

Statistical bulletin

# Low and high pay in the UK: 2019

The distribution of earnings of high- and low-paid jobs and jobs paid below the National Minimum Wage.



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## Correction

### 31 January 2020 12:00

A revision has been made to the data presentation in Figure 7 which plots distribution of hourly earnings for selected years from 2004 to 2019. This figure now displays only 10p bands from £4.00 to £40.00.

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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 \(from Annual Survey of Hours and Earnings\): 2019](#)
- [Gender pay gap in the UK: 2019](#)

## 2 . Main points

- On an hourly earnings basis, the proportion of low-paid employee jobs fell to 16.2% in 2019, the lowest since the series began in 1997.
- The largest decrease in the proportion of low-paid employee jobs compared with 2000 has been in Scotland.
- In 2019, the proportion of low-paid part-time employee jobs was over three times as large as that of full-time employee jobs.
- The highest earning full-time employee jobs were paid almost five times as much per hour (excluding overtime) as the lowest paid, although this has narrowed in the past five years.
- The number of jobs paid below the National Minimum Wage and National Living Wage decreased over the year to 425,000 employee jobs.

Definitions of low and high pay are based on those used by the Organisation for Economic Co-operation and Development (OECD) in which low pay is defined as below two-thirds of median hourly earnings and high pay is defined as more than 1.5 times median hourly earnings. See [Glossary](#) for details.

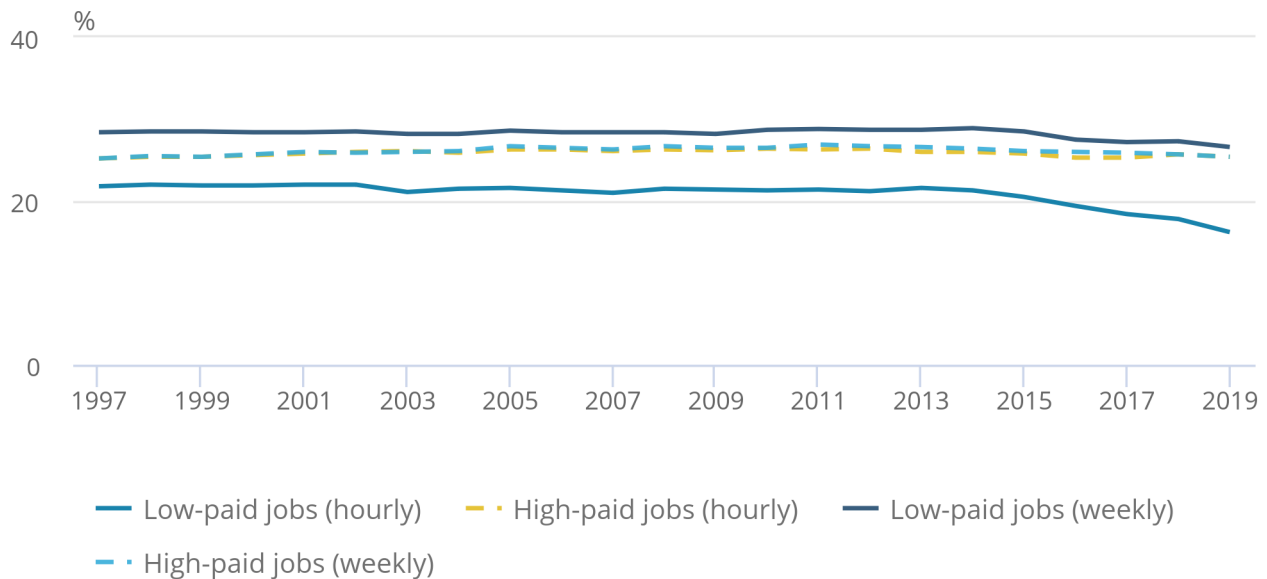
### 3 . Low- and high-paid employee jobs

Figure 1: The proportion of low-paid employee jobs fell to 16.2% in 2019

Proportion of high- and low-paid employee jobs for hourly pay and gross weekly pay, whole economy, UK, 1997 to 2019

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Proportion of high- and low-paid employee jobs for hourly pay and gross weekly pay, whole economy, UK, 1997 to 2019



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

Notes:

1. Footnotes applicable to all charts in this bulletin can be found in [Section 7: Measuring the data](#).

In 2019, 16.2% of all employee jobs were low-paid, when considered in terms of hourly earnings. This was the lowest proportion of low-paid employee jobs by hourly pay since the series began in 1997, which coincides with recent increases in the [National Minimum Wage and National Living Wage](#) rates.

