How higher wages can reduce the welfare bill

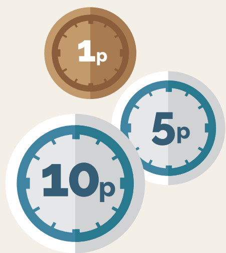
14%

Did you know that tax credits account for **14%** of all welfare spending in the UK.

Did you know that tax credits are paid to people in work?

Do you know why people need tax credits?

They need tax credits because their wages are too low.



Tax credits have allowed employers to get away with paying very low wages.

Northern Ireland has the highest instance of low pay in the UK with 28% of workers earning below the living wage.

Spending on tax credits in Northern Ireland has increased by nearly **70%** in the last 10 years.

Welfare spending can only be tackled by tackling low pay.

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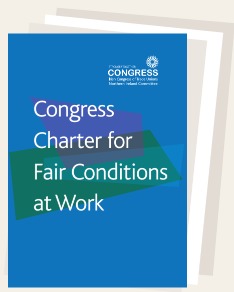

Northern Ireland needs a pay rise and a Charter for Fair conditions at work.

to find out more go to

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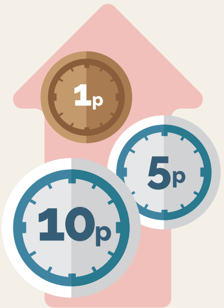
How higher wages can boost our economy



Northern Ireland has the highest incidence of low pay in the UK.

28% of workers in Northern Ireland earn below the Living Wage.

Policies like tax credits have hidden the problem of low pay for many years.

Introducing a Living Wage will boost the spending power of households.

Low paid households are the most likely to spend increased wages.

Increased household spending benefits small and local businesses.

Local businesses can pass this benefit on to staff in their wages.

This gives a further boost to spending in the economy, it's called the multiplier effect.

A Living wage is a practical step toward a well-balanced economy.

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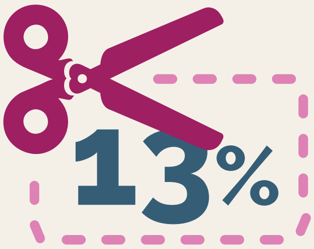
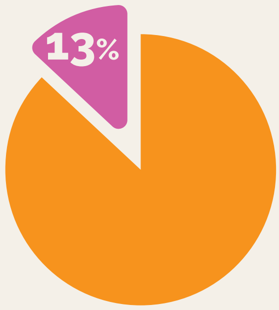
The real welfare story



Welfare Reform implemented in Great Britain has achieved **only 13%** of the savings it was expected to make.

DLA
ESA

Two main benefits affected by the Northern Ireland Welfare Reform Bill are Disability Living Allowance (DLA) and Employment Support Allowance (ESA).



DLA and ESA only account for 13% of overall UK Welfare Spending.

But spending on Welfare is **17% higher** in Northern Ireland than the UK as a whole, why?

The rate of Economic Inactivity in Northern Ireland is almost **5% higher** than the UK.

More people in Northern Ireland remain outside the labour market due to long-term illnesses.

Mental health problems affect over 280,000 or **1 in 6 people** in Northern Ireland.

70%

Suicide rates in Northern Ireland are **70% higher** than the United Kingdom.

Tackling long-term issues of mental health will boost our economy. Cutting support to the most vulnerable in our society won't.

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