

Annual Survey of Hours and Earnings, 2014 Provisional Results



Coverage: **UK**

Date: **19 November 2014**

Geographical Areas: **Country, European (NUTS), Local Authority and County, Parliamentary Constituency, Region, UK and GB**

Theme: **Labour Market**

Key points

- In April 2014 median gross weekly earnings for full-time employees were £518, up 0.1% from £517 in 2013. This is the smallest annual growth since 1997, the first year for which ASHE data are available. Growth has been slower since the economic downturn, with the annual increase averaging around 1.4% per year between 2009 and 2014.
- Adjusted for inflation, weekly earnings decreased by 1.6% compared to 2013. The largest decrease was between 2010 and 2011, but inflation-adjusted earnings have continued to decrease every year since 2008, to levels last seen in the early 2000s.
- For the year ending 5 April 2014 median gross annual earnings for full-time employees (who had been in the same job for at least 12 months) were £27,200, an increase of 0.7% from the previous year.
- The gender pay gap has narrowed, to 9.4% compared with 10.0% in 2013. This is the lowest since records began in 1997, and despite a relatively large increase between 2012 and 2013, there is an overall downward trend, from 17.4% in 1997.
- In April 2014 the bottom 10% of full-time employees earned less than £288 per week. At the other end of the distribution, the top 10% of full-time employees earned more than £1,024. Since 1997, earnings at the 90th percentile have remained consistently at around 3.5 times earnings at the 10th percentile.
- Median gross weekly earnings for full-time employees increased by 1.0% in the public sector, and by 0.7% in the private sector. The gap has closed slightly over the long term, but private sector earnings have remained consistently at around 85% of public sector earnings since 2009.

Introduction

This bulletin presents analyses from the Annual Survey of Hours and Earnings (ASHE), which is the ONS's most detailed and comprehensive source of information on:

- levels of earnings (for both full-time and part-time employees and for gender);
- make-up of total earnings (split between basic pay and other components); and
- distribution of earnings (the extent to which earnings are dispersed around the median).

ONS's headline measure of earnings from ASHE is median weekly earnings for full-time employees. This measure is therefore the main focus of this article but discussion of the mean, hourly earnings, annual earnings and earnings for part-time employees is also included for comparison. Figures are presented in terms of gross pay in current prices (unless otherwise stated).

This bulletin contains provisional estimates from the 2014 survey and revised estimates for the 1997 to 2013 back series. [The full suite of results tables from the 2014 ASHE and from all previous years back to 1997](#) are available on the ONS website.

This year, we have produced [new interactive content on earnings by occupation](#), and we have continued to produce [a thematic map showing earnings by local authority](#) and [an animated bar chart showing earnings by region](#). We have also added time series tables for key series back to 1997.

An explanation of definitions used in this article and further methodological information can be found in the background notes.

In 2013 the coverage of the database from which the ASHE sample is drawn was broadened. The impact is considered to be negligible for the estimates presented here. More information is provided in the background notes.

We constantly aim to improve our ASHE outputs and associated commentary. Please contact us via earnings@ons.gsi.gov.uk with any feedback or questions.

Average earnings

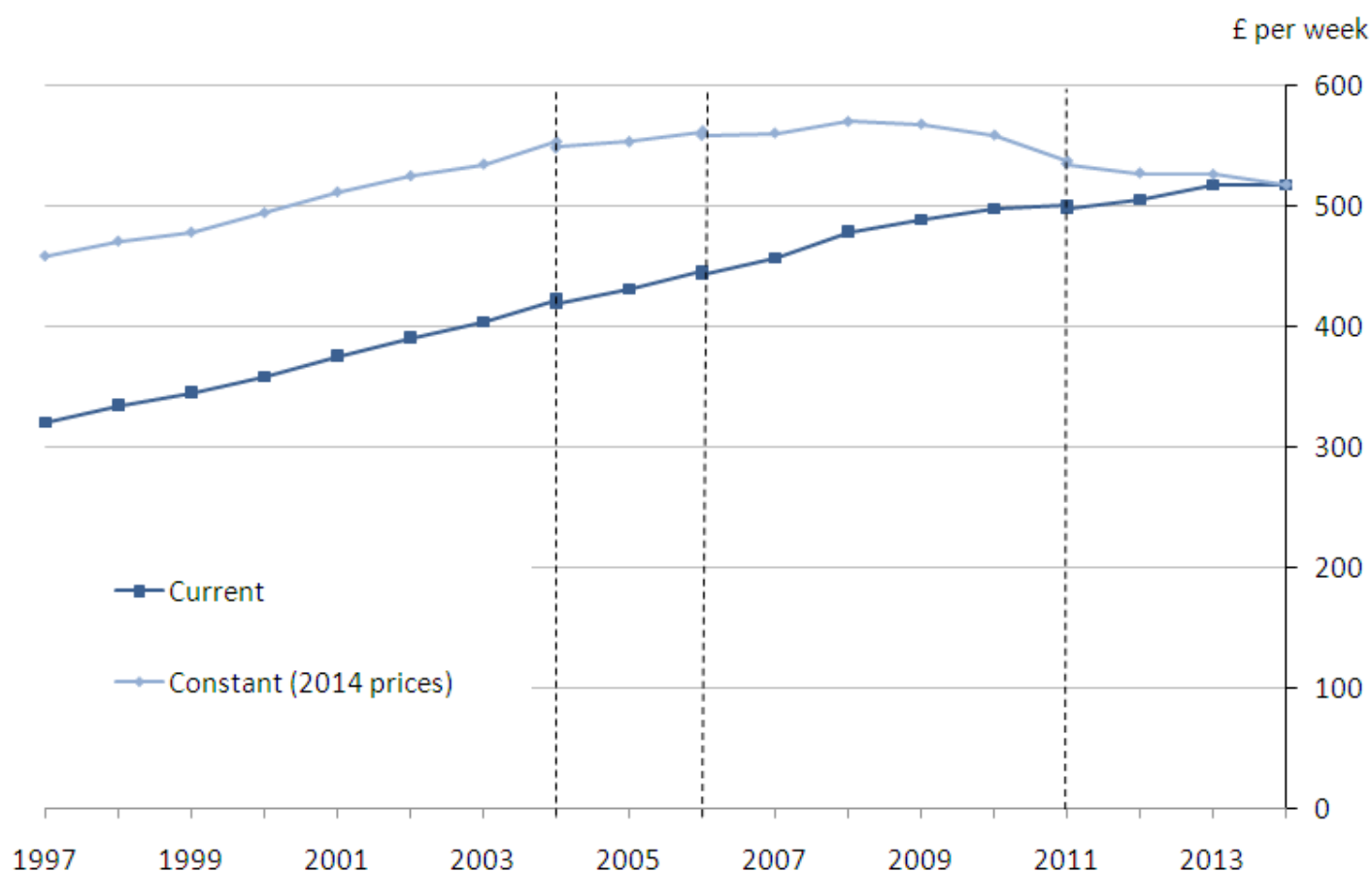
In April 2014, median gross weekly earnings for full-time employees were £518, up 0.1% from £517 in 2013. This is the smallest annual growth since April 1997, the first year for which ASHE data are available. Up until 2008, growth was fairly steady, averaging at around 4% each year. However, since the start of the economic downturn growth has been slower, with the annual increase averaging around 1.4% per year between 2009 and 2014.

To understand changes in earnings in the context of inflation, historic data are adjusted using the Consumer Prices Index (CPI). This gives a measure of the 'real' value of earnings, with a decrease meaning that earnings growth is below inflation.

Adjusted for inflation, weekly earnings decreased by 1.6% compared with 2013, a slightly larger drop than that seen in the previous two years. The largest decrease was between 2010 and 2011, but

inflation-adjusted earnings have continued to decrease every year since 2008, to levels last seen in the early 2000s.

Figure 1: Median full-time gross weekly earnings in current and constant (2014) prices, UK, April 1997 to 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. CPI figures are based on the All Items Consumer Prices Index of inflation for April.
4. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.
5. 2014 data are provisional.

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The composition of the labour market changes from year to year. For example, when new jobs are created at the lower end of the earnings distribution, or when highly-paid jobs are lost, this acts to reduce the median. Looking only at jobs in which the employee had been in post for at least one

year removes these compositional effects. This approach shows consistently higher growth rates, and in April 2014 earnings for this group grew by 4.1% compared with April 2013.

Figure 2: Annual percentage change in median full-time gross weekly earnings for all employees and those in continuous employment, UK, April 2005 to 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. CPI figures are based on the All Items Consumer Prices Index of inflation for April.
4. 2014 data are provisional.

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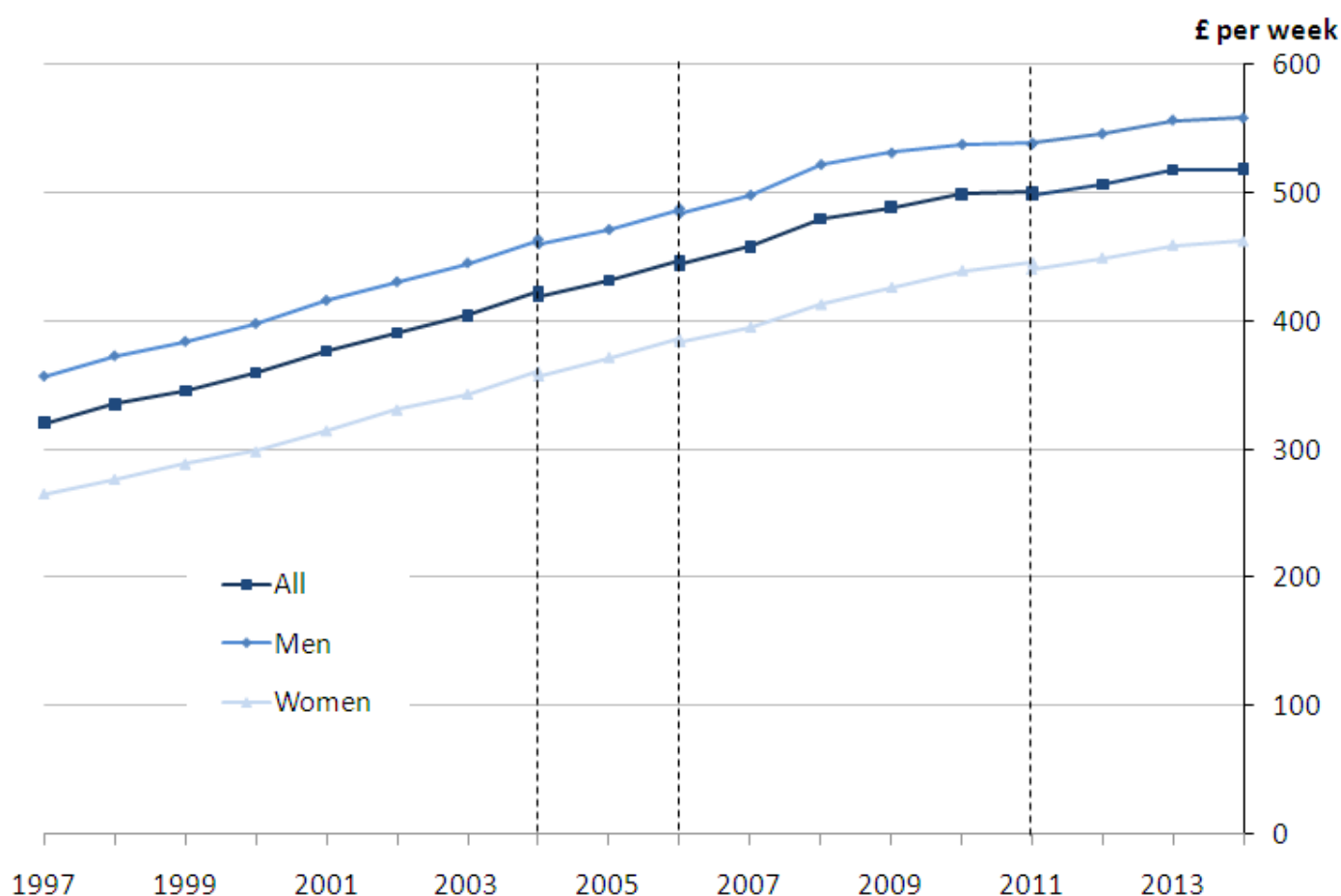
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Men working full-time earned more than women (£558 per week in April 2014 compared with £462), with both seeing small increases compared to 2013 (0.3% and 0.6% respectively). The gap between men's and women's earnings from 1997 to 2014 has remained relatively consistent at around £100 (see Figure 2), but this corresponds to a faster rate of increase for women than men over this

period (a 74% increase compared with 56% respectively), meaning that the gap has been closing in percentage terms.

While these results provide a useful measure of earnings trends for men and women, ONS's preferred measure of the 'gender pay gap' uses hourly earnings excluding overtime. This is discussed in the gender pay gap section.

Figure 3: Median full-time gross weekly earnings by sex, UK, 1997 to 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.
4. 2014 data are provisional.

