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**YOUNG
WORKERS
WON'T WAIT**

STUC REPORT

**Minimum Wage
Discrimination**

Young Workers Won't Wait – STUC report into minimum wage discrimination

This report is based on analysis of minimum wage rates and the voices of young workers that participated in an STUC survey between May-June 2025. It shows the impact of discriminatory pay rates and the need for fair pay, regardless of age.

Introduction

The UK's Minimum Wage (the 'National Living Wage') laws allow workers to be paid less based on their age, even if their job, skills, and experience match those of colleagues. While the age at which the adult rate is paid has reduced from 25 in 2020 to 21 in 2024, the law continues to devalue workers under the age of 21 and allows employers to exploit their labour on the cheap.

The UK Government has said it will "remove discriminatory age bands for adults".¹ However, it has not put a date on when these discriminatory age bands will be removed. Rather, the government have asked the Low Pay Commission to recommend rates to "narrow the gap with the National Living Wage... while also taking into account the effects on employment of younger workers, incentives for them to remain in training or education and the wider economy".²

On 1 April the minimum wage for over 21s rose by 6.7% from £11.44 to £12.21. The minimum rate for apprentices and workers under 18 also went up by 18% from £6.40 to £7.55. For 18–20-year-olds the rate went up 16.2% from £8.60 to £10.

While progress, these rates are clearly still short of the rates for older workers. Those aged 18-20 currently earn less than 82% of the national minimum wage, while 16–17-year-olds currently earn less than 62% of the national minimum wage. Workers under 16 are not entitled to the national minimum wage.

Young workers and low pay

There are currently 30,000 employees aged 16-17 and 280,000 employees aged 18-24 in Scotland.³ These workers are disproportionately likely to be on low pay. More than a third of employees (36.2%) aged 18-24 in Scotland were paid less than the real Living Wage in 2024, compared to less than 1 in 10 in all other age groups - 9.9% of employees aged 25-34, 7.6% of employees aged 35-49 and 9.9% of employees aged over 50.⁴

The impact of minimum wage discrimination

Between May and June 2025, 198 young workers responded to an STUC survey about the minimum wage discrimination. The results show:

- 84% said they occasionally or regularly have to limit their social life.

"Due to the increased cost of living I frequently find myself reaching the end of the month with very little in my bank account. This leads me to dip into savings. I don't know how I'm meant to save up to buy a flat of my own if all of my pay goes towards simply existing."

"It is getting harder to pay bills and afford to get to work and eat."

"Two thirds of my pay goes to bills and living."

"I worked part-time in retail... I was paid considerably less than my older colleagues when I was 16-18, even though we did the exact same job. There was no difference in role responsibilities, so why should I be paid less?"

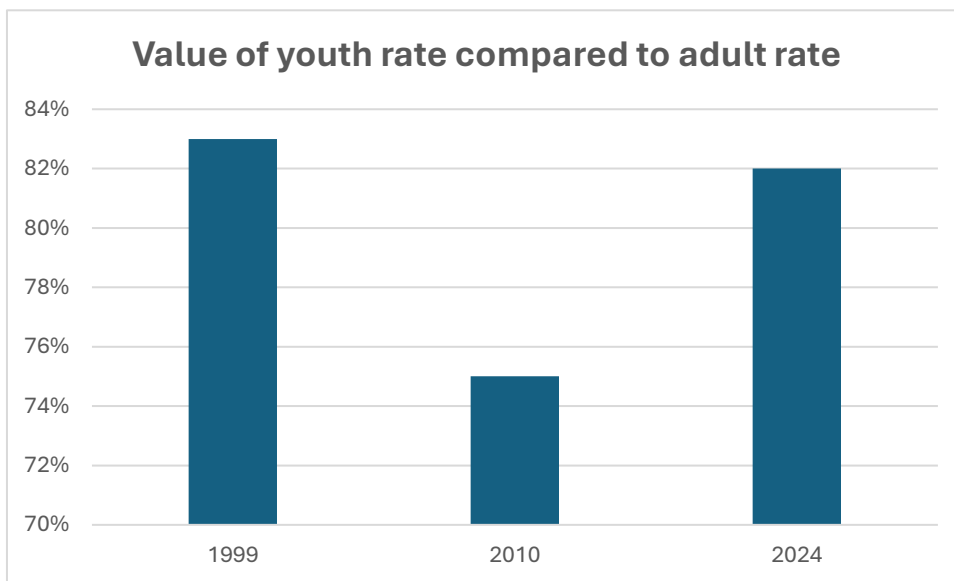
"I am an airport worker, we have to follow many strict procedures and security protocols every day, yet we are basically getting minimal wage. Working from 3:30 in the morning should also be considered in the pay, but it is not. No benefits, no discounts. Sad, how aviation is treating their employees."

