

Article

# Analysis of real earnings: July 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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## Table of contents

1. [Introduction](#)
2. [Real average weekly earnings](#)
3. [Contributions to nominal average weekly earnings – single month](#)

# 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.

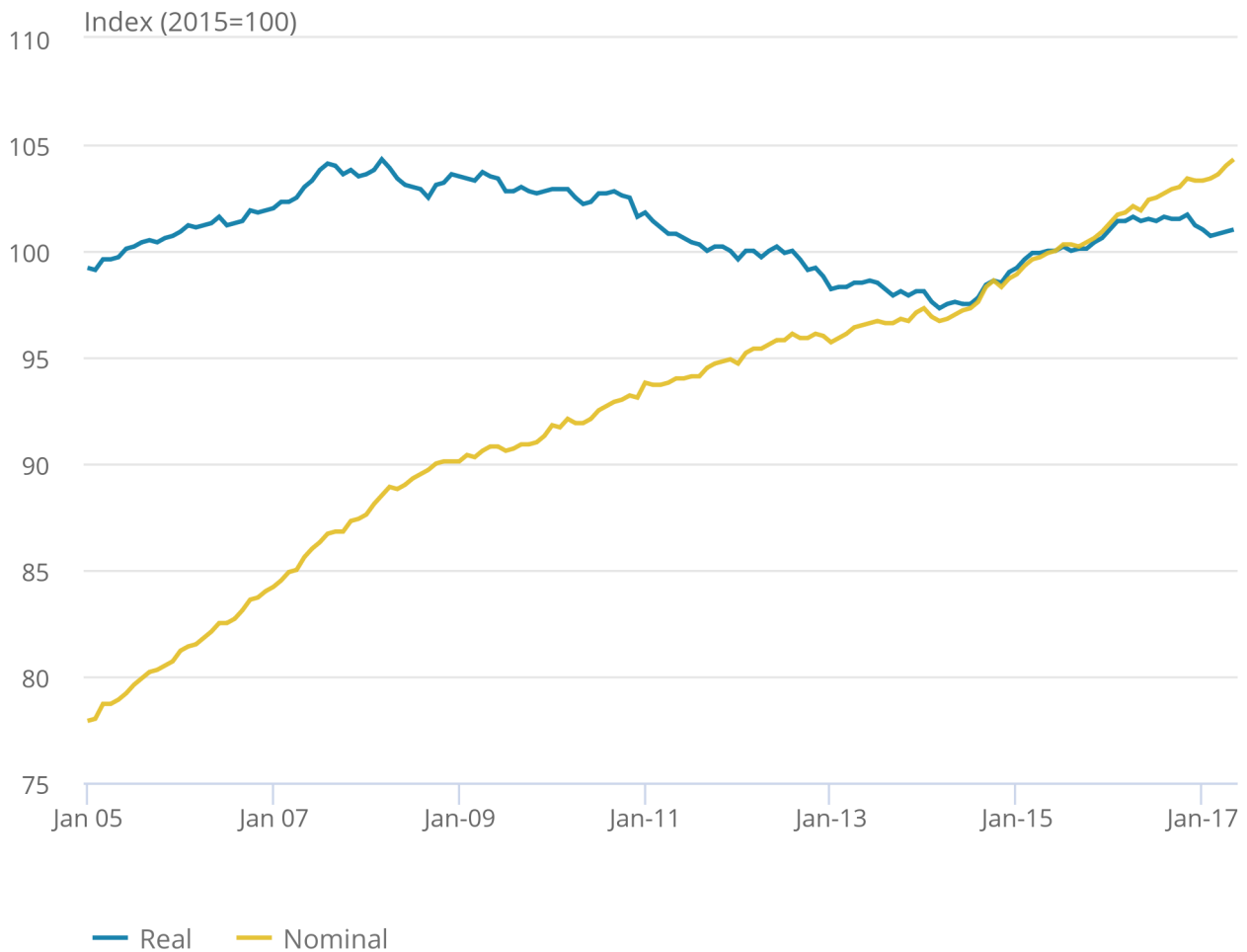
Comparing the 3 months to May 2017 with the same period in 2016, real AWE (total pay) fell by 0.7%, compared with a decrease of 0.3% in the 3 months to April 2017. This is the largest 3-month average year-on-year decrease seen in real AWE (total pay) since the 3 months to August 2014. Nominal AWE (total pay) grew by 1.8% in the 3 months to May 2017, while the CPIH increased by 2.7% in the year to May 2017 (from 2.6% in April 2017). In the same 3-month period, real AWE (regular pay) fell by 0.5%, compared with a decrease of 0.6% in the 3 months to April 2017. The nominal AWE (regular pay) rose by 2.0% in the 3 months to May 2017.