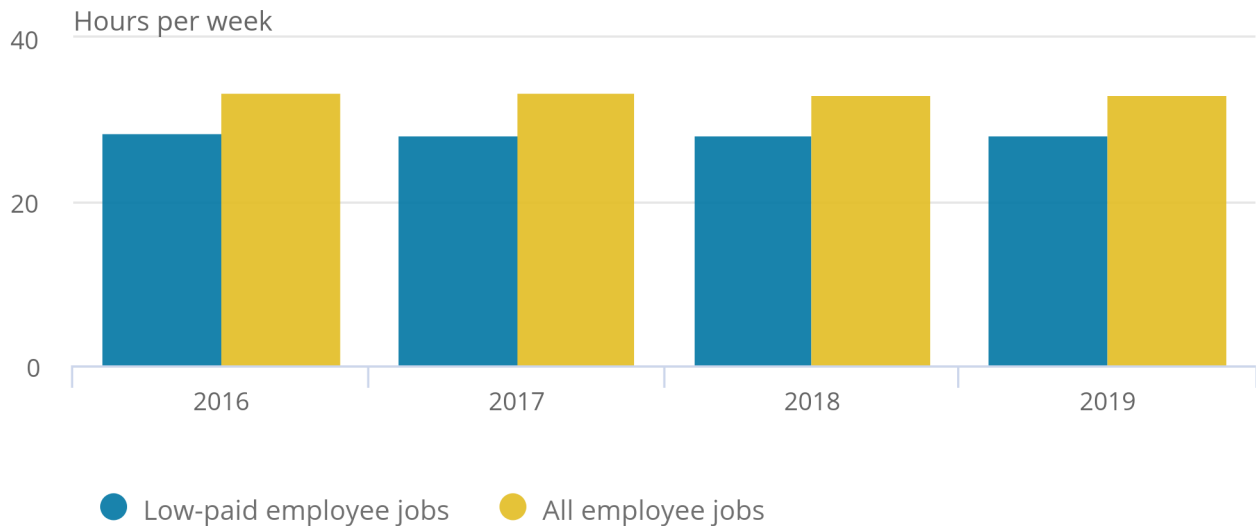
High-paid employee jobs, however, remained at a similar proportion of the total since the series began for both hourly and weekly pay, averaging around 26% of all employee jobs across both the series.

## Figure 2: Weekly hours worked in low-paid employee jobs has fallen more quickly than all employee jobs

Average total weekly paid hours (including overtime) for low-paid employee jobs and all employee jobs, whole economy, UK, 2016 to 2019

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Average total weekly paid hours (including overtime) for low-paid employee jobs and all employee jobs, whole economy, UK, 2016 to 2019



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

#### Notes:

1. Footnotes applicable to all charts in this bulletin can be found in [Section 7: Measuring the data](#).

The smaller decline in the proportion of low-paid employee jobs, when considered in terms of gross weekly earnings rather than in hourly earnings (Figure 1), reflects fewer hours worked per week among the lowest paid in recent years (a fall of 1.7 percentage points since 2016). For all employee jobs this has remained stable (Figure 2). It is not possible to determine whether the fall in hours worked in low-paid employee jobs is the result of employees or employers choosing to reduce working hours.

**Figure 3: Scotland had the largest decrease in the proportion of low-paid employee jobs between 2000 and 2019**

Proportion of low-paid employee jobs, by region, UK, April 2000 and April 2019

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Proportion of low-paid employee jobs, by region, UK, April 2000 and April 2019



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

Notes:

1. Region is determined by the employee’s place of work.
2. Footnotes applicable to all charts in this bulletin can be found in [Section 7: Measuring these data](#).

