



2009 Annual Survey of Hours and Earnings (ASHE)

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This report is available in electronic format only.

This report outlines the findings of the ASHE 2009 survey by the UK Office for National Statistics. It first presents general pay trends in the UK, before outlining the findings on a gender, distributional, sectoral, age group, regional and occupational basis. It looks at the implications of these findings for pay developments in the context of the UK industrial relations system. The study found that the economic crisis has not yet had an adverse effect on wage levels and that a significant gender pay gap still exists in the UK.

In November 2009, the Office for National Statistics ([ONS](#)), the UK national statistical office and an arm of the UK public authorities, published its [Annual Survey of Hours and Earnings \(ASHE\) \(203Kb PDF\)](#) for 2009.

ASHE's task is to measure 'the average level and distribution of earnings and paid hours for employee jobs' in the UK. It is based on an initial sample size of 175,000 employees obtained through records held by UK public authorities. The information on these employees is then collected through a questionnaire sent to their employers. No information is available on the response rate to the questionnaire. The survey covers employees in all types of industries and occupations in the UK, but does not cover self-employed workers or any jobs within the armed forces. The reference date of the 2009 survey is April 2009.

ASHE is generally considered to be a reliable source of data, mainly due to the large sample size. For the 2009 survey, the coefficient of variation (the ratio of the standard error of an estimate to the estimate, expressed as a percentage) for the data collected was very small (0.2% for all full-time employees and 0.4% for all part-time employees), suggesting a high degree of reliability of the findings. The survey excludes overtime from its measurement of pay.

Findings regarding general pay rates

Hourly earnings

The UK has a reputation for high rates of wage inequality. For the lowest paid, the UK minimum wage for workers aged 21 years and over is GBP 5.93 per hour (about €7.15 per hour as at 2 September 2010). According to the ASHE report, median gross hourly earnings for full-time employees in April 2009 were GBP 12.34 (€14.89) (Table 1). The rate found by ASHE for 2008 was GBP 11.88 (€14.33). Median gross hourly earnings for full-time employees therefore grew by 3.9% between 2008 and 2009.

For part-time employees, however, ASHE found that median gross hourly earnings in 2009 were GBP 7.83 (€9.45), only a little above the minimum wage. (Part-time employees were defined by the survey as those who work less than 30 paid hours per week or those in teaching professions who worked less than 25 paid hours per week). The rate found by ASHE for 2008 was GBP 7.50 (€9.05). Median gross hourly earnings for part-time employees therefore grew by 4.4% between 2008 and 2009.

For all employees, median gross hourly earnings were GBP 10.99 (€13.26) in 2009 compared with GBP 10.54 (€12.72) in 2008. A nominal growth of 4.2% therefore occurred between 2008 and 2009. However, all the figures refer to nominal growth; in 2009, the inflation rate in the UK was 2.5%.

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Table 1: Median gross hourly earnings of employees on adult rates whose pay was unaffected by absence (GBP per hour)

		Full-time	Part-time	All
April 2008	Men	12.50	7.25	11.97
	Women	10.92	7.51	9.28
	All	11.88	7.50	10.54
April 2009	Men	12.97	7.71	12.42
	Women	11.39	7.86	9.68
	All	12.34	7.83	10.99
% change				
	Men	3.8	6.3	3.7
	Women	4.3	4.6	4.3
	All	3.9	4.4	4.2

Note: GBP 1 = about €1.21 as at 2 September 2010

Source: ASHE, 2009

Weekly earnings

In 2009, ASHE found that median gross weekly earnings for full-time employees were GBP 489 (€590). In 2008, they had been GBP 479 (€578), which amounts to a 2% increase in median gross weekly earnings for full-time employees in this period. For part-time employees, the increase was 4% from GBP 147 (€177) per week in 2008 to GBP 153 (€185) in 2009.

For all employees, ASHE found that median gross weekly earnings were GBP 397 (€479) in 2009 compared with GBP 389 (€469) in 2008. Therefore, there was a growth of 2.2% in this rate between 2008 and 2009.

Annual earnings

In 2009, ASHE found that median gross annual earnings for full-time employees were GBP 25,800 (€31,125), while the equivalent figure for 2008 was GBP 25,200 (€30,401). Thus, ASHE recorded a 2.6% growth in median gross annual earnings for full-time employees between 2008 and 2009.

Gender differentials

The rates of pay reported by ASHE also exhibit differences in the pay for men and women.

