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Northern Ireland Annual Survey of Hours and Earnings 2007

7 November 2007

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Department of Enterprise,
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Northern Ireland Annual Survey of Hours and Earnings 2007

7 November 2007

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NORTHERN IRELAND ANNUAL SURVEY of HOURS and EARNINGS APRIL 2007

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The Annual Survey of Hours and Earnings provides a wide range of information on hourly, weekly and annual earnings of employees in Northern Ireland at April 2007. Headline data from the survey show that:

- The estimated median gross weekly earnings for **all** (i.e. both full- and part-time) employees in NI at April 2007 was £330.7, some 88% of the UK figure (£374.9).
- Growth in NI median earnings for **all** employees was 2.5% over the year to April 2007, compared to growth in the UK of 3.3%.
- NI **full-time** employees' gross weekly earnings in April 2007 (£401.9) were similar to April 2006 (£402.5), whereas UK full-time earnings increased by 2.9% to £456.7.
- Median **full-time** weekly earnings in the public sector in NI (£484.2) were almost a third higher than the private sector (£364.1). This was more marked than in the UK, where public sector earnings were 14% higher than the private sector.
- Median **full-time** private sector gross weekly earnings grew by 0.3% over the year in NI compared to 2.9% in the UK. This represents a widening of the NI/UK private sector pay gap, from 15% to 17%.
- Over the period 2006–2007, there has been a slight widening of the gender pay gap in NI by approximately 1 percentage point, with female full-time median hourly earnings excluding overtime some 97.2% of male earnings.
- Changes in NI earnings over the year and relative to the UK are influenced by a range of factors including the timing of pay settlements, the extent of overtime, and changes in the composition of the workforce. As ASHE is a sample survey, results are also subject to an associated level of sampling error (e.g. +/- 4% for the estimate of gross weekly earnings for all employees).

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Executive Summary

1

INTRODUCTION

The Annual Survey of Hours and Earnings (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 vs private sector pay comparisons. The sample used covers approximately 1% of all employees in Northern Ireland who were covered by PAYE schemes, and therefore is subject to an associated level of sampling error.

ASHE replaced the New Earnings Survey (NES) from 2004 and ASHE comparisons are therefore only available on a consistent basis from that year onwards. The development of the survey follows the recommendations made in the National Statistics Quality Review of the Distribution of Earnings Statistics for improving the collection of earnings statistics, with ASHE results satisfying a variety of different user-needs identified in that document (e.g. low pay issues).

This report presents provisional results from the Northern Ireland element of the 2007 ASHE, which surveys employee earnings for the pay period including 18th April 2007.

NI VERSUS UK

All Employees

Results show that the median gross weekly earnings for all employees¹ in NI at April 2007 was £330.7, or approximately 88% of the UK figure (£374.9). This gap partly reflects differences in the composition and changing structures of the respective workforces, by full- /part-time status, gender, industry and occupation structure etc. Growth over the year to April 2007 in NI was 2.5%, compared with growth in the UK of 3.3%. Slower growth was also evident in the median hourly rate of pay (excluding overtime) for all employees in NI. Hourly earnings grew by 0.8% in NI compared to 3.1% in the UK between April 2006 and 2007.

Full-time Employees

The median gross weekly full-time wage in NI in 2007 was £401.9, which was approximately 88% of the figure in the UK (£456.7). While NI full-time earnings in April 2007 were similar to April 2006 (£402.5), UK full-time earnings increased by 2.9%. Analysis of the

NI earnings figures indicate that the yearly change is not statistically significant.

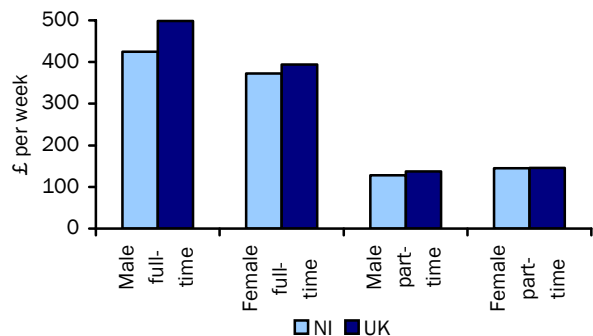
NI full-time median basic and other weekly pay increased by 0.9% over the year compared to 3.4% in the UK, suggesting that (when compared to gross weekly earnings trends) there may have been some reduction in the extent of overtime, shift premium or incentive pay over the year.

