

Statistical bulletin

# **Employee earnings in the UK: 2023**

Measures of employee earnings, using data from the Annual Survey for Hours and Earnings (ASHE).



Release date: 1 November 2023 Next release: To be announced

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# 1. Other pages in this release

Commentary on topics covered in the Annual Survey of Hours and Earnings (ASHE) is split between three separate bulletins in 2023. Other commentary from the latest ASHE data can be found on the following pages:

Low and high pay in the UK: 2023

Gender pay gap in the UK: 2023

# 2. Main points: April 2023

- Median weekly earnings for full-time employees was £682 in April 2023, which is a 6.2% increase over the £642 in April 2022; this is the highest growth since comparable records began in 1997.
- In April 2023, median weekly earnings for full-time employees fell by 1.5% on the year in real terms (adjusted for inflation using Consumer Prices Index including owner occupiers' housing costs (CPIH)).
- Median weekly earnings for full-time employees saw growth across all major occupational groups, particularly for lower-paying occupations (with caring, leisure and other service occupations up 9.4% and sales and customer service occupations up 9.2% compared with the previous year).
- In April 2023, median weekly earnings for full-time employees increased across all sector-level industries when compared with April 2022, with the highest growth seen in the wholesale and retail trade; repair of motor vehicles and motorcycles industry (8.6%).
- In April 2023, annual percentage growth in gross median weekly earnings for full-time employees was 7.7% in the private sector and 3.7% in the public sector.
- Median gross annual earnings for full-time employees was £34,963 in April 2023, which is a 5.8% increase over the £33,061 in April 2022.

The Annual Survey for Hours and Earnings (ASHE) is based on employer responses for a 1% sample of employee jobs, using HM Revenue and Customs Pay As You Earn (PAYE) records to identify individuals' current employer. Throughout this bulletin, the terms "jobs" and "employees" are used interchangeably. All estimates for 2023 are provisional.

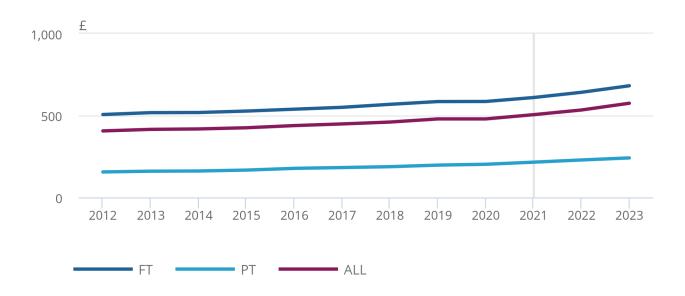
# 3. Employee earnings and hours worked

Figure 1: Median weekly earnings for full-time employees was £682 in April 2023

Gross median weekly earnings by employment type, UK, April 2012 to 2023

Figure 1: Median weekly earnings for full-time employees was £682 in April 2023

Gross median weekly earnings by employment type, UK, April 2012 to 2023



Source: Annual Survey of Hours and Earnings from the Office for National Statistics

#### Notes:

- 1. Estimates for 2023 data are provisional.
- 2. Employees are on adult rates; pay is unaffected by absence.
- 3. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
- 4. Plotline represents discontinuities in 2021 because of a change in occupational coding.
- 5. Data for 2020 and 2021 are subject to more uncertainty and should be treated with caution because of the impact of the coronavirus (COVID-19) pandemic on the data and collection.

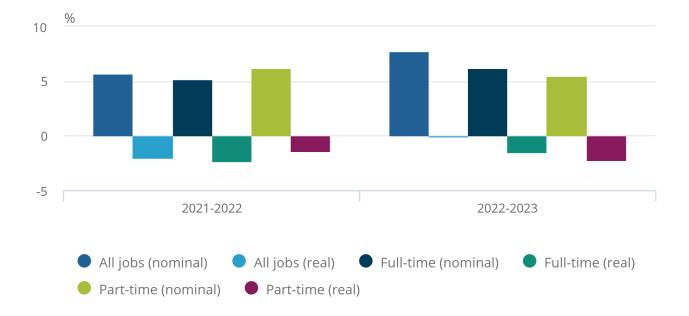
Median weekly earnings for full-time employees was £682 in April 2023 and continues the upward trend observed in recent years (Figure 1). Median weekly earnings for part-time employees was £241 in April 2023.

