

Statistical bulletin

Low and high pay in the UK: 2023

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

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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: 2023](#)
- [Gender pay gap in the UK: 2023](#)

2 . Main points: April 2023

- The proportion of low-paid employee jobs (based on hourly pay) fell to 8.9% in 2023 from 10.7% in 2022, the lowest since the series began in 1997, with the proportion of high-paid employee jobs falling 0.4 percentage points on-the-year to 23.4% in 2023.
- Average hourly pay in 2023 has increased for all percentiles year-on-year, but there is a larger increase in the lower deciles.
- The lowest-earning employees tend to be younger, aged between 16 and 21 years, and in the elementary occupations or in the hospitality industry.
- The highest-earning employees are concentrated in the managerial and professional occupations, aged between 35 and 49 years, or work in the information and communication, and finance and insurance service industries.
- The number of jobs paid below the National Minimum Wage and National Living Wage is 366,000 (1.3%) employee jobs.

3 . Low- and high-paid employee jobs

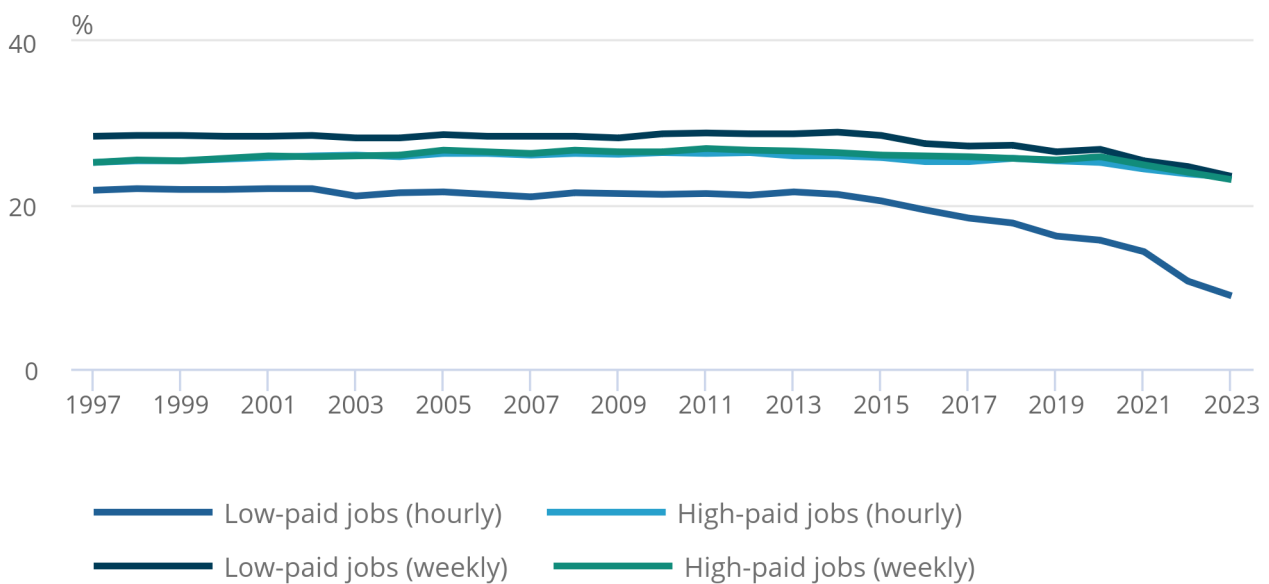
The Annual Survey for Hours and Earnings (ASHE) is based on employer responses for a 1% sample of employee jobs, using HM Revenue and Customs Pay As You Earn (PAYE) records to identify individuals' current employer. Throughout this bulletin, the terms "jobs" and "employees" are used interchangeably.

Figure 1: The proportion of low-paid employee jobs for hourly pay fell to record lows of 8.9% and the proportion of high-paid employee jobs fell to 23.4% in 2023

Proportion of high- and low-paid employee jobs for hourly pay and gross weekly pay, whole economy, UK, 1997 to 2023

Figure 1: The proportion of low-paid employee jobs for hourly pay fell to record lows of 8.9% and the proportion of high-paid employee jobs fell to 23.4% in 2023

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

In 2023, 8.9% of all employee jobs were low paid (were paid less than two-thirds of median hourly pay), when considered in terms of hourly earnings.

