

Statistical bulletin

# Low and high pay in the UK: 2022

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: 2022](#)
- [Gender pay gap in the UK: 2022](#)

## 2 . Main points: April 2022

- Over the coronavirus pandemic period, [earnings estimates were affected](#) by changes in composition of the workforce and the impact of the Coronavirus Job Retention Scheme (furlough) making interpretation difficult; also data collection disruption and lower response rates mean that, for 2020 and 2021, data were subject to more uncertainty and should be treated with caution; we would encourage users to focus on long-term trends rather than year-on-year changes.
- The proportion of low-paid employee jobs (based on hourly pay) fell to 10.5% in 2022 from 14.3% in 2021, the lowest since the series began in 1997, with the proportion of high-paid employee jobs falling 0.7 percentage points on-the-year to 23.7% in 2022.
- Average hourly pay in 2022 for full-time employees has increased for all percentiles year-on-year, but there is a larger increase in the lower deciles; part-time jobs at the fifth percentile have seen the largest increase in hourly pay.
- The lowest-earning employees tend to be part time, 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 509,000 (1.7%) employee jobs, returning to similar levels seen in 2019 before the coronavirus (COVID-19) pandemic.

### 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.

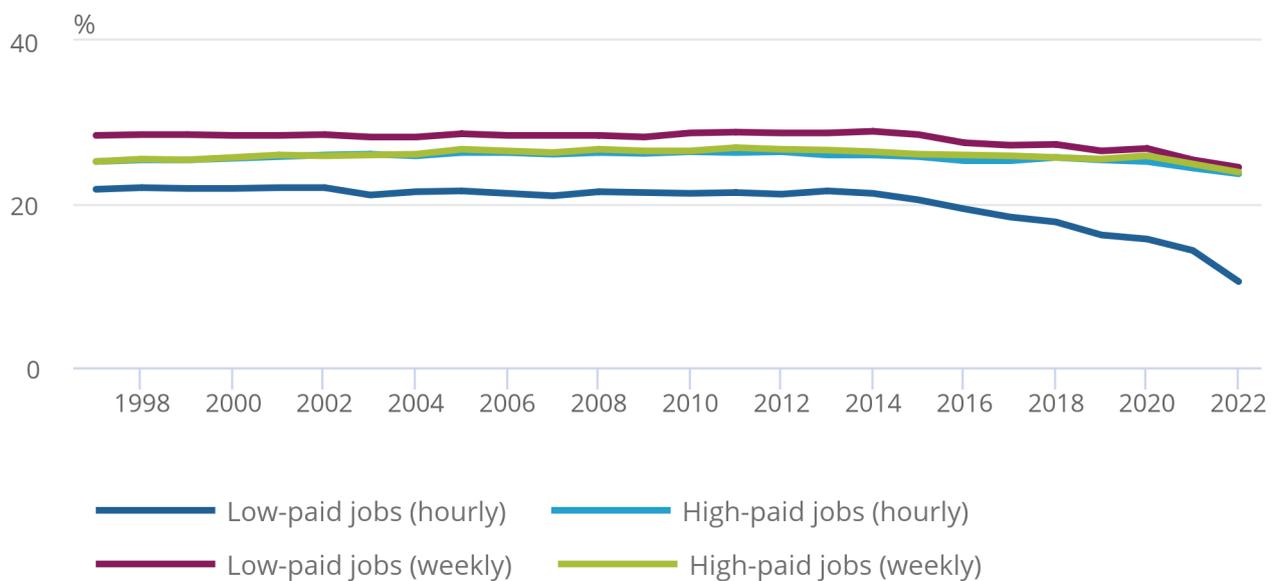
Over the coronavirus pandemic period, [earnings estimates were affected](#) by changes in composition of the workforce and the impact of the Coronavirus Job Retention Scheme (furlough) making interpretation difficult; also data collection disruption and lower response rates mean that, for 2020 and 2021, data were subject to more uncertainty and should be treated with caution; we would encourage users to focus on long-term trends rather than year-on-year changes.

**Figure 1: The proportion of low-paid employee jobs for hourly pay and gross weekly pay fell to record lows of 10.5% and 24.5% respectively in 2022**

Proportion of high- and low-paid employee jobs for hourly pay and gross weekly pay, whole economy, UK, 1997 to 2022

Figure 1: The proportion of low-paid employee jobs for hourly pay and gross weekly pay fell to record lows of 10.5% and 24.5% respectively in 2022

Proportion of high- and low-paid employee jobs for hourly pay and gross weekly pay, whole economy, UK, 1997 to 2022



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

Notes:

1. Estimates for 2022 data are provisional.
2. Employees are on adult rates, pay is unaffected by absence unless furloughed.
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.

