

Statistical bulletin

# Gender pay gap in the UK: 2022

Differences in pay between women and men by age, region, full-time and part-time, and occupation.



Release date: 26 October 2022

Next release: To be announced

# Correction

## 18 July 2023 11:30

We have identified a coding error with the Annual Survey of Hours and Earnings (ASHE) provisional data for 2022, affecting a small number of employee jobs who were paid below the National Minimum Wage. This will have minimal impact on headline mean ASHE estimates (within the usual margins of revision) and no impact on the median and decile estimates; therefore the publication tables will be corrected when we publish revised 2022 data alongside the new 2023 figures in November 2023. Previous years' data are not affected.

As the error had a larger impact on estimates of the number of employee jobs who were paid below the National Minimum Wage, we have corrected the <u>Low and high pay in the UK: 2022 statistical bulletin</u> and associated datasets (<u>Distribution of low-paid jobs by 10 pence bands</u> / <u>Jobs paid below minimum wage by category</u>).

We apologise for any inconvenience caused.

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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. The other two can be found on the following pages:

Employee earnings in the UK (from Annual Survey of Hours and Earnings): 2022

Low and high pay in the UK: 2022

# 2. Main points

- Over the coronavirus (COVID-19) pandemic period, <u>earnings estimates were affected</u> by changes in composition of the workforce and the impact of the Coronavirus Job Retention Scheme (furlough) making interpretation difficult; also data collection disruption and lower response rates mean that, for 2020 and 2021, data were subject to more uncertainty and should be treated with caution; we would encourage users to focus on long-term trends rather than year-on-year changes.
- Among full-time employees the gender pay gap in April 2022 was 8.3%; this was 7.7% in April 2021 and 9.0% in April 2019 (pre-coronavirus (COVID-19) pandemic); however, we recommend looking at the longerterm trend.
- There remains a large difference in the gender pay gap between employees aged over 40 years and those aged below 40 years.
- Compared with lower-paid employees, higher earners experience a much larger difference in hourly pay between the sexes.
- The managers, directors and senior officials' occupation group has experienced the largest fall in gender pay gap since the pre-coronavirus pandemic April 2019 figure, especially for those aged 50 and over; this group has previously been identified as having a notable impact on the pay gap.
- The gender pay gap is higher in every English region than in Scotland and Northern Ireland.

The gender pay gap is calculated as the difference between average hourly earnings (excluding overtime) of men and women as a proportion of men's average hourly earnings (excluding overtime). It is a measure across all jobs in the UK, not of the difference in pay between men and women for doing the same job.

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.

# 3. The gender pay gap

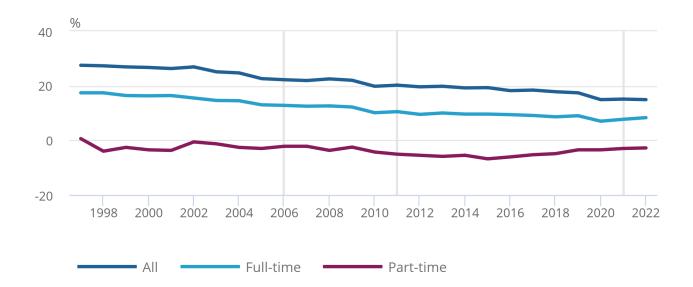
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Figure 1: The gender pay gap has been declining slowly over time; over the last decade it has fallen by approximately a quarter among full time employees and all employees

Gender pay gap for median gross hourly earnings (excluding overtime), UK, April 1997 to 2022

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Gender pay gap for median gross hourly earnings (excluding overtime), UK, April 1997 to 2022



Source: Source: Office for National Statistics - Annual Survey of Hours and Earnings (ASHE)

#### Notes:

- 1. Vertical lines represent discontinuities in 2006, 2011 and 2021 ASHE due to a change occupation coding.
- 2. Estimates for 2022 data are provisional.
- 3. Employees are on adult rates, pay is unaffected by absence unless furloughed.
- 4. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
- 5. Figures represent the difference between men's and women's hourly earnings as a percentage of men's hourly earnings.