This was the lowest proportion of low-paid employee jobs by hourly pay since the data series began in 1997, which coincides with recent increases in the [National Minimum Wage \(NMW\) and National Living Wage \(NLW\) rates](#). This also coincides with the additional increase in the NMW for those aged 23 and 24 years, who joined those aged 25 years and over in receiving the NLW in 2021. The proportion of high-paid employee jobs based on hourly pay fell to 23.4% in 2023.

High-paid employee jobs (those earning more than 1.5 times the median) for hourly and weekly pay have decreased by 0.4 and 0.9 percentage points, respectively since 2022, averaging approximately just under a quarter of all employee jobs across both the hourly and weekly pay series.

Our [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 [Section 8: Glossary](#) for details. In 2023, low pay is defined as those earning below £10.59 per hour and high pay is defined as those earning more than £23.82 per hour.

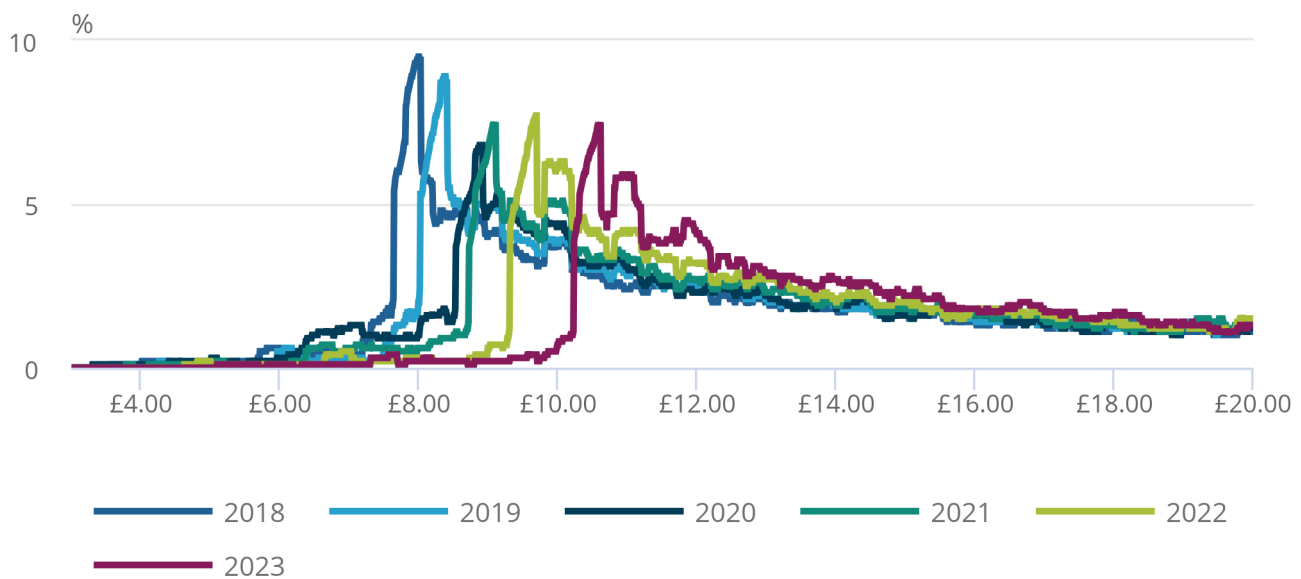
4 . Distribution of pay

Figure 2: The proportion of people earning at or below the minimum wage has slightly decreased in 2023 and the distribution profile follows a similar pattern as 2022

Distribution of hourly earnings (excluding overtime) for all employees, from 2018 to 2023, UK (proportion of jobs within plus or minus 20 pence of shown pay rate)

