

7 November 2007

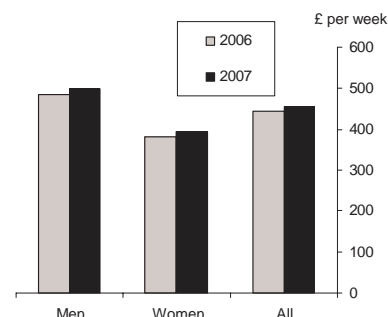
Coverage
United Kingdom
Theme
Labour Market

2007 Annual Survey of Hours and Earnings

In April 2007 median gross weekly earnings were £457, up 2.9 per cent from £444 in 2006, for full-time employee jobs on adult rates whose earnings were not affected by absence.

For men earnings were £498, up 2.9 per cent, compared with £394 for women, up 2.8 per cent.

Median full-time gross weekly earnings
(Full-time employees on adult rates, pay unaffected by absence)
April of each year



Median gross weekly earnings for all employee jobs were £362, up 3.3 per cent from £350 in 2006.

Between 2006 and 2007 the weekly earnings for full-time employees of the bottom decile grew by 3.5 per cent compared with a growth of 2.8 per cent for the top decile.

Median hourly earnings excluding overtime were £11.34, up by 2.8 per cent from £11.03 in 2006 for full-time employee jobs on adult rates whose earnings were not affected by absence.

Excluding overtime, the median hourly earnings of full-time men were £11.96, an increase of 2.8 per cent, compared with £10.46 for women, an increase of 3.1 per cent. The stronger growth in full-time women's hourly earnings excluding overtime compared with men's has meant that the gender pay gap has reduced to 12.6 per cent, down from 12.8 per cent in 2006.

International comparisons use mean full-time hourly earnings excluding overtime rather than median (see Background Note 8). On this basis, the gender pay gap has narrowed, from 17.5 per cent in 2006 to 17.2 per cent in 2007.

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Weekly earnings

Men's median full-time weekly earnings increased by 2.9 per cent in the year to April 2007, compared with a growth of 2.8 per cent for women.

Men's and women's median full-time earnings excluding overtime increased by 2.7 and 2.9 per cent respectively in the year to April 2007.

Part-time median weekly earnings were £144, up by 4.7 per cent.

Median gross weekly earnings

		Employee jobs paid at adult rates and not affected by absence			All employee jobs
		Full-time	Part-time	All	
<i>£ per week</i>					
April 2006					
	Men	484.3	127.6	453.6	440.0
	Women	383.3	139.7	278.6	269.4
	All	443.6	137.5	363.0	350.0
April 2007					
	Men	498.3	137.8	464.5	451.8
	Women	394.0	145.6	287.5	278.3
	All	456.7	143.9	374.9	361.7
Per cent change					
	Men	2.9	8.0	2.4	2.7
	Women	2.8	4.2	3.2	3.3
	All	2.9	4.7	3.3	3.3

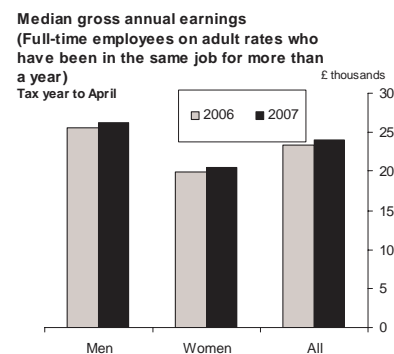
Annual earnings

For the tax year ending 5 April 2007, the median gross annual earnings for full-time men were £26,300, up 2.7 per cent from £25,600 in 2006 and £20,500 for full-time women, up 2.8 per cent from £19,900.

