

Statistical bulletin

Employee earnings in the UK: 2024

Measures of employee earnings, using data from the Annual Survey for Hours and Earnings (ASHE).

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Next release: To be announced

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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 in 2024. Other commentary from the latest ASHE data can be found in:

- our Low and high pay in the UK: 2024 bulletin
- our Gender pay gap in the UK: 2024 bulletin

2. Main points: April 2024

- Median weekly earnings for full-time employees were £728 in April 2024, a 6.0% increase on the year in nominal terms and a 2.9% increase in real terms; this figure is adjusted for inflation using the Consumer Prices Index including owner occupiers' housing costs (CPIH).
- In April 2024, median weekly earnings for full-time employees increased for all major occupational groups, with the largest growth reported in the "caring, leisure and other service occupations" and "sales and customer service occupations" categories, which both increased by 7.7% compared with the previous year.
- In April 2024, median weekly earnings for full-time employees increased across all sector-level industries when compared with April 2023, with the highest growth in the accommodation and food service activities industry (9.8%).
- Median gross annual earnings for full-time employees were £37,430 in April 2024, compared with £35,004 in April 2023, an increase of 6.9%.

Throughout this bulletin, the terms "jobs" and "employees" are used interchangeably. All estimates for 2024 are provisional.

3. Employee earnings

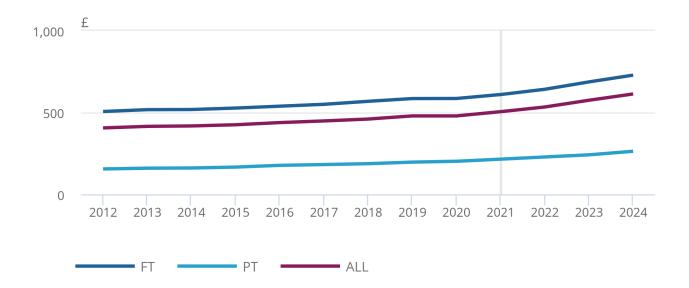
We have introduced improvements to our methods for processing returns for the Annual Survey of Hours and Earnings (ASHE) to help address differences between ASHE and other earnings data sources. More information is available in the <u>Data sources and quality section</u>.

Figure 1: Median weekly earnings for full-time employees was £728 in April 2024

Gross median weekly earnings by employment type, UK, April 2012 to April 2024

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Gross median weekly earnings by employment type, UK, April 2012 to April 2024



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

Notes:

- 1. Estimates for 2024 are provisional.
- 2. Employees are on adult rates, where 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. Dashed line represents discontinuities in 2021 because of a change in occupational coding.
- 5. Because of methodological changes, data for 2023 and 2024 might not be directly comparable with data for 2022 and earlier years (see Data sources and quality).
- 6. 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.

Median weekly earnings for full-time employees were £728 in April 2024 and continue the upward trend observed in recent years (Figure 1). Median weekly earnings for part-time employees were £263 in April 2024.

Median hourly earnings excluding overtime for full-time employees were £18.64 an hour in April 2024, compared with £17.52 in 2023 (an increase of 6.4%). Median gross annual earnings for full-time employees who had been in their job for at least a year were £37,430 in April 2024, compared with £35,004 in April 2023 (an increase of 6.9%).

In this bulletin, we mainly focus on estimates for median weekly earnings for full-time employees. For hourly and annual pay, please see our <u>accompanying data tables</u>.

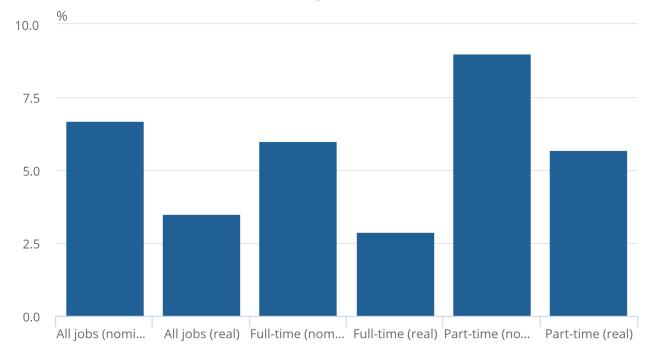
Mean total weekly paid hours for all employees have remained relatively stable since 2009, at around 33 hours per week.