"I have to alter or not attend social events organised by friends like birthdays, events or even just the occasional food and drinks [due to low pay]"

- 66% said they were in debt, with respondents mentioning debt levels in the region of £3,000 – £10,000.
- Only 46% said they could always afford the basics in life, such as food, transport and bills.
- More than 92% contributed to housing costs. Less than 8% did not.

The relative value of the youth rate in last 25 years

While there have been large increases in the youth rate compared to the adult rate recently, this follows more than a decade of youth rates falling behind adult rates. When the minimum wage was introduced in 1999, 18-20 year olds were paid 83% of the main rate and this was maintained until 2010. However, by 2024 it had fallen behind to just 75 per cent.⁵ The most recent increase in April brings this up to 82%, almost where it was in 1999 and 2010.



The UK's youth rate lags other countries

The UK's youth rates are not just low by historical standards, they are also low when compared internationally.

In Germany, Spain, France and New Zealand, the rate for 18- to 20-year-olds is the same as the adult rate (ie 100% of the adult rate). The UK rate is also significantly lower for 16- and 17-year-olds. In New Zealand and France 16- and 17-year-olds are paid more than 80% of the adult rate and in Spain they are paid the same as the adult rate. In the UK, the rate for 16- and 17-year-olds is less than 62% of the adult rate.

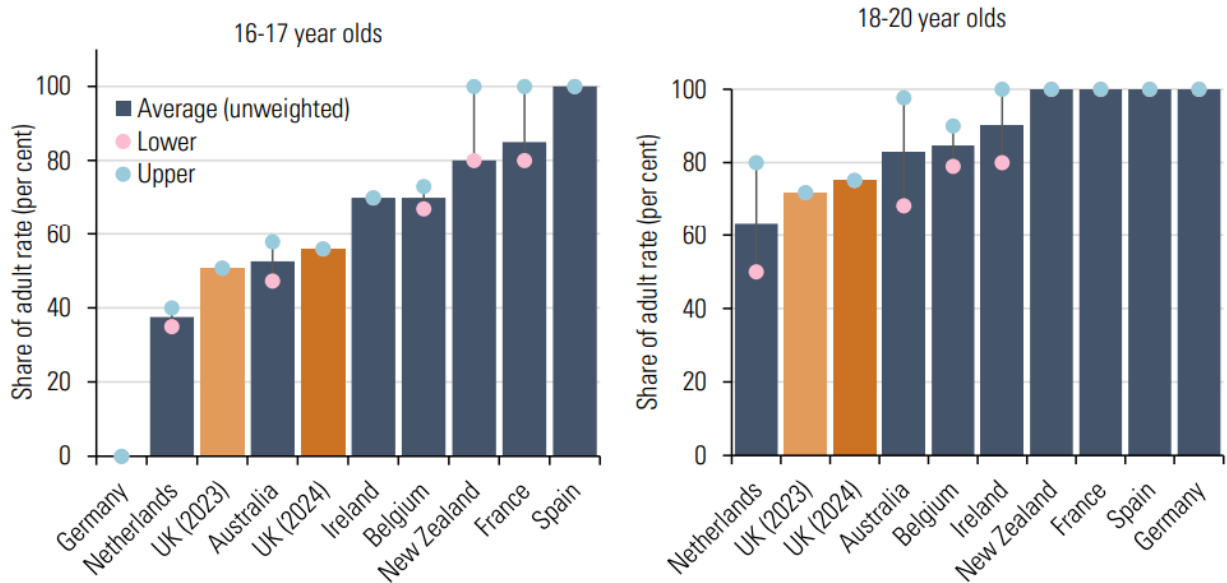
“I pay around £270 for household bills while living with parents, £300 per month for my car to get to and from work, £80 for insurance, £50 for fuel, £50 for my phone bill etc... one big social event like a gig or a cheap holiday takes me months to save for and leaves me in debt”

“After going through 4 years at university it's hard... I know my skills should put me in a more qualified role than what I am currently in, however, the job market is very difficult. My salary is demoralising.”

