

Raising interest rates when real wages are falling is a...

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As [the Guardian notes](#):

The prospect of Britain's first interest rate increase in more than a decade loomed large on Tuesday after [inflation](#) hit its highest level since 2012 and Bank of England governor Mark Carney said it had further to rise.

Financial markets are now betting strongly on Threadneedle Street's monetary policy committee reversing the quarter-point cut in borrowing costs made in the aftermath of last year's Brexit vote after the annual increase in the cost of living edged up from 2.9 to 3%.

So, with real wage increases running at a negative rate of 0.9% based on this data and annual wage increases being 2.1% per annum the Bank of England is going to compound the misfortune of most people by increasing interest rates.

I don't think this is by itself the tipping point which will make most people realise just how irrelevant they are to those who make decisions on economic policy in the UK, but it will certainly add to the sense of dis-ease that many will have on that issue.

As acts of economic folly go this one will take some beating. It is, after all, contemptuous of most people in the country.

But a no-deal Brexit will top it by some way, of course.