

Article

Analysis of real earnings: August 2017

Analyses of the average weekly earnings (AWE) figures, adjusted for inflation, which are published in the UK labour market statistical bulletin.



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1 . Introduction

This article presents two analyses of the average weekly earnings (AWE) figures, which are published in the [UK labour market statistical bulletin](#). These analyses are updated every month. The first section describes real AWE, which is AWE deflated by the [Consumer Prices Index including owner occupiers' housing costs \(CPIH\)](#). The second section analyses single month movements in the nominal AWE.

2 . Real average weekly earnings

The figures show the recent movements in real average weekly earnings (AWE) (whole economy). This is calculated as nominal unadjusted AWE, divided by the Consumer Prices Index including owner occupiers' housing costs (CPIH). This series is calculated for regular pay (excluding bonuses, excluding arrears) and total pay (including bonuses, excluding arrears) at the whole economy level and then seasonally adjusted. The data in Figures 1 and 2 are levels of real and nominal AWE, shown on a monthly basis, with an index of 2015 equals 100. Figure 3 shows 3-month average year-on-year increases in these derived indices. The data are available in [dataset EARN01](#), together with estimates of real AWE at 2015 prices.

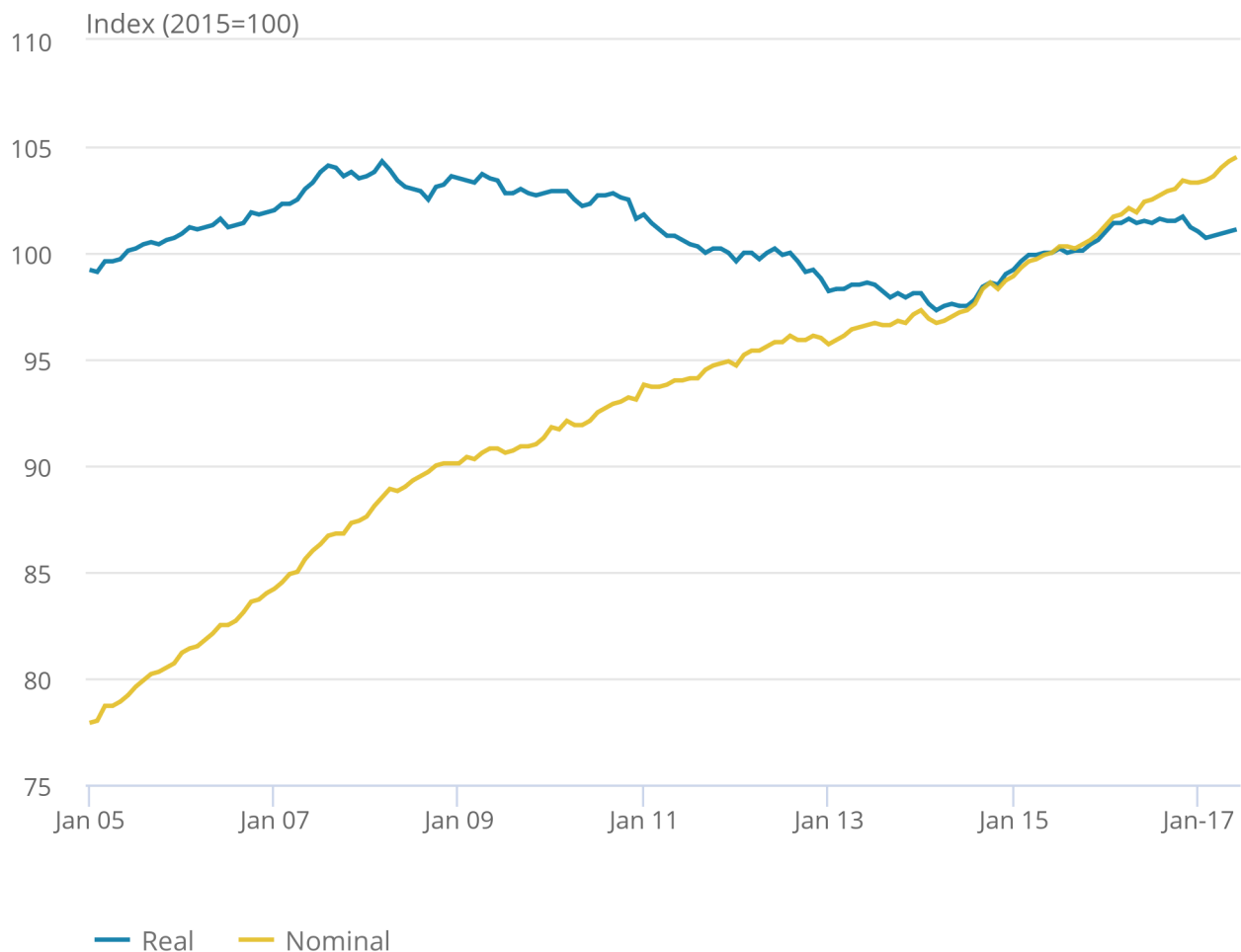
Comparing the 3 months to June 2017 with the same period in 2016, real AWE (total pay) fell by 0.5%, compared with a decrease of 0.6% in the 3 months to May 2017. Nominal AWE (total pay) grew by 2.1% in the 3 months to June 2017, while the CPIH increased by 2.6% in the year to June 2017 (from 2.7% in May 2017). In the same 3-month period, real AWE (regular pay) fell by 0.5%, the same as the decrease in the 3 months to May 2017. Nominal AWE (regular pay) rose by 2.1% in the 3 months to June 2017.

