

Funding the Future

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A [new survey on wages has been drawn to my attention](#), issued by an organisation called Vocalink. I admit it is new to me, so comments on its credibility are welcome, but the findings are significant:

Private sector earnings growth, as measured by The VocaLink FTSE 350 Take Home Pay index, falls to 1.1% year-on-year in December (from 1.7% in November), its lowest level since July 2010

Public sector earnings, as measured by The VocaLink Public Sector Index, also edges down to 1.1% annual growth in December from 1.3% in November

Annual growth on the VocaLink manufacturing index drops to its lowest level on record at 0.4% in December from 2.0% last month

So private and public sector pay seems to be moving at the same rate, which is almost not at all, as inflation takes off, fed by shortages, or speculation, or both.

The absurd notion that we will have growth in this scenario looks more ridiculous by the day.

The reality is we will have increasing poverty, real falls in income, and declining demand for non-essential items, all of which suggest a counterbalance to inflation on core foodstuffs and essential items, paid for however by a reduction in well being, especially for the poorest in our communities.

This is the scenario where without doubt Bob Diamond's bonus is paid for by the poorest in the UK. And that's why action on such issues has to happen. We can do without Bob Diamond and the vast majority of what his investment banking colleagues do. But we can't live with the poorest getting poorer in our communities. It's tough enough already for them.

Hat tip: Mark Tanner