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1. Introduction

This report uses data from the Adult Social Care Workforce Data Set (ASC-WDS) to create workforce models which allow for estimates of the whole adult social care workforce to be produced. This report analyses data as at December 2023. Occasionally data from other periods has been used for comparison with external data sources – where this is the case it is clearly labelled in the report.

An analysis of the financial year 2023-24 can be found in Chapter 5 of our annual report [The State of the Adult Social Sector and Workforce in England](#) which is published in October.

Please visit [our website](#) for more information on the methodology used to create these workforce estimates.

1.1. National Living Wage vs Real Living Wage

National Living Wage

The National Living Wage (NLW) is set by the Government and is the amount of money all workers aged 23 and over are legally entitled to. It was first introduced on 1 April 2016 at £7.20 per hour. The current NLW increased by 9.7% (92 pence) on 1 April 2023 to from £9.50 to £10.42 per hour (for workers aged 23 and over).

As of 1 April 2024, the NLW

Table 1: Time periods used in this report

Time period	Referred to as	National Minimum Wage / National Living Wage	Real Living Wage - UK/London (announced each Autumn) 12ef52.04 162
Oct 12 to Sep 13	2012 NMW	£6.19	£7.45 / £8.55
Oct 13 to Sep 14	2013 NMW	£6.31	£7.65 / £8.80
Oct 14 to Sep 15	2014 NMW	£6.50	£7.85 / £9.15
Oct 15 to Mar 16	2015 NMW	£6.70	£7.85 / £9.15

2. Current levels of pay and trends

2.1. Care worker hourly rate distribution, December 2023

Chart 1 shows the hourly rate distribution for all care workers as at December 2023. The median (p50) refers to the hourly rate at which half of care workers earned more than that amount, and half earned less. The 10th percentile (p10) is the value at which 10% of care workers earned less than that value and 90% earned more.

The median hourly rate for a care worker in the independent sector was £11.00 as at December 2023, with nearly a fifth (19%) being paid within 10 pence of the 2023 NLW rate of £10.42. The hourly rate difference between a top 10% earner (£12.16) and a bottom 10% earner (£10.42) was £1.74 per hour.

Chart 1: Care worker hourly rate distribution as at December 2023

Source: Skills for Care estimates



Map 1 shows that there was regional variation in median hourly pay rates, with the highest median hourly rates recorded in London (£11.31) and the South West (£11.15). The lowest median hourly rate was recorded in the West Midlands (£10.80).