Figure 1: Average weekly earnings regular pay: real and nominal, whole economy, seasonally adjusted

January 2005 to June 2017, Great Britain

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January 2005 to June 2017, Great Britain



Source: Monthly Wages and Salaries Survey (MWSS), Office for National Statistics

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Notes:

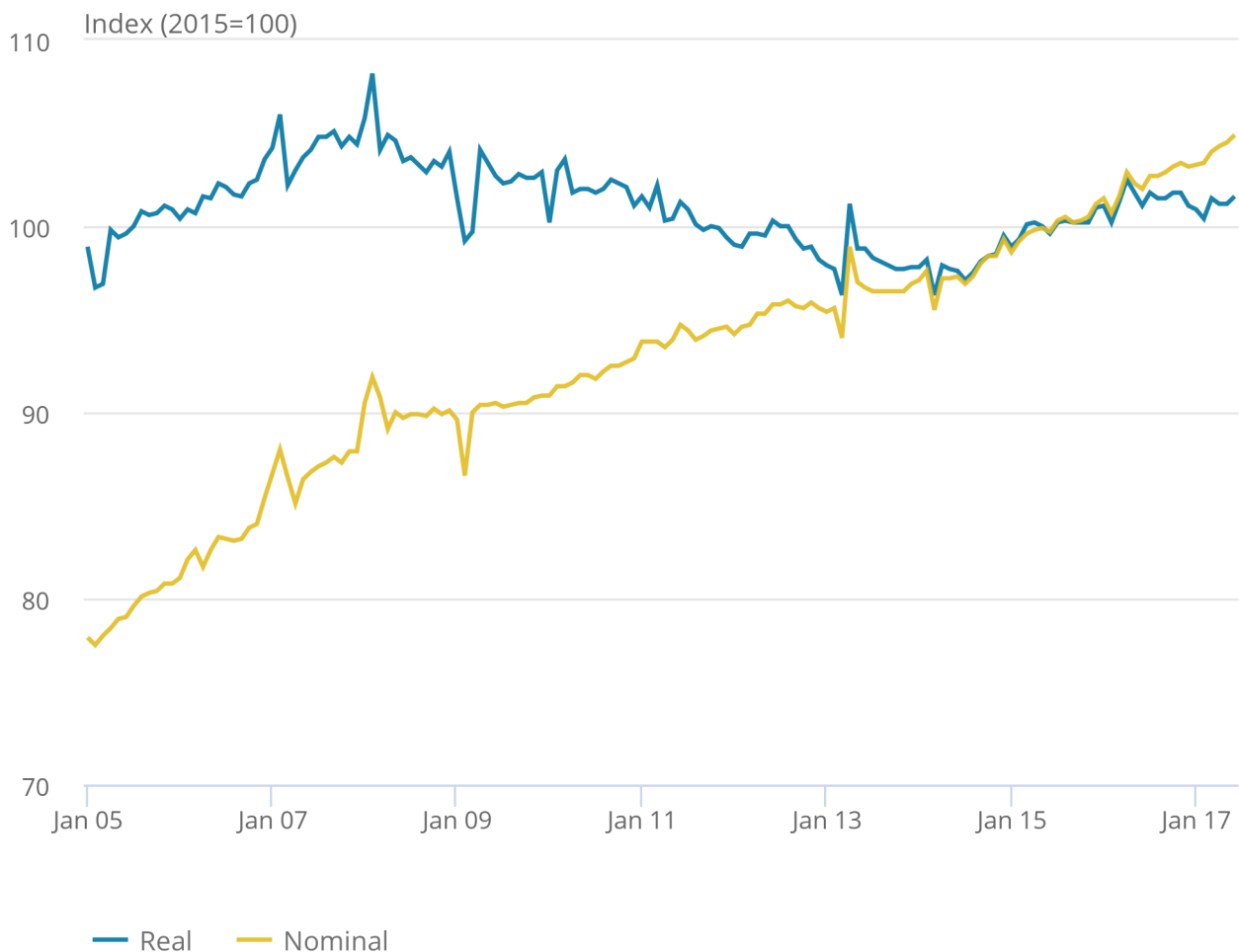
1. r = revised
2. p = provisional

Figure 2: Average weekly earnings total pay: real and nominal, whole economy, seasonally adjusted

January 2005 to June 2017, Great Britain

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January 2005 to June 2017, Great Britain



