

Patterns of pay: results of the 2003 New Earnings Survey

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Key points

- Between April 2002 and April 2003 the average gross weekly pay of full-time employees in Great Britain increased by 2.4 per cent to £476.
- For the 2002-2003 tax year average gross annual pay of full-time employees in Great Britain was £25,170. Average gross annual pay for full-time women rose above £20,000 for the first time to stand at £20,314.
- The pay gap between the sexes narrowed by 1.0 percentage point between April 2002 and April 2003. Average gross hourly earnings excluding overtime of full-time women were 82.0 per cent of the equivalent average for men.
- In the year to April 2003, weekly earnings of full-time employees in the bottom 10 per cent of the distribution grew faster than those in the top 10 per cent (3.2 per cent and 2.2 per cent respectively).
- Managers and senior officials were the occupational group with the highest average gross weekly earnings (£748); process plant and machine operatives had the highest increase in the year to April 2003 (4.4 per cent).
- In the year to April 2003 the NES estimate of the growth in gross weekly pay excluding bonus payments was 3.1 per cent. The comparable figure from the AEI was 3.4 per cent.
- Regionally, London had by far the highest average earnings (£637 per week). The North East had the lowest average earnings (£402 per week). The South East experienced the smallest increase in average earnings (1.4 per cent). Average gross weekly earnings for all regions stand above £400 for the first time.

Introduction

THE NEW Earnings Survey (NES) has been carried out each April since 1970, and is the most detailed and comprehensive source of national information on:

- levels of earnings by occupation and sex (also growth in earnings, which can be compared with other sources, such as the Average Earnings Index);
- make-up of total earnings (basic pay and other components);
- distribution of earnings (the extent to which they are dispersed around the median); and
- averages and distributions of hours worked – in total and on overtime.

The first few sections of this article present summary results of the 2003

NES that look at overall averages, make-up and distribution of earnings. While these figures are of interest, they can hide wide variations between different industries, occupations, regions and age groups. The concluding sections of the article give summary analyses of each of these factors.

Summary results for full-time employees

Average gross weekly earnings of all full-time employees on adult rates working a full week in April 2003 was £476. The average working week, for those full-time employees for whom

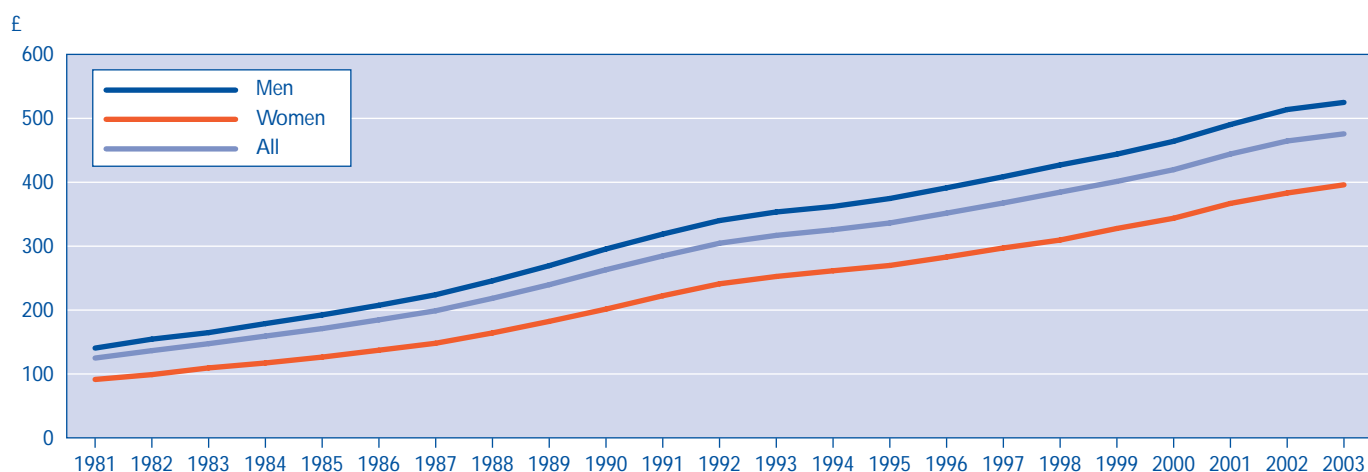
Table 1 Employees' average pay^a and hours in April 2003 and increases since April 2002; Great Britain

	Full-time			Part-time			All employees		
	Men	Women	All	Men	Women	All	Men	Women	All
Average gross annual earnings (£)^b	28,065	20,314	25,170	9,260	7,656	7,931	26,470	14,889	20,813
<i>Increase since April 2002 (per cent)</i>	3.0	3.5	3.1	-0.4	2.5	2.1	2.6	3.1	2.7
Average gross weekly earnings (£)	525.0	396.0	475.8	163.5	150.0	152.4	492.6	293.3	394.7
<i>Increase since April 2002 (per cent)</i>	2.2	3.3	2.4	-0.9	4.2	3.2	1.8	3.5	2.2
Average gross hourly earnings									
Excluding overtime pay and hours (£)	12.88	10.56	12.03	8.82	7.78	7.95	12.72	9.84	11.47
<i>Increase since April 2002 (per cent)</i>	2.2	3.4	2.5	0.0	4.8	4.0	2.1	3.8	2.5
Average total weekly hours	40.9	37.4	39.6	18.8	19.5	19.4	39.1	30.1	34.7
<i>Increase since April 2002 (per cent)</i>	0.0	-0.2	0.0	-1.7	-0.8	-1.0	-0.4	-0.2	-0.5
Average weekly overtime hours	2.2	0.7	1.6	1.4	0.9	1.0	2.2	0.8	1.5
<i>Increase since April 2002 (per cent)</i>	-4.6	-7.8	-5.8	-5.8	-9.6	-8.2	-4.9	-8.7	-6.4

Source: New Earnings Survey

a Employees on adult rates whose pay for the survey period was unaffected by absence.

b Annual earnings estimates relate to employees who have been in the same job for at least 12 months, regardless of whether or not their pay was affected by absence.