In 2009, median gross weekly earnings for full-time male workers in the UK were GBP 531 (€641), but the equivalent median rate for full-time female workers was GBP 426 (€514). In terms of annual earnings, this amounts to a difference between GBP 28,300 (€34,141) for full-time male employees and GBP 22,200 (€26,782) for full-time female employees in 2009.

Gender-based pay differentials were also found in hourly rates. In 2009, ASHE found that median gross hourly earnings for male full-time employees were GBP 12.97 (€15.65) while the equivalent median rate for full-time female employees was GBP 11.39 (€13.74). However, for

part-time workers, the median gross weekly earnings for male workers were GBP 144 (€174), while for female workers they were GBP 156 (€188). Median gross hourly earnings for male part-time employees in 2009 were GBP 7.71 (€9.30) compared to the equivalent median rate for part-time female employees of GBP 7.86 (€9.48).

The data highlight a substantial gender pay gap that is mainly in favour of male employees. For example, median gross weekly earnings for all male employees in 2009 were GBP 491 (€593) and the equivalent median rate for all female employees was GBP 310 (€374). The gap can be partly attributed to the fact that:

- more female employees work part time than male employees;
- part-time employees are paid less than full-time employees.

ASHE found in 2009 that only 11.1 of male employees worked part time compared with 40.9% of female employees. It also found that the median hourly earnings of part-time employees in April 2009 were 36.5% less than the earnings of full-time employees.

However, data collected by ASHE for 2009 also reveal that the gender pay gap narrowed between 2008 and 2009. For instance, the gap between the median hourly earnings of male full-time employees and female full-time employees declined from 12.6% in 2008 to 12.2% in 2009. The negative gender gap (that is, where female workers earn more than male workers) observable in rates paid to part-time employees also narrowed between 2008 and 2009, declining from 3.7% in 2008 to 2% in 2009.

Patterns of earning distribution

ASHE also collected data on the distribution of hourly earnings. In 2009, it found that:

- 10% of full-time employees in the UK earned less than GBP 6.90 (€8.33) per hour;
- 10% of full-time employees earned more than GBP 25.88 (€31.23) per hour.

In terms of hourly earnings for full-time employees, there was a slight levelling of pay rates between 2008 and 2009: hourly earnings for full-time employees in the bottom 10% of earners grew by 4.4%, while hourly earnings for full-time employees in the top 10% of earners grew by 3.1%.

In terms of gender differences in pay, the greatest difference was in the top 10% of earners, where it amounted to a 20.2% difference in pay rates. For the lowest 10% of earners, there was only a 7.6% difference.

Pay rates in public and private sectors

ASHE also recorded differences in levels of pay in the UK private and public sectors (Table 2).

In 2009, the median gross weekly pay of full-time employees in the public sector was GBP 539 (€650), or a 3.1% increase on the 2008 rate of GBP 523 (€631).

Levels of pay in the private sector were found to be substantially lower. In 2009, the median gross weekly pay of full-time employees in the private sector was GBP 465 (€561). This constituted an increase of only 1% compared with the rate of GBP 460 (€555) in 2008, demonstrating the effect of the economic crisis on the sector.

Table 2: Median gross weekly earnings for full-time employees on adult rates whose pay was unaffected by absence (GBP per week)

	Public sector	Private sector
April 2008	522.6	460.0
April 2009	538.9	464.7
% change	3.1	1.0

Note: GBP 1 = €1.21 as at 2 September 2010

Source: ASHE, 2009

Differentials in the rates of pay between the genders were also observable in the private and public sectors. In the public sector, there was a gender pay gap of 21% in terms of median hourly earnings for all employees in 2009, representing a decrease of 1 percentage point compared with the 2008 rate of 22%. In the private sector, the gender pay gap in terms of median hourly earnings for all employees in 2009 was 28.8%, or 0.7 percentage points higher than the 2008 rate of 28.1%.

Earnings by age group

ASHE also made a series of findings related to the pay rates of different age groups (Table 3).

Based on the measurement of median gross weekly earnings, the age groups of employees who earned the most were those aged 40–49 years (GBP 550.6/€664) and 30–39 years (GBP 541.7/€654). Employees who earned the least were those aged 16–17 years (GBP 178.2/€215) and 18–21 years (GBP 277.7/€335). In the case of the younger groups, the lower pay rates observed are partly attributable to lower minimum wage rates for these groups ([UK0906019I](#)).

