

12 November 2009

Coverage
United Kingdom

Theme
Labour Market

Gender pay gap narrows between 2008 and 2009

The gender pay gap was smaller in April 2009 than in April 2008 on all three measures, according to the Annual Survey of Hours and Earnings. The 2009 gender pay gap for full-time employees is 12.2 per cent, down from 12.6 per cent in 2008, comparing median hourly earnings excluding overtime. For part-time employees the gap is -2.0 per cent (the figure for women is 2.0 per cent higher than the figure for men) compared with -3.7 per cent in 2008. The gender pay gap for all employees has decreased to 22.0 per cent from 22.5 per cent in 2008.

In April 2009 median hourly rates for men were £12.97 for full-timers, £7.71 for part-timers and £12.42 for all employees. For women, hourly rates were £11.39 for full-timers, £7.86 for part-timers and £9.68 for all employees.

ONS recently reviewed the way it presents gender pay statistics. The review concluded that there was no single measure which adequately dealt with the complex issue of measuring the differences in men's and women's pay. It now highlights the following measures:

- all female employees' median pay compared with all male employees' median pay
- female full-time employees' median pay compared with male full-time employees' median pay
- female part-time employees' median pay compared with male part-time employees' median pay

Issued by

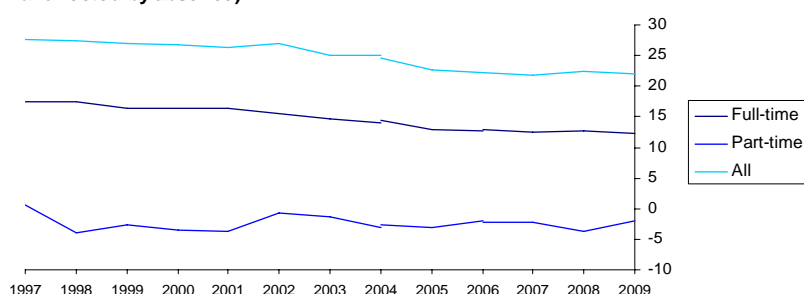
Office for National Statistics
Government Buildings
Cardiff Road
Newport
NP10 8XG

Contact

Media Office 0845 604 1858
Media office on-call 07867 906553

www.statistics.gov.uk

Pay difference between women's and men's median hourly earnings excluding overtime (Employees on adult rates, pay unaffected by absence)



The table below shows median hourly earnings excluding overtime for men and women from 1997 to 2009. Associated gender pay gap figures are also shown.

1997 - 2009 Median hourly earnings, excluding overtime, and gender pay difference

Employees on adult rates, pay unaffected by absence.

| Year | Hourly earnings excluding overtime | | | | | | Pay gap (Women/Men) | | |
|--------|------------------------------------|-----------|-------|-----------|-----------|------|---------------------|-----------|------|
| | Men | | | Women | | | Full-time | Part-time | All |
| | Full-time | Part-time | All | Full-time | Part-time | All | | | |
| 1997 | 8.40 | 4.78 | 8.17 | 6.94 | 4.75 | 5.92 | 17.4 | 0.6 | 27.5 |
| 1998 | 8.74 | 4.70 | 8.49 | 7.22 | 4.89 | 6.17 | 17.4 | -4.0 | 27.3 |
| 1999 | 9.07 | 4.97 | 8.81 | 7.58 | 5.10 | 6.43 | 16.4 | -2.6 | 26.9 |
| 2000 | 9.35 | 5.08 | 9.06 | 7.83 | 5.26 | 6.64 | 16.3 | -3.5 | 26.7 |
| 2001 | 9.83 | 5.30 | 9.48 | 8.23 | 5.50 | 6.98 | 16.4 | -3.7 | 26.3 |
| 2002 | 10.26 | 5.68 | 9.92 | 8.67 | 5.71 | 7.25 | 15.5 | -0.6 | 26.9 |
| 2003 | 10.58 | 6.00 | 10.21 | 9.04 | 6.08 | 7.65 | 14.6 | -1.3 | 25.1 |
| 2004 | 11.09 | 6.16 | 10.67 | 9.53 | 6.34 | 8.00 | 14.1 | -3.0 | 25.0 |
| 2004* | 10.96 | 6.16 | 10.54 | 9.37 | 6.32 | 7.94 | 14.5 | -2.6 | 24.7 |
| 2005 | 11.29 | 6.53 | 10.77 | 9.82 | 6.73 | 8.33 | 13.0 | -3.0 | 22.6 |
| 2006 | 11.71 | 6.87 | 11.20 | 10.23 | 7.01 | 8.71 | 12.6 | -2.1 | 22.3 |
| 2006** | 11.64 | 6.86 | 11.15 | 10.14 | 7.01 | 8.67 | 12.8 | -2.2 | 22.2 |
| 2007 | 11.97 | 7.12 | 11.48 | 10.48 | 7.28 | 8.97 | 12.5 | -2.2 | 21.9 |
| 2008 | 12.50 | 7.25 | 11.97 | 10.92 | 7.51 | 9.28 | 12.6 | -3.7 | 22.5 |
| 2009 | 12.97 | 7.71 | 12.42 | 11.39 | 7.86 | 9.68 | 12.2 | -2.0 | 22.0 |