Figure 1 Average gross weekly earnings of full-time employees by sex;^a Great Britain; April 1981 to April 2003

Source: New Earnings Survey

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

weekly hours were reported, was 39.6 hours, of which 1.6 hours consisted of paid overtime (see *Table 1*).

At £396, average gross weekly earnings of full-time women were just under £130 less than for men (see *Figure 1*). Women worked on average 37.4 hours per week, 3.5 hours less than men and around half of this difference could be accounted for by overtime.

Average gross annual earnings of all full-time employees on adult rates that have been in the same job for at least a year were £25,170 for the 2002-03 tax

year. Average gross annual pay for full-time women rose above £20,000 for the first time to stand at £20,314, compared with £28,065 for men. Full-time female employees saw an increase in annual earnings of 0.5 percentage points more than that for men (3.5 per cent, compared with 3.0 per cent respectively).

Average gross hourly earnings excluding overtime of all full-time employees were £12.03 in April 2003; this represented an increase of 2.5 per cent since April 2002. The average full-

time working week (including overtime) remained at 39.6 hours in April 2003.

Summary results for part-time employees

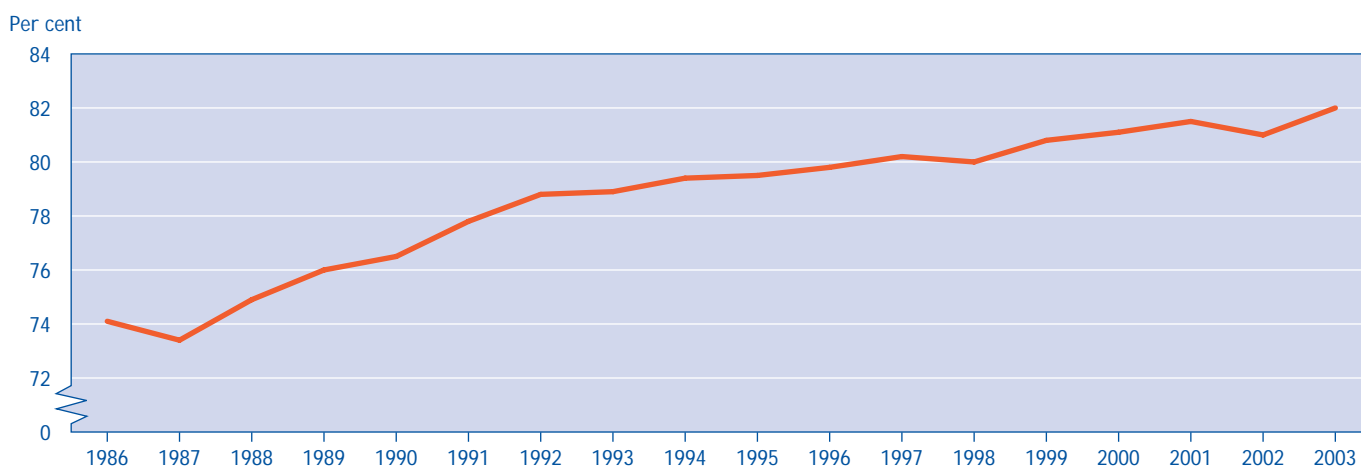
Average gross annual pay of part-time employees increased by 2.1 per cent to £7,931 for the 2002-03 tax year. The average number of hours worked by part-timers decreased by 1 per cent to 19.4 hours. Women continued to work

Table 2 Make-up of average gross weekly pay:^a Great Britain; April 2003

	Full-time			Part-time			All employees		
	Men	Women	All	Men	Women	All	Men	Women	All
Average gross weekly earnings (£)	525.0	396.0	475.8	163.5	150.0	152.4	492.6	293.3	394.7
of which:									
overtime payments	25.8	7.4	18.8	10.1	6.2	6.9	24.4	6.9	15.8
payment by results etc. payments	20.6	8.1	15.8	3.6	1.9	2.3	19.1	5.5	12.4
shift etc. premium payments	7.2	3.9	5.9	1.8	2.4	2.3	6.7	3.3	5.0
As a percentage of average gross weekly earnings									
overtime payments	4.9	1.9	3.9	6.2	4.2	4.6	4.9	2.4	4.0
payment by results etc. payments	3.9	2.0	3.3	2.2	1.3	1.5	3.9	1.9	3.1
shift etc. premium payments	1.4	1.0	1.2	1.1	1.6	1.5	1.4	1.1	1.3
Percentage of employees who received									
overtime payments	28.5	15.1	23.4	18.0	18.9	18.8	27.6	16.7	22.2
other incentive etc. payments	16.3	10.2	14.0	7.7	6.7	6.9	15.5	8.7	12.2
in each pay period	9.7	4.4	7.7	4.3	2.7	3.0	9.2	3.7	6.5
less often than each pay period	7.7	6.7	7.3	4.0	4.7	4.5	7.3	5.9	6.6
shift etc. premium payments	12.2	8.6	10.9	8.7	8.5	8.6	11.9	8.6	10.3
Average weekly payment (£) of those who received									
overtime payments	90.5	48.7	80.2	56.2	32.9	37.0	88.5	41.2	71.0
other incentive etc. payments	126.8	79.2	113.5	47.0	29.2	32.8	123.3	63.3	102.1
in each pay period	100.7	73.4	94.7	49.9	29.0	34.5	98.6	60.0	87.8
less often than each pay period	145.4	76.6	121.2	37.9	27.3	29.0	140.1	60.2	105.3
shift etc. premium payments	58.8	44.9	54.6	20.7	28.0	26.6	56.3	37.9	48.7

Source: New Earnings Survey

a Employees on adult rates whose pay for the survey period was unaffected by absence.

Figure 2 Ratio of women's hourly pay to men's pay:^a Great Britain; April 1986 to April 2003

Source: New Earnings Survey

a Hourly earnings excluding overtime. Full-time employees on adult rates whose pay for the survey period was unaffected by absence.

