

EDS Briefing Note No. 14

New Earnings Survey 2001

The New Earnings Survey (NES) is a sample survey of the earnings of employees in employment in Great Britain. It is carried out in April of each year. Its purpose is to obtain information about levels, distribution and make-up of earnings of employees in all industries and occupations. It was introduced in 1968 and the form has been broadly the same since 1970. It is designed to represent all categories of employees in businesses of all kinds and sizes. The survey is employer based, representing people who work in the area rather than live in the area.

Whilst there are a number of variables available from the NES, this briefing note considers gross weekly and hourly pay and hours worked. Analysis is given for males and females and for part time and full time employees. Some occupation analysis is also provided.

Information from the NES is suppressed if the sample is too small, consequently information at ward level is largely unavailable. Focus is therefore given to data at the Kirklees level and comparisons are provided from data at national, regional and sub-regional levels.

KEY POINTS ;

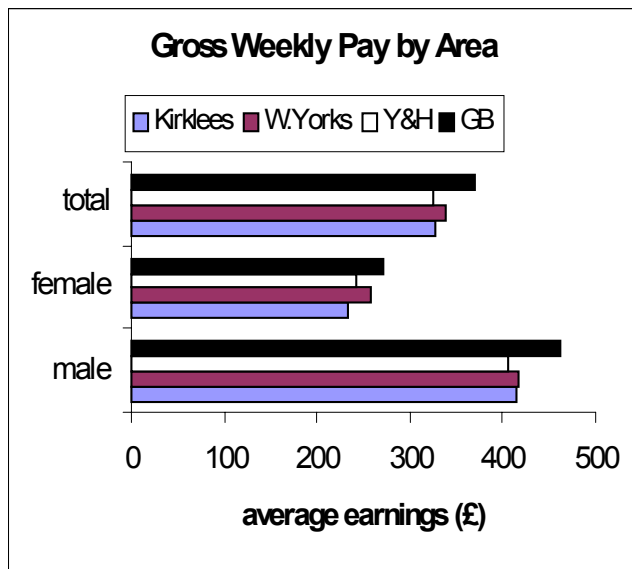
- Kirklees employees are generally lower paid than nationally but better paid than across the region as a whole.
- Earnings have increased in recent years but not dramatically,
- Gender differences in pay are clearly evident.
- Hours worked are broadly similar across the country, although employees work slightly longer in Kirklees than nationally.
- Managers and administrators are generally the highest paid occupations although for women professional occupations take the top spot.
- The lower paid occupations receive around 26% of the highest paid occupations earnings.
- Average gross hourly pay in Kirklees is generally above the minimum wage, although some occupations are nearer the minimum than others.

Gross Weekly Pay

The average gross weekly pay for all those working in Kirklees in 2001 was £328.21. For full time workers gross weekly pay was £396.64 and for part time workers £133.63 per week. This is less than the national average weekly pay and the sub region but higher than regional levels (Chart 1).

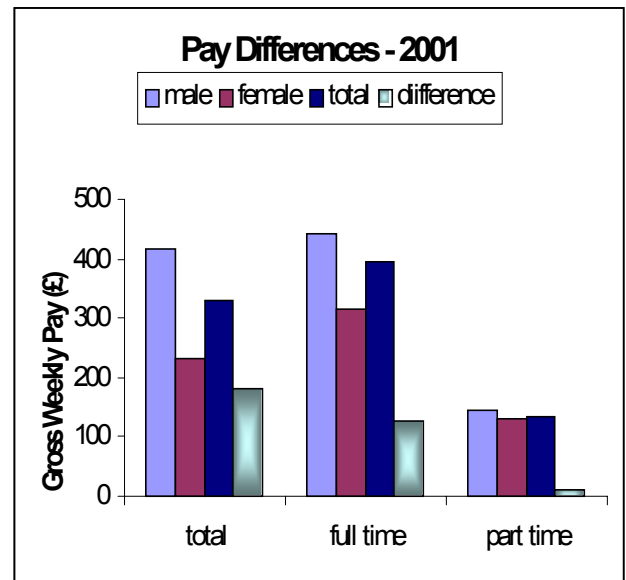
The average weekly pay for men is considerably higher than for women; £415.84 compared to £233.15. This reflects the fact that more women work part time and generally earn less overall. Comparing full time pay further illustrates the gender gap; male average gross weekly pay stands around £443 and for women at £315. The differences in part time pay are less dramatic but still show men earning more than women (Chart 2).