Figure 2: Across all jobs, median weekly earnings in April 2023 increased by 7.7% from a year earlier on a nominal basis; when adjusted for inflation using the CPIH, it fell by 0.1 % on the year

Annual percentage change in nominal and real median gross weekly earnings for all jobs, UK, 2021 to 2022 and 2022 to 2023

Figure 2: Across all jobs, median weekly earnings in April 2023 increased by 7.7% from a year earlier on a nominal basis; when adjusted for inflation using the CPIH, it fell by 0.1 % on the year

Annual percentage change in nominal and real median gross weekly earnings for all jobs, UK, 2021 to 2022 and 2022 to 2023



Source: Annual Survey of Hours and Earnings, and Consumer price inflation from the Office for National Statistics

#### Notes:

- 1. Estimates for 2023 data are provisional.
- 2. Employees are on adult rates; pay is unaffected by absence.
- 3. The data have been adjusted for inflation using the Consumer Prices Index including owner occupiers' housing costs (CPIH). The CPIH figures are based on the All Items Consumer Prices Index (including owner occupiers' housing costs) of inflation for April.
- 4. Data for 2020 and 2021 are subject to more uncertainty and should be treated with caution because of the impact of the coronavirus pandemic on the data and collection.

Median weekly earnings among full-time employees increased by 6.2% in April 2023 compared with April 2022 (Figure 2). This growth is the highest since comparable records began in 1997.

When adjusted for inflation using our <u>Consumer Prices Index including owner occupiers' housing costs (CPIH) time series</u>, median weekly earnings for full-time employees fell on the year in April 2023 by 1.5%. In real terms, a fall on the year was seen for both full-time and part-time employees. The difference between nominal and real growth rates is because of high consumer price inflation including owner occupiers' housing costs; in April 2023, the CPIH annual rate was 7.8%, which was the same as April 2022.

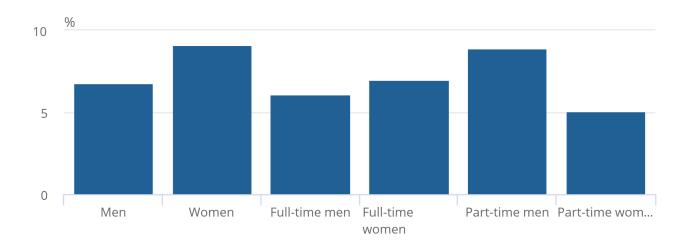
In April 2023, median weekly earnings among part-time employees increased by 5.5% in nominal terms but fell by 2.2% in real terms, compared with April 2022.

Figure 3: Between 2022 and 2023, median weekly earnings increased by 9.1% among women, compared with a 6.8% increase for men

Percentage change in gross median weekly earnings by employment type and sex, UK, 2022 to 2023

# Figure 3: Between 2022 and 2023, median weekly earnings increased by 9.1% among women, compared with a 6.8% increase for men

Percentage change in gross median weekly earnings by employment type and sex, UK, 2022 to 2023



Source: Annual Survey of Hours and Earnings from the Office for National Statistics

#### Notes:

- 1. Estimates for 2023 data are provisional.
- 2. Employees are on adult rates; pay is unaffected by absence.
- 3. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for theteaching professions).

Median weekly earnings for all men increased by 6.8% from £623 in April 2022 to £666 in April 2023 and for women by 9.1% from £450 to £491 (Figure 3). All women have seen a larger change than both full-time and part-time women because of the proportions of full-time and part-time employees in both years.

Median weekly earnings for full-time men increased by 6.1% from £683 in April 2022 to £725 in April 2023 and for full-time women by 7.0% from £588 to £629.

Median weekly earnings for part-time men increased by 8.9% from £211 in April 2022 to £230 in April 2023 and for part-time women by 5.1% from £234 to £246.

It is important to note that the comparative analysis of full-time and part-time earnings by sex is complex. As such, pay growth patterns may differ for all employees when compared with full-time employees or part-time employees. This is because the proportion of employee jobs with full-time working patterns may change from year to year, affecting the composition of the "all employees" group.

