

Article

# Analysis of real earnings: Mar 2017

Analyses of the average weekly earnings (AWE) figures, adjusted for inflation, which are published in the UK Labour Market Statistical Bulletin.



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## Table of contents

1. [Introduction](#)
2. [Real AWE](#)
3. [Contributions to nominal AWE – single month](#)

# 1 . Introduction

This article presents 2 analyses of the average weekly earnings (AWE) figures, which are published in the [UK Labour Market statistical bulletin](#). We will update these analyses every month. The first section describes real AWE, which is AWE deflated by the Consumer Prices Index. The second section analyses single month movements in the nominal AWE.

## 2 . Real AWE

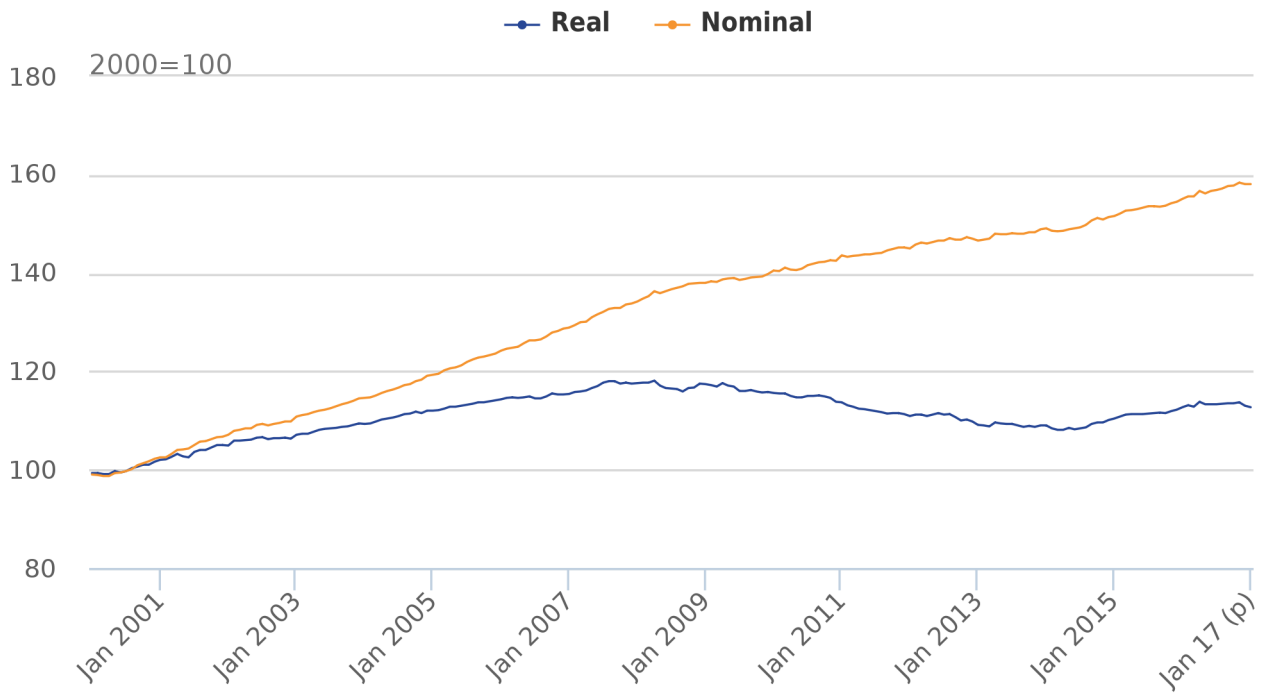
The figures show the recent movements in real AWE (whole economy). This is calculated as nominal unadjusted AWE, divided by the Consumer Prices Index (CPI). This series is calculated for regular and total pay at the whole economy level and then seasonally adjusted. The data in Figures 1 and 2 are levels of real and nominal AWE, shown on a monthly basis, with an index of 2000 equals 100. Figure 3 shows 3 months on 3 months previous year increases in these derived indices. The data are available in [dataset EARN01](#), together with estimates of real AWE at 2000 prices.

Please note that from 21 March 2017, the Consumer Prices Index including owner occupiers' housing costs (CPIH) will become our headline measure of inflation. Consequently, we will be using CPIH (rather than CPI) to estimate real earnings from next month's release resulting in revisions to estimates of real earnings. As the CPIH series currently commences in 2005, the estimates of real earnings (which currently commence in 2000) will commence in 2005 from next month's release.