Chart 1 :



Source: NOMIS

Chart 2 :



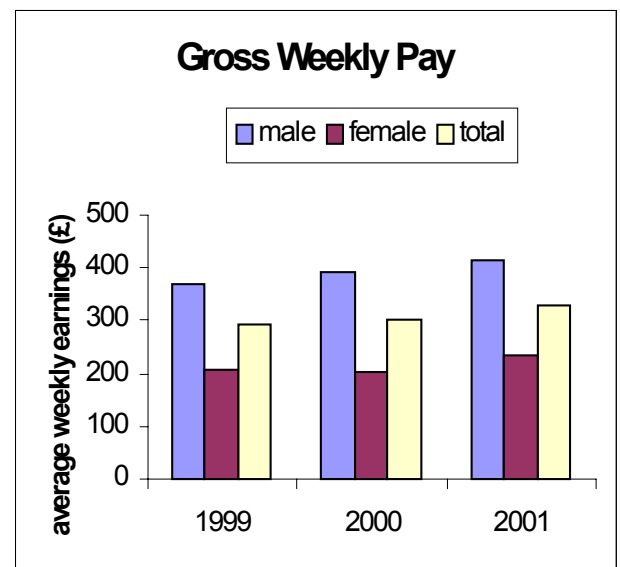
Source: NOMIS

Over the past three years gross weekly pay in Kirklees has generally increased, though not excessively. For all employees average pay has increased from £294 to £328 per week, an 11.7% increase. Both men and women have experienced increases in pay of a similar order, 12% for men and 11.5% for women (Chart 3).

Chart 3:

In 1999 gross weekly pay in Kirklees was lower than the national, regional and sub-regional levels. This was the case for both full time and part time workers. By 2000 pay in Kirklees for full time workers exceeded the regional level and by 2001 both full time and part time pay in Kirklees exceeded the regional levels. Pay in Kirklees does however remain consistently below both the sub-regional and national levels.

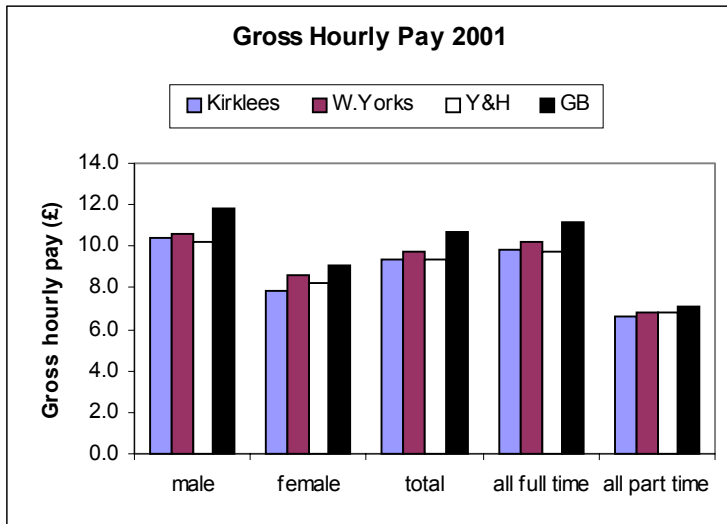
The national minimum wage applies to nearly all workers and sets hourly rates below which pay must not be allowed to fall. The rates set are based on the recommendations of the independent Low Pay Commission.



Source: NOMIS

As of October 2001 the main adult rate for workers aged 22 and over is £4.10 per hour with an expected rise to £4.20 per hour in October 2002. The development rate for workers aged 18 -21 inclusive is £3.50 rising to £3.60 per hour in October 2002.

Chart 4:



Average hourly rates, excluding overtime, in Kirklees for all employees is £9.37 per hour, significantly above the minimum wage. Female pay, as described above is somewhat less; £7.89 and for part time workers is under £7.00.

The variations for different areas are illustrated in Chart 4. Kirklees sits persistently below the national average and that for West Yorkshire but remains on a par with the region.

Source: NOMIS

Whilst the average hourly rates are comfortably above the minimum wage there is a suggestion that female and part time rates in some cases may only just be above the minimum. For example female pay in craft and related occupations barely reaches an average of £4.50 per hour, as detailed later in the Occupational Analysis.

Hours Worked

There are a number of variables used in the NES that describe the hours worked by employees in Kirklees. Many include overtime etc. Here we consider the total hours worked and the normal basic hours worked, both on a weekly basis, and with no accounting for overtime.

Table 1 provides details of the hours worked over the past three years for both full time and part time workers in Kirklees. On average in 2001 full time workers worked just over 40 hours a week and part time workers worked just over 20 hours each week.

Table 1:

HOURS WORKED – KIRKLEES 1999 -2001				
		1999	2000	2001
Normal basic	part time	17.88	18.00	19.47
	full time	38.11	38.11	38.21
total hrs worked	part time	19.37	19.14	20.93
	full time	40.25	40.54	40.42

The greatest changes over the last three years have been in part-time working. The normal basic hours worked each week on average has increased by 8% whereas full time hours have increased by just less than 1%. Total hours worked have increased by similar rates.