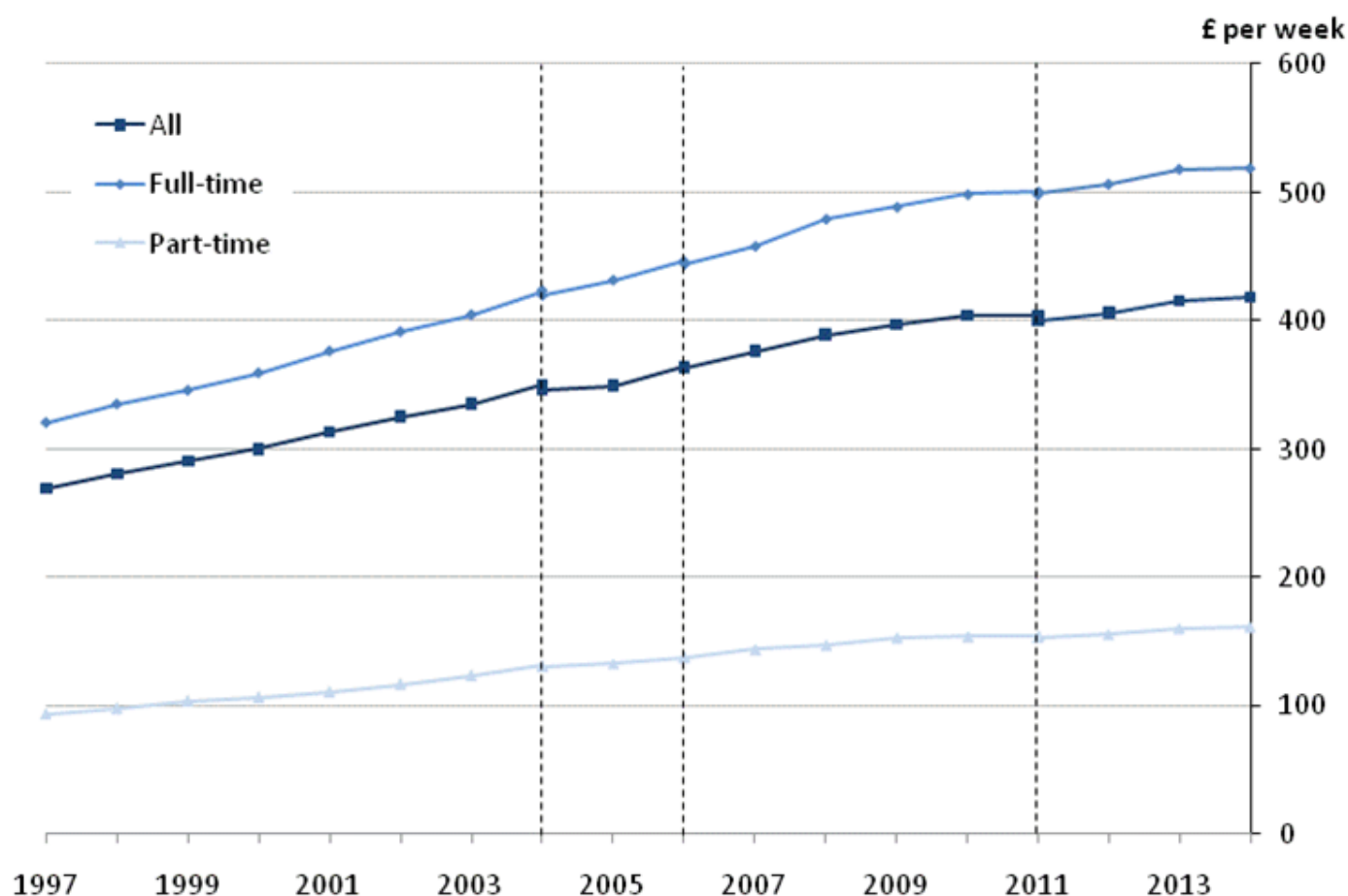
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The slow growth this year is also seen for part-time jobs, with an increase of 0.8% compared with 2013.

Figure 4: Median gross weekly earnings, UK, April 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

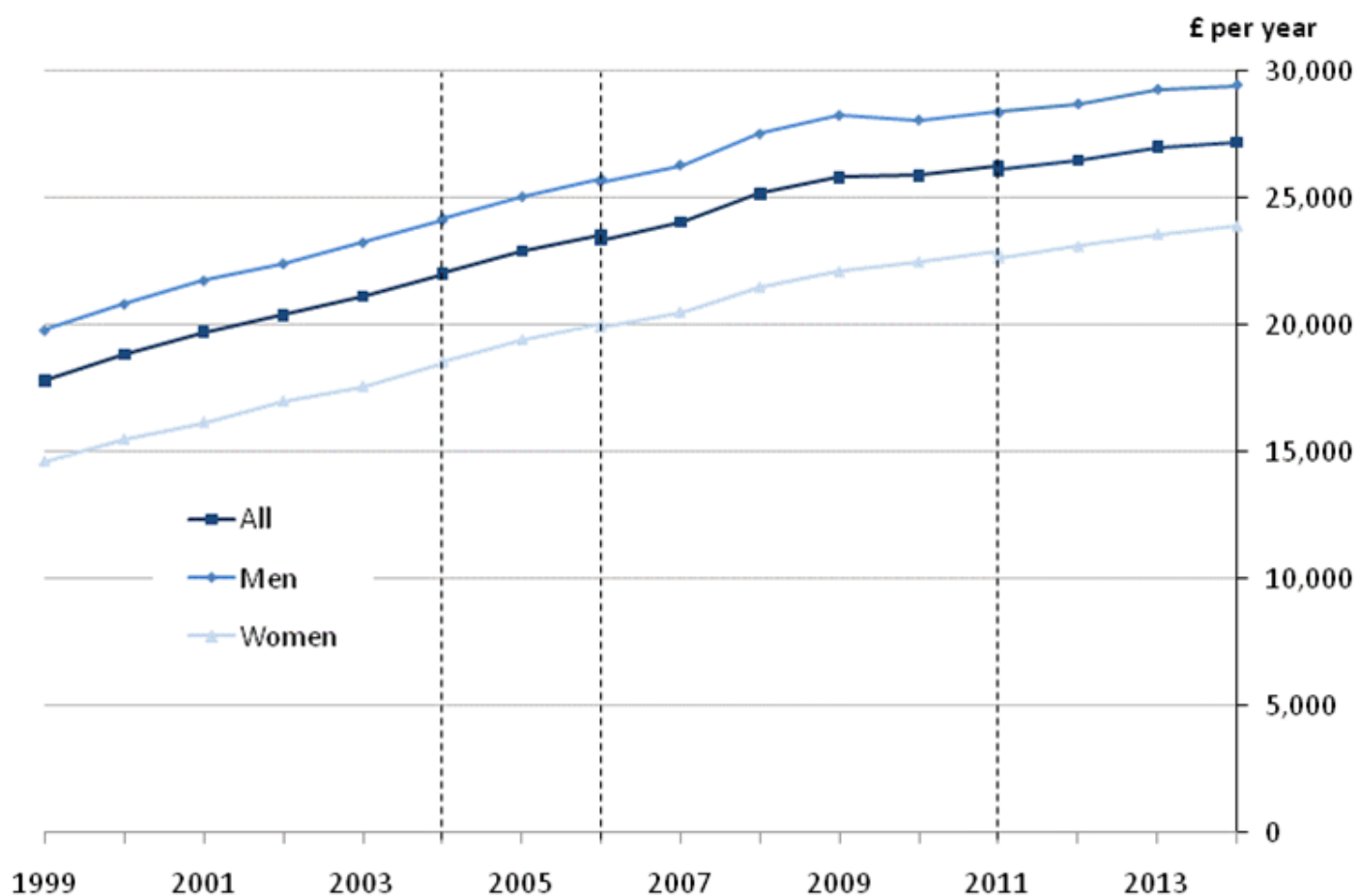
1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.
4. 2014 data are provisional.

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Annual earnings (averaging around £27,200) and hourly earnings excluding overtime (£13.08) also showed slow growth this year. Notably, men's hourly earnings decreased very slightly, by 0.1%.

Figure 5: Median full-time gross annual earnings by sex, UK, 1999 to 2014

Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

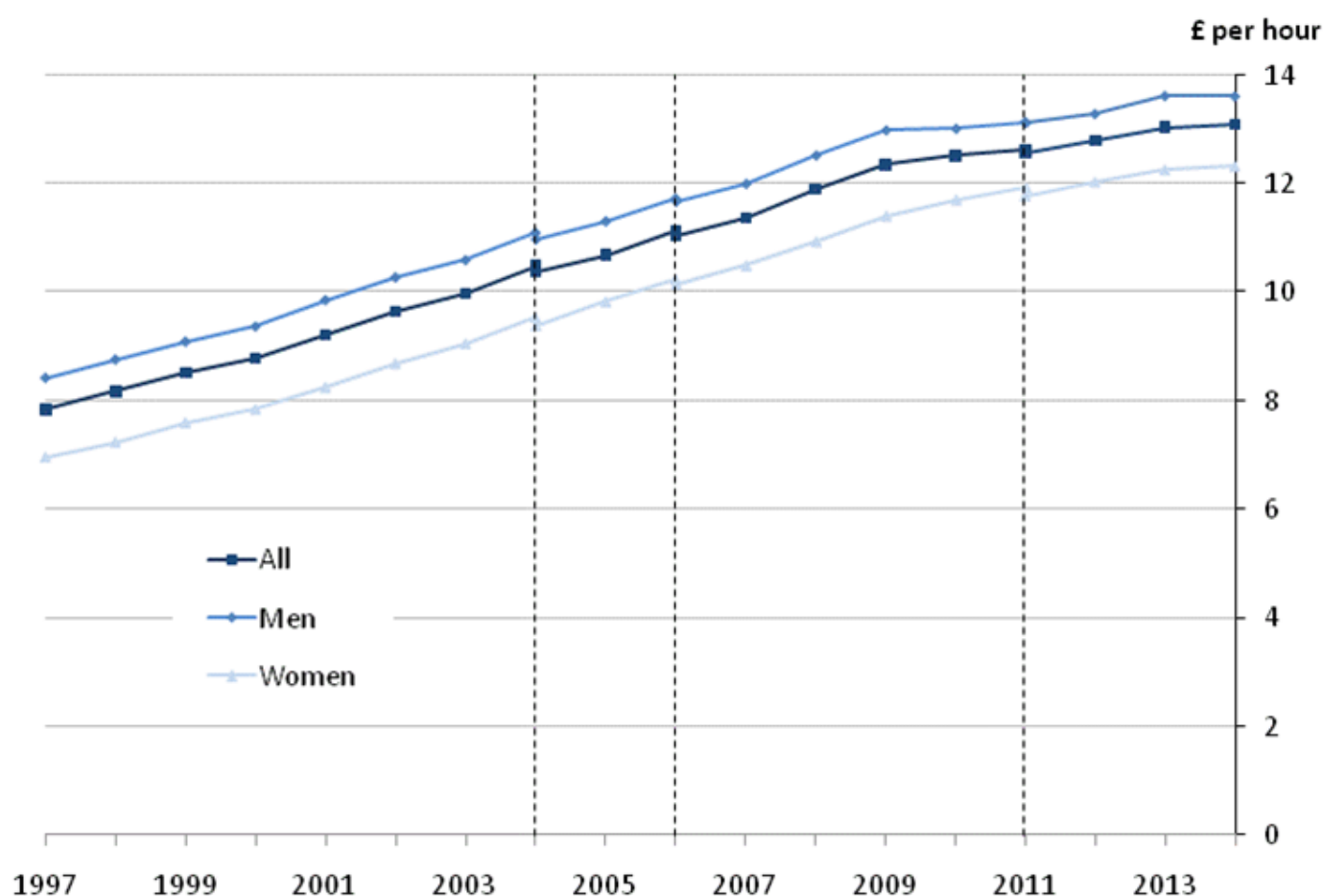
Notes:

1. Employees on adult rates who have been in the job for more than one year.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. Earnings for tax year ending 5 April.
4. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.
5. 2014 data are provisional.

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Figure 6: Median full-time hourly earnings, excluding overtime, by sex, UK, 1997 to 2014

Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.
4. 2014 data are provisional.