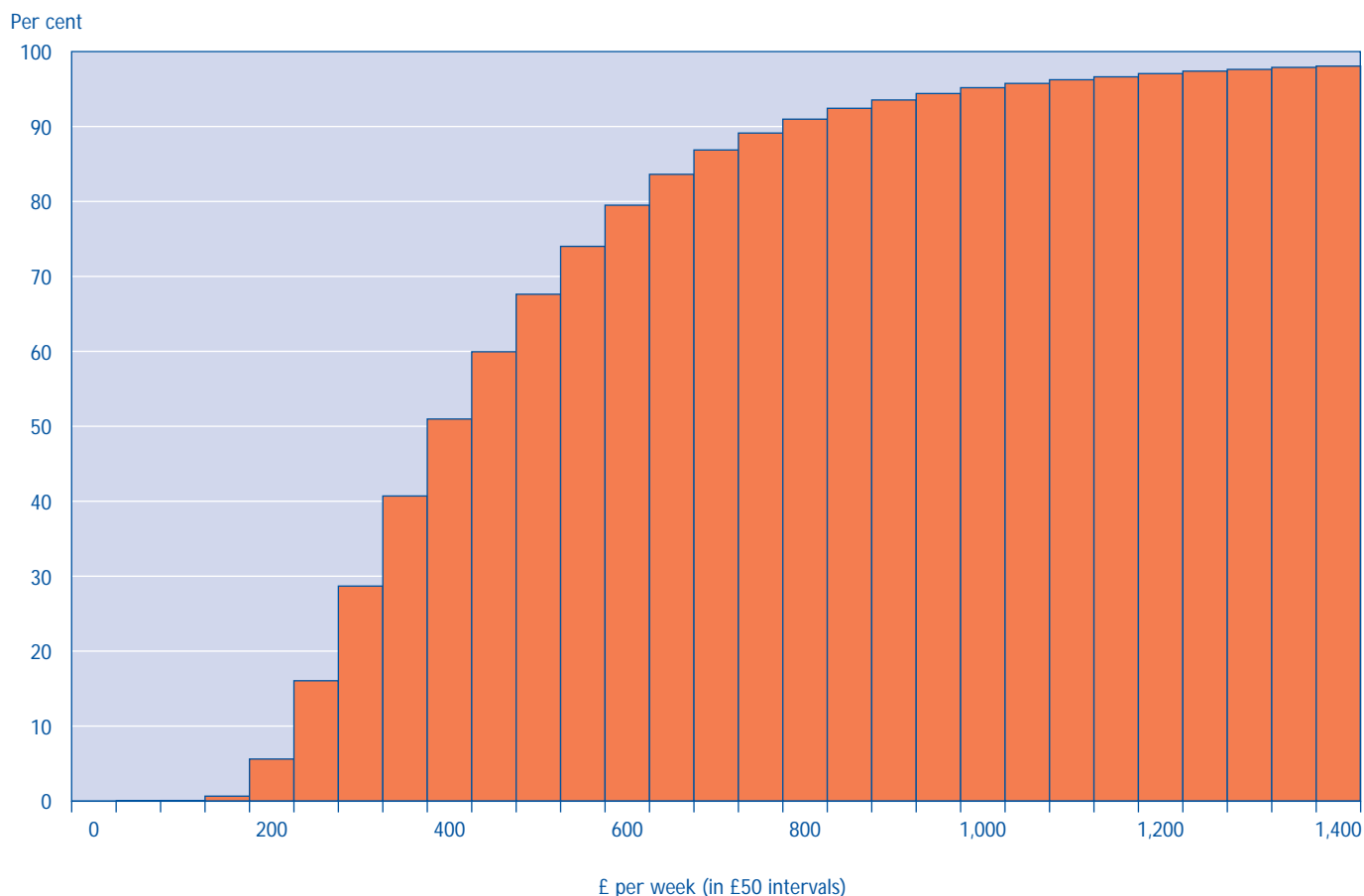
more hours than men (19.5 hours, compared with 18.8 hours).

Part-time employees earned on average £152 per week in April 2003, an increase of 3.2 per cent over the year. Average part-time men's earnings decreased by 0.9 per cent over the year

to £163, while those of part-time women rose by 4.2 per cent to £150.

Average gross hourly earnings, excluding overtime, of all part-time employees increased by 4.0 per cent between April 2002 and April 2003 to £7.95. This represents a greater

increase than that for full-timers. Hourly earnings excluding overtime of part-time men stood unchanged at £8.82 per hour, while hourly earnings excluding overtime of part-time women rose on average by 4.8 per cent to £7.78.

Figure 3 Cumulative distribution of gross weekly earnings,^a Great Britain; April 2003

Source: New Earnings Survey

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

Hourly earnings excluding overtime of part-time workers were just over two-thirds of those for full-time workers. The differential was more for part-time men (68.5 per cent of full-time male earnings) than for women (73.7 per cent).

It should be noted that coverage of part-time employees by the NES is not comprehensive: many employees with earnings below the income tax threshold are excluded.

Pay differences between men and women

Various methods can be used to measure the earnings of women relative to men. ONS prefers to use hourly earnings excluding overtime, as including overtime can distort the picture due to the fact that men work

relatively more overtime than women. Average hourly earnings excluding overtime for women, at £10.56, were 82.0 per cent of those for men (£12.88). In 2002 hourly earnings excluding overtime for women were 81.0 per cent of those for men. This represents a narrowing of the gender pay gap, which is now at its narrowest since the NES started in 1970. *Figure 2* shows the variation in the gender pay difference since 1986.

Although average hourly pay excluding overtime 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 such averages do not highlight the different employment characteristics of men and women, such as the proportion in different occupations and their length of time in

jobs. A regional analysis of the pay difference between the sexes is included later in the article.

The make-up of pay

The NES divides total gross weekly earnings into four components: overtime; payments by results/incentive payments; premium payments for shift work; and the residual, which can be summed up as 'basic pay'. The first three elements vary quite considerably by type of worker. For full-time workers, additional payments as a proportion of total pay decreased over the year from 8.9 per cent to 8.5 per cent of average gross weekly pay (see *Table 2*).