The gender pay gap has been declining slowly over time. Over the last decade it has fallen by approximately a quarter among both full-time employees and all employees.

In 2022, the gap among full-time employees increased to 8.3%, up from 7.7% in 2021. This is still below the gap of 9.0% before the coronavirus pandemic in 2019. Estimates for 2020 and 2021 are subject to more uncertainty than usual therefore we recommend looking at the longer-term trend. Among all employees, the gender pay gap decreased to 14.9%, from 15.1% in 2021, but is still below the levels seen in 2019 (17.4%).

The gender pay gap reported by Office for National Statistics is a long time-series, calculated from the Annual Survey of Hours and Earnings (ASHE) which samples from all employee jobs in all sizes of company. The ASHE gender pay gap analysis is different from the gender pay gap based on compulsory reporting; since 2017, organisations employing 250 or more employees have been required by the UK government to publish and report specific figures about their gender pay gap. This is done across all their employees, not differentiated by full-time and part-time status. No findings from that initiative are reported in this publication.

The gender pay gap for part-time employees also reduced from negative 3.0% to negative 2.8%. The upward trend in the part-time gender pay gap seen since 2015 is continuing.

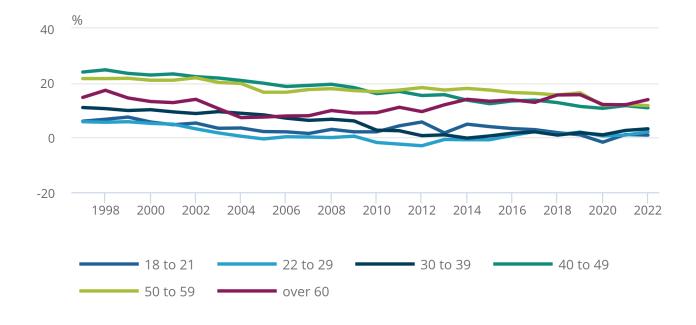
The gender pay gap is higher for all employees than it is for full-time employees or part-time employees. This is because <u>women fill more part-time jobs</u>, which in comparison with full-time jobs have lower hourly median pay.

Figure 2: The gender pay gap for full-time employees aged 40 years and over is much higher than for employees aged below 40 years

Gender pay gap for full-time median gross hourly earnings (excluding overtime), by age-group, UK, April 1997 to 2022

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Gender pay gap for full-time median gross hourly earnings (excluding overtime), by age-group, UK, April 1997 to 2022



Source: Source: Office for National Statistics - Annual Survey of Hours and Earnings (ASHE)

#### Notes:

- 1. Age group 16 to 17 years has been excluded from this chart because of sample size volatility.
- 2. Estimates for 2022 data are provisional.
- 3. Employees are on adult rates, pay is unaffected by absence unless furloughed.
- 4. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
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The clearest insight into the gender pay gap is provided by analysis across age groups. For groups aged under 40 years, the gender pay gap for full-time employees (which is a more homogenous basis than all employees for measuring differences in hourly pay) is low, at 3.2% or below. This has been the case since 2017.

However, for age groups aged 40 to 49 years and older, the gender pay gap for full-time employees is much higher, at over 10.9%. Our <u>2019 analysis</u> explored the types of occupation that men and women work in, by age group. It flagged a lower incidence of women moving into higher-paid managerial occupations after the age of 39 years, at which point pay in these occupations increases.