Median gross annual earnings for full-time employees

(Employees on adult rates who have been in the same job for at least 12 months, including those whose pay was affected by absence)

	Men	Women	All
<i>£ thousands</i>			
April 2006	25.6	19.9	23.4
April 2007	26.3	20.5	24.0
Per cent change	2.7	2.8	2.7



Hourly earnings

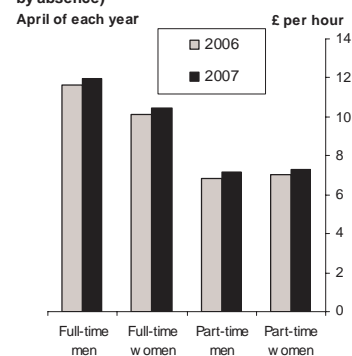
Excluding overtime, median hourly earnings of full-time employees on adult rates whose earnings were not affected by absence were £11.34 per hour in April 2007, up 2.8 per cent on 2006. Excluding overtime, the median hourly earnings of full-time men increased by 2.8 per cent, compared with 3.1 per cent for women.

Median hourly earnings, excluding overtime

Employees on adult rates, whose pay was unaffected by absence

	Full-time	Part-time	All
<i>£ per hour</i>			
April 2006			
Men	11.64	6.86	11.15
Women	10.14	7.01	8.67
All	11.03	7.00	9.84
April 2007			
Men	11.96	7.18	11.48
Women	10.46	7.29	8.97
All	11.34	7.27	10.14
Per cent change			
Men	2.8	4.6	3.0
Women	3.1	4.0	3.4
All	2.8	3.8	3.1

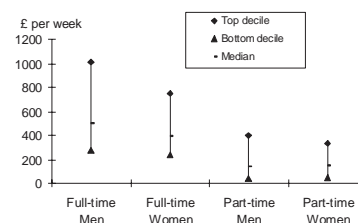
Median hourly earnings
excluding overtime
(Employees on adult rates, pay unaffected
by absence)



Distribution of weekly earnings, including overtime

Between 2006 and 2007 the weekly earnings of the bottom decile grew by 3.5 per cent compared with growth of 2.8 per cent for the top decile, for full-time employees. The weekly earnings of the top decile of full-time employees were 198 per cent of the median while for the bottom decile they were 55 per cent of the median.

Distribution of gross weekly earnings
(Employees on adult rates, pay unaffected by absence)



Distribution of gross weekly earnings

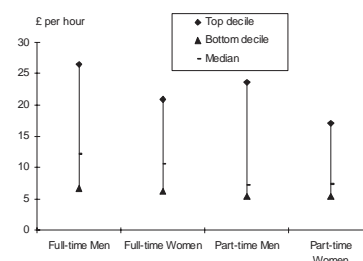
Employees on adult rates, whose pay was unaffected by absence

	Full-time	Part-time	All
Men			
10 per cent earned less than	274.4	44.4	210.5
25 per cent earned less than	358.2	82.9	316.2
50 per cent earned less than	498.3	137.8	464.5
25 per cent earned more than	706.7	227.3	675.7
10 per cent earned more than	1009.6	401.7	969.8
Women			
10 per cent earned less than	233.3	49.3	87.4
25 per cent earned less than	289.5	90.0	165.2
50 per cent earned less than	394.0	145.6	287.5
25 per cent earned more than	563.5	217.9	451.7
10 per cent earned more than	747.4	334.8	652.7
Men and women			
10 per cent earned less than	252.3	48.2	115.0
25 per cent earned less than	325.8	88.3	230.0
50 per cent earned less than	456.7	143.9	374.9
25 per cent earned more than	649.5	219.4	574.9
10 per cent earned more than	905.9	347.1	814.8

Distribution of hourly earnings, including overtime

Hourly earnings of the top decile were 3.7 times those of the bottom decile for full-timers and 3.4 times those of the bottom decile for part-timers. Full-time male median earnings were £12.09, 2.8 per cent higher than in 2006; for women full-time median earnings were £10.48, up 3.1 per cent.