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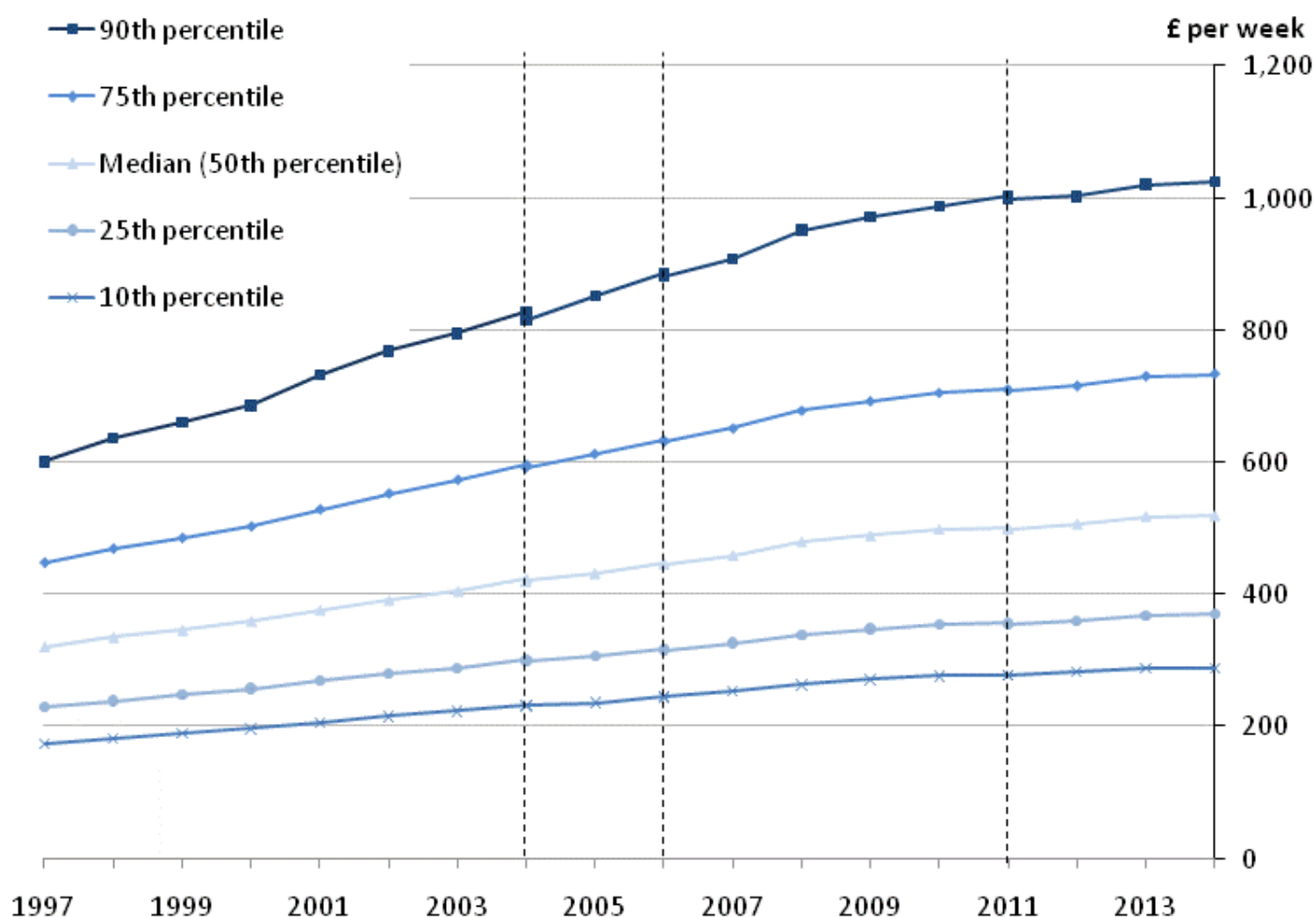
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Distribution of earnings

Focusing solely on the median hides some interesting trends for low- and high-earning employees. Figure 7 displays the distribution of weekly earnings among full-time employees for the years 1997 to 2014.

For 2014, at the bottom of the distribution, 10% of full-time employees earned less than £288 per week, whereas at the other end of the scale 10% earned more than £1,024 per week. Each year since 1997 earnings at the 90th percentile have remained consistently at around 3.5 times that of the 10th percentile.

Figure 7: Distribution of full-time gross weekly earnings, UK, April 1997 to 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.
4. 2014 data are provisional.

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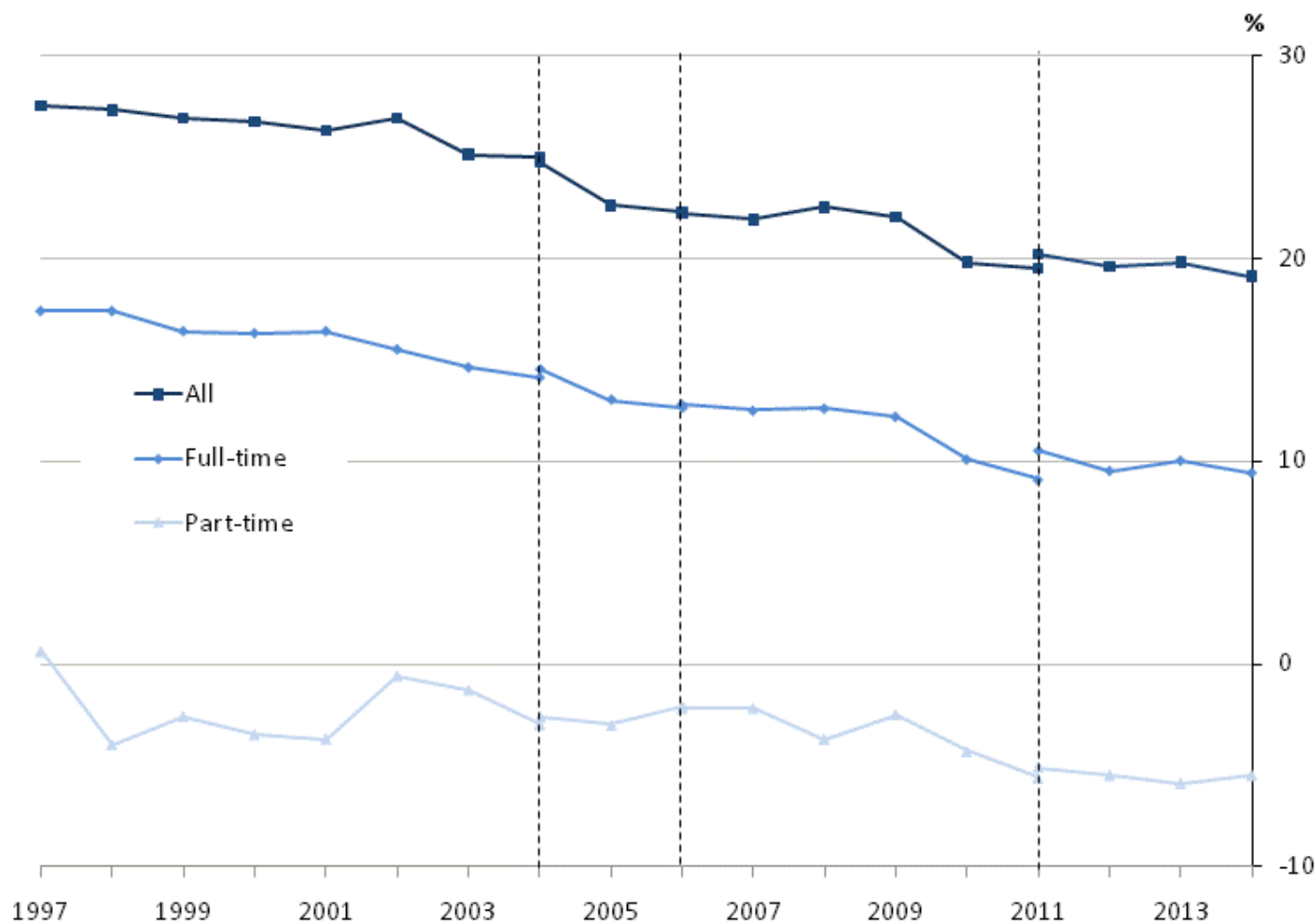
Gender pay differences

While there is no single measure which adequately deals with the complex issue of the differences between men's and women's pay, ONS prefers to use median hourly earnings (excluding overtime) for full-time employees. Including overtime can skew the results because men work relatively more overtime than women, and using hourly earnings better accounts for the fact that men work on average more hours than women.

It should be noted that although median hourly pay provides a useful comparison of men's and women's earnings, it does not reveal differences in rates of pay for comparable jobs. This is because it does not highlight the different employment characteristics of men and women, such as the proportion of each gender in different occupations and their length of time in service.

- The gender pay gap, based on median hourly earnings excluding overtime, has narrowed for full-time employees, to 9.4% compared with 10.0% in 2013. This is the lowest on record, and despite a relatively large increase between 2012 and 2013, there is an overall downward trend, from 17.4% in 1997.
- The gap for all employees (full-time and part-time) was also the lowest on record at 19.1%, down from 19.8% in 2013. The gap has also decreased in the long-term, from 27.5% in 1997.
- For part-time employees, the higher rate of pay for women than men results in a 'negative' gender pay gap. Although the trend is more volatile than for full-time employees, there is evidence that the gap has widened in the long-term. It has, however, remained relatively stable in recent years, standing at 5.5% in April 2014.

Figure 8: Gender pay gap for median gross hourly earnings (excluding overtime), UK, April 1997 to 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Figures represent the difference between men's and women's hourly earnings as a percentage of men's earnings.
3. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
4. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.
5. 2014 data are provisional.

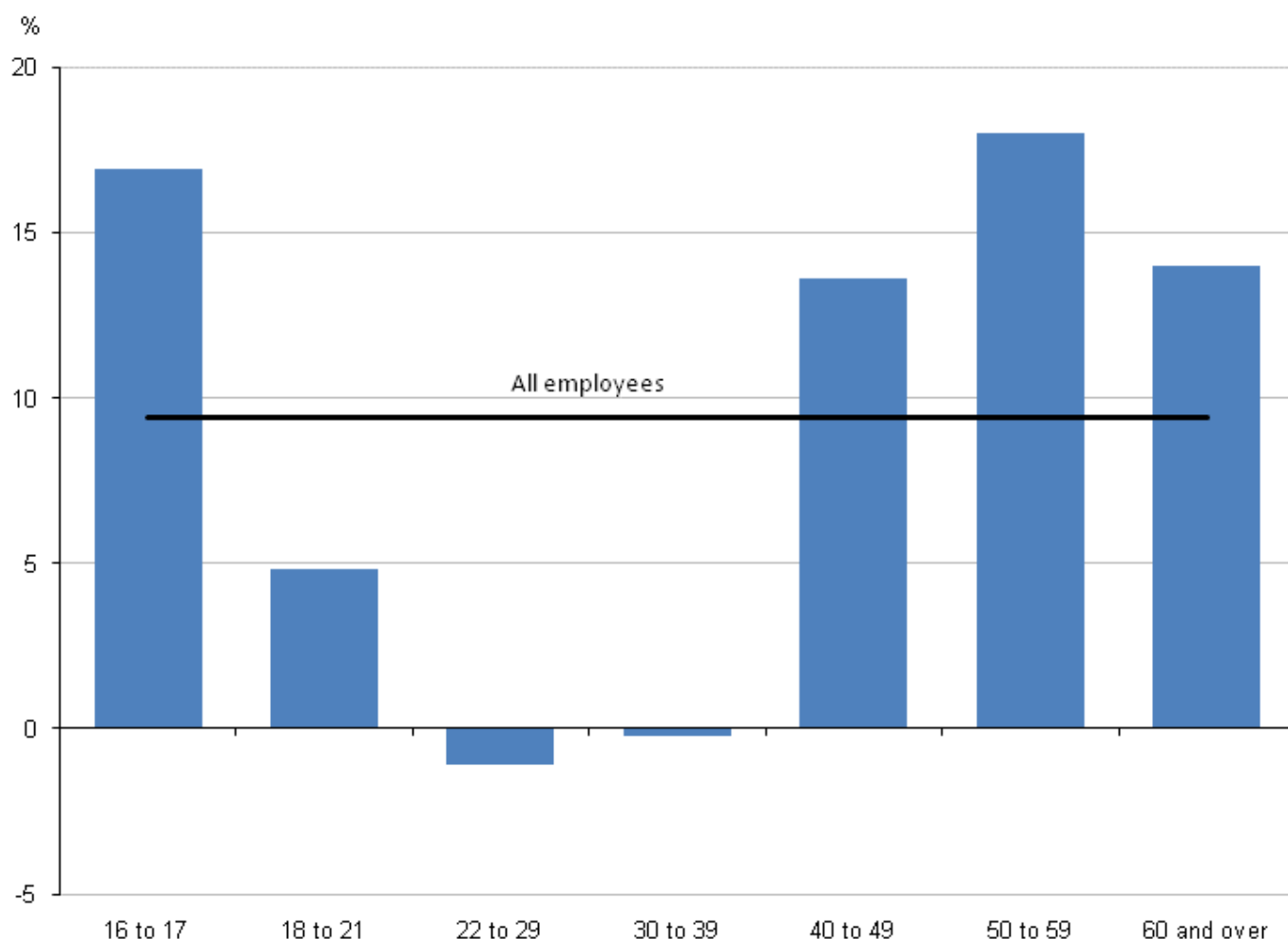
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Figure 9 shows gender pay differences by age group. The gap is relatively small up to, and including, the 30-39 age group (with the exception of the 16-17 age group). In fact, the gap is negative for the 22-29 and 30-39 age groups, meaning that women earn on average more than men.

Thereafter, there is a relatively large positive gap. This is likely to be connected with the fact that many women have children and take time out of the labour market.

Figure 9: Gender pay gap for median full-time gross hourly earnings (excluding overtime) by age group, UK, April 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Figures represent the difference between men's and women's hourly earnings as a percentage of men's earnings.
3. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
4. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.
5. 2014 data are provisional.