Figure 2: The proportion of people earning at or below the minimum wage has slightly decreased in 2023 and the distribution profile follows a similar pattern as 2022

Distribution of hourly earnings (excluding overtime) for all employees, from 2018 to 2023, UK (proportion of jobs within plus or minus 20 pence of shown pay rate)



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

Notes:

1. Estimates for 2023 data are provisional.
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There is a large concentration of jobs paid within 20 pence of the National Minimum Wage (NMW) each year, but in more recent years the peak has been less pronounced. In 2020 and 2021 there was an additional smaller peak at approximately 80% of the minimum wage, which attributed to furloughing under the Coronavirus Job Retention Scheme (CJRS). This is no longer present in the 2022 and 2023 data.

Further up the pay distribution, the pattern for 2023 has a clear peak at around £11 an hour, which is more pronounced than a similar peak in the 2022 distribution. This is likely attributed to employers choosing to pay employees £11 per hour, as the NMW increases each year. The NMW for those aged 23 years and over was £10.42 in April 2023.

The living wage, as defined by the [Living Wage Foundation](#), for employees outside of London was £10.90 in April 2023. This may have an impact in employers choosing to pay employees £11 instead of the NMW rate. There is now also a smaller peak forming at the £12 an hour mark in the 2023 distribution, which did not occur in previous years. This may be because of employers in London paying the £11.95 London living wage.

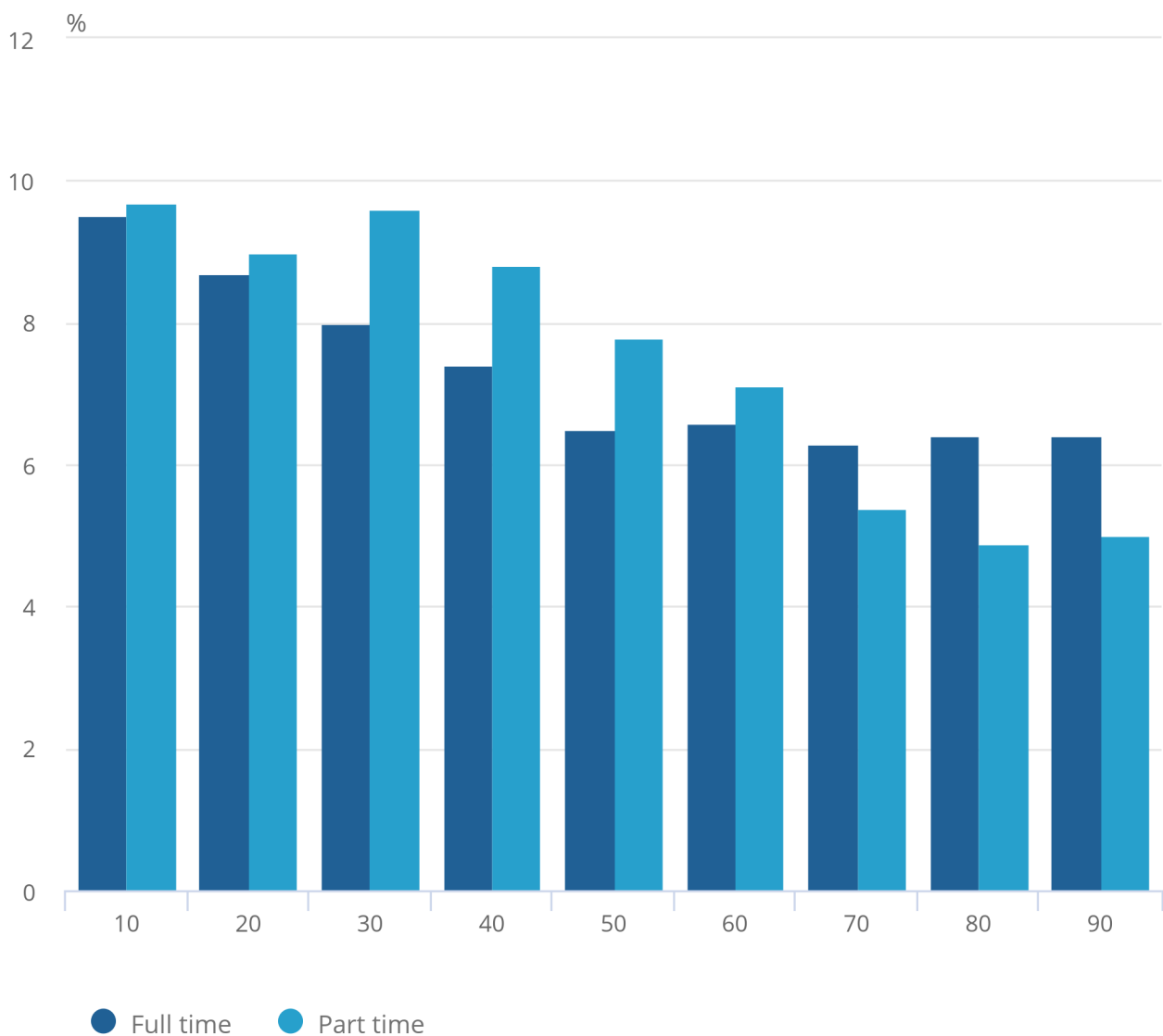
5 . Those most affected by low and high pay