In 2019, 8.7% of employee jobs in London were low-paid, compared with an average of 16.2% in the rest of the UK (Figure 1). Similarly, London had a higher proportion of high-paid jobs compared with the rest of the UK (42.5% compared with an average of 25.4%, respectively).

The country with the lowest proportion of low-paid employee jobs was Scotland with 14.5%. In Wales, the proportion was 19.1% and in Northern Ireland it was 21.1%.

The proportion of low-paid employee jobs since 2000 has decreased in all regions and countries of the UK. Scotland experienced the largest decrease (by 15.8 percentage points) followed by the South West (15.1 percentage points) and the North East (12.9 percentage points).

The proportion of high-paid employee jobs across all regions has changed comparably little since 2000, reflecting the trend for the UK.

**Figure 4: The proportion of low-paid part-time employee jobs in 2019 was over three times as large as that of full-time employee jobs**

Proportion of low- and high-paid employee jobs by working pattern, UK, April 2019

Figure 4: The proportion of low-paid part-time employee jobs in 2019 was over three times as large as that of full-time employee jobs

Proportion of low- and high-paid employee jobs by working pattern, UK, April 2019



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

Notes:

1. Footnotes applicable to all charts in this bulletin can be found in [Section 7: Measuring these data](#).

There is a large difference between the proportion of low-paid employee jobs for full-time and part-time working patterns: 32.9% of part-time employee jobs in 2019 were low-paid compared with just 9.6% of full-time employee jobs.

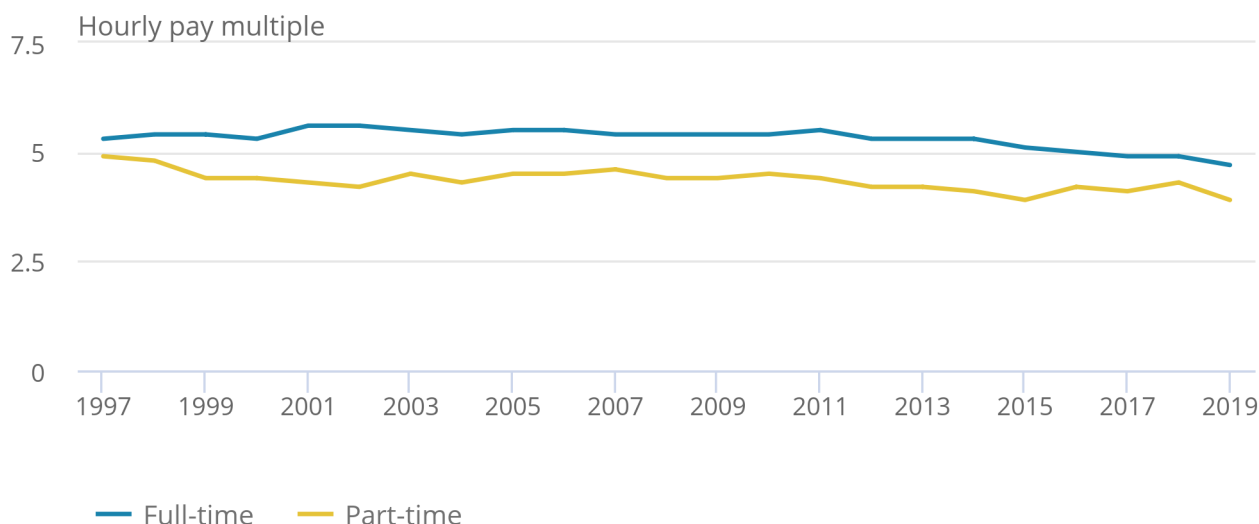
Conversely, the proportion of high-paid employee jobs is much higher for full-time employees than for part-time employees. This difference in pay is an important element of the gender pay gap because a higher proportion of women work part-time.