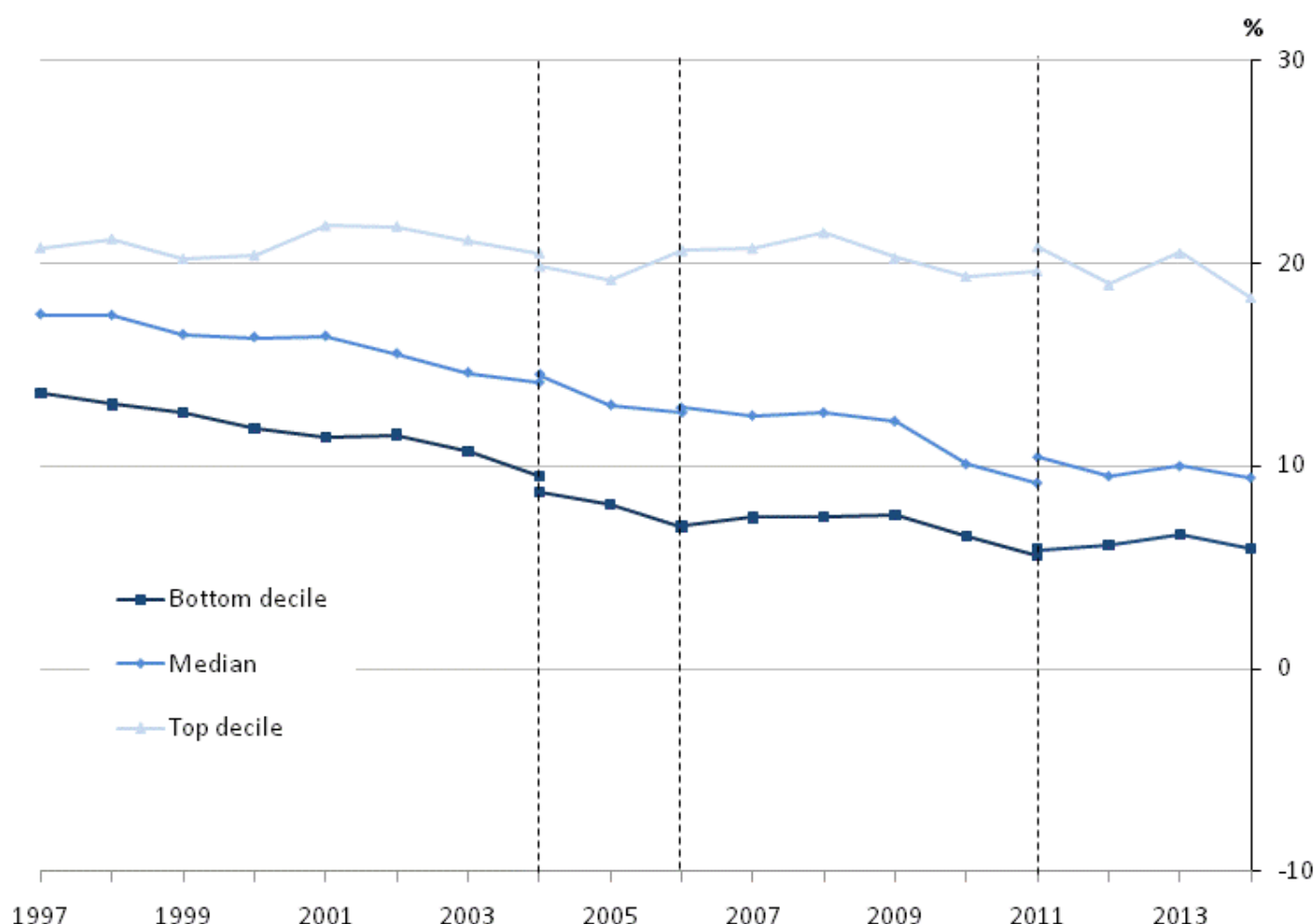
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Figure 10 examines the gender pay gap for high and low earners. It is of note that at the 90th percentile (higher earners), the gap is the lowest since the series began (18.3%), although over time this has remained largely consistent, fluctuating around 20%. For lower earners the gap has narrowed over the long term, to 5.9% in April 2014.

Figure 10: Gender pay gap for median gross hourly earnings (excluding overtime) at selected deciles, UK, April 1997 to 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

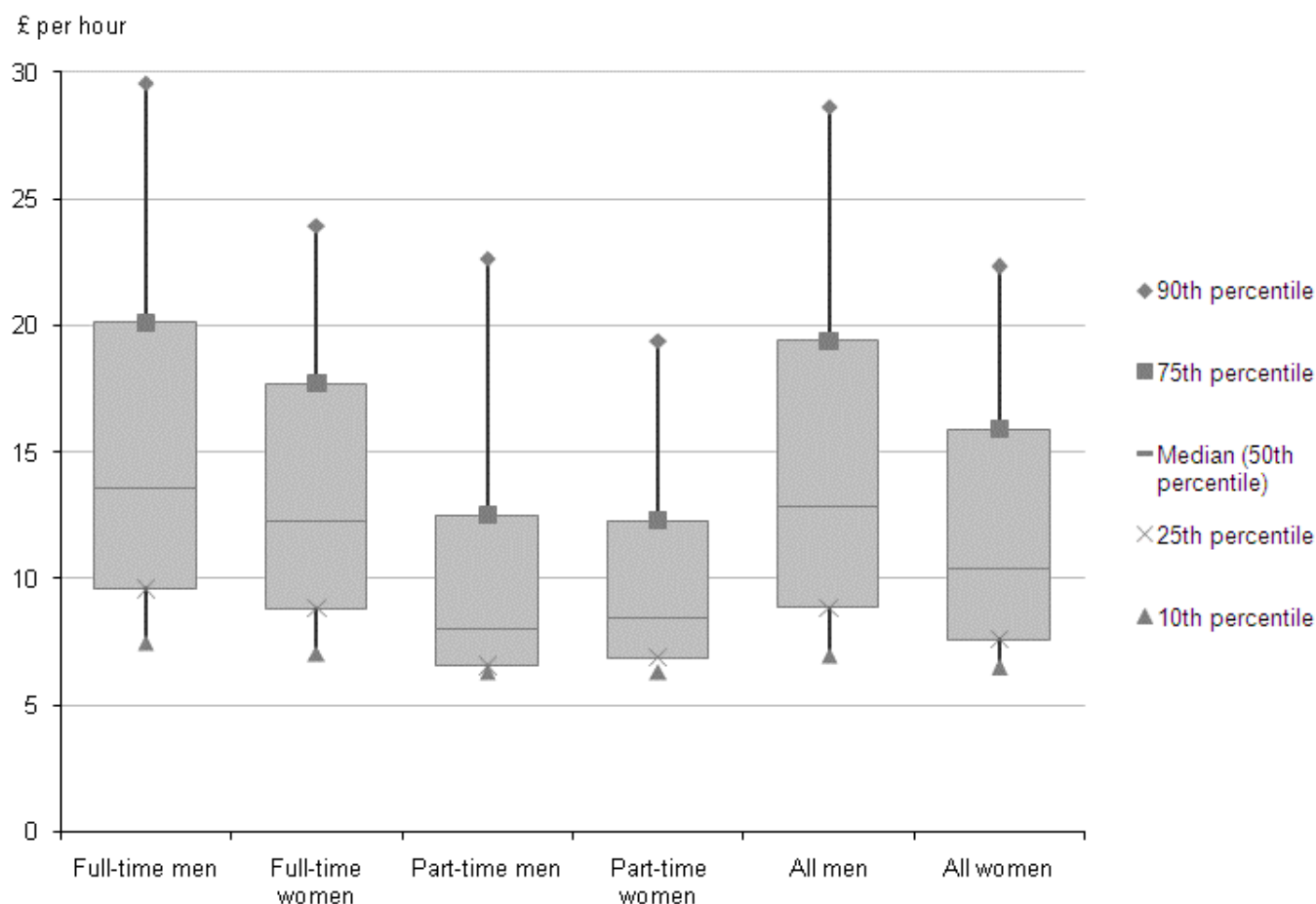
1. Employees on adult rates, pay unaffected by absence.
2. Figures represent the difference between men's and women's hourly earnings as a percentage of men's earnings.
3. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
4. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.
5. 2014 data are provisional.

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Figure 11 further examines the earnings distribution by gender, for full- and part-time employees separately.

Figure 11: Distribution of gross hourly earnings (excluding overtime), UK, April 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

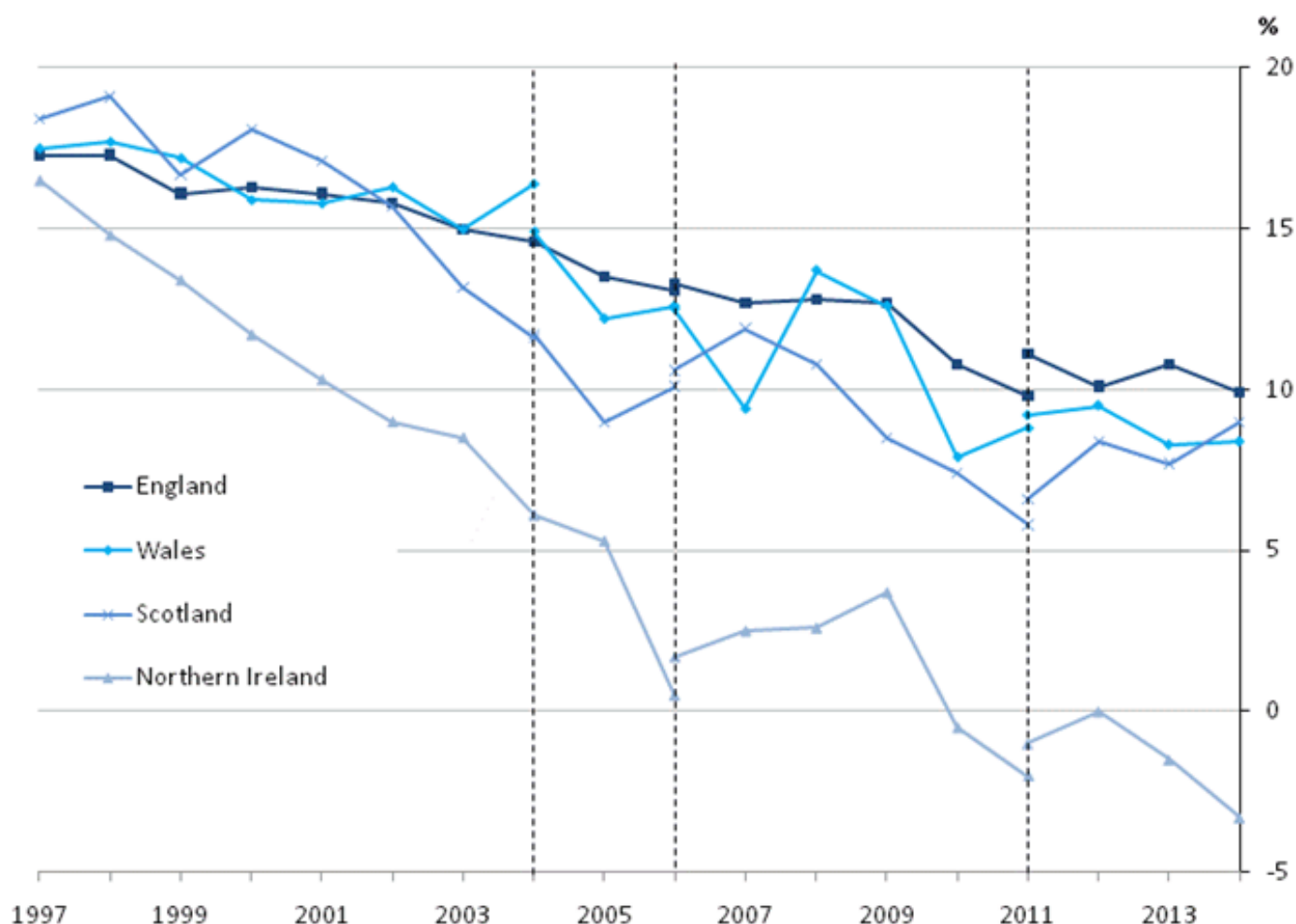
1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. 2014 data are provisional.

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Figure 12 shows the gender pay gap for each UK country. The small 'negative' gender pay gap in Northern Ireland is, in part, due to a higher proportion of public sector jobs here than in the rest of the UK. There are more women employed in this sector than men and these jobs tend to be higher paid, in general, than in the private sector.

Figure 12: Gender pay gap for median full-time hourly earnings (excluding overtime) by country, April 1997 to 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. Gender pay gap is defined as the difference between men's and women's hourly earnings as a percentage of men's earnings.
4. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.
5. 2014 data are provisional.

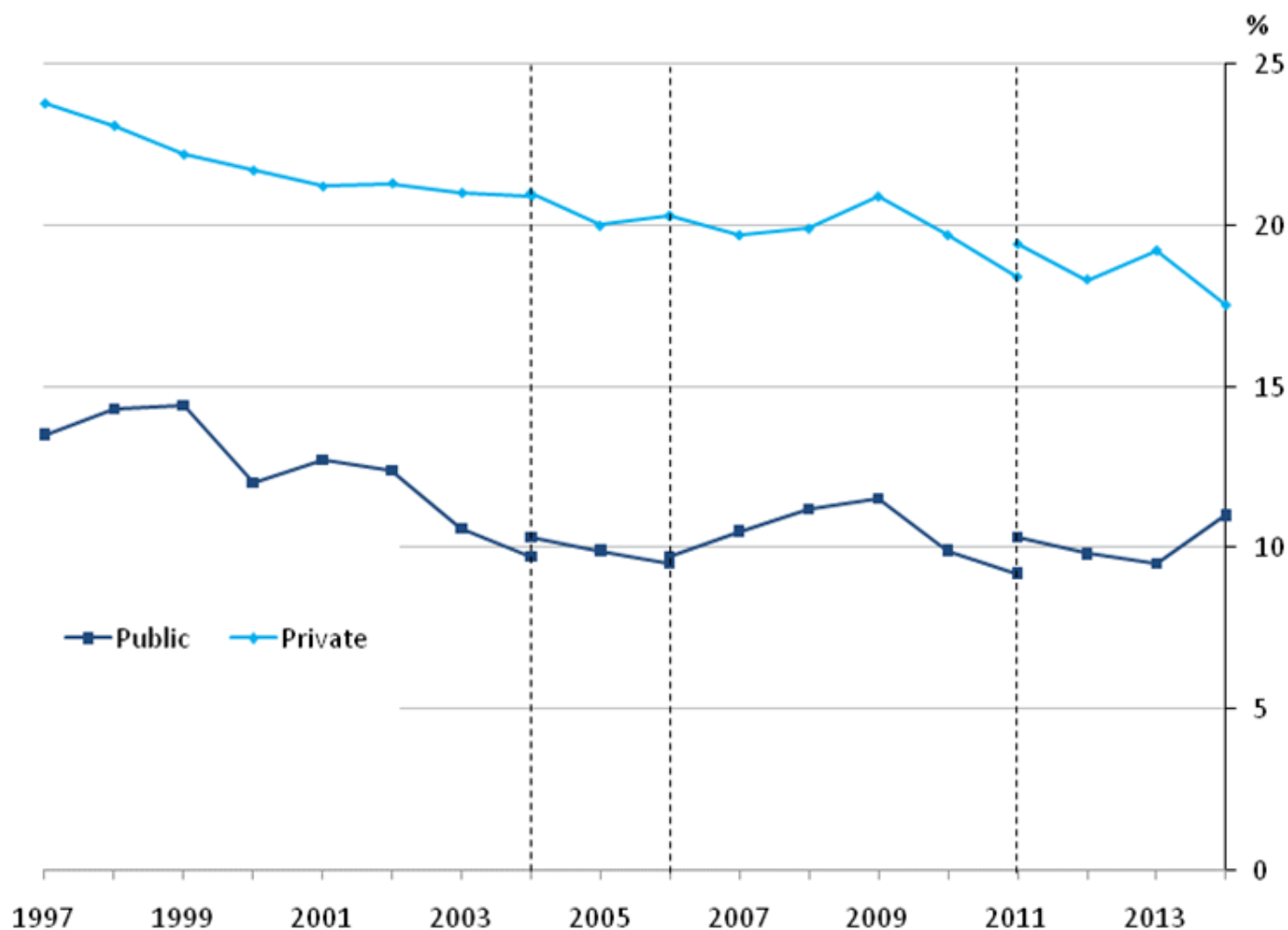
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In April 2014, the gender pay gap for the private sector decreased from 19.2% to 17.5%, the lowest since the series began in 1997. The gap in the public sector increased from 9.5% to 11%, although it is of note that this has been relatively stable over the longer term, fluctuating around 10% since