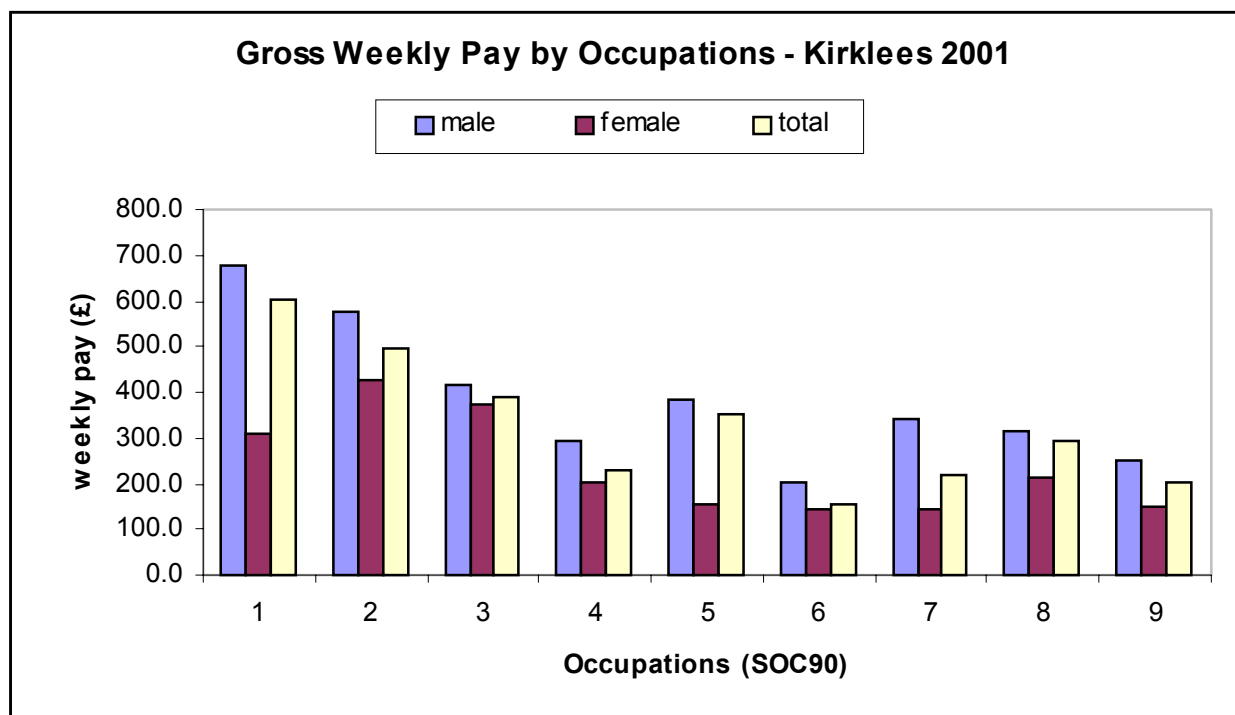
Source: NOMIS

Looking at national and regional comparisons, the figures suggest that on average those working in Kirklees tend to work longer hours per week. The differences however are minimal relating to less than one hour per week in most instances.

Occupational Analysis

When the NES data is analysed by occupation at Kirklees level, the information becomes less reliable due mainly to small sample sizes. The following information is therefore more generalized and indicative. Chart 5 presents gross weekly pay by occupation and clearly illustrates the wide variations for both gender and occupation.

Chart 5:



- | | | |
|----------------------------|------------------------------|-----------------------------|
| 1= Managers/Administrators | 2= Professional occupations | 3= Associate prof/technical |
| 4= Clerical/Secretarial | 5= Craft/related occupations | 6= Personal/ protective |
| 7= Sales Occupations | 8= Plant/machine operatives | 9= Other occupations |

Based on gross weekly pay, in Kirklees the highest paid occupations, not surprisingly, are managers and administrators. The lowest paid occupations are personal/protective service occupations. The lowest paid occupations receive approximately 26% of the highest paid occupations.

Both regionally and nationally the lowest paid occupations are 'other occupations' with managers and administrators retaining the top spot. Repeating a similar analysis to that above, nationally the lowest paid occupations earn 31% of the highest paid occupations and regionally are around 35%. This suggests that in Kirklees the dispersion of earnings is greater amongst occupations than nationally or regionally.

Generally this pattern applies for both men and women although the figures suggest that for women professional occupations are the highest paid and personal/protective services

remain the lowest. The correlation between women and part time workers is further illustrated as part time pay is highest for professional occupations.

There has been little change over the last three years relating to pay and occupations. Generally pay for all occupations has increased although clerical and secretarial occupations have seen a slight decrease in the average gross weekly pay. There have been a few fluctuations evident in sales occupations, but nothing of significance. The dispersion of pay amongst occupations in Kirklees has increased by 4 percentage points; from the lowest paid occupations being paid 22% of the highest pay in 1999 to 26% in 2001.

There are obvious limitations to the information available from the New Earnings Survey and our analysis, historical and other, is limited by the availability of information from NOMIS.

Technical Note: The data used in this briefing note is that produced by NOMIS. These results are based on 1991 frozen wards to allow comparisons over time. Larger administrative areas are built up from the ward base on a best-fit basis. This is different to the approach by the Office of National Statistics (ONS) which uses current geographic areas. Where the geographic boundaries have changed differences between ONS estimates of pay and NOMIS estimates are evident. Estimates produced by ONS will be accepted as the best information and used by National Statistics.

This is one of a series of Briefing Notes produced by the Economic Development Service on key policy and research issues. For further information please contact:

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