Figure 4: In April 2023, mean total paid hours for all employees was unchanged from the previous year

Mean total paid hours for all employees, UK, 2004 to 2023

# Figure 4: In April 2023, mean total paid hours for all employees was unchanged from the previous year

Mean total paid hours for all employees, UK, 2004 to 2023



Source: Annual Survey of Hours and Earnings from the Office for National Statistics

#### Notes:

- 1. Estimates for 2023 data are provisional.
- 2. Employees are on adult rates; pay is unaffected by absence.
- 3. Plotlines represent discontinuities in 2006, 2011, and 2021 because of changes in occupational coding.
- 4. Data for 2020 and 2021 are subject to more uncertainty and should be treated with caution because of the impact of the coronavirus pandemic on the data and collection.

Our headline estimate for hours worked uses the mean as an average instead of median. Mean hours worked is our preferred measure of hours worked, since it is more responsive to changes in hours across the whole population because of the clustering of hours worked.

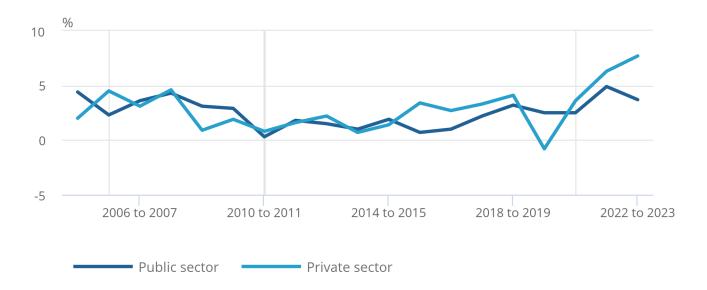
In April 2023, mean total weekly paid hours for all employees was unchanged from the previous year, at 33.2 hours.

# Figure 5: In April 2023, annual percentage growth in gross median weekly earnings for full-time employees was 7.7% in the private sector and 3.7% in the public sector

Percentage change in average gross median weekly earnings for full-time employees in the public and private sector, UK, April 2004 to 2023

# Figure 5: In April 2023, annual percentage growth in gross median weekly earnings for full-time employees was 7.7% in the private sector and 3.7% in the public sector

Percentage change in average gross median weekly earnings for full-time employees in the public and private sector, UK, April 2004 to 2023



Source: Annual Survey of Hours and Earnings from the Office for National Statistics

#### Notes:

- 1. Estimates for 2023 data are provisional.
- 2. Employees are on adult rates; pay is unaffected by absence.
- 3. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching profession.
- 4. Plotlines represent discontinuities in 2006, 2011, and 2021 because of changes in occupational coding.
- 5. Data for 2020 and 2021 are subject to more uncertainty and should be treated with caution because of the impact of the coronavirus pandemic on the data and collection.

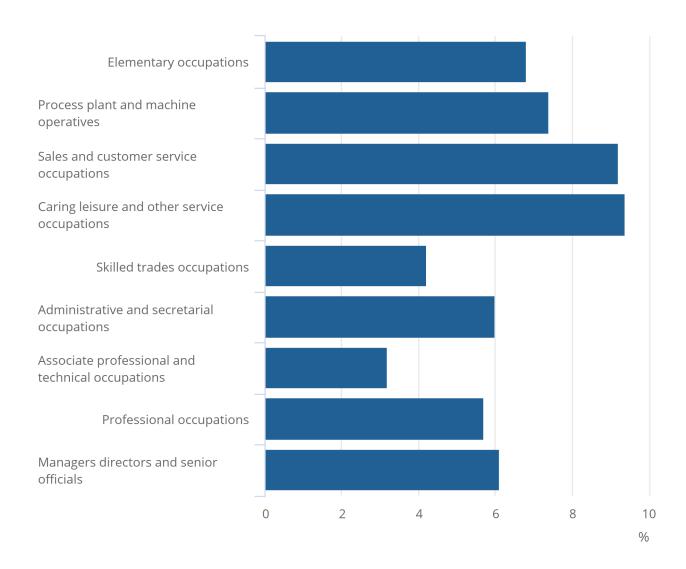
Public sector median gross weekly earnings for full-time employees has increased by 3.7% in April 2023 compared with April 2022; rising from £697 to £723 (Figure 5). The private sector had a larger percentage growth in gross median weekly earnings in April 2023 (7.7%). Private sector median gross weekly earnings for full-time employees was £670 in April 2023, compared with £622 in April 2022. It is important to note that the comparative analysis of private and public sector earnings is complex because of the different structural characteristics of the sectors.