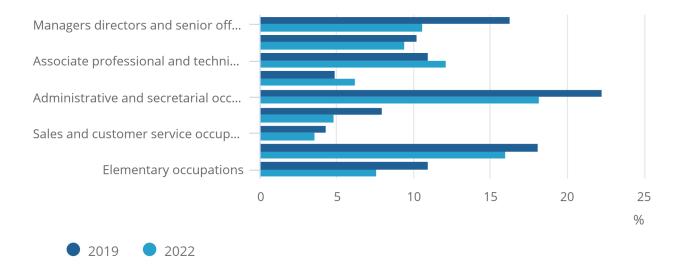
All age groups experienced a decrease in the gender pay gap in 2020 compared with 2019. This was largest for full-time employees aged 50 to 59 years and those aged 60 years and over. In 2021, all age groups increased compared with 2020. For 2022, the gap for employees aged 22 to 29 years, 30 to 39 years, and 60 years and above increased (although still in line with the pre-2020 downward trend). Those aged 60 years and over experienced the biggest increase of 1.9 percentage points.

Figure 3: The largest fall in the gender pay gap since before the coronavirus pandemic is among managers, directors and senior officials

Gender pay gap for full-time median gross hourly earnings (excluding overtime), by occupation, UK, April 2019 and 2022

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Gender pay gap for full-time median gross hourly earnings (excluding overtime), by occupation, UK, April 2019 and 2022



Source: Office for National Statistics – Annual Survey of Hours and Earnings (ASHE)

#### Notes:

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A positive gender pay gap among full-time employees exists in each of the nine main occupation groups, but has fallen since 2019 in all except two. Both the associate professional and technical occupations and administrative and secretarial occupations have seen a small increase.

The following occupation groups saw the largest gender pay decrease for 2022 compared with 2021: skilled trades occupations (down 3.7 percentage points), elementary occupations (down 2.6 percentage points) and caring, leisure and other service occupations (down 2.4 percentage points). The gender pay gap by occupation in 2020 and 2021 were similar to 2022 levels (Figure 3).

The largest fall since before the pandemic is among managers, directors, and senior officials, from 16.3% in 2019 to 10.6% in 2022, reflecting some signs of more women holding higher-paid managerial roles. This occupation group has one of the highest median pay levels – £23.25 per hour (excluding overtime) for full-time employees, compared with the median £16.30 among all full-time employee jobs, and therefore has a strong impact on the gender pay gap.

The large decrease in the managers, directors, and senior officials' occupation since 2020 can be partly attributed to the decrease in gender pay gap for employees aged 50 years and over. When looking at managers, directors, and senior officials by age group compared with 2021, those aged 50 to 59 years had the gender gap increase by 3.5 percentage points, and for workers aged 60 years and over this increased by 1.3 percentage points.

#### Figure 4: Explore the gender pay gap by occupation

Gender pay gap for median gross hourly earnings (excluding overtime), all, full-time, and part-time employees, by occupations, April 2022

#### Notes:

- 1. Estimates for 2022 data are provisional.
- 2. Employees are on adult rates, pay is unaffected by absence unless furloughed.
- 3. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
- 4. Figures represent the difference between men's and women's hourly earnings as a percentage of men's hourly earnings.
- 5. Some occupations can be included in more than one grouping.
- 6. Some data is unavailable as considered unreliable (small sample size).
- 7. The quality of earning estimates vary by occupation quality measures are available in the accompanying published data tables.
- 8. Please note that the percentages in this visual may differ to the figures in the accompanying published data tables by 0.1% due to the effects of rounding. When conducting any analyses, please use the data from the tables.

#### Download the data

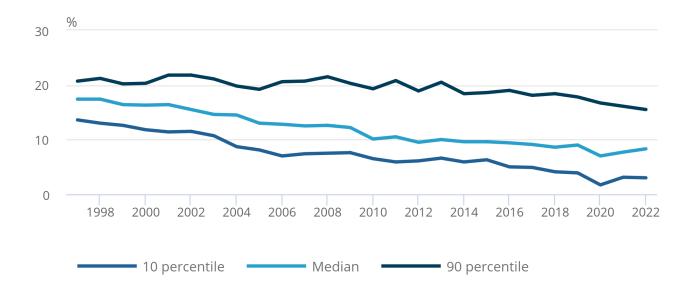
#### .xlsx

Figure 5: The difference in pay between the sexes is largest among higher earners