2003. The gap in the private sector has consistently been greater than for the public sector. Note that the composition of the public and private sectors changes from year to year, and this will influence the figures presented. For example, in a given sector, creation of jobs in higher paying occupations with a high proportion of female employees would act to reduce the gap.

Figure 13: Gender pay gap for median full-time hourly earnings (excluding overtime) for public and private sectors, April 1997 to 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

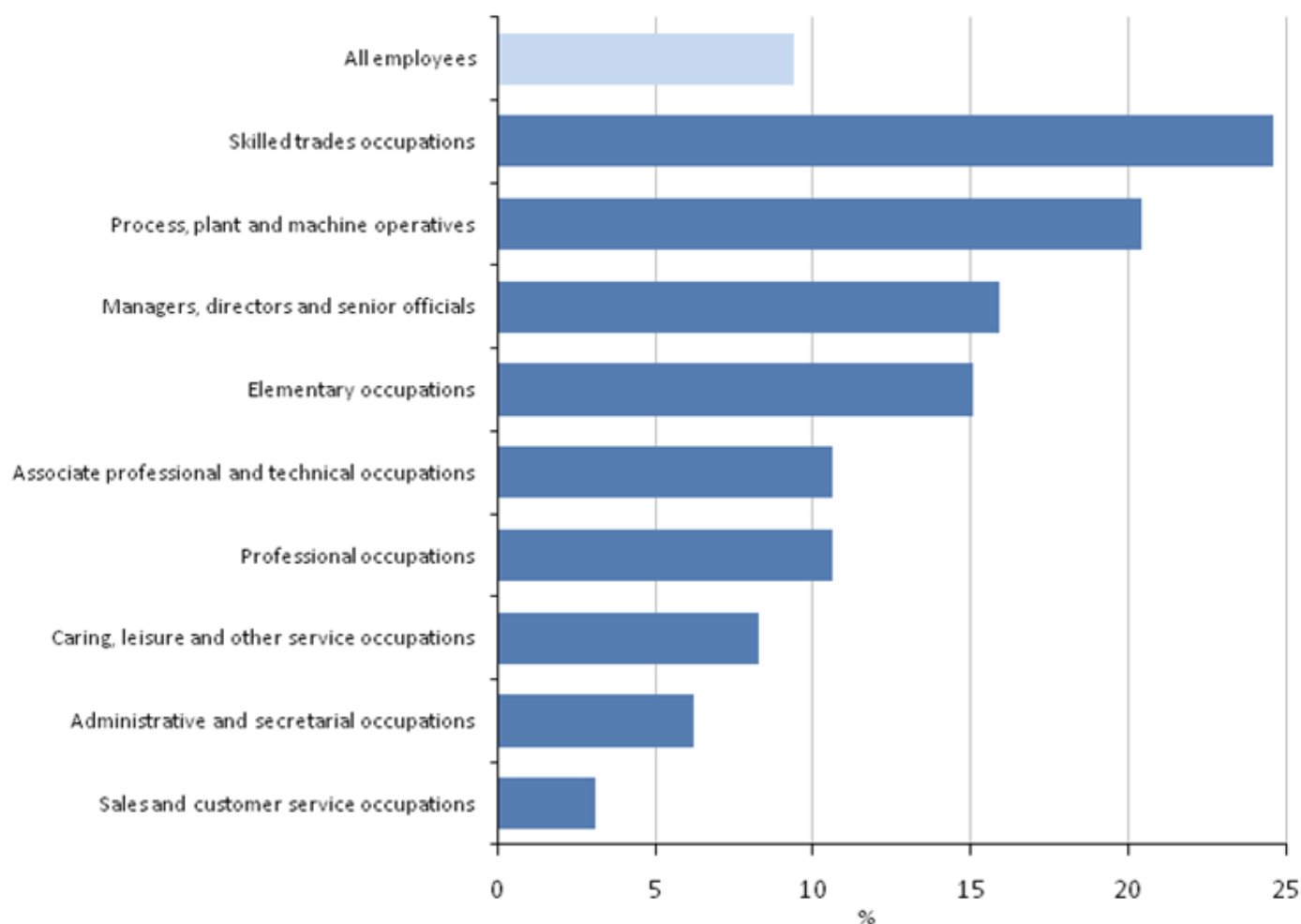
1. Employees on adult rates, pay unaffected by absence.
2. Gender pay gap is defined as the difference between men's and women's hourly earnings as a percentage of men's earnings.
3. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
4. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.
5. 2014 data are provisional.

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The gender pay gap also varies by occupation. The gap is positive for all the main occupation groups, ranging from around 3% for sales and customer service, to almost 25% for skilled trades occupations.

Figure 14: Gender pay gap for median full-time hourly earnings (excluding overtime), by major occupation group, UK, April 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Gender pay gap is defined as the difference between men's and women's hourly earnings as a percentage of men's earnings.
3. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
4. Occupations as defined by the Standard Occupational Classification 2010.
5. 2014 data are provisional.

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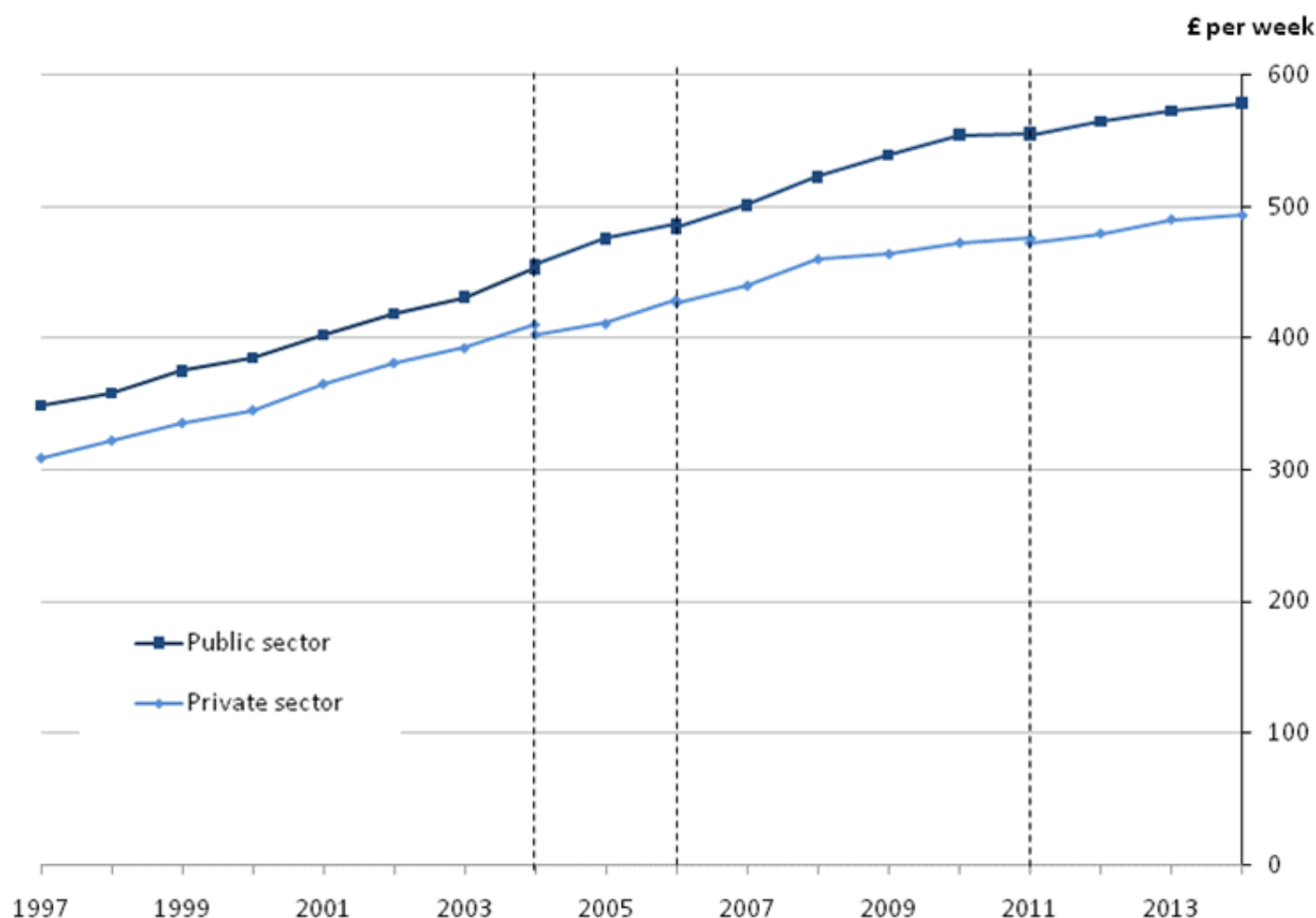
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Public and private sector pay

Median full-time weekly earnings for public sector employees have been higher than for private sector employees since the start of the series in 1997. Private sector median weekly earnings were £493 in April 2014 and public sector earnings were £579. The gap has closed slightly over the long term, but private sector earnings have remained consistently at around 85% of public sector earnings since 2008.

The public and private sectors have workforces which are composed quite differently. Consequently, differences in weekly earnings do not reveal differences in rates of pay for comparable jobs. For example, many of the lowest paid occupations, such as bar and restaurant staff, hairdressers, elementary sales occupations and cashiers, exist primarily in the private sector, while there are a larger proportion of graduate-level and professional occupations in the public sector.

Figure 15: Median full-time gross weekly earnings for public and private sectors, UK, April 1997 to 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.
4. 2014 data are provisional.

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The composition of the public and private sectors changes from year to year. For example, when new jobs are created at the lower end of the earnings distribution, or when highly-paid jobs are lost, this acts to reduce the median. Looking only at jobs in which the employee had been in post for at least one year (thereby removing the influence of the changes in the composition of the labour market), growth rates are consistently higher. For the public sector, the annual increase in

weekly earnings becomes 3.7% (compared with 1.0%) and for the private sector it becomes 4.1% (compared with 0.7%).

Figure 16: Annual percentage change in median full-time gross weekly earnings for all employees and those in continuous employment, public and private sectors, UK, April 2005 to 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. 2014 data are provisional.

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Regional earnings

In April 2014, London topped the regional list for median earnings for full-time employees, at £660 per week. Employees here earned £119 more per week than the next highest, the South East

(£541) and £143 more than the median for the whole of the UK (£518). The high pay in London is largely due to a high proportion of its labour force being employed in high-paying industries and occupations, and also because many employees are entitled to allowances for working in the capital.

The regional pattern has remained fairly consistent since the series began in 1997, with London and the South East consistently topping the list.

At the local authority level, earnings vary significantly. In April 2014 full-time employees working in the City of London had the highest median gross weekly earnings (£928) and those working in Rother had the lowest (£379). To explore these geographic differences further [an interactive map showing earnings by local authority](#) and [an animated chart showing changes in weekly earnings by region over time](#) are available. Screenshots are shown below.

It should be noted that earnings comparisons take no account of variations in prices for goods and services between regions and therefore do not necessarily indicate differences in the standard of living. Neither do they take account of differences in the regional composition of the workforce, meaning that like-for-like comparisons may not be appropriate. For example, a region might have a lower level of median earnings than another if it has a higher proportion of employees in industries or occupations with relatively low earnings.