Figure 2: For full-time employees, median weekly earnings in April 2024 increased by 6.0% from a year earlier on a nominal basis; when adjusted for inflation (CPIH), they increased by 2.9%

Annual percentage change in nominal and real median gross weekly earnings for all jobs, UK, April 2024

Figure 2: For full-time employees, median weekly earnings in April 2024 increased by 6.0% from a year earlier on a nominal basis; when adjusted for inflation (CPIH), they increased by 2.9%

Annual percentage change in nominal and real median gross weekly earnings for all jobs, UK, April 2024



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

Notes:

- 1. Estimates for 2024 are provisional.
- 2. Employees are on adult rates, where 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. The data have been adjusted for inflation using the Consumer Prices Index including owner occupiers' housing costs (CPIH). The CPIH figures are based on the All-Items Consumer Prices Index (including owner occupiers' housing costs) of inflation for April 2024

Median weekly earnings (in nominal terms) increased by 6.7% for all employees and by 9.0% for part-time employees in the year to 2024.

When adjusted for inflation using our <u>Consumer Prices Index including owner occupiers' housing costs (CPIH) time series</u>, median weekly earnings increased by 2.9% for full-time employees and by 5.7% for part-time employees.

Differences in growth rates between full-time and part-time jobs reflect differences in:

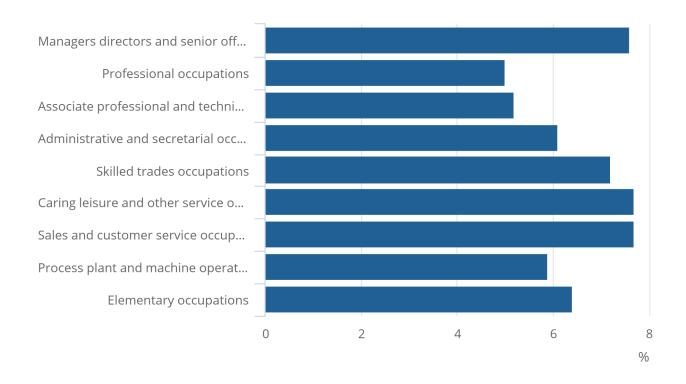
- · the types of jobs
- the number of employees in full-time and part-time jobs
- how the composition of those jobs and employees has changed between 2023 and 2024

Figure 3: There was strong growth in median weekly earnings for full-time employees across all major occupational groups in April 2024

Annual growth in gross weekly full-time earnings by occupation, UK, April 2024

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Annual growth in gross weekly full-time earnings by occupation, UK, April 2024



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

Notes:

- 1. Estimates for 2024 are provisional.
- 2. Employees are on adult rates, where 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. Occupations as defined by the Standard Occupational Classification 2020.

Median gross weekly earnings for full-time employees increased across all major occupational groups between 2023 and 2024 (Figure 6). The lower-paid occupations saw the largest increases, including in the "caring, leisure and other service occupations" category (7.7%), and "sales and customer service occupations" category (7.7%). "Managers, directors and senior officials" also saw a large increase (7.6%) in median gross weekly earnings. The smallest increase was seen in "professional occupations" (5.0%).