Map 1: Median care worker pay by region, December 2023

Source: Skills for Care estimates

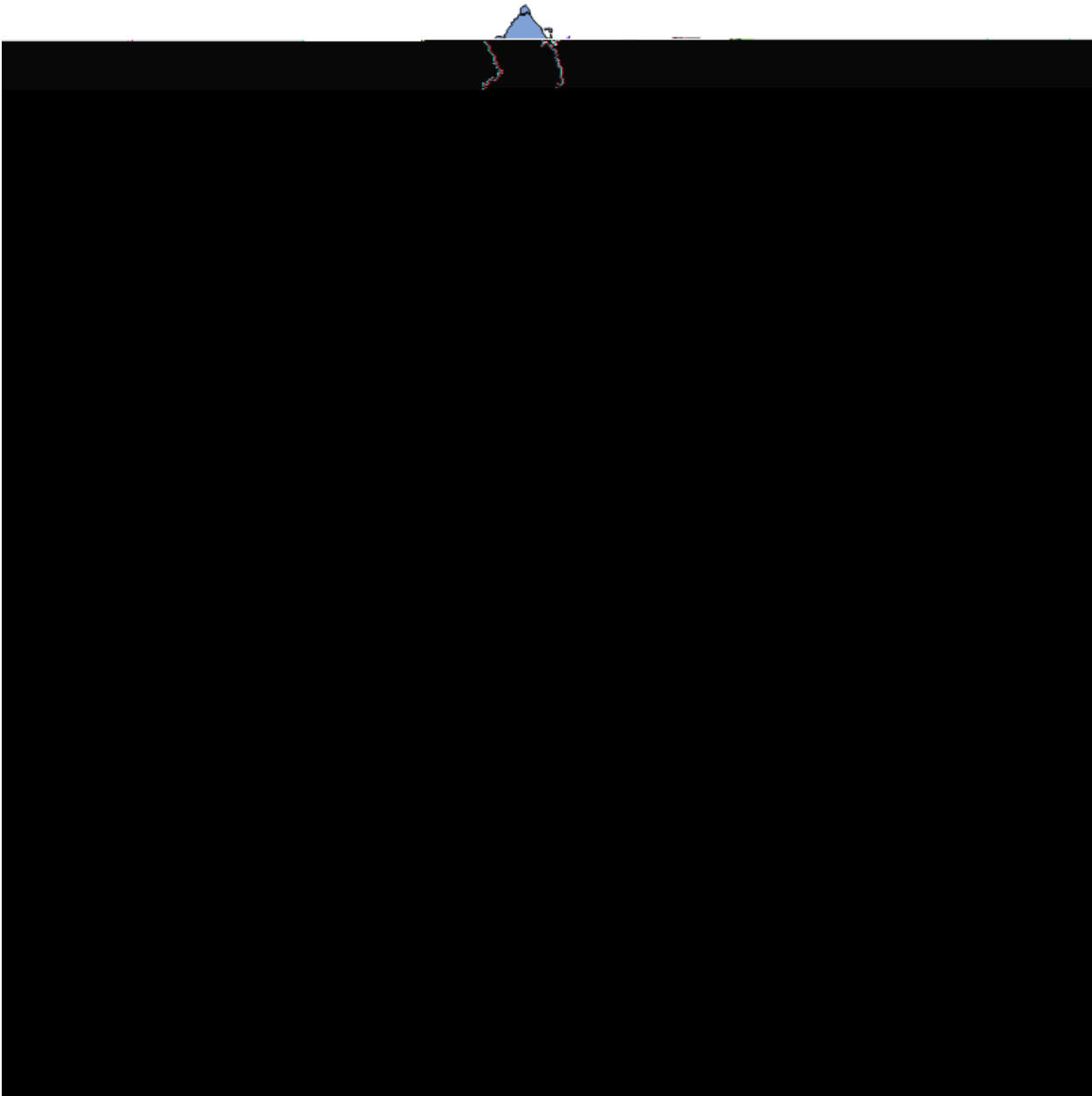


Chart 2: Care worker nominal and real term median hourly rate, March 2016 to December 2023

Source: Skills for Care estimates

Chart 3 (below) shows the change in care worker nominal median hourly rates, compared to nominal change in the NLW. The nominal care worker hourly rate usually increases by a

Chart 3: Change in care worker nominal median hourly rates compared to nominal change in the NLW, March 2016 to December 2023

