

Article

# Analysis of real earnings: October 2016

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 note presents 2 analyses of the average weekly earnings (AWE) figures, which are published in the [UK Labour Market statistical bulletin](#). We will update these analyses every month. Section 2 describes real AWE, which is AWE deflated by the Consumer Price Index. Section 3 analyses single month movements in the nominal AWE.

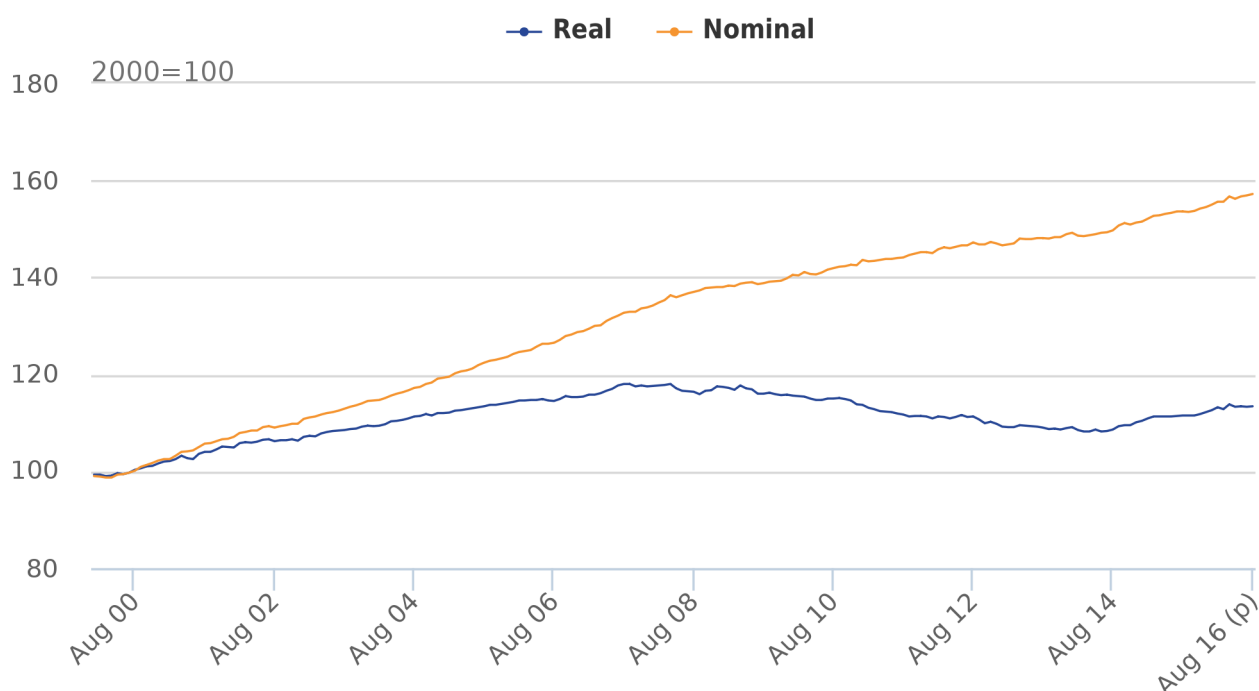
## 2 . Real average weekly earnings

The figures show the recent movements in real AWE (whole economy). This is calculated as nominal unadjusted AWE, divided by the Consumer Prices Index (CPI). This series is calculated for regular and total pay 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 2000 = 100. Figure 3 shows 3 months on 3 months previous year increases in these derived indices. The data are available in [dataset EARN01](#), together with estimates of real AWE at 2000 prices.

Comparing the 3 months to August 2016 with the same period in 2015, real AWE (total pay) grew by 1.8%, which is 0.2 percentage points lower than seen in the 3 months to July. Nominal AWE (total pay) grew by 2.3% in the 3 months to August 2016, while the CPI increased by 0.6% in the year to August. Over the same 3 month period, real AWE (regular pay) grew by 1.7%, compared with 1.8% in the 3 months to July. The nominal AWE (regular pay) rose by 2.3% in the 3 months to August.

