



October 2017

Northern Ireland Annual Survey of Hours Geographical Area: Northern Ireland and Earnings

Theme: Labour Market Frequency: Annual

Key points

- Median gross weekly earnings for full-time employees in April 2017 were £501, an increase of 1.5% from £494 in 2016. This is the first time median gross weekly earnings for full-time employees have exceeded £500.
- When adjusted for inflation median gross weekly earnings for full-time employees decreased by 1.0%.
- In the UK, median gross weekly earnings for full-time employees were £550, an increase of 2.2% since 2016 (£539). When adjusted for inflation UK median earnings decreased by 0.4%.
- The increase in median gross weekly earnings was more marked in the private than in the public sector. The full-time median gross weekly earnings in the private sector increased by 3.0% to £446, compared to a 1.0% increase in the public sector, to £623.
- In part due to the continued impact of the National Living Wage, those in the lowest 10% of the full-time weekly earnings distribution experienced a larger increase (4.5%) than those in the highest 10% (0.7%).
- Full-time hourly earnings for females (£12.67) were 3.4% greater than those for full-time males (£12.25). Full-time hourly earnings for females in NI have been higher or equal to males since 2010. This is in contrast to the UK, where full-time hourly earnings for males (£14.48) were 10.0% greater than those for full-time females (£13.16).
- Annual earnings increased marginally (0.1%) for all full-time employees in NI over the year to £25,999, but remained lower than the UK median of £28,758.
- Total weekly hours worked by full-time employees increased by 0.2 hours over the year to 38.2 hours, and are now 0.7 hours higher than the UK.

Commentary

The Annual Survey of Hours and Earnings (ASHE) results for 2017 show increases in earnings for full-time employees across a range of measures including weekly, hourly and annual earnings. The headline measure of earnings from ASHE is gross median weekly earnings for full-time employees and is the main focus of this release.

The increase in median gross weekly earnings for full-time employees over the year to April 2017 was 1.5%, lower than the 2.2% increase recorded in the UK. However when adjusted for inflation NI and UK earnings decreased over the year. A comparison of real and nominal earnings since 2005 shows that while nominal earnings have been on an upward trend, real earnings have yet to return to 2009 levels.

The private sector full-time median gross weekly earnings increased by 3.0% over the year to April 2017; an increase higher than inflation meaning an increase in real terms. Those in the lowest 10% of the private sector full-time weekly earnings distribution experienced a much larger increase (5.2%) than those in the highest 10% (0.7%). The majority of those in the bottom 10% are on the National Living Wage and this is a clear indication of its continued impact.

The public sector full-time median gross weekly earnings increased over the year to April 2017. However at 1.0% this was below inflation meaning a decrease in real terms. (This increase is in line with the public sector pay cap which was still in place at April 2017.) Within the industries that are dominated by public sector jobs, human health and social work increased slightly (0.4% to £522), as did public administration and defence (1.1% to £603), while education (the highest paid industry in NI) increased at a higher rate than the NI average (2.2% to £726).

Growth in earnings was concentrated in lower pay occupations. Elementary occupations experienced the largest increase (6.9% to £343) in median full-time gross weekly earnings between April 2016 and April 2017, followed by Sales and customer service occupations (3.5% to £330). Both of these occupation groups earn below the full-time median weekly gross average for NI (£501). Of those earning above the average, Managers, directors and senior officials increased at a rate above the NI average (2.1% to £774), professional occupations increased marginally (0.3% to £721) and associate professional and technical occupations decreased (0.1% to £586).

NI earnings remained well below the UK average and were the third lowest of the 12 UK regions (an improvement in rank from 2016). The ratio of NI to UK gross weekly earnings for full-time employees has fallen over the last two reporting periods. However at 91% it still remains higher than the ratios recorded for the rest of the ASHE time series prior to 2015.

NI fared well relative to the UK when considering the gender pay gap (based on hourly earnings excluding overtime for full-time employees). Female and male earnings were more closely aligned in NI than in the UK with ratio of female to male earnings of 103% in 2017 (the same as 2016), compared with a UK ratio of 91%.

Annual Survey of Hours and Earnings for Northern Ireland, 2017

Web: www.nisra.gov.uk Twitter: @elmsnisra

The Annual Survey of Hours and Earnings (ASHE) provides a wide range of information on hourly, weekly and annual earnings of employees in Northern Ireland

Weekly Earnings

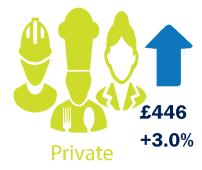




+1.5% median weekly wage
which was lower than
the UK increase of 2.2%

Public / Private





A higher **Increase** in full-time median weekly wage for private sector employees than public

Lower paid staff





Above average Increase in full-time median weekly wage for lowest 10% of workers

Source: Annual Survey of Hours and Earnings, 2017
Date published: 26th October 2017
Economic and Labour Market Statistics, Northern Ireland Statistics and Research Agency



Context

The headline measure of earnings from the Annual Survey of Hours and Earnings (ASHE) is gross median weekly earnings for full-time employees. This measure is the main focus of this release, but sections are also included on hourly and annual earnings of full-time employees. Figures for full-time and part-time employees combined (as well as part-time employees alone) are included in the downloadable spreadsheets on the NISRA website.

ASHE is a UK wide survey that provides a wide range of information on hourly, weekly and annual earnings by gender, work pattern, industry and occupation including public and private sector pay comparisons. The sample used comprises approximately 1% of all employees in NI who were covered by Pay As You Earn (PAYE) schemes.

This report presents provisional results from the NI element of the 2017 ASHE, which surveyed employee earnings for the pay-week (or other pay-period if the employee was paid less frequently) which included 26th April 2017, the reference date for the latest survey. A total of 6,865 returns were received by NISRA (93.0% of those employees sampled).

Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions). The earnings information presented in this bulletin includes employees on adult rates of pay whose pay was unaffected by absence during the survey period and relates to gross pay before tax, National Insurance or other deductions, and excludes payments in kind. The data are presented in current prices, unless otherwise stated.

With the exception of annual earnings, the results are restricted to earnings relating to the survey pay period and so exclude payments of arrears from another period made during the survey period; any payments due as a result of a pay settlement but not yet paid at the time of the survey will also be excluded. For particular groups of employees, changes in median earnings between successive surveys may be affected by changes in the timing of pay settlements, in some cases reflecting more than one settlement and in some others no settlement at all.

ASHE replaced the New Earnings Survey (NES) from 2004, and ASHE comparisons are therefore only available on a consistent basis from that year onwards. In addition, the introduction of methodological changes in 2006 and 2011 resulted in discontinuities in the ASHE time series therefore care should be taken when making comparisons with earlier years.

A <u>Summary of usage of the Northern Ireland Annual Survey of Hours and Earnings</u> is available on the NISRA website. Users of NI ASHE statistics include the Department for the Economy (DfE) economists who analyse and create briefing on current labour market trends for policy purposes and Trade Unions who use the data to monitor pay levels and the differences between NI and UK earnings.

Further information on ASHE can be found on the Office for National Statistics (ONS) website:

Annual Survey of Hours and Earnings methodology and guidance

Quality and Methodology Information for the Annual Survey of Hours and Earnings

This Annual Survey of Hours and Earnings Bulletin contains the following chapters:

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National Statistics

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Official Statistics. They are awarded National Statistics status following an assessment by the Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

It is a producer's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

Pre-release Access

NISRA professional and production staff have access to this publication before release. No additional pre-release access has been given to officials from 26th October 2017. Further details are provided in Section 9 Further information.

1 Overview of earnings

Median weekly earnings

The headline measure of earnings from the Annual Survey of Hours and Earnings (ASHE) is gross median weekly earnings for full-time employees.

Gross weekly pay includes basic pay, overtime pay, commissions, shift premium pay, bonus or incentive pay and allowances, and is before deductions for PAYE, National Insurance, pension schemes, student loan repayments and voluntary deductions.

Median measures the amount earned by the average individual, i.e. the level of earnings at which half the population are above and half the population are below.

Full-time employee is defined as anyone aged 16 years or over that is directly paid from a business's payroll for carrying out more than 30 paid hours per week (or 25 or more for the teaching professions).

Key findings

- The median full-time weekly earnings in NI was £501 compared with £550 in the UK
- Earnings increased over the year in both NI and the UK
- When adjusted for inflation, weekly earnings decreased over the year in NI and the UK

Figure 1: Median gross weekly earnings for full-time employees in NI and the UK, April 1997 to 2017



Note: there were a number of methodological changes during the series in 2004, 2006 and 2011 – see Section 9 Further information for full details

Download in excel

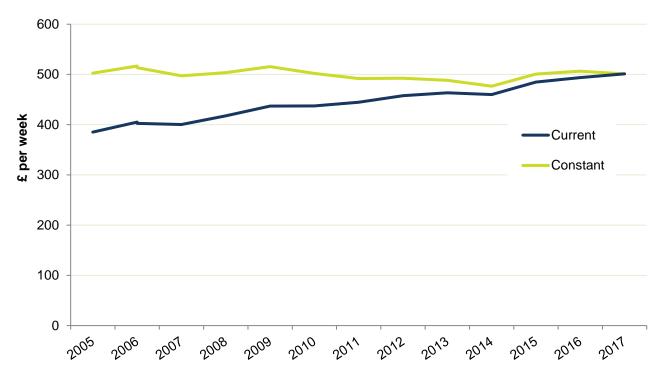
The median gross weekly earnings for full-time employees in NI at April 2017 (£501):

- was the third lowest out of 12 UK regions
- was 8.9% lower than the UK median (£550)
- increased by 1.5% over the year which was lower than the 2.2% increase in the UK median.

Constant prices

Constant prices are calculated by adjusting historic data using the Consumer Price Index including owner occupiers' housing costs (CPIH). These are referred to as constant prices and give a measure of the 'real' value of earnings, with a decrease meaning that earnings growth is below inflation.

Figure 2: Median full-time gross weekly earnings in current and constant (2017) prices, April 2005 to 2017



Note: there were a number of methodological changes during the series in 2006 and 2011 – see Section 9 Further information for full details CPIH available from 2005

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When adjusted for inflation, weekly earnings:

- fell by 1.0% in 2017 following increases recorded in the previous two years (1.1% in 2016 and 5.1% in 2015)
- in the UK fell by 0.4%.
- are similar to those adjusted earnings recorded in 2005 (£503) and 2010 (£502)
- have yet to return to 2009 levels (£516).

Continuous employment

Continuous employment: The 'continuously employed' group is comprised of those full-time employees who appear in consecutive ASHE samples, have a weekly earnings observation in both periods and are classified by their employer as being in the same job for at least 12 months in the second period.

In 2017, median gross weekly earnings for those in full-time continuous employment:

- increased by 4.6% compared to an increase of 5.5% in 2016
- increased by 3.4% in the UK, compared with 4.6% in 2016
- was higher than the overall full-time median gross weekly increase (1.5%).

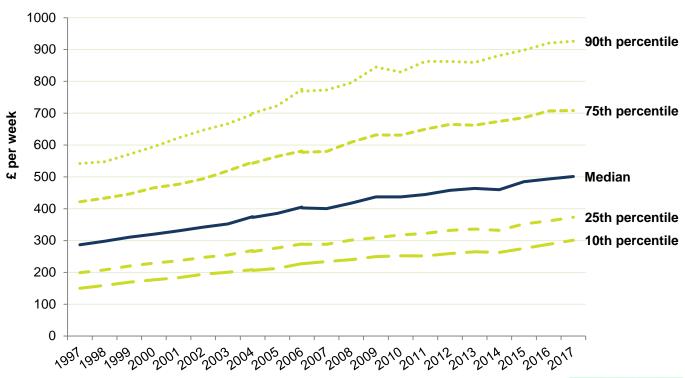
Basing analysis on the continuously employed removes any 'compositional effect' caused by the composition of the workforce in the ASHE sample changing from year to year. Annual changes for the continuously employed cohort tend to be higher than for all employees. This is due to factors such as progression through the pay scale.