## Figure 5: The highest earning full-time employee jobs were paid almost five times as much as the lowest

Pay differential between 5th and 95th percentile, UK, April 1997 to 2019

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Pay differential between 5th and 95th percentile, UK, April 1997 to 2019



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

#### Notes:

1. The pay differential in the table measures the multiple of hourly pay of the 5%-lowest paid job (5th percentile) in overall pay distribution compared with the 5%-highest paid (95th percentile), for example, in 2019 the 95th percentile full-time employee job was paid £39.15 per hour, 4.7 times the lowest paid at £8.29.
2. Footnotes applicable to all charts in this bulletin can be found in [Section 7: Measuring these data](#).

The highest-paid, full-time employee jobs (at the 95th percentile) were paid just under five times as much as the lowest paid (at the 5th percentile) in 2019, a reduction from 5.5 times in 2011.

For part-timers, this was around four times; however, unlike full-time employee jobs, there has been little change in the relationship between low and high pay in the past five years.

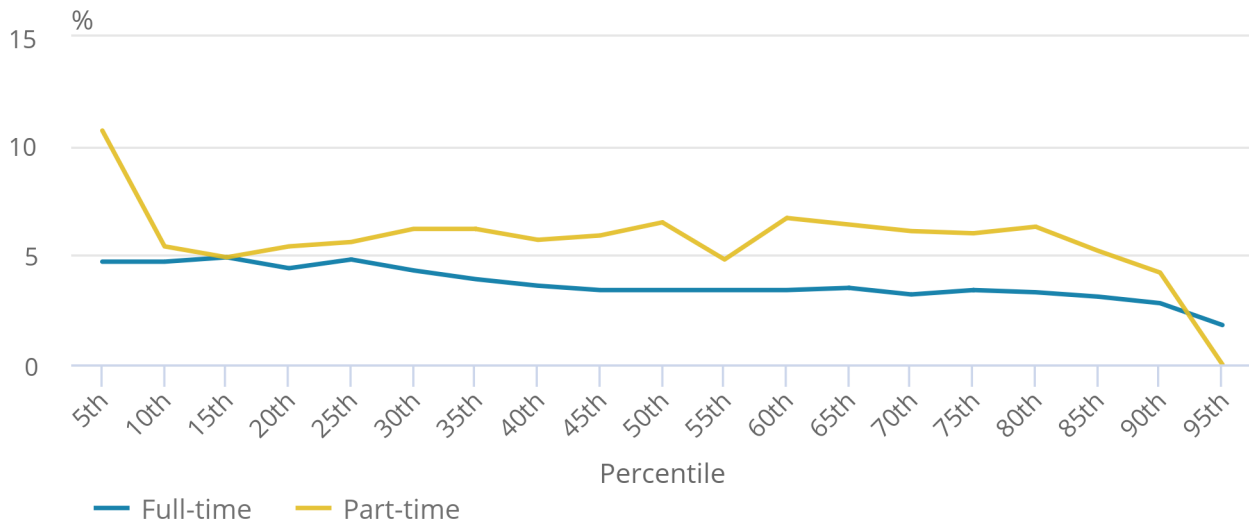


**Figure 6: Growth in hourly earnings for the lowest paid 30% of full-time employees was over 4% on average in 2019**

Percentage change to the distribution of full-time and part-time hourly earnings excluding overtime for every fifth percentile, UK, April 2019

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Percentage change to the distribution of full-time and part-time hourly earnings excluding overtime for every fifth percentile, UK, April 2019



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

Notes:

- Footnotes applicable to all charts in this bulletin can be found in [Section 7: Measuring the data](#).

Changes in the levels of pay shown can be explained, in part, by differences in annual growth rates across the percentiles. Although the proportion of full-time, high-paid employee jobs remained stable in 2019, hourly pay among the 5% highest earning full-time employee jobs increased by less than average (1.8%). The proportion of low paying full-time employee jobs fell while hourly pay grew on average over 4%.

For part-time employee jobs, hourly pay growth was strong across all percentiles until weakening past the 80th percentile. Some volatility is present because of the small sample size so estimates should be used with caution.

This growth in the lower percentiles corresponds with increases in [National Minimum Wage or National Living Wage](#) and a fall in the number of employee jobs receiving less than this rate.