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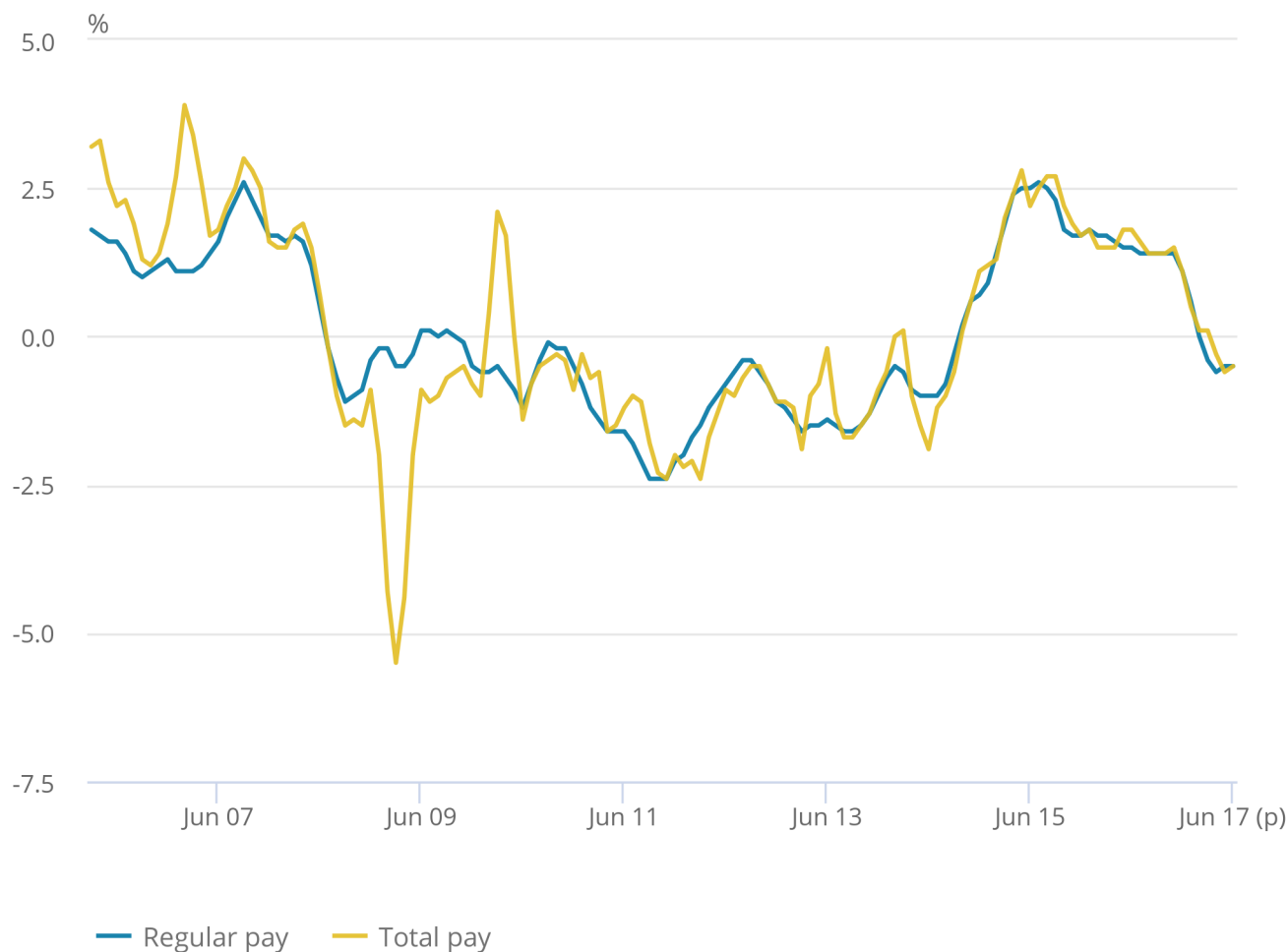
1. r = revised
2. p = provisional

Figure 3: Average weekly earnings total and regular real pay annual growth rates, whole economy, seasonally adjusted

January to March 2006 to April - June 2017 (3-month average time periods), Great Britain

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January to March 2006 to April - June 2017 (3-month average time periods), Great Britain



Source: Monthly Wages and Salaries Survey (MWSS), Office for National Statistics

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Notes:

1. r = revised
2. p = provisional

3 . Contributions to nominal AWE – single month

The wages and employment contributions underlying the latest AWE data are available in the [EARN02 dataset](#) each month. The “employment contribution”, shown in these figures, changes if the relative proportion of employment in the 24 industrial headings changes, but will not necessarily change if total employment increases. Employment contributions were significantly negative in 2009 and 2010, largely caused by a shift away from employment in financial and insurance activities, which are relatively highly paid industries.

