



Pay in the adult social care sector

As at December 2023

Source: Skills for Care analysis of the Adult Social Care Workforce Data Set (ASC-WDS)

On 1 April 2023 the National Living Wage (NLW) increased from £9.50 to £10.42 per hour for workers aged 23 and over. This report measures pay rates in the adult social care sector as at December 2023, examines pay trends, investigates any side effects in the adult social care sector as a result of the higher pay floor, and looks at the potential impact of the 2024 NLW (£11.44). Independent sector care worker hourly rates are the main focus of this report, as well as differentials with other job roles in the adult social care sector.

£11.00

Care worker
median hourly rate

19%

Of care workers are
on the wage floor

60%

Of workers paid
below next NLW

Key findings

Current levels of pay and trends

- The median hourly rate for a care worker in the independent sector was £11.00 as at December 2023 (58 pence above the NLW). This varies across the regions, with the highest median hourly pay rates recorded in London (£11.31) and the lowest in the West Midlands (£10.80).
- In December 2023, the nominal median care worker pay had increased by 8.8% (89 pence per hour) since March 2023, the average care worker was better off, in real terms, by 63 pence per hour (6.1%) than they were in March 2023.

Side effects of the increasing wage floor

- The proportion of care workers being paid on the wage floor (those on or within 10 pence of the NLW) was 19%, this proportion has been decreasing since March 2020. This may be a consequence of the current difficulties with recruiting and retaining staff within the sector, as employers increase their pay above the minimum to try and attract and keep staff.

- Experienced care workers (those with 5 or more years in the sector) are paid just 8 pence more on average than care workers who are new to the sector. Prior to March 2017, this gap was between 26 pence and 37 pence per hour.
- Around 41% of care workers were paid below the Real Living Wage (set by the Living Wage Foundation at £10.90 outside London / £11.95 in London) in December 2023.

The impact of the new NLW rate (£11.44 from 1 April 2024)

- As at December 2023, over half (60%) of all independent sector workers were paid less than the April 2024 mandatory NLW rate (£11.44). This equates to around 760,000 filled posts being directly affected by the next increase in the NLW.
- Around 94% of adult social care providers in the independent sector in December 2023 were paying at least some of their workers below the April 2024 mandatory NLW (£11.44) and would be directly affected by its introduction.

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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 rate will be £11.44 per hour and will include workers aged 21 and over. This is an increase of £1.02 (9.8%) for workers aged 23 and over and 12.4% (£1.26) for workers aged between 21 and 22.

Real Living Wage

The Real Living Wage is separate to the National Living Wage and is set by the charity [Living Wage Foundation](#) each Autumn. This is a voluntary scheme which employers can sign up to and the hourly rate is independently calculated to reflect the basic cost of living. The equivalent rate to the £10.42 NLW rate used throughout this report is £11.95 in London and £10.90 across the rest of the UK.

1.2. Pay periods used in this report

The ASC-WDS data used in this report has been split into time periods to reflect the National Minimum Wage (NMW; used prior to the introduction of the NLW) or NLW in place at the time (see Table 1: Time periods used in this report). October 2012 to March 2016 covers the period when the NMW was in place for workers aged 21 and older and is described by the final month in the period (e.g. October 2012 to September 2013 is recorded as Sep-13 in the data; October 2015 to March 2016 is recorded as Mar-16).

April 2016 to March 2021 covers the NLW for workers aged 25 and older. On 1 April 2021, the NLW became applicable for anyone aged 23 or over, therefore April 2021 onwards covers the NLW for workers aged 23 and older. From April 2024 workers aged 21 and over will be paid the NLW.

We have used the most current data (December 2023) in this report as far as possible. However, when making comparisons to external data, we used March 2023 data to make direct comparisons.

The majority of local authority sector care workers as at September 2023 were already paid above the 2024 NLW (£11.44). As a result, this report will focus on the adult social care filled posts in the independent sector only.

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)
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
Apr 16 to Mar 17	2016 NLW	£7.20 (NLW introduced)	£8.25 / £9.40
Apr 17 to Mar 18	2017 NLW	£7.50	£8.45 / £9.75
Apr 18 to Mar 19	2018 NLW	£7.83	£8.75 / £10.20
Apr 19 to Mar 20	2019 NLW	£8.21	£9.00 / £10.55
Apr 20 to Mar 21	2020 NLW	£8.72	£9.30 / £10.75
Apr 21 to Mar 22	2021 NLW	£8.91	£9.50 / £10.85
Apr 22 to Mar 23	2022 NLW	£9.50	£9.90 / £11.05
Apr 23 to Mar 24*	2023 NLW	£10.42	£10.90 / £11.95
Apr 24 to Mar 25	2024 NLW	£11.44 (21 and over)	£12.00 / £13.15

****This report focuses on data in this period.***

2. Current levels of pay and trends

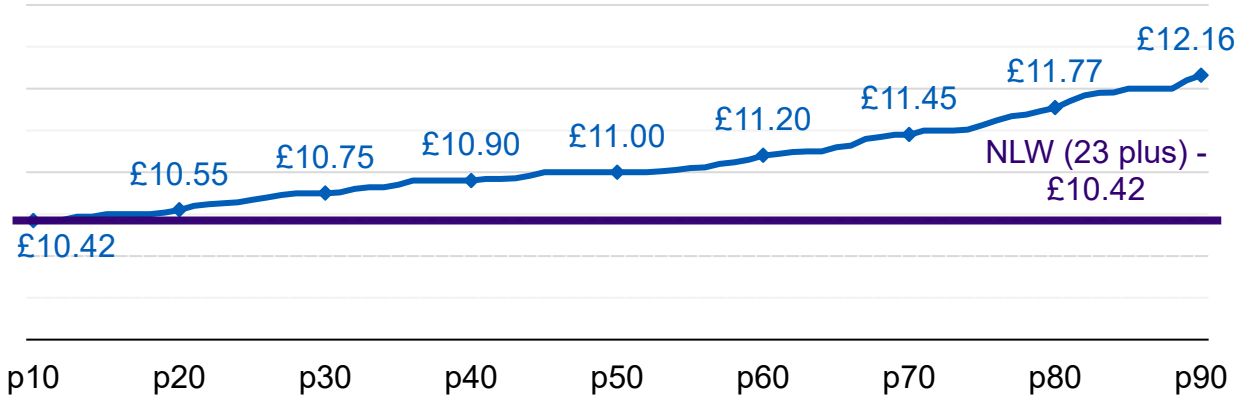
2.1. Care worker hourly rate distribution, December 2023