The ONS article <u>Understanding Average Earnings for the continuously employed</u> gives further guidance on using these statistics.

Distribution of earnings

Percentile: The *n*th percentile of a set of data is the value at which n% of the data is below it. The median is the 50^{th} percentile.

Figure 3: Distribution of gross weekly earnings for full-time employees in NI, April 1997 to 2017



Note: there were a number of methodological changes during the series in 2004, 2006 and 2011 – see Section 9 Further information for full details

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Figure 3 shows that:

- 10% of full-time employees earned less than £301 per week while 10% earned more than £926 per week
- the ratio of earnings at the 90th percentile to the 10th percentile has decreased from 3.6 in 1997 to 3.1 in 2017
- over the year to April 2017, earnings at the 10th and 25th percentiles increased by 4.5% and 3.2% respectively, whilst increases of less than 1% were reported at the 75th and 90th percentiles.

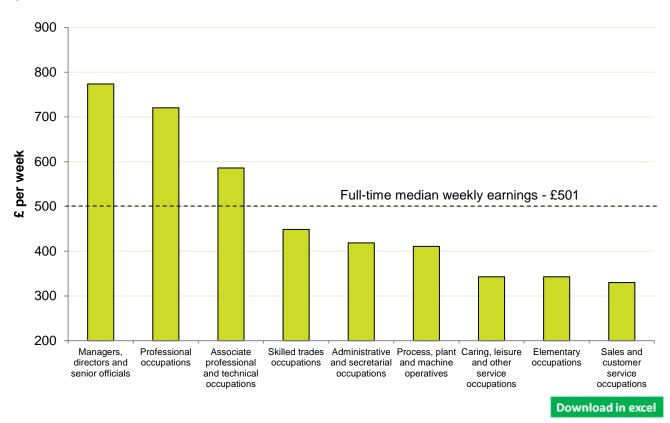
2 Earnings by Occupation

Occupation: Results are collated using the 2010 Standard Occupation Classification (SOC10). The major group structure is a set of broad occupational categories which are designed to be useful in bringing together unit groups which are similar in terms of the qualifications, training, skills and experience commonly associated with the competent performance of work tasks.

Key findings

- . Managers, directors and senior officials had the highest full-time wage on this measure
- Sales and customer service occupations had the lowest full-time median gross weekly earnings
- Elementary occupations showed the largest increase for full-time employees in median gross weekly earnings

Figure 4: Median gross weekly earnings for full-time employees in NI by occupation, April 2017



Analysis of median full-time gross weekly earnings by occupation groups shows:

- Sales and customer service occupations (£330) remained the lowest paid full-time occupational group, while Managers, directors and senior officials (£774) remained the highest
- Managers, directors and senior officials had the greatest variation in earnings while Elementary occupations had the least
- Elementary occupations (£343) experienced the largest increase (6.9%) in earnings between April 2016 and April 2017, followed by Sales and customer service occupations (3.5% to £330). These are the two lowest earning occupations.
- Associate professional and technical occupations (£586) and Process, plant and machine operatives (£411) both experienced decreases of 0.1% in earnings. These were the only two occupation groups to experience a decrease in earnings over the year.

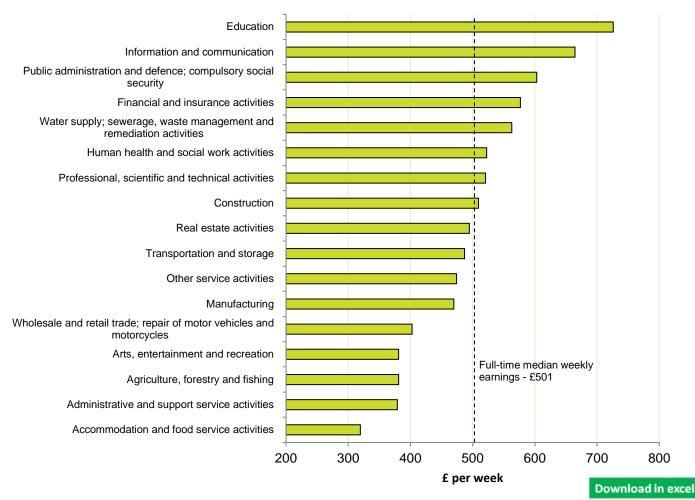
3 Earnings by Industry

Industry: Results are collated using the 2007 Standard Industrial Classification (SIC07).

Key findings

- Education had the highest full-time median gross weekly earnings
- Accommodation and food services activities had the lowest gross weekly median earnings for full-time employees
- Increases in full-time median earnings were reported in the majority of industry sectors over the year (13 out of the 16 reported in the survey in both years¹)

Figure 5: Median gross weekly earnings for full-time employees in NI by industry, April 2017



In NI, the median gross weekly earnings for full-time employees at April 2017:

- were highest in Education (£726) and lowest in Accommodation and food service activities (£319)
- increased in 13 of the 16 sectors that were reported for full-time employees.
- saw the largest increase (7.8%) in the Water supply; sewerage, waste management and remediation activities (£563)
- saw decreases of 11.1% in the Arts, entertainment and recreation industry (£381), 2.5% in the Financial and insurance activities industry (£577) and 2.4% in the Professional, scientific and technical activities industry (£521).

