

Article:

# Supplementary analysis of average weekly earnings: March 2016



Contact:  
James Scruton

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# 1. Introduction

This note presents two analyses of the Average Weekly Earnings (AWE) figures, which are published in the UK Labour Market Statistical Bulletin (<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/march2016>). We will update these analyses every month. The first section describes real AWE, which is AWE deflated by the Consumer Price Index. The second section analyses single month movements in the nominal AWE.

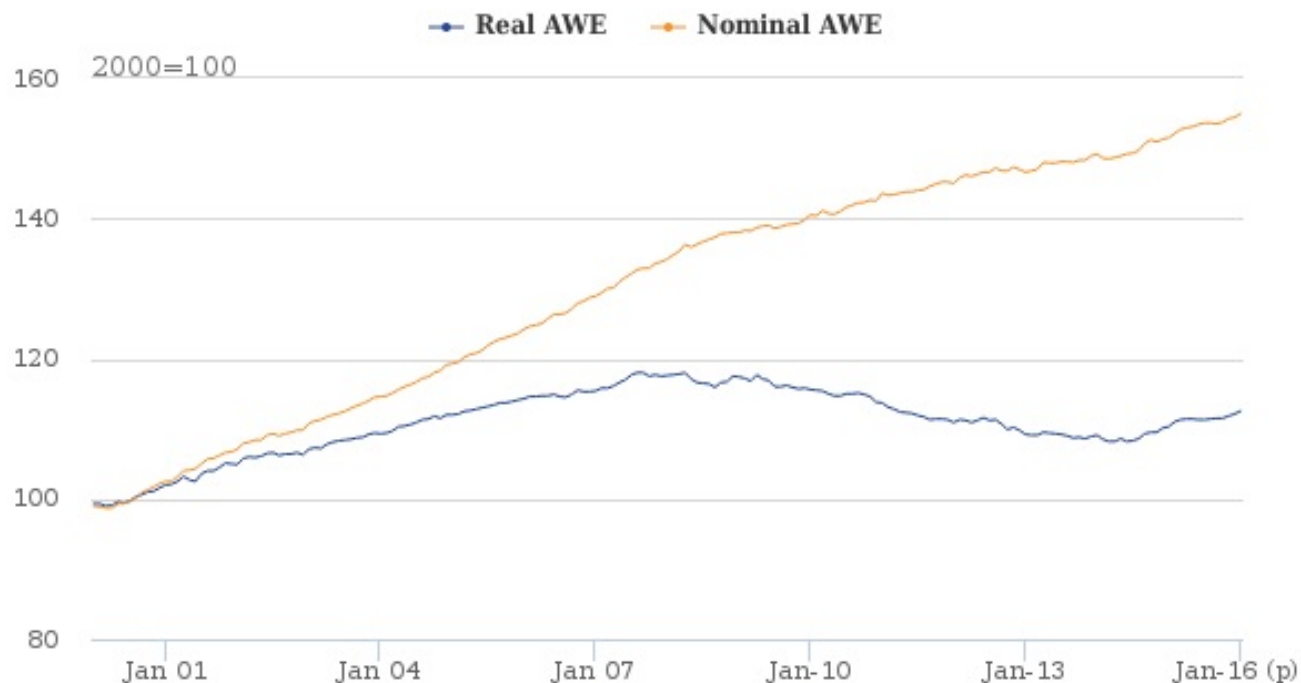
## 2. Real AWE

The charts below show the recent movements in real AWE (whole economy). This is calculated as nominal unadjusted AWE, divided by the Consumer Price Index (CPI). This series is calculated for regular and total pay at the whole economy level and then seasonally adjusted. The data in Figures 1 and 2 are levels of real and nominal AWE, shown on a monthly basis, with an index of 2000 = 100. Figure 3 shows 3 months on 3 months previous year increases in these derived indices. The data are available in data table X04 (<http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/averageweeklyearningsandworkingsupplementaryanalysisx04>), together with estimates of real AWE at 2000 prices.

Comparing the 3 months to January 2016 with the same period in 2015, real AWE (total pay) grew by 2.0 per cent, compared with 1.9 per cent in the 3 months to December. Nominal AWE (total pay) grew by 2.1 per cent in the three months to January, while the CPI increased by 0.3 per cent in the year to January 2016. Over the same period, real AWE (regular pay) grew by 2.0 per cent, compared with 1.9 per cent in the 3 months to December. The nominal AWE (regular pay) rose by 2.2 per cent in the 3 months to January.