Part-time Employees

The median gross weekly part-time earnings in NI at April 2007 was £141.2, just over 98% of the figure in the UK (£143.9). As such, growth over the year was higher in NI (7.9%) than in the UK (4.7%) for part-time employees.

Median gross weekly earnings by full-/part-time and gender

Figure 1



COMPARISON WITH UK REGIONS

Although full-time employees in Northern Ireland had the lowest median gross weekly earnings across the UK regions, their earnings were relatively similar to such employees in the North East (£402.9) and Wales (£404.7) at April 2007. In 2006, they were the third lowest earners after these two regions.

Full-time male earnings in NI continued to be the lowest of any UK region. However, only full-time females working in London (£518.5), the South East (£408.0), the East (£382.9) and Scotland (£382.0) earned more than their NI counterparts.

GENDER DIFFERENCES

Over the period 2006-2007 there has been a slight widening of the gender pay gap in NI by approximately 1 percentage point. Female full-time median hourly earnings were slightly less than male earnings (97.2% in NI compared to 87.4% in the UK) at April 2007.

¹ Data from the Annual Survey of Hours and Earnings (ASHE) relates to all employees (i.e. full- and part-time) on adult rates whose pay was unaffected by absence during the survey period, unless otherwise specified.

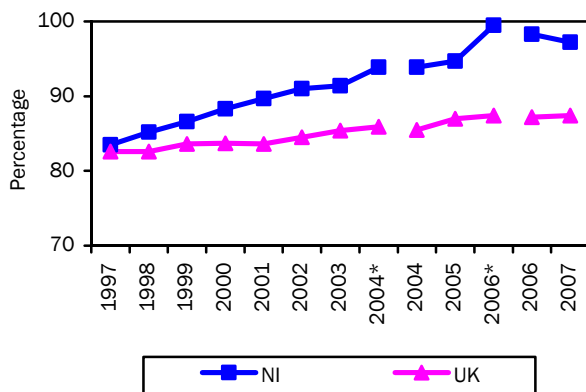
Unsurprisingly then, given that males in NI tended to work longer hours on average than females in 2007 (37.3 hours per week among full-time females compared to 40.0 hours worked among males), these hourly trends were also evident in weekly trends.

While median gross weekly earnings for full-time females at April 2007 (£372.6) was similar to 2006 (£374.2), male earnings had increased by 0.7% to £424.8. However, analysis of these yearly changes shows no statistically significant change in the median gross weekly full-time earnings for both males and females between April 2006 and 2007.

It should be noted that males working full-time had median annual earnings² of £22,054, over 12% more than the equivalent female figure of £19,616, and that gender pay differences continue to exist for various occupational and industry groupings in NI.

Median full-time female hourly earnings excluding overtime (NI versus UK) as a percentage of male earnings, 1997-2007

Figure 2



* The introduction of methodological changes to improve the quality of ASHE data has resulted in discontinuities in trends. More details of this can be found in the background notes.

PUBLIC VERSUS PRIVATE

Due to a change in the timing of the Northern Ireland Civil Service (NICS) pay award³, it should be noted that a large proportion of full-time NI public sector employees who had received their annual pay increase prior to ASHE 2006 had not yet received their annual pay increase in time to be reflected in ASHE 2007 results. This contributed to the relative lack of movement in both public sector and population estimates of full-time gross weekly pay for ASHE 2007.

While public sector median gross weekly earnings for all employees in NI were slightly lower (some 2.1%) than those in the UK, the equivalent private sector

earnings were almost 18% lower than those in the UK. Given that such comparisons can be affected by differences in the full-time/part-time split between NI and the UK, full-time earnings provide a more consistent basis for comparisons.

Median gross weekly earnings for full-time employees in the public and private sector

Table 1

£	NORTHERN IRELAND		UNITED KINGDOM	
	PUBLIC	PRIVATE	PUBLIC	PRIVATE
April 2007				
Men	534.9	391.8	549.1	482.8
Women	459.6	296.8	459.7	350.1
All	484.2	364.1	498.3	438.9
April 2006				
Men	519.6	392.3	532.2	472.0
Women	461.1	304.2	447.5	341.5
All	483.7	362.9	483.7	426.4
% change				
Men	2.9	-0.1	3.2	2.3
Women	-0.3	-2.4	2.7	2.5
All	0.1	0.3	3.0	2.9

In NI, the median weekly earnings for full-time employees in the public sector was 33.0% higher than in the private sector at April 2007 and this was true for both men (36.5% higher) and women (54.9% higher). This is similar to last year, when public sector earnings were 33.3% higher among full-time staff.