Difference in gross hourly earnings (excluding overtime) for full-time men and women at the top and bottom deciles and median, UK, 1997 to 2022

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Difference in gross hourly earnings (excluding overtime) for full-time men and women at the top and bottom deciles and median, UK, 1997 to 2022



Source: Source: Office for National Statistics – Annual Survey of Hours and Earnings (ASHE)

#### Notes:

- 1. Estimates for 2022 data are provisional.
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The 90th percentile male employee (one who earns more than 90% of other male employees, but less than the other 10%) earns substantially more than the equivalent female employee. The difference in pay, expressed in gender pay gap terms, is 15.5% for full-time employees. This is much higher than the gap among median earners (8.3%) and the bottom 10% of earners (3.0%).

Following a decrease in the gender pay gap across all deciles in 2020, in 2022 the highest-earning employees (70 th, 80<sup>th</sup>, 90<sup>th</sup>) and the tenth decile, although minimal, saw a decrease compared with 2021 however, the rest of the deciles increased. The highest-earning employees were less affected by furlough, and so the downward trend continued for this group.

# Figure 6: The gender pay gap is higher in all English regions than Scotland and Northern Ireland

Gender pay gap for median gross hourly earnings (excluding overtime) for full-time employees, by work region, UK, April 1997 and 2022

#### Notes:

- 1. Estimates for 2022 data are provisional.
- 2. Employees are on adult rates, pay is unaffected by absence unless furloughed.
- 3. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).
- 4. Figures represent the difference between men's and women's hourly earnings as a percentage of men's hourly earnings.

#### Download the data

#### .xlsx

The gender pay gap varies substantially between regions. It is higher in every region of England than in Northern Ireland (negative 4.6%) and Scotland (3.7%). In Wales, whilst the gender pay gap increased on the year, it is still below what it was before the coronavirus pandemic.

In the case of Northern Ireland in particular, the gender pay gap is affected by a higher proportion of women working in the public sector where pay rates for some jobs are higher than in the private sector.

This is a very different pattern from 1997, when the gender pay gap was relatively equal between the regions of the UK.

Most regions are returning to levels similar to the pre-pandemic period (2019); however, London has continued to decrease. London stands out as being the only region where the gender pay gap is very similar now to its 1997 level. This is not a new development and has been highlighted previously. Drivers of the gender pay gap are numerous and although jobs in London are more skewed to higher-skilled occupations, the relative change in proportion of full-time jobs by occupation since 1997 shows a similar pattern in London to that of the whole UK, meaning that factors beyond this need to be considered.

Analysis conducted by Office for National Statistics (ONS) based on ASHE 2017 data concluded that for the UK only 36% of the difference between men and women's pay could be explained by the attributes modelled from ASHE (with occupation being the highest, explaining 23% of the difference). This highlights the need for additional investigation, for example, separate ONS analysis has identified that – when changing job - women are more likely than men to accept lower pay in favour of a shorter commute. This is particularly noticeable in parts of the South East where commuting time to London is a consideration, and is likely to affect the number of women moving into managerial positions.

# 4. Gender pay gap data

#### Gender pay gap

Dataset | Released 26 October 2022

Annual gender pay gap estimates for UK employees by age, occupation, industry, full-time and part-time, region and other geographies, and public and private sector. Compiled from the Annual Survey of Hours and Earnings.

# 5. Glossary

## The gender pay gap

The gender pay gap is calculated as the difference between average hourly earnings (excluding overtime) of men and women as a proportion of average hourly earnings (excluding overtime) of men's earnings.

## Full-time and part-time

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

## **Standard Occupational Classification (SOC)**

The Standard Occupational Classification is a common classification of occupational information for the UK.