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

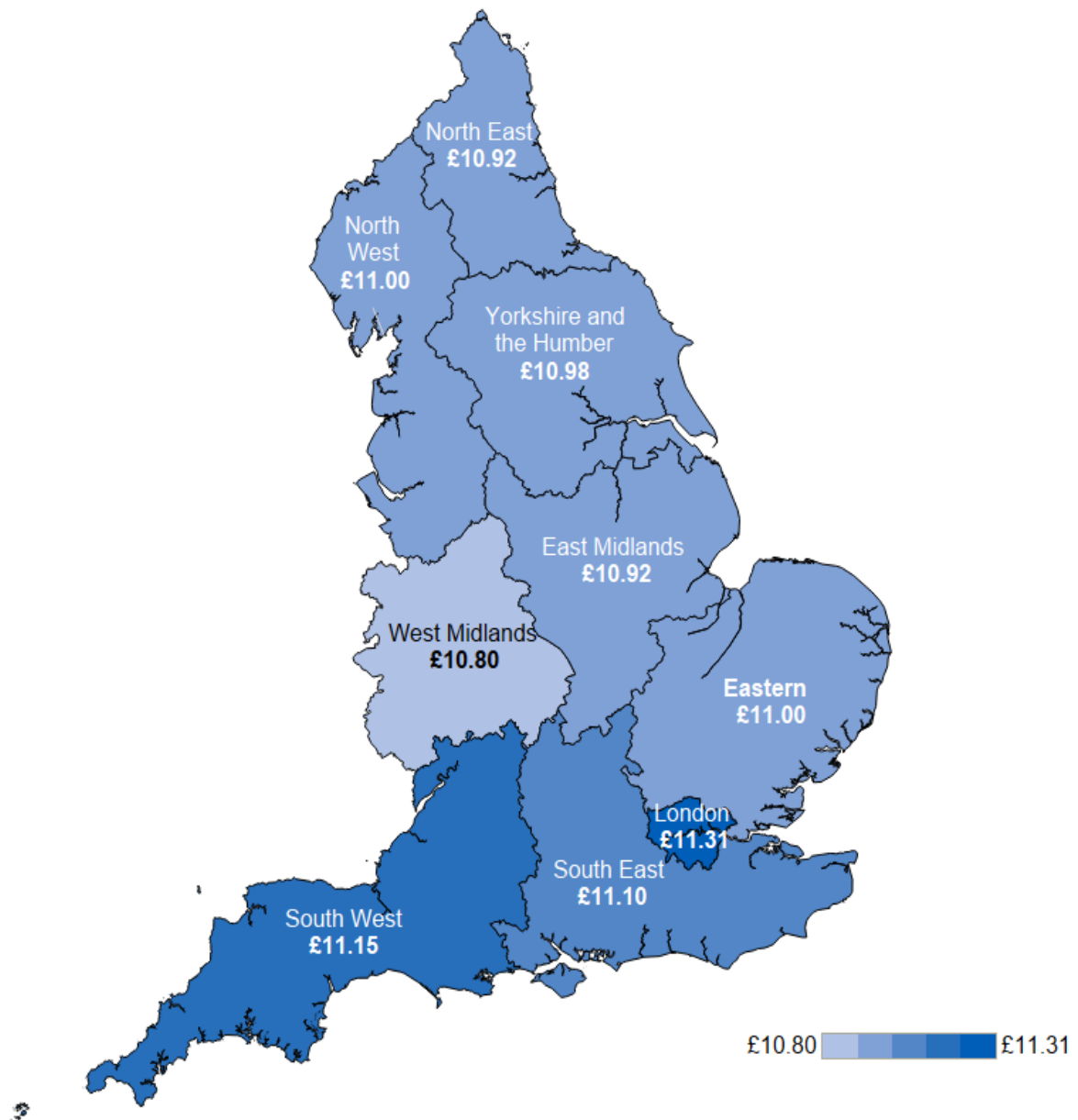
Source: Skills for Care estimates



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



2.2. Median care worker hourly rate trends

This section looks at the trend of median care worker hourly pay rates since March 2016 in both 'nominal' and 'real term' pay rates. 'Nominal' pay shows the pay rates as they were at the time. 'Real term' rates are adjusted to take inflation into account (calculated using the Consumers Price Index (CPI)), the official measure of inflation of consumer prices in the UK) and are expressed in December 2023 prices.

Chart 2 (below) shows that median nominal care worker pay increased steadily from £7.28 in March 2016 to £11.00 in December 2023, this was equivalent to a 51% increase. The average care worker was better off, in real terms, by £1.39 per hour (14.5%) in December 2023 than they were in March 2016. Real term pay did decrease in March 2022 and March 2023 due to high inflation during this period, however it has since increased again in December 2023.

The nominal median care worker pay increased by 8.8% (89 pence per hour) between March 2023 and December 2023. The average care worker was better off in real terms by 63 pence per hour (6.1%) than they were in March 2023. The increase in pay was higher than the rate of inflation over the period.