Image of interactive chart

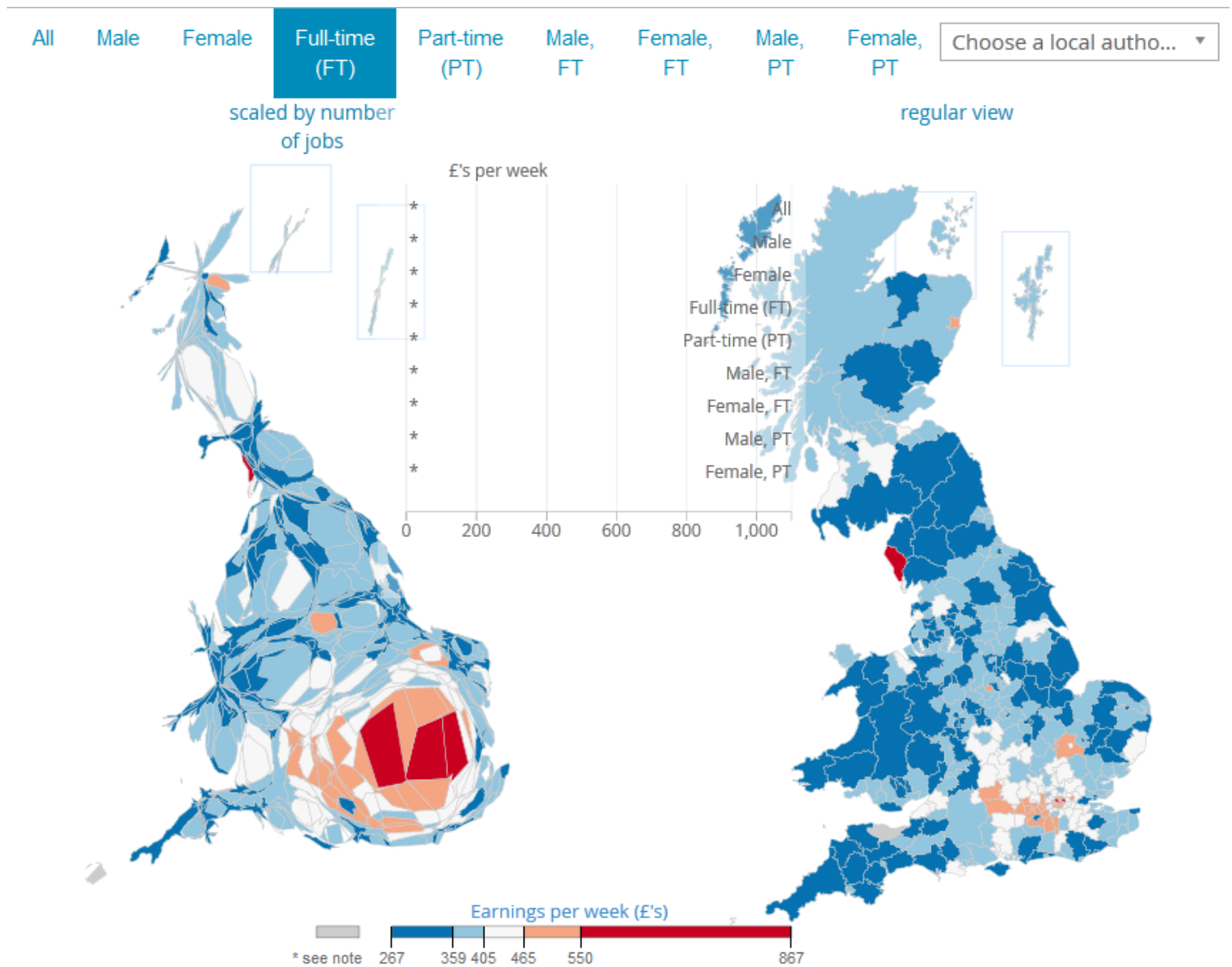
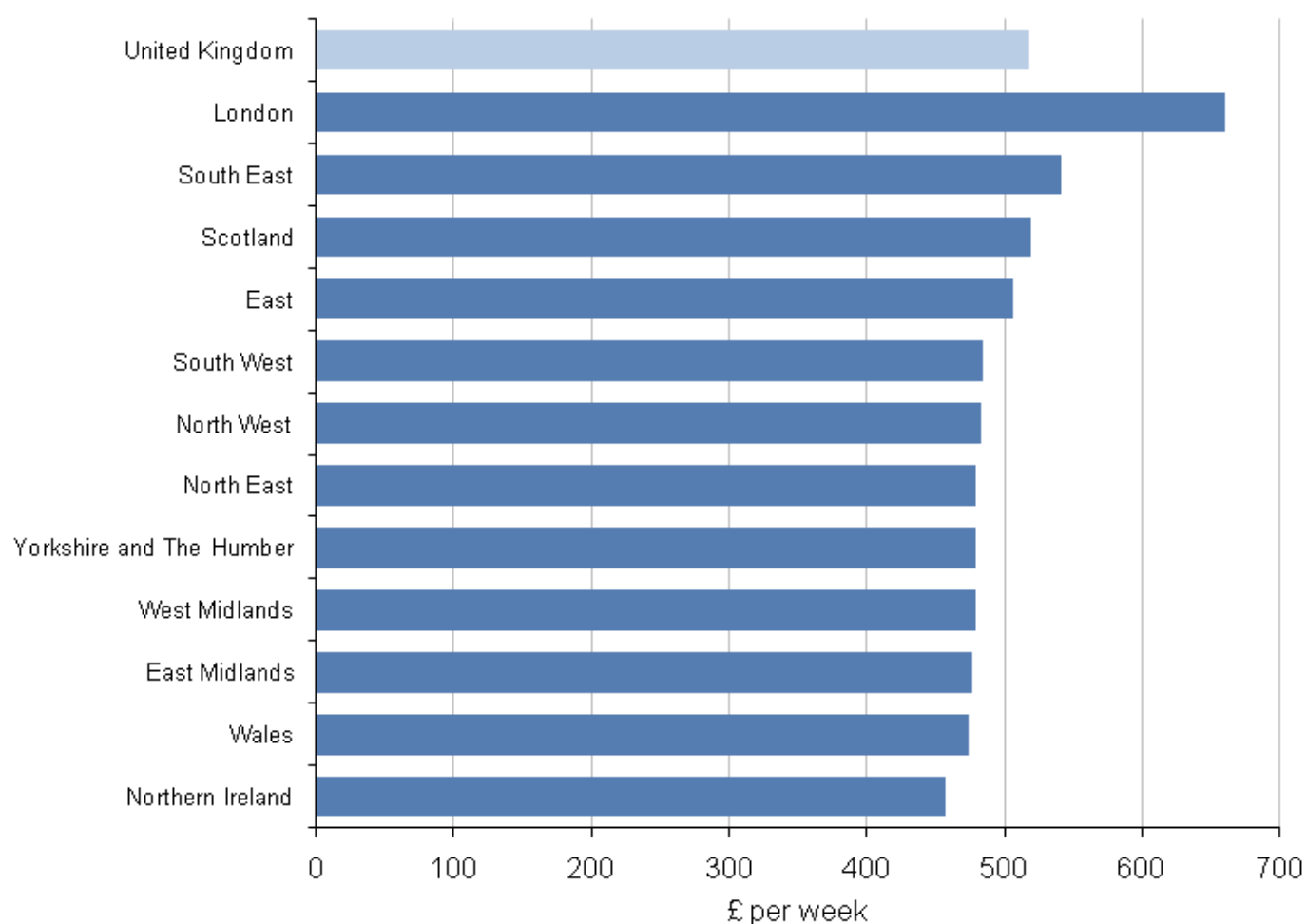


Image of interactive chart



Figure 17: Median full-time gross weekly earnings by region, UK, April 2014

Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. 2014 data are provisional.

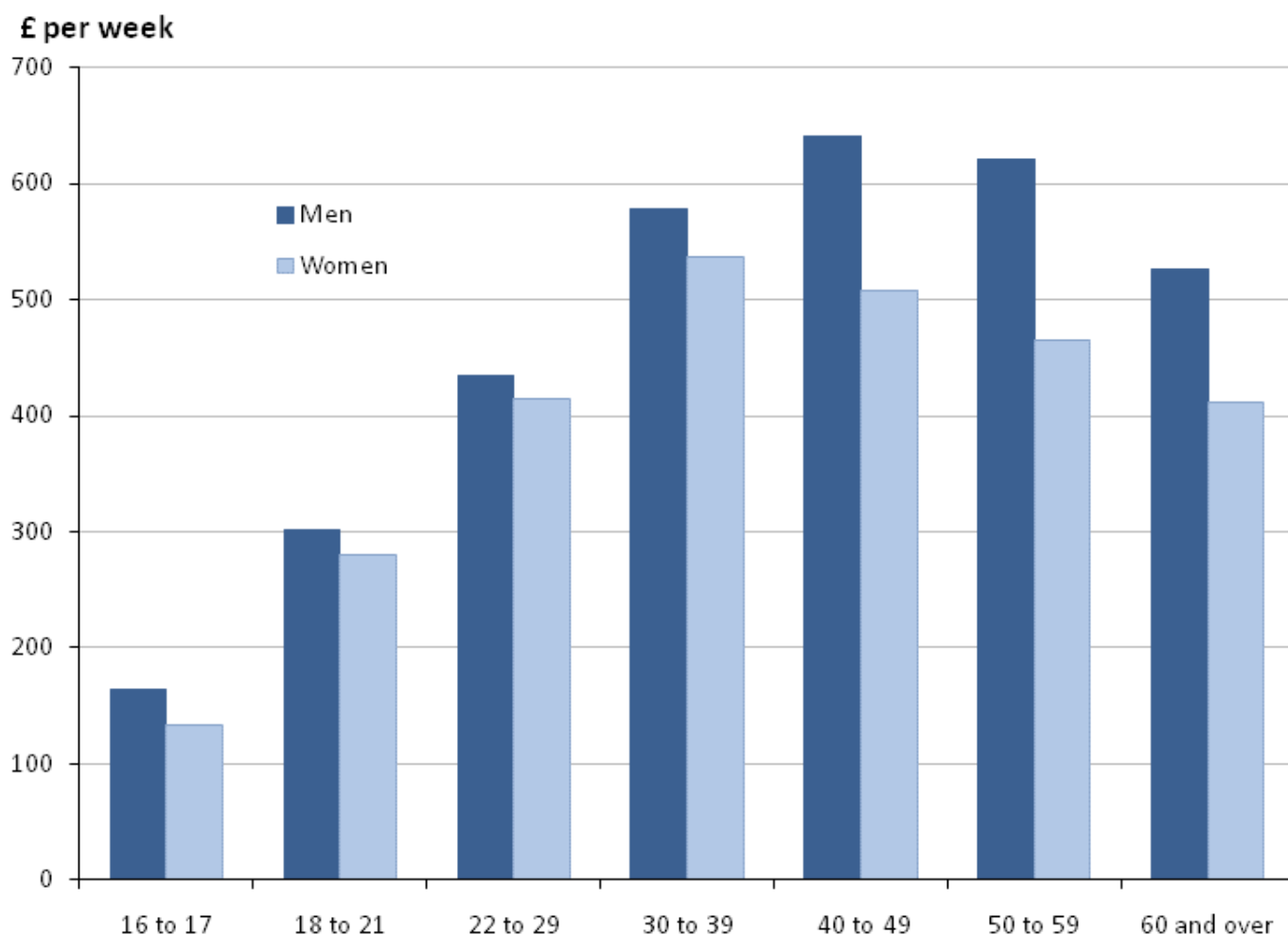
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Earnings by age group

Median weekly earnings for full-time employees reach a maximum in the 40-49 age group for men and in the 30-39 age group for women.

Figure 18: Median full-time gross weekly earnings by sex and age group, UK, April 2014

Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. All employees aged 16-17 and employees aged 18 and over on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. 2014 data are provisional.

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Earnings by occupation

Changes in occupation classifications restrict the ability to analyse trends over time so April 2014 data are the focus here.

The occupation group with the highest median weekly earnings for full-time employees was managers, directors and senior officials, at £769. Sales and customer service occupations were the lowest paid group, at £332 per week.

This year, a [new interactive tool is available](#) which allows earnings by occupation to be explored in more detail. A screenshot is shown below.