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

January 2000 to August 2016



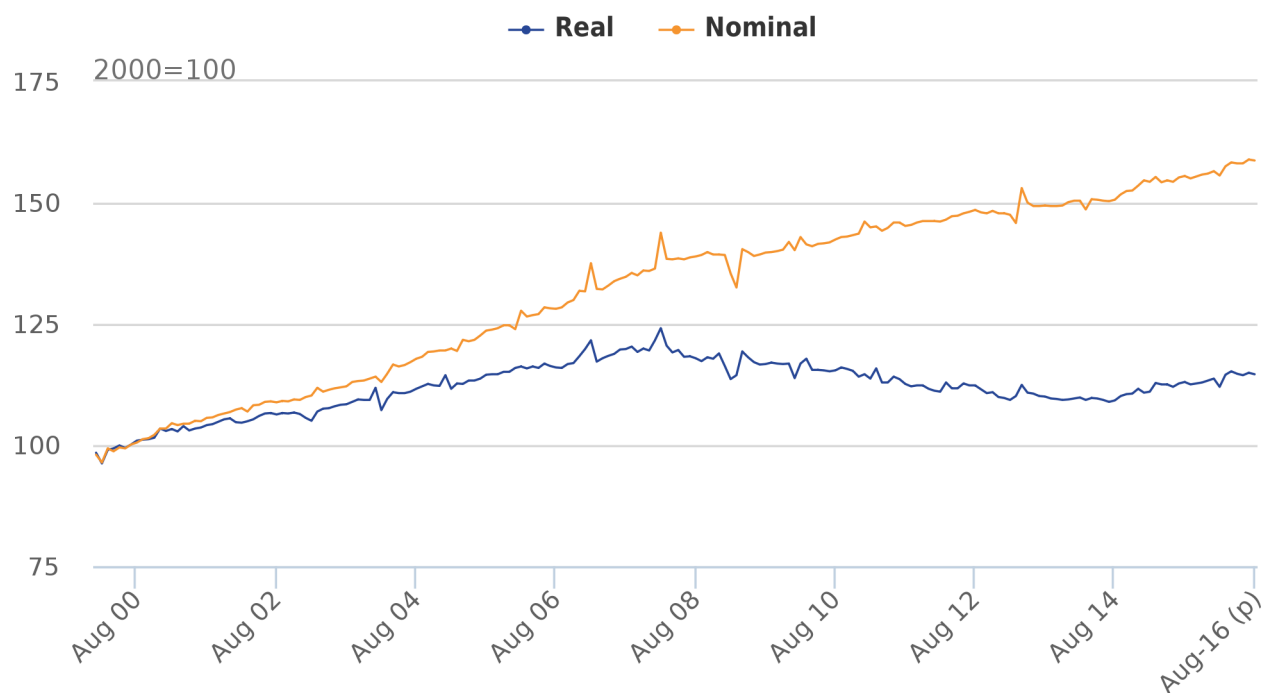
Source: Office for National Statistics, Monthly Wages and Salaries Survey (MWSS)

Notes:

1. p = provisional, r = revised.