# 6. Measuring the data

The estimates in this bulletin are based on information gathered from a sample of 1% of employees in the UK. Prior to the coronavirus pandemic, the achieved sample size on Annual Survey of Hours and Earnings (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, 140,000 for 2021 and 147,000 for 2022. As such, ASHE estimates for 2020, 2021 and 2022 are subject to more uncertainty than usual.

From 2021 we have moved our occupation coding to Standard Occupation Classification (SOC) 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. At the top-level earnings estimates produced on a SOC 2020 basis show minimal differences to those produced on a SOC 2010 basis.

All estimates for 2022 are provisional and relate to the pay period that includes 27 April 2022. Estimates for 2021 have been revised and relate to the pay period which includes 21 April 2021, at which time 3.7 million employees were furloughed under the Coronavirus Job Retention Scheme (CJRS). For 2020, this was 8.8 million. Furloughed employee jobs received 80% of normal pay from the scheme, to a maximum £2,500 a month. Employers were able to top up employees' pay, but they were not required to. The Office for National Statistics (ONS) has estimated that approximately a half of employees had their pay topped up for both years.

ASHE collected actual payments made to the employee and the hours on which this pay were calculated, which in the case of furloughed employees would be their usual hours.

The exclusion criteria for the 2020 and 2021 data tables was revised to be "those employees who were not furloughed but whose pay was affected by absence". This results in the ASHE data tables excluding 4.4% of employee jobs in 2021 and 6.0% in 2020 (compared with approximately 5% in previous years).

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

LFS data for 2021 and 2022 have been impacted by an issue with the occupation coding using SOC20, as set out in the latest <u>update</u>. Given the use of the 1-digit occupation in the weighting process the ASHE estimates will be subject to further review but the impact is likely to be minimal based on the initial analysis.

An explanation for the difference in the gender pay gap estimate between full-time and all employees can be found in the <u>Guide to interpreting ASHE estimates</u>. It also addresses common questions about the data.

Further information on ASHE methodology can be found in the <u>ASHE methodology and guidance</u> and the <u>ASHE Quality and Methodology Information report</u>.

# 7. Strengths and limitations

The gender pay gap is the percentage difference between men and women's median hourly earnings, across all jobs in the UK. It is not a measure of the difference in pay between men and women for doing the same job.

The gender pay gap estimates presented here do not include overtime. Overtime can skew the results because men work relatively more overtime than women, and using hourly earnings better accounts for the fact that men work on average more hours per week than women.

The strengths and limitations of the Annual Survey of Hours and Earnings (ASHE) can be found in the <u>Quality</u> and <u>Methodology Information report</u> and the <u>Guide to sources of data of earnings and income</u>.

# 8. Related links

#### The commuting gap: women are more likely than men to leave their job over a long commute

Article | Released 4 September 2019

When deciding whether to leave their job, women are more likely than men to accept lower pay in favour of a shorter commute, contributing to the overall gender pay gap.

#### Understanding the gender pay gap in the UK

Article | Released 17 January 2018

This analysis builds on the raw gender pay gap, using regressions techniques to provide more insight into the factors that affect men's and women's pay.

#### London had the lowest gender pay gap 20 years ago but now has the largest

Article | Released 27 November 2017

The pay gap between men and women working in London has barely changed in over two decades, new ONS analysis shows.

#### Decoding the gender pay gap

Blog | Released 16 April 2019

This ONS blog post explores the paradox found in the gender pay gap and how occupation and type of employment affect the statistics.

#### Labour market overview

Bulletin | Released 11 October 2022

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

#### Ethnicity pay gaps in Great Britain: 2020

Article | Released 12 October 2020

Earnings and employment statistics for different ethnic groups in Great Britain, using regression analysis to provide more insight into factors that affect pay.

# 9. Cite this statistical bulletin

Office for National Statistics (ONS), released 26 October 2022, ONS website, statistical bulletin, <u>Gender pay</u> gap in the UK: 2022