



30 November 2005

AMENDMENT

2005 Annual Survey of Hours and Earnings

Errors have been identified in the 2005 estimates of the Annual Survey of Hours and Earnings, originally published on 10 November. All statistics which are published for employee jobs paid at the adult rate have been recalculated following the discovery of some errors in identifying employees paid at this rate. Although the revisions to UK statistics are small, the impact is greater on the figures for Scotland.

A corrected version of the First Release is attached.

The accompanying tables released on the National Statistics website on 10 November will be reissued on Friday 9 December. More detailed tables and the Patterns of Pay article, originally scheduled for release on 2 December, will be published on the website in the first half of January 2006.

ONS apologises for these errors.

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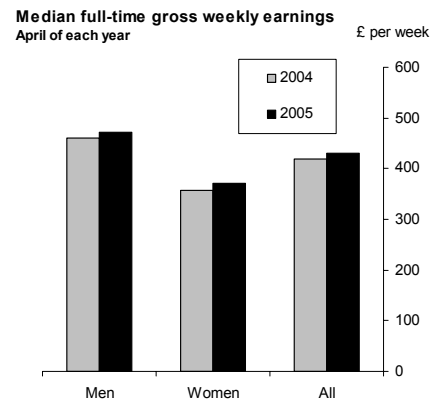
30 November 2005

Coverage
United Kingdom
Theme
Labour Market

2005 Annual Survey of Hours and Earnings

In April 2005 median gross weekly earnings were £431, up 2.8 per cent from £420 in 2004, for full-time employee jobs on adult rates whose earnings were not affected by absence.

Median full-time earnings for men on adult rates whose earnings were not affected by absence were £471, up 2.4 per cent, compared to £372 for women, up 4.2 per cent.



Median gross weekly earnings for all employee jobs were £337, up 3.0 per cent from £327 in 2004.

Between 2004 and 2005 the weekly earnings for full-time employees of the bottom ten per cent grew by 2.1 per cent compared to a growth of 4.3 per cent for the top ten per cent.

Median gross hourly earnings excluding overtime were £10.69, up by 3.2 per cent from £10.36 in 2004 for full-time employee jobs on adult rates whose earnings were not affected by absence.

Excluding overtime, the median hourly earnings of full-time men were £11.31, an increase of 3.1 per cent, compared to £9.84 for women, an increase of 4.9 per cent. The stronger growth in full-time women's hourly earnings excluding overtime compared to men's has meant that the gender pay gap has reduced to 13.0 per cent, down from 14.5 in 2004.

International comparisons use the mean earnings rather than the median (see Background Note 3). On this basis, the mean full-time hourly earnings excluding overtime, the gender pay gap narrowed 0.7 per cent from 17.8 per cent in 2004 to 17.1 per cent in 2005.

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Weekly earnings

Men's median full-time earnings increased by 2.4 per cent in the year to April 2005, compared with the higher growth of 4.2 per cent for women. Men's and women's median full-time earnings excluding overtime increased by 3.0 and 4.7 per cent respectively in the year to April 2005.

Part-time weekly median earnings were £131, up by only 1.1 per cent. The weaker growth is caused by a fall in part-time hours and partially by a fall in overtime earnings.

Median gross weekly earnings

	Employee jobs paid at adult rates and not affected by absence			All employee jobs
	Full-time	Part-time	All	
<i>£ per week</i>				
April 2005				
Men	471.5	120.8	440.1	425.0
Women	371.8	133.6	267.8	257.9
All	431.2	131.1	349.6	337.0
April 2004				
Men	460.2	120.4	434.9	414.1
Women	356.7	131.3	259.1	245.3
All	419.5	129.7	345.5	327.2
Per cent change				
Men	2.4	0.3	1.2	2.6
Women	4.2	1.8	3.3	5.1
All	2.8	1.1	1.2	3.0

Annual Earnings

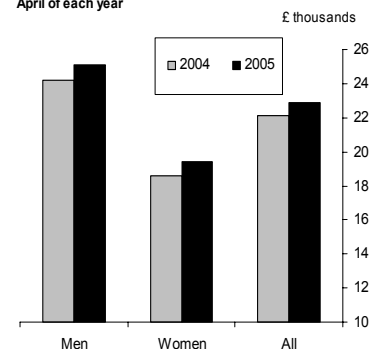
For the tax year ending 5 April 2005, the median gross annual earnings for full-time men were £25,100, up 3.5 per cent from £24,200 in 2004 and £19,400 for full-time women, up 4.8 per cent from £18,600.