Comparing the 3 months to January 2017 with the same period in 2016, real AWE (total pay) grew by 0.7%, which was 0.7 percentage points smaller than the growth seen in the 3 months to December 2016. Nominal AWE (total pay) grew by 2.2% in the 3 months to January 2017, while the CPI increased by 1.8% in the year to January 2017. Over the same 3 month period, real AWE (regular pay) grew by 0.8%, which was 0.6 percentage points smaller than the growth seen in the 3 months to December 2016. The nominal AWE (regular pay) rose by 2.3% in the 3 months to January 2017.

**Figure 1: Average weekly earnings regular pay: real and nominal, seasonally adjusted, 2000=100**

Great Britain, January 2000 to January 2017



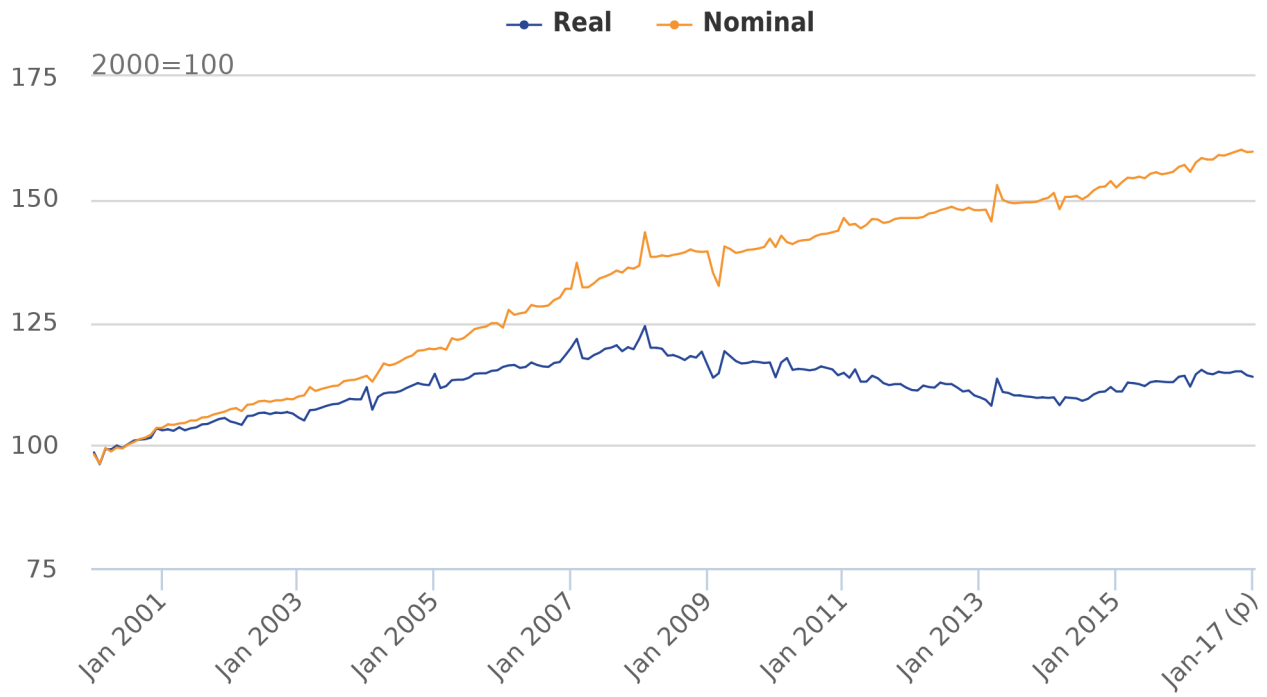
Source: Office for National Statistics, Monthly Wages and Salaries Survey (MWSS)

Notes:

1. p = provisional, r = revised.