## 4 . National Minimum Wage and National Living Wage

In April 2019, there were 425,000 employee jobs with employees aged 16 years and over who were paid below the [National Minimum Wage or National Living Wage](#) (1.5% of employee jobs). This compares with with 443,000 (1.6% of employee jobs) in 2018. In April 2019, the National Minimum Wage and National Living Wage rates were increased by approximately 4.9%.

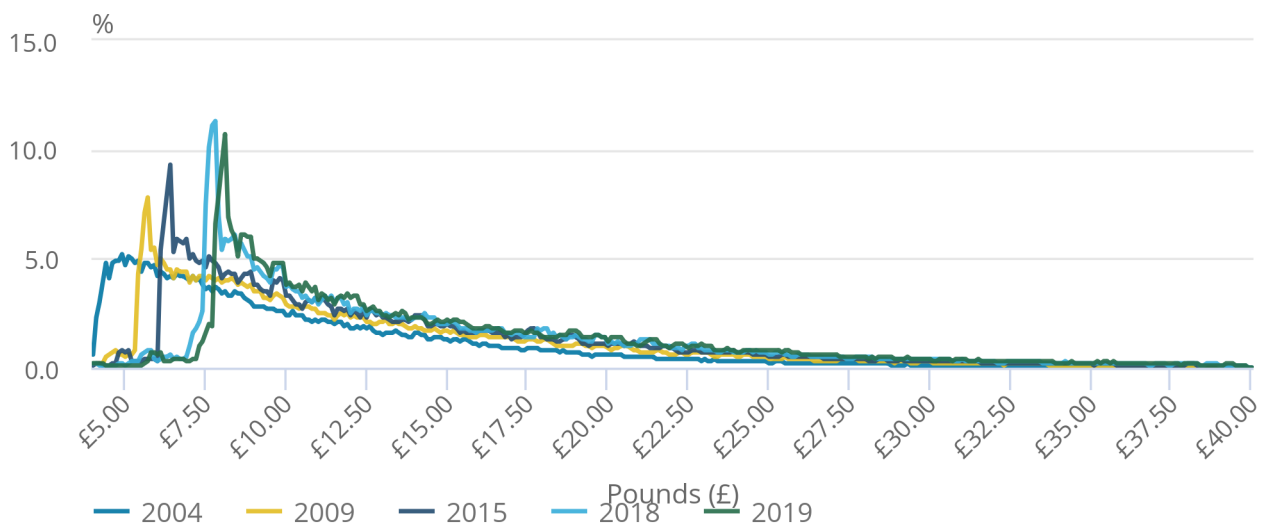
The National Minimum Wage and National Living Wage estimates in this release and ASHE cannot be used as a measure of non-compliance with minimum wage legislation as it is not always possible to determine eligibility from survey data. See Strengths and limitations for details.

### Figure 7: Over 10% of employee jobs were paid within 20 pence of the National Minimum Wage in 2019

Distribution of hourly earnings, selected years from 2004 to 2019, for UK (proportion of jobs within plus or minus 20 pence of shown pay rate)

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Distribution of hourly earnings, selected years from 2004 to 2019, for UK (proportion of jobs within plus or minus 20 pence of shown pay rate)



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

#### Notes:

- Footnotes applicable to all charts in this bulletin can be found in [Section 7: Measuring these data](#).

In 2004, the distribution shows that many jobs were paying between £5 and £6 per hour, with the number of jobs being paid more than this gradually decreasing as hourly pay increased. By 2009 a spike of jobs being paid around the National Minimum Wage rate appears and becomes more pronounced in subsequent years with a large concentration of jobs paid within 20 pence of the National Minimum Wage in 2019.

## 5 . Low and high pay data

Data for the distribution of low-paid jobs by 10 pence thresholds and the proportion of employee jobs earning below the Living Wage, by work geography, are available.

### [Distribution of low-paid jobs by 10 pence bands](#)

Released: 29 October 2019

Tables showing the number of UK jobs from 1998 to 2019 paid less than various 10 pence thresholds split by age band.

### [Jobs paid below minimum wage by category](#)

Released: 29 October 2019

Annual estimates of the number of UK jobs paid below the minimum wage by sex, age, occupation and industry, full-time and part-time, and region, from 1998 to 2019.