Median gross annual earnings for full-time employees

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

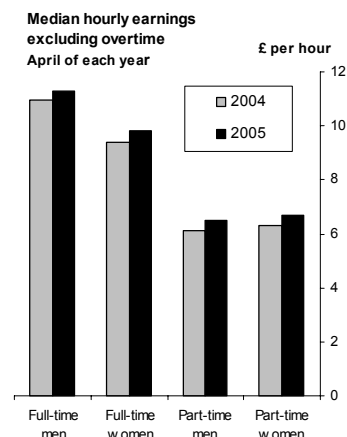
	Men	Women	All
<i>£ thousands</i>			
April 2005	25.1	19.4	22.9
April 2004	24.2	18.6	22.1
Per cent change	3.5	4.8	3.8

Median gross annual earnings
April of each year



Hourly earnings

Excluding overtime, median gross hourly earnings of full-time employees on adult rates whose earnings were not affected by absence was £10.69 per hour in April 2005, up 3.2 per cent on 2004. Excluding overtime, the median hourly earnings of full-time men increased by 3.1 per cent, compared with 4.9 per cent for women.



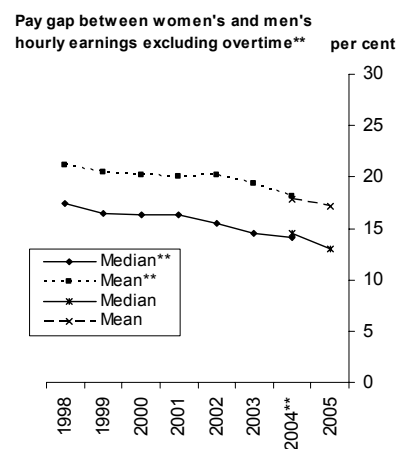
Median gross hourly earnings, excluding overtime

Employees on adult rates, whose pay was unaffected by absence

	Full-time	Part-time	All
<i>£ per hour</i>			
April 2005			
Men	11.31	6.50	10.78
Women	9.84	6.67	8.33
All	10.69	6.64	9.48
April 2004			
Men	10.97	6.14	10.54
Women	9.38	6.31	7.93
All	10.36	6.28	9.18
Per cent change			
Men	3.1	5.8	2.3
Women	4.9	5.7	5.0
All	3.2	5.7	3.3

The gender pay gap

The stronger growth in full-time women's hourly earnings excluding overtime compared with men's has meant that the gender pay gap has reduced to 13.0 per cent, down from 14.5 in 2004. This represents a narrowing by 1.5 per cent. The gap also narrowed by 0.7 per cent when measured using the mean full-time hourly earnings excluding overtime, from 17.8 per cent in 2004 to 17.1 per cent in 2005. This was partially due to an increase in the proportion of women working in higher paid occupations.



** 1998-2004 exclude supplementary information

The gender pay gap for hourly earnings excluding overtime

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

	Hourly earnings excluding overtime				Pay gap women/men	
	Men		Women		Median	Mean
	Median	Mean	Median	Mean		
1998	8.74	10.65	7.22	8.39	17.4	21.2
1999	9.07	11.10	7.58	8.83	16.4	20.5
2000	9.35	11.53	7.83	9.20	16.3	20.2
2001	9.84	12.24	8.23	9.79	16.4	20.0
2002	10.26	12.92	8.67	10.32	15.5	20.1
2003	10.58	13.28	9.04	10.70	14.6	19.4
2004**	11.09	13.76	9.53	11.27	14.1	18.1
2004	10.97	13.53	9.38	11.12	14.5	17.8
2005	11.31	14.08	9.84	11.67	13.0	17.1

** Results for 2004 and earlier exclude supplementary surveys

It should be noted that the adjustments to the 2004 data have caused a change to the estimate based on the mean, from 18.1 to 17.8, due mainly to the exclusion of incentive/bonus pay paid outside of the April pay period, see background note 4.

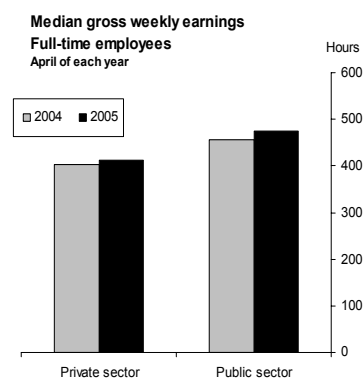
Public and private sector pay

The median gross weekly pay of full-time employees in the private sector was £412 in 2005, up 2.2 per cent on 2004. For the public sector the comparable figure was £476, up 4.2 per cent.