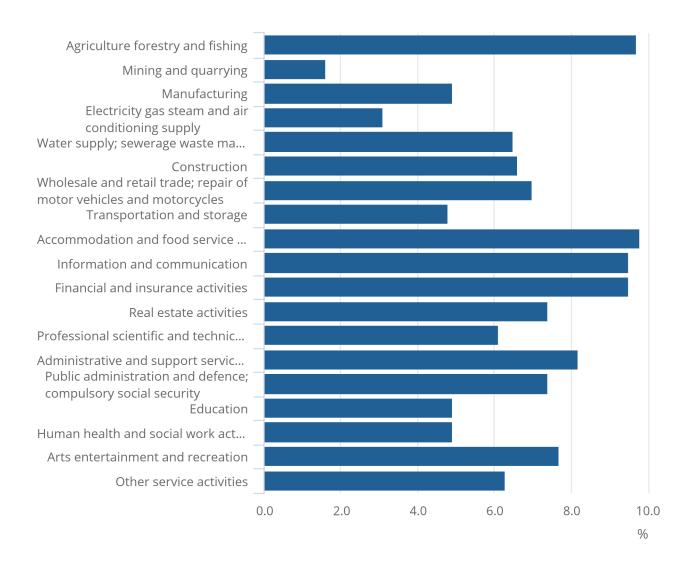
The larger increase in the lower-paid occupations groups can be partly attributed to the recent increases in the National Minimum Wage (NMW) and National Living Wage (NLW) rates. On 1 April 2024, the NLW increased from £10.18 to £11.44 (12.4%), and the age at which it becomes applicable moved from 23 to 21 years. This has affected lower-paid jobs, which have experienced the largest wage increases of all job types. More information is available in our Low and high pay: 2024 bulletin.

Figure 4: Weekly full-time earnings increased across all sector-level industries in April 2024 compared with April 2023

Annual growth in gross weekly full-time earnings by industry, UK, April 2024

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Annual growth in gross weekly full-time earnings by industry, UK, April 2024



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

Notes:

- 1. Estimates for 2024 are provisional.
- 2. Employees are on adult rates, where 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. Industries as defined by the Standard Industrial Classification 2007.

Median gross weekly earnings increased across all industries between 2023 and 2024. The industries that experienced the strongest growth were "accommodation and food service activities" (9.8%); "agriculture, forestry and fishing" (9.7%); "information and communication" (9.5%), and "financial and insurance activities" (9.5%).

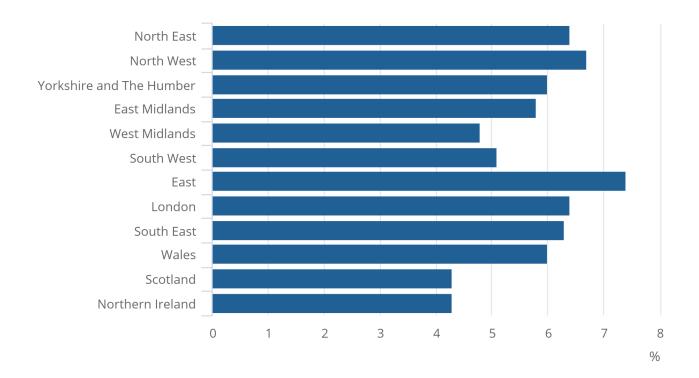
Median gross weekly earnings for full-time employees were £765 in the public sector (a 5.2% increase on the year) and £714 in the private sector (a 6.3% increase on the year), in April 2024. These different rates of pay growth are partly explained by the different composition of industries within the public and private sectors. The industries that experienced the strongest wage growth in April 2024 are predominantly private sector, while two industries with a 60% public-sector component, ("education" and "human health and social work activities"), experienced relatively weak wage growth (4.9% for both) between April 2023 and April 2024.

Figure 5: Weekly full-time earnings increased in all regions in April 2024 compared with April 2023

Annual percentage change to median gross weekly earnings for full-time employees, by workplace regions and countries, UK, April 2024

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Annual percentage change to median gross weekly earnings for full-time employees, by workplace regions and countries, UK, April 2024



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

Notes:

- 1. Estimates for 2024 are provisional.
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- 3. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).

Across all regions of the UK, the East of England saw the highest growth in median gross weekly earnings for full-time employees (7.4%), in April 2024 compared with April 2023. The regions with the smallest growth in median full-time earnings were Scotland (4.3%) and Northern Ireland (4.3%) (Figure 8).