# Figure 1: AWE regular pay: real and nominal, Great Britain, seasonally adjusted, 2000=100

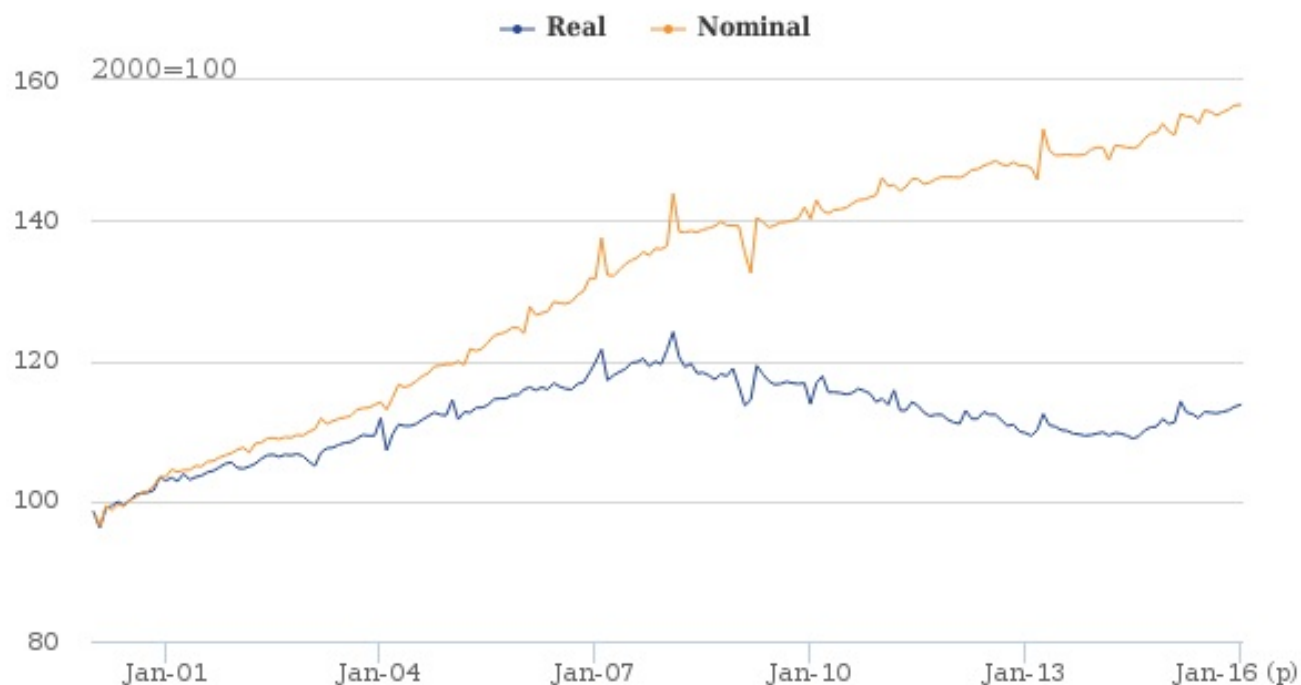
January 2000 to January 2016



Source: Office for National Statistics, Monthly Wages and Salaries Survey

## Figure 2: AWE total pay: real and nominal, Great Britain, seasonally adjusted, 2000=100

January 2000 to January 2016



Source: Office for National Statistics, Monthly Wages and Salaries Survey

## Figure 3: AWE total and regular real pay annual growth rates, Great Britain, seasonally adjusted

January to March 2001 to November to January 2016 (3 month average time periods)



**Source: Office for National Statistics, Monthly Wages and Salaries Survey**

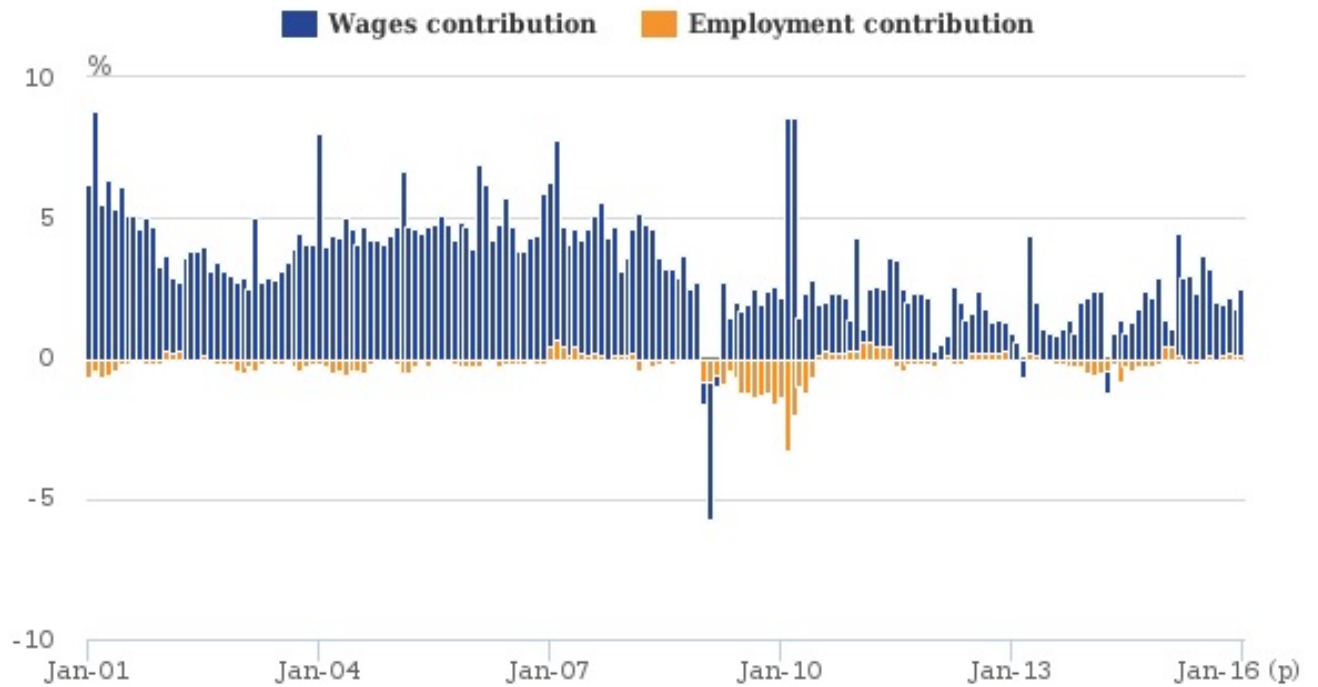
## 3. Contributions to nominal AWE – single month