In contrast, the equivalent median earnings in the UK as a whole was 13.5% higher in the public sector compared to the private sector. Median weekly public sector full-time earnings in NI was 2.8% lower than in the UK public sector at April 2007.

Full-time weekly private sector earnings in NI were £364.1, or 83.0% of the figure in the UK (compared to 85.1% in April 2006), reflecting a widening of the NI/UK private sector pay gap.

The marginal growth in median full-time public (0.1%) and private (0.3%) sector weekly earnings in NI was lower than in the UK public (3.0%) and private sector (2.9%).

Some of the difference between the public and private sectors in NI and the UK may be due to differences in the composition of the respective workforces and the timing of pay settlements.

² Employees on adult rates who have been in the same job for at least 12 months, including those whose pay was affected by absence.

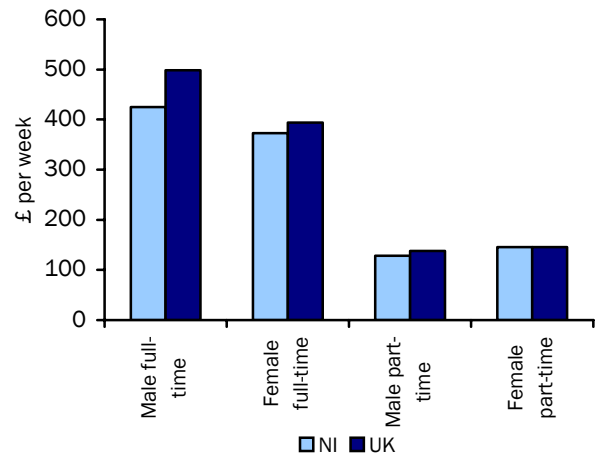
³ Affecting the pay of all non-industrial staff below the Senior Civil Service in all Departments and Agencies (excluding NIO Pay Group).

Median Weekly Earnings

2

- The median gross weekly earnings for all employees in NI in 2007 was £330.7, compared with a figure of £374.9 in the UK.
- Growth in NI median earnings for all employees was 2.5% over the year to April 2007. The growth in UK earnings was 3.3%.
- The median gross weekly earnings for full-time employees in NI (£401.9) was 12.0% lower than the UK (£456.7), compared to a difference of 9.3% in the previous year.
- While full-time weekly earnings in April 2007 were relatively similar to April 2006 (£402.5), UK full-time earnings increased by 2.9%.
- NI full-time median basic and other weekly pay increased by 0.9% over the year compared to 3.4% in the UK, suggesting that (when compared to gross weekly earnings trends) there may have been some reduction in the extent of overtime, shift premium or incentive pay over the year.
- Part-time weekly earnings were £141.2, up 7.9% over the year compared with an increase of 4.7% in the UK. The increase in total hours worked by part-time NI staff (see section 6) contributed to this increase.
- Full-time male weekly earnings were 17.3% higher in the UK compared to NI, while women's earnings were 5.7% higher in the UK than in NI.
- Women's median full-time earnings decreased by 0.4% in the year to April 2007, compared to an increase of 0.7% among men. However, both males and females saw an increase in mean full-time earnings (males: 0.7%; females: 1.4%).

Median gross weekly earnings by full-/part-time and gender
Figure 3



Median gross weekly earnings (NI) by full-/part-time and gender
Table 2

£	FULL-TIME	PART-TIME	ALL
April 2007			
Men	424.8	128.2	396.4
Women	372.6	145.3	273.6
All	401.9	141.2	330.7
April 2006			
Men	421.6	122.3	390.7
Women	374.2	132.5	260.2
All	402.5	130.8	322.7
% change			
Men	0.7	4.9	1.5
Women	-0.4	9.7	5.1
All	-0.2	7.9	2.5

Median Annual Earnings

3

- The median gross annual earnings for full-time employees⁴ was £21,003 in 2007, 12.5% lower than the equivalent figure in the UK (£24,002).
- Males working full-time had median annual earnings of £22,054, over 12% more than the equivalent female figure of £19,616.
- 20% of full-time employees earned more than £32,713 per year, while 20% earned less than £14,144.
- 10% of full-time employees earned more than £39,276 per year, while 10% earned less than £12,001.