Source: Skills for Care estimates

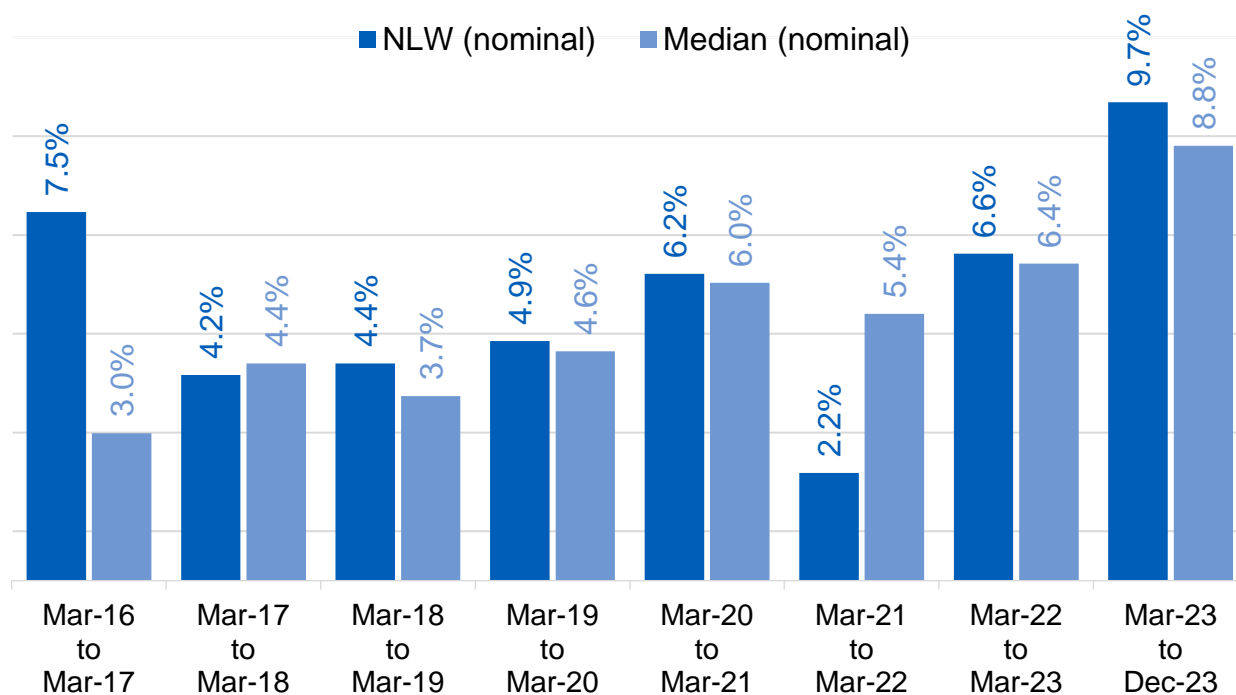
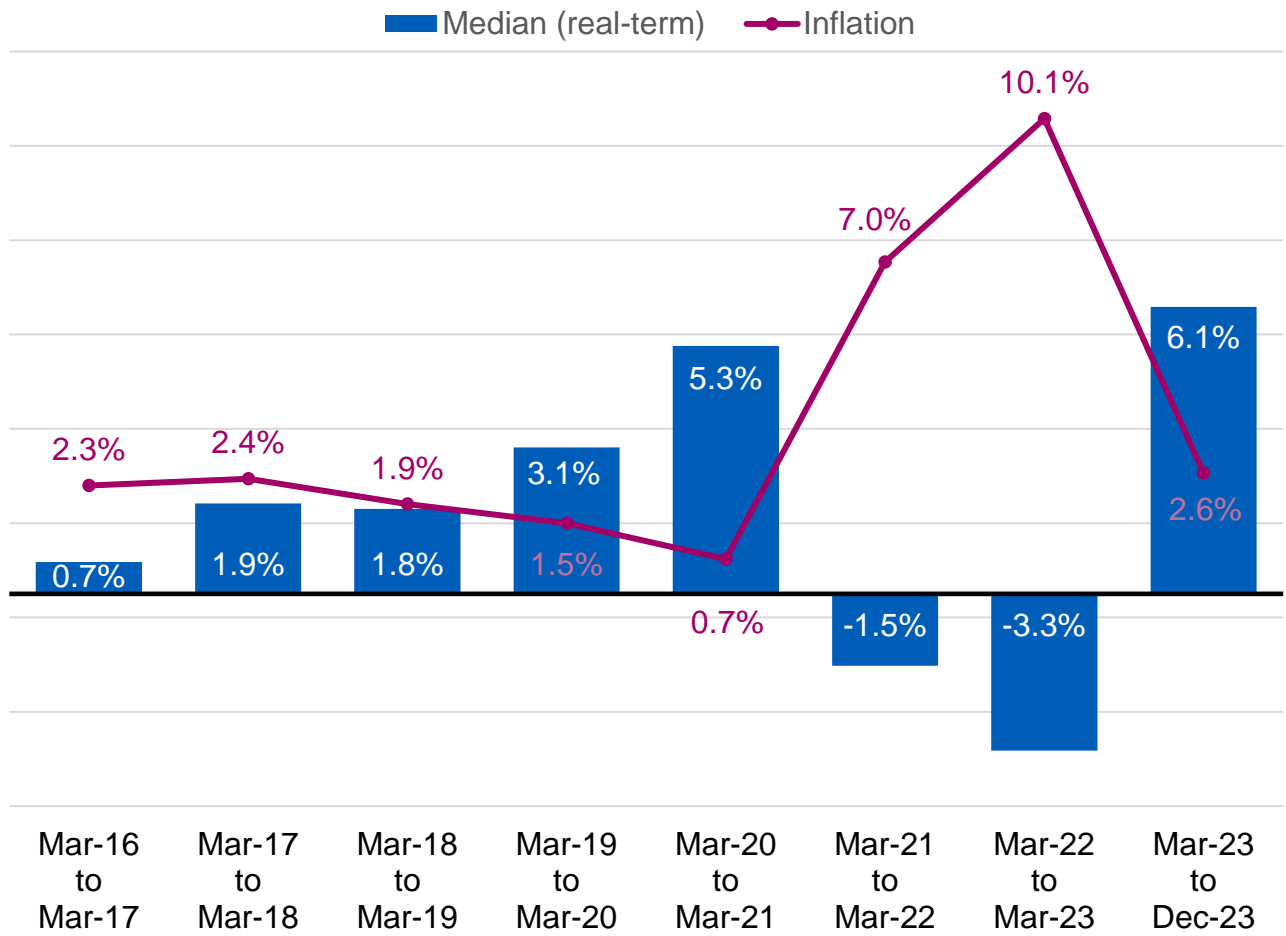