**Figure 1: Average weekly earnings regular pay, real and nominal, whole economy, seasonally adjusted, 2015=100**

January 2005 to May 2017, Great Britain

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January 2005 to May 2017, Great Britain



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

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**Notes:**

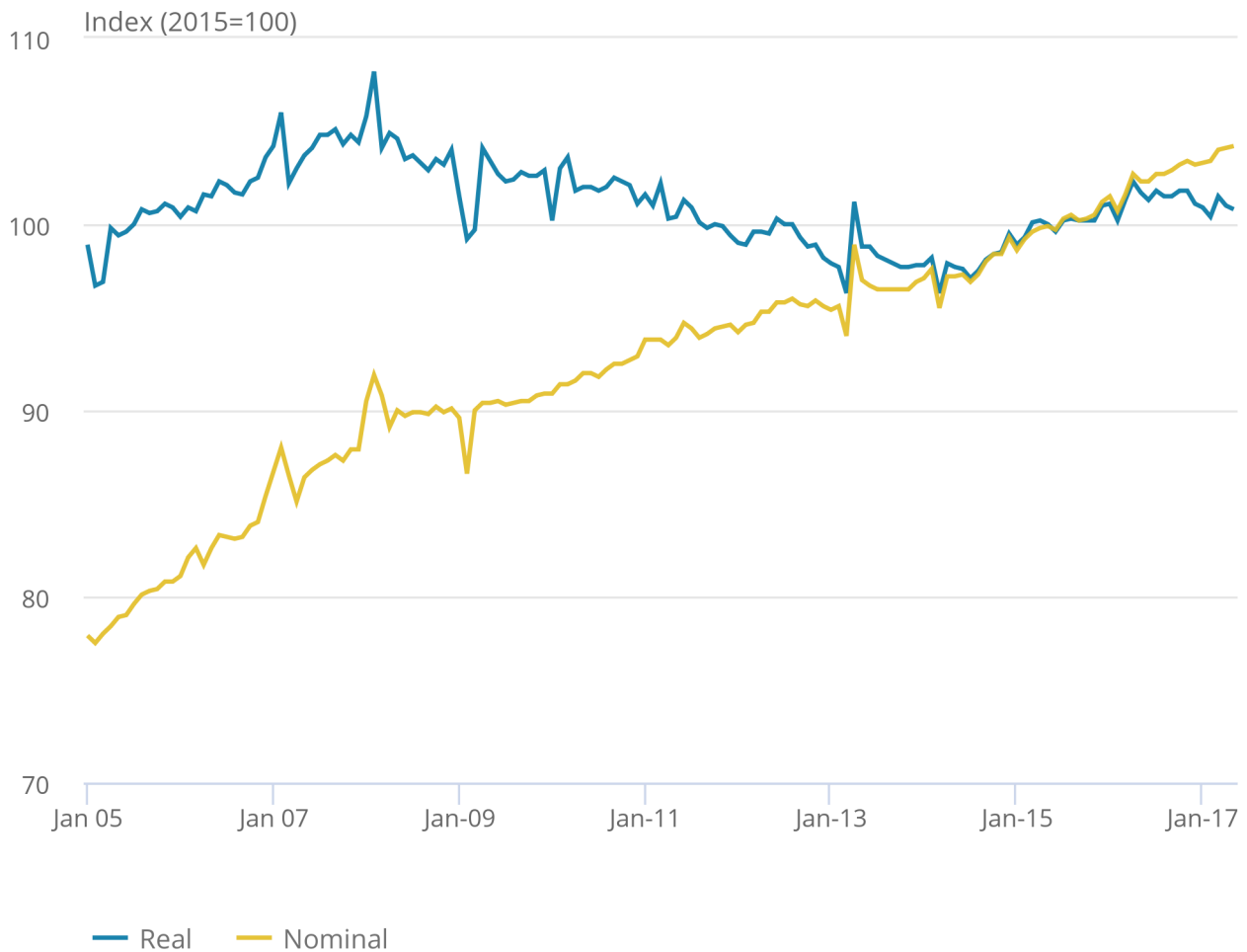
1. r = revised
2. p = provisional

**Figure 2: Average weekly earnings total pay, real and nominal, whole economy, seasonally adjusted, 2015=100**

January 2005 to May 2017, Great Britain

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January 2005 to May 2017, Great Britain



