

Working for cash in hand can be a vital career step and a way out of poverty

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Credit: AI-generated image ([disclaimer](#))

Being paid for work in cash is often frowned upon in the UK. It can be seen as a way of avoiding tax, or cheating the system, and detrimental to economic growth.

Others say it is unfair to those who rely on cash-in-hand work, who may

receive a low wage and have little in the way of [employment rights](#) (like holiday or sick pay) and [job security](#).

Yet [cash-in-hand work](#) still makes up a [significant proportion](#) of economic activity in the UK. Some estimate that it is worth around [10% of GDP](#), or around [£223 billion](#). And [my research](#) suggests that being paid in cash can have a positive role in redistributing wealth and providing formal job opportunities.

I spoke to [employees](#) and [business owners](#) involved with cash-in-hand work in various enterprises, including car washes, hairdressers, electricians and garage mechanics. What they told me backed up other evidence which suggests that undeclared work is often the result of ["need not greed."](#)

At one car wash business in the east Midlands, workers spoke of underlying problems with alcohol, drug and gambling addictions, which meant securing formal employment had become practically impossible.

These issues had also meant they experienced problems with claiming benefits as missed appointments were common, resulting in payments being stopped. This led to petty crime, then prison sentences and even fewer employment opportunities.

In this situation, cash-in-hand work was considered a positive and essential lifeline.

One 30-year-old male car wash worker explained how working for cash had helped him, telling me, "It's given me flexibility and allowed me not to have to claim benefits. I went the wrong way [in life] a bit and don't think I could have ever got out of the hole I was in. It allowed me to keep some dignity I suppose, and it's given me a purpose. Working like I do, I earn more and get more respect. I also have some independence

again."

He said others at the car wash had secured formal employment by networking with the customers, adding, "This guy I've worked for on and off, he's helped loads of us. He's given loads of us a chance off the estate. They're all working properly now, married with kids and that, and they all started working for cash."

Others I spoke to said cash-in-hand arrangements helped to supplement other forms of official low income. The boss of a garage and car sales business said he used "retired guys to do a bit of driving" and paid them in cash, which helped them to top up their state pensions.

Then some used cash-in-hand work to support themselves through training and education. A newly qualified nurse explained, "When I was training I had to do some extra work as I wasn't earning very much. I used to have a job in the evenings working behind the bar and serving in the restaurant and they used to pay me cash."

And while cash-in-hand arrangements are often associated with low pay, this is not always the case. Some employers said they paid more to these workers to make up for the lack of an official contract, and because they valued the flexibility.

Longer-term benefits

Other employers mentioned how cash-in-hand work could lead to formal apprenticeships and employment. An electrician and [business owner](#) said, "The lad I've got now started that way; he was just out of uni and couldn't get a job, so I said he could help me [cash-in-hand]. He's now all legit on the books and doing all his training properly."

The owner of a hairdressing salon added: "We took a couple of young

girls on [and] one of them worked out, and she's now on a contract. The young girls we are training would be unemployed if we weren't able to employ them off the record to start with."

Although my findings represent a small number of personal stories from a specific area of England, they provide important insights into an alternative way of viewing cash-in-hand work. For while some employees are indeed being exploited, and others may be taking advantage of the welfare system, cash-in-hand work can also be an important and positive experience. It helps them to feel valued, gain skills and support themselves financially.

The cost of living crisis may well result in a wider reliance on [cash-in-hand](#) work arrangements, as more people attempt to bridge the gap between their income and increasing costs. Others will no doubt continue to use this type of work as a step towards better financial security and job prospects—and a brighter future.

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