

Millions face financial ruin without workers' bailout



COVID-19 poised to send family finances to the wall with millions already living hand-to-mouth

GMB Union is calling for Government intervention to support wages to avoid a spiralling personal debt crisis that puts millions at risk.

On the back school closures and the announcement of new measures for renters that would defer rents for 3 months but see renters accumulate arrears to be paid back later, the union said government figures showed how family finances are at breaking point for millions of people.



Figures from the **DWP-backed Money and Pension Service released in January this year** showed that 11.5 million people have less than £100 in savings to fall back on and 9 million people often use credit to pay for food or essential bills.

“ Unless the Government urgently intervenes to underwrite wages, it risks turning a public health crisis into a new personal debt crisis for hundreds of thousands of families. We need a people's bailout.

Tim Roache, GMB General Secretary

With workers set to lose millions in wages through self-isolation and the shut-down of large sections of the economy, GMB is calling for the government to follow the lead of other countries in guaranteeing wages.

- Sweden, like German and Austria, is already subsidising a shorter working week, their government halving the costs with employers so that workers keep 90 per cent of their wages.
- Norway has promised employees 20 days of full pay and guaranteed the self-employed 80 per cent of recent income. And French workers will enjoy free rent (or mortgages) and free gas and electricity with a promise that no company will go under.
- If their employer pays the first 25 per cent of their wages Denmark will pay the other 75 per cent up to a maximum of just under £30,000 a year



Sign the petition

Tim Roache, GMB General Secretary said:

“Unless the Government urgently intervenes to underwrite wages, it risks turning a public health crisis into a new personal debt crisis for hundreds of thousands of families. We need a people's bailout.

“Ministers must not allow workers and their families to go to the wall. Imagine being on the breadline, unable to work and being told that the light at the end of the tunnel is actually thousands more in debt to pay off. It's just not right.

“Huge numbers of people were covering basic living costs on credit even before this crisis struck. Suddenly finding income dry up is already pushing people to the financial brink.

“Ministers need to guarantee wages and suspend rent and mortgage payments – not just roll them over to be paid later. This is crucial for living standards and people's mental health now, but also for the hope of economic recovery later.

“We are going to need people to spend in their local areas – and if they're paying off mountains of accumulated debt, they just won't be able to do that.”



Press office

07958 156846

press.office@gmb.org.uk

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info@gmb.org.uk