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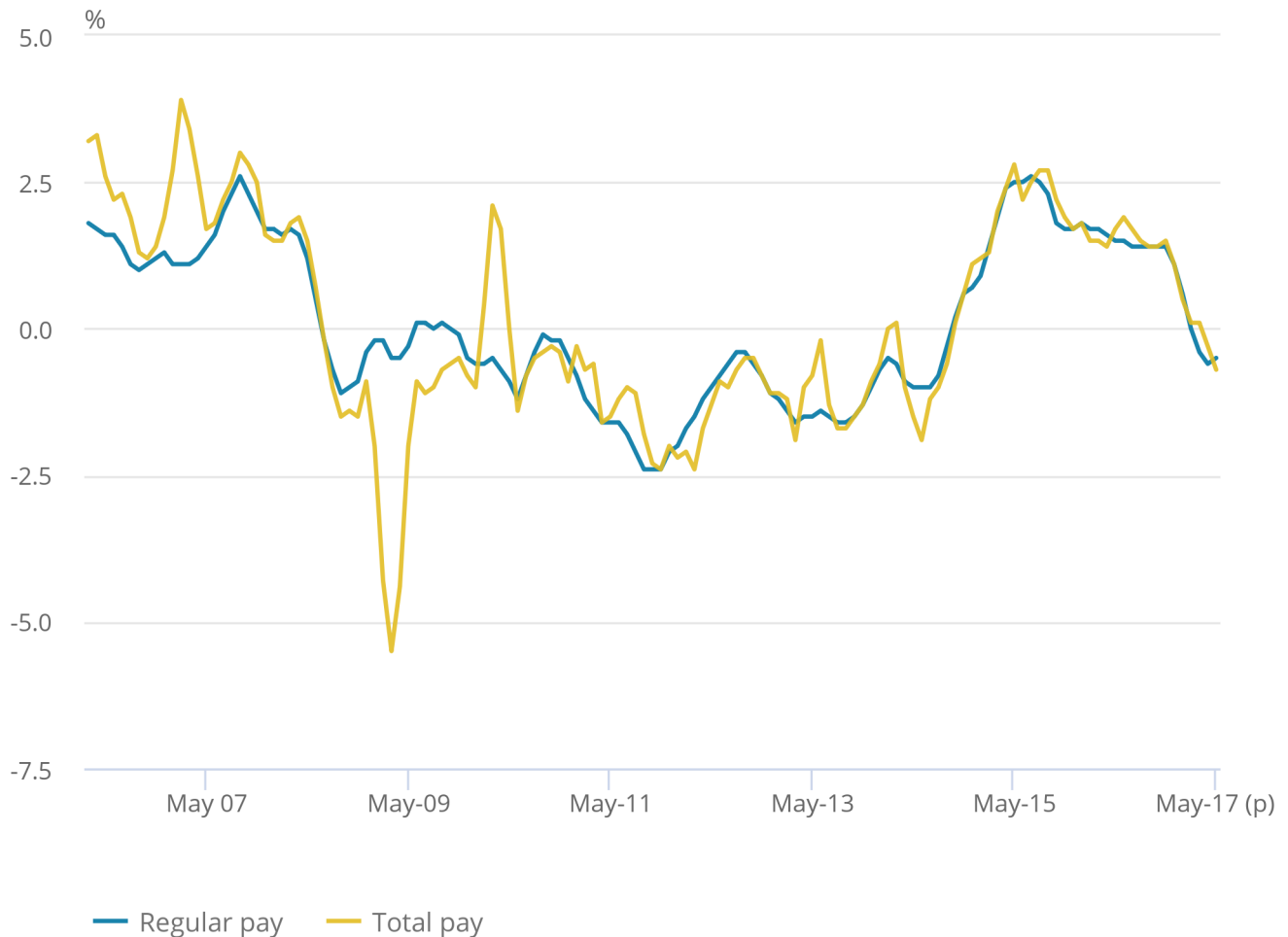
1. r = revised
2. p = provisional