Image of interactive chart

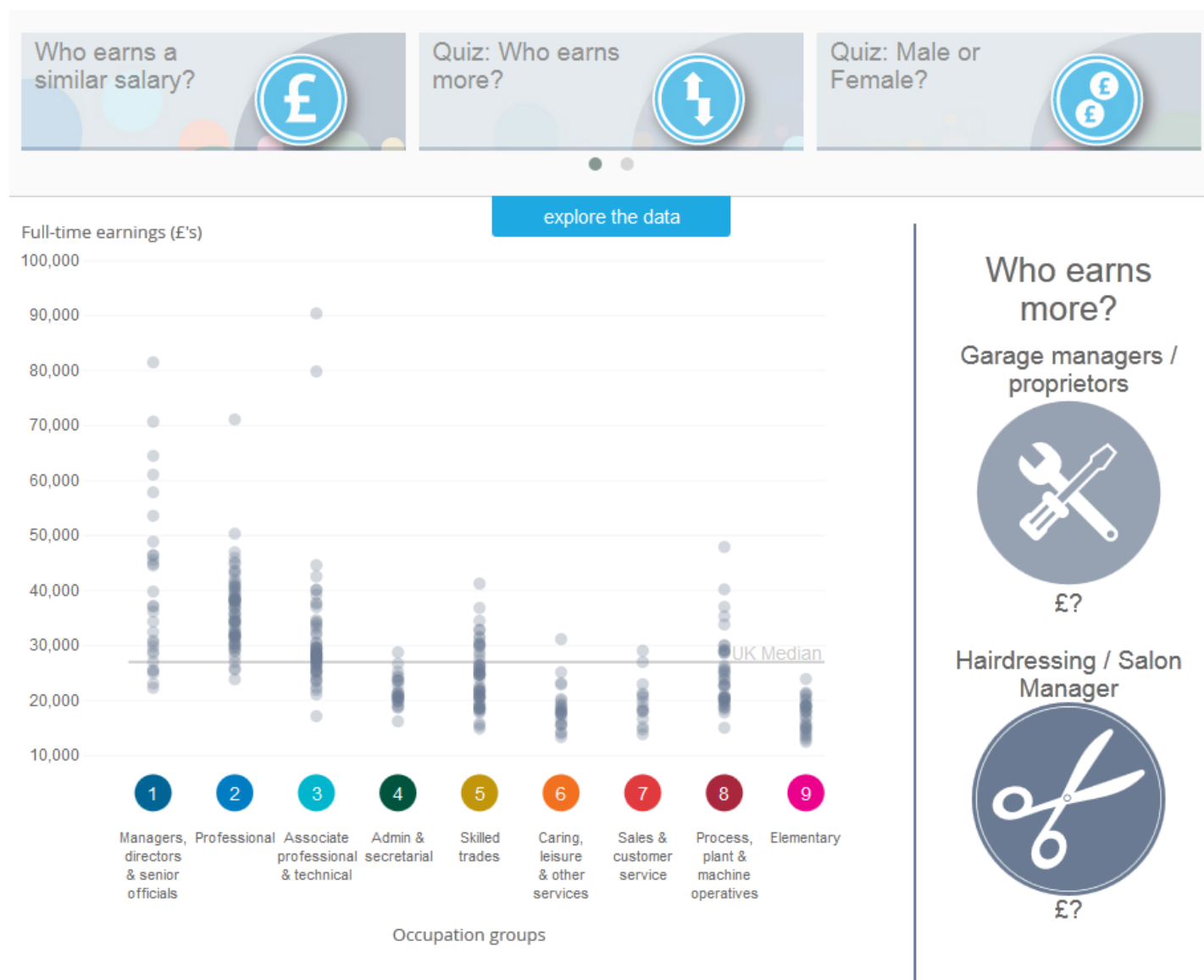
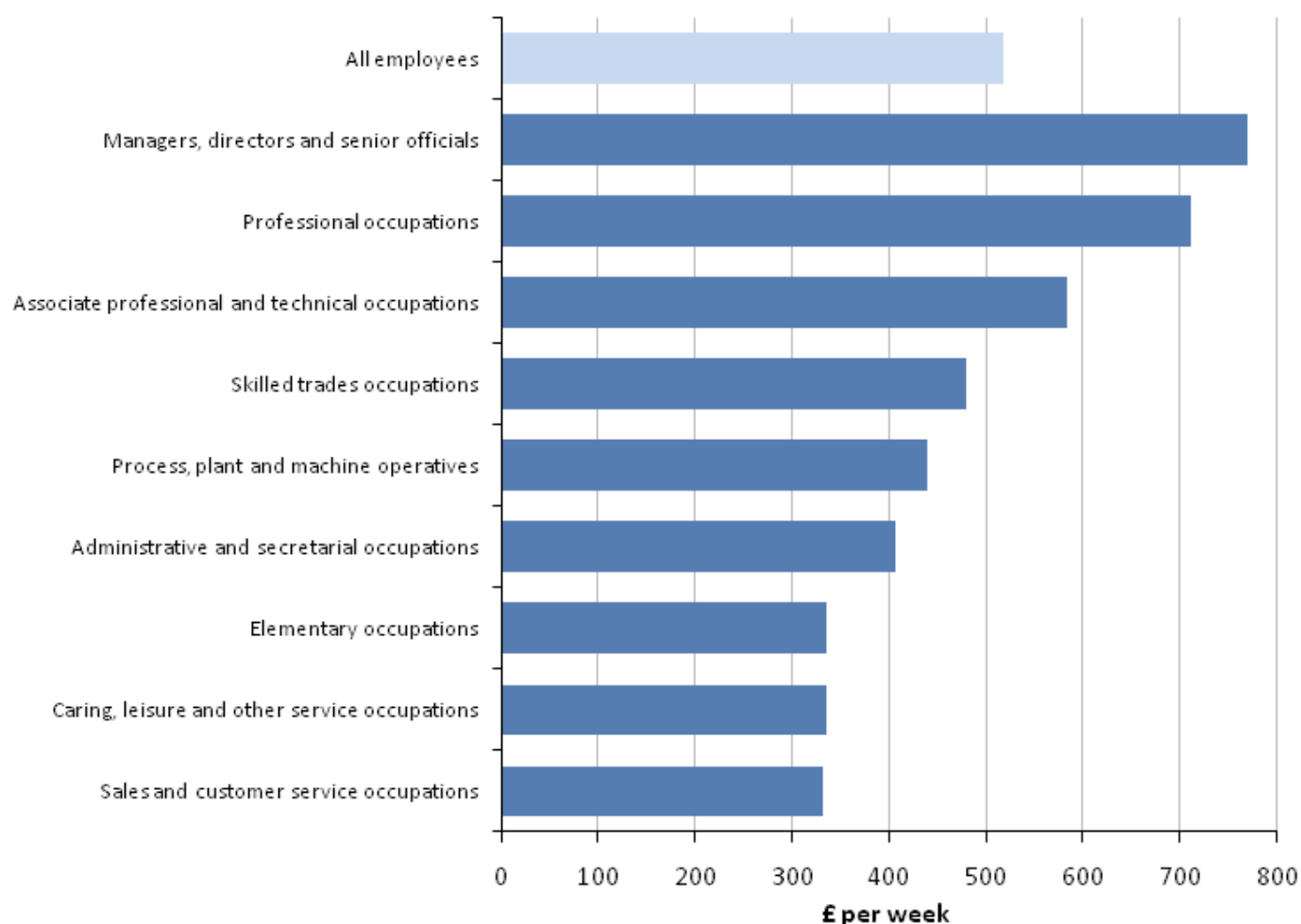


Figure 19: Median full-time gross weekly earnings by major occupation group, UK, April 2014

Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. Occupations as defined by the Standard Occupational Classification 2010.
4. 2014 data are provisional.

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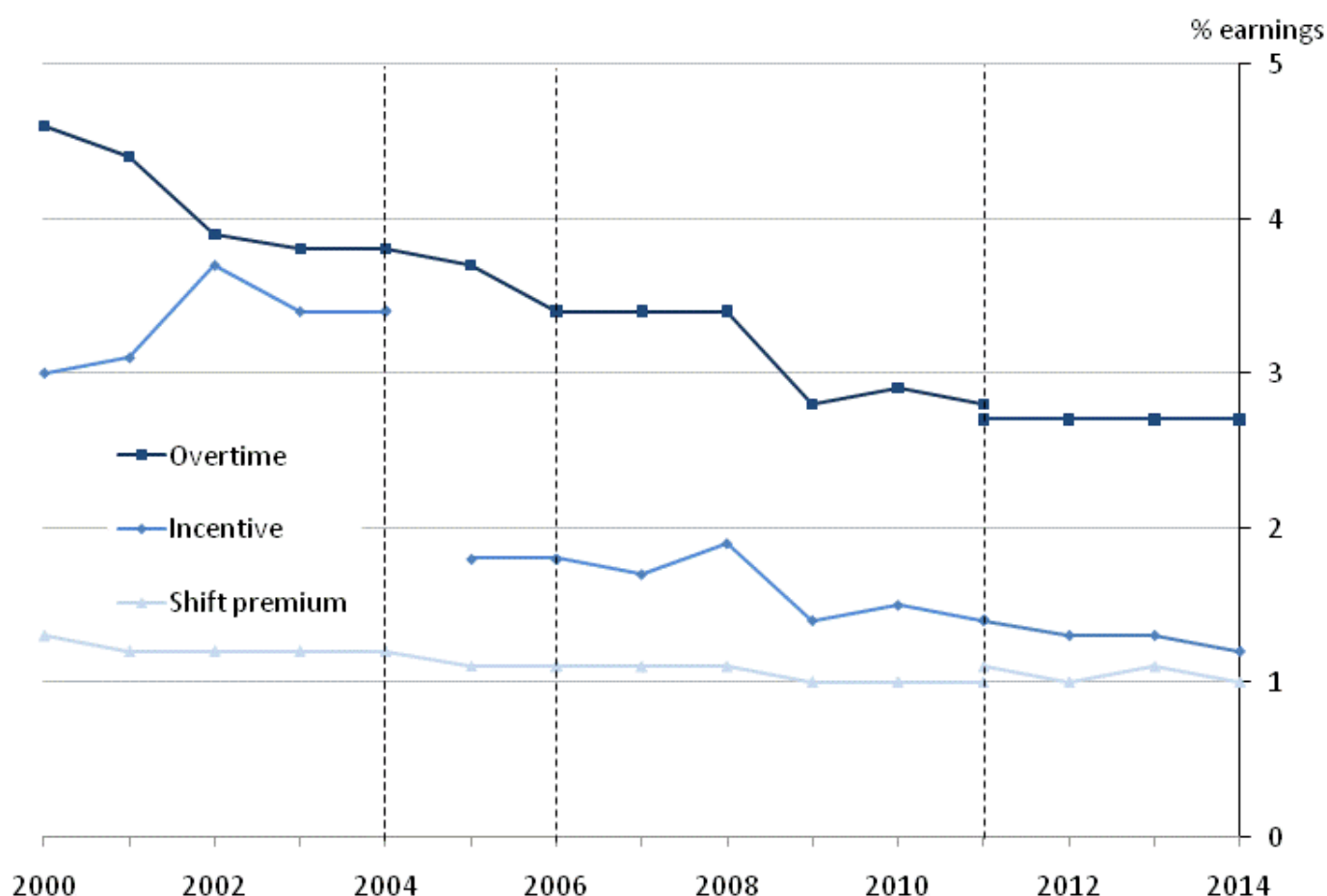
The make-up of earnings

Overtime payments as a proportion of mean gross weekly earnings have remained relatively stable in recent years for both men and women, following a sharp fall coinciding with the economic

downturn. Incentive payments have shown a similar trend, although for men, these payments accounted for 1.4% of weekly earnings in 2014, a drop of 0.2 percentage points compared to 2013.

As is the case in previous years, overtime and incentive payments account for a greater proportion of mean gross weekly pay for men than they do for women.

Figure 20: Non-basic components of pay as a proportion of mean full-time gross weekly earnings, April 2000 to 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.
4. A methodological change in 2005 means that estimates for incentive payments from this time onwards are not comparable with earlier estimates.
5. 2014 data are provisional.

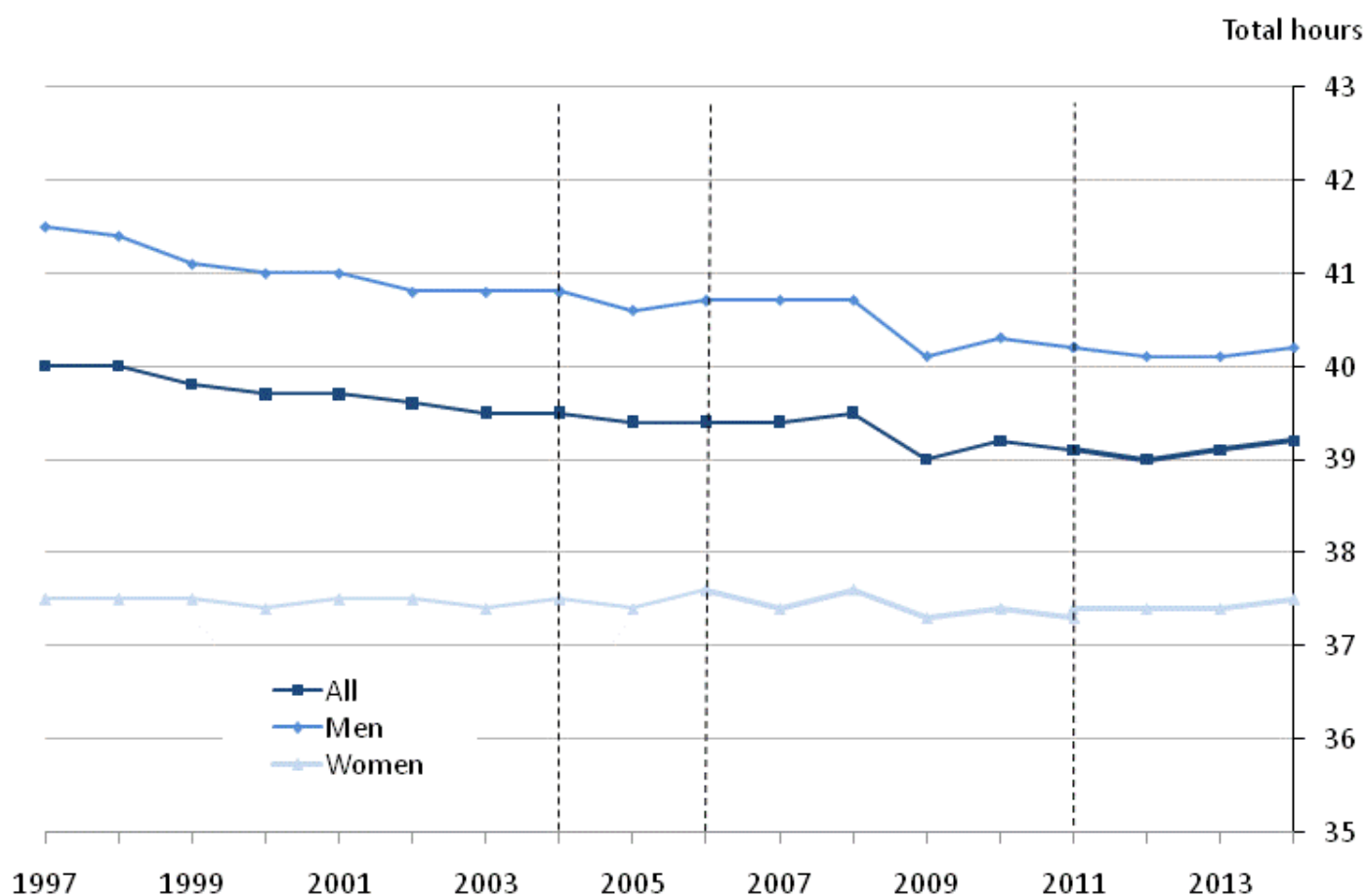
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Hours worked

Over the long-term, the average number of hours worked per week for full-time employees has decreased from 40.0 in 1997 to 39.2 in 2014. This decrease is particularly notable for men, while women's hours have remained stable at around 37.5. For men, there was a sharp dip between 2008 and 2009, and hours worked have not returned to the levels seen prior to the economic downturn. Examining the components of hours worked, there is a long-term decrease in overtime, particularly for men.