Median gross weekly earnings for full-time employees

Employees on adult rates, whose pay was unaffected by absence

	Private sector	Public sector
<i>£ per week</i>		
April 2005	412.0	475.7
April 2004	403.1	456.4
Per cent change	2.2	4.2



Total weekly and overtime hours

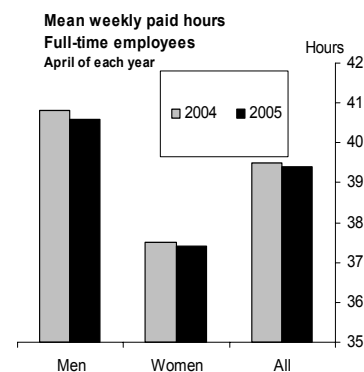
Mean total weekly hours of full-timers was 39.4 hours in April 2005.

Mean part-time hours were 18.6 hours in April 2005.

Mean weekly paid hours of work

Employees on adult rates, whose pay was unaffected by absence

		Full-time	Part-time	All
<i>Hours per week</i>				
April 2005				
	Men	40.6	18.1	38.1
	Women	37.4	18.7	29.5
	All	39.4	18.6	33.8
April 2004				
	Men	40.8	18.7	38.8
	Women	37.5	19.4	29.9
	All	39.5	19.3	34.5

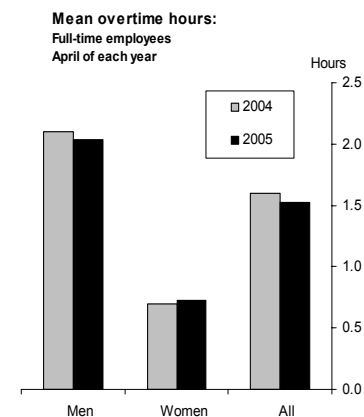


The proportion of full-time employees working overtime in 2005 was 23.9 per cent, virtually unchanged on the 24.0 per cent in 2004. The mean number of overtime hours was 1.5 in 2005, down slightly from 1.6 in 2004. The proportion of full-time men working overtime has fallen to 28.8 per cent while for women it has increased to 16.3 per cent.

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

Employees on adult rates, whose pay was unaffected by absence

	Full-time		Part time	
	Per cent	Hours	Per cent	Hours
April 2005				
Men	28.8	2.0	22.3	1.4
Women	16.3	0.7	20.7	0.9
All	23.9	1.5	21.0	1.0
April 2004				
Men	29.2	2.1	21.0	1.6
Women	15.7	0.7	19.5	0.9
All	24.0	1.6	19.7	1.1



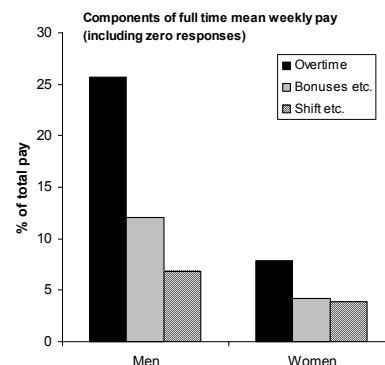
The make-up of earnings

Additional payments accounted for 6 per cent of mean full-time gross weekly earnings in April 2005. For male employees additional earnings accounted for 8 per cent of mean total weekly earnings compared with 4 per cent for women.

Components of full-time mean weekly earnings

Employees on adult rates, whose pay was unaffected by absence

	Gross Pay	All other pay	Mean (including zero responses)		
			Overtime	Bonuses/ Commission	Shift etc
<i>£ per week</i>					
April 2005					
Men	569.0	524.4	25.7	12.0	6.8
Women	436.1	420.1	7.9	4.2	3.9
All	517.0	483.6	18.8	9.0	5.7



Distribution of weekly earnings, including overtime

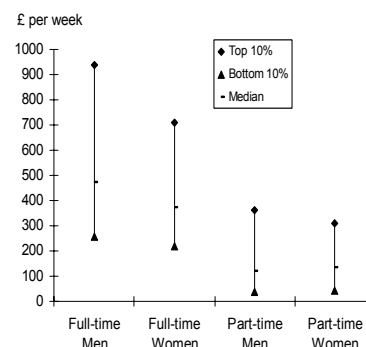
Between 2004 and 2005 the weekly earnings of the bottom ten per cent grew by 2.1 per cent compared with a growth of 4.3 per cent for the top ten per cent, for full-time employees. The weekly earnings of the top ten per cent of full-time employees was 197 per cent of the median while for the bottom ten per cent it was 55 per cent of the median.