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

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

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

January to March 2006 to March to May 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 average weekly earnings – single month**

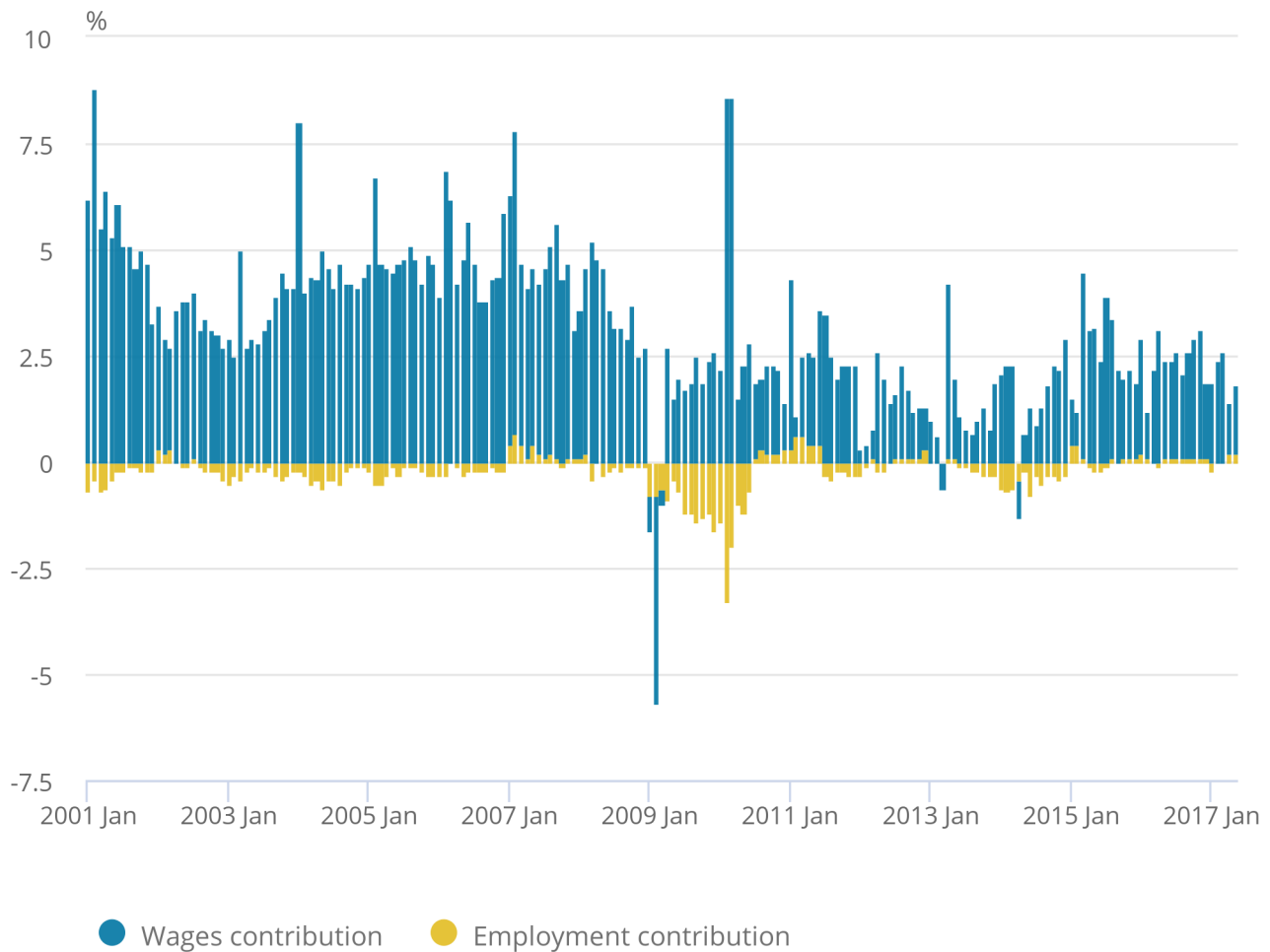
The wages and employment contributions underlying the latest average weekly earnings (AWE) data are available in the [EARN02](#) dataset each month. The “employment contribution”, shown in these figures, changes if the relative proportion of employment in the 24 industrial headings changes, but will 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 May 2017, Great Britain