Distribution of gross weekly earnings
(Employees on adult rates, pay unaffected by absence)



Distribution of gross hourly earnings, including overtime

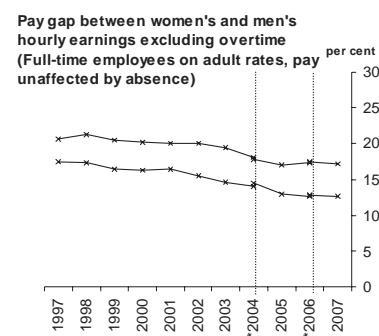
Employees on adult rates, whose pay was unaffected by absence

	Full-time	Part-time	All
Men			
10 per cent earned less than	6.73	5.35	6.22
25 per cent earned less than	8.65	5.76	8.13
50 per cent earned less than	12.09	7.22	11.59
25 per cent earned more than	17.92	12.72	17.59
10 per cent earned more than	26.46	23.59	26.27
Women			
10 per cent earned less than	6.17	5.37	5.62
25 per cent earned less than	7.67	5.92	6.59
50 per cent earned less than	10.48	7.30	8.98
25 per cent earned more than	15.31	10.45	13.70
10 per cent earned more than	20.94	17.00	19.72
Men and women			
10 per cent earned less than	6.47	5.35	5.83
25 per cent earned less than	8.21	5.89	7.23
50 per cent earned less than	11.45	7.28	10.22
25 per cent earned more than	16.87	10.80	15.69
10 per cent earned more than	24.18	18.18	22.96

The gender pay gap

The stronger growth in full-time women's hourly earnings excluding overtime compared with men's has meant that the gender pay gap has reduced to 12.6 per cent, down from 12.8 per cent in 2006.

The gap also showed a reduction when measured using the mean full-time hourly earnings excluding overtime, from 17.5 per cent in 2006 to 17.2 per cent in 2007.



* 1997-2004 exclude supplementary information

** 2006-2007 is based on new methodology

The gender pay gap for hourly earnings excluding overtime

Full-time employees on adult rates, whose pay for the survey period was unaffected by absence

	Hourly earnings excluding overtime				Pay gap	
	Men		Women		Women/men	
	Median	Mean	Median	Mean	Median	Mean
1997	8.40	10.10	6.94	8.01	17.4	20.7
1998	8.74	10.65	7.22	8.39	17.4	21.2
1999	9.07	11.10	7.58	8.83	16.4	20.5
2000	9.35	11.53	7.83	9.20	16.3	20.2
2001	9.84	12.24	8.23	9.79	16.4	20.0
2002	10.26	12.92	8.67	10.32	15.5	20.1
2003	10.58	13.28	9.04	10.70	14.6	19.4
2004*	11.09	13.76	9.53	11.27	14.1	18.1
2004	10.96	13.52	9.37	11.12	14.5	17.7
2005	11.29	14.05	9.82	11.65	13.0	17.1
2006	11.71	14.64	10.23	12.10	12.6	17.4
2006**	11.64	14.58	10.14	12.02	12.8	17.5
2007	11.96	14.98	10.46	12.40	12.6	17.2

* Results for 2004 and earlier exclude supplementary surveys

** In 2006 there were a number of methodological changes made which are detailed in background note 4

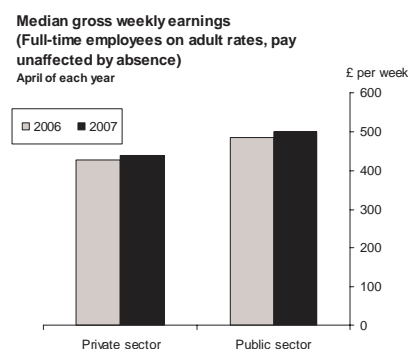
Public and private sector pay

The median gross weekly pay of full-time employees in the private sector was £439 in 2007, up 2.9 per cent on 2006. For the public sector the comparable figure was £498, up 3.0 per cent.