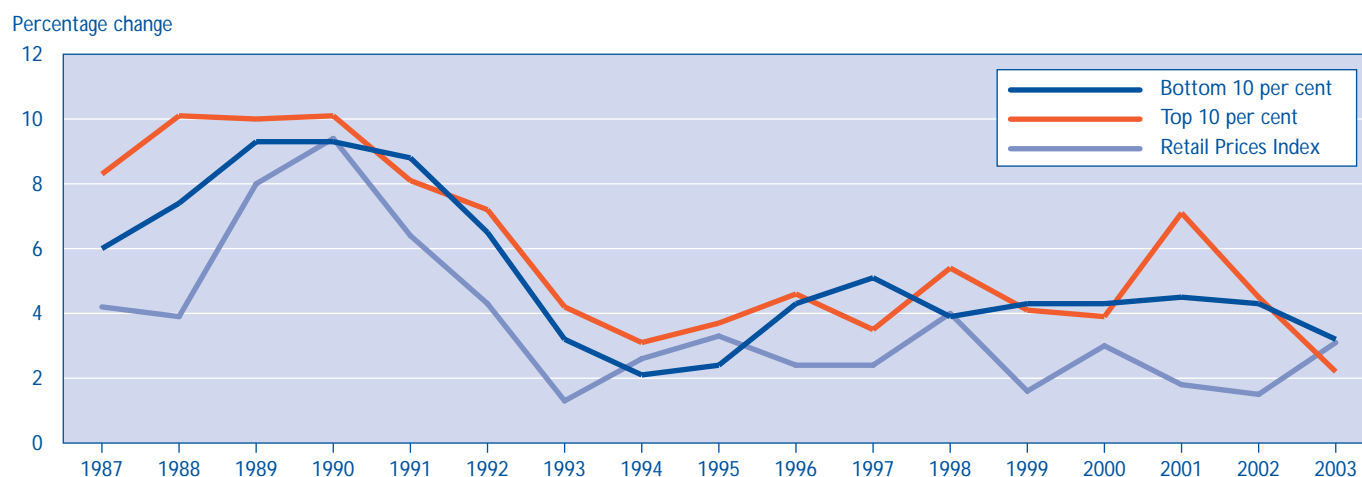
The proportion of full-time male employees working paid overtime (28.5 per cent) outstripped that for women (15.1 per cent) by a long way, although for part-

Table 3 Distribution of pay:^a Great Britain; April 2003

	Full-time			Part-time			All employees		
	Men	Women	All	Men	Women	All	Men	Women	All
Gross weekly earnings (£) including overtime pay and overtime hours									
10 per cent earned less than	243.8	202.0	222.7	39.0	44.6	43.2	199.6	77.4	104.4
25 per cent earned less than	314.1	252.7	285.8	67.7	79.8	77.2	287.2	142.5	205.9
50 per cent earned less than	431.9	338.6	394.3	113.6	126.0	124.0	409.6	248.8	327.4
25 per cent earned more than	604.6	480.0	557.9	184.1	185.7	185.3	583.9	383.9	498.9
10 per cent earned more than	854.9	634.2	770.0	307.1	276.7	280.8	828.7	556.6	700.2
Gross hourly earnings (£) excluding overtime pay and overtime hours									
10 per cent earned less than	5.83	5.30	5.60	4.26	4.47	4.42	5.50	4.74	5.00
25 per cent earned less than	7.38	6.63	7.06	4.78	5.01	5.00	7.01	5.66	6.22
50 per cent earned less than	10.24	8.92	9.68	5.89	6.09	6.06	9.87	7.64	8.67
25 per cent earned more than	15.27	12.92	14.31	8.59	8.44	8.46	14.92	11.31	13.19
10 per cent earned more than	22.32	17.90	20.61	16.70	12.85	13.35	22.02	16.28	19.26

Source: New Earnings Survey

a Employees on adult rates whose pay for the survey period was unaffected by absence.

Figure 4 Earnings growth in top and bottom deciles and changes in Retail Prices Index;^a Great Britain; 1987-2003

Source: New Earnings Survey

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

time employees the proportion of females working overtime was greater than that for men (18.9 per cent, compared with 18.0 per cent respectively).

At £54, additional payments for full-time male employees were far greater than those for women (£19).

Among the 23 per cent of full-time workers who worked paid overtime, the average weekly overtime payment was £80 for an average of 6.8 weekly overtime hours. Part-time workers saw an average weekly payment of £37 for 4.8 weekly overtime hours. A total of 14.0 per cent of full-time workers received other incentive payments, averaging £114 per week. Incentive

payments for part-time employees were £33, with 6.9 per cent of employees receiving this type of remuneration.

The distribution of earnings

Figure 3 displays the distribution of gross weekly earnings among full-time employees in the NES sample. The median level of full-time weekly earnings (the level above and below which 50 per cent of the sample fell) was £394 per week. This is considerably lower than the average (£476), since the latter is boosted by the relatively small

number of people at the top end of the distribution with extremely high earnings. At the bottom of the distribution, a tenth of employees earned less than £223 per week, whereas at the other end of the scale a tenth earned more than £770 per week (see Table 3). The ratio of the highest to the lowest decile for weekly earnings (3.5 in April 2003) gives a measure of the dispersion of weekly pay. Looking at hourly earnings excluding overtime, a similar pattern can be observed; the dispersion of hourly pay for all full-time employees was 3.7.

The top 10 per cent of part-time employees earned around £58 per week

Table 4 Levels of pay for employees^a by industrial sector; Great Britain; April 2003

Industry sector ^c	Average gross annual pay (£) ^b	Average gross weekly pay (£)	Percentage increase April 2002-April 2003	Average hourly pay excluding overtime (£)	Average total weekly hours	Average weekly overtime hours
Agriculture, hunting and forestry	17,580	335.7	-0.2	7.26	45.3	4.8
Mining and quarrying	33,392	651.9	10.3	-	-	-
Manufacturing	24,133	469.3	3.9	11.40	41.0	2.5
Electricity, gas and water supply	28,102	524.4	-0.9	13.19	39.2	2.1
Construction	25,336	484.1	4.3	11.00	43.7	3.3
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	21,637	406.7	2.0	10.00	40.5	1.3
Hotels and restaurants	16,533	307.6	3.2	7.47	40.8	0.7
Transport, storage and communication	24,067	460.3	1.3	10.78	43.1	3.9
Financial intermediation	40,292	625.3	-1.9	17.35	36.1	0.5
Real estate, renting and business activities	30,144	548.1	-0.2	13.99	39.5	1.1
Public administration and defence; compulsory social security	23,410	451.2	2.6	11.65	38.4	1.2
Education	24,008	475.0	4.3	13.27	35.8	0.6
Health and social work	22,064	439.6	3.7	11.32	38.5	1.1
Other community, social and personal service activities	24,735	490.3	6.7	12.36	39.6	1.3
All industries and services	25,170	475.8	2.4	12.03	39.6	1.6

Source: New Earnings Survey

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

b Annual earnings estimates relate to employees who have been in the same job for at least 12 months, regardless of whether or not their pay was affected by absence.

c Industries are coded according to the Standard Industrial Classification 2003.