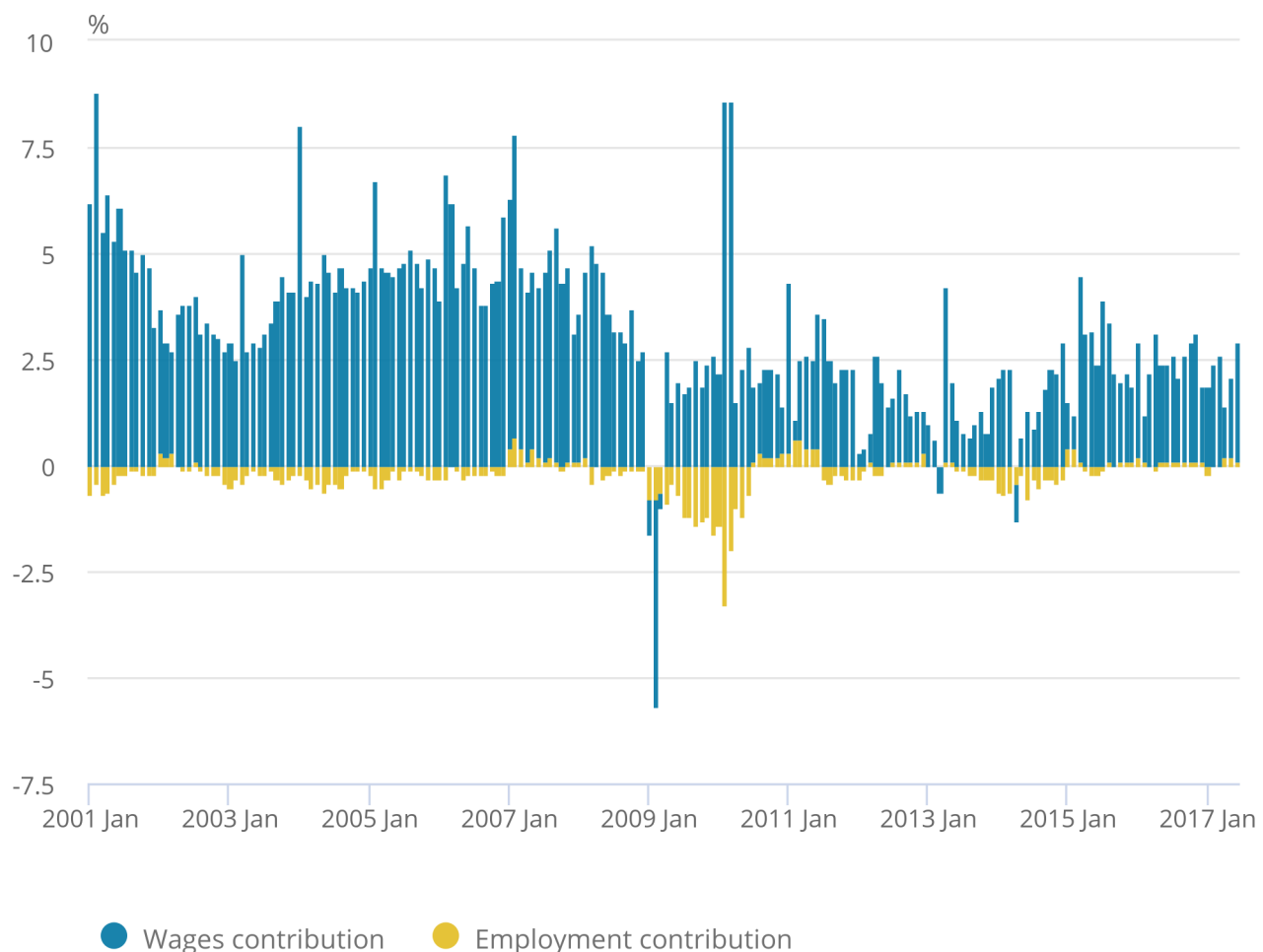
Figures 4 and 5 summarise the recent figures.

Figure 4: Average weekly earnings total nominal pay by contributions, whole economy

January 2001 to June 2017, Great Britain

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January 2001 to June 2017, Great Britain