Figure 6: In April 2023, there was strong growth in median weekly earnings for full-time employees across all major occupational groups, particularly for lower-paying occupations

Growth in gross weekly full-time earnings by occupation, UK, 2022 to 2023

Figure 6: In April 2023, there was strong growth in median weekly earnings for full-time employees across all major occupational groups, particularly for lower-paying occupations

Growth in gross weekly full-time earnings by occupation, UK, 2022 to 2023



Source: Annual Survey of Hours and Earnings from the Office for National Statistics

Notes:

- 1. Estimates for 2023 data are provisional.
- 2. Employees are on adult rates; pay is unaffected by absence.
- 3. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
- 4. Occupations as defined by the Standard Occupational Classification 2020.

Among full-time employees, gross weekly earnings increased between 2022 and 2023 across all major occupational groups (Figure 6). The lower-paid occupations saw the largest increases, including caring, leisure and other service occupations (9.4%), and sales and customer service occupations (9.2%). The smallest increase was seen in the associate professional and technical occupations group (3.2%).

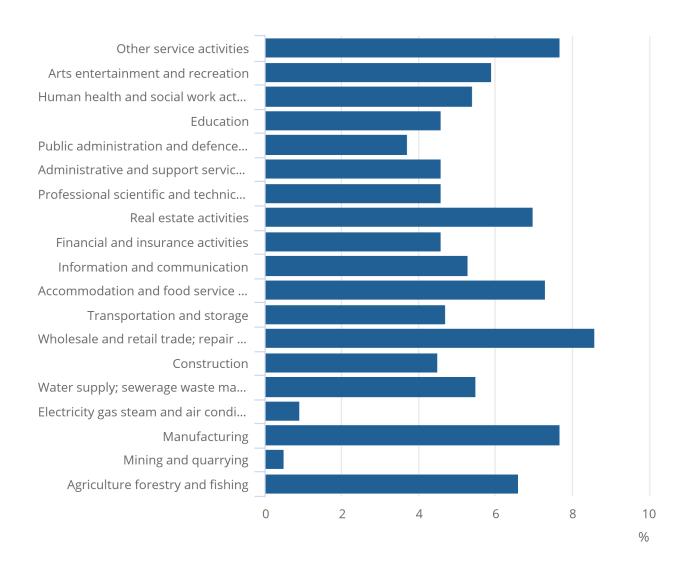
On 1 April 2023 for people aged 23 years and over, the national minimum wage (NMW) was increased from £9.50 to £10.42 (9.7%); this compares with a 6.6% increase in April 2022. The lower paid occupational groups have experienced higher growth, as there are more roles in these occupations paying closer to the NMW rate.

Figure 7: Weekly full-time earnings increased across all sector-level industries in April 2023 compared with April 2022

Growth in gross weekly full-time earnings by industry, UK, for 2022 to 2023

Figure 7: Weekly full-time earnings increased across all sector-level industries in April 2023 compared with April 2022

Growth in gross weekly full-time earnings by industry, UK, for 2022 to 2023



Source: Annual Survey of Hours and Earnings from the Office for National Statistics

Notes:

- 1. Estimates for 2023 data are provisional.
- 2. Employees are on adult rates; pay is unaffected by absence.
- 3. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
- 4. Industries as defined by the Standard Industrial Classification 2007.

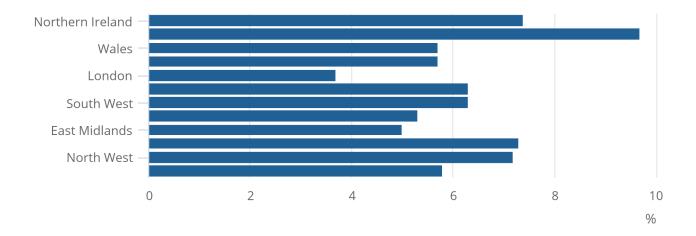
The increase in gross weekly earnings for full-time employees between April 2022 and April 2023 (6.2%) was attributed to a number of industries, with the strongest growth reported in the wholesale and retail trade; repair of motor vehicles and motorcycles industry (8.6%).

Figure 8: Weekly full-time earnings increased in all regions in April 2023 compared with April 2022

Annual percentage change to median gross weekly earnings for full-time employees, by workplace regions and countries, UK, April 2022 to 2023

Figure 8: Weekly full-time earnings increased in all regions in April 2023 compared with April 2022

Annual percentage change to median gross weekly earnings for full-time employees, by workplace regions and countries, UK, April 2022 to 2023



Source: Annual Survey of Hours and Earnings from the Office for National Statistics

#### Notes:

- 1. Estimates for 2023 data are provisional.
- 2. Employees are on adult rates; pay is unaffected by absence.
- 3. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).