Median gross weekly earnings for full-time employees

Employees on adult rates, whose pay was unaffected by absence

	Private sector	Public sector
<i>£ per week</i>		
April 2006	426.4	483.7
April 2007	438.9	498.3
Per cent change	2.9	3.0

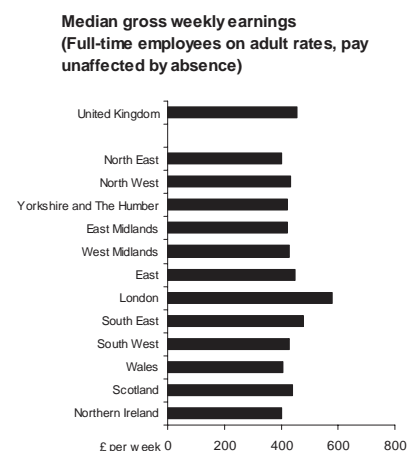


Distribution of regional earnings

In April 2007, median gross weekly earnings for full-time employees were highest in London at £581 (27 per cent higher than the national median) and lowest in Northern Ireland at £402 (12 per cent lower than the national median).

Median gross weekly earnings by government office region Employees on adult rates, whose pay was unaffected by absence

	Full-time		All
	Men	Women	
<i>£ per week</i>			
United Kingdom	498.3	394.0	456.7
North East	440.0	350.3	402.9
North West	479.1	371.5	434.2
Yorkshire and the Humber	465.1	354.7	422.3
East Midlands	463.8	354.7	420.2
West Midlands	467.4	369.7	430.0
East	498.7	382.9	450.0
London	643.5	518.5	580.9
South East	535.0	408.0	480.7
South West	476.5	363.3	427.8
Wales	441.7	356.3	404.7
Scotland	482.2	382.0	441.5
Northern Ireland	424.8	372.6	401.9

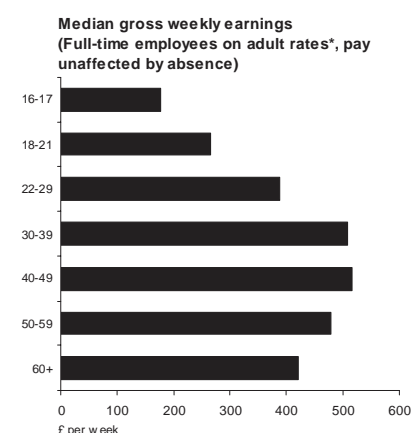


Distribution of earnings, by age

In April 2007, the distribution of median gross weekly earnings for full-time employees showed that earnings for 40 to 49-year-olds were highest at £516. Median gross weekly earnings increased until employees reached this age band and steadily decreased thereafter.

Median gross weekly earnings by age Employees on adult rates*, whose pay was unaffected by absence

	Full-time		All
	Men	Women	
<i>£ per week</i>			
16-17*	173.7	185.8	178.2
18-21	275.3	254.1	265.2
22-29	402.5	373.7	386.8
30-39	539.6	460.0	508.0
40-49	575.2	419.9	516.2
50-59	533.7	396.1	479.1
60+	442.1	357.3	420.0



* Figures for 16 to 17-year-olds include employees not on adult rates on pay

* Figures for 16 to 17-year-olds include employees not on adult rates of pay.

Total weekly and overtime paid hours

Mean total weekly paid hours of full-timers were 39.4 hours in April 2007.

Mean part-time paid hours were 18.4 hours in April 2007.

Men's paid hours have remained unchanged since 2006 whereas women's paid hours have shown a decrease of 0.2.

