

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON MONDAY 13th JULY 2020**

Question

Will the Minister state the estimated impact, if any, of a rise in the minimum wage to the current level of the living wage on the levels of –

- (a) expenditure on Income Support;
- (b) supplementation of the Social Security Fund; and
- (c) Social Security contributions?

Answer

I am unable to provide a meaningful estimate of the impact of a rise in the minimum wage on any of these three areas as this question requires expert analysis that is not possible to achieve in the timeframe of a response to a States Question.

However, detailed work on the impact of raising the minimum wage has been carried out before, as has separate work looking at an analysis of a living wage in Jersey.

An analysis of the living wage in Jersey was published in May 2015. It included an overview report and an economic impact assessment.

<https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Living%20Wage%20Report%20Executive%20Summary%2020150512%20VP.pdf>

https://www.gov.je/SiteCollectionDocuments/Government_and_administration/R_Living_Wage_Detailed_Report_20150512_VP.pdf

https://www.gov.je/SiteCollectionDocuments/Government_and_administration/R_Economic_Impact_Of_A_Living_Wage_For_Jersey_20150512_VP.pdf

The impact of raising the minimum wage was considered separately in R.83/2017 “Raising the minimum wage: economic and fiscal impacts.” This report was prepared for the States of Jersey by external consultants to show the likely impact of an increase to the minimum wage on the whole of Jersey’s economy, taking into account general wage levels and employment, but also the impact on Income Support and other forms of indirect support for low earners, such as supplementation.

<https://statesassembly.gov.je/assemblyreports/2017/r.83-2017.pdf>