**Figure 2: Average weekly earnings total pay: real and nominal, seasonally adjusted, 2000=100**

Great Britain, January 2000 to January 2017



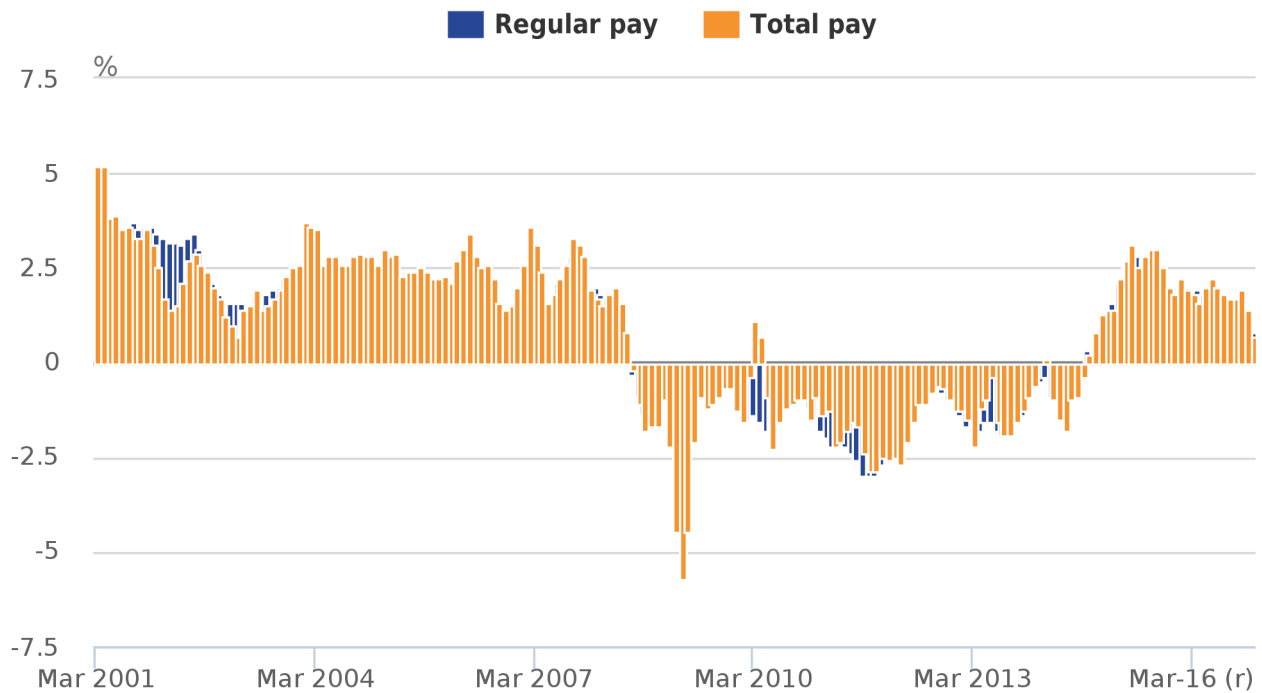
Source: Office for National Statistics, Monthly Wages and Salaries Survey (MWSS)

Notes:

1. p = provisional, r = revised.

**Figure 3: Average weekly earnings total and regular real pay annual growth rates, seasonally adjusted**

Great Britain, January to March 2001 to November 2016 to January 2017 (3-month average time periods)



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

Notes:

1. p = provisional, r = revised.

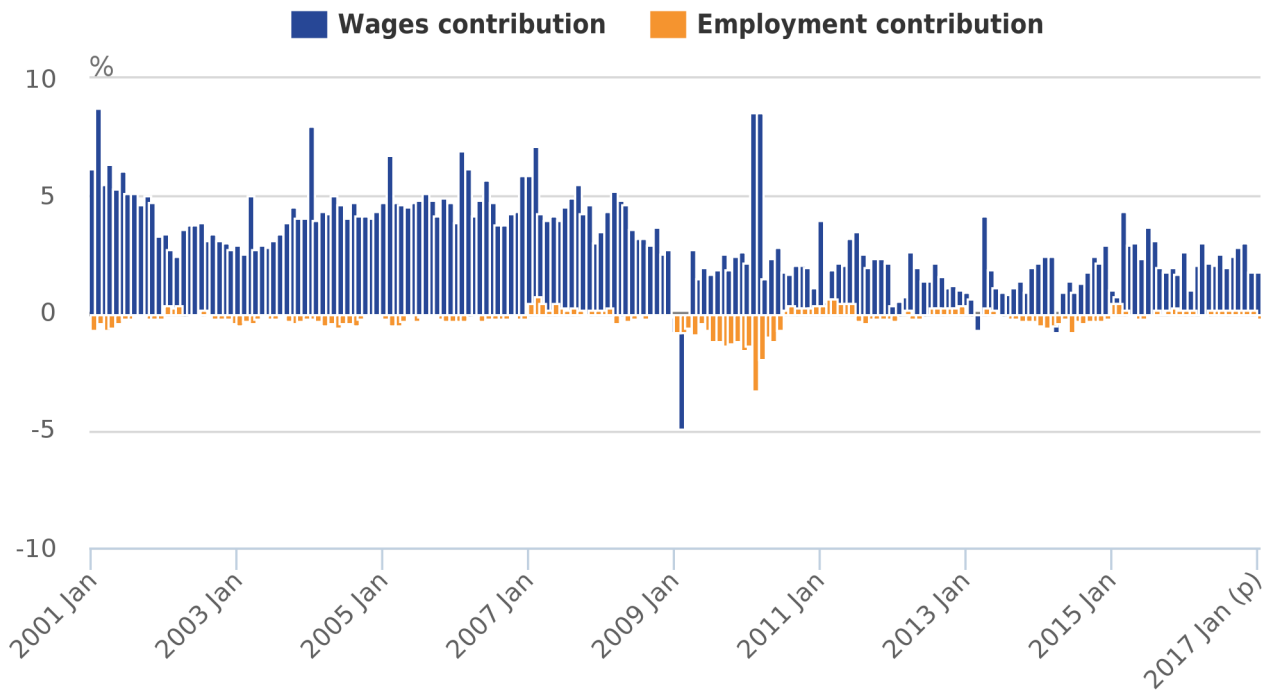
### 3 . Contributions to nominal AWE – single month