In 2022, 10.5% 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.

When considered in terms of weekly pay, the proportion of low-paid jobs has fallen slowly in recent years and in 2022 decreased to 24.5%, the lowest on record.

High-paid employee jobs (those earning more than 1.5 times the median) for hourly and weekly pay have decreased by 0.7 and 0.9 percentage points respectively since 2021, 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 [Glossary](#) for details. In 2022, low pay is defined as those earning below £9.85 per hour and high pay is defined as those earning more than £22.16.

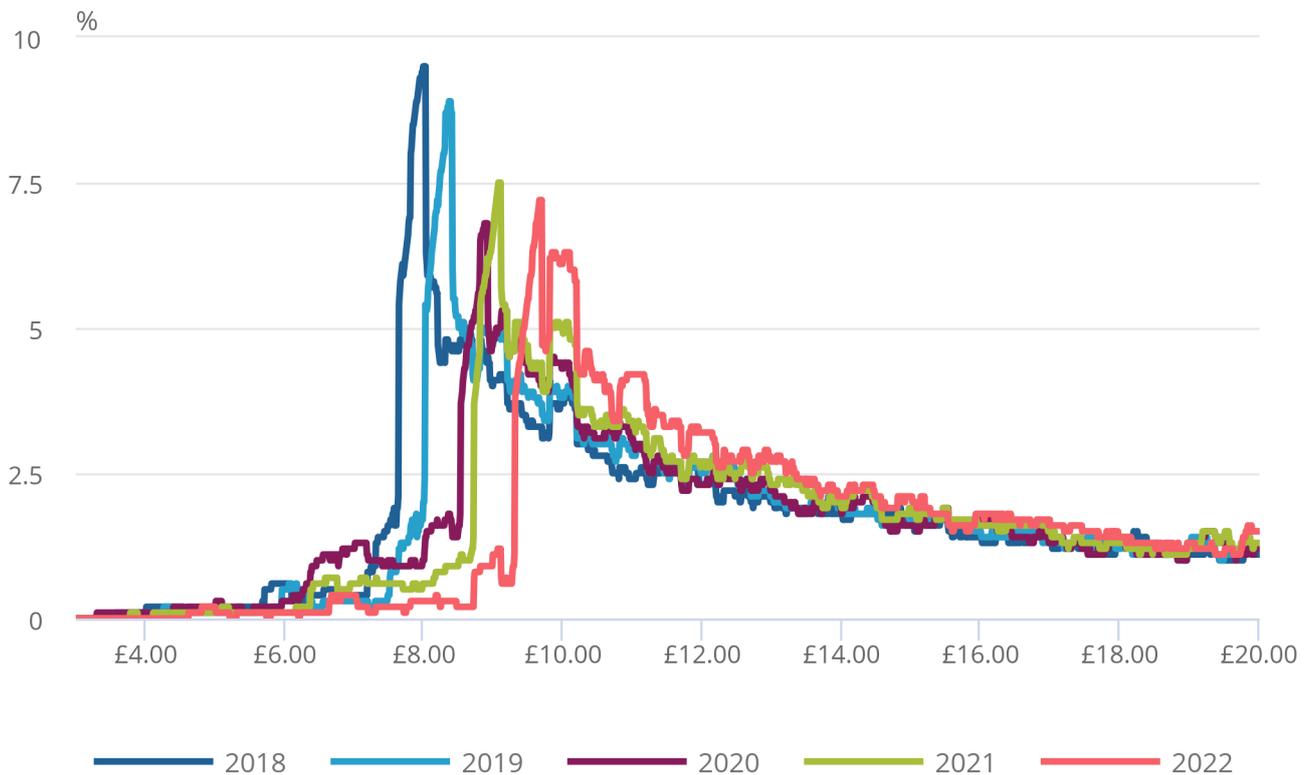
## 4 . Distribution of pay

**Figure 2: Hourly earnings in 2022 are returning to their pre-coronavirus distribution profile, but the proportion of people at or below the minimum wage has decreased since 2021**

Distribution of hourly earnings (excluding overtime) for all employees, from 2018 to 2022, UK (proportion of jobs within plus or minus 20 pence of shown pay rate)

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Distribution of hourly earnings (excluding overtime) for all employees, from 2018 to 2022, 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:

1. Estimates for 2022 data are provisional.
2. Employees are on adult rates, pay is unaffected by absence unless furloughed.