- Data have been suppressed.

more than the bottom 10 per cent of full-time employees (£281 compared to £223 respectively). Median hourly earnings excluding overtime for part-time employees were just over 60 per cent of those for full-time workers.

In the year to April 2003 weekly earnings of full-time employees in the bottom 10 per cent of the distribution grew faster than those in the top 10 per cent (3.2 per cent and 2.2 per cent respectively). Weekly earnings of full-time employees at the bottom end of the distribution increased in line with the Retail Prices Index (RPI), which reported an increase of 3.1 per cent for the same period. *Figure 4* shows the pattern of growth in the top and bottom deciles of gross weekly earnings for full-time employees and the RPI since 1987.

Results by industry

Average weekly earnings for full-time employees in April 2003 were highest in the mining and quarrying sector at £652. This was £27 per week higher than the second highest, financial intermediation (see *Table 4*). The weekly earnings in mining are boosted

by significantly longer hours worked by employees in this sector.

Employees in the financial intermediation sector topped the list in terms of gross annual earnings. Their average of £40,292 for the 2002-03 tax year was just under two and a half times the average seen in the hotels and restaurants sector, which, as in 2002, was the lowest paid sector.

The financial intermediation sector had the highest average hourly earnings excluding overtime for full-time employees (£17.35) followed by the real estate, renting and business activities sector (£13.99).

The hotels and restaurants sector once again saw the lowest average gross weekly earnings. At £308, full-time employees' earnings were some £28 per week lower than the average for agriculture, hunting and forestry (the second lowest paid). Working longer hours than those in hotels and restaurants (45.3 compared with 40.8) boosted agricultural employees' earnings. Average hourly earnings excluding overtime were actually lower in the agricultural sector (£7.26) than in the hotel sector (£7.47). It should be

noted here that the number of hours worked in each industry will be affected by the April survey date and may not be indicative of the annual average.

At 10.3 per cent, employees in the mining and quarrying sector enjoyed the largest increase in average weekly earnings between April 2002 and April 2003. At the other end of the scale, average weekly pay in the financial intermediation sector experienced an overall decrease of 1.9 per cent. This can be accounted for by a decrease in incentive payments paid to full-time employees in the financial intermediation sector.

Average weekly earnings in services (£477) were higher than in manufacturing (£469). The manufacturing sector fared better in terms of pay increases, exceeding the average increase seen in services by 2.0 percentage points. This is due to a decrease in incentive payments paid to full-time employees in the service sector.

The gap between public and private sector earnings levels for full-time employees has narrowed in April 2003. Public sector earnings stood at £465 per

Table 5 Highest and lowest paid industry groups; Great Britain; April 2003

	SIC code ^a	Average gross weekly pay (£) ^b
Highest paid		
1 Other financial intermediation	652	798.3
2 Other computer related activities	726	768.0
3 Software consultancy and supply	722	754.1
4 Radio and television activities	922	691.3
5 Manufacture of pharmaceuticals, medicinal chemicals and botanical products	244	673.5
6 Activities auxiliary to insurance and pension funding	672	654.0
7 Manufacture of television and radio transmitters and apparatus for line telephony	322	615.1
8 Telecommunications	642	602.6
9 Mining and agglomeration of hard coal	101	601.2
10 Research and experimental development on natural sciences and engineering	731	596.9
Lowest paid		
1 Hotels	551	287.8
2 Restaurants	553	305.3
3 Growing of crops combined with farming of animals (mixed farming)	013	306.7
4 Retail sale of food, beverages and tobacco in specialised stores	522	309.8
5 Bars	554	312.5
6 Renting of personal and household goods n.e.c.	714	315.1
7 Textile weaving	172	320.8
8 Agricultural and animal husbandry service activities, except veterinary activities	014	321.2
9 Retail sale in non-specialised stores	521	321.6
10 Compulsory social security activities, except veterinary activities	753	322.8

Source: New Earnings Survey

a Industries are coded according to the Standard Industrial Classification 2003.

b Full-time employees on adult rate whose pay for the survey period was unaffected by absence.

week compared with £480 for the private sector. Public sector earnings increased more than private sector earnings (up 3.7 per cent and 1.9 per cent respectively). As in previous years, the bonus element of pay was considerably greater in the private sector. Gross weekly pay excluding bonus payments for full-time employees in the private sector grew more slowly (2.3 per cent) compared with 3.8 per cent growth in the public sector. Including part-time employees in this comparison gives growth figures of 4.5 and 1.7 per cent respectively for the public and private sectors. The closest comparison to the Average Earnings Index (see later section) takes the growth rates for all employees in the public and private sectors to 5.2 per cent and 2.4 per cent respectively.

The broad industrial groupings described above can hide substantial variation within the sectors. The scale of the NES, however, allows more detailed industrial analyses. For example, it is possible to identify the highest and lowest paid industry groups (three-digit Standard Industrial Classification 2003). Such analyses reveal that in

addition to those employees noted earlier within mining and quarrying and financial intermediation, full-time employees involved in other computer related activities (£768), software consultancy and supply (£754), and radio and television activities (£691) were among the highest paid per week in April 2003 (see *Table 5*).

Various branches of the hotel and restaurant and manufacturing sectors make up much of the ten lowest paid industries. Full-time employees employed in hotels were the lowest paid of all, with earnings of £288 per week on average. It should be noted that there were higher and lower paid industries, but there were not enough employees in the sample to produce reliable results for these industries.

