

Statistical bulletin

Gender pay gap in the UK: 2023

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



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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): 2023
- Low and high pay in the UK: 2023

2. Main points

- The gender pay gap has been declining slowly over time; over the last decade it has fallen by approximately a guarter among full-time employees, and in April 2023 it stands at 7.7%.
- There remains a large difference in the gender pay gap between employees aged 40 years and over and those aged under 40 years.
- Compared with lower-paid employees, the gender pay gap among higher earners is much larger, however this difference has decreased in recent years.
- The gender pay gap has decreased across all major occupational groups between 2022 and 2023.
- The gender pay gap in skilled trades occupations remains the largest of the major occupational groups, however, it has also decreased by the largest amount over the past years.
- The gender pay gap among full-time employees is higher in every English region than in Wales, Scotland or Northern Ireland.

The gender pay gap measures 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.

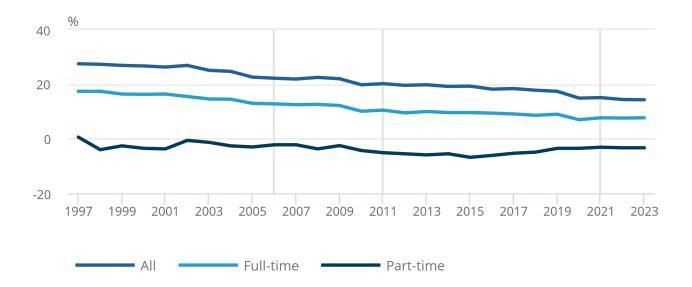
3. The gender pay gap

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

Gender pay gap for median gross hourly earnings (excluding overtime), UK, April 1997 to 2023

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Gender pay gap for median gross hourly earnings (excluding overtime), UK, April 1997 to 2023



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

Notes:

- 1. Vertical lines represent discontinuities in the 2006, 2011 and 2021 ASHE because of a change in occupation coding.
- 2. Estimates for 2023 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 excluding overtime.

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 2023, the gap among full-time employees increased to 7.7%, up from 7.6% in 2022. This is still below the gap of 9.0% before the coronavirus (COVID-19) pandemic in 2019. Among all employees, the gender pay gap decreased to 14.3% in 2023, from 14.4% in 2022, and is still below the levels seen in 2019 (17.4%).

The gender pay gap reported by the 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 stayed consistent at negative 3.3%, however, over the long term the upward trend in the part-time gender pay gap seen since 2015 is continuing.

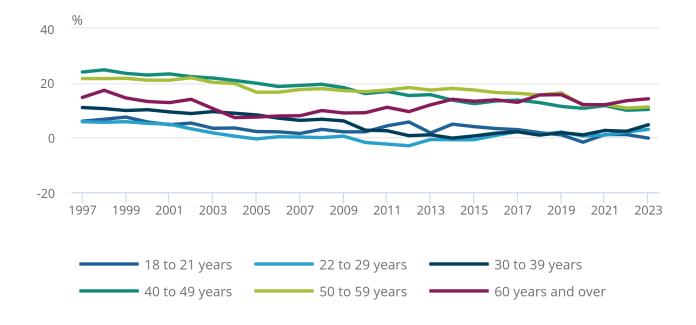
The gender pay gap is higher for all employees than it is for full-time employees or part-time employees. This is because <u>women fill more part-time jobs</u>, which in comparison with full-time jobs have lower hourly median pay. ASHE data shows that in 2023 approximately 86% of male employees were in full-time jobs, compared with approximately 61% of female employees.

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 2023

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Gender pay gap for full-time median gross hourly earnings (excluding overtime), by age group, UK, April 1997 to 2023



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

Notes:

- 1. The age group for those aged 16 to 17 years has been excluded from this chart because of sample size volatility.
- 2. Estimates for 2023 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 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 comparable basis than all employees for measuring differences in hourly pay) is low, at 4.7% or below. This has been the case since 2015.

However, for the age group for those aged 40 to 49 years and older, the gender pay gap for full-time employees is much higher, at 10.3% or higher. The gender pay gap increased across all age groups between 2022 and 2023, except for those aged 18 to 21 years where it decreased from 1.1% to negative 0.2%. The largest increase was seen among employees aged 30 to 39 years, where the gender pay gap increased from 2.3% to 4.7%. This is the highest value of the gender pay gap for this age group since 2009.

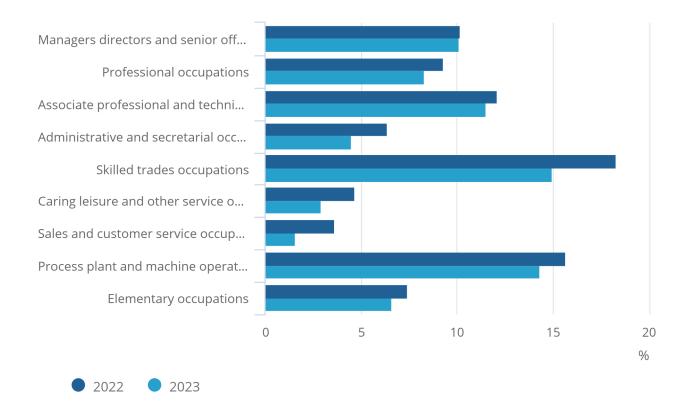
The gender pay gap for full-time employees aged 60 years and over is currently the largest of all age groups. Between 2022 and 2023, the gender pay gap for this group has increased from 13.5% to 14.2%.

Figure 3: The gender pay gap fell for all occupational groupings from 2022 to 2023, with the largest fall coming from skilled trades occupations

Gender pay gap for full-time median gross hourly earnings (excluding overtime), by occupation, UK, April 2022 and April 2023

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Gender pay gap for full-time median gross hourly earnings (excluding overtime), by occupation, UK, April 2022 and April 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 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. Occupations are defined by the Standard Occupational Classification (SOC) 2020.