For further information on the output of different NI industries, users may be interested in referring to results from the <u>Index of Production</u> and the <u>Index of Services</u> on the NISRA website.

¹ Full-time estimates were not published for 5 of the 21 industry sectors due to small sample sizes in those sectors.

4 Public/private sector comparison

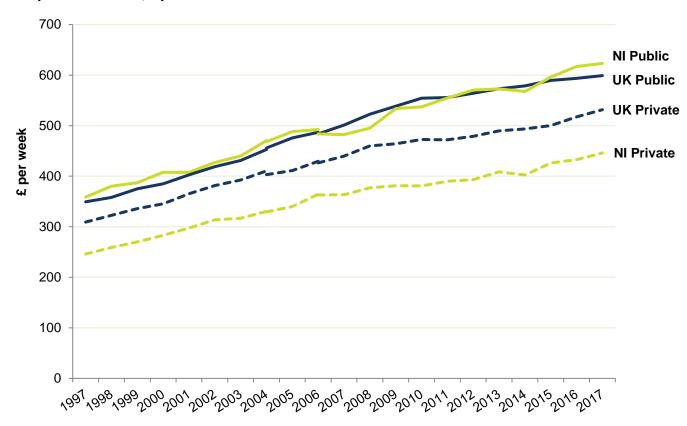
Public sector: The NI public sector can be broken down into five areas: NI central government; Bodies under aegis of NI central government; UK central government employees based in Northern Ireland; Local government; Public corporations.

Private sector: The private sector encompasses all for-profit businesses (that are not owned or operated by the government). This does not include any non-profit body or mutual association.

Key findings

- Median private sector earnings almost 30% lower than public sector earnings
- Higher increase in private sector full-time median gross weekly earnings over the year than public sector

Figure 6: Median gross weekly earnings for full-time employees in NI and the UK in the public and private sectors, April 1997 to 2017



Note: there were a number of methodological changes during the series in 2004, 2006 and 2011 – see Section 9 Further information for full details

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Analysis of median gross weekly earnings for full-time employees at April 2017 shows:

- earnings of private sector employees (£446) were 28.4% lower than in the public sector (£623). In the UK earnings were 11.3% lower in the private sector (£532) than in the public sector (£599)
- earnings of public sector employees in NI were 4.0% higher than in the UK. This is the third consecutive year where earnings in the public sector have been higher in NI
- earnings of private sector employees in NI were 16.1% lower than in the UK

• over the year the rate of growth of earnings for NI public sector employees (1.0%) was lower than the private sector (3.0%). This is similar to the UK with increases of 0.9% in the public sector and 2.8% in the private sector earnings.

Further breakdowns of employees in the public and private sectors show that:

- those in the lowest 10% of the private sector full-time weekly earnings distribution experienced a much larger increase (5.2%) than those in the highest 10% (0.7%).
- the majority of those in the bottom 10% of private sector earnings are on the National Living Wage and this is a clear indication of its continued impact.
- within the industries that are dominated by public sector jobs, human health and social work increased slightly (0.4% to £522), as did public administration and defence (1.1% to £603), while education (the highest paid industry in NI) increased at a higher rate than the NI average (2.2% to £726).

Context

The NI workforce has a higher percentage of public sector employee jobs compared to the UK.

Some of the difference between earnings in the public and private sectors may be due to differences in the composition of the respective workforces. For example, many of the lowest paid occupations, such as bar and restaurant staff, hairdressers, elementary sales occupations and cashiers, exist primarily in the private sector, while there are a larger proportion of graduate-level and professional occupations in the public sector.

Further detail on differences in the composition of the respective workforces (in 2013) is available at: Average earnings and composition of the public and private sector workforces

In addition to the composition of the workforce there may also be differences due to the timing of pay settlements. For example, a pay award for teachers will tend to increase median earnings in the public sector more than in the private sector, as the majority of teachers are employed in the public sector. Equally this pay award will tend to increase female earnings more than male earnings as more teachers in NI are female. For information on recent civil service pay settlements please refer to **Civil Service pay**

5 Summary of hourly earnings

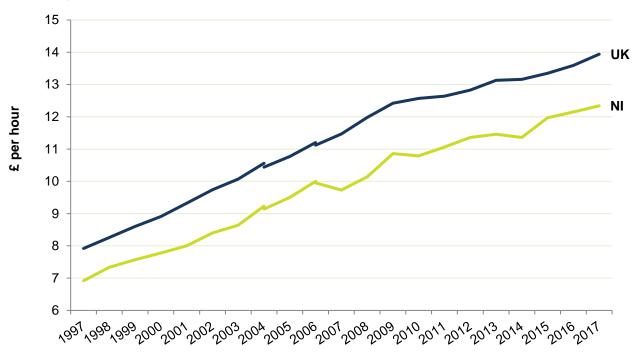
Median hourly earnings excluding overtime

Gross hourly pay (excluding overtime) includes basic pay, commissions, shift premium pay, bonus or incentive pay and allowances, and is before deductions for PAYE, National Insurance, pension schemes, student loan repayments and voluntary deductions

Key findings

- Full-time hourly earnings in NI increased over the year
- Both males and females had similar increases in hourly earnings
- Full-time hourly earnings for males remained proportionately lower than the UK compared with female earnings

Figure 7: Median gross hourly earnings excluding overtime, for full-time employees in NI and the UK, April 1997 to 2017



Note: there were a number of methodological changes during the series in 2004, 2006 and 2011 – see Section 9 Further information for full details

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An analysis of full-time hourly earnings (excluding overtime) shows that the median:

- increased by 1.6% to £12.34 in 2017
- was £12.67 for females (up 1.8%) and £12.25 for males (up 1.7%)
- was 11% lower than the equivalent UK earnings (£13.94)
- had the largest annual decrease in 2007 (2.2%)
- has almost doubled over the last 20 years from £6.92 to £12.34 (nominal terms)
- when adjusted for inflation¹, hourly earnings have increased by 21.0% since 1997