Figure 21: Mean full-time weekly paid hours of work (including overtime), UK, April 1997 to 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.

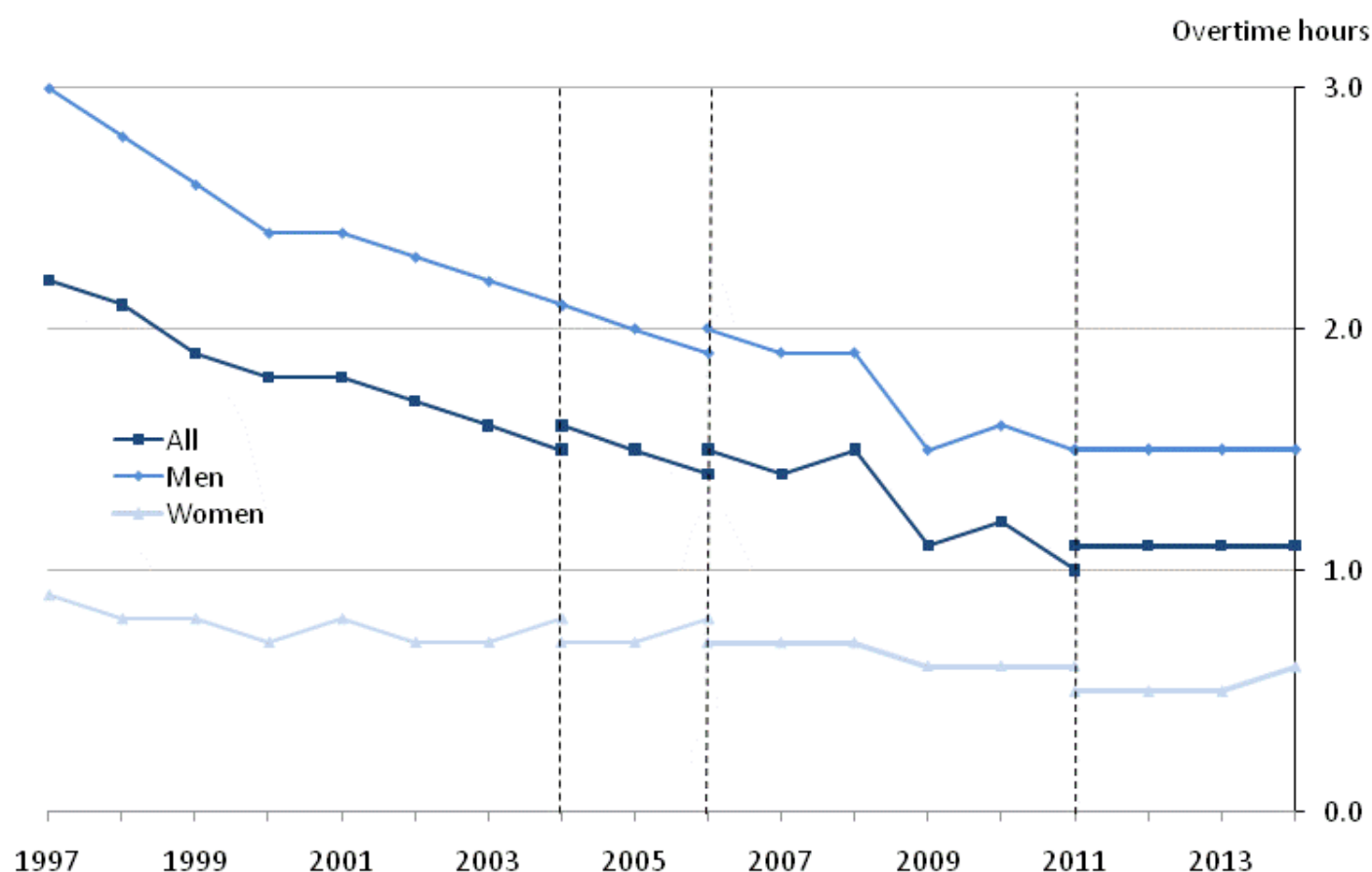
4. 2014 data are provisional.

Download chart

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(75 Kb)

Figure 22: Mean weekly overtime hours, UK, April 1997 to 2014



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. Dashed lines represent discontinuities in 2004, 2006 and 2011 ASHE estimates.
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Background notes

1. Survey details

The Annual Survey of Hours and Earnings (ASHE) is based on a 1% sample of employee jobs taken from HM Revenue and Customs PAYE records. Information on earnings and hours is obtained from employers and treated confidentially. ASHE does not cover the self-employed nor does it cover employees not paid during the reference period. In 2014 information related to the pay period which included 09 April.

This bulletin contains provisional results from the 2014 survey and revised results from the series up to 2013. [More detailed information](#) is available on the ONS website.

Basic quality information

2. Quality and Methodology Information

[Quality and Methodology information](#) can be found on the ONS website. This report describes, in detail, the intended uses of the statistics presented in this publication, their general quality and the methods used to produce them. [Further information about the uses of ASHE statistics \(81 Kb Pdf\)](#) can also be found on the ONS website.

3. Common pitfalls in interpreting the series

The headline statistics for ASHE are based on the median rather than the mean. The median is the value below which 50% of employees fall. It is ONS's preferred measure of average earnings as it is less affected by a relatively small number of very high earners and the skewed distribution of earnings. It therefore gives a better indication of typical pay than the mean.

Various methods can be used to measure the earnings of women relative to men. ONS's headline estimates of the gender pay gap are for 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.

In March 2012 the 2011 ASHE estimates were published on a Standard Occupational Classification (SOC) 2010 basis (they had previously been published on a SOC 2000 basis). Since the SOC forms part of the methodology by which ASHE data are weighted to produce estimates for the UK, this release marked the start of a new time series and therefore care should be taken when making comparisons with earlier years.

Similarly, methodological changes in 2004 and 2006 also resulted in discontinuities in the ASHE time series.

4. Relevance

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.

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 others, no settlement at all.

Most of the published ASHE analyses (that is, excluding annual earnings) 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 for other reasons, such as sickness. 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.

5. Accuracy

Revisions

In line with normal practice this release contains revised estimates from the 2013 survey results which were published on 12 December 2013. These results take account of some corrections to the original 2013 data that were identified during the validation of the results for 2014, as well as late returns. Both the 2014 ASHE provisional results and the revised estimates for 2013 will be made available from 19 November 2014.

Sampling error

ASHE aims to provide high quality statistics on the structure of earnings for various industrial, geographical, occupational and age-related breakdowns. However, the quality of these statistics varies depending on various sources of error.

Sampling error results from differences between a target population and a sample of that population. Sampling error varies partly according to the sample size for any particular breakdown or 'domain'. Indications of the quality of ASHE estimates are provided in the form of coefficients of variation (cv). The coefficient of variation is the ratio of the standard error (se) of an estimate to the estimate, expressed as a percentage. Generally, if all other factors are constant, the smaller the cv the higher the quality of the estimate. Tables of cvs corresponding to estimates are published alongside the estimates themselves. High-level coefficients of variation for the 2014 ASHE estimates are shown in Table 1.

Table 1: Coefficients of variation for estimates of median gross weekly earnings and hourly earnings (excluding overtime), UK, April 2014

		%	
		Full-time	Part-time
Median gross weekly earnings	Men	0.2	0.4
	Women	0.3	0.5
	All	0.2	0.4
Median gross hourly earnings (excluding overtime)	Men	0.3	0.4
	Women	0.4	0.3
	All	0.2	0.2

Table source: Office for National Statistics

Table notes:

1. Employees on adult rates, pay unaffected by absence.
2. Full-time defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
3. Coefficient of variation is the ratio of the standard error of an estimate to the estimate, expressed as a percentage.
4. 2014 data are provisional.

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(33 Kb)

It should be noted that at low levels of disaggregation high coefficients of variation imply estimates of low quality. For example, for an estimate of £400 with a cv of 10%, the true value is likely to lie between £321.60 and £478.40. This range is given by the estimate $\pm 1.96 \times \text{se}$. Where these ranges for different estimates overlap, interpretation of differences between the relevant domains becomes more difficult.

Non-sampling error

ASHE statistics are also subject to non-sampling errors. For example, there are known differences between the coverage of the ASHE sample and the target population (i.e. all employee jobs). Jobs that are not registered on PAYE schemes are not surveyed. These jobs are known to be different to the PAYE population in the sense that they typically have low levels of pay. Consequently, ASHE estimates of average pay are likely to be biased upwards with respect to the actual average pay of the employee population. Non-response bias may also affect ASHE estimates. This may happen if the jobs for which respondents do not provide information are different to the jobs for which respondents do provide information. For ASHE,

this is likely to be a downward bias on earnings estimates since non-response is known to affect high-paying occupations more than low-paying occupations.

Finally, ASHE results tables do not account for differences in the composition of different 'slices' of the employee workforce. For example, figures for the public and private sectors include all jobs in those sectors and are not adjusted to account for differences in the age, qualifications or seniority of the employees or the nature of their jobs, all factors which may affect how much employees earn.

[Further information about the quality of ASHE \(57.5 Kb Pdf\)](#), including a more detailed discussion of coverage and non-response errors, is available on the ONS website.

ASHE coverage change in 2014

In 2013 HM Revenue and Customs (HMRC) changed the criteria which determine how businesses are obliged to report employees' earnings via their Pay as You Earn (PAYE) schemes. The PAYE system is the frame for the ASHE sample. Until this change, businesses were only required to operate PAYE for employees whose earnings were above the Lower Earnings Limit (LEL) for National Insurance contributions, currently £111 per week, and they did not report all new jobs until the end of the tax year. The new rules require employers to report the details of all of their employee jobs via their PAYE schemes, whatever their earnings, provided that they have at least one employee earning above the LEL. In addition, employers must report for all jobs in 'real-time', meaning that they cannot wait until the end of the tax year. This new system is known as 'Real-Time Information' (RTI). In theory, it is possible that the move to RTI results in a coverage change for the ASHE sample.

It should be noted that 2014 is not the first year in which the ASHE sample includes the types of jobs that are affected by RTI. This is because many employers, particularly large businesses, which account for a large proportion of the labour market, chose to report many or all such jobs on their PAYE schemes in previous years.

It is not possible to precisely quantify the impact of this change since it is not possible to identify the specific jobs that are included in the ASHE sample as a direct result of the move to RTI. However, compositional differences between 2013 and 2014 are not unusual when considered in historical context. This is because, as noted above, many of the RTI-type jobs were already being reported by employers in previous years, meaning that the composition of the sample was not substantially distorted as a result of RTI.

Consequently, ONS judges that the impact of the move to RTI on the estimates for ASHE in 2014 is negligible. It is possible that at some lower levels of disaggregation, there may be a more pronounced effect, perhaps because RTI has resulted in different behavioural changes for employers in particular regions or in particular sectors.

Re-weighting of the Labour Force Survey

Returned data from ASHE are weighted to UK population totals from the Labour Force Survey (LFS). The LFS itself has recently been reweighted, using revised UK and sub-national population estimates consistent with the 2011 Census and updated population projections. ONS

has found there to be negligible impact of this on the ASHE results. Further information on the LFS reweighting can be found on the [ONS website](#).

Response

The 2014 ASHE is based on approximately 189,000 returns.

6. Coherence

The Average Weekly Earnings (AWE) statistic, based on the Monthly Wages and Salaries Survey of about 9,000 employers, is the lead measure of short-term changes in average earnings in Great Britain. Figures are available with industrial breakdowns and public/private sector splits. No information is available on occupation, hours worked, and other characteristics of the workforce.

The AWE and ASHE are not directly comparable on all measures of earnings. The closest measure that can be derived and compared for these surveys is for mean gross weekly pay (excluding bonuses) in Great Britain. In the year to April 2014 the ASHE estimate of mean gross weekly pay (excluding bonuses) for all employees (regardless of whether they worked full-time or part-time) was £498, up 0.1% on the previous year. The comparable estimate from the AWE (regular pay) was £449, up 0.5% from April 2013.

The Labour Force Survey (LFS) 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.

7. Notes on tables

The percentage changes of constituent items in tables may not always agree exactly with the values shown due to rounding.

Publication policy

8. [A list of names of those given pre-release access to the contents of this bulletin](#) is available on the ONS website.
9. Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods; and
- are managed impartially and objectively in the public interest.

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