Gross annual earnings for full-time employees by gender
Table 3

£	MALE	FEMALE	ALL
April 2007	22,054	19,616	21,003
April 2006	21,689	19,206	20,739
% change	1.7	2.1	1.3

⁴ Employees on adult rates who have been in the same job for at least 12 months, including those whose pay was affected by absence.

Median Hourly Earnings (excluding overtime)

4

- The median gross hourly rate of pay excluding overtime⁵ for all employees in NI grew by 0.8% between April 2006 and 2007, compared to 3.1% in the UK.
- Median gross hourly earnings excluding overtime for full-time employees was £9.82 per hour in April 2007, down by 1.3%.
- The decrease over the year in full-time female hourly earnings excluding overtime was 1.9%, which compares to a decrease of 0.7% for males.

Median gross hourly earnings excluding overtime by full-/part-time and gender

Table 4

£	FULL-TIME	PART-TIME	ALL
April 2007			
Men	9.93	6.78	9.53
Women	9.65	7.52	8.51
All	9.82	7.41	9.07
April 2006			
Men	10.00	7.33	9.71
Women	9.83	7.02	8.35
All	9.95	7.05	9.00
% change			
Men	-0.7	-7.5	-1.9
Women	-1.9	7.2	1.9
All	-1.3	5.2	0.8

⁵ Excludes overtime pay, but includes basic pay, shift premium pay, bonus or incentive pay, and allowances.

Gender Pay Gap (Full-time Employees)

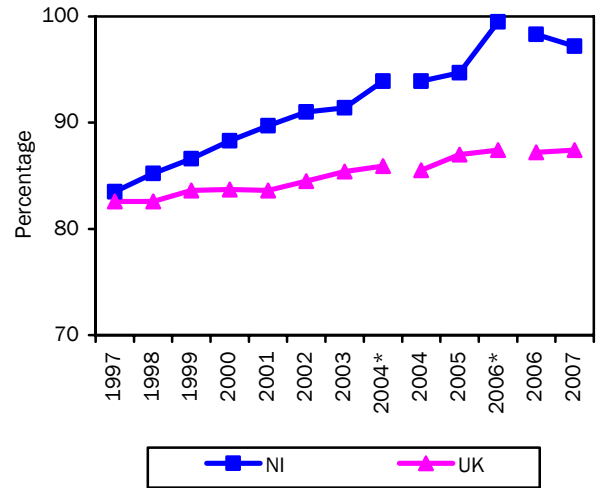
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- The ratio between full-time male and female median hourly earnings excluding overtime has decreased to 97.2%, down from 98.3% in 2006, which represents a widening of the gender pay gap in NI.
- However, female earnings as a percentage of male earnings continue to be higher in NI (97.2%) than in the UK (87.4%).

Full-time women's hourly earnings excluding overtime as a percentage of men's, 1997-2007
Table 5

	S HOURLY EARNINGS EXCLUDING OVERTIME (£)				RATIO WOMEN TO MEN (%)	
	MEN		WOMEN			
	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN
2007	9.93	12.25	9.65	11.37	97.2	92.8
2006	10.00	12.15	9.83	11.23	98.3	92.4
Excluding methodological changes introduced in 2007						
2006	10.02	12.20	9.97	11.32	99.5	92.8
2005	9.70	11.75	9.19	10.59	94.7	90.1
2004	9.37	11.16	8.80	10.11	93.9	90.6
Excluding supplementary information						
2004	9.44	11.21	8.86	10.15	93.9	90.5
2003	8.88	10.91	8.12	9.52	91.4	87.3
2002	8.70	10.44	7.92	9.16	91.0	87.7
2001	8.35	10.13	7.49	8.59	89.7	84.8
2000	8.15	9.70	7.20	8.29	88.3	85.5
1999	8.00	9.37	6.93	7.99	86.6	85.3
1998	7.76	9.06	6.61	7.52	85.2	83.0
1997	7.46	8.76	6.23	7.22	83.5	82.4

Median full-time female hourly earnings excluding overtime (NI versus UK) as a percentage of male earnings, 1997-2007
Figure 4



* The introduction of methodological changes to improve the quality of ASHE data has resulted in discontinuities in trends. More details of this can be found in the background notes.

Median Weekly Hours Worked in NI

6

- Gross median weekly hours of full-time employees was 38.6 hours in April 2007. Median part-time hours was 19.0 hours for the same period, an increase from 18.3 hours in April 2006.

