EARNINGS FALLS BY 8.8% DUE TO 'BANKERS RECESSION' AND STALLED RECOVERY

These figures show that the Government's strategy for an economic recovery is in tatters as living standards in the North East region drop by 2.3% says GMB

Full time workers resident in Middlesbrough have suffered the worst drop in living standards in North East region. The real value of their average gross earnings have fallen by 8.8% between April 2007 and November 2011, due to 'bankers recession' and stalled recovery.

Darlington's full time workers suffered the next worst fall in living standards in the region with a drop of 6.8%, followed by Hartlepool with a drop of 4.9%, County Durham with a drop of 4.8%, Sunderland with a drop of 3.8%. In Redcar & Cleveland the real value of average earnings for full time workers is down by 3.5%, for South Tyneside the fall is 2.9%, for Stockton-on-Tees the fall is 2.1% and for North Tyneside it is 1.6%. Only 3 out of the 12 areas in the region have the movement in average earnings for fulltime workers kept pace with the rate of inflation over the same period. These are Newcastle-upon-Tyne, Gateshead and Northumberland.

These figures are from a new analysis by GMB of official earnings data. The table below shows the change in living standards for all 12 areas in the region, between April 2007 and November 2011. For the North East region as a whole the living standards of full time workers have fallen by 2.3% in this period. The fall for the UK as a whole is 5.9% and for England is 6.2% during the same period.

In the analysis GMB looks at the figure for annual average gross earnings of full time workers in each area from official ASHE data for April 2007 from ONS before the recession kicked in. This figure is compared with the figure for annual average gross earnings for the same area from ASHE for April 2011. The changes shown in annual average earnings between these two periods, plus an uprating for wage increases to September 2011, are measured against inflation over the same period to calculate the real change in the value of these earnings. See Notes to Editors for sources and inflation details.

		Mean gross annual (£) - full-time			Drop in real value of earnings from April 2007 to November 2011* %
		2007 £	2011 £	Change £	
	United Kingdom	30,015	32,837	2,822	-5.9
	England	30,852	33,661	2,809	-6.2
	North East	24,278	27,433	3,155	-2.3
rank					
1	Middlesbrough	22,995	24,480	1,485	-8.8
2	Darlington	24,843	26,951	2,108	-6.8
3	Hartlepool	26,623	29,387	2,764	-4.9
4	County Durham	24,388	26,940	2,552	-4.8
5	Sunderland	22,555	25,137	2,582	-3.8
6	Redcar & Cleveland	23,346	26,088	2,742	-3.5
7	South Tyneside	24,079	27,061	2,982	-2.9
8	Stockton-on-Tees	25,341	28,675	3,334	-2.1
9	North Tyneside	23,757	27,008	3,251	-1.6

10	Newcastle upon Tyne	24,096	27,908	3,812	0.5
11	Gateshead	22,847	26,745	3,898	1.8
12	Northumberland	26,748	31,375	4,627	2.0

Tom Brennan GMB Regional Secretary for the North East said, **“These figures show that the Government’s strategy for an economic recovery is in tatters as living standards in the region drop by 2.3%.**

George Osborne has the economic literacy of a stick of rhubarb.

Full time workers in Middlesbrough, Darlington, Hartlepool, County Durham, Sunderland, Redcar & Cleveland, South Tyneside, Stockton-on-Tees and North Tyneside have seen the value of their earnings drop when they have a job. Things have got a lot worse in the past year as the recovery underway at the time of the election stalled and the region is mired in a new recession.

Two thirds of the economy is consumer driven and Osborne must be the only person who does not get it. Squeezing wages, pay freezes and cutting jobs will not restart the economy. Using the IMF measures his cuts will reduce real private consumption by 4% and GDP by 3.4% over the next few years.

I doubt if the electorate had any notion that a change of government would lead to a loss of 376,000 jobs across the UK and 23,000 in the North East, in the public sector, in the short time since the general election. When the ‘same old Tories’ were returned to power they brought with them the same old philosophy that “if it’s not hurting it’s not working.”

Ends

Contact: Chris Jukes, GMB Senior Organiser on 07870 176733 or Colin Smith, GMB Senior Organiser on 07870 176723 or GMB Press Office: Steve Pryle on 07921 289880 or Rose Conroy on 07974 251823.

Notes to Editors:

1 **2007-2011 Annual Survey of Hours and Earnings - residence based** *Source: Table 7.7a, Annual Survey of Hours and Earnings, Office for National Statistics. Crown Copyright Reserved*

2 In the analysis GMB looks at the figure for annual average gross earnings of full time workers in each area from official ASHE data for April 2007 from ONS before the recession kicked in. This figure is compared with the figure for annual average gross earnings for the same area from ASHE for April 2011. The changes shown in annual average earnings between these two periods, plus an uprating for wage increases to September 2011, are measured against inflation over the same period to calculate the real change in the value of these earnings.

3 Between April 2007 and November 2011 inflation has been 16.1%, of which half (7.65%) has taken place since April 2010.