Results by occupation

NES 2003 data for occupation is coded according to the Standard Occupational Classification (SOC) 2000. The SOC 2000 coding was introduced over two years, NES 2002 results being dual coded to SOC 1990 and 2000. A NES 2002 occupational

volume was released earlier this year on the SOC 2000 basis. Comparison with SOC 1990 will not be available for 2003 or future years.

As expected, with average gross weekly earnings of £748, the occupational group (as defined within SOC 2000) with the highest average weekly earnings for full-time employees was managers and senior officials, followed by professional occupations (£651 per week). Managers and senior officials also had the highest average hourly earnings excluding overtime – their £19.28 was £1.26 higher than the average seen in professional occupations, the second most highly paid group (see *Table 6*).

Again the highest paid occupational group in terms of gross annual pay was managers and senior officials. Their average of £42,164 exceeded the next highest (professional occupations) by just under £8,500. At the other end of the scale, personal service occupations earned £14,146 for the 2002-03 tax year. This group includes occupations that are generally acknowledged to be low paid such as health care assistants, leisure and travel service occupations

Table 6 Levels of pay by occupational group;^a Great Britain; April 2003

Occupational group ^c	Average gross annual pay (£) ^b	Average gross weekly pay (£)	Percentage increase April 2002-April 2003	Average hourly pay excluding overtime (£)	Average total weekly hours	Average weekly overtime hours
Managers and senior officials	42,164	747.5	2.1	19.28	39.0	0.4
Professional occupations	33,741	650.7	2.1	18.02	36.3	0.5
Associate professional and technical occupations	27,627	527.9	2.1	13.63	38.5	1.0
Administrative and secretarial occupations	17,560	338.4	4.2	8.98	37.5	0.6
Skilled trades occupations	21,060	412.4	3.7	9.43	42.6	3.3
Personal service occupations	14,146	282.9	3.2	7.18	39.2	1.6
Sales and customer service occupations	14,912	288.9	-1.7	7.41	38.8	0.9
Process, plant and machine operatives	19,113	373.8	4.4	8.15	44.8	4.7
Elementary occupations	15,824	306.0	3.9	7.01	42.6	3.4
All occupations	25,170	475.8	2.4	12.03	39.6	1.6

Source: New Earnings Survey

a Employees on adult rates whose pay for the survey period was unaffected by absence.

b Annual earnings estimates relate to employees who have been in the same job for at least 12 months, regardless of whether or not their pay was affected by absence.

c Occupations are coded according to the Standard Occupational Classification 2000.

and hairdressers.

Average full-time gross weekly earnings were also lowest among personal service occupations (£283). As far as pay increases are concerned, the highest was within process, plant and machine operatives (4.4 per cent) and administrative and secretarial occupations (4.2 per cent). Average weekly pay for full-time employees within sales and customer services decreased by 1.7 per cent. This can be attributed to changes in the sample at the bottom end of the earnings distribution within this occupational group.

Once again, plant and machine operatives worked the longest average working week. Their average of 44.8 hours (including 4.7 hours overtime) was over eight hours longer than that for professional occupations, who worked the shortest paid hours (36.2, with 0.5 hours paid overtime). However, this group includes the teaching profession, which worked relatively shorter paid hours and thereby contributed to the high level of hourly pay within the professional occupations as a whole. Additionally among the professional occupations, there may be an element of unpaid hours, which may further exacerbate the differential.

As with the industrial analyses, average hours worked for particular occupations may be affected by the

choice of survey date. Also, some occupations, particularly managerial, do not get paid overtime, and the use of paid overtime is likely to leave total hours to be underrecorded.

The 2003 survey showed directors and chief executives of major organisations topping the earnings league table of specific occupations (with average earnings of £2,301 per week). The next highest paid occupational group was medical practitioners, with average gross weekly earnings of £1,186. Retail desk and check-out operators were the lowest paid of all full-time adult employees with £208 a week (see [Table 7](#)). It should be noted that there are other high paid occupations, but there were not enough employees in the sample to produce reliable results for these occupations.

Results by region

Average gross weekly earnings for all regions stand above £400 for the first time. Weekly earnings for Wales increased by 3.7 per cent to £415 and the North East increased by 2.0 per cent to £402.

Looking at the regional picture, London tops the list in terms of regional average full-time gross weekly earnings with £637 in April 2003. This was £131 higher than the next highest, the South East, where average gross weekly

earnings were £506. London's high levels of pay are largely due to the fact that a high proportion of London's labour force is employed in higher-paying industries and occupations and also because many employees are entitled to allowances for working in the capital. Outside the South East, the East, with average weekly earnings of £476 once again fared better than all other regions, where average earnings ranged from £402 in the North East to £441 in the South West (see [Table 8](#)).

Similar patterns can be observed for gross annual pay and hourly pay excluding overtime, with London topping the list across the board followed by the South East and the East. The North East and Wales show the lowest pay levels across the regions.

Employees in the South West and East experienced the largest increase in average gross weekly earnings (both at 4.2 per cent), followed by Yorkshire and the Humber and Wales (3.7 per cent). The South East on the other hand, experienced the smallest rise (1.4 per cent). This can be attributed to a decrease in incentive payments paid to high earning full-time employees in this region. London, the West Midlands and the North East showed the next smallest rise (at 2.0 per cent).

It should be noted here that earnings comparisons take no account of different price levels between regions,

Table 7 Highest and lowest paid occupations:^a Great Britain; April 2003

	SOC 2000 code ^b	Average gross weekly pay (£)
Highest paid		
1 Directors and chief executives of major organisations	1112	2,301.2
2 Medical practitioners	2211	1,186.4
3 Financial managers and chartered secretaries	1131	1,124.2
4 Solicitors and lawyers, judges and coroners	2411	925.8
5 Marketing and sales managers	1132	888.6
6 Information and communication technology managers	1136	872.4
7 Management consultants, actuaries, economists and statisticians	2423	863.1
8 Police officers (inspectors and above)	1172	863.1
9 IT strategy and planning professionals	2131	844.4
10 Financial and accounting technicians	3537	838.1
Lowest paid		
1 Retail cashiers and check-out operators	7112	207.6
2 Launderers, dry cleaners, pressers	9234	217.6
3 Bar staff	9225	217.9
4 Waiters, waitresses	9224	218.2
5 Kitchen and catering assistants	9223	228.4
6 Hotel porters	9222	229.9
7 Hairdressers, barbers	6221	231.8
8 Animal care occupations n.e.c.	6139	232.3
9 Sewing machinists	8137	239.8
10 Shelf fillers	9251	241.5

Source: New Earnings Survey

a Full-time employees on adult rates whose pay for the survey period was unaffected by absence.
 b Occupations are coded according to the Standard Occupational Classification 2000.