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

Source: Skills for Care estimates

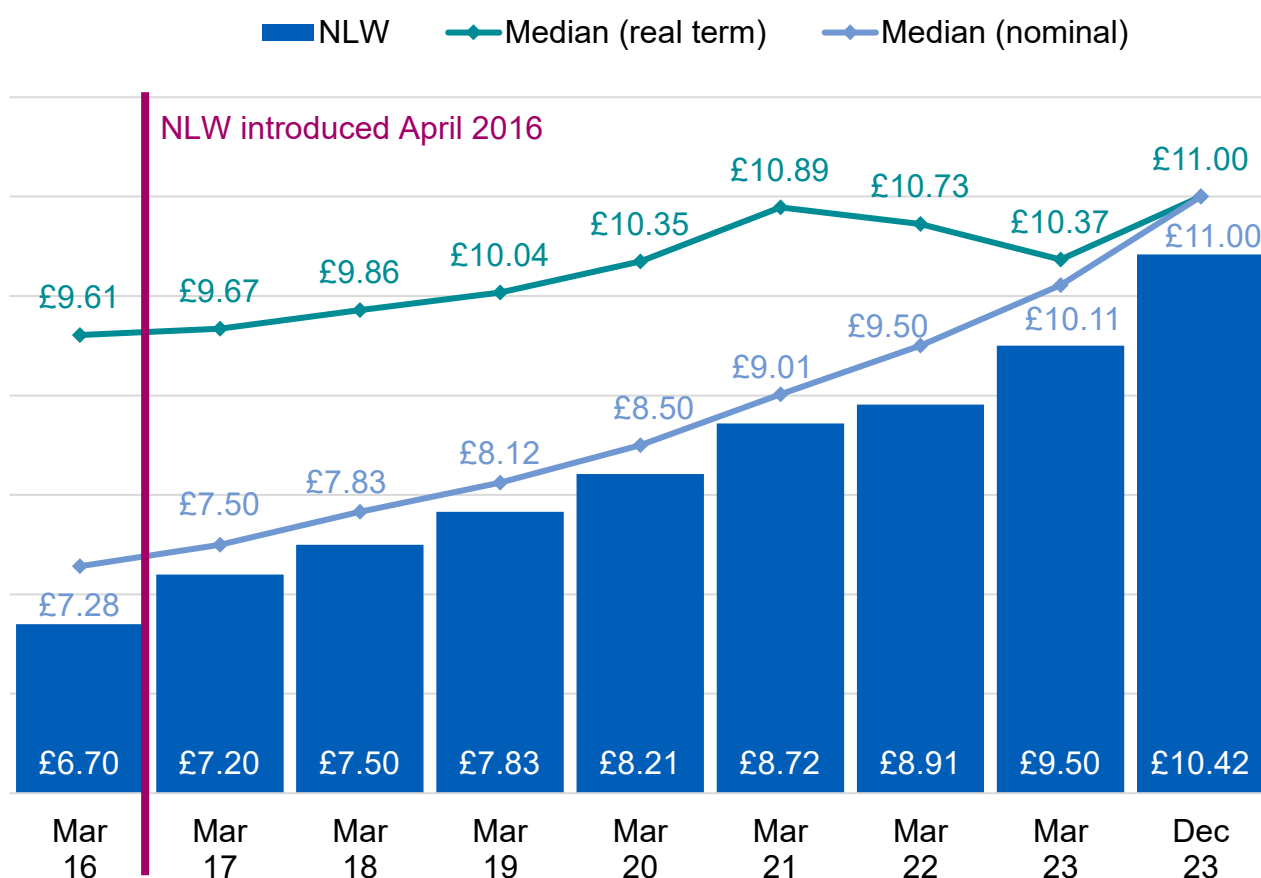


Chart 3 (below) shows the change in care worker nominal median hourly rates, compared to nominal change in the NLW. The nominal care worker hourly rate usually increases by a similar amount to the NLW increase. However, between March 2021 to March 2022 the change in nominal median hourly rate (5.4%) was larger than the nominal NLW (2.2%).

More recently, between March 2023 and December 2023 the NLW (£10.42) increased by 9.7% in nominal terms whilst the nominal median care worker pay increased by 8.8%. This increase is more in line with what was expected given the increase in the NLW (i.e. care worker pay usually increases at a similar rate). Recruitment and retention issues still remain in the sector with the vacancy rate still high at 8.2% in December 2023 following a peak of 10.7% in 2021/22. To view the latest monthly tracking vacancies please visit [here](#). Some employers have reported to Skills for Care that keeping up with NLW increases has been a challenge for some employers, especially alongside other rising costs to their business due to inflation and the increased cost of living.

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

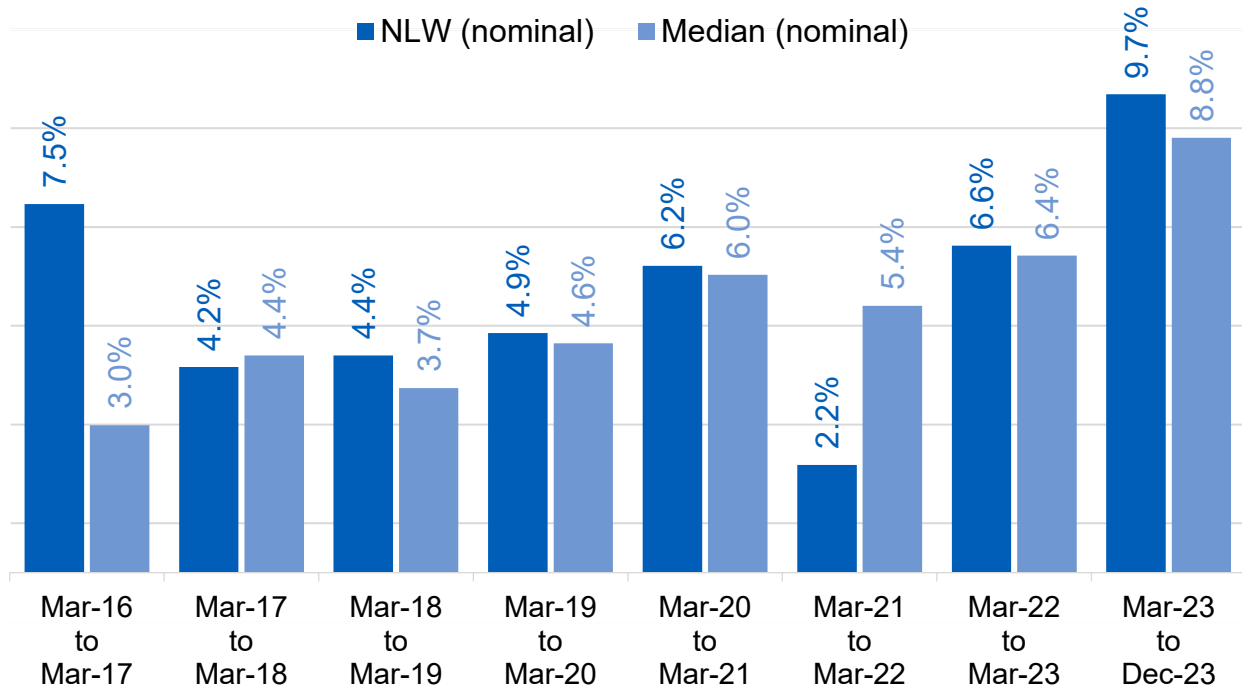
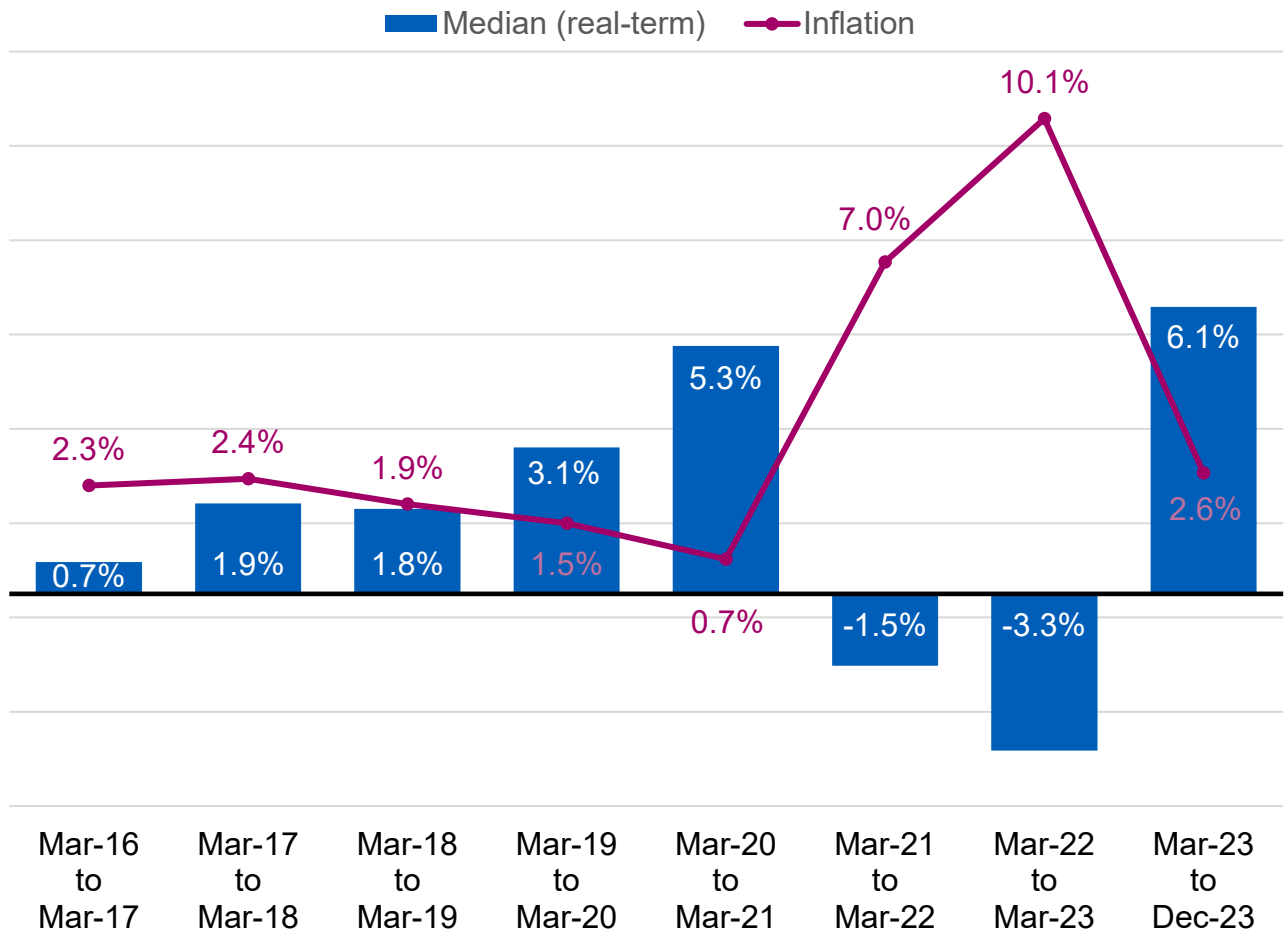