* Results for 2004 and earlier exclude supplementary surveys

** In 2006 a number of methodological improvements were made to the survey design.

The figures show that the gender pay gap has fallen by around five percentage points for the full-time employees and all employees measures from 1997 to 2009. The gender pay gap for part-time employees has remained at a similar level over the years, with women earning more than men when the median is used.

BACKGROUND NOTES

1. This bulletin contains provisional results from the 2009 survey and revised results from the 2008 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 one per cent sample of employee jobs taken from HM Revenue & Customs (HMRC) 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 2009 information related to the pay period which included 22 April.

Basic quality information

Key issues specific to this release

3. In 2009 the one per cent sample of employees whose employers had registered PAYE schemes was restored, following two years in which the sample size was reduced by 20 per cent.

Link to Summary Quality Report

4. A Summary Quality Report for the 2009 survey can be found at
<http://www.ons.gov.uk/about-statistics/methodology-and-quality/quality/qual-info-economic-social-and-bus-stats/quality-reports-for-business-statistics/index.html>

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.

Common pitfalls in interpreting the series

5. The headline statistics for ASHE are based on the median rather than the mean. The median is the value below which 50 per cent 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 difference are for hourly earnings excluding overtime. The gender pay difference is calculated as:

$$\frac{(\text{Men's pay} - \text{women's pay})}{\text{Men's pay}} \times 100.$$

Men's pay

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.

Relevance

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 others no settlement at all.
8. The figures presented in this bulletin are for full-time, part-time and all (full-time + part-time) employees. 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.

Accuracy

Revisions

9. In line with normal practice this release contains revised estimates from the 2008 survey results which were published on 14 November 2008. These results take account of some corrections to the original 2008 data that were identified during the validation of the results for 2009, as well as late returns.

Both the 2009 ASHE results and the revised estimates for 2008 ASHE will be made available from 12 November 2009.

Coefficient of variation

10. The coefficient of variation (cv) is the ratio of the standard error of an estimate to the estimate, expressed as a percentage. The smaller the cv, the higher the quality of the estimate.

The coefficients of variation for 2009 ASHE estimates are shown in the table overleaf:

Coefficients of variation for estimates of median hourly earnings excluding overtime

| | Full-time | Part-time | All |
|-------|-----------|-----------|-----|
| Men | 0.2 | 1.0 | 0.2 |
| Women | 0.4 | 0.4 | 0.2 |

Response

11. The 2009 ASHE is based on approximately 177,000 returns.

Coherence

12. 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.

Notes on tables

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

Publication policy

14. Details of the policy governing the release of new data are available from the media office. Also available is a list of the names of those given prepublication access to the contents of this release.
15. **National Statistics** are produced to high professional standards set out in the Code of Practice for Official Statistics. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from political interference. © Crown copyright 2009.