Figure 3: Average hourly pay in 2023 has increased for all deciles year-on-year, but there is a larger increase in the lower deciles

Year-on-year percentage change to the distribution of full-time and part-time hourly earnings (excluding overtime) for every decile, UK, 2022 to 2023

Figure 3: Average hourly pay in 2023 has increased for all deciles year-on-year, but there is a larger increase in the lower deciles

Year-on-year percentage change to the distribution of full-time and part-time hourly earnings (excluding overtime) for every decile, 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).

There has been an increase in pay across the pay distribution in 2023 compared with 2022 for all deciles for full-time employees and all deciles for part-time employees. The average hourly pay (excluding overtime) of the lowest paying full-time and part-time jobs (10th decile) have both seen large percentage increases in 2023 (9.5% and 9.7%, respectively). The higher paying deciles had a smaller increase than the lower paying deciles. The 90th percentile increased 6.4% for full-time employees and 5% for part-time employees.

Figure 4: Low-paid employees tend to be part-time, younger, in elementary occupations and the hospitality industry

Low-paid employees, high-paid employees and middle-paid employees broken down by various characteristics, UK, 2023

Notes:

1. Estimates for 2023 data are provisional.
2. Employees are on adult rates, pay is unaffected by absence.
3. 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.

Types of people who are low paid and high paid

The employees who were low paid (that is, paid less than two-thirds of median hourly pay) had a different makeup compared with those who were high paid (paid more than 1.5 times the median).

The proportions of employees who were low paid were highest for elementary occupations (31.9%), those working in hospitality (39.1%), young workers aged 16 to 21 years (48.9%) or those working in the East Midlands or Northern Ireland (both 11.2%). Similarly, women were more likely to be low paid than men (10.5% compared with 7.2%) and part-time employees were more likely to be low paid than full-time employees (22% compared with 4.2%).

The proportions of employees who were high paid were highest for managerial and professional occupations (50.2% and 47.9%, respectively), those working in the information and communication industry or the finance and insurance industry (42.9% and 49.9%, respectively), workers aged between 40 and 44 years (31.9%) or those working in London (39.8%). Similarly, men were more likely to be high paid than women (27.7% versus 19.1%) and full-time employees were more likely to be high paid than part-time employees (27.4% compared with 12.5%).

6 . National Minimum Wage and National Living Wage

In April 2023, there were approximately 366,000 employee jobs with employees aged 16 years and over who were paid below the [National Minimum Wage \(NMW\) or National Living Wage \(NLW\)](#) (1.3% of employee jobs). For context, this compares with 389,000 (1.3% of employee jobs) in 2022. As many employees were furloughed with reduced pay in 2020 and 2021, the proportion of employee jobs below the NMW was higher in these years. The proportion of employees below the NMW in 2022 has returned to levels similar to those seen before the coronavirus (COVID-19) pandemic.