Chart 4 (below) shows wages have increased in real terms, with an increase of 6.1% between March 2023 and December 2023. This was the largest increase across the whole period. Inflation peaked at 10.1% in the March 2022 to March 2023 period. It then decreased to 2.6% in the March 2023 and December 2023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

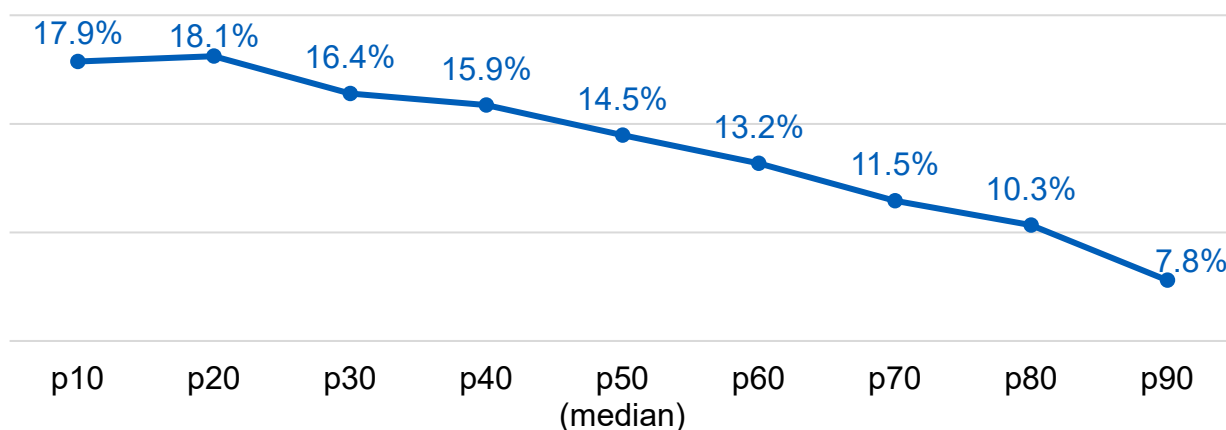
3.1. Care worker real term hourly rate change

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

Source: Skills for Care estimates



3.2. Care worker pay by experience in the adult social care sector

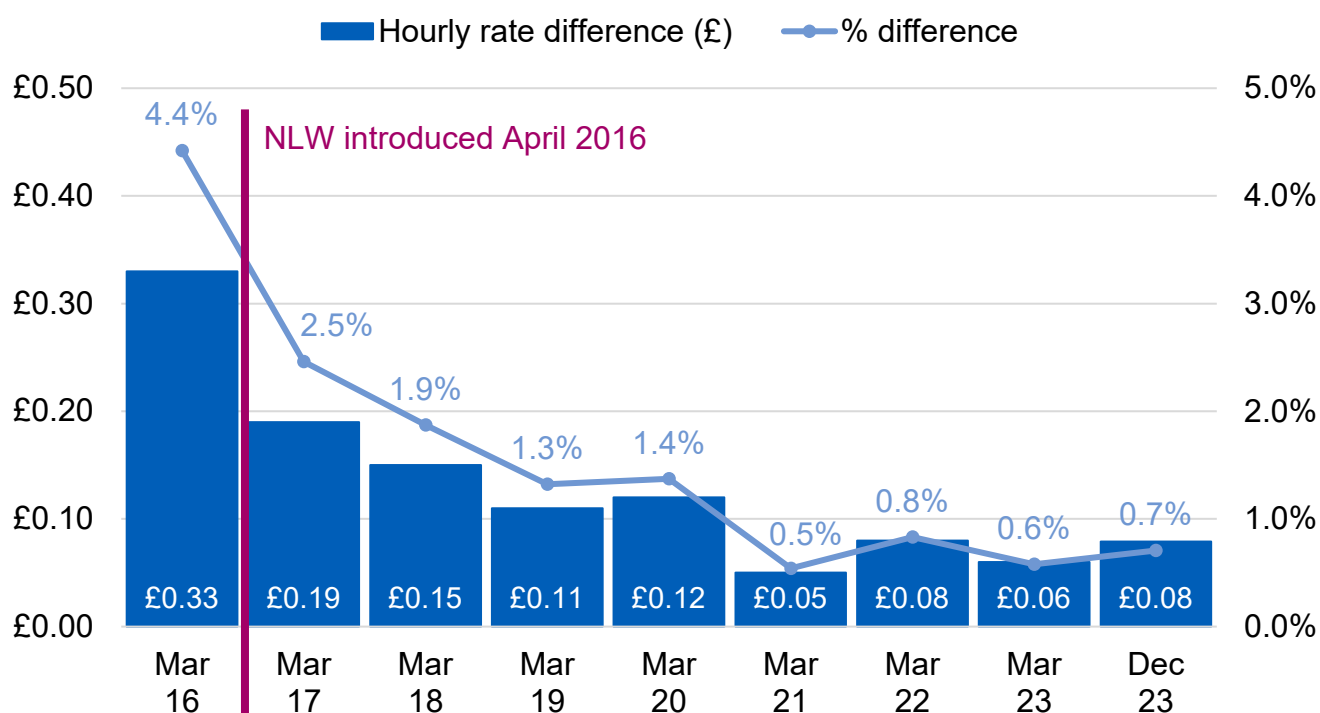
Chart 6 (below) compares the hourly rate of care workers based on their experience in the adult social care sector. In March 2016, care workers with five or more years of experience in the sector could expect an hourly rate which was around 33 pence higher, on average,

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%) per hour by December 2023.

