

Funding the Future

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As the [Office for National Statistics has noted](#) this morning:

Figure 2: Annual growth in nominal total pay was 6.2%, nominal regular pay was 4.3%, real total pay was negative 0.9% and real regular pay was negative 2.8% in March to May 2022

Average weekly earnings annual growth rates in Great Britain, seasonally adjusted, January to March 2001 to March to May 2022



Source: Office for National Statistics – Monthly Wages and Salaries Survey

Real wages are falling fast. That is the message from the ONS today.

The message from Tory leadership rivals a couple of days ago was 'accept it, because we're not going to do anything about it'.

And the message from the bank of England is 'you're not having it tough enough, have another interest rate rise'.

Welcome to recessionary Britain where real living standards are falling rapidly, and those with responsibility for that want to stand aside and watch it happen, believing that it's all the fault of those wanting to keep their wages standing still that we have inflation in the UK.

The reality is nothing close to that. Wages that are falling cannot be driving inflation.

Nor, given that this pattern is obviously already entrenched, are they likely to do so. Instead, inflation is being driven by profiteering by banks, energy companies, and (down the line) those who trade in food that will be in short supply. This is the reality. But the government is ignoring that. It is trying to blame working people.

No wonder tensions in the labour market are rising.