Our interactive chart in Figure 6 allows you to explore the median pay levels in all local authorities in April 2024. Find what the median gross weekly earnings were in April 2024 in your local authority, by searching for or selecting an area from the drop-down list in the interactive chart.

Figure 6: Median gross weekly earnings for full-time employees for all local authorities by place of work

Great Britain, April 2024

Notes:

- 1. Estimates for 2024 are provisional.
- 2. Employees are on adult rates, where 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).

Median annual earnings for full-time employees who had been in their job for at least a year were £37,430 for the tax year ending on 5 April 2024, an increase of 6.9% on the previous year.

Our interactive chart in Figure 7 allows you to compare earnings across occupations, in terms of annual pay. Explore what the median annual earnings are for your occupation by searching for or selecting your occupation from the drop-down list in the interactive tool.

Figure 7: Annual full-time gross earnings by occupation

UK, April 2024

Notes:

- Estimates for 2024 are provisional.
- 2. Employees are on adult rates, where 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. Occupations as defined by the Standard Occupational Classification 2020.

4. Data on employee earnings

Annual Survey of Hours and Earnings: 2024 provisional and 2023 revised results

Dataset | Released 29 October 2024

Employee earnings estimates from the Annual Survey of Hours and Earnings (ASHE) broken down by age, region, occupation and industry.

5. Glossary

Full-time and part-time

Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions). Part-time is defined as employees working less than or equal to 30 paid hours per week (or less than 25 hours for the teaching professions).

Median

A measure of the average. The median is calculated by identifying the exact middle point in a set of observations. When the observations are ranked from lowest to highest, the median is the value in the exact middle of the observed values. It is our preferred measure of average earnings, as it is less affected by a relatively small number of very high earners than the mean.

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 workers' ages and whether they are apprentices. The NMW applies to employees aged 16 to 20 years. The government's National Living Wage (NLW) was introduced on 1 April 2016 and, from 2024, applies to employees aged 21 years and over.

On the Annual Survey of Hours and Earnings (ASHE) reference date in April 2024, the NMW and NLW rates were:

- £11.44 for employees aged 21 years and over
- £8.60 for employees aged 18 to 20 years
- £6.40 for employees aged 16 to 17 years
- £6.40 for apprentices aged 16 to 18 years and those aged 19 years and over who are in the first year of their apprenticeship

Real earnings

Real earnings (earnings adjusted for inflation) are calculated by adjusting nominal (unadjusted) earnings using the Consumer Prices Index including owner occupiers' housing costs (CPIH). The CPIH is the most comprehensive measure of inflation. It extends the Consumer Prices Index (CPI) to include a measure of the costs associated with owning, maintaining and living in one's own home, known as owner occupiers' housing costs (OOH), along with council tax.

Standard Occupational Classification

The <u>Standard Occupational Classification (SOC)</u> is a common classification of occupational information for the UK. The most recent version of SOC, SOC 2020, was used for revised 2021 ASHE estimates and provisional 2022 ASHE estimates. More information on the impact of the change from SOC 2010 to SOC 2020 can be found in our <u>Measures of employee earnings based on SOC 2020, UK: 2021 bulletin.</u>

6. Data sources and quality

Data sources

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. It 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. All estimates for 2024 are provisional and relate to the pay period that includes 17 April 2024. Estimates for 2023 have been revised and relate to the pay period that includes 19 April 2023.

Before the coronavirus pandemic, the achieved sample size of ASHE was approximately 180,000 each year. However, given the challenges to data collection during the pandemic, the final achieved sample sizes were:

- 144,000 for 2020
- 142,000 for 2021
- 148,000 for 2022
- 164,000 for 2023

Response rates have improved to 173,000 in 2024.

The analysis in this bulletin is based mainly on weekly pay, which is affected by both hourly rates of pay and hours worked or paid for. Our <u>Low and high pay in the UK: 2024 bulletin</u> looks in more detail at the distribution of pay based on hourly rates. This is particularly relevant for policy around the National Minimum Wage and National Living Wage rates.