### [Estimates of the number and proportion of employee jobs with hourly pay below the living wage](#)

Released: 29 October 2019

Estimates of the number and proportion of employee jobs with hourly pay below the living wage, as defined by the living wage foundation. Estimates are provided by parliamentary constituency and local authority.

## 6 . Glossary

### Low pay and high pay

Throughout this bulletin, unless otherwise stated, low and high pay are calculated using the [Organisation for Economic Co-operation and Development \(OECD\) definitions](#). Low pay is defined as the value that is two-thirds of median hourly earnings and high pay is defined as the value that is 1.5 times median hourly earnings.

For example, median hourly earnings for all employees in 2019 is £13.27, therefore low-pay employees are anyone earning below two-thirds of £13.27, which is £8.85. High-pay employees are those earning anything above 1.5 times £13.27, which is £19.91.

### 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 (SOC) is a common classification of occupational information for the UK.

### 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 a worker's age and whether they are an apprentice. The NMW applied to employees aged between 16 and 24 years. The government's National Living Wage (NLW) was introduced on 1 April 2016 and applies to employees aged 25 years and over.

On the ASHE reference date in April 2019, the NMW and NLW rates were:

- £8.21 for employees aged 25 years and over
- £7.70 for employees aged 21 to 24 years
- £6.15 for employees aged 18 to 20 years
- £4.35 for employees aged 16 to 17 years
- £3.90 for apprentices aged 16 to 18 years and those aged 19 years or over who are in the first year of their apprenticeship

## Percentiles

The Xth percentile indicates the value at which X% of the population falls under. For example, the fifth percentile means that 5% of the population earn under this amount and 95% of the population earn above this amount. The median corresponds to the 50th percentile, that is, the value at which half the population falls under.

## 7 . Measuring the data

All estimates for 2019 are provisional and relate to the reference date 10 April 2019. Data from the 2018 survey have been subject to small revisions since the provisional estimates were published on 25 October 2018.

For the charts in this bulletin, the following notes apply:

1. Employees are on adult rates, pay is unaffected by absence.
2. Low pay is defined as the value that is two-thirds of median hourly earnings and high pay is defined as the value that is 1.5 times median hourly earnings [Figures 1 to 4 only]. Figure 1 also includes low and high pay based on weekly pay calculations
3. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions) [Figures 4 to 6 only].
4. 2019 data are provisional.

A [Guide to interpreting ASHE estimates](#) is available and addresses common questions about the data. Specific low pay methodology and guidance is available on the [Low pay methodology pages](#).

Further information on ASHE methodology can be found on the ASHE methodology and guidance page and in the [Quality and Methodology Information report](#).

## 8 . Strengths and limitations

The National Minimum Wage and National Living Wage estimates in this release and ASHE datasets cannot be used as a measure of non-compliance with the minimum wage legislation. This is because it is not always possible to determine from the survey data whether an individual is eligible for the minimum wage. For example, if employees receive free accommodation, employers are entitled to offset hourly rates.

The strengths and limitations of ASHE can be found in the [Quality and Methodology Information report](#) and the [Guide to sources of data of earnings and income](#).

## 9 . Related links

### [Distribution of earnings in the UK: 2017](#)

Article | Released 2 November 2018

Distribution of earnings analysis using Annual Survey of Hours and Earnings (ASHE) provisional 2017 data and previous ASHE datasets, with a focus on earnings growth for those in employment between two consecutive years.

### [National Minimum Wage: Low Pay Commission report 2018](#) Reports | Released 11 January 2019

Includes recommendations for the National Living Wage and National Minimum Wage rates to apply from April 2019.

### [Low Pay Britain 2019 – Resolution Foundation](#)

Report | Released 30 May 2019

Since 2011, the Resolution Foundation has published an annual review. This year's report – the ninth edition of Low Pay Britain, based on pay data from April 2018 – focuses on the minimum wage.

### [Average weekly earnings in Great Britain](#)

Bulletin | Released 15 October 2019

Monthly estimates of growth in employee earnings before tax and other deductions from pay.

### [UK labour market overview](#)

Bulletin | Released 15 October 2019

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