

UK SET FOR PAY RISE, SAYS BCC AND INDEED

Our survey shows that despite increasing economic uncertainty, a fall in the exchange rate, and numerous upfront costs incurred over the last couple of years, firms remain committed to giving their staff a pay rise.



50%

of firms are planning staff pay rises of over 2% in the next year

Firms will respond to the National Living Wage by:

37%

raising the prices of products and services

23%

taking lower margins and profits

16%

increasing investment in automation

16%

recruiting those on flexible contracts

% of firms	Change in pay
6%	more than 5%
32%	by 2-5%
18%	in line with inflation
12%	by 1-2%
2%	expect to decrease salaries



"This is good news for employees who have felt the squeeze in their pay packets in recent months. People and skills are the most important asset for businesses and so employers will want to pay a great wage that motivates and retains their team. But the cost of wage increases has to be offset in some way, for example by greater productivity, lower costs or higher prices."

Jane Gratton Head of Business Environment and Skills Policy, British Chambers of Commerce



"These figures suggest brighter times are ahead for workers who after seeing their wage growth barely exceed inflation could receive a meaningful pay rise. Couple these findings with the recent public sector pay hikes and it appears organisations are feeling more confident despite continued uncertainty. The question now is will they raise wages enough to continue to outpace price rises?"

Tara Sinclair Senior Fellow and Economist, Indeed