Mean weekly paid hours of work

Employees on adult rates, whose pay was unaffected by absence

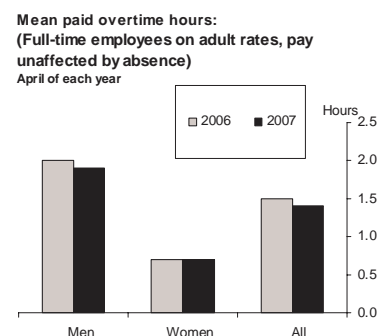
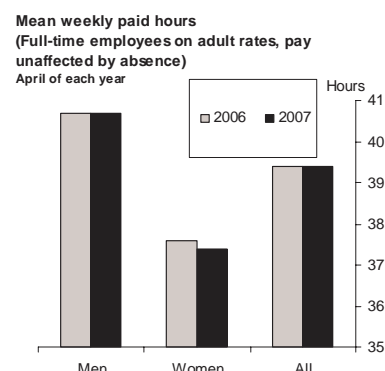
		Full-time	Part-time	All
<i>Hours per week</i>				
April 2006				
	Men	40.7	17.9	38.1
	Women	37.6	18.5	29.6
	All	39.4	18.4	33.9
April 2007				
	Men	40.7	17.8	38.0
	Women	37.4	18.5	29.5
	All	39.4	18.4	33.8

The percentage of full-time employees working paid overtime in 2007 was 22.5 per cent, down 0.3 percentage points compared with 22.8 per cent in 2006. The mean number of paid overtime hours for full-time employees was 1.4 in 2007, down 3.1 per cent from the comparable figure in 2006. The percentage of full-time men working paid overtime has fallen to 27.4 per cent and for full-time women the comparable figure has fallen to 15.1 per cent.

Paid overtime hours: percentage who worked paid overtime and mean paid hours worked

Employees on adult rates, whose pay was unaffected by absence

		Full-time		Part time	
		Per cent	Hours	Per cent	Hours
April 2006					
	Men	27.6	2.0	22.2	1.4
	Women	15.5	0.7	20.1	0.9
	All	22.8	1.5	20.6	1.0
April 2007					
	Men	27.4	1.9	22.4	1.4
	Women	15.1	0.7	19.6	0.8
	All	22.5	1.4	20.2	0.9



The make-up of earnings

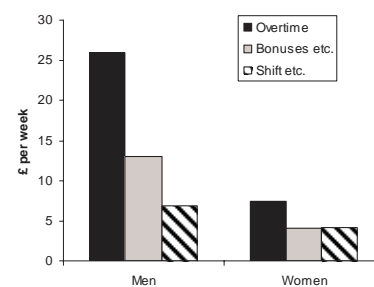
Additional payments accounted for 6 per cent of mean full-time gross weekly earnings in April 2007. For male employees additional earnings accounted for 8 per cent of mean total weekly earnings compared with 3 per cent for women.

Components of full-time mean weekly earnings

Employees on adult rates, whose pay was unaffected by absence

	Mean (including zero responses)				Sub-Total
	Gross Pay	Overtime	Bonuses/ Commission	Shift etc	
<i>£ per week</i>					
April 2007					
Men	606.1	26.0	13.1	6.8	45.9
Women	462.8	7.4	4.1	4.2	15.7
All	549.8	18.7	9.6	5.8	34.1

Components of full time mean gross weekly pay
(Full-time employees on adult rates, pay unaffected by absence)



BACKGROUND NOTES

1. This release contains summary results from the 2007 survey. More detailed information is available on the National Statistics web site at:
www.statistics.gov.uk/StatBase/Product.asp?vlnk=13101

Survey details

2. The Annual Survey of Hours and Earnings (ASHE) is based on a sample of employee jobs taken from HM Revenue & Customs PAYE records. Information on earnings and hours is obtained in confidence from employers. ASHE does not cover the self-employed nor does it cover employees not paid during the reference period. In 2007 information related to the pay period which included 18 April. The 2007 ASHE is based on approximately 142,000 returns.
3. The headline statistics for ASHE are based on the median rather than the mean. The median is the value below which 50 per cent of employees fall. It is preferred over the mean for earnings data as it is influenced less by extreme values and because of the skewed distribution of earnings data.
4. In March 2007, ONS released information on its statistical work priorities over the period 2007-8. ONS announced that the sample size of the Annual Survey of Hours and Earnings (ASHE) was to be reduced by 20 per cent. ASHE results for 2007 are based on approximately 142,000 returns, down from 175,000 in 2006. The impact of this change has been minimised by reducing the sample in an optimal way, with the largest sample reductions occurring in industries where earnings are least variable. The sample cut does not affect Northern Ireland neither does it affect a number of organisations with an agreement to provide information electronically

