The average wage of migrants has fallen by £10,000 in just 2 years

The average annual earnings of migrants has dropped by £10,000 since 2021.

In August 2020 the Conservative government unveiled the post-Brexit immigration system and the Health and Care visa system, seeing a huge shift in the profile of people entering the UK on work visas.

Between 2021 and 2023 the number of entry visas awarded to professionals in the "Caring professional Services" sector (i.e. care workers) has increased from just 4.3% in 2021 to 47.3% in 2023.

The low paid nature of roles in this sector has contributed to an overall fall in the average salary of a migrant entering the UK for work reasons from £42,884 to £32,946 in just two years.

On 4th April the government's new immigration plan – touted to reduce net migration by up to 300,000 – came into force. Despite raising the salary threshold requirement of those coming to the UK to work, care workers will be exempt from these provisions.

Skilled Workers:

In February the Home Office published visa data for the year ending December 2023. Earlier that month the ONS released its latest edition of the Annual Survey of Hours and Earnings. The release of these two data sources allows us to map the changing profile of those entering the UK on a "skilled work" visa since it came into force in late 2020.

The Skilled Worker visa route, introduced in 2020, sets out 249 roles and occupations that are considered skilled worker professions vital for the British economy: <u>Skilled Worker visa</u>: <u>eligible occupations and codes- GOV.UK (www.gov.uk)</u>

The Annual Survey of Hours and Earnings (ASHE) allows us to see the mean gross salary of each occupation: <u>Annual Survey of Hours and Earnings (ASHE)- Office for National Statistics</u> (ons.gov.uk)

In the year ending December 2023 there were 228,799 skilled worker visas handed out to migrants. This was a considerable uplift on the 164,854 who arrived in 2022 and the 79,995 in 2021 – although the Covid pandemic is likely to have suppressed these figures.

Using SOC 2010 occupation codes, and ASHE data on the mean salary for each occupation, we can see that between 2021 and 2023 the earning profile of skilled worker migrants deteriorated massively.

The changing profile of migration: <u>SEE THE FULL DATA HERE (EXCEL)</u>

In 2021 the largest proportion of the cohort (25%) was in the 'nursing and midwifery' profession, with the ASHE showing an average annual salary of £30,726. The second largest group was 'IT and Telecomm' professionals (21%) which had an average salary of £48,655.

Low paid professions, such as hospitality roles and care worker roles, accounted for just 1% and 4% of the cohort respectively.

Yet by 2023, 47.3% of work visas were handed to individuals coming to the UK to perform roles in the 'caring professional services' sector. The UK government – via its shortage occupation list – mandates that employers in this sector must pay migrants a minimum salary of £20,960, which is higher than the ASHE mean salary.

A further 10% of the 2023 cohort went to work in 'nursing and midwifery' sector, and the proportion of people entering the UK to working in the IT and telecoms sector had fallen to 3%.

The table below shows that since 2021, and the uptake of the H&CW visa, it has steadily come to dominate the profile of all work visas being handed out – now amounting to almost half of entry work visas awarded each year.