The wages and employment contributions underlying the latest AWE data are available on the ONS website in the [EARN02 data table](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/averageweeklyearningsbysectorearn02) (<http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/averageweeklyearningsbysectorearn02>) each month. The 'employment contribution', shown in these charts, changes if the relative proportion of employment in the 24 industrial headings changes, but will not necessarily change if total employment increases. Employment contributions were significantly negative in 2009 and 2010, largely caused by a shift away from employment in Financial and Insurance Activities, which are relatively highly paid industries.

Figures 4 and 5 summarise the recent figures:

## Figure 4: AWE total pay by contributions, Great Britain

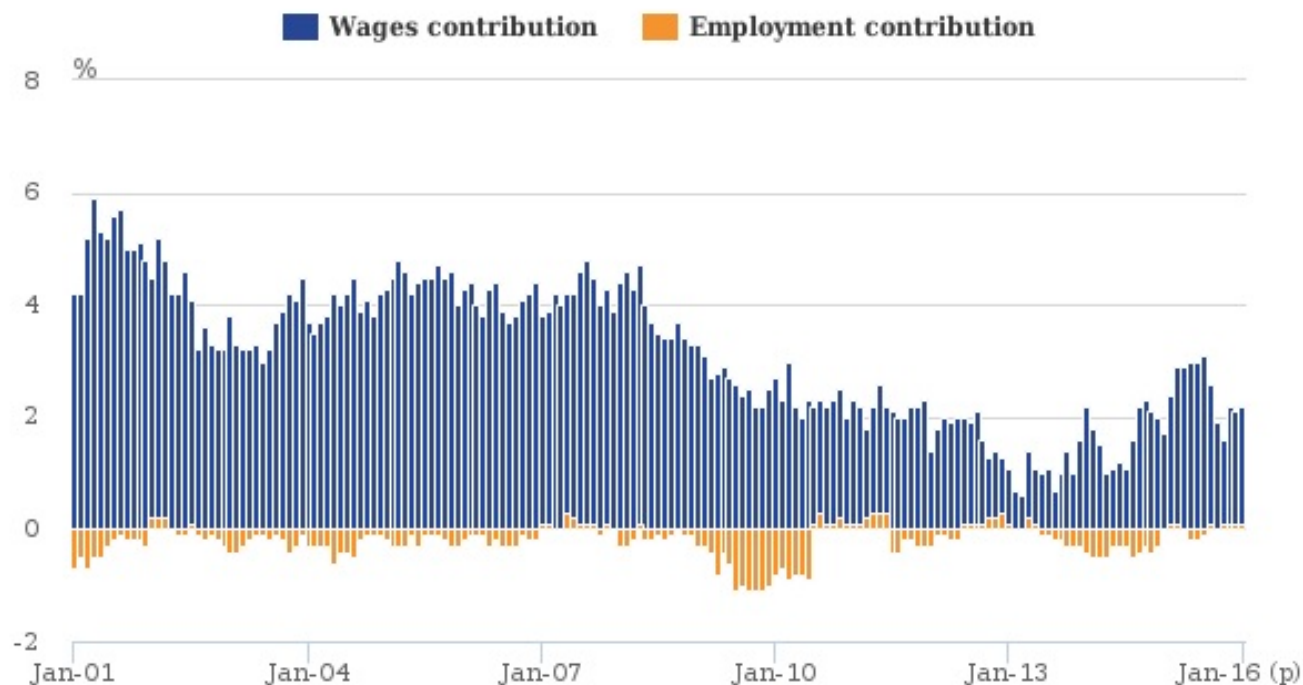
January 2001 to January 2016



**Source: Office for National Statistics, Monthly Wages and Salaries Survey**

## Figure 5: AWE regular pay by contributions, Great Britain

January 2001 to January 2016



**Source: Office for National Statistics, Monthly Wages and Salaries Survey**

Employment contributions were small (0.1 per cent for both total and regular pay) in January 2016.

### Contact details for this article

James Scruton

[ster@ons.gsi.gov.uk](mailto:ster@ons.gsi.gov.uk)

Telephone: +44 (0)1633 456724