For 2006 and 2007 ASHE results, ONS has also introduced a small number of methodological changes, which will improve the quality of the results. These include changes to the sample design itself, as well as the introduction of an automatic occupation coding tool, ACTR.

The key benefits of moving to ACTR coding are:

- An improvement in the quality and consistency of ASHE results
 - Out-of-date codes will be updated annually
 - ACTR provides ASHE and ONS with a standard tool for coding occupation
5. The earnings information presented relates to gross pay before tax, National Insurance or other deductions, and excludes payments in kind. With the exception of annual earnings, the results are restricted to earnings relating to the survey pay period and so exclude payments of arrears from another period made during the survey period; any payments due as a result of a pay settlement but not yet paid at the time of the survey will also be excluded.

6. For particular groups of employees, changes in median earnings between successive surveys may be affected by changes in the timing of pay settlements, in some cases reflecting more than one settlement and in some others no settlement at all.
7. Most of the published ASHE analyses relate to full-time employees on adult rates whose earnings for the survey pay period were not affected by absence. They do not include the earnings of those who did not work a full week, and whose earnings were reduced because of sickness, short time working, etc. Also they do not include the earnings of employees not on adult rates of pay, most of whom will be young people. More information on the earnings of young people and part-time employees is available in the main survey results. Full-time employees are defined as those who work more than 30 paid hours per week or those in teaching professions working 25 paid hours or more per week.
8. Various methods can be used to measure the earnings of women relative to men. ONS prefers to use hourly earnings excluding overtime: including overtime can distort the picture as men work relatively more overtime than women. Although median and mean hourly pay excluding overtime provide useful comparisons of men's and women's earnings, they do not reveal differences in rates of pay for comparable jobs. This is because such measures do not allow for the different employment characteristics of men and women, such as the proportion in different occupations and their length of time in jobs.
9. The coefficients of variation (the ratio of the standard error of an estimate to the estimate) for 2007 ASHE estimates are shown in the table below.

Coefficients of variation for estimates of median gross weekly earnings and hourly earnings excluding overtime, of men and women

	Full-time	Part-time
Median gross weekly earnings		
Men	0.2	1.2
Women	0.4	0.6
All	0.3	0.5
Median hourly earnings, excluding overtime		
Men	0.2	0.9
Women	0.4	0.4
All	0.3	0.4

Revisions

10. In line with normal practice this release contains revised estimates from the 2006 survey results published on 26 October 2006. These results take account of some corrections to the original 2006 data that were identified during the validation of the results for 2007, as well as late returns and reflect the methodological changes mentioned in background note 4.

Other earnings information

11. The monthly Average Earnings Index, based on the Monthly Wages and Salaries Survey of 8,900 employers, provides information on changes in mean earnings for broad industrial sectors. No information is available on occupation, hours worked, and other characteristics of the workforce.
12. The Labour Force Survey collects information on the earnings and normal and actual hours worked of about 15,000 people aged 16 and over each quarter. In addition it collects data on a wide range of personal characteristics, including education level and ethnic origin. This enables the preparation of statistics on levels and distribution of earnings similar to the ASHE but with lower precision due to the much smaller sample size.
13. Details of the policy governing the release of new data are available from the press office. Also available is a list of the names of those given pre-publication access to the contents of this release.
14. **National Statistics** are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from political interference. © Crown copyright 2007.