Across all regions of the UK, Scotland saw the highest growth in median gross weekly earnings for full-time employees (9.7%) in April 2023 compared with April 2022. However, Scotland's high growth rate is, in part, affected by the NHS Scotland pay rises and one-off payments which were implemented in April 2023. The region with the smallest growth in median full-time earnings was London (3.7%) (Figure 8).

The interactive chart in Figure 9 allows you to view the median pay levels in all local authorities.

Find what the median gross weekly earnings is in your local authority by searching for or selecting an area from the drop-down list in the interactive chart.

# Figure 9: Median gross weekly earnings for full-time employees for all local authorities by place of work

GB, April 2023

#### Notes

- 1. Estimates for 2023 data are provisional.
- 2. Employees are on adult rates; pay is unaffected by absence.
- 3. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).

#### Download the data

#### .xlsx

Median annual earnings for full-time employees was £34,963 for the tax year ending on 5 April 2023, up 5.8% on the previous year.

The interactive chart in Figure 10 allows you to compare earnings across occupations, in terms of annual pay.

See what the median annual earnings are for your occupation by searching for or selecting your occupation from the drop-down list in the interactive tool.

#### Figure 10: Annual full-time gross earnings by occupation

UK, April 2023

#### Notes

- 1. Estimates for 2023 data are provisional.
- 2. Employees are on adult rates; pay is unaffected by absence.
- 3. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
- 4. Occupations as defined by the Standard Occupational Classification 2020.

#### Download the data

.xlsx

# 4. Employee earnings data

Annual Survey of Hours and Earnings: 2023 provisional and 2022 revised results

Dataset | Released 1 November 2023

A detailed set of data tabulations containing employee earnings estimates from the Annual Survey of Hours and Earnings (ASHE) broken down by aspects such as age, region, occupation and industry are available. The tables show employee earnings estimates as outlined in the ASHE guide to tables.

## 5. Glossary

#### Full-time and part-time

Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions). Part-time is defined as employees working less than or equal to 30 paid hours per week (or less than 25 hours for the teaching professions).

#### Median

A measure of the average. The median is calculated by identifying the exact middle point in a set of observations. When the observations are ranked from lowest to highest, the median is the value in the exact middle of the observed values. It is our preferred measure of average earnings, as it is less affected by a relatively small number of very high earners than the mean is.

#### **National Minimum Wage and National Living Wage**

The National Minimum Wage (NMW) is a minimum amount per hour that most workers in the UK are entitled to be paid. There are different rates of minimum wage depending on workers' ages and whether they are apprentices. The NMW applies to employees aged 16 to 22 years. The government's National Living Wage (NLW) was introduced on 1 April 2016 and applies to employees aged 23 years and over.

On the Annual Survey of Hours and Earnings (ASHE) reference date in April 2023, the NMW and NLW rates were:

- £10.42 for employees aged 23 years and over
- £10.18 for employees aged 21 to 22 years
- £7.49 for employees aged 18 to 20 years
- £5.28 for employees aged 16 to 17 years
- £5.28 for apprentices aged 16 to 18 years and those aged 19 years and over who are in the first year of their apprenticeship

## Real earnings

Real earnings (earnings adjusted for inflation) are calculated by adjusting nominal (unadjusted) earnings using the Consumer Prices Index including owner occupiers' housing costs (CPIH). The CPIH is the most comprehensive measure of inflation. It extends the Consumer Prices Index (CPI) to include a measure of the costs associated with owning, maintaining and living in one's own home, known as owner occupiers' housing costs (OOH), along with council tax.

#### **Standard Occupational Classification**

The <u>Standard Occupational Classification (SOC)</u> is a common classification of occupational information for the UK. The most recent version of SOC, SOC 2020, was used for revised 2021 ASHE estimates and provisional 2022 ASHE estimates. More information on the impact of the change from SOC 2010 to SOC 2020 can be found in our <u>Measures of employee earnings based on SOC 2020. UK: 2021 bulletin.</u>

# 6. Measuring the data

The Annual Survey of Hours and Earnings (ASHE) collects information on actual payments made to the employee and the hours on which this pay was calculated. All estimates for 2023 are provisional and relate to the pay period that includes 19 April 2023. Estimates for 2022 have been revised and relate to the pay period that includes 27 April 2022.