Median weekly paid hours of work by full-/part-time and gender
Table 6

	FULL-TIME	PART-TIME	ALL
April 2007			
Men	40.0	18.0	39.2
Women	37.3	19.2	32.7
All	38.6	19.0	37.0
April 2006			
Men	40.0	16.0	39.0
Women	37.4	18.5	32.4
All	38.5	18.3	37.0

- The proportion of full-time employees working overtime in April 2007 was 22.3%. For those full-time employees who worked overtime, the median number of paid overtime hours was 4.8 hours.
- The decrease by one percentage point in the proportion of full-time staff working overtime at April 2007 compared to April 2006 partly contributed to the relative lack of change in median gross weekly earnings for full-time employees.
- Indeed, median basic and other weekly pay for full-time employees, which does not include overtime pay, increased by 0.9% over the year.

Median weekly overtime hours by full-/part-time and gender
Table 7

	FULL-TIME		PART-TIME	
	%	HOURS	%	HOURS
April 2007				
Men	27.6	5.5	14.9	x
Women	14.8	3.2	10.6	x
All	22.3	4.8	11.5	x
April 2006				
Men	28.9	5.1	26.0	x
Women	15.0	3.5	14.3	x
All	23.3	4.8	16.9	3.9

x Coefficient of variation too large to provide a reliable estimate

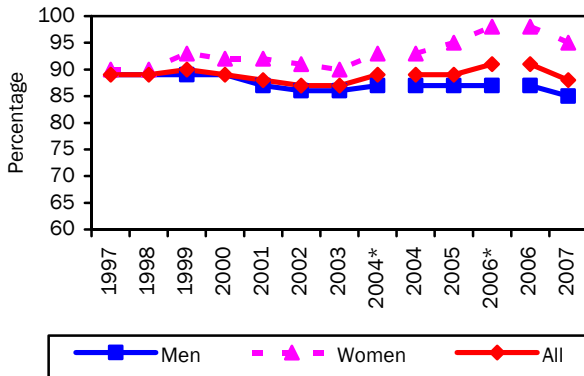
Comparison with the UK

7

- Over the period 2006–2007 there has been a slight increase in the NI/UK pay gap in weekly earnings of full-time employees (3 percentage points). This increase was experienced by both males and females (see Table 8).
- The earnings gap for all employees (i.e. full- and part-time) compared to the UK increased during this period, though to a lesser extent (1 percentage point).
- In 2002, NI full-time median weekly earnings were 87% and part-time median weekly earnings 94% of the corresponding UK figures. In 2007, these gaps were 88% among full-time staff and 98% among part-time staff, indicating some improvement in part-time earnings relative to the UK over the longer time period.
- The median gross weekly earnings for all employees (i.e. both full- and part-time) in NI at April 2007 was £330.7 or approximately 88% of the UK figure (£374.9), which was similar to the position in 2002.

NI full-time median gross weekly earnings as a percentage of the UK, 1997-2007

Figure 5



* The introduction of methodological changes to improve the quality of ASHE data has resulted in discontinuities in trends. More details of this can be found in the background notes.

NI full-time median gross weekly earnings as a percentage of the UK, 1997-2007

Table 8

	MEN	WOMEN	ALL
2007	85	95	88
2006	87	98	91
Excluding methodological changes introduced in 2007			
2006	87	98	91
2005	87	95	89
2004	87	93	89
Excluding supplementary information			
2004	87	93	89
2003	86	90	87
2002	86	91	87
2001	87	92	88
2000	89	92	89
1999	89	93	90
1998	89	90	89
1997	89	90	89

Comparison with UK Regions

8

- Although full-time employees in Northern Ireland had the lowest median gross weekly earnings (£401.9) across the UK regions, their earnings were relatively similar to such employees in the North East (£402.9) and Wales (£404.7) at April 2007.
- The full-time male earnings in NI were the lowest of any UK region, but only full-time female employees working in London, the South East, the East and Scotland earned more than their NI counterparts.