Source: Monthly Wages and Salaries Survey (MWSS), Office for National Statistics

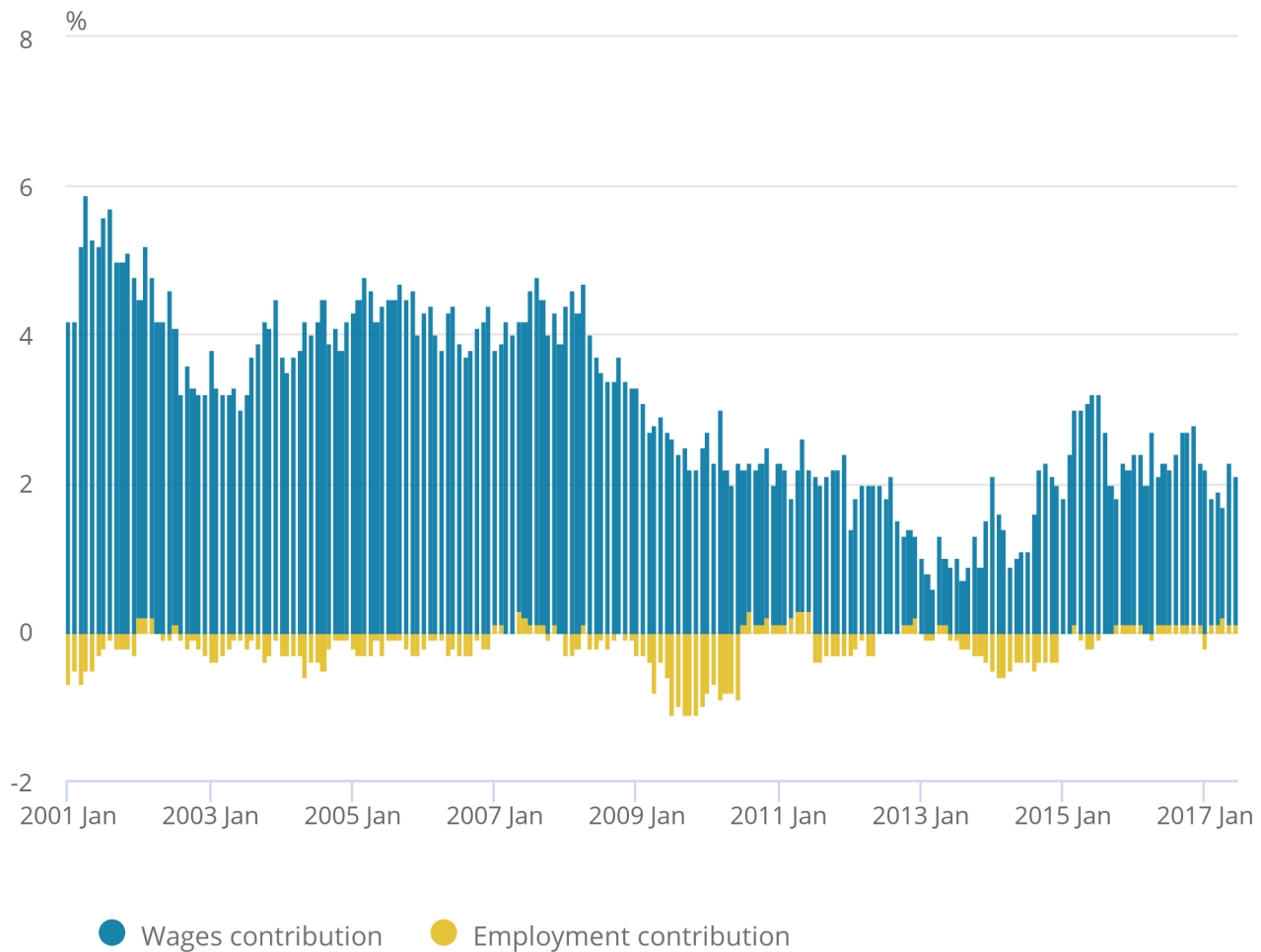
Source: Monthly Wages and Salaries Survey (MWSS), Office for National Statistics

Figure 5: Average weekly earnings regular nominal pay by contributions, whole economy

January 2001 to June 2017, Great Britain

Figure 5: Average weekly earnings regular nominal pay by contributions, whole economy

January 2001 to June 2017, Great Britain



Source: Monthly Wages and Salaries Survey (MWSS), Office for National Statistics

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Employment contributions were 0.1% for total pay and 0.1% for regular pay in June 2017.