There is a large concentration of jobs paid within 20 pence of the National Minimum Wage (NMW) each year, but in 2020, 2021 and 2022 the peak is less pronounced. There was an additional, smaller, peak at approximately 80% of the minimum wage rate in 2020, which is attributed to [furloughing under the Coronavirus Job Retention Scheme](#) (CJRS), which was in operation. This additional peak was still present in 2021, however, it was less pronounced because of the decrease in the number of employees on furlough with reduced pay (Figure 3).

Further up the pay distribution, the pattern for 2022 has a clear peak around £10 an hour, which is more pronounced than a similar peak in the 2021 distribution. This is likely attributed to employers choosing to pay employees £10 per hour, as the NMW increases each year towards £10. The NMW for those aged 23 years and over was £9.50 in April 2022.

The living wage as defined by the Living Wage Foundation for employees outside of London was £9.90 in April 2022. This may have an impact in employers choosing to pay employees £10 instead of the NMW rate. There is now also a smaller peak forming at the £11 an hour mark in the 2022 distribution, which did not occur in previous years.

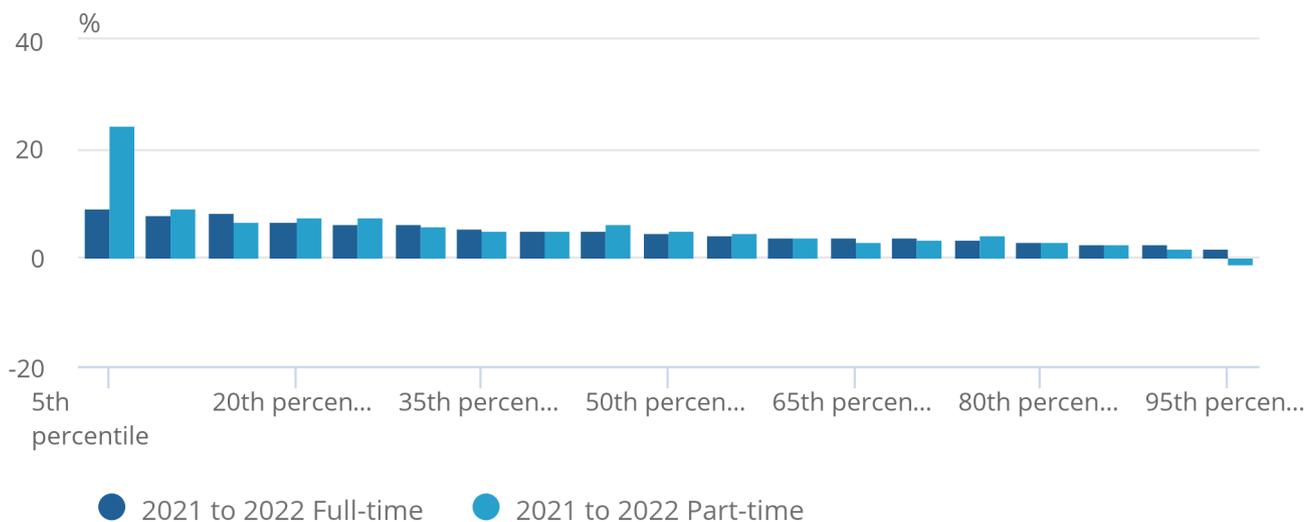
## 5 . Those most affected by low pay

**Figure 3: Average hourly pay in 2022 has increased for nearly 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 fifth percentile, UK, 2021 to 2022

Figure 3: Average hourly pay in 2022 has increased for nearly 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 fifth percentile, UK, 2021 to 2022



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

**Notes:**

1. Estimates for 2022 data are provisional.
2. Employees are on adult rates, pay is unaffected by absence unless furloughed.
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 2022 compared with 2021 for all percentiles for full-time employees and nearly all percentiles for part-time employees. The average hourly pay (excluding overtime) of the lowest paying full-time and part-time jobs (fifth percentile) have both seen large percentage increases in 2022 (9.0% and 24.5% respectively). The large increase in part-time employees at the fifth percentile follows a large decrease between 2019 and 2021 (down 7.1%).

**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, 2022**

## Notes:

1. Estimates for 2022 data are provisional.
2. Employees are on adult rates, pay is unaffected by absence unless furloughed.
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.

## Download the data

[.xlsx](#)

## 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 (36.8%), those working in hospitality (44.0%), young workers aged 16 to 21 years (52.2%) or those working in the North East or Yorkshire and The Humber (both 14.0%). Similarly, women were more likely to be low paid than men (12.7% versus 8.3%) and part-time employees were more likely to be low paid than full-time employees (24.3% versus 5.2%).