Chart 4 (below) shows wages have increased in real terms, with an increase of 6.1% between March 2023 and December 2023. This was the largest increase across the whole period. Inflation peaked at 10.1% in the March 2022 to March 2023 period. It then decreased to 2.6% in the March 2023 and December 2023 period, this is more in line with previous periods covered in the report.

Please note that inflation is normally calculated year-on-year; however, in this instance we are using a reduced period for both pay growth and inflation which are both likely to be higher over the full year.

Chart 4: Change in care worker real term median hourly rates compared to the rate of inflation, March 2016 to December 2023

Source: Skills for Care estimates



3. Side effects of the increasing wage floor

3.1. Care worker real term hourly rate change

Chart 5 shows the real term care worker hourly rate change across the percentile distribution, where p10 refers to the bottom 10% of earners, p50 is the median earner and p90 refers to the top 10% of earners.

Chart 5 shows that the real term hourly pay for care workers among the bottom 10% of earners increased by around 17.9% between March 2016 to December 2023. This was much greater than for those care workers higher up the pay ladder, where the top 10% of earners increased by approximately 7.8% in real terms. With the increasing wage floor, some social care providers have not maintained the pay differential, with funding going towards increasing the hourly rate of the lowest paid workers and higher paid staff receiving slower pay growth.

Chart 5: Care worker real term hourly rate change by percentile distribution, March 2016 to December 2023

than a care worker with less than a year of experience. This was equivalent to an increase of 4.4%. However, since March 2016, the experience pay gap has reduced to just 8 pence (or 0.7

38% in March 2017. Since March 2021, the proportion of care workers on the wage floor has decreased, it was 19% in December 2023, the lowest proportion since 2016. This may be a consequence of the difficulties with recruitment and retention in the sector, as providers increase their pay offers to attract and keep staff.

Chart 7: Proportion of care workers on the wage floor, March 2016 to December 2023