Data methods

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 (SOC 2020), from SOC 2010. This means estimates for earnings in April 2021 on an SOC 2020 basis represent a break in the ASHE time series. Estimates will not be directly comparable with estimates for earnings on an SOC 2010 basis and, as such, should not be used in direct comparison with each other.

ASHE estimates are affected by the composition of the employee workforce, which is the types of workers and jobs. This can vary year on year. Differences in levels and growth rates in ASHE estimates reflect both changes in earnings and changes in the composition of the employee workforce.

Methodological changes in 2023 to 2024

Since 2020, during and after the coronavirus (COVID-19) pandemic, ASHE has shown some differences, compared with other earnings data sources, such as our <u>Average Weekly Earnings dataset</u> and our <u>Earnings and employment from Pay As You Earn Real Time Information datasets</u>. There are inherent reasons for differences between ASHE and other earnings data sources, as set out in our <u>Comparison of labour market data sources methodology</u>.

We know that ASHE has not always accurately estimated the number of high earners in each profession in recent years. So, it may have been understating both the earnings of the highest earners and, to a lesser extent, underestimating both mean and median average wages. To address this concern, we have started to introduce improvements to the methods for processing returns to our survey for 2024 provisional data and 2023 revised data, focusing first on the treatment of high earners. This has resulted in more high earners in each profession being counted in the final data. This has increased the achieved sample size and improved the quality of ASHE estimates.

The impact of these method improvements is that we have larger than average revisions for 2023 data. Median hourly pay for full-time employees has risen from £17.40 to £17.52. Annual median earnings for full-time employees is now estimated to be £35,004, up from the previous estimate of £34,963.

We will shortly be engaging with users about whether we can bring this new method in for 2022 and earlier data. In the meantime, we caution against comparing 2023 and 2024 with 2022 and earlier years.

In addition to improving our methods, we have followed usual practice and applied the latest LFS weights. This will also have an impact on the revised 2023 data, compared with the provisional 2023 data. We will continue to update the LFS weights as they are made available to us. This will result in revised ASHE data, which we will communicate with users.

Additionally, the following factors are also likely to be contributing to the divergence between ASHE and other data sources since 2020:

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

We have a plan of future work to improve the quality of ASHE that can be found in our accompanying <u>Exploring</u> this year's earnings figures blog.

Uncertainty

Sampling variability for ASHE estimates are provided in our <u>accompanying datasets</u>.

More quality and methodology information

Our guide to interpreting ASHE estimates methodology addresses common questions about our data.

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in our <u>ASHE methodology and guidance</u> and in our <u>ASHE, Low pay and ASHE pension results QMI</u>.

Accredited official statistics

These accredited official statistics were independently reviewed by the Office for Statistics Regulation in June 2013. They comply with the standards of trustworthiness, quality, and value in the <u>Code of Practice for Statistics</u> and should be labelled "accredited official statistics".

7. Related links

Average weekly earnings in Great Britain

Bulletin | Released 15 October 2024

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

Earnings and employment from Pay As You Earn Real Time Information, UK

Bulletin | Released 15 October 2024

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.

Comparison of labour market data sources

Bulletin | Released 27 April 2022

The strengths and weaknesses of the main data sources we use to produce the labour market figures, including the advantages of new administrative data sources and limitations of some of our published figures.

Income and earnings statistics guide

Bulletin | released 22 May 2024

Explains the relationship between income and earnings data and outlines the statistics produced by the Office for National Statistics, Department for Work and Pensions and HM Revenue and Customs.

An overview of and comparison between Annual Survey of Hours and Earnings (ASHE) and Average Weekly Earnings (AWE): 2017

Article | Released 14 September 2017

An overview of the Annual Survey of Hours and Earnings and Average Weekly Earnings, comparing the differences between the two headline outputs.

8. Cite this statistical bulletin

Office for National Statistics (ONS), released 29 October 2024, ONS website, statistical bulletin, <u>Employee earnings in the UK: 2024</u>.