Table 8 Levels of pay by government office region and country:^a Great Britain; April 2003

	Average gross annual pay (£) ^b	Average gross weekly pay (£)	Percentage increase April 2002-April 2003	Average hourly pay excluding overtime (£)	Average total weekly hours	Average weekly overtime hours
Great Britain	25,170	475.8	2.4	12.03	39.6	1.6
England	25,651	483.4	2.5	12.22	39.6	1.6
North East	20,952	402.1	2.0	10.17	39.4	1.7
North West	22,747	437.6	2.6	10.99	39.5	1.6
Yorkshire and the Humber	22,139	425.5	3.7	10.62	40.0	2.0
East Midlands	22,362	428.7	3.6	10.68	40.2	2.0
West Midlands	22,770	435.8	2.0	10.93	39.7	1.7
East	24,875	475.9	4.2	11.89	40.2	1.8
London	36,022	636.9	2.0	16.55	38.8	1.2
South East	26,669	505.6	1.4	12.76	39.7	1.4
South West	23,099	440.6	4.2	11.07	39.7	1.7
Wales	21,398	414.5	3.7	10.42	39.6	1.7
Scotland	22,660	436.8	2.3	11.01	39.6	1.7

Source: New Earnings Survey

a Full-time employees on adult rates whose pay for the survey period was unaffected by absence.
 b Annual earnings estimates relate to employees who have been in the same job for at least 12 months, regardless of whether or not their pay was affected by absence.

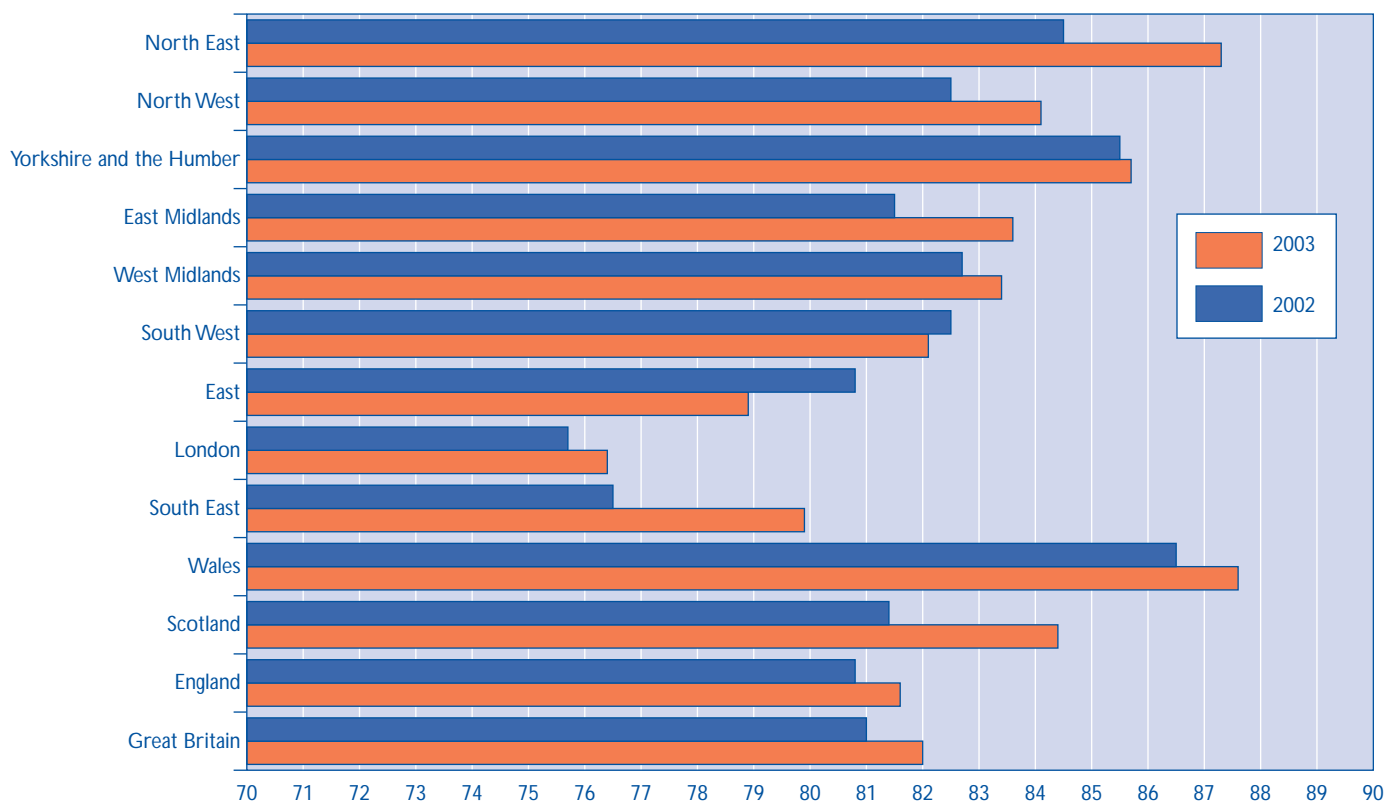
and therefore do not indicate differences in the standard of living. Neither do they take account of the different mix of occupations, and therefore cannot be used to claim that pay for like work is different. A region

could have a lower level of average earnings than another if it has a higher proportion of employees in industries or occupations with relatively lower earnings.

Looking at the regional pay

differences between the sexes, hourly earnings excluding overtime for women were 76.4 per cent of those for men in the London region. This represents the largest pay differential by sex and has narrowed by 0.7 percentage points since

Figure 5 Ratio of women's pay to men's pay^a by government office region and country; Great Britain; April 2002 and April 2003



Source: New Earnings Survey

^a Hourly earnings exclude overtime for full-time employees on adult rates whose pay for the survey period was unaffected by absence.