UK Regions – Median gross weekly earnings in April 2007 by full-/part-time and gender

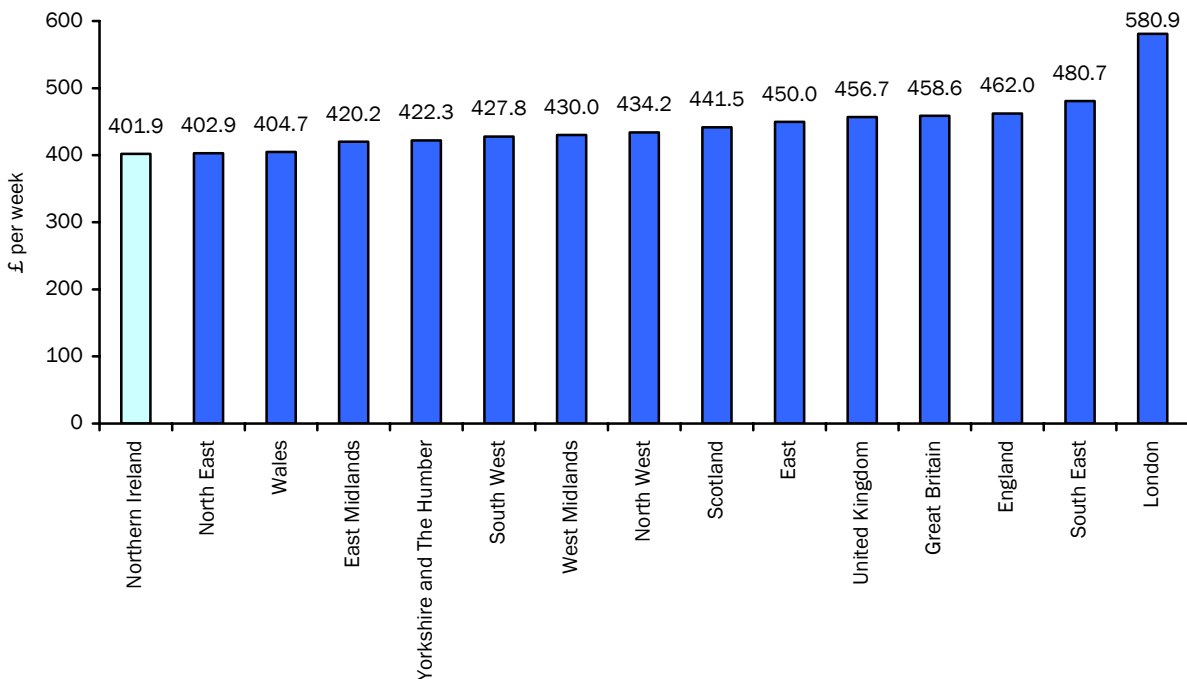
Table 9

	FULL-TIME MEN	FULL-TIME WOMEN	ALL FULL-TIME
North East	440.0	**350.3	402.9
North West	479.1	**371.5	434.2
Yorkshire and The Humber	465.1	**354.7	422.3
East Midlands	463.8	**354.7	420.2
West Midlands	467.4	**369.7	430.0
South West	476.5	**363.3	427.8
East	498.7	382.9	450.0
London	643.5	518.5	580.9
South East	535.0	408.0	480.7
England	505.4	399.2	462.0
Wales	441.7	**356.3	404.7
Scotland	482.2	382.0	441.5
Great Britain	500.0	394.8	458.6
Northern Ireland	424.8	372.6	401.9
United Kingdom	498.3	394.0	456.7

** Indicates those regions where median earnings were lower than in Northern Ireland

UK Regions – Median gross weekly earnings for full-time employees

Figure 6



Comparison of Public/Private Sector Earnings (NI/UK)