Distribution of gross weekly earnings

Employees on adult rates, whose pay was unaffected by absence

	Full-time	Part-time	All
Men			
10 per cent earned less than	255.6	40.0	194.0
25 per cent earned less than	335.5	73.3	297.8
50 per cent earned less than	471.5	120.8	440.1
25 per cent earned more than	666.6	202.5	636.6
10 per cent earned more than	939.8	360.7	903.4
Women			
10 per cent earned less than	217.0	45.0	80.0
25 per cent earned less than	271.7	82.6	151.2
50 per cent earned less than	371.8	133.6	267.8
25 per cent earned more than	533.4	201.3	423.2
10 per cent earned more than	707.6	309.1	613.5
Men and women			
10 per cent earned less than	235.2	43.8	104.6
25 per cent earned less than	305.4	80.3	212.5
50 per cent earned less than	431.2	131.1	349.6
25 per cent earned more than	612.3	201.5	540.2
10 per cent earned more than	850.6	316.7	766.6

Distribution of gross weekly earnings



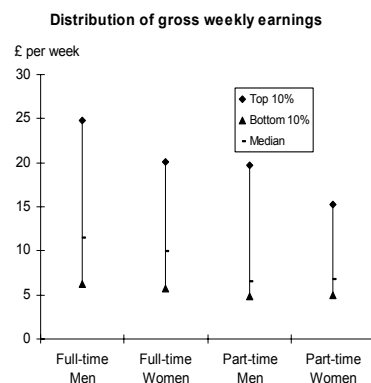
Distribution of hourly earnings, including overtime

Hourly earnings of the top ten per cent were 3.8 times those of the bottom ten per cent for full-timers and 3.3 times those of the bottom ten per cent for part-timers. Full-time male median earnings were £11.44, 2.9 per cent higher than in 2004; for women full-time median earnings were £9.86, up 4.7 per cent.

Distribution of gross hourly earnings, including overtime

Employees on adult rates, whose pay was unaffected by absence

	Full-time	Part-time	All
Men			
10 per cent earned less than	6.27	4.85	5.78
25 per cent earned less than	8.08	5.24	7.58
50 per cent earned less than	11.44	6.51	10.92
25 per cent earned more than	16.90	10.41	16.49
10 per cent earned more than	24.77	19.76	24.32
Women			
10 per cent earned less than	5.72	4.91	5.13
25 per cent earned less than	7.17	5.45	6.09
50 per cent earned less than	9.86	6.70	8.35
25 per cent earned more than	14.49	9.57	12.80
10 per cent earned more than	20.04	15.28	18.49
Men and women			
10 per cent earned less than	6.00	4.88	5.35
25 per cent earned less than	7.68	5.40	6.70
50 per cent earned less than	10.79	6.67	9.56
25 per cent earned more than	15.92	9.72	14.69
10 per cent earned more than	22.87	16.04	21.39



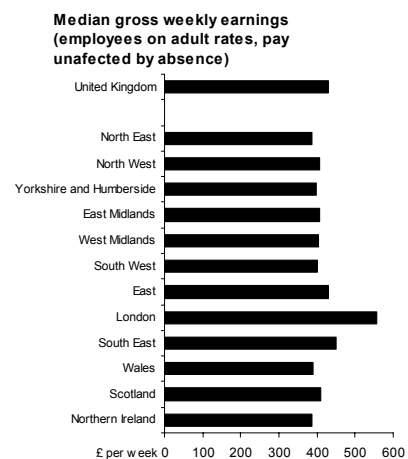
Distribution of regional earnings

In April 2005, gross weekly earnings were highest in London at £556 (29 per cent higher than the national median) and lowest in the North East at £386 (10 per cent lower than the national median).