It will continue to be challenging for providers to reward workers with more experience, greater responsibilities or those who are more qualified that are already paid above the NLW rate as the NLW rate continues to increase.

Chart 6: Average care worker pay by experience in the sector (less than one year versus five years or more), March 2016 to December 2023

Source: ASC-WDS unweighted data



3.3. Proportion of care workers on the wage floor

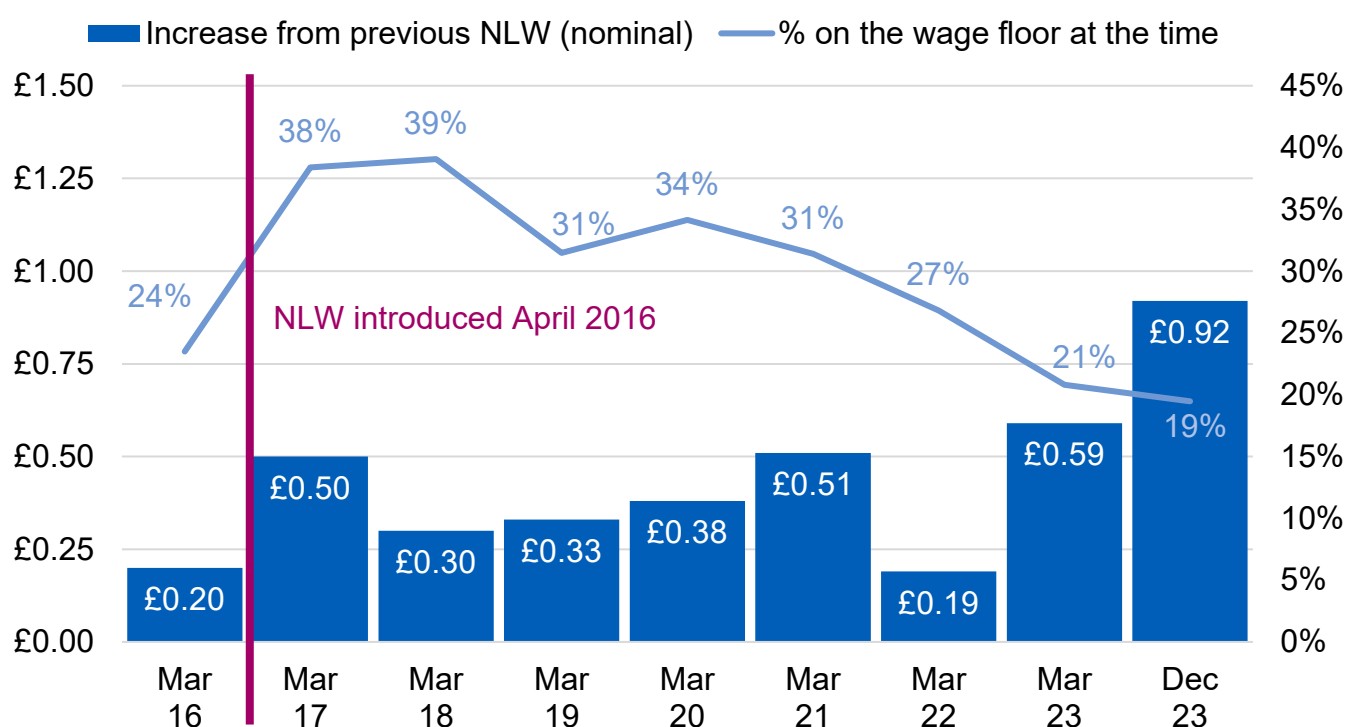
Another potential side effect of the larger NLW increments is a higher proportion of care workers on the wage floor – defined in this report as those who were paid up to 10p more than the NLW in place at the time.

Chart 7 (below) shows that after the introduction of the NLW, the proportion of care workers on the wage floor almost doubled from 24% prior to its introduction in 2017, to

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

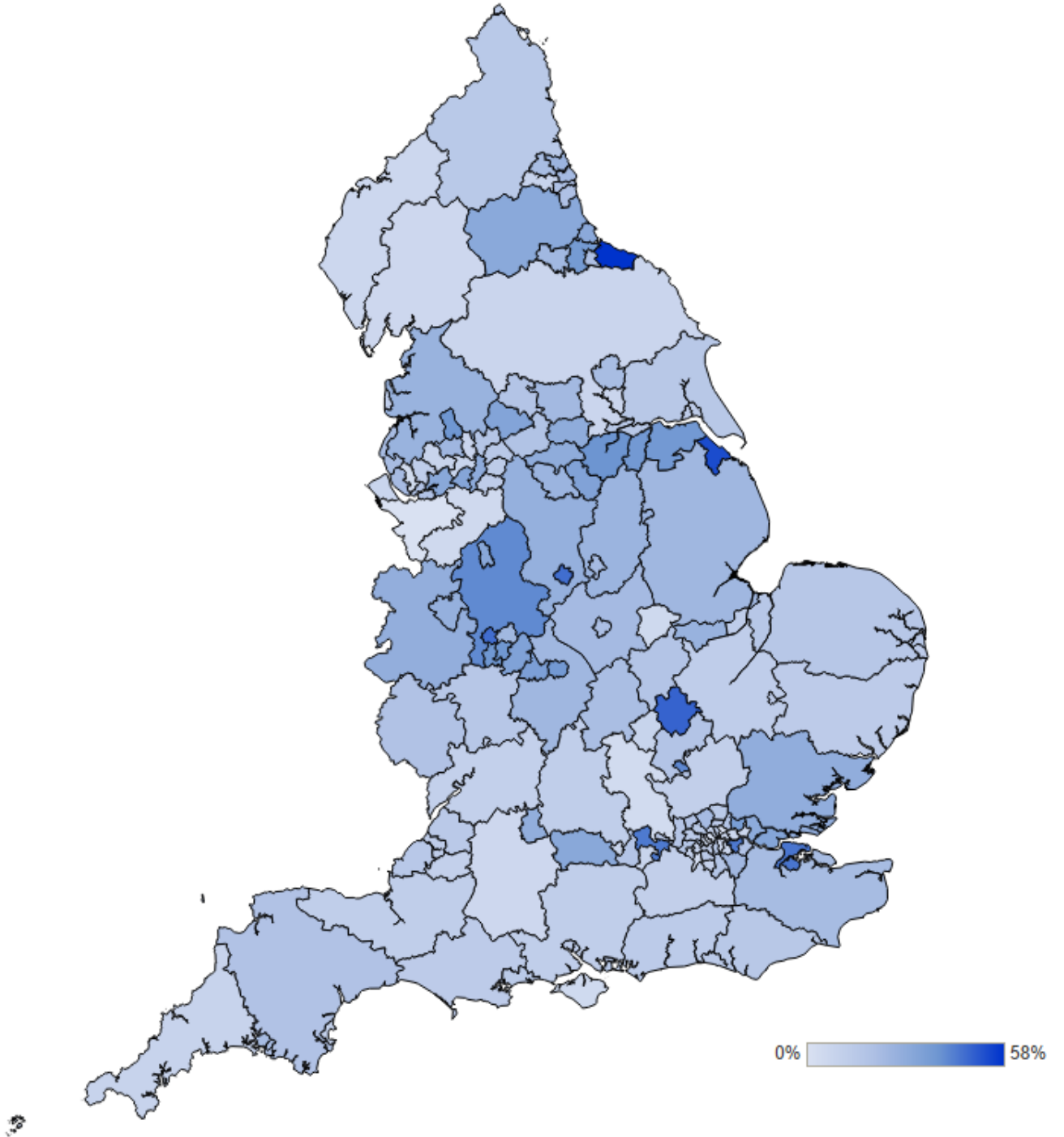


The proportion of care workers on or under the wage floor varied greatly by location. Map 2 (below) shows the proportion of care workers who were paid on the wage floor by local authority area.