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

January 2000 to August 2016



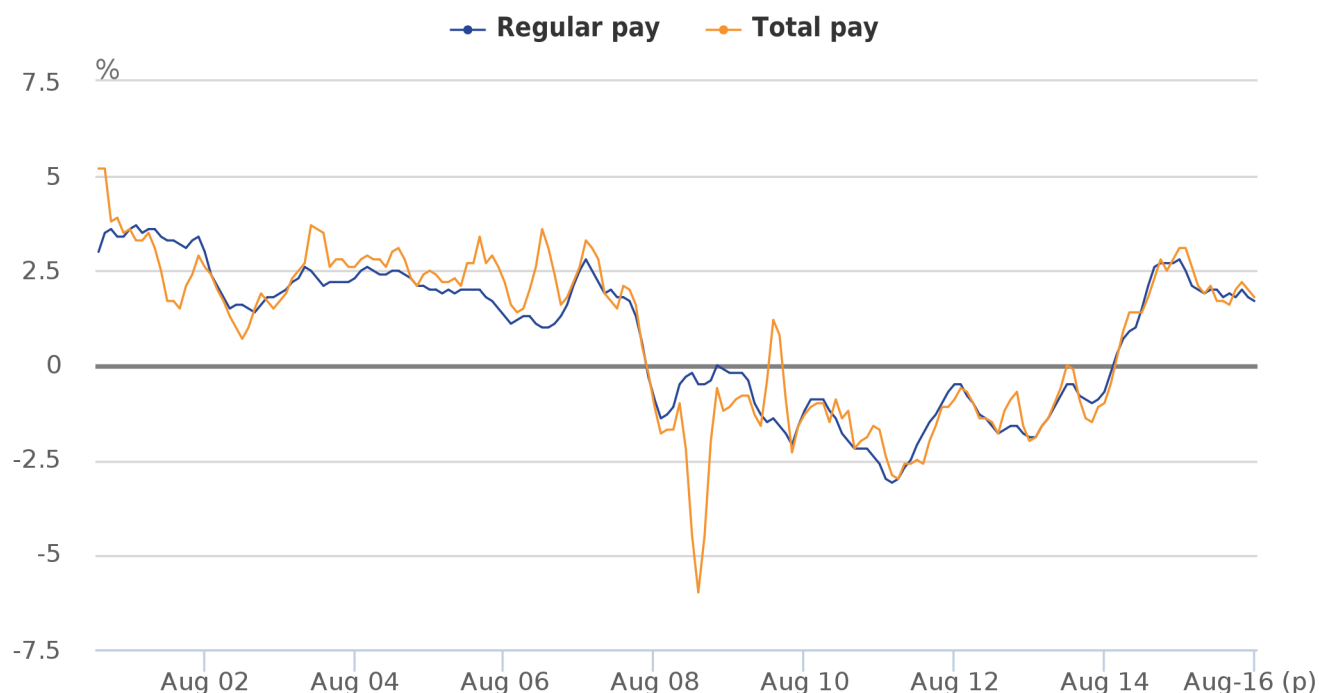
Source: Office for National Statistics, Monthly Wages and Salaries Survey (MWSS)

**Notes:**

1. p = provisional r = revised.

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

January to March 2001 to June to August 2016 (3 month average time periods)



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

**Notes:**

1. p = provisional r = revised.

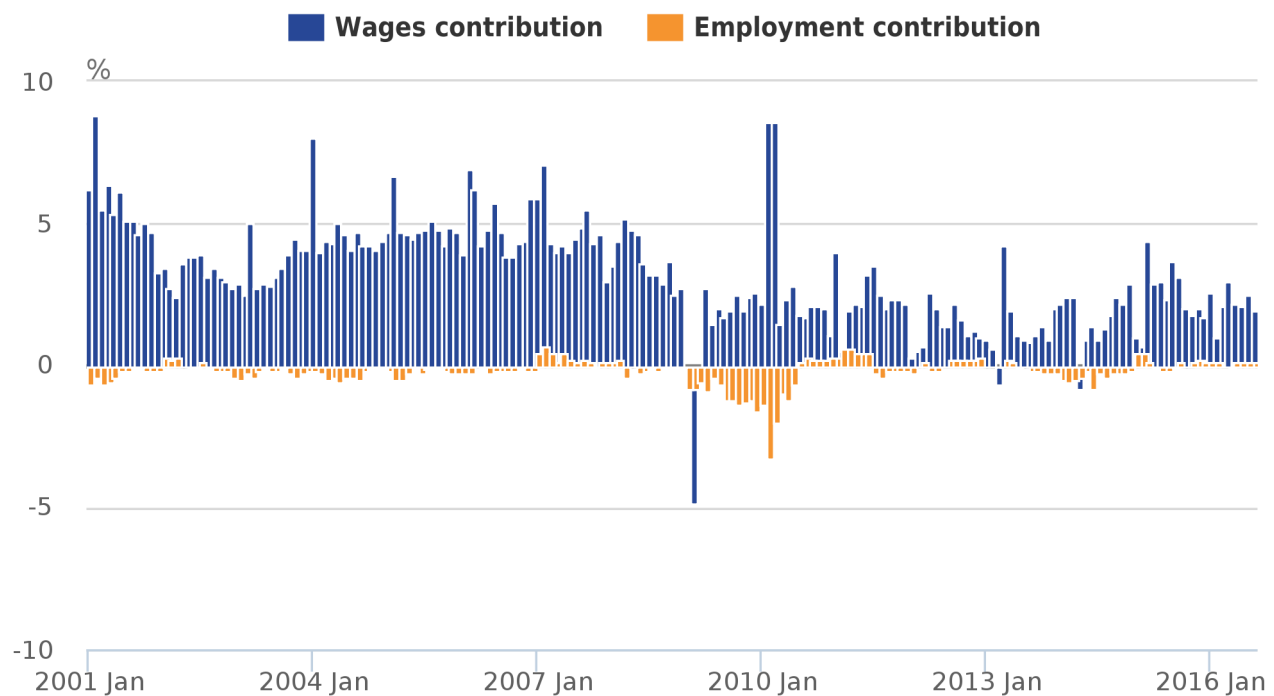
### 3 . Contributions to nominal AWE – single month