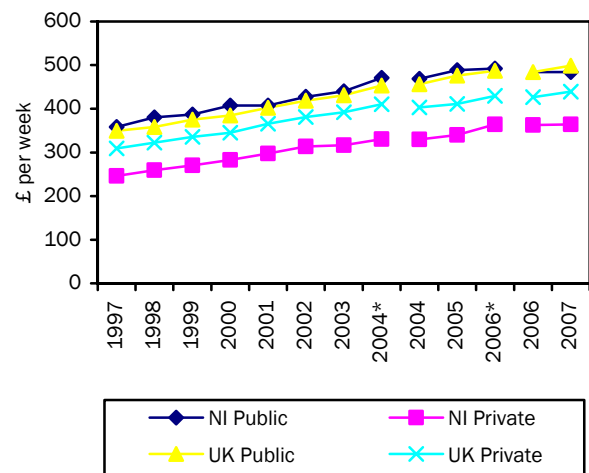
9

- The rate of growth of median gross weekly earnings for all (i.e. full- and part-time) NI employees in the public sector between April 2006 and 2007 (3.6%) was larger than for their counterparts in the private sector (0.5%).
- Due to a change in the timing of the Northern Ireland Civil Service pay award⁶, it should be noted that a relatively large proportion of full-time NI public sector employees and, to a lesser extent, part-time employees who had received their annual pay increase prior to ASHE 2006 had not yet received their annual pay increase in time to be reflected in ASHE 2007 results.
- This contributed to full-time public sector median weekly earnings increasing by 0.1% over the year, compared to 8.6% growth in part-time public sector earnings in NI.
- Public sector earnings for all employees in NI were slightly lower than those in the UK.
- Private sector earnings for all employees in NI were almost 18% lower than in the UK.
- For full-time NI employees, median weekly earnings in the public sector were approximately 33% higher than in the private sector at April 2007, and this was true for both men (37% higher) and women (55% higher). In the UK, the equivalent median earnings was 14% higher in the public sector than in the private sector.
- The marginal growth in median full-time public (0.1%) and private (0.3%) sector weekly earnings in NI was lower than in the UK public (3.0%) and private sector (2.9%).
- Some of the difference between the public and private sectors in NI and the UK may be due to differences in the composition of the respective workforces and the timing of pay settlements.

Median gross weekly earnings for full-time employees in the public and private sector
Table 10

£	NORTHERN IRELAND		UNITED KINGDOM	
	PUBLIC	PRIVATE	PUBLIC	PRIVATE
April 2007				
Men	534.9	391.8	549.1	482.8
Women	459.6	296.8	459.7	350.1
All	484.2	364.1	498.3	438.9
April 2006				
Men	519.6	392.3	532.2	472.0
Women	461.1	304.2	447.5	341.5
All	483.7	362.9	483.7	426.4
% change				
Men	2.9	-0.1	3.2	2.3
Women	-0.3	-2.4	2.7	2.5
All	0.1	0.3	3.0	2.9

Median gross weekly earnings for full-time employees in the public and private sector in NI and UK, 1997-2007
Figure 7



* The introduction of methodological changes to improve the quality of ASHE data has resulted in discontinuities in trends. More details of this can be found in the background notes.

⁶ Affecting the pay of all non-industrial staff below the Senior Civil Service in all Departments and Agencies (excluding NIO Pay Group).

Average Earnings by Occupation

10

- At 8.1%, the relatively low-paid Personal Service occupations experienced the largest increase in median full-time gross weekly wages (to £279.9) across the occupational groupings.
- Sales and Customer Services continued to be the lowest paid full-time occupational group (£251.7) and experienced marginal growth (0.8%) in median wages between April 2006 and 2007.

Average earnings by occupation, full-time employees – April 2007

Table 11

	COUNT (THOUSANDS)	MEDIAN GROSS WEEKLY PAY (£)	MEAN GROSS WEEKLY PAY (£)	MEDIAN TOTAL WEEKLY HOURS	MEAN TOTAL WEEKLY HOURS
Managers and Senior Officials	62	545.1	659.0	38.0	38.9
Professional Occupations	81	638.3	681.8	36.5	36.5
Associate Professional and Technical Occupations	86	550.5	560.4	37.7	39.9
Administrative and Secretarial Occupations	69	304.0	335.0	37.5	38.6
Skilled Trades Occupations	55	382.4	408.7	40.0	41.9
Personal Service Occupations	31	279.9	303.8	37.5	38.2
Sales and Customer Service Occupations	19	251.7	277.6	38.7	38.9
Process, Plant and Machine Operatives	61	345.4	364.2	40.5	43.1
Elementary Occupations	41	284.9	302.7	40.0	41.5

Average Earnings by Industry

11

- Employees in Electricity, Gas and Water Supply had the highest full-time median earnings at April 2007 (£642.1) with growth of 10.0% over the course of the year.
- While full-time employees worked in Agriculture, Hunting and Forestry received the lowest median gross weekly pay across the industries (£270.5), earnings for this group increased by 6.6% over the year.