The South West region (13%) had the lowest proportion of care workers being paid on the wage floor, while the West Midlands region (32%) had the highest proportion. Redcar & Cleveland local authority area (58%) had the highest proportion of care workers being paid on the wage floor overall.

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



3.4. Comparison to household expenditure by region

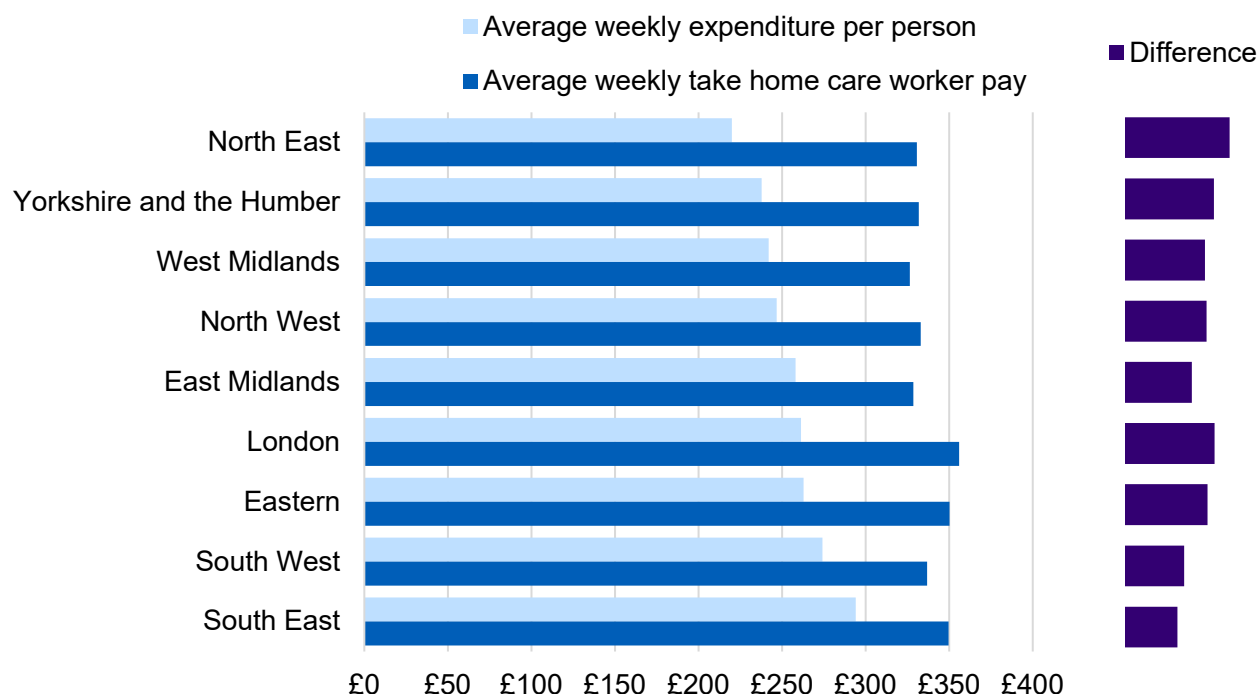
Chart 8 compares the average weekly take-home pay of a care worker to the average weekly expenditure per person¹ (used here as a proxy for the cost of living) at regional level.

The chart shows that, in general, average care worker pay varies according to the cost of living in each region, i.e. care worker pay is higher in regions where the cost of living is higher. However, the cost of living shows more regional variation than care worker pay. As a result, in regions where the cost of living was lower (e.g. the North East), average care worker pay was relatively high compared to the cost of living.

Chart 8: Weekly take-home pay of a care worker vs weekly expenditure per person, March 2022 – December 2023

Source: Skills for Care estimates

Note: ONS data has been adjusted to account for inflation (CPI) between March 2022 and December 2023.



¹ Family spending workbook 3:expenditure by region: financial year ending March 2022, Office for National Statistics (Table A33)

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/expenditure/datasets/familyspendingworkbook3expenditurebyregion>

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%).

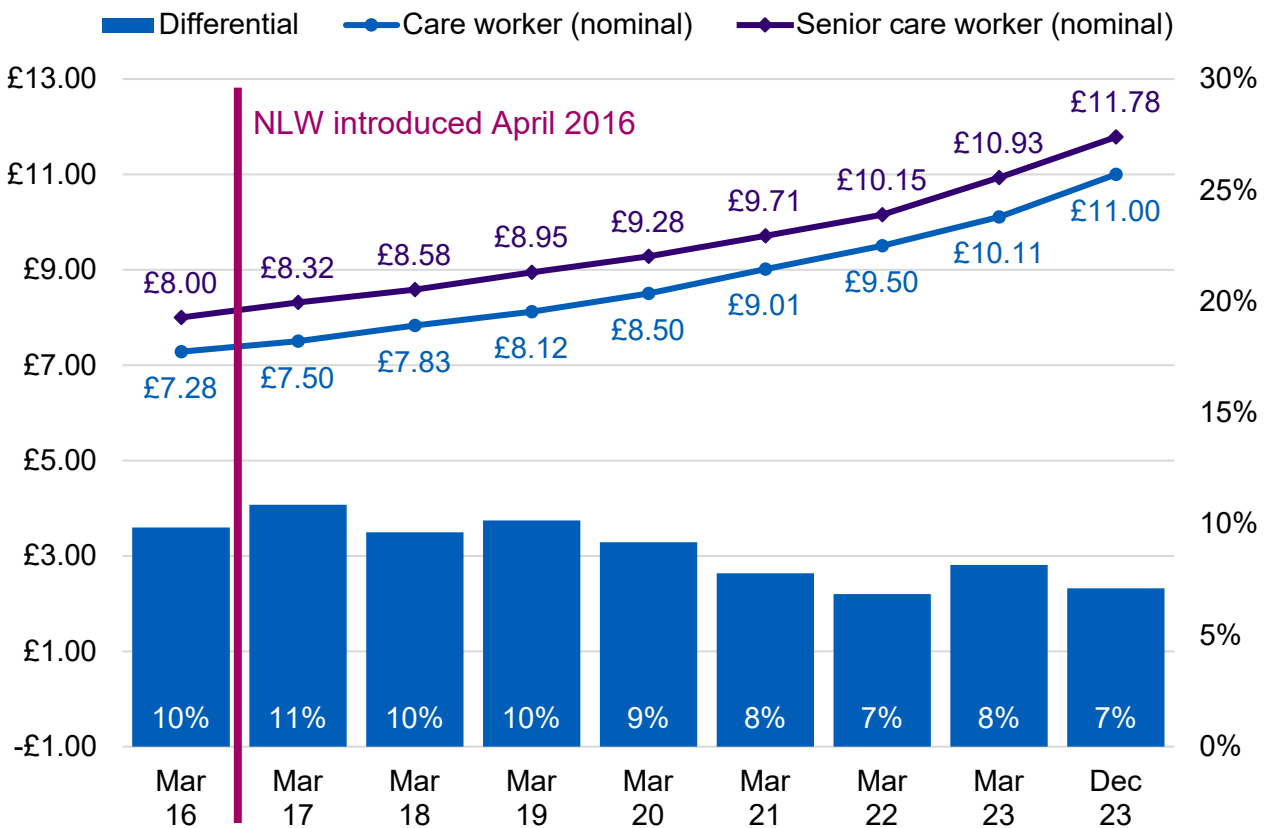
3.6. Pay differentials between care workers and senior care workers

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.