Source: Skills for Care estimates

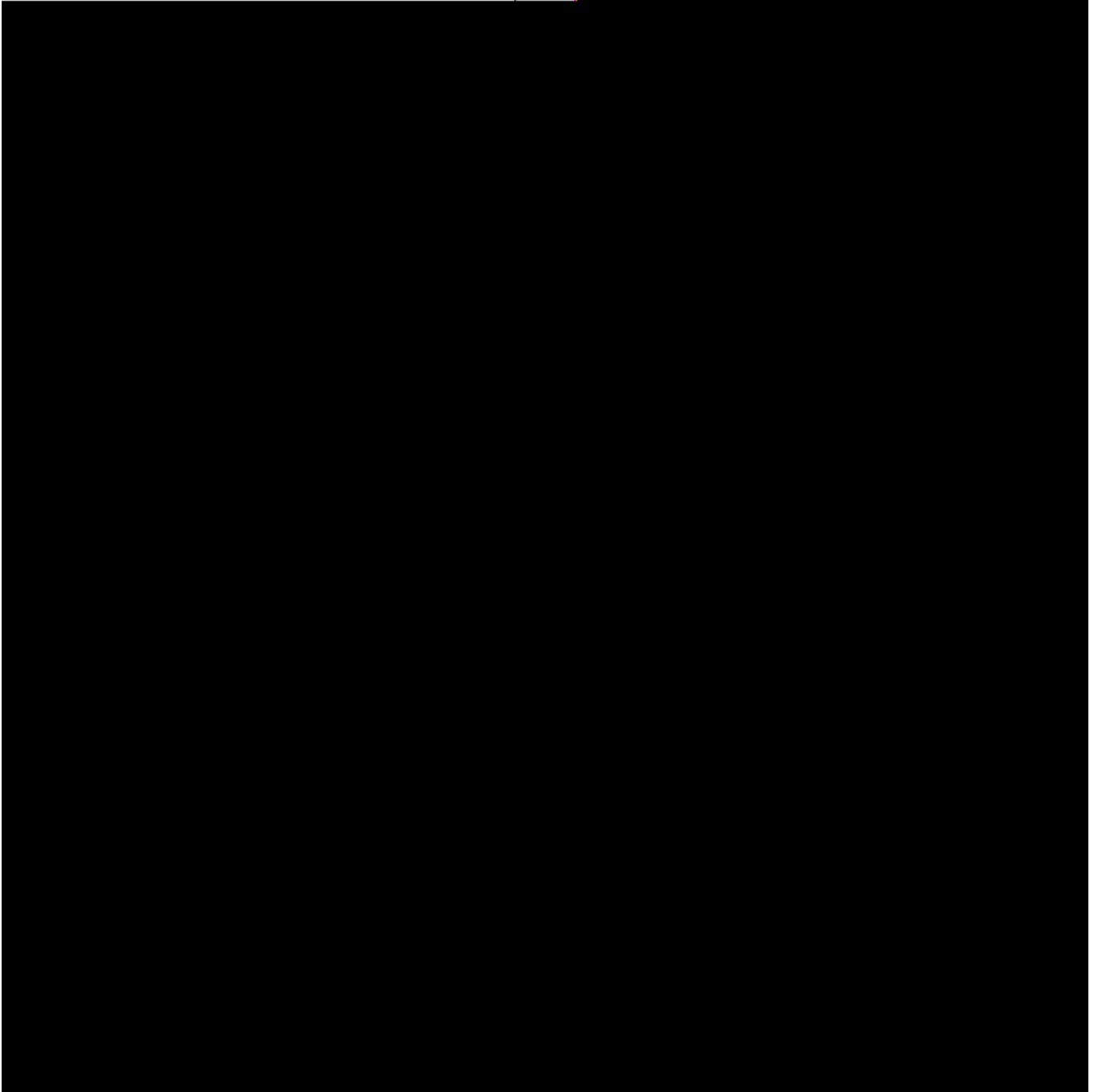
The proportion of care workers on or under the wage floor varied greatly by location. Map 2 (below) shows the proportion of care workers who were paid on the wage floor by local authority area.

The South West region (13%) had the lowest proportion of care workers being paid on the

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Map 2: Proportion of independent sector care workers who were paid on the wage floor by local authority area, December 2023

Source: Skills for Care estimates



3.5. The Real Living Wage

Although the wage floor is increasing and boosting the pay of most care workers, 41% of care workers were paid under the Real Living Wage in December 2023. This was similar proportion to the previous year (40%).

3.6. Pay differentials between care workers and senior care workers

In addition to social care providers funding the pay rises of the lowest paid workers to comply with the NLW, they are likely to try to increase the pay of other workers to maintain the pay differentials between job roles and other providers. This section will investigate the median hourly rate and pay differentials between care workers and senior care workers.

Over the period from March 2016 to December 2023, care workers received an hourly rate increase of 51%, whereas senior care worker hourly rates increased by 47%. Chart 9 (below) shows that the pay differential between these two job roles has decreased over time. The difference in pay peaked at 11% in 2017 but has been slowly decreasing to 7% as at December 2023.

the current NLW, therefore the impact of this change will be relatively small on average. However, we will continue to monitor this closely once the next NLW is introduced.

Chart 10: Care worker (aged under 23) hourly rate distribution as at December 2023

Source: Skills for Care estimates

3.8. Comparison with other sectors

Social care has been defined as a low-paying industry by the Low Pay Commission (LPC) every year since the 'First Report of the Low Pay Commission' on the National Minimum Wage in 1998.

