

ANNUAL SURVEY OF HOURS AND EARNINGS (ASHE) 2005

The Annual Survey of Hours and Earnings (ASHE) provides the most detailed breakdown on earnings available and is widely used by negotiators. It records earnings of employees in the UK in April of each year, and provides vital information for negotiators on the earnings of employees, broken down by gender, age, industry, occupation and region. The survey is based on a 1% sample of employees who are members of PAYE income tax schemes, plus additional surveys for those earning less than the PAYE threshold, and is designed to represent all categories of employees in organisations of all kinds and sizes.

This factsheet provides a summary of the main results of the 2005 ASHE, including the revised low pay thresholds.

Unless otherwise stated all figures include overtime pay and other allowances, and cover adult employees whose pay was not affected by absence.

The Annual Survey of Hours and Earnings is free to all and you can access them by going to www.statistics.gov.uk, then 'Virtual Bookshelf' and then 'Labour Market', or directly to <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=13101>.

ASHE REPLACES NES

ASHE replaced the New Earnings Survey (NES) in 2004 as the principal government survey of pay and working time. The NES was designed to meet the policy needs of the 1970's and has changed little over the past thirty years. ASHE gathers similar information to the NES but has been refined to be more accurate and gather data on low paid workers. Its results are weighted; people who earn less than the Pay As You Earn (PAYE) threshold are included; a compensation factor for 'non-response' to the survey is included; and the questionnaire is being redesigned for 2005 when it will include new areas such as pensions.

In ASHE, the Office for National Statistics (ONS) prefer to use the median figure when looking at pay (the figure below which half of people are paid), rather than the mean average. This is because it gives a better measure of 'typical' pay as very high or low values have less effect on it. However the current standard was set as the mean average by the NES, and it takes account of the relatively small number of highly paid (predominantly) men. Therefore this factsheet concentrates on the mean average figures.

THE GENDER PAY GAP

The main figure used to measure the gender pay gap in the UK and internationally, is comparing **median**¹ hourly rates for full-time men and women, excluding overtime. This shows that in 2005 women earned 87% of what men earn. Women's hourly full-time earnings excluding overtime grew faster than men's in 2005, narrowing the gender pay gap to 13% from 14.5% in 2004.

¹ The median is the midpoint in the distribution of earnings, meaning that 50% earn more than this amount and 50% earn less.

The gender pay gap also narrowed when measured using the statistical **mean**². Women's average (mean) hourly earnings excluding overtime were 82.9% of men's in 2005, up from 82.2% in 2004.

ANNUAL EARNINGS

- Median annual earnings of all full time employees in the ASHE sample - male and female - stood at £22,900 for the tax year ending April 2005.
- For full-time women the average annual earnings total was £19,400, 13% less than for full-time men who earned £25,100 on average.

WEEKLY EARNINGS

- Median gross weekly earnings of all full-time adult employees (not affected by absence) were £431.20 a week in April 2005. This is 2.8% higher than April 2004.
- Median gross weekly earnings of part-time workers stood at £131.10. This is only 1.1% higher than 2004.
- Women's full-time earnings increased by 4.24% in the year to April 2005, compared with a 2.4% rise in men's earnings.
- Median gross weekly earnings for all employees not affected by absence, including both full- and part-time workers, stood at £337.00 in April 2005. This rose 3% since April 2003.

Median gross weekly earnings

Full time employees on adult rates whose pay was not affected by absence

	Full Time		Part Time		All	
	£	% increase	£	% increase	£	% increase
Male	471.50	2.4%	120.80	0.3%	440.10	1.2%
Female	371.80	4.2%	133.60	1.8%	267.80	3.3%
All	431.20	2.8%	131.10	1.1%	349.60	1.2%

HOURLY EARNINGS

- Median gross hourly earnings of full-time adult employees, excluding overtime pay and hours, increased by 3.2% to reach £10.69 an hour.
- Following the trend of the last few years, the hourly earnings of part-timers climbed faster than those of full time workers overall. Part-time hourly earnings (excluding overtime) rose by 5.7% to £6.64.

² The mean is calculated by adding up all the earnings figures and dividing the sum by the number of people in the survey. The mean tends to be distorted by the inclusion of particularly high or low numbers, which is why the Office of National Statistics prefers to use the median to describe average earnings in ASHE.

**Median gross hourly earnings (excluding overtime pay and hours)
Employees on adult rates whose pay was not affected by absence**

	Full Time		Part Time		All	
	£	% increase	£	% increase	£	% increase
Male	11.31	3.1%	6.50	5.8%	10.78	2.3%
Female	9.84	4.9%	6.67	5.7%	8.33	5.0%
All	10.69	3.2%	6.64	5.7%	9.48	3.3%

EARNINGS BY SECTOR AND INDUSTRY

Sectoral results are grouped as public sector, private sector or 'not classified'. Public sector includes police and fire authorities; and most state schools. Universities, Further Education Colleges, and most charities are in the private sector. Results by industry cross public and private sectors.

For all employees the **mean** average of private sector earnings tends to be higher in the private sector. This is because there are more highly paid employees in the private sector who pull up the average. But earnings in the public sector are higher when measured by the median. In the year to April 2005 median gross weekly earnings rose by 4.2% in the public sector to stand at £475.70, and by 2.2% in the private sector to £412.00.