The estimates in this bulletin are based on information gathered from a sample of 1% of employees in the UK. The achieved sample for 2023 was 156,000. Prior to the coronavirus (COVID-19) pandemic, the achieved sample size of ASHE was approximately 180,000 each year. However, given the challenges to data collection during the coronavirus pandemic and response rates not recovering after, the final achieved sample size was 144,000 for 2020, 142,000 for 2021 and 148,000 for 2022.

Over the coronavirus pandemic period, earnings estimates were affected by changes in composition of the workforce and the impact of the Coronavirus Job Retention Scheme (furlough), making interpretation difficult. Along with data collection disruption and lower response rates during this time means that, for 2020 and 2021, the data were subject to more uncertainty and should be treated with caution. Therefore, over these periods we would encourage users to focus on long-term trends rather than year-on-year changes. For more information, see our <a href="How COVID-19">How COVID-19</a> has impacted the Average Weekly Earnings data blog post.

During and following the coronavirus pandemic period, ASHE showed some divergence compared with other earnings data sources (Average Weekly Earnings and Earnings and employment from Pay As You Earn, Real Time Information). We set out in our <u>Comparison of labour market data sources methodology</u> reasons why we expect to see differences in the data sources. In addition, we also believe that differential non-response, the calibrating to the Labour Force Survey, increased variance because of sample size reduction and the way the bonus element of ASHE is captured are all contributing to the divergence in a small way. We will continue to monitor the patterns and look into this further where required.

The analysis in this bulletin is based mainly on weekly pay, which is affected by both hourly rates of pay and hours worked or paid for (and the incidence of being furloughed in 2020 and 2021). Our accompanying <u>Low and high pay in the UK bulletin</u> looks in more detail at the distribution of pay based on hourly rates and is of particular use when considering policy around the National Minimum Wage (NMW) and National Living Wage (NLW) rates.

ASHE data are weighted to UK population totals from the Labour Force Survey (LFS) based on classes defined by region, occupation, age and sex.

From 2021, we have moved our occupation coding to Standard Occupation Classification 2020 from 2010. This means estimates for earnings in April 2021 on a SOC 2020 basis represent a break in the ASHE time series. Estimates will not be directly comparable with estimates for earnings on a SOC 2010 basis and, as such, should not be used in direct comparison with each other.

Our <u>Guide to interpreting ASHE estimates</u> addresses common questions about the data. Further information about ASHE can be found in the quality and methodology information on our <u>Guidance and methodology page</u> and in our <u>Quality and Methodology Information (QMI) report</u>.

# 7. Strengths and limitations

The strengths and limitations of the Annual Survey of Hours and Earnings (ASHE) can be found in our <u>Annual Survey of Hours and Earnings</u>, <u>Low pay and Annual Survey of Hours and Earnings pension results Quality and Methodology Information (QMI)</u> and our <u>Income and earnings statistics guide</u>.

### 8. Related links

#### Earnings and working hours

Webpage | Updated regularly

Average weekly earnings of people in the UK and information on the gender pay gap and low pay. Data from Average Weekly Earnings (AWE) and the Annual Survey of Hours and Earnings (ASHE).

An overview of and comparison between Annual Survey of Hours and Earnings (ASHE) and Average Weekly Earnings (AWE): 2017

Article | Released 14 September 2017

An overview of the Annual Survey of Hours and Earnings and Average Weekly Earnings, comparing the differences between the two headline outputs.

#### Labour market overview, UK: October 2023

Bulletin | Released 24 October 2023

Estimates of employment, unemployment, economic inactivity and other employment-related statistics for the UK.

#### Public and private sector earnings in the UK: 2019

Article | Released 23 September 2020

The results of statistical models that explore the relationship between mean hourly earnings and a range of independent variables, based on Annual Survey of Hours and Earnings (ASHE) 2019 provisional data.

#### Comparison of labour market data sources

Bulletin | Released 27 April 2022

The strengths and weaknesses of the main data sources we use to produce the labour market figures, including the advantages of new administrative data sources and limitations of some of our published figures.

## 9. Cite this statistical bulletin

Office for National Statistics (ONS), released 1 November 2023, ONS website, statistical bulletin, <u>Employee earnings in the UK: 2023</u>