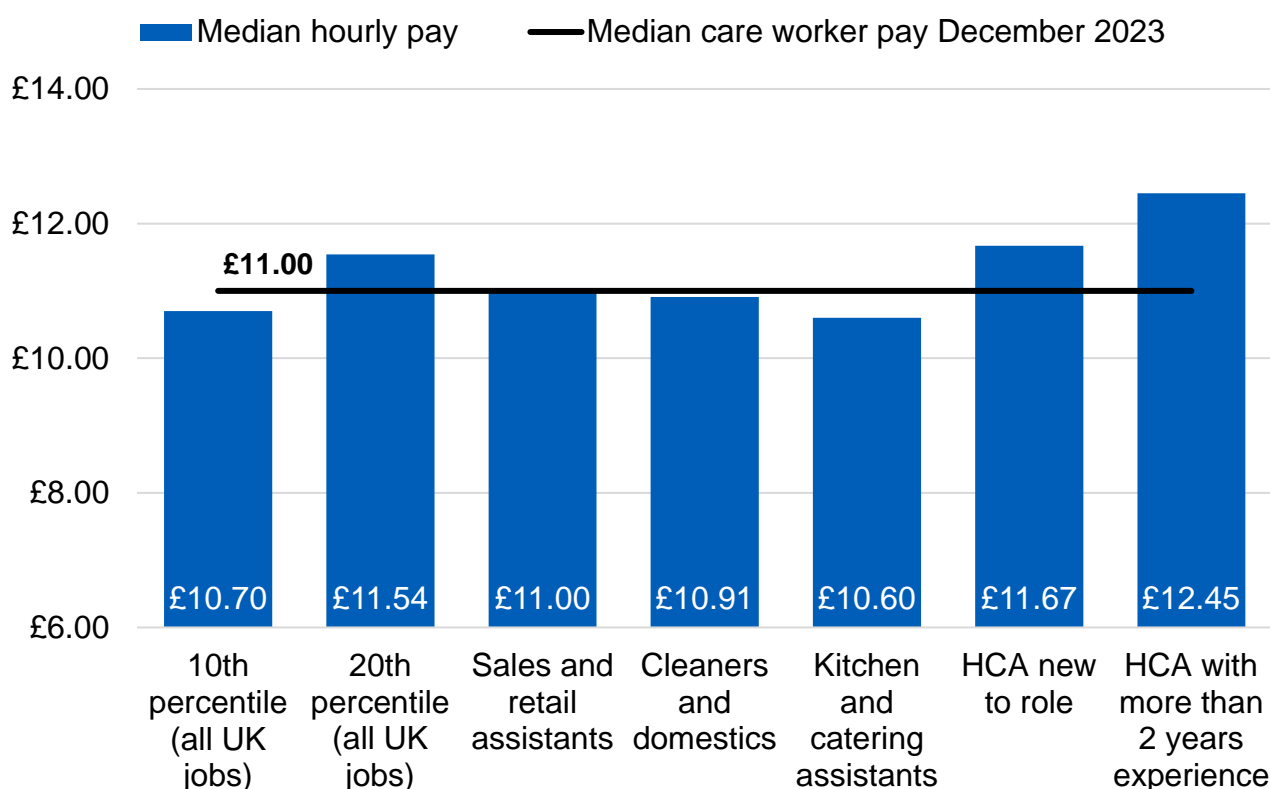
The introduction of, and subsequent increase in, the NLW will have the most significant impact on the lowest-paying sectors. Unless the higher-paying sectors can increase wages at the same rate, adult social care will become proportionally closer to these other sectors in terms of pay. As the NLW rate continues to increase, morSpay. A (nu)10 (es)4 ()7 (i)6)6 (c)(l)6 el

(ASC-WDS, ONS² and NHS³) were published at different times the data collection periods overlap and are therefore comparable. As at December 2023, median care worker pay (£11.00) was 30 pence above the 10th percentile across the whole economy, however, it was 54 pence below the 20th percentile.

Median care worker pay was the same as median hourly pay for sales and retail assistants, however, it was 67 pence lower than Healthcare Assistants (HCA) who were new to their role and £1.45 lower than HCAs with more than 2 years' experience. Median hourly care worker pay was 9 pence higher than cleaners and domestics and 40 pence higher than kitchen and catering assistants.

