[3 in 4 UK professionals are more confident changing jobs than asking for a pay rise in 2026]

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According to the new research from global talent solutions partner Robert Walters, three-quarters (74%) of UK professionals say they feel more confident applying for an entirely new role with a larger salary than negotiating for a pay rise at their current employer next year.

Indeed, findings from their 2026 Salary Survey reveal that a further 72% state how mounting concerns over tax implications will deter them from negotiating for a raise in 2026.

"The last few weeks have seen considerable back-and-forth within the government ahead of the budget announcement on 26 November. While recent reports indicate direct tax hikes are off the table, expectations remain that taxes may rise in more subtle ways.

"This ongoing uncertainty is fuelling further caution for UK professionals planning pay negotiations in the new year. With many now feeling more confident in seeking out new job opportunities to meaningfully increase their post-tax earnings." Chris Eldridge, CEO at Robert Walters UK&I states.

Tax Woes Influence Job Moves

The thinktank Fabian Society recently estimated that the UK government could raise £12bn by extending the freeze on income tax thresholds, helping them plug the current shortfall of over £20bn. A decision which could result in fiscal drag as thresholds fail to rise with inflation, pushing earners into higher tax brackets regardless of whether real income increases.

Robert Walters' Salary Survey found that across industries, less than half (46%) of white-collar professionals are expecting a pay rise in 2026. Meanwhile, 78% of professionals say they are open to pursuing new opportunities next year.

With many pay rises this year sitting around 0-5% of worker's annual income*, it's unsurprising that many professionals are not expecting or even less motivated to negotiate for a rise going into 2026, particularly if after-tax gains could feel so limited.

* 83% of UK professionals stated that their pay rise this year was between 0-5% of their annual earnings.

"This should be a stark warning to the nation's employers. As tax considerations continue to dampen professionals' pay ambitions in their current company, this could drive an exodus, particularly of top talent, as they look to secure more substantial salaries elsewhere," Chris adds.

More broadly, tax considerations are becoming an increasingly crucial factor, Robert Walters' Benefits Guide recently found that over half (59%) of UK workers now consider tax relief when evaluating their benefits packages.

The UK's Global Status in Question?

Potential measures expected in the Autumn Budget like 'hidden' taxes and restrictions on salary sacrifice schemes could place financial pressure on higher earning professionals and employers alike and risk impacting the UK's status as a global talent hub.

This comes as recent data already shows the UK has dropped down international income rankings – placing behind the US, Ireland, Switzerland and Australia. (Source)

Gerrit Bouckaert, CEO – Recruitment at Robert Walters says, "The UK is losing ground to several international markets in headline pay and post-tax competitiveness. Countries such as Switzerland and the United States sit among the highest on average salary measures, and in a number of European jurisdictions professionals are seeing stronger real-wage recovery than in the UK.

"The upcoming EU Pay Transparency Directive will increase cross-border salary visibility, intensifying competition for skilled talent and making it more important that UK employers try to keep pay and total-reward packages competitive."