Chart 9: Median senior care worker and care worker nominal pay trend and differential, March 2016 to December 2023

Source: Skills for Care estimates



3.7. Under 23s

Approximately 6% of the adult social care workforce (7% of care workers) were under 23 years old and were therefore not entitled to the 23 and over rate of £10.42 in December 2023.

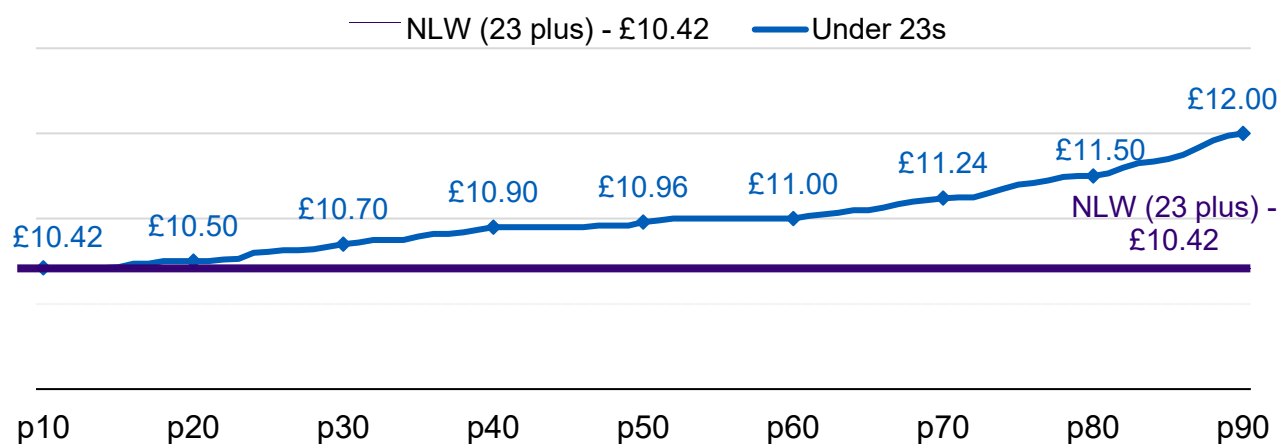
While not directly benefitting from the NLW over 86% of care workers under the age of 23 were paid more than the £10.42 per hour rate. This is clear evidence that social care providers are voluntarily rewarding workers aged under 23 with an increased rate of pay, as well as those aged 23 and over.

From April 2024 workers who are aged 21 and over will be entitled to the NLW (£11.44). Chart 10 (below) shows the majority of care workers under the age of 23 are already paid

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, more sectors are likely to begin to cluster close to the NLW rate. This could reduce the issue of pay as a barrier to entering the adult social care workforce. However, it could equally mean that roles in other sectors with low pay will grow closer in pay to social care filled posts than they were before.

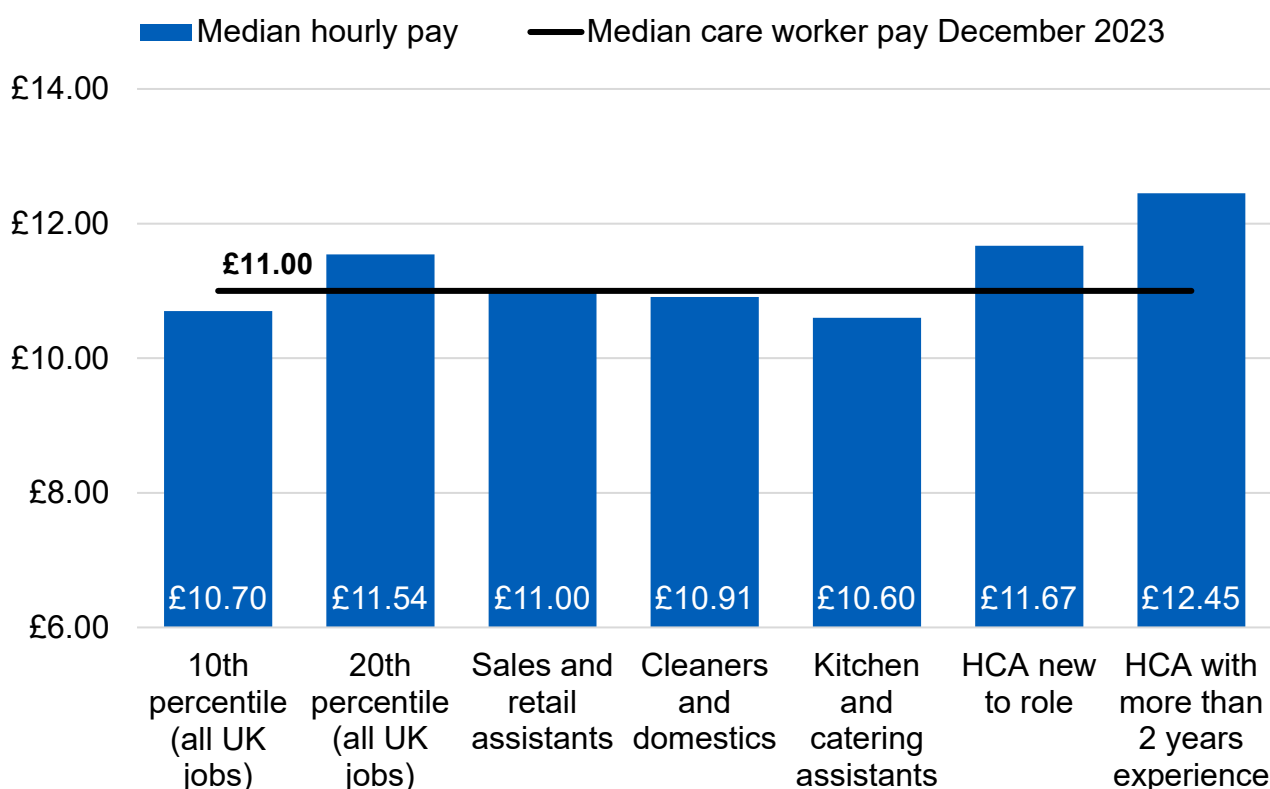
Chart 11 (below) compares median care worker hourly pay to some of the lowest paid jobs in the whole economy (as defined by the Low Pay Commission). Although these sources

