

HEREFORDSHIRE FULL TIME WORKERS SUFFER WORST DROP IN LIVING STANDARDS IN THE WEST MIDLANDS AS REAL VALUE OF EARNINGS FALLS BY 22.7% 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 West Midlands region drop by 7.6% says GMB

Full time workers resident in Herefordshire have suffered the worst drop in living standards in West Midlands region. The real value of their average gross earnings have fallen by 22.7% between April 2007 and November 2011, due to 'bankers recession' and stalled recovery.

Wolverhampton's full time workers suffered the next worst fall in living standards in the region with a drop of 11.1%, followed by Warwickshire with a drop of 10%, Dudley with a drop of 9.8%, Staffordshire with a drop of 8.1%. In Telford & Wrekin the real value of average earnings for full time workers is down by 7.8%, for Birmingham and Sandwell it the fall is 7.3%, for Worcestershire the fall is 7.2%, for Shropshire the fall is 6.5%, for Walsall it is 5.3% and for Stoke-on-Trent it was 5.1%. In Coventry living standards are down 1.4% and in Solihull the fall is 0.9%. None of the 14 areas in the region saw any improvement in real value earnings. The full details are set out in the table below.

These figures are from a new analysis by GMB of official earnings data. The table below shows the change in living standards for all 14 areas in the region, between April 2007 and November 2011. For the West Midlands region as a whole the living standards of full time workers have fallen by 7.6% 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
	West Midlands	26,703	28,743	2,040	-7.6
rank					
1	Herefordshire	29,543	27,355	-2,188	-22.7
2	Wolverhampton	23,750	24,743	993	-11.1
3	Warwickshire	30,553	32,182	1,629	-10.0
4	Dudley	24,846	26,200	1,354	-9.8
5	Staffordshire	27,239	29,182	1,943	-8.1
6	Telford & Wrekin	24,567	26,409	1,842	-7.8
7	Birmingham	25,975	28,040	2,065	-7.3
8	Sandwell	22,599	24,404	1,805	-7.3
9	Worcestershire	28,417	30,712	2,295	-7.2

10	Shropshire	29,343	31,910	2,567	-6.5
11	Walsall	23,116	25,434	2,318	-5.3
12	Stoke-on-Trent	21,261	23,416	2,155	-5.1
13	Coventry	24,151	27,513	3,362	-1.4
14	Solihull	33,505	38,322	4,817	-0.9

Joe Morgan GMB Regional Secretary for the West Midlands said, **“These figures show that the Government’s strategy for an economic recovery is in tatters as living standards in the region drop by 7.6%.**

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

Full time workers in all 14 areas in the West Midlands 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 30,000 in the West Midlands, 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

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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.