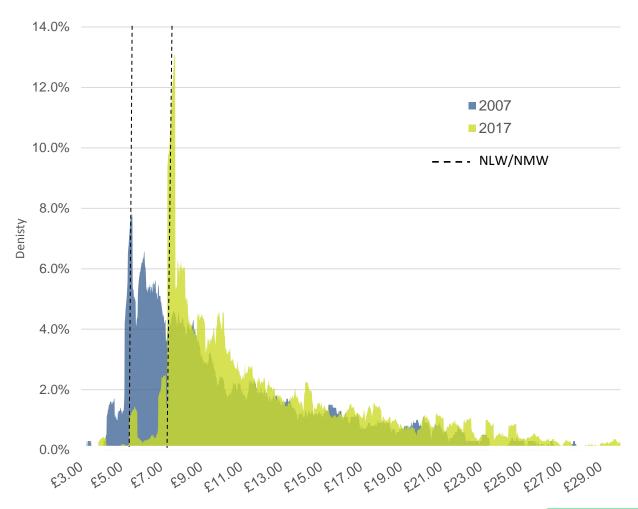
Using CPI to calculate inflation adjusted earnings from 1997 as CPIH is currently only available from 2005

National living/minimum wage

The **National Living Wage (NLW)** was introduced by the Government on 1 April 2016 for all working people aged 25 and over, and is currently set at £7.50 per hour.

The **National Minimum Wage (NMW)** applies for those under the age of 25. Further details and a full breakdown on rates can be found in section 9.

Figure 8: Distribution of gross nominal hourly earnings excluding overtime, April 2007 and April 2017



Note: Density shows the proportion of jobs within +/-20p of shown pay rate

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Figure 8 shows that:

- the proportion of jobs paying close to the minimum/living wage has increased.
- in 2017, 11% of jobs in Northern Ireland were paid +/-20p of the current national living wage of £7.50 for 25 year olds and over.
- in 2007, 8% of jobs in Northern Ireland were paid +/-20p of the national minimum wage of £5.52 for 22 year olds and over.

An analysis of hourly earnings (excluding overtime) percentiles for full-time employees shows that:

- the 10th percentile (lower earners) increased by 4.3% over the year to April 2017
- the 90th percentile (higher earners) decreased by 0.2%, however they earn more than 3 times that of the 10th percentile
- 1% of employees earn below the national minimum/living wage.

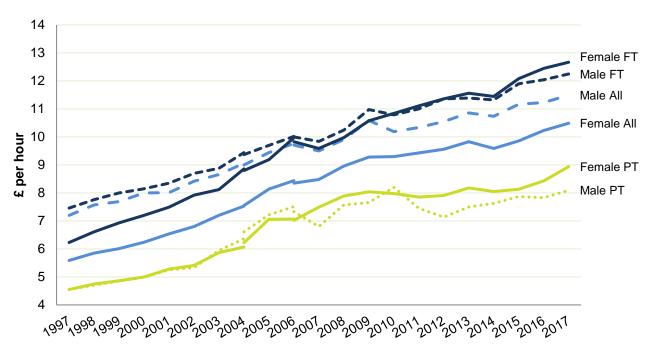
6 Gender pay gap

Gender pay gap: This is calculated as the difference between the average hourly earnings (excluding overtime) of men and women, as a proportion of average hourly earnings (excluding overtime) of men's earnings. Using hourly earnings better accounts for the fact that men work on average more hours per week than women.

Key findings

- The full-time male median hourly earnings excluding overtime has not exceeded female earnings since 2009
- Females earn less than males in eight of the nine occupational groups
- Male and females earnings were much more closely aligned in NI than in the UK

Figure 9: Median gross hourly earnings excluding overtime by gender in NI, April 1997 to 2017



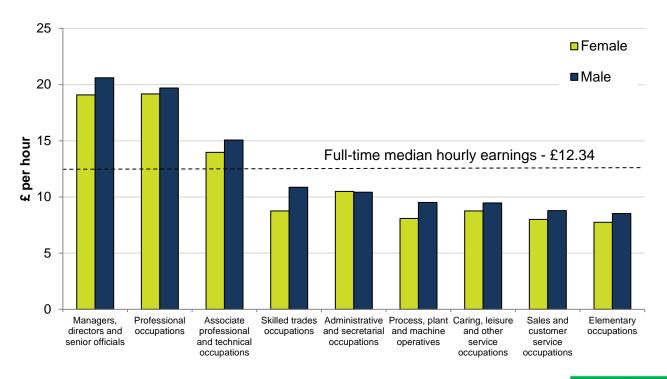
Note: there were a number of methodological changes during the series in 2004, 2006 and 2011 – see Section 9 Further information for full details

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Figure 9 shows that:

- full-time hourly earnings for females (£12.67) were 3.4% greater than those for full-time males (£12.25). This contrasts with the UK where full-time males earn 10.0% more than full-time females (£14.48 and £13.16 respectively)
- the full-time male median hourly earnings excluding overtime has been lower than or equal to that of female earnings in each year since 2010
- the part-time earnings for females (£8.94) were 10.5% greater than those for part-time males (£8.09)
- male hourly earnings (£11.49) for all employees (full-time and part-time) is £1.00 (9.5%) higher than the female hourly earnings (£10.49), which is primarily due to a higher proportion of males working full-time.