Earnings by standard industry classification (SIC)

Median gross earnings by SIC, current official figures- weekly *			
	Men £pw	Women £pw	All £pw
Sector			
Agriculture, hunting and forestry	334.9	256.1	321.9
Mining and quarrying	523.4	404.0	510.3
Manufacturing	460.0	336.0	434.1
Electricity, gas and water supply	566.5	415.4	542.6
Construction	479.1	345.2	465.6
Wholesale and retail	386.3	283.5	345.0
Hotels and restaurants	295.8	245.4	271.3
Transport, storage and communication	453.8	372.3	439.0
Financial intermediation	670.0	389.2	513.7
Real estate, renting and business activities	533.6	388.1	477.2
Public administration and defence	539.2	395.5	479.2
Education	527.0	453.5	487.0
Health and social work	504.2	387.4	415.0
Other community, social and personal service activities	417.3	343.3	383.0
Public sector	522.2	435.4	475.1
Private sector	458.5	327.7	413.1
Whole economy	471.9	370.4	431.3

* Total gross earnings by standard industry classification (SIC). Full-time adult employees whose pay during the survey period was not affected by absence. Source: Annual Survey of Hours and Earnings 2005, National Statistics (www.statistics.gov.uk).

Earnings by sector

Median gross weekly earnings Full time employees on adult rates whose pay was not affected by absence		
Sector	Median weekly earnings	Increase in gross weekly earnings
Public sector	475.50	4.2%
Private sector	403.10	2.2%

HOURS

- The average total weekly hours worked by full-time adult employees was 39.4, (including 1.5 hours overtime) in the year to April 2005, down .02 hours on the previous year. The average basic working week without overtime was 37.9 hours.
- Average part-time working hours were 18.6 a week, with men working an average of 18.1 hours a week and women an average of 18.7.
- For full-time men the average working week was 40.6 hours, and for full-time women it was 37.4 hours.
- Full-time male employees worked an average of 2.0 hours overtime a week, earning an average of £25.70 in additional earnings. Full-time female employees worked 0.7 hours, averaging £7.90 in overtime pay.
- 23.9% of all full-time employees worked overtime in 2005. The proportion of full-time men working overtime fell to 28.8%, while for women the figure rose to 16.3%.
- In the year to 1 April 2004 part-time employees did an average of 1.0 hour of overtime a week.

DISTRIBUTION OF WEEKLY EARNINGS

- Between 2004 and 2005 the weekly earnings of the lowest paid 10% grew more slowly than the earnings of the best paid. Weekly earnings of the lowest paid 10% increased by 2.1%, compared with 4.3% for those of the best paid 10%.
- Median weekly earnings for all full-time employees were £431.20 per week. Half of all full-time employees earned more than this amount and half earned less.

Distribution of gross weekly earnings

Full time employees on adult rates whose pay was not affected by absence (£ / week)

	Top 10%		Median		Bottom 10%	
	£	% change	£	% change	£	% change
Male	939.8	2.71%	471.5	2.06%	255.6	1.51%
Female	707.6	4.43%	371.8	3.85%	217.0	3.33%
All	850.6	3.07%	431.2	2.16%	235.2	2.13%

DISTRIBUTION OF HOURLY EARNINGS

- The hourly earnings of the top 10% of earners were nearly four times those of the bottom 10% of earners for full-timers. The bottom 10% earned £6.00, while the top 10% of earners were paid £22.87 per hour.
- Part-time workers get paid less. The bottom 10% of part-time employees were paid £4.88 an hour, and half earned less than £6.67 an hour, whereas half of full-time workers got more than £10.79 an hour.

REGIONAL VARIATIONS

- Full time gross weekly earnings were highest in London at £556 a week, which was 29% higher than the national median. The next best paid region was the South East with average earnings of £450.00 a week, followed by East of England with £428.70.
- The North East had the lowest average earnings in the country at £385.50 a week (10% lower than the national median), followed by Northern Ireland at £387.00.
- Median weekly earnings for the whole of the United Kingdom were £431.20. Average earnings for Great Britain were £432.20, compared with £389.90 in Wales, £409.60 in Scotland and £387.00 in Northern Ireland.

Full time employees on adult rates	Median weekly earnings £
UK	431.2
Great Britain	432.2
East	428.7
East Midlands	406.7
London	555.8
North East	385.5
North West	407.2
Northern Ireland	387.0
Scotland	409.6
South East	450.0
South West	401.0
Wales	389.9
West Midlands	402.5
Yorkshire and Humberside	399.3

The largest regional gender differentials were in two regions - the East Midlands and the South East, where women's hourly earnings excluding overtime are 84.2% of men's. These were closely followed by the East, where a differential of 84.4% was recorded.

At the opposite end of the scale, Northern Ireland reported figures approaching parity between the sexes, with women receiving 95.8% of men's earnings (based on median hourly rates (excluding overtime) worth £9.29 and £9.70 respectively).

LOW PAY THRESHOLD

- UNISON's campaign target for the National Minimum Wage is £6.50 an hour.
- UNISON's revised figure for half male median earnings is £6.07 an hour, £230.10 a week and £11998.a year based on average (median) weekly hours of 37.9. This is one indicator used in setting UNISON's campaign target for the National Minimum Wage. The exact formula for this is half male median earnings (including overtime) divided by median weekly hours (excluding overtime).

The figures in this factsheet represent only a small sample of the statistics available in the Annual Survey of Hours and Earnings. For more information on using the ASHE and the statistics it contains contact the Bargaining Support Group.

Your Comments

UNISON welcomes comments on this Factsheet. Please either write to or email us at the address below. This factsheet and other bargaining information can be found on the Bargaining Zone at www.unison.org.uk/bargaining.

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