The wages and employment contributions underlying the latest AWE data are available on our website in the [EARN02 dataset](#) each month. The “employment contribution”, shown in these charts, 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 pay by contributions**

January 2001 to August 2016



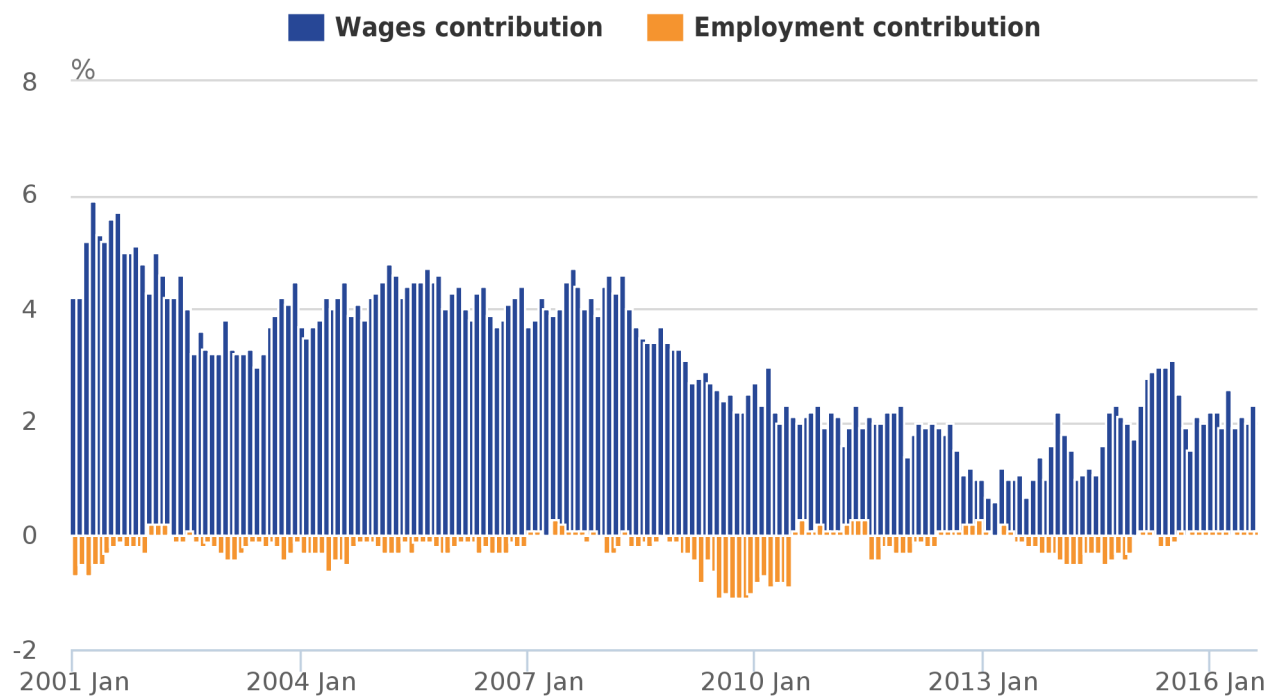
Source: Office for National Statistics, Monthly Wages and Salaries Survey (MWSS)

Notes:

1. p = provisional r = revised

**Figure 5: Average weekly earnings regular pay by contributions**

January 2001 to August 2016



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

Notes:

1. p = provisional r = revised.

Employment contributions were 0.1% for both total pay and regular pay in August 2016.