Research Reveals Britons Pay £67 Billion To Work, And The Cost Is Rising

Sunday 29 September, 2013

- UK workers spend 12 per cent of their annual income on costs incurred because of work
- This cost has increased 10 per cent since last year, despite salary rises of just 1.4 per cent
- Commuting costs the average full-time employee £911 per year
- Those who spend on childcare outlay £3,656 per year

Workers in the UK collectively spend £67 billion[1] per year on costs they incur specifically because of their job, and these costs are rising, according to new research[2] from Santander 1|2|3 cashback credit card.

Work-related expenses such as childcare, commuting, work clothes and computer equipment cost the average full-time employee £2,681 per year, accounting for 12 per cent of their disposable income.[3]

Although average salaries have risen by around 1.4 per cent[4], the average cost of working has also increased by 10 per cent[1] over the past year, leaving workers significantly out of pocket.

Commuting is the greatest cost to workers, with the average annual outlay now at £785 per year, up from £766 a year ago. Those who drive to work spend £955 a year on travel, with £835 spent on fuel, £82 on parking charges and £38 on tolls/congestion 2,780 miles per year[5]. Those who use public transport to get to work spend slightly less money at an average of £927 per year.

Childcare is also a substantial cost burden for one in five (19 per cent) workers, who spend an average of £3,656 per year on it, up from £3,632 last year.

Santander 1|2|3 credit card surveyed full and part time workers to ascertain how much they spend on all work-related products and services that they cannot claim back, and found that the amount spent on almost all items had increased significantly in the last year.

Alan Mathewson, CEO Santander Cards, commented: "Earning a living can be an expensive task, particularly against a backdrop of rising living costs. The price of going to work has increased significantly since last year but average salaries have not and, as a result, workers are considerably worse off.

"There are a number of small changes people can make to their day-to-day routine that will help counterbalance these rising costs; by seeking out the best deals at the supermarket or department store and making the most of discounts and cashback offers.

"The Santander 1|2|3 Cashback Credit Card offers cashback on everyday spending including 1 per cent at supermarkets, 2 per cent at department stores and 3 per cent at petrol stations plus National Rail and TFL fares, which can help people with these everyday work-related costs whilst our 1|2|3 Current Account pays interest on balances and cashback on everyday bills, helping consumers make the most of their money."

- Ends -

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Notes to Editors:

(1) Respondents were asked to estimate their annual and monthly spend on a variety of work related expenses including transport. These averages were calculated to be applicable to the whole working population. Total average annual spend on all work costs is £2,475 for all workers. This is applicable to 54% of the population, which based on ONS population estimates equates to 26,960,190 people. £2,475 * 26,960,190 equals £66,725,112,474.

10% increase is based on figures for 2012 collected via the same method where the individual average was £2,260

(2) Research commissioned by Santander and conducted by Opinium Research 6th - 9th September

Media:

TABLE ONE: Amount spent per year on costs associated with work and annual increase since 2012

Expenditure	Amount spent per year by the average worker 2013	Amount spent per year by the average worker 2012	% increase 2012 - 2013
Phone bills	£174	£142	23
Computer equipment	£33	£27	22
Public transport (among those using public transport to travel to work)	£927	£782	19
Food & drink	£486	£408	19
Personal grooming (that you only spend money on because of work)	£171	£153	12
Work clothes	£93	£83	12
Child care (among all workers)	£637	£592	8
Private car (among those driving to work)	£955	£927	3
Work equipment such as stationary	£19	£18	1
Money spent on colleagues and clients	£76	£77	-1

Source: Santander 1|2|3 cashback credit card

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2013. Sample size 2,001 UK adults.

(3) ASHE, ONS median gross earnings for full-time employees is £26,500 before tax. Post-tax is £20,838. Full time UK workers spend £ £2,627 per year. £ £2,627 of £20,838 is13%. ASHE 2012

(4) According to the ASHE, ONS - for the year ending 5 April 2012 median gross annual earnings for full-time employees were £26,500,an increase of 1.4% from the previous year

(5) 52 weeks per year with 5 working days for a full time worker gives 260. The average person takes 4 weeks holiday each year (20 days) and 8 bank holidays so has 232 working days each year. 232 working days * average of 13 miles per working day for those who drive to work = 3,016 miles per year

*regions with low bases, figures used are indicative only

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