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

January 2001 to May 2017, Great Britain



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

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**Notes:**

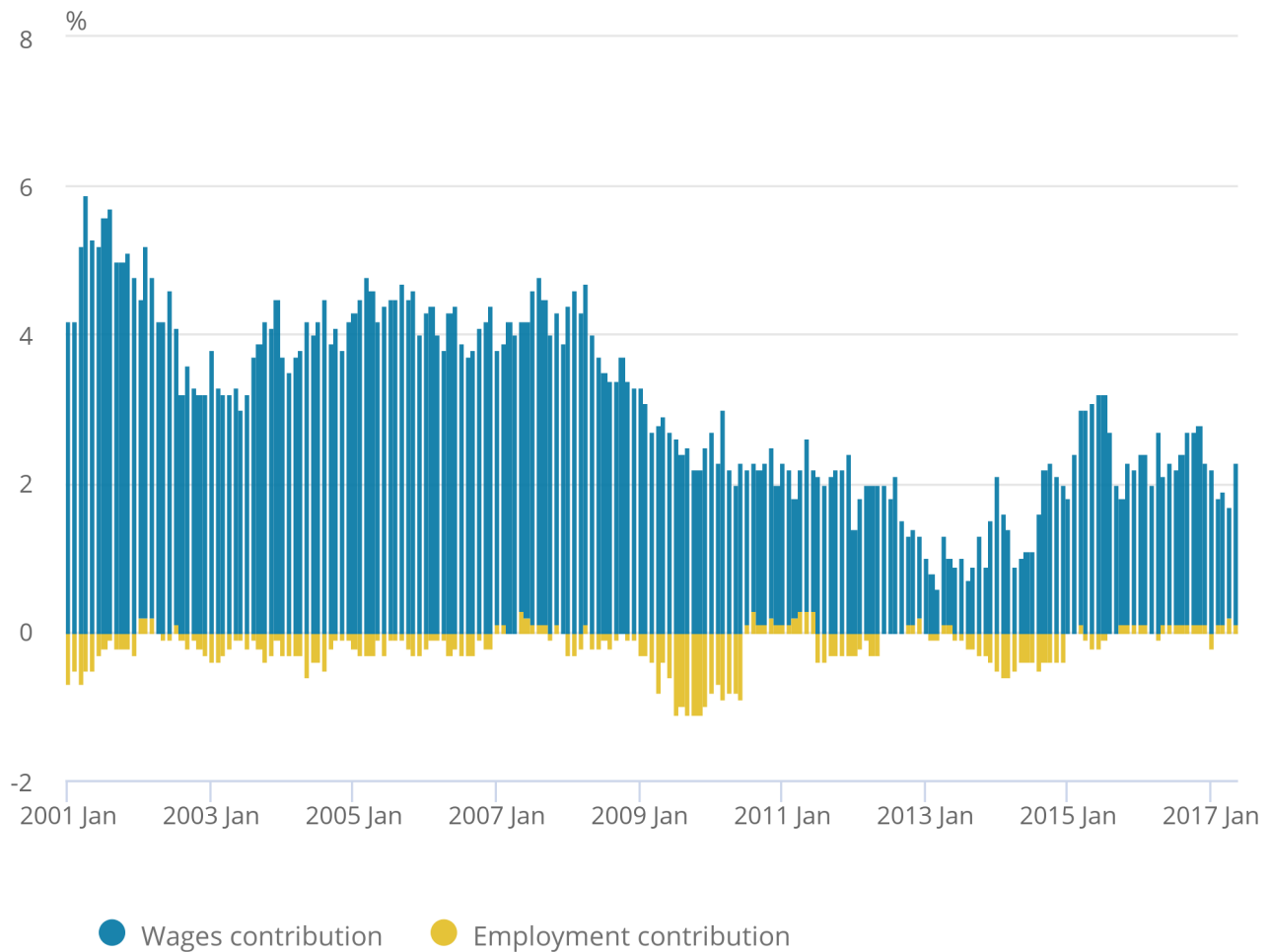
1. r = revised
2. p = provisional

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

January 2001 to May 2017, Great Britain

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

January 2001 to May 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

Employment contributions were 0.2% for total pay and 0.1% for regular pay in May 2017.