Average earnings by industry, full-time employees – April 2007

Table 12

	COUNT (THOUSANDS)	MEDIAN GROSS WEEKLY PAY (£)	MEAN GROSS WEEKLY PAY (£)	MEDIAN TOTAL WEEKLY HOURS	MEAN TOTAL WEEKLY HOURS
Agriculture, hunting and forestry	x	270.5	313.6	40.0	44.5
Mining and quarrying	x	367.7	420.1	41.4	46.1
Manufacturing	86	383.8	430.2	40.0	41.2
Electricity, gas and water supply	x	642.1	680.9	37.0	37.9
Construction	32	384.7	443.8	40.0	42.0
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	58	328.8	409.8	40.0	39.9
Hotels and restaurants	13	271.1	323.2	39.0	40.9
Transport, storage and communication	22	382.1	449.2	40.0	42.4
Financial intermediation	16	395.1	524.9	35.0	35.9
Real estate, renting and business activities	48	392.5	465.9	37.5	38.9
Public administration and defence; compulsory social security	60	507.6	550.0	42.0	42.3
Education	56	607.5	582.5	33.5	34.6
Health and social work	85	409.2	476.7	37.5	38.2
Other community, social and personal service activities	20	369.2	445.0	38.4	39.7
Private households with employed persons	d				

x Coefficient of variation too large to provide a reliable estimate

d Disclosive

Background Notes for Northern Ireland Annual Survey of Hours and Earnings (ASHE) 2007

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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) carry out ASHE in Great Britain and it is carried out by the Department of Enterprise, Trade & Investment (DETI) in Northern Ireland.

ASHE is the first survey to be designed as part of the ONS Statistical modernisation programme and benefits from improved methodologies and statistical tools. The development of the survey follows the recommendations made in the National Statistics Quality Review of the Distribution of Earnings Statistics for improving the collection of earnings statistics. This release contains summary statistics from the 2007 survey.

COVERAGE AND SAMPLING

As in previous years, the sample used for the survey included approximately 1% of all employees in Northern Ireland who were covered by PAYE schemes. 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.

In March 2007, ONS released information on its statistical work priorities over the period 2008-2011. ONS announced that the sample size of the Annual Survey of Hours and Earnings (ASHE) was to be reduced by twenty per cent. ASHE results for 2007 are based on approximately 142,000 returns, down from 175,000 in 2006. The impact of this change has been minimised by reducing the sample in an optimal way, with the largest sample reductions occurring in industries where earnings are least variable. The sample cut excludes returns for Northern Ireland.

The survey information related to the pay-week (or other pay-period if the employee was paid less frequently) which included 18th April 2007. 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.

The resulting analyses do not show information about identifiable people or private businesses.

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. For 2006 and 2007 ASHE results, ONS has also introduced a small number of methodological changes (to the sample design) which will improve the quality of the results.

The ASHE results since 2004 are therefore discontinuous with earlier results, as are those for 2006 and 2007. However, for 2004 two sets of results are available (the first include supplementary information and the second exclude 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).

The earnings information presented relates to gross pay before tax, National Insurance or other deductions, and excludes payments in kind. 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.

RESPONSE AND WEIGHTING

A total of 6,477 returns were received by the Department (97% of those sampled).

ASHE responses are weighted to the number of jobs measured by the Labour Force Survey 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 Labour Force Survey has 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 2006 survey results published on 26th October 2006. These results take account of some corrections to the original 2006 data that were identified during the validation of the results for 2007, as well as late returns and in addition to the previously discussed methodological changes.

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 above which half the population fall.

GENDER PAY GAP

Various methods can be used to measure the earnings of women relative to men. ONS and DETI prefer to use hourly earnings excluding overtime: including overtime can distort the picture as men work relatively more overtime 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.

DEFINITIONS

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

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

Please note that figures relating to numbers employed (shown in some of the tables) are for indicative purposes only and should not be considered an accurate estimate of employee job counts.

FURTHER INFORMATION

Further information is available on request from:

**Department of Enterprise, Trade and Investment
Statistics Research Branch
ASHE Section
Room 110
Netherleigh
Massey Avenue
Belfast BT4 2JP**

Telephone: (028) 9052 9385 or 9052 9897

Fax: (028) 9052 9459

Textphone: (028) 9052 9304

E-mail: mark.mcfetridge@detini.gov.uk

Website: www.statistics.detini.gov.uk

Additional Tables

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Data on the following:

- 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

is available for:

2007

- Headline Statistics
- Industry
- Occupation
- Public/Private Sector

2006

- Headline Statistics
- Industry
- Occupation
- Public/Private Sector

and can be found on the website – www.statistics.detini.gov.uk – along with Headline Statistics for the years 1997 to 2006 (old methodology). Click on “Surveys, Inquiries”, then on “Annual Survey of Hours and Earnings”.