Figure 10: Median gross hourly earnings excluding overtime for full-time employees in NI by occupation and gender, April 2017



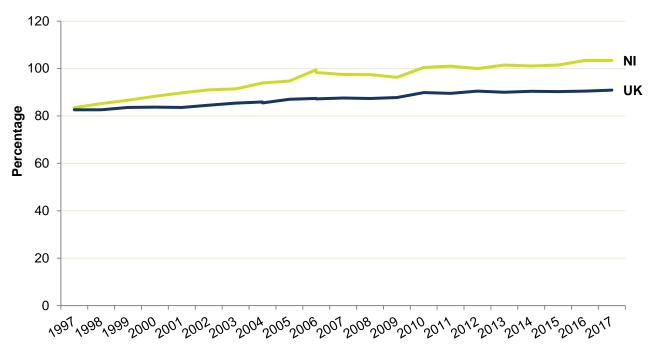
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Median full-time hourly earnings excluding overtime for 2017 shows that:

- females earn less in eight of the nine occupational groups. Administrative and secretarial is the only occupational group in which males earn less (by £0.07 an hour)
- males earn 8% more in the Managers, directors and senior officials occupations group, which is the highest paid group
- the group with the largest number of female workers (at 27%²) is Professional occupations, which pays on average £19.17 per hour. This is also the largest group of male workers but with a smaller share (at 19%²)
- Skilled trades occupations had a similar share for males (19%²), but pays £10.87 per hour.
 1% of females were employed in this occupation group
- a larger proportion of full-time females (46%²) than full-time males (39%²) are employed in those groups that pay above the full-time median hourly earnings.

² Figures are from the Labour Force Survey, April-June 2017.

Figure 11: Median gross hourly earnings excluding overtime for full-time females as a percentage of full-time male earnings in NI and the UK, April 1997 to 2017



Note: there were a number of methodological changes during the series in 2004, 2006 and 2011 – see Section 9 Further information for full details

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Figure 11 shows that:

- the full-time ratio of female to male earnings remained the same over the last reporting period (103.4%), whilst the UK ratio increased slightly from 90.5% in 2016 to 90.9% in 2017
- not only are female and male earnings more closely aligned than they were at the beginning of the series (83.5% in 1997), but full-time males hourly earnings excluding overtime has not exceeded female earnings since 2009
- female and male earnings were more closely aligned in NI than in the UK as a whole, with females earning more than males in NI compared with males earning more than females in the UK.

Context: Gender pay gap

Various methods can be used to measure the earnings of women relative to men. ONS and NISRA prefer to use median hourly earnings excluding overtime; including overtime can distort the picture as 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 (see Section 8). Although median hourly pay rates excluding overtime provide useful comparisons of men's and women's earnings, they do not reveal differences in rates of pay for comparable jobs.

Including part-time earnings and presenting earnings for all employees, reverses the gender pay gap in NI. The main reason for this difference is due to the 'part-time effect' (more details can be found in the ONS Position Paper '<u>Presentation of the Gender Pay Gap'</u>). The inclusion of part-time employees increases the gender pay gap as part-time employees earn less on average than full-time employees (see Figure 9) and a higher proportion of part-time employees are women.

An article published by ONS shows how the jobs men and women do affect the gender pay gap, based on 2016 ASHE data at the UK level.

7 Summary of annual earnings

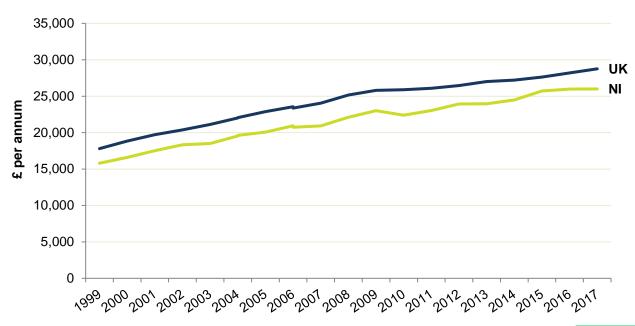
Median gross annual earnings

Gross annual earnings is estimated using annual earnings for the tax year ending 5th April 2017 for employees on adult rates of pay who have been in their job for more than one year.

Key findings

- Annual earnings increased marginally for all full-time employees in NI over the year, but remained lower than UK
- An increase of 0.1% was recorded in full-time earnings for NI compared with a 2.0% increase in the UK
- Female full-time annual earnings increased more than male annual earnings

Figure 12: Median gross annual earnings for full-time employees in NI, April 1999 to 2017



Note: there were a number of methodological changes during the series in 2004, 2006 and 2011 – see Section 9 Further information for full details

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Median gross annual earnings for full-time employees in NI:

- remained reasonably constant over the last reporting period (£25,999), with only a small increase of 0.1% since 2016 (£25,978), compared with a 2.0% increase recorded in the UK
- were lower than the UK (£25,999 compared with £28,758)
- were £25,019 for females, an increase of 1.7% from 2016, and £26,682 for males, a 0.2% increase
- showed a much lower increase in full-time male earnings than the UK (0.2% in NI compared with 1.8% in the UK).

8 Summary of paid hours¹

Total paid hours worked is made up of paid basic hours and paid overtime hours. It is calculated using employees on adult rates whose pay was unaffected by absence.

Key findings

- Total weekly paid hours worked by full-time employees increased by 0.2 hours over the year and is now 0.7 hours greater than the UK
- The percentage of full-time employees working overtime increased slightly over the year

Median paid hours worked

Table 1: Median total weekly paid hours worked by full and part-time employees in NI by gender, April 2016 to April 2017

<u> </u>							
	April 2016			April 2017			
	Full-time	Part-time	All	Full-time	Part-time	All	
Men	40.0	18.0	38.8	40.0	18.5	39.0	
Women	37.5	20.0	32.4	37.5	19.9	32.5	
All	38.0	19.8	37.0	38.2	19.6	37.0	

Download in excel

The median total paid weekly hours worked:

- increased for full-time employees (0.5%) to 38.2 hours compared with no change in the UK (37.5 hours)
- remained unchanged for both male and female full-time employees at 40.0 hours and 37.5 hours respectively
- is greater for men working full-time (40.0 hours) than women (37.5 hours).