The NMW and NLW estimates in this bulletin and the Annual Survey of Hours and Earnings (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 [Section 10: Strengths and limitations](#) for details.

7 . Low and high pay data

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

Dataset | Released 1 November 2023

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 2023.

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

Dataset | Released 1 November 2023

Annual estimates of the number and proportion of UK jobs paying below various 10 pence thresholds and the National Minimum Wage and National Living Wage, by employee age group, from 1998 to 2023.

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

Dataset | Released 26 October 2022

Estimates of the number and proportion of UK employee jobs with hourly pay below the living wage, by region, work geography, local authority and Parliamentary constituency, as defined by the Living Wage Foundation.

8 . Glossary

Low pay and high pay

In this bulletin, 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 2023 are £15.88, therefore low-pay employees are anyone earning below two-thirds of £15.88, which is £10.59. High-pay employees are those earning anything above 1.5 times £15.88, which is £23.82.

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 applies to employees aged between 16 and 22 years. The government's National Living Wage (NLW) was introduced on 1 April 2016 and applies to employees aged 25 years and over. However, the NLW was changed to apply to those aged 23 years and over from 2021 onwards.

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 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.

9 . 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.

During the coronavirus pandemic, earnings estimates were affected by changes in composition of the workforce and the impact of the Coronavirus Job Retention Scheme (furlough), making interpretation difficult. For more information on this, see our [How COVID-19 has impacted the Average Weekly Earnings data blog post](#).

This means that, along with data collection disruption and lower response rates during the coronavirus pandemic, 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 after the coronavirus pandemic, ASHE showed some difference compared with other earnings data sources (Average Weekly Earnings and Earnings and employment from Pay As You Earn, Real Time Information). In our [Comparison of labour market data sources methodology](#) we set out reasons why we expect to see differences in the data sources.

We also believe that these factors contribute to this divergence:

- differential non-response
- the calibrating to the Labour Force Survey
- increased variance because of sample size reduction
- the way the bonus element of ASHE is captured

Analysis in this bulletin is based primarily on hourly pay, which is directly impacted by government policy around the National Minimum Wage (NMW) and National Living Wage (NLW) rates. This analysis should be considered alongside that in our [Employee earnings bulletin](#) that focuses more on weekly pay, that is, taking into account the number of hours worked and paid for.

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 guide to interpreting ASHE estimates addresses common questions about the data. Further information about ASHE can be found in the [quality and methodology information on our Guidance and methodology page](#) and in our [Annual Survey of Hours and Earnings, Low pay and Annual Survey of Hours and Earnings pension results QMI](#).

10 . Strengths and limitations

The National Minimum Wage and National Living Wage estimates in this bulletin and Annual Survey of Hours and Earnings (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 our [Annual Survey of Hours and Earnings, Low pay and Annual Survey of Hours and Earnings pension results QMI](#) and our [Income and earnings statistics guide](#).

11 . 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.

[Low Pay Commission Report 2021](#)

Report | Released 9 December 2021

This report sets out the full analysis and evidence underpinning the LPC's recommendations on the National Minimum Wage rates to apply from April 2022.

[Low Pay Britain 2022 – Resolution Foundation](#)

Report | Released 25 May 2022

Since 2011, the Resolution Foundation has published an annual review. This year's report, the 10th edition of Low Pay Britain is based on pay data from April 2021 and focuses on low pay and insecurity in the job market.

[Average weekly earnings in Great Britain](#)

Bulletin | Released monthly

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

[UK labour market overview](#)

Bulletin | Released monthly

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

[Earnings and employment from Pay As You Earn Real Time Information, UK](#)

Bulletin | Released monthly

Experimental monthly estimates of payrolled employees and their pay from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) data.

[Business insights and impact on the UK economy](#)

Bulletin | Released fortnightly

The impact of challenges facing the economy and other events on UK businesses. Based on responses from the voluntary fortnightly business survey (BICS).

12 . Cite this statistical bulletin

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