

Supplementary analysis of average weekly earnings, December 2015

Coverage: GB

Date: 16 December 2015 Geographical Area: GB Theme: Labour Market

Introduction

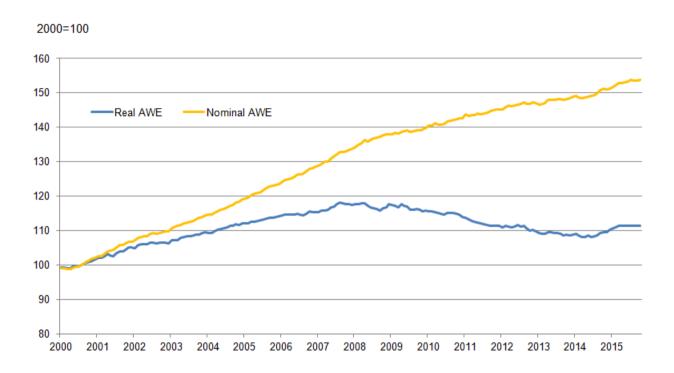
This note presents 2 analyses of the Average Weekly Earnings (AWE) figures, which are published in the UK Labour Market Statistical Bulletin. We will update these analyses every month. The first section describes real AWE (AWE deflated by the Consumer Price Index). The second section analyses single month movements in the nominal AWE.

1. Real AWE

The charts below show the recent movements in real AWE (whole economy). This is calculated as nominal unadjusted AWE, divided by the Consumer Price Index (CPI). This series is calculated for regular and total pay at the whole economy level and then seasonally adjusted. The data in Figures 1 and 2 are levels of real and nominal AWE, shown on a monthly basis, with an index of 2000 = 100. Figure 3 shows 3 months on 3 months previous year increases in these derived indices. The data are available at data table X04 (125 Kb Excel sheet), together with estimates of real AWE at 2000 prices.

Comparing the 3 months to October 2015 with the same period in 2014, real AWE (total pay) grew by 2.4 per cent, compared with 2.9 per cent in the 3 months to September. Nominal AWE (total pay) grew by 2.4 per cent in the three months to October, while the CPI decreased by 0.1 per cent in the year to October. Over the same period, real AWE (regular pay) grew by 2.1 per cent, compared with 2.5 per cent in the 3 months to September. The nominal AWE (regular pay) rose by 2.0 per cent in the 3 months to October.

Figure 1: AWE regular pay: real and nominal, seasonally adjusted, 2000=100 January 2000 to October 2015



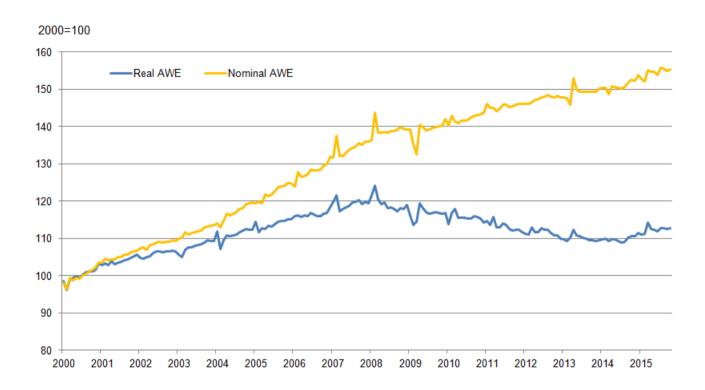
Source: Monthly Wages and Salaries Survey - Office for National Statistics

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XLS XLS format (39 Kb)

Figure 2: AWE total pay: real and nominal, seasonally adjusted, 2000=100

January 2000 to October 2015



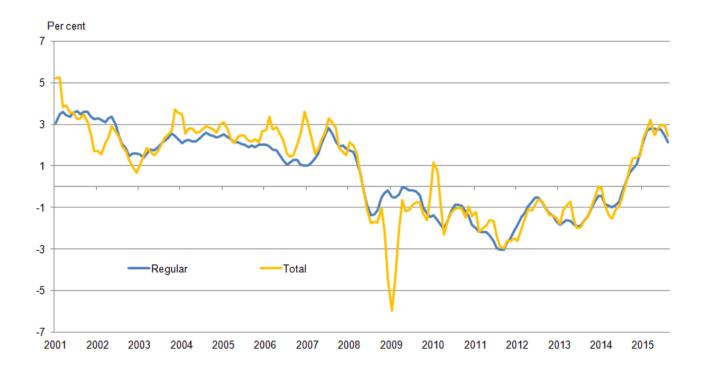
Source: Monthly Wages and Salaries Survey - Office for National Statistics

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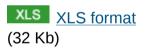
Figure 3: AWE total and regular real pay annual growth rates, seasonally adjusted

January to March 2001 to August to October 2015 (3 month average time periods)



Source: Monthly Wages and Salaries Survey - Office for National Statistics

Download chart



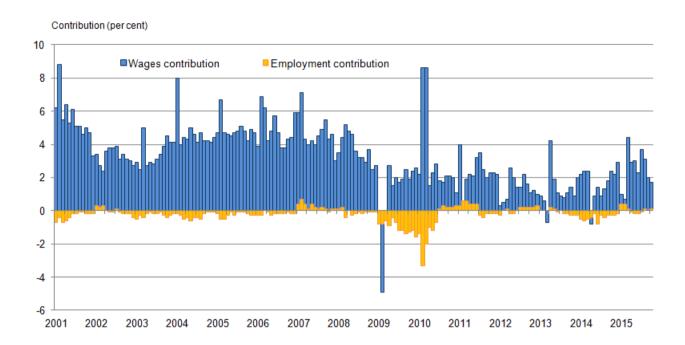
2. Contributions to nominal AWE – single month

The wages and employment contributions underlying the latest AWE data are available on the ONS website in the <u>EARNO2 data table (549 Kb Excel sheet)</u> each month. The 'employment contribution', shown in these charts, changes if the relative proportion of employment in the 24 industrial headings changes, but will not necessarily change if total employment increases. Employment contributions were significantly negative in 2009 and 2010, largely caused by a shift away from employment in Financial and Insurance Activities, which are relatively highly paid industries.

Figures 4 and 5 summarise the recent figures:

Figure 4: AWE total pay by contributions

January 2001 to October 2015



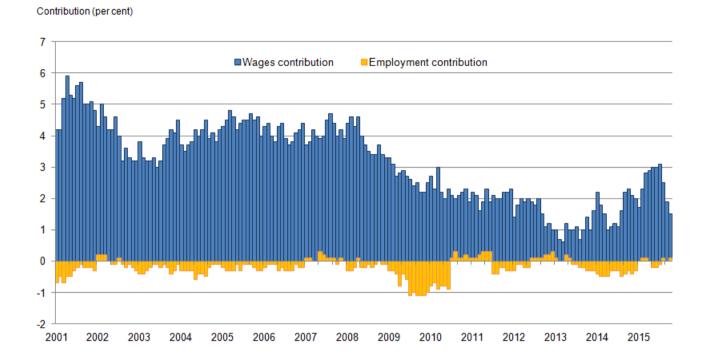
Source: Monthly Wages and Salaries Survey - Office for National Statistics

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Figure 5: AWE regular pay by contributions

January 2001 to October 2015



Source: Monthly Wages and Salaries Survey - Office for National Statistics

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Employment contributions were small (0.1% for both total and regular pay) in October 2015.

Background notes

 Details of the policy governing the release of new data are available by visiting <u>www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html</u> 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
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