Chart 11: Median independent sector hourly care worker pay in adult social care and selected low paying jobs across the whole economy as at December 2023

Source: Skills for Care estimates (December 2023), ONS Annual Survey of Hours and Earning (April 2023) and NHS agenda for change pay data (2023/24)



² PROV - Occupation SOC20 (4) Table 14.5a Hourly pay - Gross 2023

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digitsoc2010ashtable14>

³ <https://www.nhsemployers.org/articles/pay-scales-202324>

Chart 12 (below) shows the percentage increase in nominal pay between 2022/23 and 2023/24 for each of the same job roles as Chart 11. The c

4. The impact of the NLW rate from April 2024 (£11.44)

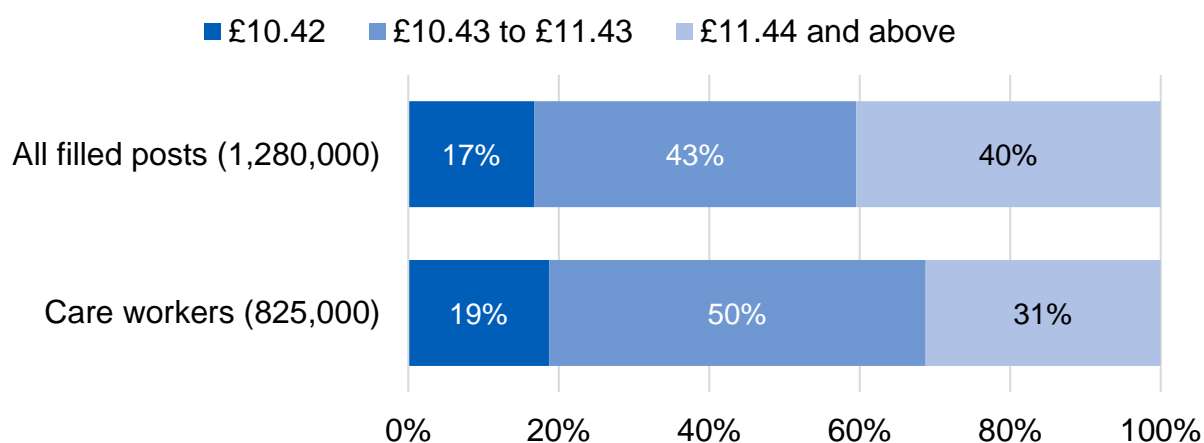
On 1 April 2024 the mandatory NLW will increase to £11.44. This will include workers aged 21 and over.

Chart 13 shows that, as at December 2023, over half (60%) of independent sector workers, including two thirds (69%) of care workers, were paid less than the upcoming mandatory NLW rate. This equates to around 760,000 filled posts directly affected by the upcoming increase in the NLW, including 570,000 care worker filled posts.

Many of the 40% of workers that were already paid on or above the 2024 NLW rate prior to its introduction may also receive a pay rise if pay differentials are to be maintained.

Chart 13: Hourly pay distribution of workers prior to the 2024 NLW

Source: Skills for Care estimates



4.1. Adult social care providers

As at December 2023, around 94% of adult social care providers in the independent sector were paying at least some of their workers below the upcoming mandatory £11.44 NLW and will therefore be directly affected by its introduction. The remaining providers may also be indirectly affected if they want to maintain the pay differential between themselves and other employers, as well as between job roles within their own organisation.

5. Further resources

Skills for Care provide outstanding workforce intelligence which the Government, strategic bodies, employers, and individuals rely upon to help them make decisions that will improve outcomes for the people who use care services. The ASC Workforce Data Set (ASC-WDS) is recognised as the leading source of workforce intelligence for adult social care. Skills for Care manages the service on behalf of the Department of Health and Social Care and has been collecting information online since 2007. This chapter provides an overview of some of the reports and resources [publi.g/TT1 1 Tf15.937 \(v\)4 \(i\)6kf,Tf15.937 \(v\)4 \(i\)6k](#)

Regional reports

These nine regional reports provide an annual overview of adult social care services and the workforce in each region. Each of these nine reports examines regional findings in light of the findings for England as a whole, which are presented in this report. To access these, please visit www.skillsforcare.org.uk/regionalreports.

Latest version, October 2023. Updated information is due in October 2024

Monthly monitoring

For monthly updates on key adult social care statistics, including vacant posts, sickness and staffing, please visit [https://www.skillsforcare.org.uk/Adult-Social-Care-Workforce-](https://www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-64)

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