“I regularly worked 40-45 hours per week... and did not pursue further education opportunities as I could not afford to do so. It was very frustrating to be paid less than my colleagues when I was under 21 as I was doing the same work as them, worse hours, and with no additional responsibilities.... having to work long and unsociable hours just to get by due to low wages is so draining and stressful.”

“When I finish at 1:30 am to 2am I have to pay for my own uber/taxi which usually costs £20... I work 8/9 hours then waste 2 hours of my wages to get home safe.”

Figure 3.5: The relative value of youth rates in selected OECD countries, 2023-2024



Source: Low Pay Commission, 2024⁶

Apprenticeships

Apprenticeships are overwhelmingly undertaken by young workers and can provide a route into well paid jobs in unionised workplaces that are often cut off to most young people. Despite this, too many employers treat apprenticeships as a source of cheap labour.

The apprentice rate is currently £7.55 – the same as the rate for 16- and 17-year-olds. This rate applies for apprentices under 19, or apprentices over 19 but in the first year of their apprenticeship. Apprentices over 19 that have completed the first year of their apprenticeship are entitled to the appropriate adult rate – eg £10 if they are 20 and £12.21 if they are 21.

At the end of 2024 there were 39,589 Modern Apprentices in training, 5.0% higher than last year (+1,902). At the end of quarter 3 this year, there were 19,010 Modern Apprenticeship starts. Of this group 42% were aged 16-19, 18% 20-24 and 40% aged 25 and over.

Apprentices should have the same minimum rates of pay as other workers, not a double standard.

Conclusion and recommendations

This report highlights the impact that discriminatory wage rates are having on young workers. They are also not the norm. It is time that the UK follow the example of Spain, France and Germany and have one rate of pay for all workers.

For further information contact:

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“I previously worked as a trainee dental nurse. Got paid £6.50 per hour, was on a 15hr contract but had to work 40hr+ per week, including weekends.”

“Modern apprentices are being used as cheap workers with no job goals...”

“When I was still under the age of 18... my hourly rate barely covered the cost of transport to and from work.”

“I worked in the NHS as part of the Kickstarter scheme... my minimum wage was lower because I was a few months younger. It is discrimination...”

“Paying young people less only because they are younger implies we are worth less, when in my experience we often do more due to feeling like we need to prove ourselves.”

¹ UK Government (2024) *National Minimum Wage and National Living Wage: Low Pay Commission remit July 2024* <https://www.gov.uk/government/publications/national-minimum-wage-and-national-living-wage-updated-low-pay-commission-remit-2024/national-minimum-wage-and-national-living-wage-low-pay-commission-remit-july-2024-html-version>

² UK Government (2024) *National Minimum Wage and National Living Wage: Low Pay Commission remit July 2024* <https://www.gov.uk/government/publications/national-minimum-wage-and-national-living-wage-updated-low-pay-commission-remit-2024/national-minimum-wage-and-national-living-wage-low-pay-commission-remit-july-2024-html-version>

³ ONS (2025) *Regional labour market: headline indicators for Scotland, Tab 4 of spreadsheet* <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/headlinelabourforcesurveyindicatorsforscotlandhi11/current>

⁴ Scottish Government (2025) *Scotland's Labour Market Insights: February 2025* <https://www.gov.scot/publications/scotlands-labour-market-insights-february-2025/pages/people-in-work/>

⁵ TUC (2024) *Fair pay for young workers: ending discriminatory age bands in the minimum wage* <https://www.tuc.org.uk/blogs/fair-pay-young-workers-ending-discriminatory-age-bands-minimum-wage>

⁶ Low Pay Commission (2024) *The National Minimum Wage Beyond 2024* <https://www.gov.uk/government/publications/the-national-minimum-wage-beyond-2024>