April 2002. The smallest pay difference can be found in Wales, where women earned 87.6 per cent of male earnings (see *Figure 5*).

The largest narrowing of the gender pay difference was in the South East (3.4 percentage points up on April 2002). The South West and East were the only regions where it widened. The largest widening was in the East (80.8 per cent to 78.9 per cent). The widening of the gap in these regions is largely the result of differences at the top end of the earnings distribution where growth for men outstripped that for women. Considering the median values of hourly earnings (excluding overtime) for men and women (that is, the value below which 50 per cent of the population's earnings lie), the gap between women's and men's pay in these regions actually narrowed between 2002 and 2003. The main occupations contributing to this effect were managers and senior officials, and

associate professional and technical occupations.

Results by age group

In 2003 the distribution of average gross weekly earnings for full-time employees climbs steadily with age to reach a maximum of £524 per week for 40 to 49-year-olds and declines thereafter. Gross annual earnings and hourly earnings excluding overtime display a similar pattern, with the peaks of £27,737 and £13.30 respectively reached in the 40-49 age group. However, looking at the average earnings of men and women separately, it can be seen that women's earnings peak earlier than those of men. Average gross weekly earnings of full-time women climb with age to reach a maximum of £439 in the 30-39 age group. Full-time women's average gross annual earnings also peak in this age group at £22,450. Full-time men's

average earnings reach their maximum in the 40-49 age group with values of £31,535 per year, £590 per week and £14.54 per hour (excluding overtime).

The largest increase between April 2002 and April 2003 was recorded among employees aged 18 to 20, whose weekly earnings increased by 3.9 per cent to £240 (see *Figure 6*).

There was little difference in the hourly working patterns of the various age groups with the exception of those employees aged 60 to 64, whose average working week of 40.9 hours was 1.7 hours longer than any other group. This age group, however, is primarily made up of men, who generally work longer hours than women.

It should be noted here that the number of young people in the NES has fallen over recent years, representing, for example, demographic decline, increasing proportions in education and exclusion of employees who earn less

Figure 6 Average gross weekly earnings in 2003 and percentage increase since April 2002 by age,^a Great Britain



Source: New Earnings Survey

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

than the tax threshold and therefore do not appear in the tax records from which the sample is drawn.

Comparisons with the Average Earnings Index

Each month ONS also collects information on earnings from the survey used to construct the Average Earnings Index (AEI). This survey asks 8,300 employers to provide information about total pay and numbers of employees, but does not ask more detailed questions about, for example, the sex and occupations of their staff. The AEI itself is used to provide an estimate of the growth in earnings per head, and is not used to produce estimates of levels of pay. It is therefore not possible to make detailed

comparisons of growth in earnings between the AEI and the NES. Further, because of the definition used to calculate the estimate of average gross weekly pay for the NES (that is, including elements of bonus/incentive pay which relate to the NES survey period but which were paid outside of the period) it is not possible to compare growth in gross earnings between the two surveys.

The closest measure that can be derived from both surveys is for gross pay excluding bonus payments. In the year to April 2003 the NES estimate of the growth in gross pay excluding bonus payments was 3.1 per cent. The comparable figure from the AEI was 3.4 per cent. For the public sector the comparable growth rates were 5.2 per cent (NES) and 5.4 per cent (AEI), and

for the private sector 2.4 per cent (NES) and 2.9 per cent (AEI).

Further information

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Technical note

The New Earnings Survey is based on a 1 per cent sample of employees in employment in Great Britain, information on whose earnings and hours is obtained in confidence from employers (a similar survey is carried out in Northern Ireland by the Department of Enterprise, Trade and Investment). Two broadly equivalent methods are used to identify the employees in the survey sample and their current employers. Around 90 per cent of the sample are identified from lists supplied by the Inland Revenue containing selected National Insurance numbers. Details of the remaining 10 per cent are obtained directly from the large organisations that employ them.

Coverage of full-time employees is virtually complete, but coverage of part-time employment is less comprehensive. The response rates were similar except for part-time men. Many of those with earnings below the income tax threshold (equivalent to £89 per week in April 2003) are excluded.

The survey does not cover the self-employed. In 2003 the information related to the pay period that included 9 April.

The earnings information collected relates to gross pay before tax, National Insurance or other deductions, and generally excludes payments in kind. It is restricted to earnings relating to the survey pay period, and so excludes 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.

Most of the NES analyses relate to employees on adult rates whose earnings for the survey pay period were not affected by absence. Thus they do not include the earnings of those who did not work a full week, and those whose earnings were reduced because of, for example, sickness and short time working. Nor do they include the earnings of young people (not on adult rates of pay).

Factors contributing to earnings growth

The increase in average earnings from one year to the next reflects several factors:

- pay settlements implemented between the April survey dates;
- changes in the amount of overtime and other payments relative to basic pay; and

- the structural effects of changes in the composition of the NES sample and the employed labour force.

Revisions to 2002 results

In line with normal practice this article contains revised estimates from the 2002 survey results published on 17 October 2002. These take account of a small number of corrections to the original 2002 data which were identified during the validation of the results for 2003. The impact on the whole economy estimate of gross weekly pay for full-time employees was less than 0.1 percentage point (or around 17p on the estimate of the average weekly pay).

Publication arrangements

National averages of earnings hide wide variations between different collective agreements, industries, occupations, regions and age groups. The six reports containing the detailed NES results for Great Britain include analyses of each of these, and are now available free of charge on the National Statistics website www.statistics.gov.uk or will shortly become available. The reports provide:

- streamlined analyses which give the principle results by major collective agreements by industry, by occupation, by age group and by region; distributions and summary analyses for broad categories of employees; and a description of the NES, published on 16 October 2003;
- results for regions, counties and small areas, published on 31 October 2003;
- results by occupation, published on 13 November 2003;
- results by industry, published on 27 November 2003;
- results by wage negotiating groups and pension categories, published on 12 December 2003; and
- results by age group, hours and for part-time employees, published on 12 December 2003.

A further report including results for the UK will be published on 19 December.