Median gross weekly earnings by government office region

Employees on adult rates, whose pay was unaffected by absence

£ per week	Full-time		All
	Men	Women	
United Kingdom	471.5	371.8	431.2
North East	424.2	330.6	385.5
North West	446.7	350.0	407.2
Yorkshire and Humberside	435.2	339.8	399.3
East Midlands	450.0	334.8	406.7
West Midlands	440.8	345.0	402.5
South West	443.8	340.2	401.0
East	476.8	356.7	428.7
London	619.9	491.8	555.8
South East	497.3	383.3	450.0
Wales	425.7	334.8	389.9
Scotland	446.0	361.0	409.6
Northern Ireland	409.5	355.8	387.0



BACKGROUND NOTES

1. This release contains summary results from the 2005 survey. More detailed information is available on the National Statistics web site at:
www.statistics.gov.uk/StatBase/Product.asp?vlnk=13101

Survey details

2. The Annual Survey of Hours and Earnings (ASHE) is based on a 1 per cent sample of employee jobs. Information on earnings and hours is obtained in confidence from employers. It does not cover the self-employed nor does it cover employees not paid during the reference period. In 2005 information related to the pay period which included 6 April.
3. ASHE replaces the New Earnings Survey (NES) as ONS' main source for information on the distribution of earnings. Articles describing the ASHE methodology and the impact on data for 1998 to 2004 are available on the National Statistics web site. The differences between ASHE and NES are:
 - ASHE results are weighted to the number of jobs given by the Labour Force Survey.
 - ASHE imputes for item non-response.
 - The coverage of employees for ASHE extends that of the NES.
 - The median replaces the mean as the headline statistic. The median is the value below which 50 per cent of employees fall. It is preferred over the mean for earnings data as it is influenced less by extreme values and because of the skewed distribution of earnings data.
4. A new questionnaire was introduced for the 2005 survey. Changes to the wording and content have impacted on the results causing a discontinuity between 2004 and 2005. The 2004 results in this release have been adjusted to allow for comparison to the 2005 results. For details see:
www.statistics.gov.uk/cci/article.asp?id=1299

In particular it should be noted that the definition of incentive/bonus pay has changed for 2005 to only include payments that were paid and earned in April. This brings the definition more in line with that used for the Average Earnings Index. Results for 2004 have been recompiled to exclude irregular bonus/incentive payments to bring them on to a consistent basis with 2005 results.

5. Since the 2004 survey supplementary information has been collected in order to improve coverage and hence make the survey more representative. This includes information on businesses not registered for VAT and for people who changed or started new jobs between sample selection and the survey reference period. The ASHE results since 2004 are therefore discontinuous with earlier results. However, for 2004 two sets of results are available; the first include supplementary information and the second exclude this information. These second set of results are available on the National Statistics web site for comparison with earlier results. In this release all comparisons are between the 2005 and 2004 data that include supplementary information.
6. 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.
7. For particular groups of employees, changes in median earnings between successive surveys may be affected by changes in the timing of pay settlements, in some cases reflecting more than one settlement and in some others no settlement at all.
8. Most of the published ASHE analyses relate to full-time employees on adult rates whose earnings for the survey pay period were not affected by absence. They do not include the earnings of those who did not work a full week, and whose earnings were reduced because of sickness, short time working, etc. Also they do not include the earnings of employees not on adult rates of pay, most of whom will be young people. Some 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 hours per week or those in teaching professions working 25 hours or more per week.
9. Various methods can be used to measure the earnings of women relative to men. ONS prefers to use hourly earnings excluding overtime: including overtime can distort the picture as men work relatively more overtime than women. Although median and mean hourly pay excluding overtime provide useful comparisons of men's and women's earnings, they do not reveal differences in rates of pay for comparable jobs. This is because such measures do not allow for the different employment characteristics of men and women, such as the proportion in different occupations and their length of time in jobs.

10. The coefficients of variation (the standard deviation of the estimate divided by the estimate itself) for 2005 ASHE estimates are shown in the table below.

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

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

Revisions to 2004 results

11. In line with normal practice this release contains revised estimates from the 2004 survey results published on 28th October 2004. In addition to being adjusted to allow comparison with 2005 results, these also take account of a small number of corrections to the original 2004 data that were identified during the validation of the results for 2005.

Other earnings information

12. The monthly Average Earnings Index, based on the Wages and Salaries Survey of 8,300 employers, provides information on changes in mean earnings for broad industrial sectors. No information is available on occupation, hours worked, and other characteristics of the workforce.
13. The Labour Force Survey collects information on the earnings and hours worked of about 20,000 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 dispersion of earnings similar to the ASHE but with lower precision due to the much smaller sample size.
14. Details of the policy governing the release of new data are available from the press office. Also available is a list of the names of those given pre-publication access to the contents of this release.
15. **National Statistics** are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from political interference. © Crown copyright 2005.