(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

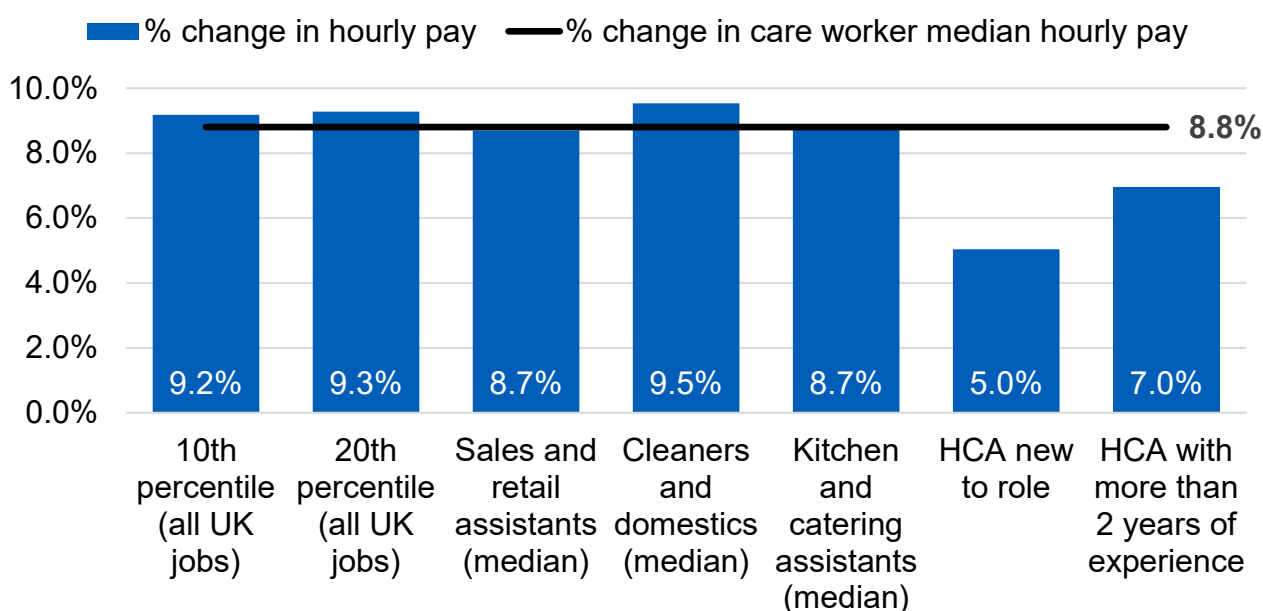
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digitsoc2010ashtable14>

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 care worker median pay increase (8.8%) was lower than the 10th percentile (9.2%) and the 20th percentile (9.3%). This is similar to Sales and retail assistants and Kitchen and catering assistants. Although HCAs are paid more, their pay increase was much lower compared to the rest of the job roles (between 5%-7%). Cleaners and domestic workers had the highest increase at 9.5%.

Chart 12 Percentage change in nominal median care worker pay compared to other job roles, 2021/22 to 2022/23

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)



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

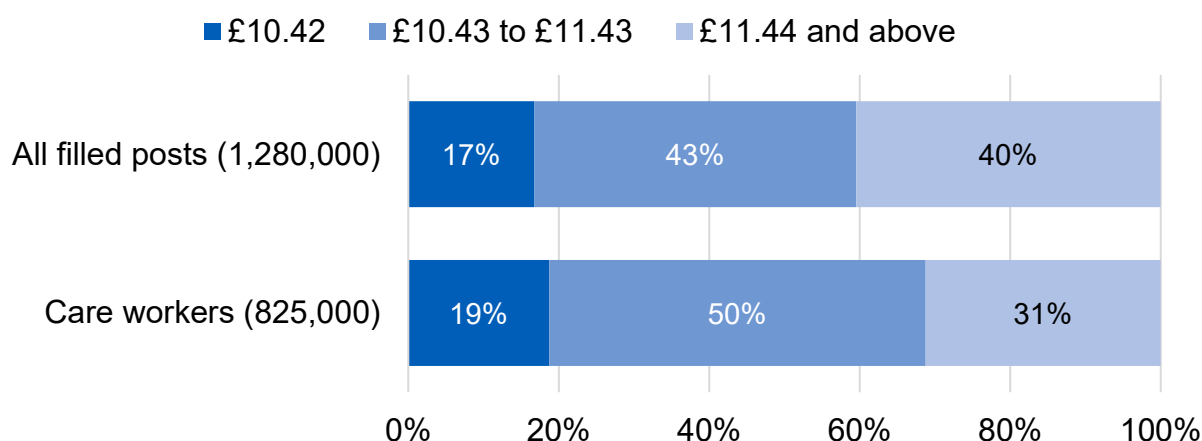
On 1 April 2024 the mandatory NLW will increase to £11.44. This will include workers aged 21 and over.

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

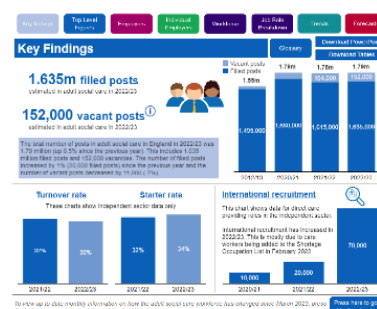
Skills for Care provide outstanding workforce intelligence which the Government, strategic bodies, employers, and individuals rely upon to help them make decisions that will improve outcomes for the people who use care services. The ASC Workforce Data Set (ASC-WDS) is recognised as the leading source 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 published by our Workforce Intelligence team.

Skills for Care workforce intelligence publications can be found at:

www.skillsforcare.org.uk/workforceintelligence.

The size and structure of the adult social care sector and workforce in England

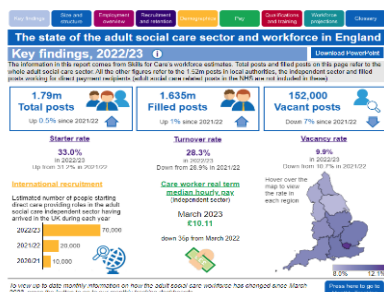
This data visualisation provides estimates of the number of organisations and establishments involved in providing or organising adult social care, as well as the size and structure of the workforce, including people and job estimates, trend data, and future projections. To access this webpage, please visit www.skillsforcare.org.uk/sizeandstructure.



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

The state of the adult social care sector and workforce report in England

This visualisation provides comprehensive workforce characteristics about the 1.79 million total posts working in adult social care in England. It includes information on employment, recruitment and retention, workforce demographics, pay, and qualifications and skills, as well as workforce forecasts. Data science is also used to look at factors affecting turnover rates and CQC ratings. To access this report please visit



www.skillsforcare.org.uk/stateof.

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

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-Data/Workforce-intelligence/publications/Topics/Monthly-tracking/Monthly-tracking.aspx>.



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