The proportions of employees who were high paid were highest for managerial and professional occupations (49.8% and 50.3% respectively), those working in the information and communication industry or the finance and insurance industry (44.2% and 49% respectively), workers aged between 45 and 49 years (32.5%) or those working in London (41.6%). Similarly, men were more likely to be high paid than women (28.0% versus 19.4%) and full-time employees were more likely to be high paid than part-time employees (27.6% versus 12.6%).

## 6 . National Minimum Wage and National Living Wage

In April 2022, there were approximately 509,000 employee jobs with employees aged 16 years and over who were paid below the [National Minimum Wage \(NMW\) or National Living Wage \(NLW\)](#) (1.7% of employee jobs). For context, this compares with 1,097,000 (3.9% of employee jobs) in 2021, 2,085,000 (7.4% of employee jobs) in 2020 and 409,000 (1.4% of employee jobs) in 2019. 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 [Strengths and limitations](#) for details.

## 7 . Low and high pay data

[Jobs paid below minimum wage by category](#) Released: 26 October 2022 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 2022.

[Estimates of the number and proportion of employee jobs with hourly pay below the living wage](#) Released: 26 October 2022 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.

## 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 2022 are £14.77, therefore low-pay employees are anyone earning below two-thirds of £14.77, which is £9.85. High-pay employees are those earning anything above 1.5 times £14.77, which is £22.16.

### 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 22 years. The government's National Living Wage (NLW) was introduced on 1 April 2016 and applies to employees aged 25 years and over but was changed to apply to those 23 years and over in 2021 onwards.

On the Annual Survey of Hours and Earnings (ASHE) reference date in April 2022, the NMW and NLW rates were:

- £9.50 for employees aged 23 years and over
- £9.18 for employees aged 21 to 22 years
- £6.83 for employees aged 18 to 20 years
- £4.81 for employees aged 16 to 17 years
- £4.81 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

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 the [Employee earnings bulletin](#), which focuses more on weekly pay, that is, taking into account the number of hours worked and paid for.

The estimates in this bulletin are based on information gathered from a sample of 1% of employees in the UK. Before the coronavirus (COVID-19) pandemic, the achieved sample size on the Annual Survey of Hours and Earnings (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, 140,000 for 2021 and 147,000 for 2022. As such, ASHE estimates for 2020, 2021 and 2022 are subject to more uncertainty than usual.

From 2021, we have moved our occupation coding to [Standard Occupational Classification 2020](#) from 2010. This means estimates for earnings in April 2021 on a SOC 2020 basis represent a break in the ASHE data 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. At the top-level, earnings estimates produced on a SOC 2020 basis show minimal differences to those produced on a SOC 2010 basis.

All estimates for 2022 are provisional and relate to the pay period that includes 27 April 2022. Estimates for 2021 have been revised and relate to the pay period that includes 21 April 2021, at which time [3.7 million employees were furloughed](#) under the Coronavirus Job Retention Scheme (CJRS). For 2020, this was 8.8 million. Furloughed employee jobs received 80% of normal pay from the scheme, to a maximum £2,500 a month. Employers were able to top up employees' pay, but they were not required to; the Office for National Statistics (ONS) has estimated that approximately half of employees had their pay topped up for both years.

ASHE collected actual payments made to the employee and the hours on which this pay were calculated, which in the case of furloughed employees would be their usual hours.

The exclusion criteria for the 2020 and 2021 datasets were revised to be "those employees who were not furloughed but whose pay was affected by absence". This results in the ASHE datasets excluding 4.4% of employee jobs in 2021 and 6.0% in 2020 (compared with approximately 5% in previous years).

ASHE data are weighted to UK population totals from the Labour Force Survey (LFS) based on classes defined by region, occupation, age and sex.

LFS data for 2021 and 2022 have been impacted by [an issue with the occupation coding using SOC 2020](#). Given the use of the 1-digit occupation in the weighting process, the ASHE estimates will be subject to further review but the impact is likely to be minimal based on the initial analysis.

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](#).

## 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 the [Quality and Methodology Information report](#) and the [Guide to sources of data of earnings and income](#).

## 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, based on pay data from April 2021 – focuses on low pay and insecurity in the job market.

[Average weekly earnings in Great Britain](#) Bulletin | Monthly Monthly estimates of growth in employee earnings before tax and other deductions from pay.

[UK labour market overview](#) Bulletin | 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](#) Bulletin | 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 | Fortnightly The impact of the coronavirus (COVID-19) pandemic and other events on UK businesses and the economy.

## 12 . Cite this statistical bulletin

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