Median hourly earnings excluding overtime is higher for males than it is for females among full-time employees in each of the nine main occupation groups. However, this difference has fallen in all occupation groups since last year, which continues the downward trend in the gender pay gap by occupation.

The following occupation groups saw the largest gender pay gap decrease for 2023 compared with 2022: skilled trades occupations (down 3.3 percentage points), sales and customer service occupations (down 2.0 percentage points) and administrative and secretarial occupations (down 1.9 percentage points).

Figure 4: Fewer women in their 40s and 50s are in occupations such as managers, directors and senior officials, at an age when pay for these occupations typically increases

Median gross hourly earnings (excluding overtime) by the percent of full-time employees in each group that are women, for age and occupation group, UK, 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 are defined by the Standard Occupational Classification (SOC) 2020.

Figure 4 highlights the specific occupation types that women mainly work in. The clearest insight into the gap between those aged under 40 years and those aged 40 years and over can be obtained by looking at the proportion of full-time employees who are women in the higher-paid occupation groups (such as managers, directors and senior officials) where the proportion is lower among those aged 40 to 49 years and those aged 50 to 59 years. This is important because not only is the average pay in that occupation nearly 20% higher for employees aged 40 to 49 years than it is for employees aged 30 to 39 years, but the proportion of women also decreases. Although less pronounced, a similar trend can also be observed in professional and associate professional employees.

The proportion of women in these age groups in the higher-paid professional, associate professional, and managers, directors and senior officials groups remains below 50% for all age groups. The difference in earnings between employees aged under 40 years and those aged 40 years and over is also much larger for these occupational groupings than it is for the others.

In comparison with full-time women employees aged between 30 and 39 years, those aged 40 to 49 years are more likely to work in most of the lower-paid occupations, and in many cases this trend continues for those aged 50 to 59 years. Pay per hour in these occupations remains broadly unchanged.

Figure 5: Explore the gender pay gap by occupation

Gender pay gap for median gross hourly earnings (excluding overtime), all employees, full-time employees, and part-time employees, by occupations, April 2023

Notes:

- 1. Estimates for 2023 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 are unavailable as they are considered unreliable (small sample size).
- 7. The quality of earnings estimates vary by occupation; quality measures are available in the accompanying published data tables.

Figure 6: 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 2023

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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 2023



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

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- 1. Estimates for 2023 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. Vertical lines represent discontinuities in the 2006, 2011 and 2021 ASHE because of a change in occupation coding.

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 14.8% for full-time employees. This is much higher than the gap among median earners (7.7%), which in turn is also higher than the bottom 10% of earners (3.1%).

The changes to the gender pay gap across all deciles have been minimal between 2022 and 2023. However, the gender pay gaps for medium-high earners (60th to 80th percentiles) have increased among full-time employees. For example, the 80th percentile gender pay gap in 2023 was 1.6% higher than it was in 2022. All deciles remain below pre-coronavirus pandemic levels in April 2019.

Figure 7: The gender pay gap is higher in all English regions than in Scotland, Wales or Northern Ireland

Gender pay gap for median gross hourly earnings (excluding overtime) for full-time employees, by work region, UK, April 1997 and 2023

Notes:

- 1. Estimates for 2023 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.

The gender pay gap varies substantially between regions. It is higher in every region of England than in Northern Ireland (negative 3.5%), Scotland (1.7%) and Wales (5.6%). 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.

London stands out as being the region where the gender pay gap has decreased by the smallest amount when compared with 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 likely to be higher-skilled occupations when compared to other UK regions, 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.

The Office for National Statistics (ONS) conducted an analysis based on ASHE 2017 data which concluded that, for the UK, only 36% of the difference between men and women's pay could be explained by the attributes modelled from the ASHE (with occupation being the highest, explaining 23% of the difference); for further details, see our <u>Understanding the gender pay gap in the UK article</u>. 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, as explained in our <u>The commuting gap: women are more likely than men to leave their job over a long commute analysis</u>. 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 1 November 2023

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. In practice, this means that a positive value for the gender pay gap indicates that on average men earn more than women, whereas a negative value indicates that on average women earn more than men.

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

The <u>Standard Occupational Classification</u> (SOC) is a common classification of occupational information for the UK.

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 since, 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 the composition of the workforce and the impact of the Coronavirus Job Retention Scheme (furlough), making interpretation difficult. For more information, see our <u>Far from average: How COVID-19 has impacted the Average Weekly Earnings datablog</u>. Along with data collection disruption and lower response rates during this time, this 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.

During and following the coronavirus pandemic period, the 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 the reasons why we expect to see differences in the data sources in our Comparison of labour market data source methodology. In addition, we also believe that differential non-response, the calibrating to the Labour Force Survey (LFS), increased variance because of sample size reduction, and the way the bonus element of the 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.

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

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

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.

Our <u>Guide to interpreting ASHE estimates methodology</u> addresses common questions about the data. Further information about the ASHE can be found in our <u>ASHE methodology and guidance article</u> and our <u>ASHE, low pay and pension results Quality and Methodology Information (QMI) report.</u>

7. Strengths and limitations

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

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

Decoding the gender pay gap

Blog | Released 16 April 2019

This Office for National Statistics (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 24 October 2023

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

Ethnicity pay gaps in Great Britain: 2019

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.

Disability pay gaps in the UK: 2021

Bulletin | Released 25 April 2022

Earnings statistics for disabled and non-disabled employees in the UK, using regression analysis to provide more insight into factors that affect pay.

9. Cite this statistical bulletin

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