Median paid overtime worked

Table 2: Percentage of employees working overtime and median weekly overtime hours worked by full and part-time employees in NI by gender, April 2016 to 2017

	April 2016				April 2017			
Full-time		time	Part-time		Full-time		Part-time	
	%	Hours	%	Hours	%	Hours	%	Hours
Men	24.3	5.3	13.0	Х	24.0	5.0	9.8	Х
Women	9.1	3.2	8.6	X	10.2	3.0	8.5	3.2
All	18.3	4.8	9.8	Х	18.7	4.8	8.8	3.6

x = Coefficient of variation too large to provide a reliable estimate. See Further Information in Section 9 for more details.

Download in excel

Figures for 2017 show that:

- the proportion of full-time employees working overtime in April 2017 was 18.7%
- for those full-time employees who worked overtime, the median number of paid overtime hours was 4.8 hours per week which is unchanged over the year
- for those part-time employees who worked overtime, the median number of paid overtime hours was 3.6 hours per week.

¹ In previous publications this section was referred to as 'Summary of hours worked'

9 Further information

Methodology

The Annual Survey of Hours and Earnings (ASHE) is a UK wide survey that provides a wide range of information on earnings and hours worked. The Office for National Statistics (ONS) carries out ASHE in Great Britain and it is carried out by the Northern Ireland Statistics and Research Agency (NISRA) in NI.

The survey information related to the pay-week (or other pay period if the employee was paid less frequently) which included 26th April 2017, the reference date for the latest survey. The results are therefore not necessarily representative of pay over a longer period. They do not take account of subsequent changes in rates of pay which have become effective since April or changes which have been introduced with retrospective effect since the survey returns were completed.

ASHE replaced the New Earnings Survey (NES) from 2004, and ASHE comparisons are therefore only available on a consistent basis from that year onwards.

Since the 2004 survey, supplementary information has been collected in order to improve coverage and hence make the survey more representative. This includes employees who have either moved jobs or entered the labour market between February, when the main ASHE sample is identified from Her Majesty's Revenue and Customs (HMRC) records, and April, when the survey is conducted. In 2007, ONS also introduced a small number of methodological changes (to the sample design) to improve the quality of the results.

The ASHE results since 2004 are therefore discontinuous with earlier results, as are those since 2007. However, for 2004 two sets of results are available (the first exclude supplementary information and the second include this information), and similarly for 2006 (the first set not reflecting the methodological changes to the sample design and the second set consistent with the new methodological changes).

In 2009, in line with the major revision to the European Union's industrial classification system, NACE, ASHE moved from using the SIC 2003 categorisation of business activities to the new SIC 2007 activity codes. The UK is required by European legislation to revise the SIC in parallel with NACE so that both systems remain identical down to and including the 4 digit class level.

More information on the extent of the revisions and correspondence between SIC 2007 and the former SIC 2003.

With the aim of improving the alignment with the new International Standard Classification of Occupations (ISCO 08), from 2012 the Standard Occupational Classification 2000 (SOC 2000) used for ASHE has been replaced by the Standard Occupational Classification 2010 (SOC 2010). Since the SOC forms part of the methodology by which ASHE data are weighted to produce estimates for NI, this has caused a further discontinuity in the ASHE time series. Therefore, the revised estimates for 2011, and all subsequent estimates, are not directly comparable to earlier results.

The major differences between the SOC 2000 and SOC 2010 classifications are summarised in this document, starting at page 62.

Coverage and sampling

As in previous years, the sample used for the survey included approximately 1% of all employees in NI who were covered by PAYE schemes and therefore is subject to an associated level of sampling error. Someone who is in more than one PAYE scheme may appear more than once. Information on earnings and hours is obtained in confidence from employers under the authority of The Statistics of Trade and Employment (Northern Ireland) Order 1988. Information collected is treated as strictly confidential and is used only for statistical purposes. The resulting analyses do not show information about identifiable people or private businesses.

The ASHE estimates are based on a sample and are therefore subject to an associated level of variability. The coefficient of variation (CV) indicates the quality of an estimate. The CV is the ratio of the standard error of an estimate to the estimate, expressed as a percentage. The smaller the CV, the higher the quality of the estimate. The CVs are published alongside the estimates, and CVs for the key ASHE estimates are shown in Table 3 below.

		Full-time	Part-time
Modian gross wookly	Men	1.7	6.2
Median gross weekly earnings	Women	2.4	2.7
earnings	All	1.5	2.4
Median gross hourly	Men	1.7	2.4
earnings (excluding	Women	2.9	1.4
overtime)	All	1.5	1.6

ASHE coverage change in 2014

In 2013, HM Revenue and Customs (HMRC) changed the criteria which determine how businesses are obliged to report employees' earnings via their Pay as You Earn (PAYE) schemes. The PAYE system is the frame for the ASHE sample. Until this change, businesses were only required to operate PAYE for employees whose earnings were above the Lower Earnings Limit (LEL) for National Insurance contributions (£113 per week for 2017/18) and they did not report all new jobs until the end of the tax year. The new rules required employers to report the details of all of their employee jobs via their PAYE schemes, whatever their earnings, provided that they had at least one employee earning above the LEL. In addition, employers must report for all jobs in 'real-time', meaning that they cannot wait until the end of the tax year. This new system is known as 'Real-Time Information' (RTI). In theory, it is possible that the move to RTI resulted in a coverage change for the ASHE sample.

It should be noted that 2014 was not the first year in which the ASHE sample included the types of jobs that are affected by RTI. This is because many employers, particularly large businesses, which account for a large proportion of the labour market, chose to report many or all such jobs on their PAYE schemes in previous years. This means that the composition of the sample was not substantially distorted as a result of RTI.

Consequently, ONS judges that the impact of the move to RTI on the estimates for ASHE from 2014 onwards is negligible. It is possible that at some lower levels of disaggregation, there may be a more pronounced effect, perhaps because RTI has resulted in different behavioural changes for employers in particular regions or in particular sectors.