In terms of gender differentials, 16–17 was the age group with the lowest gender pay gap (a negative gender pay gap of -0.8% was recorded) and 40–49 was the age group with the highest gender pay gap (a gender pay gap of 29.5% was recorded). It is possible that the negative gender pay gap for 16–17 year olds is attributable to high rates of part-time work among this age group.

Table 3: Median gross weekly earnings by age in April 2009 for all employees aged 16–17 and employees on adult rates, whose pay was unaffected by absence (GBP)

Age group	Men	Women	All
16–17	175.2	189.2	178.2
18–21	285.5	268.3	277.7
22–29	421.6	392.9	407.5
30–39	571.1	497.5	541.7
40–49	605.9	457.7	550.6
50–59	569.7	434.1	514.1
60+	470.5	383.2	447.4

Note: GBP 1 = €1.21 as at 2 September 2010

Source: ASHE, 2009

Regional earnings

ASHE also found a series of differences in levels of regional earnings. These data are particularly significant given that regional discrepancies in earnings is a particularly controversial topic in the UK policy context.

The regions where gross weekly earnings for full-time employees were highest were London (GBP 627/€756), the South East (GBP 514/€620) and the East (GBP 479/€578).

The regions where gross weekly earnings for full-time employees were lowest were the North East (GBP 436/€526), Northern Ireland (GBP 439/€530) and Wales (GBP 441/€532).

In terms of gender pay differentials, the gender pay gap based on median hourly earnings for all employees was highest in the South East (24.9%) and East Midlands (23.5%), and lowest in Northern Ireland (12.7%) and London (17.6%).

Occupation

The survey found various differences in earnings by occupational category. Median gross weekly earnings for all employees were highest for the 'managers and senior officials' (GBP 713/€860) and 'professional' (GBP 696/€840) occupational categories, and lowest in 'sales and customer service' (GBP 296/€357) and 'elementary occupations' (GBP 323/€390).

In terms of gender pay differentials, the gender pay gap based on a measurement of median hourly earnings for all employees was highest for the 'skilled trades' (31.2%) and 'managers and senior officials' (22.9%), and lowest for the 'professional' (2.4%) and 'associate professional and technical' (6.6%) occupational categories.

Make-up of earnings and total weekly and overtime paid hours

ASHE found that additional payments (such as overtime, bonuses/commission, shift) accounted for 5% of mean full-time gross weekly earnings for all employees in 2009. In 2006, the year before the economic crisis hit the UK, the rate was 6%. In 2009, the rate was 6% for male employees compared with only 3% for female employees.

According to ASHE, the mean of total weekly paid hours was 39 in 2009 for full-time employees and 18.2 hours for part-time employees. Between 2008 and 2009, paid hours for male full-time employees decreased by 0.6 hours and those for female full-time employees by 0.2 hours.

Commentary

The data collected by ASHE demonstrate that the economic crisis has not had a very adverse effect on levels of pay within the UK thus far. Median gross hourly earnings for full-time employees grew nominally by 3.9% from 2008 to 2009, while median gross weekly earnings for full-time employees increased by 2% in the same period. These are not pay growth rates that would be associated with a deep economic recession. For example, in 2006, the year before the economic recession struck the UK, ASHE recorded that median gross hourly earnings for full-time employees grew nominally by 4.2% between 2005 and 2006. However, lower levels of growth in pay rates were found in the private sector, where the median gross weekly pay of full-time employees grew by only 1% between 2008 and 2009. Recent policy announcements made by the UK coalition government concerning cuts and freezes in public sector pay ([UK10050191](#))

may mean that, in future years, ASHE finds that rates of growth in public sector pay are also low or even negative.

There is still a significant gender pay gap in the UK. The gap between the median hourly earnings of male full-time employees and female full-time employees was 12.2% in 2009. It is particularly steep in the top 10% of earners, the private sector, the 40–49 age bracket, the South East region of the UK, and the ‘skilled trades’ occupational category. However, the gender pay gap declined slightly from 2008 to 2009; the gap between the median hourly earnings of male full-time employees and female full-time employees decreased from 12.6% in 2008 to 12.2% in 2009.

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Bibliography

Office for National Statistics, [2009 Annual Survey of Hours and Earnings \(203Kb PDF\)](#), Newport, Office for National Statistics, 2009.

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