The wages and employment contributions underlying the latest AWE data are available on our website in the [EARN02 dataset](#) each month. The “employment contribution”, shown in these figures, 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: Average weekly earnings total pay by contributions**

Great Britain, January 2001 to January 2017

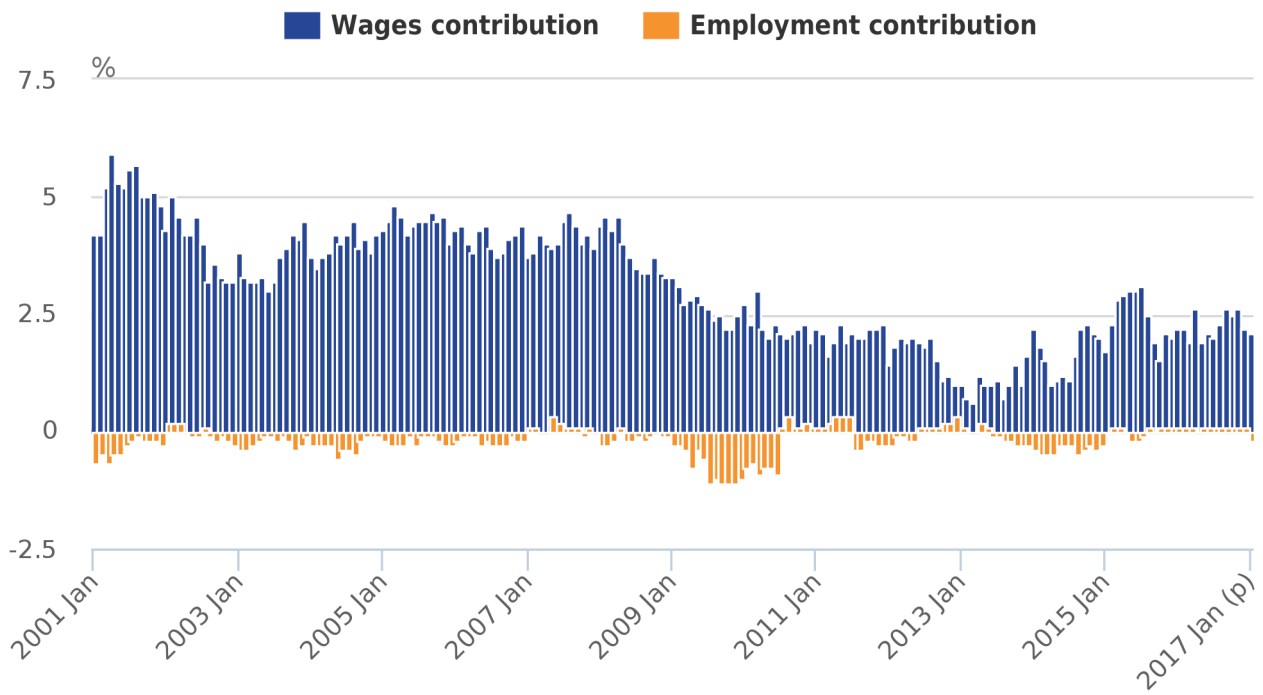


Source: Office for National Statistics, Monthly Wages and Salaries Survey (MWSS)

**Notes:**

1. p = provisional, r = revised.

**Figure 5: Average weekly earnings regular pay by contributions**



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

**Notes:**

1. p = provisional, r = revised.

Employment contributions were negative 0.2% for both total pay and regular pay in January 2017.