Weighting

ASHE responses are weighted to the number of jobs measured by the Labour Force Survey (LFS), and this weighting is carried out by ONS. The weighting factors include age, sex, occupation and workplace, and take account of differing response rates.

From 2006, the LFS moved from using seasonal quarters to calendar quarters. As ASHE uses LFS data in the calculation of aggregation weights, it was necessary to move from using data taken from LFS Spring to LFS Quarter 2.

Revisions

In line with normal practice, this release contains revised estimates from the 2016 survey results published on 26th October 2016. These results take account of some corrections to the original 2016 data that were identified during the validation of the results for 2017, as well as late returns.

Median

The mean and the median measure different things and either can be appropriate depending on what the user is trying to measure. The mean measures the average amount earned by individuals, but in a skew distribution such as earnings this measure is susceptible to small numbers of very high earners. The median measures the amount earned by the average individual, i.e. the level of earnings at which half the population are above and half the population are below.

Gender pay gap

Various methods can be used to measure the earnings of women relative to men. ONS and NISRA prefer to use median hourly earnings excluding overtime; including overtime can distort the picture as 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. Although median and mean hourly pay excluding overtime provide useful comparisons of men's and women's earnings, they do not reveal differences in rates of pay for comparable jobs. This is because such measures do not allow for the different employment characteristics of men and women, such as the proportion in different occupations and their length of time in jobs. For example, a higher proportion of women work in occupations such as administration and caring, which tend to offer lower salaries.

To better capture the composition of today's labour market and the complexity of this issue, the ONS Position Paper 'Presentation of the Gender Pay Gap', recommended that all ASHE bulletins, starting with ASHE 2009, headline on a set of measures rather than focusing on a single headline measure when presenting the gender pay gap. The recommended measures are:

- All female employees' average pay compared with all male employees' average pay
- Female full-time employees' average pay compared with male full-time employees' average pay
- Female part-time employees' average pay compared with male part-time employees' average pay.

Therefore, estimates of the hourly earnings for males and females working full-time, part-time and the combined ('all') group have been included in Section 6 of this bulletin.

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

The main focus of the detailed analysis of the gender pay gap in this bulletin is on full-time employees. Figures for full-time and part-time employees combined (as well as part-time employees alone) are included in the downloadable spreadsheets on the NISRA website.

Definitions

Gross weekly pay includes basic pay, overtime pay, commissions, shift premium pay, bonus or incentive pay and allowances, and is before deductions for PAYE, National Insurance, pension schemes, student loan repayments and voluntary deductions.

Full-time employees are those working more than 30 hours each week excluding overtime and main meal breaks (25 hours for teachers and academics).

National Living Wage (NLW) and National Minimum Wage (NMW)

The NLW rate that applied in April 2017 was £7.50 per hour for employees aged 25 and over. The NMW rates that applied in April 2017 were: £7.05 per hour for employees aged 21 to 24, £5.60 for employees aged 18 to 20, £4.05 for employees aged under 18, and £3.50 for apprentices aged 19 and older and in the first year of their apprenticeship and those aged under 19. The following table provides a breakdown of NLWs and NMWs since April 2010.

Table 4: National Living Wage and National Minimum Wage, 2010 to 2017

Year	25 and over	21 to 24	18 to 20	Under 18	Apprentice
2017	£7.50	£7.05	£5.60	£4.05	£3.50
2016 (Oct 16 to Mar 17)	£7.20	£6.95	£5.55	£4.00	£3.40
2016 (Apr 16 to Sep 17)*	£7.20	£6.70	£5.30	£3.87	£3.30
		21 and over	18 to 20	Under 18	Apprentice
2015		£6.70	£5.30	£3.87	£3.30
2014		£6.50	£5.13	£3.79	£2.73
2013		£6.31	£5.03	£3.72	£2.68
2012		£6.19	£4.98	£3.68	£2.65
2011		£6.08	£4.98	£3.68	£2.60
2010		£5.93	£4.92	£3.64	£2.50

^{*}Introduction of National Living Wage for 25 and over

In Northern Ireland, the percentage of jobs that were paid below the NMW or NLW was 1.0%. More information on the National Minimum Wage and National Living Wage rates can be found on the **Gov.uk website**.

Pre Release Access

The UK Office for National Statistics (ONS) announced the removal of early access by Ministers and officials to all ONS official statistics from 1 July. For further information please see **correspondence** between John Pullinger the National Statistician on this issue and the **reply** from Sir David Norgrove, the Chair of the UK Statistics Authority.

As a number of ONS publications affected by this decision include Northern Ireland (NI) level statistics, NISRA also removed early release access for NI officials to the equivalent NISRA publications. This is based on analysis of the proxy nature of NI data for UK trends.

Further information

If you require further information about the figures contained in this publication or the accompanying tables, please use the contact details below:

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Web: **Annual Survey of Hours and Earnings**

9 Index of tables

Reporting Periods:

2017 (provisional) 2016 (revised)

Data available:

Weekly pay – Gross (£)

Weekly pay – Excluding overtime (£)

Weekly pay - Basic including other (£)

Weekly pay - Overtime (£)

Hourly pay - Gross (£)

Hourly pay – Excluding overtime (£) Annual pay – Gross (£)

Annual pay – Incentive (£)

Hours worked - Total

Hours worked - Basic

Hours worked - Overtime

Breakdowns provided:

Headline Statistics

Headline Coefficients of Variation

Industry

Occupation

<u>Age</u>

Public/Private Sector

These data, along with Headline Statistics for the years 1997 to 2017 can be found on the NISRA web page: Annual Survey of Hours and Earnings

In addition, further data for 2017 (provisional) and 2016 (revised) will be published as available. These will include earnings by Local Government District, skill level and detailed occupational classification.